

**TAX HAVEN ABUSES: THE ENABLERS, THE TOOLS
AND SECRECY—VOL. 4 OF 4**

HEARING

BEFORE THE

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

OF THE

COMMITTEE ON
HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

ONE HUNDRED NINTH CONGRESS

SECOND SESSION

AUGUST 1, 2006

Printed for the use of the Committee on Homeland Security
and Governmental Affairs



TAX HAVEN ABUSES: THE ENABLERS, THE TOOLS AND SECRECY
VOL. 4 OF 4

**TAX HAVEN ABUSES: THE ENABLERS, THE TOOLS
AND SECRECY—VOL. 4 OF 4**

HEARING

BEFORE THE

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

OF THE

COMMITTEE ON
HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

ONE HUNDRED NINTH CONGRESS

SECOND SESSION

AUGUST 1, 2006

Printed for the use of the Committee on Homeland Security
and Governmental Affairs



U.S. GOVERNMENT PRINTING OFFICE

33-415 PDF

WASHINGTON : 2006

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
Fax: (202) 512-2250 Mail: Stop SSOP, Washington, DC 20402-0001

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

SUSAN M. COLLINS, Maine, *Chairman*

TED STEVENS, Alaska	JOSEPH I. LIEBERMAN, Connecticut
GEORGE V. VOINOVICH, Ohio	CARL LEVIN, Michigan
NORM COLEMAN, Minnesota	DANIEL K. AKAKA, Hawaii
TOM COBURN, Oklahoma	THOMAS R. CARPER, Delaware
LINCOLN D. CHAFEE, Rhode Island	MARK DAYTON, Minnesota
ROBERT F. BENNETT, Utah	FRANK LAUTENBERG, New Jersey
PETE V. DOMENICI, New Mexico	MARK PRYOR, Arkansas
JOHN W. WARNER, Virginia	

MICHAEL D. BOPP, *Staff Director and Chief Counsel*

MICHAEL L. ALEXANDER, *Minority Staff Director*

TRINA DRIESSNACK TYRER, *Chief Clerk*

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

NORM COLEMAN, Minnesota, *Chairman*

TED STEVENS, Alaska	CARL LEVIN, Michigan
TOM COBURN, Oklahoma	DANIEL K. AKAKA, Hawaii
LINCOLN D. CHAFEE, Rhode Island	THOMAS R. CARPER, Delaware
ROBERT F. BENNETT, Utah	MARK DAYTON, Minnesota
PETE V. DOMENICI, New Mexico	FRANK LAUTENBERG, New Jersey
JOHN W. WARNER, Virginia	MARK PRYOR, Arkansas

RAYMOND V. SHEPHERD, III, *Staff Director and Chief Counsel*

LELAND B. ERICKSON, *Senior Counsel*

MARK D. NELSON, *Senior Counsel*

ELISE J. BEAN, *Staff Director and Chief Counsel to the Minority*

ROBERT L. ROACH, *Counsel and Chief Investigator to the Minority*

LAURA E. STUBER, *Counsel to the Minority*

ZACHARY I. SCHRAM, *Professional Staff Member to the Minority*

JULIE DAVIS, *Counsel to Senator Carl Levin*

MARY D. ROBERTSON, *Chief Clerk*

CONTENTS

Opening statements:	Page
Senator Coleman	1
Senator Levin	5
Senator Collins	12
Senator Lautenberg	13
Senator Stevens	15
Senator Dayton	15
Senator Carper	76

WITNESSES

TUESDAY, AUGUST 1, 2006

Hon. Mark Everson, Commissioner, Internal Revenue Service, Washington, DC	15
Reuven S. Avi-Yonah, Irwin I. Cohn Professor of Law, University of Michigan School of Law, Ann Arbor, Michigan	27
Gary M. Brown, Chairman, Corporate Department, Baker, Donelson, Bearman, Caldwell and Berkowitz, Nashville, Tennessee	28
Haim Saban, Saban Capital Group, Inc., Los Angeles, California	37
Robert Wood Johnson IV, New York, New York	38
Michael C. French, Former Wyly Trust Protector, Dallas, Texas	39
Louis J. Schaufele III, Securities Broker, Dallas, Texas	54
Jeffrey Greenstein, Chief Executive Officer, Quellos Group, LLC, Seattle, Washington	55
Michael G. Conn, Private Bank Northwest Region President, Bank of America, San Francisco, California	56
George T. Wendler, Senior Executive Vice President and Chief Credit Officer, HSBC Bank USA, Marlboro, New Jersey	58
Michael G. Chatzky, Chatzky and Associates, San Diego, California	79
John P. Barrie, Bryan Cave LLP, Washington, DC	82
Lewis R. Steinberg, Former Partner, Cravath, Swaine and Moore, LLP, New York, New York	82
Charles W. Blau, Meadows, Owens, Collier, Reed, Cousins and Blau, Dallas, Texas	83

ALPHABETICAL LIST OF WITNESSES

Avi-Yonah, Reuven S.:	
Testimony	27
Prepared statement	111
Barrie, John P.:	
Testimony	82
Blau, Charles W.:	
Testimony	83
Prepared statement	158
Brown, Gary M.:	
Testimony	28
Prepared statement	120
Chatzky, Michael G.:	
Testimony	79
Conn, Michael G.:	
Testimony	56
Prepared statement	147
Everson, Hon. Mark:	
Testimony	15

IV

	Page
Everson, Hon. Mark—Continued	
Prepared statement with an attachment	99
French, Michael C.:	
Testimony	39
Prepared statement	140
Greenstein, Jeffrey:	
Testimony	55
Prepared statement	142
Johnson, Robert Wood IV:	
Testimony	38
Saban, Haim:	
Testimony	37
Prepared statement	139
Schaufele, Louis J. III:	
Testimony	54
Steinberg, Lewis R.:	
Testimony	82
Wendler, George T.:	
Testimony	58
Prepared statement	155

APPENDIX

Minority and Majority Staff Report entitled “Tax Haven Abuses: The Enablers, the Tools and Secrecy”	161
---	-----

EXHIBITS

1. <i>Wyly Offshore Structure</i> , chart prepared by the Permanent Subcommittee on Investigations, Minority Staff	622
2. <i>Pass-Through Loans</i> , chart prepared by the Permanent Subcommittee on Investigations, Minority Staff	623
3. <i>Transferring Assets Offshore</i> , chart prepared by the Permanent Subcommittee on Investigations, Minority Staff	624
4. <i>Some Directions By The Wyly Trust Protectors</i> , chart prepared by the Permanent Subcommittee on Investigations, Minority Staff	629
5. <i>Some Directions By The Wyls</i> , chart prepared by the Permanent Subcommittee on Investigations, Minority Staff	677
6. <i>POINT Strategy</i> , chart prepared by the Permanent Subcommittee on Investigations, Minority Staff	722
7. <i>The Truth Behind POINT</i> , chart prepared by the Permanent Subcommittee on Investigations, Minority Staff	723
8. <i>Bulldog Trust</i> quote, chart prepared by the Permanent Subcommittee on Investigations, Minority Staff	724
9. a.–g. Charts related to POINT Strategy prepared by the Permanent Subcommittee on Investigations, Minority Staff.....	725–731
10. Sharyl Robertson/Michael French communications with Lorne House Trust, dated April 1992, re: <i>Pitkin Non-Grantor Trust and Bulldog Non-Grantor Trust (... reporting/volume selling requirements of these securities. ... the securities in no way need to be aggregated with the Settlers of the Trusts ...)</i>	732
11. a. Sharyl Robertson (Maverick) Correspondence to Ronald Buchanan (Lorne House Trust), dated October 1992, re: <i>Photomatrix Corporation (Mike French and I would like to recommend to the Trustee to purchase the following security from Sam Wyly: ... shares of Photomatrix Corporation ...)</i>	741
b. Ronald Buchanan (Lorne House Trust) Correspondence to Michael French, dated October 1992, re: <i>Photomatrix Corporation</i>	743
12. Charles Lubar (Morgan, Lewis & Bockius) Memorandum to Michael French, dated February 1994, re: <i>Tax Consequences of Grantor Trust</i>	744
13. Ronald Buchanan (Lorne House Trust) Fax to Michael French (Maverick), dated March 1995, re: <i>The Scottish Annuity Company (Cayman) Ltd</i>	749

	Page
14. Michael French (Maverick) Fax to Shaun Cairns (Wychwood Trust Limited), dated October 1995, re: <i>The Red Mountain Trust and The Lafourche Trust</i>	751
15. Shaun Cairns (Wychwood Trust Limited) Fax to Michael French (Maverick Capital), dated October 1995, re: <i>Lafourche and Red Mountain (We have made additional changes to the 4th Schedule of Lafourche. ... The genders were a bit mixed up. Could you please let me have your views before I have them signed up and dated. (Back dated).)</i>	763
16. Shari Robertson (Maverick) Fax to David Bester (Trident Trust), dated August 1997, re: <i>LaFourche Trust (Sam Wyly has executed a Letter of Wishes on behalf of LaFourche Trust.)</i>	764
17. a. Ronald Buchanan (Lorne House Trust) Fax to Michael French (Maverick), dated March 1995, re: <i>Bulldog & Plaquemines Trusts (Since the purpose of the exercise, as I understand it, is to divide the ownership of Sterling Software we need to split ownership of the underlying companies which own SS between the two trusts.)</i>	765
b. Barbara Rhodes (Lorne House Trust Limited) Fax to Michael French (Maverick), dated March 1995, re: <i>Sterling Software (We intend to transfer East Carroll Limited and East Baton Rouge Limited from Bulldog to Plaquemines, this would mean that Plaquemines would hold 350,000 shares and Bulldog would hold 644,725 shares of Sterling Software.)</i>	766
c. RB [Ronald Buchanan] Memorandum to AJB, JKB, Shaun Cairns, RJC, FKVC, DJ, JEP, BAR, dated August 1995, re: <i>Plaquemines, Delhi, Assumption & Pueblo Trusts (Wychwood must not be trustee of two sets of trusts which are buying options simultaneously since the amount involved would trigger a reporting requirement.)</i>	767
d. Ronald Buchanan (Lorne House Trust) Correspondence to A.J. Buchanan (The Wyls, who are officers of and shareholders in SS, have been advised that, in consequence, there is no reporting requirement under SEC regulations, ...)	768
18. Michael French (Maverick) Fax to Ronald Buchanan (Lorne House Trust), dated July 1995, re: <i>Wychwood (Please dispose of this fax after reading, as there will be ample documentation as needed. ... Wychwood would, in either case, be limited to approximately 600,000 to 700,000 calls, in order to stay under 5% of the outstanding shares and avoid SEC reporting.)</i>	769
19. Shari Robertson Memorandum to Sam, Charles, Evan & Donnie, dated November 1997, re: <i>Compensation and year-end bonus reviews</i>	770
20. Michelle Boucher (Irish Trust Group) emails, dated August 2001, re: <i>URGENT email for Sam, we need a quick reply on this—thanks! (... foreign trust system.)</i>	771
21. a. Louis Schaufele email, dated February 2002, re: <i>accts. (Should the offshore accounts come here they would come as independent new entities, which I would work to maintain.)</i>	777
b. Louis Schaufele email, dated February 2002, re: <i>changes (I wanted to let you know that our entire team has left Lehman Brothers and joined Banc of America Securities.)</i>	778
c. Keeley Hennington/Michelle Boucher emails, dated February 2002, re: <i>Lehmans (Lou's move to BofA was final last week. Sam & Charles have consented to moving all their stuff with him.)</i>	779
d. Louis Schaufele email, dated March 2002, re: <i>IOM (I am very aware of the know your customer rule and I know these customers very well ...)</i>	781
e. Zachary Pinard (Fidelity Investments) email, dated January 2004, re: <i>URGENT REQUEST FOR INFORMATION FOR: [Acct. Redacted by Subcommittee] Devotion LTD—Bank of America Correspondent (Who is the beneficial owner of this account?)</i>	782

	Page
21. a. Louis Schaufele email, dated February 2002, re—Continued	
f. Michele Crittenden/Margo Hursh emails, dated January 2004, re: <i>URGENT REQUEST FOR INFORMATION FOR: [Acct. Redacted by Subcommittee] Devotion LTD—Bank of America Correspondent (Devotion Ltd. is an offshore corporation (Incorporated in the Isle of Man), which serves as an investment entity. The beneficial owner of the entity is an offshore grantor trust ... the beneficiaries of which are U.S. individuals.)</i>	783
g. Margo Hursh/Denise Wollard emails, dated February 2004, re: <i>Account Inquiry—Various (My concern is that I do not believe that this company is reporting the ownership of the shares adequately.)</i>	785
h. Barry Harris/Louis Schaufele emails, dated March 2004, re: <i>need some offshore help (Is it sufficient to say that the beneficiaries of the trust are members of the Charles Wyly family and their immediate children and grandchildren subject to the discretion of the trustee?)</i>	789
i. Michelle Boucher/Michele Crittenden emails, dated April 2004, re: <i>bofa (Last week you mentioned that an acceptable financial institution for purposes of providing certification that BofA/NFS requires would be a US regulated insurance company. Please confirm back to me that Scottish Re Group Limited would be an acceptable entity.)</i>	791
j. Louis Schaufele email, dated April 2004, re: <i>regular (First let me say I am sorry for all of this run around on the offshores.)</i>	792
k. Lori Bensing email, dated April 2004, re: <i>Michaels Account (Here is where we are with the Michaels accounts. I understand that Michele Boucher has agreed to give Bank of America the beneficial ownership information, ...)</i>	793
l. Louis Schaufele email, dated April 2004, re: <i>same old subject (do we need to set up a call with Phil, myself and charles pulman?)</i>	794
m. Louis Schaufele emails, dated May 2004, re: <i>AML Issues (What if we got a list of the beneficiaries that was somewhat vague: ...)</i>	795
n. Louis Schaufele email, dated May 2004, <i>(I did talk to David about giving a letter that stated names of beneficiaries but did not tie the beneficiaries to a specific acct.)</i>	796
o. Louis Schaufele email, dated May 2004, re: <i>help (Also can you get Meadows Owens ...)</i>	797
p. Daniel Robey/Louis Schaufele emails, dated May 2004, re: <i>Isle of Man (IOM) (I am being told that because of the Patriot Act we need to know whom the actual beneficiaries are.)</i>	798
q. Louis Schaufele email, dated May 2004, re: <i>IOM (Set forth below is the relevant text of Section 312 of Patriot Act.)</i>	800
r. Timothy Maloney/Barry Harris emails, dated June 2004, re: <i>Wileys [sic]—Attorney/client Privileged (Participate in the joint retention by all Wiley [sic] trust beneficiaries ... of an outside law firm ... to perform the AML and Patriot checks that BAI and NFS require.)</i>	803
s. Barry Harris emails, dated July 2004, re: <i>A/C Privileged—Wyley [sic] Offshore Trust Accounts—Update (We developed the following proposal: NFS will prepare written questions which they need answered to continue to support the accounts; BAI will add any questions which it believes need to be answered.)</i>	807
t. Louis Schaufele/Lori Bensing/Margo Hursh emails, dated July 2004, re: <i>AML Inquiry—Account(s): Offshore Trident Trusts (Please respond to the following questions regarding the accounts listed below. ... Who are the beneficial owners, clients, principals, etc. of each account?)</i>	810
u. Steve Ganis (Anti-Money Laundering Officer, National Financial Services LLC) Memorandum to Barry Harris (Chief Counsel, Bank of America Investment Services, Inc.), dated September 2004, re: <i>Requests Concerning Certain Bank of America Accounts (... here follows a list of questions to be answered and information to be provided in order to understand certain activity patterns in certain accounts introduced to National Financial Services LLC (“NFS”) by Bank of America Investment Securities, Inc.)</i>	812

VII

	Page
21. a. Louis Schaufele email, dated February 2002, re—Continued	
v. Jennifer Moran emails, dated October 2004, re: <i>new copy for Barry Harris—MIK questions for BofA.doc (While I understand the politics we feel that this is your customer and that the list of questions should come from you as broker dealer)</i>	817
w. Phil White/Louis Schaufele/Timothy Maloney emails, dated October 2004, re: <i>Michaels Stores (It seems that 144 and affiliation is a question along with AML issues.)</i>	819
x. Timothy Maloney (Bank of America) Correspondence to Francis Webb (Trident Trust), dated October 22, 2004, (<i>... it is necessary for Bank of America to obtain the information for each entity, natural person or trust that directly or indirectly owns, controls or holds a beneficial ownership interest in whole or in part in any of the accounts listed below.</i>)	824
y. Francis Webb (Trident Trust) Correspondence to Timothy Maloney (Bank of America), dated October 2004, (<i>I confirm receipt of your letter dated 22 October 2004. ... please clarify the following items: Why the information is being requested.</i>)	826
z. Michelle Boucher/Timothy Maloney Correspondence, dated November 2004, (<i>Given my vast experience in these matters I would like to say that the manner in which your institution has dealt with the due diligence collection process on the above accounts appalls and enrages me.</i>)	827
22. <i>Sterling Software Trades, Date 12–Dec–95</i>	831
23. <i>SSW Swap Execution Report, Sarnia, Greenbriar, Quayle</i> , dated October 13, 1999	832
24. Shari Robertson Memorandum to Lou Schaufele, dated July 1999, (<i>... option exercise for some of the offshore entities ...</i>)	833
25. Keeley Hennington emails, dated October 2001, re: <i>Urgent—Charles, Quayle (Hey, Charles called and wanted to sell 100,000 shares of MIKE at \$42.00 or better today and asked me to call Lehman. They were okay with my verbal and just need you to follow up and get some instruction from the trustees also.)</i>	834
26. Rodney Owens email, dated February 2001, re: <i>Sam Wyly Family Foreign Trust Planning</i>	837
27. a. Rodney Owens (Meadows, Owens, Collier, Reed, Cousins & Blau, L.L.P.) Memorandum, dated December 1998, re: <i>Plaquemines, Bulldog and Pitkin Trust Matters (Plaquemines Reappointment Matters)</i>	865
b. David Harris/Rodney Owens email, dated December 1998, re: <i>Plaquemines etc. (Local counsel's preference is for beneficiary consent to be obtained to the Bulldog and Pitkin applications; ...)</i>	867
c. Davis Harris (IFG International Limited)/Meadows Owens Fax, dated March 2004, (<i>I attach a copy of the proposed Deed of Declaration unwinding Bulldog II, ...</i>)	868
28. Michelle Boucher (The Irish Trust Company (Cayman) Ltd) Fax to Charles Wyly, dated October 2000, (<i>... we have a substantive meeting set up in Cayman for November 28th, which we hope will move us well forward to establishing the Protector Company.</i>). Attached is <i>List of Candidates for Protector or Directors of the Protector Company.</i>)	869
29. a. Michelle Boucher/Shari Robertson email, dated November 2000, re: <i>split dollar life insurance in foreign trusts (Just a quick outline of how it works, and how Rodney thinks we can use it to effectively freeze growth in the 1992's)</i>	871
b. Michelle Boucher email, dated November 2000, re: <i>sub-funds (At this point, we are looking at allocating approximately 20% of the major trust assets to sub funds, ...)</i>	872
c. Michelle Boucher/Evan Wyly email, dated December 2000, re: <i>subtrust (But, this will largely be a US tax issue.)</i>	874
d. Michelle Boucher Fax to Sam Wyly, dated May 2001, (<i>I've attached a schedule of allocations for the 6 sub-funds to the offshore trusts.</i>)	875
e. Michelle Boucher email, dated May 2001, re: <i>update on sub-fund llc creation (Also, Keeley and I are also looking at a structure that Rodney Owens outlined to us, ... It is a "frozen LLC," ...)</i>	878

VIII

	Page
30. <i>Billing Breakdown</i> related to Irish Trust	879
31. Michelle Boucher/Louis Schaufele email, dated April 2004, re: <i>Charles Pulman</i>	880
32. SBC Communications Inc. Correspondence to Sam, Charles and Evan Wyly, dated January 2001, re: <i>SBC/Sterling Commerce (... SBC is preparing to issue a Form 1099 to you/your trust showing taxable income ...)</i>	882
33. a. Keeley Hennington/Michelle Boucher email, dated January 2001, re: <i>1099's</i>	885
b. Kelley Hennington/Rodney Owens email, dated January 2001, re: <i>Option info (The option income SBC is concerned with are those that were sold in 96 in exchange for private annuities.)</i>	886
c. Keeley Hennington/Michelle Boucher email, dated January 2001, re: <i>1099 (Shari suggests that we ask Rodney to word the letter to SBC in an opinion form, ...)</i>	887
d. Keeley Hennington/Michelle Boucher email, dated January 2001, (<i>I am faxing Rodney's 1099 memo to you now.</i>)	888
e. Correspondence of Rodney J. Owens (Meadows, Owens, Collier, Reed, Cousins & Blau, L.L.P.), dated January 26, 2001, re: <i>Purchase of Sterling Commerce Option from Elysium Limited. (Elysium Limited is a foreign corporation organized and residing in the Isle of Man. Accordingly, it is not appropriate for SBC to file a Form 1099, ...)</i>	889
f. Correspondence of Rodney J. Owens (Meadows, Owens, Collier, Reed, Cousins & Blau, L.L.P.), dated January 26, 2001, re: <i>Purchase of Sterling Commerce Option from Moberly Limited. (Moberly Limited is a foreign corporation organized and residing in the Isle of Man. Accordingly, it is not appropriate for SBC to file a Form 1099, ...)</i>	891
g. Correspondence of Rodney J. Owens (Meadows, Owens, Collier, Reed, Cousins & Blau, L.L.P.), dated January 26, 2001, re: <i>Purchase of Sterling Commerce Option from Atlantis Limited. (Atlantis Limited is a foreign corporation organized and residing in the Isle of Man. Accordingly, it is not appropriate for SBC to file a Form 1099, ...)</i>	893
h. Michelle Boucher/Keeley Hennington email, dated June 2002, re: <i>CA Audit (After discussions with Rodney I am planning to make the following response to the guy at CA that is working on the audit.)</i>	895
34. a. Legal Opinion prepared by David Tedder, Pratter, Tedder & Graves, dated February and April 1992, re: <i>Sterling Software Warrants and Michaels Stores Options to a Nevada Corporation for a Private Annuity</i>	896
b. Michael Chatzky Correspondence to David Tedder/Michael French, dated April 1992, attaching <i>April 1992 Tax Opinion</i> prepared by Pratter, Tedder & Graves	922
c. Shari Robertson Memorandum to David Tedder, Mike Chatzky and Bob Bere, dated February 1993, re: <i>Tax Compliance (Lorne House needs advice on the tax compliance issues that must be met.)</i>	939
d. Legal Opinion prepared by Chatzky and Associates, dated February 1996, re: <i>The Tallulah International Trust</i>	941
e. Legal Opinion prepared by Chatzky and Associates, dated March 1996, re: <i>The Woody International Trust</i>	961
35. a. Charles Wyly Memorandum to Michelle Boucher (Irish Trust Group), dated March 2000, re: <i>SSW Options (Sam and I recommend to our protectors that all the Sterling Software options be converted to CA options.)</i>	983
b. Evan Wyly/Sam Wyly/Michelle Boucher emails, dated April 2000, re: <i>Michaels Shares (Sam recommends that the trustees exercise and sell the remainder of the Michaels options that expire this summer. Sell at \$40 or better.)</i>	984
c. Keeley Hennington/Michelle Boucher (Irish Trust Group) emails, dated February 2001, (<i>I was talking to Charles yesterday and he was kind of thinking out loud on some stuff. He was talking about use of off-shore cash ...</i>)	985

IX

	Page
35. a. Charles Wyly Memorandum to Michelle Boucher (Irish Trust Group), dated March 2000, re—Continued	
d. Evan Wyly/Michelle Boucher (Irish Trust Group) emails, dated November 2000, re: <i>intelecon (Remember that it is critical from a U.S. tax standpoint that there is no appearance that the Wyly's are in control of the trusts or the protectors.)</i>	986
36. Michelle Boucher (Irish Trust Group)/CWyly/Shari Robertson email, dated March 2000, re: <i>First Dallas International update</i>	988
37. Evan Wyly/Michelle Boucher (Irish Trust Group) emails, dated September 2000, re: <i>michaels sales offshore (I spoke to Sam today, he wants us to proceed with selling 200,000 Michaels Stores shares from offshore to aid in raising funds for Ranger/Precept projects.)</i>	989
38. Document entitled, <i>Bulldog Trust</i> , dated June 2003, prepared by IFG International Limited, Douglas, Isle of Man	990
39. Shari [Robertson] Memorandum, dated May 2000, re: <i>Recap of the Isle of Man Trip</i>	992
40. 2001 foreign and domestic investments in Maverick, Ranger and Precept ..	996
41. Two Mile Ranch Management Trust and Rosemary's Circle R Ranch Management Trust, Priced at 12/31/01 and 12/31/04	999
42. Keeley Hennington/Michelle Boucher emails, dated June 2001, re: <i>allocations to LLCs</i>	1001
43. a. Richard D. Eiseman Jewels Invoice, dated November 2000, re: <i>\$667,000 Diamond Ring and \$759,000 Diamond Necklace (The invoices should be sent to: Soulieana, Ltd., Douglas, Isle of Man.)</i>	1005
b. Amy Browing Fax, dated February 1997, re: <i>Soulieana Limited purchases (The Wyly name should not be noted on the invoices.)</i>	1010
44. Documents regarding July 1996 acquisition of "Noon Day Rest" painting ..	1011
45. Engagement letters—Haim Saban—2001:	
a. Quellos Financial Advisors, LLC;	1027
b. Euram Bank;	1038
c. Quellos Custom Strategies LLC	1043
46. Engagement letter—Robert W. Johnson, IV and Quadra Financial Group, L.P., 2000	1052
47. a. <i>Titanium Trading Partners LLC, Final Consolidated Profitability—11/13/01</i>	1058
b. <i>Titanium Trading Partners LLC, Portfolio as of 9/24/01</i>	1060
c. <i>Titanium Trading Partners LLC, Collar Analysis</i>	1065
48. a. Robert W. Johnson, IV, <i>Reka Limited Purchase Analysis</i>	1067
b. Brian Hanson (Quellos) email, dated March 2002, re: <i>Reka</i>	1069
c. <i>POINT—One Year Duration (Warrant Outstanding), One Year Profitability Analysis: Projected P&L</i>	1071
d. Robert W. Johnson, IV— <i>Reka Limited, Summary as of June 5, 2000</i>	1074
49. a. Joel Latman (The Johnson Company, Inc.) Fax to Andy Robbins (Quadra), dated April 2000, (<i>The amount of Loss that we use should be \$145.</i>)	1075
b. Jeff Greenstein/Chuck Wilk emails, dated December 1999, re: <i>JETS (... until the losses are generated.)</i>	1076
c. Larry Scheinfeld/Chuck Wilk emails, dated August 2000, re: <i>POINT (... we may be able to generate 2000 loss.)</i>	1077
d. Jeff Greenstein email, dated May 2000, re: <i>POINT (We will try to add more positions to generate losses ...)</i>	1078
50. a. Jeff Greenstein (Quadra)/Joel Latman (Johnson Company) Fax, dated February 2000, (<i>... upfront cash requirements to be 6–7% of the anticipated losses ...</i>)	1080
b. John Baier email, dated April 2000, re: <i>Woody docs (The total PV fee of 2.7mm is 2% of the 135mm notional amount of the trade.)</i>	1081
c. Chuck Wilk/Rajan Puri/Christopher Hirata emails, dated June 2000, re: <i>Triskelion Wires (We understand you were extracting fees representing 1% of the initial losses generated ...)</i>	1082

	Page
50. a. Jeff Greenstein (Quadra)/Joel Latman (Johnson Company) Fax, dated February 2000, (... <i>upfront cash requirements to be 6–7% of the anticipated losses</i> ...) —Continued	
d. Larry Scheinfeld email, dated November 2000, re: <i>POINT PRICING</i> (... <i>fees (they are based on the loss amount)</i> .)	1084
51. a.–k. Stock purchase and lending agreements	1085–1128
52. a. John Staddon/Chuck Wilk emails, dated April 2000, re: <i>Point</i> (... <i>there is a commercial risk ... that the client turns round under a certain scenario and claims to have been misled as to the nature of the share trading between the two IoM companies.</i>)	1129
b. John Staddon/Jeff Greenstein/Chuck Wilk emails, dated April 2000, re: [Name redacted by the Subcommittee] <i>trade</i> (... <i>I also need confirmation from you that [name redacted by the Subcommittee] and/or his advisers is aware of the book entry features of the structure.</i>)	1131
53. a. Woodglen I LLC Correspondence to Jeff Greenstein (Quellos), dated October 2004, re: <i>Reka Limited</i> (<i>We understand from our representatives, that Quellos has indicated that no actual shares may have been transferred.</i>)	1133
b. Charles Wilk (Quellos) Correspondence to Woodglen I, LLC, dated November 2004, (<i>What was stated was that we believe from the documents we have reviewed that the referenced transactions were OTC contracts, and, therefore, there were probably no exchange traded transactions of the shares.</i>)	1135
c. Charles Wilk (Quellos) Correspondence to Woodglen I, LLC, dated November 2004, re: <i>Reka Limited</i> (... <i>it appears that the transactions involved over-the-counter (“OTC”) sales of rights to an underlying portfolio of stock (the “Portfolio”) by Jackstones to Barnville.</i>)	1136
54. Correspondence between John Staddon (European American Investment Group) and the Senate Permanent Subcommittee on Investigations, dated July 2006, re: <i>Barnville and Jackstones</i> (... <i>the portfolio of securities traded by and between Barnville and Jackstones was of a purely contractual book-entry nature. ... no physical transfer of shares were made. No transactions took place over any exchange and no cash transfers passed between bank accounts of the two companies.</i>)	1138
55. John Staddon email, dated July 2000, re: <i>Promissory note</i> (<i>I had assumed that we would be having a circular funding pattern ... such that no cash would need to actually pass i.e. purely book entry.</i>)	1152
56. a. Chuck Wilk/Jeff Greenstein email, dated August 1999, re: <i>POINT STRATEGY</i>	1153
b. Rajan Puri (Euram)/Chuck Wilk (Quellos) emails, dated April 2000, re: <i>Further Revisions to POINT</i> (... <i>given the “virtual” nature of the warrant issue</i> ...)	1156
c. <i>Reka Limited, US Call Warrants due 2005, Subscription Agreement</i> , dated May 2000	1158
d. EA Investment Services Limited Correspondence to Reka Limited, dated June 2000, (... <i>1000 covered call warrants issued by Reka Limited on 5 May 2000</i> ...)	1166
e. EA Investment Services Limited Correspondence to Titanium Trading Partners LLC, dated November 2001, (... <i>1000 covered call warrants issued by Titanium Trading Partners LLC on September 11, 2001</i> ...)	1168
57. a. <i>Annual Return of Barnville Limited</i>	1171
b. <i>Financial Supervision Commission, Isle of Man, Barnville Limited</i>	1175
c. <i>Annual Return of Jackstones Limited</i>	1176
d. <i>Financial Supervision Commission, Isle of Man, Jackstones Limited</i>	1179
58. Chuck Wilk emails, dated August 2001, re: <i>Ownership</i> (<i>Barnville is owned jointly by Claycroft Limited and Dalecroft Limited, both Isle of Man companies. ... I am not at all keen on revealing the ultimate beneficial owner.</i>)	1180
59. a. HSBC Account Application for Barnville Limited	1181
b. Mary Pan/Russell Schreiber (HSBC) email, dated August 2001, re: <i>Barnville and Jackstone</i>	1183

	Page
59. a. HSBC Account Application for Barnville Limited —Continued	
c. HSBC <i>Know Your Customer Information</i> for Barnville Limited	1184
d. HSBC <i>INDIVIDUAL INFORMATION—KNOW YOUR CLIENT</i> for Barnville Limited	1186
60. a. HSBC Memorandum, dated August 2001, re: <i>NON-CIB GROUP: HAIM SABAN FAMILY GROUP</i>	1187
b. Document regarding Quellos/HSBC transaction (<i>The deferral of -\$700–750 million for 5 to 10 years is the economic benefit that provides Quellos with its fee.</i>)	1190
c. Russell Schreiber/Mary Pan email, dated September 2001, re: <i>Silverlight Enterprises, L.P.</i>	1192
61. a. Chuck Wilk/John Barrie emails, dated August 2001, re: <i>timing issues Revised Checklist (... from a tax standpoint, I think Silverlight ought to hold newco with Titanium at least a day or two to establish factually its ownership interest (important for basis shift) to better avoid argument that ownership is transitory and could be ignored on a step transaction argument ...)</i>	1193
b. Chuck Wilk/John Barrie emails, dated August 2001, re: <i>Purchase Agreement</i>	1195
c. John Barrie email, dated August 2001, re: <i>Titanium Trading Partners LLC (Returns are calculated based on the sum of the costs of the collar, financing, loan fee and structuring fees as a percentage of the net gain/(loss) for each profitability scenario.)</i>	1196
d. Lana Phillips email, dated September 2001, re: <i>Revised Consents (I'd rather not indicate the sequence of these documents in their titles because the creation and ownership of the LLC by Barnville and EAICS must be completely independent. ... Showing a clear sequence seems to betray that independence.)</i>	1197
e. Elizabeth Smith/Chuck Wilk email, dated June 2002, (<i>... would it be reasonable to assume ... that the opinion should be done by the end of June?</i>)	1198
62. a. Chuck Wilk email, dated December 1999, re: <i>POINT trade (I had a meeting this week with Lew Steinberg of Cravath Swaine & Moore to finalize the draft of the opinion and to review the economics of the trade.)</i>	1199
b. Christopher Hirata email, dated April 2000, re: <i>POINT (During our phone conference with Lew Steinberg, we concluded that on 12/31/00 we would have a portion of the loan balance outstanding, ...)</i>	1200
c. Jeff Greenstein/Andrew Robbins emails, dated September 2000, (<i>Do we need to speak with Cravath to be certain as to where to strike the call in order to provide enough economics or do we already know this?</i>)	1201
d. Legal Opinion prepared by Cravath, Swaine & Moore, dated August 2000, re: <i>POINT Strategy</i>	1202
63. a. Legal Opinion prepared by Bryan Cave LLP, dated October 2002, re: <i>POINT Strategy</i>	1226
b. Representation Certificate of Haim Saban for Legal Opinion prepared by Bryan Cave LLP	1287
c. Representation Certificate of Chuck Wilk for Legal Opinion prepared by Bryan Cave LLP	1292
d. Representation Certificate of Titanium Acquisition Corporation for Legal Opinion prepared by Bryan Cave LLP	1302
e. Representation Certificate of Titanium Trading Partners LLC for Legal Opinion prepared by Bryan Cave LLP	1308
64. Correspondence from William A. Brewer III, Bickel & Brewer, legal counsel to Charles and Sam Wyly, to the Permanent Subcommittee on Investigations, dated July 2006, re: <i>assertion of rights under the Fifth Amendment</i>	1310
65. Responses to supplemental questions for the record submitted to:	
a. The Honorable Mark Everson, Commissioner, Internal Revenue Service;	1312

XII

	Page
65. Responses to supplemental questions for the record submitted to—Continued	
b. Michael Conn, Private Bank Northwest Region President, Bank of America;	1317
c. George T. Wendler, Senior Executive Vice President and Chief Credit Officer, HSBC Bank USA, N.S.;	1320
d. Jeffrey Greenstein, Chief Executive Officer, Quellos Group, LLC;	1329
e. Louis J. Schaufele III;	1679
f. Michael Chatzky, Chatzky & Associates	1700

VOLUME 2

66. Materials relating to Footnotes and Additional Documents cited in <i>Tax Haven Abuses: The Enablers, The Tools, And Offshore Secrecy</i> , a Report prepared by the Minority and Majority Staff of the Permanent Subcommittee on Investigations in conjunction with the Subcommittee hearing held August 1, 2006:	1743
---	------

[Note: Footnotes not listed are explanative, reference Subcommittee interviews for which records are not available to the public, or reference a widely available public document.]

[*] Retained in the files of the Subcommittee.

Footnote No. 29, <i>See Attachment</i>	1743
Footnote No. 33, <i>See Attachment</i>	1749
Footnote No. 34, <i>See Attachment</i>	1752
Footnote No. 38, <i>See Attachment</i>	1753
Footnote No. 39, <i>See Footnote No. 38 (above)</i>	1753
Footnote No. 44, <i>See Attachments (3)</i>	1776
Footnote No. 48, <i>See Attachment</i>	1779
Footnote No. 50, <i>See Attachment</i>	1780
Footnote No. 51, <i>See Attachment</i>	1781
Footnote No. 53, <i>See Attachment</i>	1782
Footnote No. 54, <i>See Attachment</i>	1783
Footnote No. 55, <i>See Footnote No. 54 (above)</i>	1783
Footnote No. 56, <i>See Attachment</i>	1804
Footnote No. 61, <i>See Attachment</i>	1832
Footnote No. 63, <i>See Footnote No. 48 (above)</i>	1779
Footnote No. 64, <i>See Attachment</i>	1834
Footnote No. 65, <i>See Footnote No. 64 (above)</i>	1834
Footnote No. 70, <i>See Attachment</i>	1839
Footnote No. 71, <i>See Attachment</i>	1841
Footnote No. 77, <i>See Attachment</i>	1843
Footnote No. 78, <i>See Attachment</i>	1846
Footnote No. 79, <i>See Attachment</i>	1847
Footnote No. 81, <i>See Attachment</i>	1851
Footnote No. 82, <i>See Attachment</i>	1852
Footnote No. 83, <i>See Attachment</i>	1854
Footnote No. 84, <i>See Attachment</i>	1862
Footnote No. 86, <i>See Footnote No. 83 (above)</i>	1854
Footnote No. 91, <i>See Attachment</i>	1869
Footnote Nos. 92–94, <i>See Footnote No. 91 (above)</i>	1869
Footnote No. 96, <i>See Attachment</i>	1907
Footnote No. 97, <i>See Attachment</i>	1908
Footnote No. 98, <i>See Attachment</i>	1909
Footnote No. 113, <i>See Attachment</i>	1910
Footnote No. 115, <i>See Attachment</i>	1911
Footnote No. 116, <i>See Attachment</i>	1912
Footnote No. 118, <i>See Attachments (2)</i>	1918

XIII

	Page
Footnote No. 119, <i>See Attachments (2)</i>	1920
Footnote No. 120, <i>See Attachment</i>	1930
Footnote No. 121, <i>See Attachment</i>	1932
Footnote No. 122, <i>See Attachment</i>	1933
Footnote No. 123, <i>See Footnote No. 122 (above)</i>	1933
Footnote No. 124, <i>See Attachment</i>	1945
Footnote No. 126, <i>See Attachment</i>	1951
Footnote No. 129, <i>See Attachments (2)</i>	1952
Footnote No. 130, <i>See Footnote No. 129 (above)</i>	1952
Footnote No. 131 and 134, <i>See Attachment</i>	1985
Footnote Nos. 135–137 and 139, <i>See Footnote No. 129 (above)</i>	1952
Footnote No. 140, <i>See Footnote No. 131 (above)</i>	1985
Footnote No. 142, <i>See Footnote No. 129 (above)</i>	1952
Footnote No. 143, <i>See Attachment and Footnote No. 129 (above)</i>	1993
Footnote Nos. 144, 146–147, and 149, <i>See Footnote No. 143 (above)</i>	1993
Footnote Nos. 155–158, <i>See Footnote No. 129 (above)</i>	1952
Footnote Nos. 159–163, <i>See Footnote No. 131 (above)</i>	1985
Footnote No. 164, <i>See Footnote No. 129 (above)</i>	1952
Footnote No. 165, <i>See Attachment</i>	2006
Footnote No. 174, <i>See Attachment</i>	2025
Footnote Nos. 175–176, <i>See Footnote No. 174 (above)</i>	2025
Footnote No. 179, <i>See Attachments (3)</i>	2030
Footnote No. 180, <i>See Attachments (2)</i>	2039
Footnote No. 181, <i>See Footnote No. 179 (above)</i>	2030
Footnote No. 183, <i>See Attachment</i>	2043
Footnote No. 185, <i>See Attachment</i>	2044
Footnote No. 186, <i>See Attachment</i>	2045
Footnote No. 187, <i>See Attachment</i>	2047
Footnote No. 188, <i>See Attachment</i>	2048
Footnote No. 189, <i>See Attachment</i>	2049
Footnote No. 195, <i>See Attachments (2) (1 of 2 is a SEALED EXHIBIT) *</i>	2050
Footnote No. 197, <i>See Attachment</i>	2053
Footnote No. 199, <i>See Attachment</i>	2056
Footnote No. 201, <i>See Attachment</i>	2065
Footnote No. 202, <i>See Attachment</i>	2069
Footnote No. 203, <i>See Attachment</i>	2071
Footnote No. 204, <i>See Attachment</i>	2074
Footnote No. 205, <i>See Attachment</i>	2078
Footnote No. 206, <i>See Footnote No. 201 (above)</i>	2065
Footnote No. 207, <i>See Attachments (6)</i>	2082
Footnote No. 208, <i>See Footnote No. 201 (above)</i>	2065
Footnote No. 209, <i>See Attachment</i>	2108
Footnote No. 211, <i>See Attachment</i>	2111
Footnote No. 212, <i>See Attachment</i>	2113
Footnote Nos. 214–215, <i>See Footnote No. 211 (above)</i>	2111
Footnote No. 216, <i>See Attachments (3)</i>	2115
Footnote No. 218, <i>See Attachments (2)</i>	2122
Footnote No. 219, <i>See Attachment</i>	2124
Footnote No. 220, <i>See Attachment</i>	2127
Footnote No. 221, <i>See Attachments (2)</i>	2131
Footnote No. 222, <i>See Attachments (2)</i>	2133
Footnote No. 223, <i>See Attachments (2)</i>	2147
Footnote No. 224, <i>See Attachments (2)</i>	2149
Footnote No. 226, <i>See Attachments (2)</i>	2157

XIV

	Page
Footnote No. 227, <i>See Attachments (2)</i>	2165
Footnote No. 228, <i>See Footnote No. 226 (above)</i>	2157
Footnote No. 229, <i>See Attachments (2)</i>	2179
Footnote No. 230, <i>See Footnote No. 229 (above)</i>	2179
Footnote No. 234, <i>See Footnote Nos. 212 and 216 (above)</i>	2113, 2115
Footnote No. 235, <i>See Footnote No. 209 (above)</i>	2108
Footnote No. 236, <i>See Footnote No. 195 (above)</i>	2050
Footnote No. 237, <i>See Attachment</i>	2186
Footnote No. 238, <i>See Footnote No. 212 (above)</i>	2113
Footnote No. 239, <i>See Footnote No. 237 (above)</i>	2186
Footnote No. 240, <i>See Attachment</i>	2187
Footnote No. 242, <i>See Attachments (3)</i>	2192
Footnote No. 243, <i>See Footnote No. 220 (above)</i>	2127
Footnote No. 244, <i>See Attachment</i>	2197
Footnote No. 245, <i>See Attachment</i>	2199
Footnote No. 247, <i>See Attachment</i>	2205
Footnote No. 248, <i>See Attachments (2)</i>	2207
Footnote No. 249, <i>See Attachment</i>	2209
Footnote Nos. 250–251, <i>See Footnote No. 249 (above)</i>	2209
Footnote No. 252, <i>See Attachment</i>	2210
Footnote No. 253, <i>See Attachment</i>	2211
Footnote No. 254, <i>See Attachment</i>	2212
Footnote No. 258, <i>See Attachment</i>	2213
Footnote No. 260, <i>See Attachment</i>	2214
Footnote No. 261, <i>See Attachment</i>	2215
Footnote No. 262, <i>See Attachment</i>	2216
Footnote No. 263, <i>See Attachment</i>	2217
Footnote No. 264, <i>See Footnote No. 180 (above)</i>	2039
Footnote No. 267, <i>See Attachments (3)</i>	2218
Footnote No. 268, <i>See Footnote No. 180 (above)</i>	2039
Footnote No. 269, <i>See Footnote No. 179 (above)</i>	2030
Footnote No. 270, <i>See Attachment</i>	2221
Footnote No. 271, <i>See Attachments (2)</i>	2228
Footnote No. 272, <i>See Footnote No. 270 (above)</i>	2221
Footnote No. 273, <i>See Attachment</i>	2231
Footnote No. 274, <i>See Attachment</i>	2234
Footnote No. 275, <i>See Attachment</i>	2239
Footnote No. 276, <i>See Attachment</i>	2256
Footnote No. 277, <i>See Attachment</i>	2258
Footnote No. 278, <i>See Attachment</i>	2259
Footnote No. 279, <i>See Attachment</i>	2260
Footnote No. 280, <i>See Attachment</i>	2261
Footnote No. 281, <i>See Attachment</i>	2262
Footnote No. 282, <i>See Attachment</i>	2264
Footnote No. 283, <i>See Attachment</i>	2268
Footnote No. 284, <i>See Attachments (3)</i>	2269
Footnote No. 285, <i>See Footnote No. 283 (above)</i>	2268
Footnote No. 286, <i>See Attachments (3)</i>	2284
Footnote No. 287, <i>See Attachment</i>	2299
Footnote No. 289, <i>See Attachments (3)</i>	2304
Footnote No. 291, <i>See Attachments (2)</i>	2307
Footnote No. 292, <i>See Attachments (2)</i>	2316
Footnote No. 296, <i>See Attachment</i>	2336
Footnote No. 297, <i>See Attachments (2)</i>	2337

	Page
Footnote No. 298, <i>See Attachment</i>	2341
Footnote No. 299, <i>See Attachment</i>	2343
Footnote Nos. 300–301, <i>See Footnote No. 299 (above)</i>	2343
Footnote No. 302, <i>See Attachment</i>	2346
Footnote No. 303, <i>See Attachment</i>	2350
Footnote No. 304, <i>See Attachment</i>	2352
Footnote No. 305, <i>See Attachment</i>	2354
Footnote No. 306, <i>See Attachments (2)</i>	2355
Footnote No. 307, <i>See Attachments (2)</i>	2357
Footnote No. 309, <i>See Attachment</i>	2359
Footnote No. 310, <i>See Footnote Nos. 284 and 286 (above)</i>	2269, 2284
Footnote No. 311, <i>See Attachment</i>	2360
Footnote No. 312, <i>See Attachment</i>	2361
Footnote No. 313, <i>See Attachments (3)</i>	2362
Footnote No. 315, <i>See Attachments (5)</i>	2365
Footnote No. 318, <i>See Attachment</i>	2382
Footnote No. 319, <i>See Footnote No. 318 (above)</i>	2382
Footnote No. 320, <i>See Attachment</i>	2383
Footnote No. 321, <i>See Attachment</i>	2384
Footnote No. 322, <i>See Attachment</i>	2385
Footnote No. 323, <i>See Attachment</i>	2386
Footnote No. 324, <i>See Attachment</i>	2387
Footnote No. 325, <i>See Attachment</i>	2388
Footnote No. 326, <i>See Attachments (3)</i>	2389
Footnote No. 327, <i>See Attachments (2)</i>	2392
Footnote No. 329, <i>See Attachment</i>	2394
Footnote No. 330, <i>See Attachments (2)</i>	2400
Footnote No. 331, <i>See Attachment</i>	2404
Footnote No. 332, <i>See Attachment</i>	2409
Footnote No. 333, <i>See Attachment</i>	2411
Footnote No. 335, <i>See Attachment</i>	2413
Footnote No. 336, <i>See Attachment</i>	2414
Footnote No. 337, <i>See Attachments (2)</i>	2415
Footnote No. 338, <i>See Attachment</i>	2422
Footnote No. 339, <i>See Attachment</i>	2424
Footnote Nos. 340–341, <i>See Footnote No. 339 (above)</i>	2424
Footnote No. 344, <i>See Attachment</i>	2448
Footnote No. 347, <i>See Attachment</i>	2450
Footnote Nos. 348–350, <i>See Footnote No. 347 (above)</i>	2450
Footnote No. 351, <i>See Attachment</i>	2451
Footnote No. 352, <i>See Footnote No. 351 (above)</i>	2451
Footnote No. 353, <i>See Attachment</i>	2452
Footnote No. 354, <i>See Footnote No. 353 (above)</i>	2452
Footnote No. 355, <i>See Attachment</i>	2453
Footnote No. 356, <i>See Attachment</i>	2455
Footnote No. 360, <i>See Attachment</i>	2457
Footnote No. 367, <i>See Footnote No. 195 (above)</i>	2050
Footnote No. 368, <i>See Attachment</i>	2458
Footnote No. 369, <i>See Attachment</i>	2460
Footnote No. 370, <i>See Attachment</i>	2461
Footnote No. 371, <i>See Attachment and</i> <i>Footnote No. 195 (SEALED EXHIBIT) * (above)</i>	2465
Footnote No. 372, (SEALED EXHIBIT)	*
Footnote No. 373, <i>See Attachment</i>	2466

XVI

	Page
Footnote No. 375, <i>See Attachment</i>	2480
Footnote No. 376, <i>See Attachments (2)</i>	2483
Footnote No. 377, <i>See Attachments (2)</i>	2487
Footnote No. 378, <i>See Attachment</i>	2489
Footnote No. 379, <i>See Attachment</i>	2491
Footnote No. 380, <i>See Attachment</i>	2504
Footnote No. 381, <i>See Attachment</i>	2511
Footnote No. 382, <i>See Attachment</i>	2532
Footnote No. 383, <i>See Footnote No. 380 (above)</i>	2504
Footnote No. 384, <i>See Attachment</i>	2534
Footnote No. 385, <i>See Attachment</i>	2572
Footnote No. 386, <i>See Footnote No. 378 (above)</i>	2489
Footnote No. 388, <i>See Footnote No. 385 (above)</i>	2572
Footnote No. 389, <i>See Footnote Nos. 270 and 373 (above)</i>	2221, 2466
Footnote No. 390, <i>See Attachment</i>	2590
Footnote No. 391, <i>See Attachment</i>	2605
Footnote No. 393, <i>See Attachments (2)</i>	2616
Footnote No. 394, <i>See Attachment</i>	2618
Footnote No. 396, <i>See Footnote No. 393 (above)</i>	2616
Footnote No. 397, <i>See Attachment</i>	2623
Footnote No. 398, <i>See Footnote No. 381 (above)</i>	2511
Footnote No. 399, <i>See Attachments (2)</i>	2632
Footnote No. 401, <i>See Footnote No. 380 (above)</i>	2504
Footnote No. 402, <i>See Attachment</i>	2633
Footnote No. 403, <i>See Attachments (2)</i>	2634
Footnote No. 404, <i>See Attachment</i>	2636
Footnote No. 405, <i>See Attachment</i>	2637
Footnote No. 406, <i>See Attachments (2)</i>	2638
Footnote No. 407, <i>See Attachment</i>	2641
Footnote No. 408, <i>See Attachment</i>	2643
Footnote No. 409, <i>See Attachments (6) and Footnote No. 380 (above)</i>	2644, 2504
Footnote No. 410, <i>See Footnote No. 380 (above)</i>	2504
Footnote No. 412, <i>See Attachment</i>	2650
Footnote No. 413, <i>See Attachment</i>	2651
Footnote No. 414, <i>See Attachment</i>	2652
Footnote No. 415, <i>See Attachment and Hearing Exhibit No. 63a (above)</i>	2655, 1226
Footnote No. 420, <i>See Attachments (2)</i>	2742
Footnote No. 421, <i>See Attachment</i>	2744
Footnote Nos. 422–426, 429, 431–432, <i>See Footnote No. 415, and Hearing Exhibit No. 63a (above)</i>	2655, 1226
Footnote No. 435, <i>See Attachment</i>	2745
Footnote No. 438, <i>See Attachment</i>	2751
Footnote No. 439, 441, <i>See Footnote No. 380 (above)</i>	2504
Footnote No. 442, <i>See Attachment</i>	2761
Footnote No. 443, <i>See Attachment</i>	2762
Footnote No. 444, <i>See Attachment</i>	2763
Footnote No. 445, <i>See Attachments (2)</i>	2772
Footnote No. 446, <i>See Footnote Nos. 380 and 443 (above)</i>	2504, 2762
Footnote No. 447, <i>See Footnote No. 438 (above)</i>	2751
Footnote No. 454, <i>See Attachments (2)</i>	2774
Footnote No. 458, <i>See Attachment</i>	2783
Footnote No. 459, <i>See Footnote No. 458 (above)</i>	2784
Footnote No. 465, 468, 471, <i>See Attachment</i>	2819

XVII

	Page
Footnote No. 472, 474, <i>See Attachment</i>	2833
Footnote No. 475, 476, 478 (SEALED EXHIBITS)	*
Footnote No. 479, <i>See Attachment</i>	2841
Footnote No. 482, <i>See Attachment</i>	2842
Footnote No. 483, <i>See Attachment</i>	2849
Footnote No. 487, <i>See Attachment</i>	2851
Footnote No. 489, <i>See Footnote No. 454 (above)</i>	2774
Footnote Nos. 490–493, <i>See Footnote No. 483 (above)</i>	2849
Footnote No. 494, <i>See Attachments (2) (Only reprinting 1 of 2) *</i>	2852
Footnote No. 495, <i>See Attachment and Footnote No. 454 (above)</i>	2853, 2774
Footnote No. 496, <i>See Attachment</i>	2856
Footnote No. 497, <i>See Attachment</i>	2862
Footnote No. 498, <i>See Footnote No. 454 (above)</i>	2774
Footnote No. 499, <i>See Attachments (3) and Footnote No. 497 (above)</i>	2863, 2862
Footnote No. 501, <i>See Attachment and Footnote No. 454 (above)</i>	2866, 2774
Footnote No. 503, <i>See Attachments (8) (7 public and 1 SEALED EXHIBIT) *</i> <i>and Footnote No. 454 (above)</i>	2867, 2774
Footnote No. 504, <i>See Attachment</i>	2892
Footnote No. 506, <i>See Attachments (2)</i>	2894
Footnote No. 507, <i>See Footnote No. 475 (above) (SEALED EXHIBIT)</i>	*
Footnote No. 509, <i>See Attachment and Footnote No. 454 (above)</i>	2896, 2774
Footnote No. 511, (SEALED EXHIBIT)	*
Footnote No. 512, <i>See Attachments (2)</i>	2904
Footnote No. 513, <i>See Attachments (2)</i>	2940
Footnote No. 519, <i>See Attachment</i>	2972
Footnote No. 528, <i>See Attachments (3)</i>	2974
Footnote No. 530, <i>See Attachments (2)</i>	2977
Footnote No. 531, <i>See Attachments (5)</i>	2985
Footnote No. 532, <i>See Attachments (2)</i>	2997
Footnote No. 534, <i>See Attachments (3)</i>	3001
Footnote No. 535, <i>See Attachments (9)</i>	3004
Footnote No. 536, <i>See Attachments (2)</i>	3022
Footnote No. 537, <i>See Attachments (7)</i>	2031
Footnote No. 538, <i>See Attachments (19)</i>	3041
Footnote No. 540, <i>See Attachment</i>	3065
Footnote No. 541, <i>See Attachments (2)</i>	3067
Footnote No. 542, <i>See Attachments (19)</i> <i>(1 public and 18 SEALED EXHIBITS) * and Footnote No. 536</i>	3070, 3022
Footnote No. 543, <i>See Attachments (21)</i> <i>(2 public and 19 SEALED EXHIBITS) * and Footnote No. 536</i>	3073, 3022
Footnote No. 544, <i>See Attachments (23)</i>	3075
Footnote No. 545, <i>See Attachments (7)</i>	3129
Footnote No. 546, <i>See Attachments (5) and Footnote No. 544 (above)</i>	3137, 3075
Footnote No. 548, <i>See Attachments (2)</i>	3130
Footnote No. 549, <i>See Attachment</i>	3160
Footnote No. 550, <i>See Attachment</i>	3162
Footnote No. 551, <i>See Attachment</i>	3165
Footnote No. 552, <i>See Attachment</i>	3166
Footnote No. 554, <i>See Attachment</i>	3167
Footnote No. 555, <i>See Attachment</i>	3169
Footnote No. 556, <i>See Attachment</i>	3170
Footnote No. 557, <i>See Attachment</i>	3171
Footnote No. 558, <i>See Attachment</i>	3172
Footnote No. 559, <i>See Attachment</i>	3173

XVIII

	Page
Footnote No. 560, <i>See Attachments (3)</i>	3174
Footnote No. 561, <i>See Attachment</i>	3193
Footnote No. 562, <i>See Attachment</i>	3194
Footnote No. 563, <i>See Attachments (2)</i>	3196
Footnote No. 564, <i>See Attachment</i>	3198
Footnote No. 570, <i>See Attachments (2)</i>	3199
Footnote No. 571, <i>See Attachment</i>	3201
Footnote No. 572, <i>See Attachment</i>	3204
Footnote No. 573, <i>See Attachment</i>	3206
Footnote No. 574, (2 SEALED EXHIBITS)	*
Footnote No. 582, <i>See Attachment</i>	3207
Footnote No. 584, <i>See Attachment</i>	3208
Footnote No. 586, <i>See Attachments (2)</i>	3209
Footnote No. 588, <i>See Attachment</i>	3212
Footnote No. 589, <i>See Attachment</i>	3213
Footnote No. 591, <i>See Attachment</i>	3215
Footnote No. 592, <i>See Attachment</i>	3216
Footnote No. 593, <i>See Attachments (2) (Only reprinting 1 of 2) *</i>	3217
Footnote No. 595, <i>See Attachments (2)</i>	3218
Footnote No. 596, <i>See Attachment</i>	3232
Footnote No. 597, <i>See Attachments (2)</i>	3233
Footnote No. 598, <i>See Attachment</i>	3235
Footnote No. 600, <i>See Attachment</i>	3239
Footnote No. 601, <i>See Attachment</i>	3245
Footnote No. 602, <i>See Attachment</i>	3247
Footnote No. 603, <i>See Attachments (2)</i>	3250
Footnote No. 604, <i>See Attachment</i>	3253
Footnote No. 607, <i>See Attachments (4)</i>	3256
Footnote No. 608, <i>See Attachments (5)</i>	3261
Footnote No. 609, <i>See Attachments (2)</i>	3266
Footnote No. 611, <i>See Attachment</i>	3268
Footnote No. 614, <i>See Attachment</i>	3273
Additional Document Cited in Text of the Report	3274
Footnote No. 619, <i>See Footnote No. 546</i>	3137
Footnote No. 620, <i>See Attachment</i>	3285
Footnote No. 625, <i>See Footnote No. 546</i>	3137
Footnote No. 646, <i>See Attachments (3)</i>	3287
Footnote No. 647, <i>See Attachments (2)</i>	3294
Footnote No. 650, <i>See Attachments (Only reprinting 1 of 10) *</i>	3297
Footnote No. 651, <i>See Attachments (5)</i>	3308
Footnote No. 652, <i>See Attachments (3)</i>	3327

VOLUME 3

Footnote No. 653, <i>See Attachments (3)</i>	3333
Footnote No. 654, <i>See Attachments (5)</i>	3346
Footnote No. 656, <i>See Attachments (5)</i>	3359
Footnote No. 659, <i>See Attachments (2)</i>	3369
Footnote No. 660, <i>See Attachment</i>	3375
Footnote No. 662, <i>See Attachment</i>	3379
Footnote No. 663, <i>See Attachments (2) (1 is a SEALED EXHIBIT) *</i>	3476
Footnote No. 664, <i>See Footnote No. 662 (above)</i>	3379
Footnote No. 665, <i>See Attachment</i>	3492
Footnote No. 666, <i>See Attachments (2)</i>	3498
Footnote No. 667, <i>See Attachments (2)</i>	3507

XIX

	Page
Footnote No. 668	*
Footnote No. 669, <i>See Attachment</i>	3527
Footnote No. 670, <i>See Attachments (2)</i>	3529
Footnote No. 671, <i>See Attachments (10) * (Only reprinting 1 of 10)</i>	3532
Footnote No. 672, <i>See Attachments (10)</i>	3547
Footnote No. 674, <i>See Attachment</i>	3573
Footnote No. 676, <i>See Attachment</i>	3574
Footnote Nos. 677–682, <i>See Footnote No. 671 (above)</i>	3532
Footnote No. 683, <i>See Attachments (4) (Only reprinting 1 of 4) *</i>	3580
Footnote Nos. 684–686, <i>See Footnote No. 683 (above)</i>	3580
Footnote No. 687, <i>See Attachments (2) (Only reprinting 1 of 2) *</i>	3600
Footnote No. 688, <i>See Attachments (7) (Only reprinting 3 of 7) *</i>	3635
Footnote No. 689	*
Footnote No. 690, <i>See Footnote No. 689 (above)</i>	*
Footnote No. 691, <i>See Attachments (3) and Footnote No. 666 (above)</i>	3641, 3498
Footnote No. 692, <i>See Attachments (6)</i>	3649
Footnote Nos. 695–699, <i>See Footnote No. 689 (above)</i>	*
Footnote No. 700, <i>See Attachment</i>	3655
Footnote No. 701, <i>See Footnote No. 700 (above)</i>	3655
Footnote No. 702, <i>See Attachment and Footnote Nos. 666 and 689 (above)</i>	3656, 3498, *
Footnote No. 705, <i>See Footnote No. 702 (above)</i>	3656
Footnote No. 707, <i>See Attachments (2)</i>	3666
Footnote No. 709, <i>See Attachment</i>	3671
Footnote No. 710, <i>See Attachment</i>	3675
Footnote No. 711, <i>See Attachments (2)</i>	3684
Footnote No. 712, <i>See Attachment and Footnote No. 711 (above)</i>	3686, 3684
Footnote No. 713, <i>See Footnote No. 711 (above)</i>	3684
Footnote No. 714, <i>See Attachment</i>	3687
Footnote No. 715, <i>See Attachments (2)</i>	3688
Footnote No. 716, <i>See Attachments (2)</i>	3690
Footnote No. 717, <i>See Attachments (2) (Only reprinting 1 of 2) *</i>	3694
Footnote No. 718, <i>See Attachment</i>	3696
Footnote No. 720, <i>See Attachments (2)</i>	3697
Footnote No. 721, <i>See Attachments (2)</i>	3703
Footnote No. 723, <i>See Attachments (3)</i>	3705
Footnote No. 724, <i>See Attachments (2)</i>	3710
Footnote No. 725, <i>See Attachment</i>	3719
Footnote No. 726, <i>See Attachments (2)</i>	3720
Footnote No. 727, <i>See Attachment</i>	3722
Footnote No. 728, <i>See Footnote No. 727 (above)</i>	3722
Footnote Nos. 729–730, <i>See Footnote No. 724 (above)</i>	3710
Footnote No. 731, <i>See Attachment</i>	3727
Footnote No. 732, <i>See Attachment</i>	3729
Footnote No. 733, <i>See Attachment and Footnote No. 543 (above) (SEALED EXHIBIT) *</i>	3731, 3073
Footnote No. 734, <i>See Attachment</i>	3733
Footnote No. 735, <i>See Attachment</i>	3734
Footnote No. 739, <i>See Attachment</i>	3738
Footnote No. 740, <i>See Attachments (2)</i>	3740
Footnote No. 741, <i>See Attachment</i>	3743
Footnote No. 749, <i>See Attachment</i>	3744
Footnote No. 750, <i>See Attachments (4)</i>	3746
Footnote No. 751, <i>See Attachments (10)</i>	3765

	Page
Footnote No. 752, <i>See Attachments (16) and Footnote No. 751 (above)</i>	3777, 3765
Footnote No. 753, <i>See Attachments (5)</i>	3803
Footnote No. 754, <i>See Attachments (8)</i>	3810
Footnote No. 755, <i>See Attachments (10)</i>	3822
Footnote No. 757, <i>See Attachments (2)</i>	3845
Footnote No. 758, <i>See Attachment</i>	3850
Footnote No. 761, <i>See Attachments (5)</i>	3851
Footnote No. 762, <i>See Attachment</i>	3861
Footnote No. 763, <i>See Attachment</i>	3862
Footnote No. 764, <i>See Attachment</i>	3864
Footnote No. 765, <i>See Attachment</i>	3865
Footnote No. 766, <i>See Attachment</i>	3866
Footnote No. 767, <i>See Attachments (4)</i>	3868
Footnote No. 768, <i>See Attachments (11)</i>	3875
Footnote No. 769, <i>See Attachments (2) and</i> <i>Footnote Nos. 763, 766 and 767 (above)</i>	3888, 3862, 3866, 3868
Footnote No. 770, <i>See Attachment</i>	3890
Footnote No. 772, <i>See Attachment</i>	3900
Footnote No. 773, <i>See Footnote Nos. 762 and 763 (above)</i>	3861, 3862
Footnote No. 776, <i>See Attachments (3) and</i> <i>Footnote Nos. 755 and 768 (above)</i>	3901, 3822, 3875
Footnote No. 778, <i>See Attachments (3)</i>	3904
Footnote No. 801, <i>See Attachments (2)</i>	3908
Footnote No. 806, <i>See Attachment</i>	3928
Footnote No. 807, <i>See Attachment</i>	3939
Footnote No. 808, <i>See Attachment</i>	3945
Footnote No. 810, <i>See Footnote No. 593 (above)</i>	3217
Footnote No. 811, <i>See Attachment</i>	3947
Footnote No. 812, <i>See Attachment</i>	3948
Footnote No. 814, <i>See Attachment</i>	3949
Footnote No. 815, <i>See Attachment</i>	3951
Footnote No. 816, <i>See Attachment</i>	3954
Footnote No. 817, <i>See Attachment</i>	3955
Footnote No. 819, <i>See Attachment</i>	3956
Footnote No. 820, <i>See Attachment</i>	3957
Footnote No. 821, <i>See Attachment</i>	3958
Footnote No. 827, <i>See Attachments (2)</i>	3959
Footnote No. 828, <i>See Attachment</i>	3961
Footnote No. 833, <i>See Attachment</i>	3962
Footnote No. 835, <i>See Attachment</i>	3963
Footnote No. 836, <i>See Attachment</i>	3964
Footnote No. 837, <i>See Attachments (3)</i>	3965
Footnote No. 840, <i>See Footnote No. 836 (above)</i>	3964
Footnote No. 842, <i>See Attachments (3)</i>	3972
Footnote No. 843, <i>See Attachments (2)</i>	3978
Footnote No. 844, <i>See Attachment</i>	3980
Footnote No. 845, <i>See Footnote No. 844 (above)</i>	3980
Footnote No. 846, <i>See Attachment</i>	3986
Footnote No. 847, <i>See Attachment</i>	3987
Footnote No. 848, <i>See Attachment</i>	3988
Footnote No. 849, <i>See Attachment</i>	3989
Footnote No. 850, <i>See Attachment</i>	3990
Footnote No. 851, <i>See Attachment</i>	3991
Footnote No. 852, <i>See Attachment</i>	3992

	Page
Footnote No. 853, <i>See Attachment</i>	3993
Footnote No. 854, <i>See Attachment</i>	3995
Footnote No. 855	*
Footnote No. 856, <i>See Attachments (2)</i>	3996
Footnote No. 857, <i>See Attachment</i>	3999
Footnote No. 858, <i>See Footnote No. 856 (above)</i>	3996
Footnote No. 859, <i>See Footnote No. 854 (above)</i>	3995
Footnote No. 862, <i>See Attachment</i>	4000
Footnote No. 866, <i>See Attachments (13)</i>	4004
Footnote No. 869, <i>See Footnote No. 755 and 776 (above)</i>	3822, 3901
Footnote No. 870, <i>See Attachments (2)</i>	4032
Footnote No. 871, <i>See Attachment and Footnote No. 755 (above)</i>	4034, 3822
Footnote No. 872, <i>See Attachment</i>	4035
Footnote Nos. 873–875, <i>See Footnote No. 872 (above)</i>	4035
Footnote No. 876, <i>See Attachment and Footnote No. 872 (above)</i>	4055, 4035
Footnote No. 877, <i>See Attachment and Footnote No. 872 (above)</i>	4056, 4035
Footnote No. 878, <i>See Footnote No. 872 (above)</i>	4035
Footnote No. 880, <i>See Attachments (2)</i>	4058
Footnote No. 883, <i>See Attachment and Footnote No. 872 (above)</i>	4063, 4035
Footnote Nos. 884, 886, <i>See Footnote No. 872 (above)</i>	4035
Footnote No. 887, <i>See Attachment and Footnote No. 872 (above)</i>	4065, 4035
Footnote Nos. 888–889, <i>See Footnote No. 872 (above)</i>	4035
Footnote No. 890, <i>See Attachments (3)</i>	4069
Footnote No. 891, <i>See Attachments (5) and Footnote No. 890 (above)</i>	4072, 4069
Footnote No. 892, <i>See Attachment and Footnote No. 872 (above)</i>	4080, 4035
Footnote No. 893, <i>See Attachments (2) and Footnote No. 872 (above)</i>	4081, 4035
Footnote Nos. 894–895, <i>See Footnote No. 872 (above)</i>	4035
Footnote No. 896, <i>See Attachments (11)</i>	4089
Footnote No. 897, <i>See Attachments (6)</i>	4103
Footnote No. 898, <i>See Footnote No. 872 (above)</i>	4035
Footnote No. 899, <i>See Attachment</i>	4113
Footnote No. 900, <i>See Attachment and Footnote No. 899 (above)</i>	4116, 4113
Footnote No. 902, <i>See Footnote No. 872 (above)</i>	4035
Footnote No. 904, <i>See Attachments (2)</i>	4117
Footnote No. 905, <i>See Attachment</i>	4119
Footnote No. 906, <i>See Footnote No. 872 (above)</i>	4035
Footnote No. 907, <i>See Attachment</i>	4125
Footnote No. 908, <i>See Footnote No. 872 (above)</i>	4035
Footnote No. 922, <i>See Attachment</i>	4131
Footnote No. 923, <i>See Footnote No. 922 (above)</i>	4131
Footnote No. 924, <i>See Attachment</i>	4137
Footnote No. 925, <i>See Footnote No. 922 (above)</i>	4131
Footnote No. 926, <i>See Attachments (2) and Footnote No. 922 (above)</i>	4139, 4131
Footnote No. 928, <i>See Attachment</i>	4161
Footnote No. 929, <i>See Attachments (3)</i>	4162
Footnote No. 930, <i>See Attachments (2)</i>	4165
Footnote No. 931, <i>See Attachment</i>	4169
Footnote Nos. 932–934, <i>See Footnote No. 931 (above)</i>	4169
Footnote No. 935, <i>See Attachment</i>	4172
Footnote No. 936, <i>See Attachment and Footnote No. 931 (above)</i>	4173, 4169
Footnote No. 937, <i>See Footnote No. 543 (above) (SEALED EXHIBIT)</i>	*
Footnote No. 939, 941, <i>See Footnote No. 936 (above)</i>	4173
Footnote No. 942, <i>See Attachment</i>	4180
Footnote No. 944, <i>See Attachments (2)</i>	4182

XXII

	Page
Footnote No. 947, <i>See Footnote No. 936 (above)</i>	4173
Footnote No. 948, <i>See Footnote No. 922 (above)</i>	4131
Footnote No. 949, <i>See Attachment</i>	4197
Footnote No. 951, 953, <i>See Footnote No. 936 (above)</i>	4173
Footnote No. 954	*
Footnote No. 956, <i>See Attachment</i>	4199
Footnote Nos. 957–959, <i>See Footnote No. 931 (above)</i>	4169
Footnote No. 961, <i>See Attachment, Footnote No. 543 (SEALED EXHIBIT)*</i> <i>and Footnote No. 944 (above)</i>	4201, 4182
Footnote No. 962, <i>See Footnote No. 543 (above) (SEALED EXHIBIT)</i>	*
Footnote No. 963, <i>See Attachments (2)</i>	4203
Footnote No. 964, <i>See Footnote No. 931 (above)</i>	4169
Footnote No. 967, <i>See Attachment</i>	4205
Footnote No. 968, <i>See Attachments (2)</i>	4206
Footnote No. 969, <i>See Attachments (2)</i>	4209
Footnote No. 970, <i>See Attachment</i>	4211
Footnote No. 971, <i>See Attachment</i>	4212
Footnote No. 972, <i>See Attachment and Footnote No. 504 (above)</i>	4214, 2892
Footnote No. 973, <i>See Attachment</i>	4216
Footnote No. 974, <i>See Attachments (10) and</i> <i>Footnote Nos. 968 and 972 (above)</i>	4217, 4206, 4214
Footnote No. 975, <i>See Footnote Nos. 969 and 974 (above)</i>	4209, 4217
Footnote No. 976, <i>(2 SEALED EXHIBITS)</i>	*
Footnote No. 977, <i>See Attachment and Footnote No. 972 (above)</i>	4236, 4214
Footnote No. 978, <i>See Attachment</i>	4238
Footnote No. 979, <i>See Attachment</i>	4239
Footnote No. 980, <i>See Attachment and Footnote No. 979 (above)</i>	4240, 4239
Footnote No. 981, <i>See Attachment</i>	4251
Footnote No. 982, <i>See Attachment</i>	4253
Footnote No. 983, <i>See Attachment</i>	4254
Footnote No. 984, <i>See Attachment and Footnote No. 983 (above)</i>	4264, 4254
Footnote No. 985, <i>See Attachment</i>	4268
Footnote No. 986, <i>See Attachment and Footnote No. 983 (above)</i>	4278, 4254
Footnote No. 987, <i>See Attachments (6) and Footnote No. 968 (above)</i>	4280, 4206
Footnote No. 988, <i>See Footnote No. 981 (above)</i>	4251
Footnote No. 989, <i>See Attachment and Footnote Nos. 986 and 987 (above)</i>	4294, 4278, 4280
Footnote No. 990, <i>See Attachment and Footnote No. 944 (above)</i>	4295, 4182
Footnote No. 992, <i>See Attachments (2) and Footnote No. 944 (above)</i>	4296, 4182
Footnote No. 993, <i>See Attachment</i>	4301
Footnote No. 994, <i>See Attachment</i>	4303
Footnote No. 995, <i>See Attachment</i>	4305
Footnote No. 996, <i>See Footnote No. 995 (above)</i>	4305
Footnote No. 997, <i>See Attachments (2)</i>	4309
Footnote No. 998, <i>See Attachments (2)</i>	4311
Footnote No. 999, <i>See Footnote No. 990 (above)</i>	4295
Footnote No. 1000, <i>See Attachment and Footnote Nos. 942 and 997 (above)</i>	4313, 4180, 4309
Footnote No. 1001, <i>See Footnote No. 942 (above)</i>	4180
Footnote No. 1002, <i>See Footnote Nos. 942 and 990 (above)</i>	4180, 4295
Footnote No. 1003, <i>See Footnote No. 942 (above)</i>	4180
Footnote No. 1004, <i>See Attachments (2)</i>	4315
Footnote No. 1006, <i>See Footnote No. 942 (above)</i>	4180
Footnote No. 1007, <i>See Footnote No. 1004 (above)</i>	4315
Footnote No. 1008, <i>See Attachments (2) and Footnote No. 944 (above)</i>	4318, 4182

XXIII

	Page
Footnote No. 1010, <i>See Attachments (2)</i>	4320
Footnote No. 1011, <i>See Attachments (2)</i>	4322
Footnote No. 1012, <i>See Attachment</i>	4324
Footnote No. 1013, <i>See Footnote Nos. 1010 and 1011 (above)</i>	4320, 4322
Footnote No. 1014, <i>See Attachment and Footnote No. 935 (above)</i>	4330, 4172
Footnote No. 1015, <i>See Attachments (2) and Footnote No. 1012 (above)</i>	4332, 4324
Footnote No. 1017, <i>See Footnote No. 543 (SEALED EXHIBIT)* and</i> <i>Footnote No. 1012 (above)</i>	3073, 4324
Footnote Nos. 1018–1022, <i>See Footnote No. 1012 (above)</i>	4324
Footnote No. 1023, <i>See Attachments (4) and Footnote No. 543 (above)</i> <i>(SEALED EXHIBIT)*</i>	4336, 3073
Footnote No. 1024, <i>See Attachments (2)</i>	4342
Footnote No. 1025, <i>See Footnote Nos. 1023 and 1024 (above)</i>	4336, 4342
Footnote No. 1026, <i>See Attachment and Footnote No. 944 (above)</i>	4344, 4182
Footnote No. 1027, <i>See Footnote Nos. 944 and 1026 (above)</i>	4182, 4344
Footnote No. 1029, <i>See Attachment</i>	4347
Footnote No. 1031, <i>See Footnote Nos. 936 and 944 (above)</i>	4173, 4182
Footnote No. 1033, <i>See Attachment</i>	4348
Footnote No. 1034, <i>See Attachment</i>	4356
Footnote No. 1035, <i>See Footnote No. 1024 (above)</i>	4342
Footnote No. 1037, <i>See Attachments (4)</i>	4357
Footnote No. 1038, <i>See Attachments (3)</i>	4361
Footnote No. 1039, <i>See Attachment</i>	4364
Footnote No. 1040, <i>See Attachment</i>	4365
Footnote No. 1043, <i>See Attachment</i>	4366
Footnote No. 1044, <i>See Attachment</i>	4370
Footnote No. 1047, <i>See Attachments (3)</i>	4391
Footnote No. 1048, <i>See Attachment</i>	4403
Footnote Nos. 1049–1050, <i>See Footnote No. 1043 (above)</i>	4366
Footnote No. 1052, <i>See Attachment and</i> <i>Footnote Nos. 1037 and 1038 (above)</i>	4404, 4357, 4361
Footnote No. 1053, <i>See Attachments (3)</i>	4405
Footnote No. 1054, <i>See Attachments (16)</i>	4408
Footnote No. 1055, <i>See Attachments (2)</i>	4426
Footnote No. 1057, <i>See Attachment</i>	4429
Footnote No. 1058, <i>See Footnote No. 1057 (above)</i>	4429
Footnote No. 1059, <i>See Attachment</i>	4437
Footnote No. 1060, <i>See Attachments (2) and</i> <i>Footnote No. 1040 (above)</i>	4441, 4365
Footnote No. 1062, <i>See Attachments (3) and</i> <i>Footnote No. 1039 (above)</i>	4444, 4364
Footnote No. 1064, <i>See Attachment* (reprinting only portion of document)</i>	4447
Footnote No. 1065, <i>See Attachment* (reprinting only portion of document)</i>	4467
Footnote No. 1066, <i>See Attachment</i>	4495
Footnote No. 1067, <i>See Attachments (3)</i>	4497
Footnote No. 1068, <i>See Attachment</i>	4506
Footnote Nos. 1069–1070, <i>See Footnote No. 936 (above)</i>	4173
Footnote No. 1076, <i>See Attachment</i>	4507
Footnote No. 1078, <i>See Attachment</i>	4508
Footnote No. 1079, <i>See Attachments (2) and Footnote No. 936 (above)</i>	4511, 4173
Footnote No. 1081, <i>See Attachment</i>	4513
Footnote No. 1082, <i>See Attachments (3)</i>	4515
Footnote No. 1088, <i>See Attachments (6)</i>	4518
Footnote No. 1089, <i>See Attachments (2)</i>	4526

XXIV

	Page
Footnote No. 1090, <i>See Footnote No. 1089 (above)</i>	4526
Footnote No. 1092, <i>See Attachments (2)</i>	4583
Footnote No. 1093, <i>See Attachments (2)</i>	4585
Footnote No. 1094, <i>See Attachment</i>	4587
Footnote No. 1095, <i>See Attachments (2)</i>	4589
Footnote No. 1096, <i>See Attachments (15)</i>	4591
Footnote No. 1097, <i>See Attachments (7) and</i> <i>Footnote No. 1096 (above)</i>	4616
Footnote No. 1098, <i>See Attachment and</i> <i>Footnote No. 1097 (above)</i>	4631, 4616, 4591
Footnote No. 1099, <i>See Attachments (5) and</i> <i>Footnote No. 1089 (above)</i>	4636, 4526
Footnote No. 1100, <i>See Attachment and</i> <i>Footnote Nos. 1089 and 1099 (above)</i>	4648, 4526, 4636
Footnote No. 1101, <i>See Attachment and Footnote No. 1089 (above)</i>	4654, 4526
Footnote No. 1102, <i>See Attachments (4)</i>	4655
Footnote No. 1103, <i>See Attachment</i>	4665
Footnote No. 1104, <i>See Attachments (5) and</i> <i>Footnote No. 542 (above) (SEALED EXHIBIT)*</i>	4670, 3070
Footnote No. 1105, <i>See Attachments (3)</i> <i>and Footnote No. 1104 (above)</i>	4683, 4670
Footnote No. 1106, <i>See Attachments (5) and</i> <i>Footnote No. 1104 (above)</i>	4688, 4670
Footnote No. 1107, <i>See Attachment and</i> <i>Footnote No. 542 (above) (SEALED EXHIBIT)*</i>	4693, 3070
Footnote No. 1108, <i>See Attachments (3)</i>	4697
Footnote No. 1109, <i>See Attachments (3)</i>	4707
Footnote No. 1110, <i>See Attachments (11)</i>	4710
Footnote No. 1111, <i>See Attachments (3)</i>	4723
Footnote No. 1112, <i>See Attachments (2)</i>	4726
Footnote No. 1113, <i>See Attachments (2)</i>	4729
Footnote No. 1114, <i>See Attachments (3)</i>	4731
Footnote No. 1115, <i>See Attachments (2)</i>	4734
Footnote No. 1116, <i>See Attachments (2)</i>	4736
Footnote No. 1117, <i>See Attachments (3)</i>	4738
Footnote No. 1119, <i>See Attachments (2)</i>	4741
Footnote No. 1120, <i>See Attachments (24)</i>	4744
Footnote No. 1121, <i>See Attachments (4)</i>	4781
Footnote No. 1123, <i>See Attachment and Footnote No. 1105 (above)</i>	4788, 4683
Footnote No. 1124, <i>See Attachments (9) and</i> <i>Footnote No. 1123 (above)</i>	4789, 4788
Footnote No. 1125, <i>See Attachment</i>	4805
Footnote No. 1126, <i>See Attachment</i>	4806
Footnote No. 1128, <i>See Attachment</i>	4812
Footnote No. 1129, <i>See Attachment</i>	4814
Footnote No. 1130, <i>See Attachments (3)</i>	4816
Footnote No. 1131, <i>See Attachment and Footnote No. 1129 (above)</i>	4819, 4814
Footnote No. 1132, <i>See Footnote Nos. 1124 and 1131 (above)</i>	4789, 4819
Footnote No. 1133, <i>See Footnote No. 1131 (above)</i>	4819
Footnote No. 1134, <i>See Attachments (3)</i>	4847
Footnote No. 1135, <i>See Attachment</i>	4850
Footnote No. 1136, <i>See Attachment and Footnote No. 1120 (above)</i>	4851, 4744
Footnote No. 1137, <i>See Attachments (4)</i>	4864
Footnote No. 1138, <i>See Attachments (3) and</i> <i>Footnote No. 1137 (above)</i>	4868, 4864

XXV

	Page
Footnote No. 1139, <i>See Attachments (2) and Footnote Nos. 1120 and 1138 (above)</i>	4872, 4744, 4868
Footnote No. 1140, <i>See Attachments (8)</i>	4874
Footnote No. 1142, <i>See Footnote No. 543 (above) (SEALED EXHIBIT) *</i>	3073
Footnote No. 1143, <i>See Attachments (4)</i>	4884
Footnote No. 1144, <i>See Attachment</i>	4888
Footnote No. 1145, <i>See Attachment</i>	4889
Footnote No. 1146, <i>See Attachments (3)</i>	4890
Footnote No. 1147, <i>See Attachment</i>	4894
Footnote No. 1148, <i>See Attachment</i>	4908
Footnote No. 1149	*
Footnote No. 1150, <i>See Attachments (3)</i>	4909
Footnote No. 1151, <i>See Attachments (3)</i>	4917

VOLUME 4

Footnote No. 1152, <i>See Attachments (6)</i>	4923
Footnote No. 1153 <i>See Attachment</i>	4952
Additional Documents (12) Cited in Text of the Report	4954
Footnote No. 1154, <i>See Attachment</i>	4967
Footnote No. 1155, <i>See Attachment</i>	4969
Additional Documents (4) Cited in Text of the Report	4972
Footnote No. 1156, <i>See Attachments (2) and Footnote No. 1151 (above)</i>	4977, 4917
Footnote No. 1157, <i>See Attachment</i>	4979
Additional Documents (5) Cited in Text of the Report	4980
Footnote No. 1158, <i>See Attachment</i>	4985
Additional Documents (2) Cited in Text of the Report	4986
Footnote No. 1160, <i>See Attachment</i>	4988
Additional Documents (3) Cited in Text of the Report, <i>and Footnote No. 1147 (above)</i>	4989, 4894
Footnote No. 1162, <i>See Attachments (5)</i>	4995
Footnote No. 1163, <i>See Attachments (5)</i>	5004
Footnote Nos. 1164–1165, <i>See Attachments (2) and Footnote No. 1163 (above)</i>	5010, 5004
Footnote No. 1166, <i>See Attachments (4)</i>	5012
Additional Documents (8) Cited in Text of the Report	5016
Footnote No. 1167, <i>See Attachments (4)</i>	5025
Footnote No. 1168, <i>See Footnote No. 1152 (above)</i>	4923
Footnote Nos. 1196–1198, <i>See Footnote No. 476 and 478 (above) (SEALED EXHIBIT)</i>	*
Footnote No. 1200, <i>See Attachment</i>	5031
Footnote No. 1201, <i>See Attachment</i>	*
Additional Documents (2) Cited in Text of the Report	5033
Footnote No. 1202, <i>See Attachment</i>	5036
Footnote No. 1203, <i>See Attachment</i>	5037
Footnote No. 1205, <i>See Attachment</i>	5038
Footnote No. 1206, <i>See Attachment</i>	5039
Footnote No. 1207, <i>See Attachment</i>	5041
Footnote No. 1208, <i>See Attachments (4)</i>	5042
Footnote No. 1209, <i>See Attachment</i>	5048
Footnote No. 1210, <i>See Attachment</i>	5051
Footnote No. 1211, <i>See Footnote No. 1206 (above)</i>	5039
Footnote No. 1212, <i>See Attachment</i>	5053
Footnote No. 1213, <i>See Attachment</i>	5054

	Page
Footnote No. 1214, <i>See Attachment</i>	5055
Footnote No. 1215, <i>See Attachment</i>	5056
Footnote No. 1216, <i>See Attachment</i>	5057
Footnote No. 1217, <i>See Attachment</i>	5058
Footnote No. 1218, <i>See Attachment</i>	5059
Footnote No. 1219, <i>See Attachment</i>	5060
Footnote No. 1220, <i>See Attachment</i>	5062
Footnote No. 1221, <i>See Attachment</i>	5063
Footnote No. 1223, <i>See Footnote No. 1207 (above)</i>	5041
Footnote No. 1225, <i>See Attachment</i>	5064
Footnote No. 1226, <i>See Attachment</i>	5068
Footnote No. 1227, <i>See Attachment and Footnote No. 483 (above)</i>	5069, 2849
Footnote No. 1228, <i>See Attachment</i>	5071
Footnote No. 1229, <i>See Attachment</i>	5072
Footnote No. 1230, <i>See Attachment</i>	5073
Footnote No. 1231, <i>See Attachment</i>	5074
Footnote No. 1232, <i>See Attachment</i>	5075
Footnote No. 1233, <i>See Footnote No. 1232 (above)</i>	5075
Additional Document Cited in Text of the Report	5078
Footnote No. 1234, <i>See Attachment</i>	5079
Footnote No. 1235, <i>See Attachment</i>	5080
Footnote No. 1236, <i>See Attachment</i>	5081
Footnote No. 1238, <i>See Footnote No. 1236 (above)</i>	5081
Footnote No. 1239, <i>See Attachment</i>	5083
Footnote No. 1240, <i>See Attachment</i>	5084
Footnote No. 1241, <i>See Attachment</i>	5085
Footnote No. 1242, <i>See Attachment</i>	5087
Footnote No. 1243, <i>See Attachment</i>	5088
Footnote No. 1244, <i>See Attachment</i>	5091
Additional Documents (3) (1 of 3 not reprinted) Cited in Text of the Report	5092
Footnote No. 1245, <i>See Attachment</i>	5094
Footnote No. 1246, <i>See Attachment</i>	5095
Footnote Nos. 1247–1248, <i>See Footnote No. 1245 (above)</i>	5094
Additional Document Cited in Text of the Report	5096
Footnote No. 1249, <i>See Attachments (3)</i>	5097
Footnote No. 1250, <i>See Attachment</i>	5100
Footnote No. 1251, <i>See Attachment</i>	5101
Footnote No. 1252, <i>See Footnote No. 1251 (above)</i>	5101
Footnote No. 1253, <i>See Attachment</i>	5103
Footnote No. 1254, <i>See Attachment</i>	5104
Footnote Nos. 1255–1256, <i>See Footnote No. 1254 (above)</i>	5104
Additional Document Cited in Text of the Report	5108
Footnote No. 1257, <i>See Attachment</i>	5109
Footnote No. 1258, <i>See Attachment</i>	5110
Footnote No. 1259, <i>See Attachment</i>	5111
Footnote No. 1260, <i>See Attachment</i>	5112
Footnote No. 1261, <i>See Attachment</i>	5113
Footnote Nos. 1262–1263, <i>See Footnote No. 1261 (above)</i>	5113
Footnote No. 1264, <i>See Attachments (2)</i>	5114
Footnote No. 1265, <i>See Attachment</i>	5116
Footnote No. 1267, <i>See Attachment</i>	5117
Footnote No. 1268, <i>See Attachment</i>	5118
Footnote Nos. 1269–1270, <i>See Footnote No. 1268 (above)</i>	5118
Footnote No. 1271, <i>See Attachment</i>	5120

XXVII

	Page
Footnote No. 1272, <i>See Attachment</i>	5121
Footnote No. 1273, <i>See Attachment</i>	5122
Footnote No. 1274, <i>See Attachment</i>	5123
Footnote No. 1275, <i>See Attachment</i>	5124
Footnote No. 1276, <i>See Footnote No. 1275 (above)</i>	5124
Additional Document Cited in Text of the Report	5127
Footnote No. 1277, <i>See Attachment</i>	5128
Footnote No. 1278, <i>See Footnote No. 1277 (above)</i>	5128
Footnote No. 1279, <i>See Attachment</i>	5131
Footnote No. 1280, <i>See Attachment</i>	5132
Footnote No. 1281, <i>See Attachment</i>	5133
Footnote No. 1282, <i>See Attachment</i>	5134
Footnote No. 1283, <i>See Attachment</i>	5135
Footnote No. 1284, <i>See Attachment</i>	5139
Footnote No. 1285, <i>See Attachment</i>	5141
Footnote No. 1286, <i>See Footnote No. 1285 (above)</i>	5141
Additional Document Cited in Text of the Report	5143
Footnote No. 1287, <i>See Attachment</i>	5146
Footnote No. 1289, <i>See Attachments (5)</i>	5151
Footnote No. 1290, <i>See Attachments (5)</i>	5161
Footnote No. 1291, <i>See Attachments (9)</i>	5167
Additional Document Cited in Text of the Report (SEALED EXHIBIT)	*
Footnote No. 1294, <i>See Attachment and Footnote No. 872 (above)</i>	5183, 4035
Footnote No. 1295, <i>See Attachments (2) and Footnote No. 872 (above)</i>	5186, 4035
Footnote No. 1296, <i>See Footnote No. 872 (above)</i>	4035
Footnote No. 1297, <i>See Attachments (4) and Footnote No. 872 (above)</i>	5188, 4035
Footnote No. 1298, <i>See Attachments (3) and</i> <i>Footnote No. 1038 (above)</i>	5193, 4361
Footnote Nos. 1299–1300, <i>See Footnote No. 872 (above)</i>	4035
Footnote No. 1301, <i>See Attachments (5) and Footnote No. 872 (above)</i>	5200, 4035
Footnote No. 1302, <i>See Attachments (5)</i>	5211
Footnote No. 1303, <i>See Footnote No. 872 (above)</i>	4035
Footnote No. 1304, <i>See Attachments (5) and</i> <i>Footnote Nos. 872 and 1055 (above)</i>	5223, 4035, 4426
Footnote No. 1305, <i>See Attachments (4) and Footnote No. 872 (above)</i>	5228, 4035
Footnote No. 1306, <i>See Attachment</i>	5240
Footnote No. 1307, <i>See Attachments (2) and Footnote No. 872 (above)</i>	5247, 4035
Footnote No. 1308, <i>See Footnote No. 872 (above)</i>	4035
Footnote No. 1309, <i>See Attachments (2)</i>	5249
Footnote No. 1310, <i>See Attachments (2)</i>	5253
Footnote No. 1311, <i>See Attachments (29)</i>	5255
Footnote No. 1312, <i>See Attachments (5)</i>	5373
Footnote No. 1314, <i>See Footnote No. 543 (SEALED EXHIBIT) *</i> <i>and Footnote No. 872 (above)</i>	4035
Footnote No. 1315, <i>See Attachments (2) and Footnote No. 872 (above)</i>	5390, 4035
Footnote No. 1316, <i>See Attachments (15) and</i> <i>Footnote No. 872 (above)</i>	5395, 4035
Footnote No. 1317, <i>See Footnote No. 543 (SEALED EXHIBIT) *</i> <i>and Footnote No. 872 (above)</i>	4035
Footnote No. 1318, <i>See Footnote No. 872 (above)</i>	4035
Footnote No. 1319, <i>See Attachments (4) and Footnote No. 872 (above)</i>	5419, 4035
Footnote No. 1320, <i>See Attachments (5) and Footnote No. 872 (above)</i>	5424, 4035
Footnote No. 1321, <i>See Attachments (2)</i>	5435
Footnote No. 1322, <i>See Attachments (2) and</i> <i>Footnote Nos. 872 and 1230 (above)</i>	5441, 4035, 5073

XXVIII

	Page
Footnote No. 1323, <i>See Footnote Nos. 872 and 1230 (above)</i>	4035, 5073
Footnote No. 1324, <i>See Attachments (2)</i>	5446
Footnote No. 1325, <i>See Attachments (11)</i> <i>and Footnote No. 872 (above)</i>	5448, 4035
Footnote No. 1326, <i>See Attachments (4) and Footnote No. 872 (above)</i>	5464, 4035
Footnote No. 1327, <i>See Attachments (5) and</i> <i>Footnote Nos. 872 and 1326 (above)</i>	5471, 4035, 5464
Footnote No. 1328, <i>See Footnote No. 872 (above)</i>	4035
Footnote No. 1329, <i>See Attachments (6) and Footnote No. 872 (above)</i>	5479, 4035
Footnote No. 1331, <i>See Attachment</i>	5493
Footnote No. 1332, <i>See Attachments (2)</i> <i>and Footnote No. 1331 (above)</i>	5494, 5493
Footnote No. 1333, <i>See Attachments (3) and</i> <i>Footnote No. 1331 (above)</i>	5496, 5493
Footnote No. 1334, <i>See Attachment</i>	5499
Footnote No. 1335, <i>See Footnote No. 1333 (above)</i>	5493
Footnote No. 1336, <i>See Attachment</i>	5501
Footnote No. 1337, <i>See Attachments (6)</i>	5503
Footnote No. 1338, <i>See Attachments (5)</i>	5509
Footnote No. 1339, <i>See Attachments (5)</i>	5514
Footnote No. 1340, <i>See Attachments (2)</i>	5520
Footnote No. 1341, <i>See Attachments (4) and</i> <i>Footnote No. 1340 (above)</i>	5550, 5520
Footnote No. 1342, <i>See Footnote No. 1340 (above)</i>	5520
Footnote No. 1343, <i>See Attachments (2) and</i> <i>Footnote No. 1332 (above)</i>	5564, 5494
Footnote No. 1344, <i>See Attachments (4)</i>	5566
Footnote No. 1345, <i>See Attachments (7) and</i> <i>Footnote No. 1344 (above)</i>	5572, 5566
Footnote No. 1346, <i>See Attachments (4)</i>	5579
Footnote No. 1347, <i>See Attachments (3)</i>	5583
Footnote No. 1348, <i>See Attachment and Footnote No. 1346 (above)</i>	5587, 5579
Footnote No. 1349, <i>See Attachments (2)</i>	5588
Footnote No. 1350, <i>See Attachments (4)</i>	5590
Footnote No. 1351, <i>See Attachments (3)</i>	5594
Footnote No. 1352, <i>See Attachments (2)</i>	5597
Footnote No. 1354, <i>See Attachments (2)</i>	5599
Footnote No. 1355, <i>See Attachments (2)</i>	5617
Footnote No. 1356, <i>See Attachments (7)</i>	5621
Footnote No. 1357, <i>See Attachment</i>	5628
Footnote No. 1359, <i>See Attachment</i>	5630
Footnote No. 1360, <i>See Attachments (3)</i>	5633
Footnote No. 1361, <i>See Attachment</i>	5637
Footnote No. 1362, <i>See Attachments (7)</i>	5838
Footnote No. 1364, <i>See Attachments (3) * (1 of 3 not reprinted)</i> <i>and Footnote No. 1359 (above)</i>	5650, 5630
Footnote No. 1365, <i>See Attachment and Footnote No. 1364 (above)</i>	5652, 5650
Footnote No. 1366, <i>See Attachments (2) * (1 of 2 not reprinted)</i> <i>and Footnote No. 1365 (above)</i>	5654, 5652
Footnote No. 1367, <i>See Attachments (3) * (1 of 3 not reprinted)</i> <i>and Footnote No. 1365 (above)</i>	5657, 5652
Footnote No. 1368, <i>See Attachments (5)</i>	5660
Footnote No. 1369, <i>See Footnote No. 1364 (above)</i>	5630
Footnote No. 1370, <i>See Attachments (8)</i>	5665
Footnote No. 1372, <i>See Attachments (6)</i>	5673
Footnote No. 1373, <i>See Attachments (7)</i>	5680

XXIX

	Page
Footnote No. 1374, <i>See Attachments (6)</i>	5688
Footnote No. 1375, <i>See Attachments (3)</i>	5694
Footnote No. 1376, <i>See Attachments (5)</i>	5697
Footnote No. 1377, <i>See Footnote No. 1362 (above)</i>	5638
Footnote No. 1378, <i>See Attachment</i>	5702
Footnote No. 1379, <i>See Attachment</i>	5703
Footnote No. 1380, <i>See Footnote No. 1362 (above)</i>	5638
Footnote No. 1382, <i>See Attachments (4)</i>	5704
Footnote No. 1383, <i>See Attachment and Footnote No. 1306 (above)</i>	5711, 5240
Footnote No. 1384, <i>See Attachment</i>	5716
Footnote No. 1385, <i>See Attachment</i>	5727
Footnote No. 1386, <i>See Attachments (10)</i>	5744
Footnote No. 1387, <i>See Attachments (6)</i> <i>and Footnote No. 1382 (above)</i>	5757, 5704
Footnote No. 1388, <i>See Attachments (2)</i> <i>and Footnote No. 1306 (above)</i>	5785, 5240
Footnote No. 1389, <i>See Footnote No. 872 (above)</i>	4035
Footnote No. 1391, <i>See Attachments (2)</i>	5793
Footnote No. 1392, <i>See Footnote No. 1305 (above)</i>	5228
Footnote No. 1393, <i>See Attachments (2)</i>	5795
Footnote No. 1394, <i>See Attachments (2)</i>	5799
Footnote No. 1395, <i>See Attachments (4) * (2 of 4 not reprinted)</i> <i>and Footnote No. 1394 (above)</i>	5801, 5799
Footnote No. 1396, <i>See Footnote Nos. 1311 and 1388 (above)</i>	5255, 5785
Footnote No. 1397, <i>See Attachments (2) and</i> <i>Footnote No. 1395 (above)</i>	5804, 5801
Footnote No. 1398, <i>See Attachments (3)</i>	5806
Footnote No. 1399, <i>See Attachments (3) and Footnote No. 872 (above)</i>	5810, 4035
Footnote No. 1400, <i>See Footnote No. 465 (above)</i>	2819
Footnote No. 1401, <i>See Footnote No. 458 (above)</i>	2783
Footnote No. 1402, <i>See Attachment</i>	5814
Footnote No. 1403, <i>See Footnote Nos. 662 and 663 (above)</i>	3379, 3476
Footnote No. 1404, <i>See Attachment</i>	5815
Footnote No. 1405, <i>See Attachment</i>	5818
Footnote No. 1406, <i>See Attachment</i>	5820
Footnote No. 1407, <i>See Attachment</i>	5821
Footnote No. 1408, <i>See Attachment</i>	5822
Footnote No. 1409, <i>See Attachments (2)</i>	5827
Footnote No. 1410, <i>See Attachment and Footnote No. 683 (above)</i>	5829, 3580
Footnote No. 1411, <i>See Footnote No. 687 (above)</i>	3600
Footnote No. 1412, <i>See Attachment</i>	5830
Footnote No. 1413, <i>See Attachment</i>	5831
Footnote No. 1414, <i>See Attachment</i>	5832
Footnote No. 1415, <i>See Footnote No. 848 (above)</i>	3988
Footnote No. 1416, <i>See Attachments (2)</i>	5833
Footnote No. 1417, <i>See Attachment</i>	5835
Footnote No. 1418, <i>See Attachment</i>	5837
Footnote No. 1419, <i>See Attachment</i>	5839
Footnote No. 1421, <i>See Attachment</i>	5840
Footnote No. 1422, <i>See Footnote No. 848 (above)</i>	3988
Footnote No. 1423, <i>See Attachment</i>	5841
Footnote No. 1424, <i>See Footnote No. 716 (above)</i>	3690
Footnote No. 1425, <i>See Attachment</i>	5842
Footnote No. 1427, <i>See Attachment</i>	5844
Footnote No. 1428, <i>See Attachments (2)</i>	5845

XXX

	Page
Footnote No. 1431, <i>See Footnote No. 872 (above)</i>	4035
Footnote No. 1432, <i>See Footnote No. 189 (above)</i>	2049
Footnote No. 1433, <i>See Footnote No. 188 (above)</i>	2048
Footnote No. 1436, <i>See Footnote No. 211 (above)</i>	2111
Footnote Nos. 1438–1439, <i>See Footnote No. 415 (above)</i>	2655
Footnote No. 1441, <i>See Attachment</i>	5871
Footnote No. 1442, <i>See Footnote No. 415 (above)</i>	2655
67. a. Additional documents regarding POINT	5872
b. Additional documents regarding offshore trusts	6100
[*] Retained in the files of the Subcommittee.	

TAX HAVEN ABUSES: THE ENABLERS, THE TOOLS AND SECRECY—VOL. 4 OF 4

POSSESSION AGREEMENT

This AGREEMENT is made the 2nd day of April, 2004.

BETWEEN:-

- (1) Audubon Asset Limited a company incorporated in the Isle of Man having its registered office at International House, Castle Hill, Victoria Road, Douglas, Isle of Man ("the Company");
- (2) *Paragon Buildings (Kelly Elliott)* ("the Holder")
- (3) ~~Audubon~~ Trust Company Limited of International House, Castle Hill, Victoria Road, Douglas, Isle of Man ("the Shareholder").

WHEREAS:-

- (A) The Company is the legal owner of the assets described in the Schedule ("the assets")
- (B) The Company has permitted the assets to be held by the Holder at the locations indicated in the Schedule.
- (C) The Company and the Holder wish to place on record that the assets remain the property of the Company.
- (D) The Company wishes to ensure the security of the assets.
- (E) The Shareholder in its capacity as sole Trustee of the Bessie Trust pursuant to a Trust Agreement dated 2nd February 1994 made between Keith L. King as Settlor of the one part and Lorne House Trust Limited as Original Trustee of the other part is the ~~registered~~ holder of the issued share capital in the Company.

THIS DEED WITNESSES as follows:-

1. In exercise of the power conferred on the Company in its Memorandum and Articles of Association and in particular Regulation 71 of the Companies (Memorandum and Articles of Association) Regulations 1988 (which applies to the Company) pursuant to which the Company may by power of attorney or otherwise appoint any person to be the agent of the Company for such purposes and on such conditions as the directors of the Company shall determine, the Company hereby permits the Holder to hold the assets as its agent at the locations identified in the Schedule to the order of the Company.

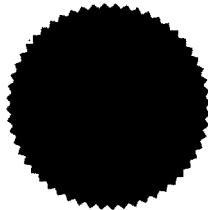
Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1152

CONFIDENTIAL
SEC100066471
PS100078338

2. The Holder by his execution hereof acknowledges that he holds the assets to the order of the Company and not beneficially and undertakes to the Company to maintain the security and condition of the assets in such manner as the Company may from time to time direct and further to notify the Company of any change in the manner in which the assets are held including (without limiting the generality of the foregoing) any change in their location.
3. The Holder further undertakes to return to the possession of the Company or to a place under the control and management of the Company all or any of the assets presently held by him on the terms of this Agreement, the reasonable costs of any such return to be borne by the Company.
4. The Holder further undertakes to the Company not to pledge, assign, transfer for value or otherwise dispose of the assets to any third party save as may be directed from time to time by the Company.
5. The Shareholder by its execution of this Agreement consents to and approves the terms of this Agreement.
6. This Agreement shall be governed and construed in accordance with the laws of the Isle of Man and the parties submit to the non exclusive jurisdiction of the Isle of Man Court.

EXECUTED AS A DEED this day of 2004 by each party affixing its common seal or setting his hand.

THE COMMON SEAL of
AUDUBON ASSET LIMITED
was hereby affixed
in the presence of:



: *[Signature]* Holder
: *[Signature]* Director
: *[Signature]* Director / Secretary

4925

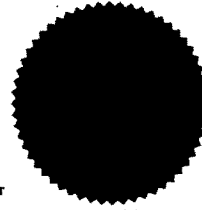
SIGNED and DELIVERED :
by the said :

in the presence of: :

IFG
INTELLECTUAL PROPERTY
THE COMMON SEAL of :
INTELLECTUAL TRUST COMPANY :
LIMITED :
was hereby affixed :
in the presence of: :

..... Director

..... Director / Secretary



HC
27604

AB/SLD/CORP/STORE/AUDUBON-ASSET-AGREE

CONFIDENTIAL
SEC100066473
INTELLECTUAL

Page: I
Inventory Number

Works List by Location

Artist Title Media Dimensions	Ownership Source	Date Received Status	Location Details	Insurance Value	Retail Value
Paragon Building					
JJA002 Audubon, John James, 1785-1851 Louisiana Heron Hand printed/colored aquatint engraving 26 X 39 inches	Owned Christie's	4/21/1997 Available		0.00	0.00
JJA020 Audubon, John James, 1785-1851 Turkey Buzzard Hand printed/Colored aquatint engraving 39 X 26 inches	Owned Christie's	4/21/1997 Available		0.00	0.00
KWE001 Elliott, Kelly Wyly Bull and Ram, 1997 Unique Ceramic 14 X 12 inches	Owned Elliott Yeary Gallery	1/7/2002 Available		0.00	1,800.00
JM001 Meeker, Joseph Rusling, American, 1827-1889 Achafalaya River Scene, 1887 oil on canvas 20 X 36 inches	Owned Hammer Galleries	Available		0.00	0.00
MT003 Meier, Barry The Century Edition of Huckleberry Finn, 1985 12 3/4 X 10 inches	Owned Sotheby's	6/20/2006 Available		0.00	0.00
MT006 No Artist Contemporary Posters, Various Titles, Movie Posters (Mark Twain), 1974-1990 Poster	Owned Sotheby's	6/20/2003 Available		0.00	0.00
MT007 No Artist Eastern Europe Posters, Various Titles (Mark Twain), 1940-1980 Poster	Owned Sotheby's	6/20/2003 Available		0.00	0.00

4926

CONFIDENTIAL
SEC100066474
PSI00078341

Page: 2	Inventory Number	Works List by Location					
		Artist Title Media Dimensions	Ownership Source	Date Received Status	Location Details	Insurance Value	Retail
	MT005	No Artist Man With a Million and The Adventures of Mark Twain, Movie Poster, 1944-1954 Poster	Owned Sotheby's	6/20/2003 Available		0.00	0.00
	MT002	No Artist Victorian Chippendale-style inland mahogany desk - Samuel's Clemens, circa 1870 Mahogany desk Height: 40 1/4in.; 1022mm Width: 42in.; 1067mm; depth: 20 1/2in.; 511mm	Owned Sotheby's	6/20/2003 Available	Aspen	0.00	0.00
	MT001	unknown Bronze Bust of Samuel L. Clemens, undated 12 1/2 X 10 inches	Owned Sotheby's	6/20/2003 Available	Aspen	0.00	2,500.00
						0.00	4,300.00
Total:						0.00	4,300.00

CONFIDENTIAL
SECI00066475
PSI00078342

POSSESSION AGREEMENT

This AGREEMENT is made the 2nd day of April, 2004.

BETWEEN:-

- (1) Audubon Asset Limited a company incorporated in the Isle of Man having its registered office at International House, Castle Hill, Victoria Road, Douglas, Isle of Man ("the Company").
- (2) Cheryl Wylly (Aspen) ("the Holder")
- (3) ~~IFC INTERNATIONAL~~ Trust Company Limited of International House, Castle Hill, Victoria Road, Douglas, Isle of Man ("the Shareholder").

WHEREAS:-

- (A) The Company is the legal owner of the assets described in the Schedule ("the assets")
- (B) The Company has permitted the assets to be held by the Holder at the locations indicated in the Schedule.
- (C) The Company and the Holder wish to place on record that the assets remain the property of the Company.
- (D) The Company wishes to ensure the security of the assets.
- (E) The Shareholder in its capacity as sole Trustee of the Bessie Trust pursuant to a Trust Agreement dated 2nd February 1994 made between Keith L. King as Settlor of the one part and Lorne House Trust Limited as Original Trustee of the other part is the ~~registered~~ holder of the issued share capital in the Company.

THIS DEED WITNESSES as follows:-

1. In exercise of the power conferred on the Company in its Memorandum and Articles of Association and in particular Regulation 71 of the Companies (Memorandum and Articles of Association) Regulations 1988 (which applies to the Company) pursuant to which the Company may by power of attorney or otherwise appoint any person to be the agent of the Company for such purposes and on such conditions as the directors of the Company shall determine, the Company hereby permits the Holder to hold the assets as its agent at the locations identified in the Schedule to the order of the Company.

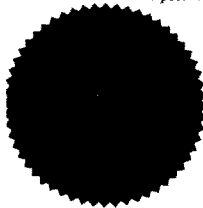
Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1152

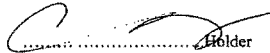
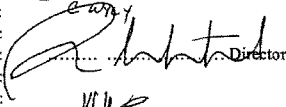

CONFIDENTIAL
SECI00066494
PSI00078361

2. The Holder by his execution hereof acknowledges that he holds the assets to the order of the Company and not beneficially and undertakes to the Company to maintain the security and condition of the assets in such manner as the Company may from time to time direct and further to notify the Company of any change in the manner in which the assets are held including (without limiting the generality of the foregoing) any change in their location.
3. The Holder further undertakes to return to the possession of the Company or to a place under the control and management of the Company all or any of the assets presently held by him on the terms of this Agreement, the reasonable costs of any such return to be borne by the Company.
4. The Holder further undertakes to the Company not to pledge, assign, transfer for value or otherwise dispose of the assets to any third party save as may be directed from time to time by the Company.
5. The Shareholder by its execution of this Agreement consents to and approves the terms of this Agreement.
6. This Agreement shall be governed and construed in accordance with the laws of the Isle of Man and the parties submit to the non exclusive jurisdiction of the Isle of Man Court.

EXECUTED AS A DEED this day of 2004 by each party affixing its common seal or setting his hand.

THE COMMON SEAL of
AUDUBON ASSET LIMITED
was hereby affixed
in the presence of:



:  Holder
:  Director
:  Director / Secretary

4930

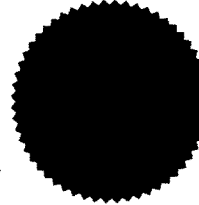
SIGNED and DELIVERED
by the said

in the presence of:

159
THE COMMON SEAL of
ALBANY TRUST COMPANY
LIMITED
was hereby affixed
in the presence of:

..... Director

..... Director / Secretary



HC
277/04

AB/SLD/CORP/STOES/AU/DUBON-ASSET-AGREE

CONFIDENTIAL
SEC100066496
DET00070223

Page: 1	Works List by Location						
	Inventory Number	Artist Title Media Dimensions	Ownership Source	Date Received Status	Location Details	Insurance Value	Retail Value
Aspen Home: Sam and Cheryl Wylly							
	AB001	Boisseau, Alfred L., 1823-1901 Flood of the Mississippi, 1896 oil on canvas 36 1/4 X 52 inches	Owned Hammer Galleries	Available		0.00	0.00
	RC001	Crowther, R. Davey Jones, 1938 Charcoal 27 X 27 inches	Owned Schoonover Studios LTD	1/7/2003 Available		0.00	2,800.00
	DDD001	Duncan, David Douglas Picasso dipping paint brush Photograph 13 X 9 1/2 inches	Owned Hammer Galleries	5/16/2001 Available		0.00	0.00
	PE004	Ellenshaw, Peter, 1966 - 1996 Mt. Maastive, Sawatch Range, Colorado, 1985 Acrylic on Canvas 40 X 72 inches	Owned Elliott Yeary Gallery	1/12/2002 Available		0.00	75,000.00
	PE005	Ellenshaw, Peter, 1966 - 1996 Seascape, 1966 Acrylic	Owned Hammer Galleries	Available	Breakfast room	0.00	0.00
	RC002	Griffing, Robert The Lost Documents Oil on canvas 36 X 44 inches	Owned Wind River Gallery	8/4/1999 Available		0.00	65,000.00
	DL001	Lewis, Dylan Leopard Crushing Serpent, 2000 Bronze 14 1/4 X 6 X 2 inches	Owned Miriam Shitell Fine Art Ltd.	11/7/2000 Available		0.00	0.00

Works List by Location

Page: 2
Inventory
Number

Artist Title Media Dimensions	Ownership Source	Date Received Status	Location Details	Insurance Value	Retail
LM001 Monroe, Lanford, 1950 - Late Season Reflections Oil on canvas 30 X 40 inches	Owned Gerald Peters Gallery	8/19/1998 Available		0.00	11,500.00
CN001 Neander, Christopher Coffee Table w/display case Wood	Owned Anderson Ranch Arts Center	Available	Upstairs media room	0.00	0.00
Rug003 No Artist Afghan-Turkmen Bashni rug from North Afghanistan with elephant-foot design Oriental Rug 8' x 10'	Owned Noori's Collection	Available		0.00	0.00
Rug019 No Artist Fine Persian "Nasen" with silk 7' x 7'	Owned Noori's Collection	Available		0.00	0.00
Rug022 No Artist Fine Persian silk "Qum" Oriental Rug 3' x 5'	Owned Noori's Collection	Available		0.00	0.00
Rug008 No Artist Fine Turkmen "Mauri" rug from North Afghanistan. Oriental Rug 82" x 11'	Owned Noori's Collection	Available		0.00	0.00
Rug001 No Artist Fine Turkish silk rug Oriental Rug 6' x 9'	Owned Noori's Collection	Available		0.00	0.00
Rug002 No Artist Fine Turkish silk rug, prayer design. Oriental Rug 4' x 6'	Owned Noori's Collection	Available		0.00	0.00
Robe001 No Artist Indian silk and gold princess robe, Circa: 19th Century Textile	Owned Noori's Collection	Available		0.00	0.00

CONFIDENTIAL
SECI00066498
PSI00078365

Works List by Location

Page: 3
Inventory Number

Artist Title Media Dimensions	Ownership Source	Date Received Status	Location Details	Insurance Value	Retail
Rug012 No Artist N.W. Fine Antique Persian "Tabriz" from state of Azerbaijan, Circa. 1900 Oriental Rug Size: 11'5" x 11'	Owned Noori's Collection	Available		0.00	0.00
Rug009 No Artist South Russian Runner from "Kazakhstan" Oriental Rug 2'8" x 15'6"	Owned Noori's Collection	Available		0.00	0.00
Rug021 No Artist Turkish-Azari rug with "Sultan-abad" design. Oriental Rug 11'9" x 15'6"	Owned Noori's Collection	Available		0.00	0.00
Rug014 No Artist Turkish-Herke design silk rug Oriental Rug 7' x 10'	Owned Noori's Collection	Available		0.00	0.00
DOS001 Ostermiller, Dan, 1997 Urns Monument 4, 1997 Bronze 98 1/2 X 46 1/2 X 39 inches	Owned Nedra Matencoff Galleries	8/21/1998 Available		0.00	110,000.00
PP006 Picasso, Pablo, 1881-1973 Scene de Taurinachie, 1959 Unique Ceramic 5 15/16 X 9 1/16 inches	Owned Elliot Yarny Gallery	1/15/2001 Available		0.00	78,000.00
HS001 Sculen, Henry The Hunters, 1915 Oil on Board 10 X 5 inches	Owned Schoonover Studios LTD	1/7/2003 Available		0.00	950.00
GSP002 Speck, Gene Old Evening Camp Oil on Board 12 X 16 inches	Owned Wind River Gallery	12/23/2001 Available		0.00	5,600.00

4933

CONFIDENTIAL
SEC100066499
PS100078366

Page: 4 Inventory Number	Works List by Location					
	Artist Title Media Dimensions	Ownership Source	Date Received Status	Location Details	Insurance Value	Retail
GSP001	Speck, Gene Lazy Summer Days Oil on Board 8 X 10 inches	Owned Wind River Gallery	12/23/2001 Available		0.00	2,900.00
RS001	Sturtz, Rick HotShoe Tables	Owned Anderson Ranch Arts Center	Available		0.00	0.00
FTN002	unknown Modified Carved Stone Wall Fountain	Owned Elizabeth Street Gallery	6/30/1999 Available	Side yard	0.00	8,500.00
FTN001	unknown Re-Creation of a 19th Century French Bronze Fountain Mask	Owned Elizabeth Street Gallery	6/30/1999 Available	Fountain	0.00	2,500.00
JW001	Wang, Jienzei A Mother's Love, 1999 Oil on canvas 40 X 30 inches	Owned Wind River Gallery	9/15/1999 Available	Kitchen	0.00	6,000.00
NCW001	Wyeth, N.C., 1882-1945 Black Arrow Endpapers, Circa 1916 Oil on Canvas 26 1/2 X 40 inches	Owned Hammer Galleries	11/4/2002 Available		0.00	600,000.00
LZ001	Zhang, Li The Little One, 1996 Oil 24 X 20 inches	Owned Huntsman Gallery of Fine Art	6/13/1998 Available		0.00	19,500.00
Total:					0.00	988,250.00
					0.00	988,250.00

CONFIDENTIAL
SECI00066500
PSI00078367

Works List by Location

Page: 2	Inventory Number	Artist Title Media Dimensions	Ownership Source	Date Received Status	Location Details	Insurance Value	Retail Value
	MH001	Hall, McKenney &, 1838 The Indian Tribes of North America, 1838 Book 18 X 12 inches	Owned Gerald Peters Gallery	9/24/1998 Available		0.00	0.00
	FDH001	Hardy, Frederick Daniel The Wedding Dress oil on canvas 30 1/2 X 50 1/4 inches	Owned Kurt E. Schon, Ltd.	11/25/1996 Available		0.00	55,000.00
	JFH001	Herring, Sr., John Frederick, 1795-1865 A Farmyard Scene/After Work Oil on canvas 27 3/4 X 35 1/ inches	Owned W. Graham Ander III	5/23/1997 Available		0.00	150,000.00
	AJ001	Jacquemart, Alfred Cast Iron Tiger Cast Iron	Owned Elizabeth Street Gallery	7/15/1999 Available	Front Yard	0.00	77,500.00
	AJ002	Jacquemart, Alfred Cast Iron Vases Cast Iron	Owned Elizabeth Street Gallery	7/15/1999 Available		0.00	15,000.00
	MKL004	Klonosky, Marc Evening Sounds, 1985 Oil on canvas 70 X 50 1/2 inches	Owned Hammer Galleries	10/20/1997 Available		0.00	50,000.00
	MKL011	Klonosky, Marc Portrait of Andrew Wyly, 1997 Oil on canvas 55 5/8 X 37 5/8 inches	Owned Hammer Galleries	9/12/1997 Available		0.00	40,000.00
	MKL013	Klonosky, Marc Portrait of Christina Wyly, 1997 Oil on canvas 55 5/8 X 29 5/8 inches	Owned Hammer Galleries	9/12/1997 Available		0.00	40,000.00
	MKL014	Klonosky, Marc Portrait of Evan Wyly, 1997 Oil on canvas 55 5/8 X 38 5/8 inches	Owned Hammer Galleries	9/12/1997 Available		0.00	40,000.00

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1152

CONFIDENTIAL
SEC100066520
PSI00078387

Works List by Location

Page: 3

Inventory Number	Artist Title Media Dimensions	Ownership Source	Date Received Status	Location Details	Insurance Value	Retail Value
MKL016	Klionsky, Marc Portrait of Kelly Wyly, 1997 Oil on canvas 55 5/8 X 38 5/8 inches	Owned Hammer Galleries	9/12/1997 Available		0.00	40,000.00
MKL017	Klionsky, Marc Portrait of Laurie Wyly, 1997 Oil on canvas 56 X 43 inches	Owned Hammer Galleries	9/12/1997 Available		0.00	40,000.00
MKL018	Klionsky, Marc Portrait of Lisa Wyly, 1997 Oil on canvas 53 5/8 X 44 1/8 inches	Owned Hammer Galleries	9/12/1997 Available		0.00	40,000.00
MKL020	Klionsky, Marc Portrait of McCary Wyly, 1999 oil on canvas 40 X 28 inches	Owned Hammer Galleries	12/21/1999 Available		0.00	0.00
MKL022	Klionsky, Marc Portrait of Sam & Cheryl Wyly, 1997 Oil on canvas 40 X 60 inches	Owned Hammer Galleries	9/12/1997 Available		0.00	50,000.00
MKL023	Klionsky, Marc Portrait of Sam Wyly, 1997 Oil on canvas 36 X 35 inches	Owned Hammer Galleries	9/12/1997 Available		0.00	40,000.00
ZHL008	Lu, Zhen-Huan, 1950 Fourth of July, 2000 Oil on Canvas 24 X 30 inches	Owned Hammer Galleries	11/8/2000 Available		0.00	11,000.00
Rug006	No Artist Agha-Babuchi from SW of Afghanistan Oversized Rug 3' x 5'	Owned Noor's Collection	Available		0.00	0.00

CONFIDENTIAL
SEC100066521
PSI00078388

POSSESSION AGREEMENT

This AGREEMENT is made the 2nd day of April, 2004.

BETWEEN:-

- (1) Audubon Asset Limited a company incorporated in the Isle of Man having its registered office at International House, Castle Hill, Victoria Road, Douglas, Isle of Man ("the Company").
- (2) *Jason and Kelly Elliott* ("the Holder")
- (3) *IFG International* Trust Company Limited of International House, Castle Hill, Victoria Road, Douglas, Isle of Man ("the Shareholder").

WHEREAS:-

- (A) The Company is the legal owner of the assets described in the Schedule ("the assets")
- (B) The Company has permitted the assets to be held by the Holder at the locations indicated in the Schedule.
- (C) The Company and the Holder wish to place on record that the assets remain the property of the Company.
- (D) The Company wishes to ensure the security of the assets.
- (E) The Shareholder in its capacity as sole Trustee of the Bessie Trust pursuant to a Trust Agreement dated 2nd February 1994 made between Keith L. King as Settlor of the one part and Lorne House Trust Limited as Original Trustee of the other part is the registered holder of the issued share capital in the Company.

[Signature] THIS DEED WITNESSES as follows:-

1. In exercise of the power conferred on the Company in its Memorandum and Articles of Association and in particular Regulation 71 of the Companies (Memorandum and Articles of Association) Regulations 1988 (which applies to the Company) pursuant to which the Company may by power of attorney or otherwise appoint any person to be the agent of the Company for such purposes and on such conditions as the directors of the Company shall determine, the Company hereby permits the Holder to hold the assets as its agent at the locations identified in the Schedule to the order of the Company.

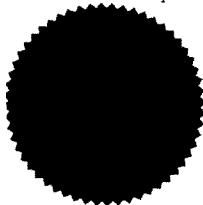
Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1152

CONFIDENTIAL
SECI00066551
PSI00078418

2. The Holder by his execution hereof acknowledges that he holds the assets to the order of the Company and not beneficially and undertakes to the Company to maintain the security and condition of the assets in such manner as the Company may from time to time direct and further to notify the Company of any change in the manner in which the assets are held including (without limiting the generality of the foregoing) any change in their location.
3. The Holder further undertakes to return to the possession of the Company or to a place under the control and management of the Company all or any of the assets presently held by him on the terms of this Agreement, the reasonable costs of any such return to be borne by the Company.
4. The Holder further undertakes to the Company not to pledge, assign, transfer for value or otherwise dispose of the assets to any third party save as may be directed from time to time by the Company.
5. The Shareholder by its execution of this Agreement consents to and approves the terms of this Agreement.
6. This Agreement shall be governed and construed in accordance with the laws of the Isle of Man and the parties submit to the non exclusive jurisdiction of the Isle of Man Court.

EXECUTED AS A DEED this day of 2004 by each party affixing its common seal or setting his hand.

THE COMMON SEAL of
AUDUBON ASSET LIMITED
was hereby affixed
in the presence of:



: *V. Reid*Holder
:
: *R. White*Director
:
: *[Signature]* Director / Secretary

4939

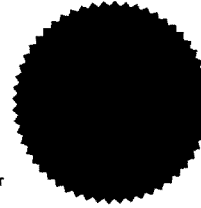
SIGNED and DELIVERED :
by the said :

in the presence of: :

156
NOTARY PUBLIC
THE COMMON SEAL of :
~~AUDUBON~~ TRUST COMPANY :
LIMITED :
was hereby affixed :
in the presence of: :

..... Director

..... Director / Secretary



Hk
279/24

AB/SLD/CORP/STORE/AUDUBON-ASSET-AGREE

CONFIDENTIAL
SEC100066553
PSI00078420

Works List by Location

Artist Title Media Dimensions	Ownership Source	Date Received Status	Location Details	Insurance Value	Retail
Elliott, Jason and Kelly					
JJA008 Audubon, John James, 1785-1851 Belted Kingfisher Hand printed/Colored aquatint engraving 39 X 26 inches	Owned Christie's	4/21/1997 Available		0.00	0.00
JJA015 Audubon, John James, 1785-1851 House Wren Hand printed/Colored aquatint engraving 39 X 26 inches	Owned Christie's	4/21/1997 Available		0.00	0.00
JJA012 Audubon, John James, 1785-1851 Swallow-Tailed Hawk Hand printed/Colored aquatint engraving 26 X 39 inches	Owned Christie's	4/21/1997 Available		0.00	0.00
DB001 Brega, David, 1948 - 1993 Unfinished Business, 1993 Oil on masonite 26 X 16 inches	Owned Hollis Taggart Galleries	2/21/1997 Available		0.00	18,000.00
JFH002 Herring, Sr., John Frederick, 1795-1865 Noon Dayrest oil on canvas 41 X 71 inches	Owned Sotabey's	Available		0.00	0.00
MKL007 Klonsky, Marc Kelly and Jason Elliott, 2000 Oil on canvas 38 X 50 inches	Owned Hammer Galleries	6/30/2000 Available		0.00	0.00
MKL028 Klonsky, Marc One Letter, 1985 Oil on canvas 38 X 46 inches	Owned Hammer Galleries	9/12/1997 Available		0.00	40,000.00

4940

Works List by Location						
Page: 2	Inventory Number	Artist Title Media Dimensions	Overship Source	Date Received Status	Location Details	Insurance Value
	PP004	Picasso, Pablo, 1881-1973 Plat Taureau a l' Oiseau, 7/18/51 Unique ceramic 13 3/16 inches	Owned Hammer Galleries	6/3/1997 Available		0.00
	PP008	Picasso, Pablo, 1881-1973 Vase Deux Anses Grand Oiseau, 1947 Unique Ceramic 20 5/8 X 14 1/2 inches	Owned Elliott Yeary Gallery	1/15/2001 Available		0.00
	PS001	Sasso, Paul Wildwood Wisdom Lamp	Owned Anderson Ranch Arts Center	Available		0.00
	AW001	Wyeth, Andrew Maine Door Wyeth, 1970 Watercolor 29 1/2 X 21 1/4 inches	Owned Hammer Galleries	4/1/1998 Available		0.00
						0.00
						883,000.00
Total:						0.00
						883,000.00

POSSESSION AGREEMENT

This AGREEMENT is made the 2nd day of April, 2004.

BETWEEN:-

- (1) Audubon Asset Limited a company incorporated in the Isle of Man having its registered office at International House, Castle Hill, Victoria Road, Douglas, Isle of Man ("the Company").
- (2) Laurie and David Matthews ("the Holder")
- (3) ~~IFG INTERNATIONAL~~ Trust Company Limited of International House, Castle Hill, Victoria Road, Douglas, Isle of Man ("the Shareholder").

WHEREAS:-

- (A) The Company is the legal owner of the assets described in the Schedule ("the assets")
- (B) The Company has permitted the assets to be held by the Holder at the locations indicated in the Schedule.
- (C) The Company and the Holder wish to place on record that the assets remain the property of the Company.
- (D) The Company wishes to ensure the security of the assets.
- (E) The Shareholder in its capacity as sole Trustee of the Bessie Trust pursuant to a Trust Agreement dated 2nd February 1994 made between Keith L. King as Settlor of the one part and Lorne House Trust Limited as Original Trustee of the other part is the ~~registered~~ holder of the issued share capital in the Company.

THIS DEED WITNESSES as follows:-

1. In exercise of the power conferred on the Company in its Memorandum and Articles of Association and in particular Regulation 71 of the Companies (Memorandum and Articles of Association) Regulations 1988 (which applies to the Company) pursuant to which the Company may by power of attorney or otherwise appoint any person to be the agent of the Company for such purposes and on such conditions as the directors of the Company shall determine, the Company hereby permits the Holder to hold the assets as its agent at the locations identified in the Schedule to the order of the Company.

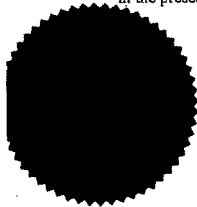
Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1152

CONFIDENTIAL
SEC100066561
PSI00078428

2. The Holder by his execution hereof acknowledges that he holds the assets to the order of the Company and not beneficially and undertakes to the Company to maintain the security and condition of the assets in such manner as the Company may from time to time direct and further to notify the Company of any change in the manner in which the assets are held including (without limiting the generality of the foregoing) any change in their location.
3. The Holder further undertakes to return to the possession of the Company or to a place under the control and management of the Company all or any of the assets presently held by him on the terms of this Agreement, the reasonable costs of any such return to be borne by the Company.
4. The Holder further undertakes to the Company not to pledge, assign, transfer for value or otherwise dispose of the assets to any third party save as may be directed from time to time by the Company.
5. The Shareholder by its execution of this Agreement consents to and approves the terms of this Agreement.
6. This Agreement shall be governed and construed in accordance with the laws of the Isle of Man and the parties submit to the non exclusive jurisdiction of the Isle of Man Court.

EXECUTED AS A DEED this day of 2004 by each party affixing its common seal or setting his hand.

THE COMMON SEAL of
AUDUBON ASSET LIMITED
was hereby affixed
in the presence of:



: *James W. H. Hutton* Holder
: *[Signature]* Director
: *[Signature]* Director / Secretary

4944

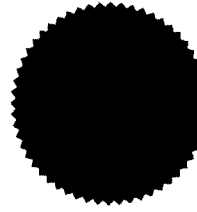
SIGNED and DELIVERED :
by the said :

in the presence of: :

1FG
THE COMMON SEAL of
WINDYR TRUST COMPANY
LIMITED
was hereby affixed
in the presence of:

..... Director

..... Director / Secretary



HC
280/04

ABSLD/CORP/STORE/AUDUBON-ASSET-AGREE

CONFIDENTIAL
SEC100066563
PS100078430

Works List by Location

Page: 1
Inventory
Number

Artist
Title
Media
Dimensions

Ownership
Source

Date Received
Status

Location
Details

Insurance
Value

Retail
Value

Matthews, David and Laurie

JJA024	Audubon, John James, 1785-1851 American Goldfinch or Yellow Bird Hand printed/Colored aquatint engraving 39 X 26 inches	Owned Christie's	4/21/1997 Available	0.00	0.00
JJA050	Audubon, John James, 1785-1851 Black and Yellow Warbler Hand printed/Colored aquatint engraving 39 X 26 inches	Owned Christie's	4/21/1997 Available	0.00	0.00
JJA023	Audubon, John James, 1785-1851 Large Billed Puffin Hand printed/Colored aquatint engraving 26 X 39 inches	Owned Christie's	4/21/1997 Available	0.00	0.00
JJA016	Audubon, John James, 1785-1851 Puffin Hand printed/Colored aquatint engraving 26 X 39 inches	Owned Christie's	4/21/1997 Available	0.00	0.00
JJA025	Audubon, John James, 1785-1851 Three-toed Woodpecker Hand printed/Colored aquatint engraving 39 X 26 inches	Owned Christie's	4/21/1997 Available	0.00	0.00
JJA026	Audubon, John James, 1785-1851 Yellow-Bellied Woodpecker Hand printed/Colored aquatint engraving 39 X 26 inches	Owned Christie's	4/21/1997 Available	0.00	0.00
JCC003	Courat, Jean Claude Un potiron (Pumpkin) Pencil 16 3/4 X 20 3/8 inches	Owned Hammer Galleries	10/10/1997 Available	0.00	0.00

CONFIDENTIAL
SEC100066564
PSI00078431

Page: 2 Inventory Number	Works List by Location					
	Artist Title Media Dimensions	Ownership Source	Date Received Status	Location Details	Insurance Value	Retail
DDD004	Duncan, David Douglas Picasso working under natural light Photograph 13 1/4 X 9 inches	Owned Hammer Galleries	5/16/2001 Available		0.00	0.00
MKL008	Klonosky, Marc Laurie and David Matthews, 2000 Oil on canvas 38 X 30 inches	Owned Hammer Galleries	6/30/2000 Available		0.00	0.00
MKL015	Klonosky, Marc Portrait of Jan, 1999 oil on canvas	Owned Hammer Galleries	1/29/1999 Available		0.00	30,000.00
MKL024	Klonosky, Marc Portrait of Sarah and Laurie, 1999 oil on canvas 48 X 34 inches	Owned Hammer Galleries	Available		0.00	0.00
MKL025	Klonosky, Marc Portrait of Stewart, 1999 oil on canvas 38 X 29 inches	Owned Hammer Galleries	Available		0.00	0.00
PP003	Picasso, Pablo, 1881-1973 Plat Espagnol de Taurau au Soleil, 1937 Unique Ceramic 16 9/16 inches	Owned Elliot Yerry Gallery	1/15/2001 Available		0.00	160,000.00
Total:					0.00	190,000.00

CONFIDENTIAL
SECI00066565
PSI00078432

POSSESSION AGREEMENT

This AGREEMENT is made the 2nd day of April, 2004.

BETWEEN:-

- (1) Audubon Asset Limited a company incorporated in the Isle of Man having its registered office at International House, Castle Hill, Victoria Road, Douglas, Isle of Man ("the Company").
- (2) John Graham and Lisa Whyly ("the Holder")
- (3) ~~Audubon~~ ^{IFC International} Trust Company Limited of International House, Castle Hill, Victoria Road, Douglas, Isle of Man ("the Shareholder").

WHEREAS:-

- (A) The Company is the legal owner of the assets described in the Schedule ("the assets")
- (B) The Company has permitted the assets to be held by the Holder at the locations indicated in the Schedule.
- (C) The Company and the Holder wish to place on record that the assets remain the property of the Company.
- (D) The Company wishes to ensure the security of the assets.
- (E) The Shareholder in its capacity as sole Trustee of the Bessie Trust pursuant to a Trust Agreement dated 2nd February 1994 made between Keith L. King as Settlor of the one part and Lorne House Trust Limited as Original Trustee of the other part is the ~~registered~~ holder of the issued share capital in the Company.

THIS DEED WITNESSES as follows:-

1. In exercise of the power conferred on the Company in its Memorandum and Articles of Association and in particular Regulation 71 of the Companies (Memorandum and Articles of Association) Regulations 1988 (which applies to the Company) pursuant to which the Company may by power of attorney or otherwise appoint any person to be the agent of the Company for such purposes and on such conditions as the directors of the Company shall determine, the Company hereby permits the Holder to hold the assets as its agent at the locations identified in the Schedule to the order of the Company.

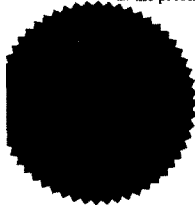
Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1152

CONFIDENTIAL
SEC100066572
PSI00078439

2. The Holder by his execution hereof acknowledges that he holds the assets to the order of the Company and not beneficially and undertakes to the Company to maintain the security and condition of the assets in such manner as the Company may from time to time direct and further to notify the Company of any change in the manner in which the assets are held including (without limiting the generality of the foregoing) any change in their location.
3. The Holder further undertakes to return to the possession of the Company or to a place under the control and management of the Company all or any of the assets presently held by him on the terms of this Agreement, the reasonable costs of any such return to be borne by the Company.
4. The Holder further undertakes to the Company not to pledge, assign, transfer for value or otherwise dispose of the assets to any third party save as may be directed from time to time by the Company.
5. The Shareholder by its execution of this Agreement consents to and approves the terms of this Agreement.
6. This Agreement shall be governed and construed in accordance with the laws of the Isle of Man and the parties submit to the non exclusive jurisdiction of the Isle of Man Court.

EXECUTED AS A DEED this day of 2004 by each party affixing its common seal or setting his hand.

THE COMMON SEAL of
AUDUBON ASSET LIMITED
was hereby affixed
in the presence of:




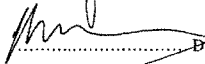
John R. L.
.....Holder
[Signature]
.....Director
[Signature]
..... Director / Secretary

4949

SIGNED and DELIVERED :
by the said :

in the presence of: :

166
~~CONFIDENTIAL~~
THE COMMON SEAL of
~~ALBANY~~ TRUST COMPANY
LIMITED
was hereby affixed
in the presence of:

 Director
.....
 Director / Secretary



HC
28/04

AB/SLD/COMPSTORE/AUDUBON-ASSET-AGREE

CONFIDENTIAL
SEC100066574
PSI00078441

Page: 2

Works List by Location

Inventory Number	Artist Title Media Dimensions	Ownership Source	Date Received Status	Location Details	Insurance Value	Retail Value
ZHL007	Liu, Zhen-Huan, 1950 Fogged In, 1997 Oil on canvas 30 X 40 inches	Owned Hummer Galleries	5/5/1997 Available		0.00	0.00
PP005	Picasso, Pablo, 1881-1973 Plat Tete d'Honneur, 1947 Unique Ceramic 12 1/2 X 15 inches	Owned Elliot Yearly Gallery	1/15/2001 Available		0.00	138,000.00
Wyly, John and Lisa					0.00	156,500.00
JJA028	Audubon, John James, 1785-1851 American Coot Hand printed/Colored aquatint engraving 26 X 39 inches	Owned Christie's	4/21/1997 Available		0.00	0.00
JJA029	Audubon, John James, 1785-1851 Barn Swallow Hand printed/Colored aquatint engraving 39 X 26 inches	Owned Christie's	4/21/1997 Available		0.00	0.00
JJA018	Audubon, John James, 1785-1851 Cedar Bird Hand printed/Colored aquatint engraving 39 X 26 inches	Owned Christie's	4/21/1997 Available		0.00	0.00
JJA004	Audubon, John James, 1785-1851 Purple Heron and Reddish Egret Hand printed/Colored aquatint engraving 26 X 39 inches	Owned Christie's	4/21/1997 Available		0.00	0.00
Total:					0.00	156,500.00

JJA004

CONFIDENTIAL
SECI00066576
PSI00078443

fw/dt-03/8157-002m

IRISH TRUST GROUP
MEETING WITH TRUST PROTECTORS & FAMILY MEMBERS
ON
TUESDAY 27 MARCH 2001 AT 11:00 AM

TOPICS FOR DISCUSSION:

1. STATUS of PROTECTOR COMPANY formation
Following Resignation of MF & Appointment of MB.
2. IDENTIFICATION of SPECIFIC COMPANIES with BENEFICIARIES and NEW LETTERS of WISHES - Possible Loan Arrangements via Special Purpose Vehicle administered at Queensgate to facilitate back to back transactions. ~~SUB FUNDS~~ (TYLER TRUST)
3. 31 DECEMBER 2000 Accounts & Independent Review (KPMG).
4. ART/COLLECTIBLES ISSUES (SOULIEANA LIMITED)
 - a) "Possession Agreement" format;
 - b) Completion of Schedules;
 - c) Insurance policy endorsement/additional premium required for recent increase in cover.
5. CW FAMILY REAL ESTATE PROJECTS
 - a) Little Woody Creek Road Ltd - Activated;
 - b) Lambda A Ltd/Lambda B Ltd - still required?
 - c) Stargate Farms Ltd - Activated.

(Cont/d...

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1153

CONFIDENTIAL
SEC100098365
PS100110232

6. PRECEPT FUND/RANGER FUND Investments (Devotion Ltd).

Final transaction/shareholding details awaited following reorganisation.

7. REVIEW of INVESTMENTS HELD in ASSOCIATED Cos:-

- a) TYLER TRUST to sell shareholding in IRISH HOLDINGS LTD to SOULIEANA LTD.
- b) TYLER TRUST has sold shareholding of SCOTTISH ANNUITY & LIFE HOLDINGS LTD ("SA") to SOULIEANA & Lehmans are liquidating this holding.
- c) SOULIEANA LTD holds SCOTTISH HOLDINGS LTD Class "C" Shares.
- d) SOULIEANA LTD holds Ordinary Shares in SA.
- e) TYLER TRUST & SOULIEANA LTD hold Class "A" Warrants re. Ordinary Shares in SA.

8. Variable Life Split Dollar Policies.

9. Possible revision of custody arrangements for key trust documentation.

FW

4954

NO.551 P001/01

SOTHEBY'S

34-35 New Bond Street, London W1A 2AA
 Telephone: (0171) 493 8080 Telex: 24454 SPBLON-G
 Telefax No: (0171) 409 3100
 Registered at the above address. Reg. No. 674867
 Client Account: 30823910

Mrs Cheryl Wyly
 3805 Beverly Drive
 Dallas, TX 75205
 Texas
 U.S.A.

Buyer's Invoice

Please return top copy with payment
 VAT Reg. No. 512 5492 63

Invoice Number LN64060018 DUPLICATE

Invoice Date 10 JUL 96

Sale Title BRITISH PAINTINGS

Tax Point: 10 JUL 96

Sale Date 10 JUL 96

Lot No.	Hammer Price	VAT on Hammer Price		Buyer's Premium	VAT On Buyer's Premium		Total
		Rate	Amount		Rate	Amount	
The following lot(s) have been sold under the margin scheme and input tax deduction has not been and will not be claimed by Sotheby's.							
0126	140000.00			15500.00			155500.00
0129	4500.00			675.00			5175.00
<i>108000.00</i> <i>not cash</i>							
	144500.00		.00	16175.00		0.00	160675.00
All payments must be made in Pounds Sterling							Total Due

ACCORDING TO OUR CONDITIONS OF BUSINESS, PAYMENT IS DUE IMMEDIATELY AND LATE PAYMENT WILL BE LIABLE TO INTEREST CHARGED AT 18.00 % PER ANNUM

Please do not detach this slip. Return this entire top copy with your payment and include shipping instructions on the reverse.

BANKERS:- Barclays Bank plc
 100 Piccadilly
 London W1A 2AB
 Account No: 60163-58
 Sort Code: 20-07-59

Sale Title BRITISH PAINTINGS

Client Account 30823910

Date 10 JUL 96

Invoice No.	Date	Amount Due
LN64060018	10 JUL 96	160675.00

25-JUL-1996 09:11

44 171 408 5926

P.001

Permanent Subcommittee on Investigations

EXHIBIT #66

Additional Document

CONFIDENTIAL
 PSI00119266

4955



Lorne House Trust Limited

Lorne House · Castletown · Isle of Man · British Isles
Telephone +1624 823579 · Fax +1624 822952

Mr M Williams
Fritz Companies (UK) Limited
Unit 14
Saxonway Trading Estate
Harmondsworth
Middlesex UB7 0LW

— = Redacted by the Permanent
Subcommittee on Investigations

31st July 1996

Fax to: 0181 [REDACTED]

Dear Mr Williams,

'Noon Day Rest'

Further to our telephone conversation, please find following an invoice from Sotheby's for the above mentioned painting.

The delivery address is c/o: Maverick Capital
8080 North Central Expressway
Suite 1300
LB-31
Dallas, Texas
75206-1895

Please do not hesitate to call if you need any further information.

Yours sincerely,

Fiona Crellin

Internet: <http://www.lorne-house.com/>
Email: general@lorne-house.com

Licensed to conduct Investment Business by the Isle of Man
Financial Supervision Commission

Registered in Isle of Man No. 2056
Telex No. 62926

A.J. Buchanan (Chairman) F.C.A. · R. Buchanan (Managing) · R.J. Collister · M.G. Gisborne F.C.A.
A.F. Hohler · The Earl of Rosse (Ireland) · A.E. Wieler · J.K. Basnet (Nepal) (alternate) · S.F. Cairns (alternate)

Permanent Subcommittee on Investigations
EXHIBIT #66
Additional Document

CONFIDENTIAL
PSI00119255

4956

Mr. Roger Bell,
Sotheby's,
34-35 New Bond Street,
London W1A 2AA.

25th July, 1996.

'Noon Day Rest' - Invoice Number LN64060018

Further to our earlier telephone conversation, I hereby confirm that the above painting should be invoiced to **Fugue Limited** C/o Lorne House Trust Limited, Lorne House, Castletown, Isle of Man IM9 1AZ for the attention of Ronald Buchanan, Fax number 01624 822952.

Please be advised that we have instructed Bank of Bermuda (Isle of Man) to transfer £155,500.00 to your account with Barclays Bank, 160 Piccadilly, London for value tomorrow.


Barbara Wade.

Permanent Subcommittee on Investigations

EXHIBIT #66
Additional Document

CONFIDENTIAL
PSI00119257

Jul. 18 1996 03:19PM P1

FACSIMILE COVER PAGE

TO: Ronnie Buchanan From: Michelle Boucher
 FAX: 011-44-1624-822-952 Fax: 809-949-2519
 DATE: July 18th, 1996 Tel: 809-949-0658

We are transmitting 3 page(s). Please contact the undersigned if there is a problem with the transmission.

Dear Ronnie,

— = Redacted by the Permanent
 Subcommittee on Investigations

re: Fugue Limited

The protectorates committee recommends the acquisition of a piece of artwork for Fugue Limited, as follows:

The painting is at Sotheby's U.K. for sale for GBP 155,500. Should you proceed with the acquisition, please make reference to invoice # LN64060018. I have attached a description of the painting which is named 'Noon Day Rest'.

The protectorates also recommend shipping the painting to 8080 N. Central Expressway, Suite 1300, Dallas, Texas, using Fritz Companies to handle the shipment. The contact name for Fritz is as follows:

Bobble Farnham
 Jim Webster
 Assistant Import Manager
 Fritz Companies Inc.
 8920 Royal Lane
 Irving Texas 75063
 tel: 214-981-
 fax: 214-
 121 800 1216

The protectorates also recommend that the painting be insured. Please arrange for appropriate insurance to be placed on the artwork. Kindly advise me as to the process of insuring the artwork, and which company has been selected as the insurer.

Finally, the protectorates recommend selling part of Fugue's Treasury Bill that is scheduled to mature on August 1st, 1996, in order to finance the acquisition.

Please address this purchase as soon as possible, if you have any questions, please contact me directly.

Kind regards,
 Michelle Boucher
 Michelle Boucher

0121 - 892 - 6121

CAROL COOPER

Permanent Subcommittee on Investigations

EXHIBIT #66
 Additional Document

CONFIDENTIAL
 PSI00119258

4958



Lorne House Trust Limited

Lorne House · Castletown · Isle of Man · British Isles
Telephone +1624 823579 · Fax +1624 822952

Ms. Michelle Boucher,
The Scottish Annuity Company (Cayman) Ltd.,
Grand Cayman.

9 25 1996
Fax to 00 1 809 945 2197.

19th July, 1996.

'Noon Day Rest'

thank you for your overnight fax. We will put in train the necessary actions but we would draw to the Committee of Protectors' attention that they are recommending the substitution of a very safe, income-producing asset by one which might be difficult to sell at a profit at short notice and which generates no income, especially since it is suggested that the Trustees should buy it - through Fugue Limited, which is wholly owned by The Bessie Trust - at 222% of the pre-auction estimated price.

We would therefore ask them to confirm, either directly to us or through you under your delegated authority, that:

- i) they do not believe that the beneficiaries will need the income which the proposed purchase price could have generated in the near or medium-term future.
- ii) that they believe that, over the long term, the painting will gain appreciably more in value than would Treasury Bills with the income reinvested.

We agree that the painting should be insured at all times but suggest that the shipper will probably have a standard policy to cover the journey to Dallas (we will check that this is so). Once it is there it could most conveniently be included as a separately listed item on a household insurance item. We would then pay a pro rata share of the premium. If, for any reason, this procedure will not be acceptable we will seek to discover which fine art insurer will cover risks in America but warn that this might prove a more expensive option.

R. Buchanan,
Director, Lorne House Trust Limited
Trustee: The Bessie Trust.

Internet: <http://www.lorne-house.com/>
Email: general@lorne-house.com

Licensed to conduct Investment Business by the Isle of Man
Financial Supervision Commission

Registered in Isle of Man No 2056
Telex No 62926

A J Buchanan (Chairman) F.C.A. · R Buchanan (Managing) · R J Collister · M G Gisborne F.C.A.
A F Hohler · The Earl of Rosse (Ireland) · A F Wieler · J K Basnet (Nepal) (alternate) · S F Cairns (alternate)

Permanent Subcommittee on Investigations

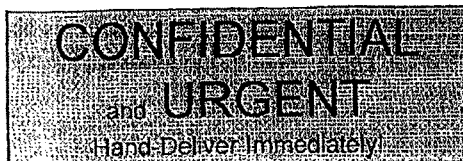
EXHIBIT #66

Additional Document

CONFIDENTIAL
PSI00119265

4959

1996 JUL 19 10:43 AM



FAX TRANSMITTAL

Maverick

TO: Ronald Buchanan FROM: Mike French
COMPANY: Lorne House Trust PHONE: 214 891 8350
PHONE: 44 624 823 579 FAX: 214 891 8311
FAX: 44 624 822 952 DATE: July 19, 1996
NUMBER OF PAGES (including cover): 3 TIME: 10:43 AM

COMMENTS:

Attached is language from the Deed of Settlement of the Bessie Trust. This language clearly authorizes a purchase of personal property for personal use or enjoyment in specie by any beneficiary.

Unless there is a clear and unequivocal requirement of IOM law (which I doubt), that any such purchase that is specifically authorized by the trust agreement must nevertheless be weighed against the investment returns that could otherwise be obtained on the funds, then I must assume that this transaction is authorized and lawful. If you wish to search for such a legal prohibition, you should do so at your own expense and not that of the Trust.

The Protectors have already recommend this transaction. Please advise if you are unwilling to proceed on that basis in light of the explicit authorization for the transaction contained in the Trust Deed

We need to resolve this issue at once.

Regards,

A handwritten signature in dark ink, appearing to read "Mike French".

Maverick Capital • 8080 North Central Expressway • Suite 1300 • L.B. 31 • Dallas, Texas 75206-1895

19 JUL 1996 10:43

2148918245

P.001

Permanent Subcommittee on Investigations

EXHIBIT #66

Additional Document

CONFIDENTIAL
PSI00119259

4960

Ms. Michelle Boucher,
The Scottish Annuity Company (Cayman) Ltd.,
Grand Cayman.

Fax to 00 1 809 949 2519.

July ~~22~~²³, 1996.

Dr

'Noon Day Rest'

We need to receive written confirmation that the Committee of Protectors have considered the points raised in our fax of 19th July and that they continue to recommend that the Trustees should buy the above painting for £155,000 in order that we can settle with Sotheby's and arrange shipping and insurance.

ys, l

R. Buchanan,
Director, Lorne House Trust Limited
Trustee: The Bessie Trust.

Permanent Subcommittee on Investigations

EXHIBIT #66

Additional Document

CONFIDENTIAL
PSI00117450

4961

Ms. Michelle Boucher,
The Scottish Annuity Company (Cayman) Ltd.,
Grand Cayman.

Fax to 00 1 809 949 2519.

July 23rd, 1996.

Dr

'Noon Day Rest'

We are now holding funds on overnight deposit ready to buy the above painting as soon as we receive written confirmation that the Committee of Protectors have considered the points raised in our fax of 19th July and that they continue to recommend that the Trustees should buy the above painting for £155,000

YSL

R. Buchanan,
Director, Lorne House Trust Limited
Trustee: The Bessie Trust.

Permanent Subcommittee on Investigations

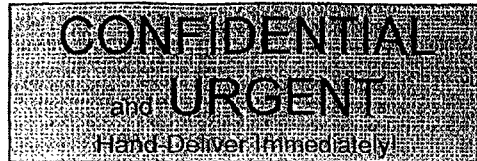
EXHIBIT #66

Additional Document

CONFIDENTIAL
PSI00117449

4962

JUL 24 1996 15:56



FAX TRANSMITTAL

Maverick

TO: Ronald Buchanan FROM: Mike French
COMPANY: Lorne House Trust PHONE: 214 891 8350
PHONE: 44 624 823 579 FAX: 214 891 8311
FAX: 44 624 822 952 DATE: July 24, 1996
NUMBER OF PAGES (including cover): 2 TIME: 17:01 PM

COMMENTS:

Please advise if this letter will be adequate for your purposes in connection with the proposed art purchase. If so, I will have it signed and forwarded.

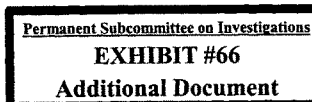
Regards,

Maverick Capital • 8080 North Central Expressway • Suite 1300 • LB-31 • Dallas, Texas 75206-1895

24 JUL 1996 22:52

2148918345

P.001



CONFIDENTIAL
PSI00119263

4963

July 24, 1996

Mr. Ronald Buchanan
Lorne House Trust Limited
Lorne House
Castletown, Isle of Man
British Isles

Re: The Bessie Trust

Dear Mr. Buchanan:

The undersigned is included as a beneficiary of the trust referred to above (the "Trust") and the spouse and issue of the undersigned are also included as such beneficiaries.

I have been advised that in connection with a proposed purchase of art by a corporation owned by the Trust, Lorne House as trustee of the Trust has inquired as to whether or not the beneficiaries of the trust have any foreseeable need for the funds necessary to purchase the art (approximately 155,000 GBP) or the income that could otherwise be earned on such funds in short-term US Treasury Bills.

This is to advise you that to my knowledge, neither I, nor my spouse nor any of my issue has any foreseeable need for such funds or any such income thereon.

Sam Wyly

24-JUL-1996 22:52

2148918245

P.002

CONFIDENTIAL
PSI00119264

4964

h

Michael C. French, Esq.,
Maverick,
8080 N. Central Expressway,
Dallas,
TX 75206.

July 25th, 1996.

Fax: 010 1 214 891 8245

thank you for your overnight fax. Your proposed letter will do very well.

I am sorry if we appeared excessively obdurate on this matter but, as you know, the legal responsibilities of a trustee are more onerous than those of a banker or portfolio manager.

This subject will, as it happens, be considered at a seminar which is to be held in Castletown on Thursday, September 19th. We would welcome it if you could manage to attend, one week before we expect a return visit by you, Shari and Michelle.

A brochure for the seminar will be included with the copy of the *Lorne House Report* which we plan to mail from New York next week. The talk by Paul Moulton on offshore funds, their performance and charges might be of interest to you wearing your Maverick hat as he is the most respected analyst of such matters on this side of the Atlantic.

Regarding the painting, Sotheby's invoice includes a second painting, bought for £5,175 inclusive. Would the Committee of Protectors like Fugue Limited to buy this one also? It would simplify payment, delivery and insurance.

4

R. Buchanan.

Permanent Subcommittee on Investigations

EXHIBIT #66

Additional Document

CONFIDENTIAL
PSI00119262

4965

Mr. Roger Bell,
Sotheby's,
34-35 New Bond Street,
London W1A 2AA.

25th July, 1996.

'Noon Day Rest' - Invoice Number LN64060018

Further to our earlier telephone conversation, I hereby confirm that the above painting should be invoiced to **Fugue Limited** C/o Lorne House Trust Limited, Lorne House, Castletown, Isle of Man IM9 1AZ for the attention of Ronald Buchanan, Fax number 01624 822952.

Please be advised that we have instructed Bank of Bermuda (Isle of Man) to transfer £155,500.00 to your account with Barclays Bank, 160 Piccadilly, London for value tomorrow.



Barbara Wade.

Permanent Subcommittee on Investigations

EXHIBIT #66

Additional Document

CONFIDENTIAL
PSI00119257



THE TRUST COMMITTEE OF LORNE HOUSE TRUST LIMITED

TRUSTEES OF THE BESSIE TRUST

RESOLUTION IN WRITING


We the undersigned, being all the members of the above-mentioned Committee, pursuant to the powers vested in us by the Articles of Association of Lorne House Trust Limited in its capacity as the Trustee of the above mentioned Trust, do hereby resolve:-

1. THAT the trust, in accordance with the wishes of the Committee of Trust Protectors, purchase the "Noon Day Rest" painting from Sotheby's at a cost of £155,500.00 and that it be delivered to at 8080 North Central Expressway, Suite 1300, Dallas, Texas.

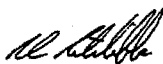
Dated 29th July 1996

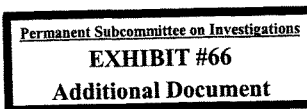
Committee Members


.....


.....


.....


.....





CONFIDENTIAL
PSI00117548

part of the world and whether or not including any one or more or all of the Trustees) of and for the purposes of any settlement administered and taking effect in any part of the world established for the benefit of such one or more of the Beneficiaries and so that upon any such transfer the property so transferred shall be held upon the trusts and with and subject to the powers and provisions declared and contained in the settlement to the trustees whereof the same is transferred (hereinafter called the "transferee settlement") freed and discharged from all the trusts powers and provisions of this Deed of Settlement PROVIDED ALWAYS that:

- (1) No such transfer shall be made if any member of the class of Excepted Persons shall be or may become capable of benefiting under the transferee settlement; and
- (2) In making such transfer due regard shall be had to any applicable rule against perpetuities.

8. Additional Powers of Trustees

- (1) The Trustees shall have power at their absolute discretion:
 - (a) to invest in the purchase of freehold or leasehold property or chattels for use or occupation or otherwise for enjoyment in specie

19-JUL-1996 16:52

2146918245

P.002

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1154

CONFIDENTIAL
PSI00119260

JUL 19 '96 09:57

by any Beneficiary upon such terms and conditions as the Trustees shall think fit and to enter into such compromises and arrangements with regard to or grant such charges options and other rights over the Trust Fund as they shall think fit.

(b) to guarantee the liabilities and obligations of any Beneficiary and to pledge charge or otherwise deal with the Trust Fund or the income thereof or any part thereof respectively in support of any such guarantee.

(c) to apply any part of the capital or income of the Trust Fund in effecting purchasing or otherwise acquiring and paying premiums on any policy or policies of assurance upon the life or lives of any person or persons whether such policies be whole life or endowment or policies to cover death within any term (howsoever short) or policies restricted to death by accident and generally upon any terms and conditions as the Trustees shall think fit and the Trustees shall have all the powers of an absolute beneficial owner as respects any policy forming part of the Trust Fund including the power to exercise any option afforded by such policy or to sell or realise any such policy or convert it into any other form of assurance.

19-JUL-1996 16:52

2148918245

P.003

CONFIDENTIAL
PSI00119261

4969

2148918245

13TH FLOOR

F-756 T-878 P-001

NOV 25 '96 15:48

FAX TRANSMITTAL

Maverick

TO: Ronald Buchanan FROM: Mike French
COMPANY: Lorne House Trust PHONE: 214 891 8350
PHONE: 44 624 823 579 FAX: 214 891 8311
FAX: 44 624 822 952 DATE: November 25, 1996
NUMBER OF PAGES (including cover): 3 TIME: 10:17 AM

COMMENTS:

Re: Bessie Trust

The undersigned Protector of The Bessie Trust has consulted with the first-named US beneficiary of the Trust regarding the proposed purchase by the Trust of certain works of art described on the attached page. It has been represented by such person that no current beneficiary affiliated with such person has any immediate foreseeable need for the funds required to acquire such works of art or any investment returns on such funds.

Accordingly, the Protectors do not object to the purchase of such works of art by the Trust. Due to the holiday here in the US, Ms. Robertson is not available to sign this fax, but I am advised that she approves.



Maverick Capital • 8080 North Central Expressway • Suite 1300 • LB-31 • Dallas, Texas 75206-1895

5-1400-1995 21:42

2148918245

P.001

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1155

CONFIDENTIAL
PSI00121101

2148918245 13TH FLOOR F-756 T-870 P-002 NOV 25 '96 15:48
NOV-25-96 MON 04:55 PM KURT E. SCHON, LTD. 504 524 6233 P.03

510 St. Louis Street
New Orleans, LA 70130
(504) 524-5462

623 Royal Street
New Orleans, LA 70130
(504) 523-5902

New Orleans, LA 70130.

SOLD

SOLD TO: Figue Ltd
90 Larne House Trust
Castletown Isle of Man

Deliver to: ☐

Ship to: ☐

F.O.B. New Orleans, LA

TERMS: Net

Number	Size	DESCRIPTION	Price	Amount
		Sir Peter Paul Rubens		
40/2655		"Christ and the woman taken in Adultery"	\$ 125,000.00	

By

CONFIDENTIAL
PSI00121102

4971

2148918245

13TH FLOOR

F-756 T-878 P-003

NOV 25 '96 15:48

Kurt E. Schorn, Ltd.

18291

510 St. Louis Street
New Orleans, LA 70130
(504) 524-5462523 Royal Street
New Orleans, LA 70130
(504) 523-8902

New Orleans, LA 70130

11/25/96

SOLD

TO

Figue Ltd
clo Lorne House Trust
*Castletown, Isle of Man*Deliver to: ☐Ship to: ☐

F.O.B. New Orleans, LA

TERMS: Net

Number	Size	DESCRIPTION	Unit Price	Amount
		Leon Francois COMERLE		
	18 1/2 x 10 1/4	"Judith"	\$15,000.00	
		Friederick Daniel Hardy		
	30 1/2 x 50 1/4	"The Wedding Dress"	\$5,000.00	
		Jules Georges Victor Chazin		
	57 1/4 x 40 1/4	"Femmes Espagnoles au Balcon"	\$75,000.00	
		Thomas Sidney Cooper		
	38 x 52 1/4	"In the Highlands"	\$6,000.00	
			\$20,000.00	
			amount \$1,500.00	
		Total due	\$175,500.00	

By

Kurt E. Schorn, Ltd.
William Calk

25-NOV-1996 21:43

2148918245

P.003

CONFIDENTIAL
PSI00121103

Rena Alexander

From: Michelle Boucher [mboucher@candw.ky]
Sent: Wednesday, January 05, 2005 10:36 AM
To: Rena Alexander
Subject: Re: Art

sounds good - I think Eliot Yeary Gallery as curator for the collection should write a letter or give a notice to Audubon Assets of this exchange - address to David Harris @ IFG International - she should have the address details - Thanks!!

----- Original Message -----

From: Rena Alexander
To: Michelle Boucher
Sent: Wednesday, January 05, 2005 11:25 AM
Subject: RE: Art

How about two for one? I have "The Glory of Departing Days" Joseph Farquarson R.A. and "A Scene in Venice" Antonio Paoletti for \$1,260.00 each. *Wait wait*

Elizabeth is still in Aspen, but I will have her transfer these in her database and I will show the trade on Sam's books, Thanks.

From: Michelle Boucher [mailto:mboucher@candw.ky]
Sent: Tuesday, December 28, 2004 7:57 AM
To: Rena Alexander
Cc: Keeley Hennington
Subject: Re: Art

yes, owned by audubon, original cost was \$2,520. do you have a similarly valued piece owned domestically that the trustees could consider swapping out portfolio for?

----- Original Message -----

From: Rena Alexander
To: Michelle Boucher
Sent: Thursday, December 23, 2004 10:21 AM
Subject: Art

Michelle,

I hate to bother you, but I know Margot is out. Does Audubon Assets own "Off in the Distance" by William Mathews? He just gifted it to a friend.

Thanks,
 Rena

Permanent Subcommittee on Investigations

EXHIBIT #66
Additional Document

CONFIDENTIAL
 SECI00026558
 PSJ00038425

4973

From: Rena Alexander
Sent: Wednesday, January 05, 2005 6:50:33 AM
To: 'Michelle Boucher'
Subject: RE: Art

— = Redacted by the Permanent
Subcommittee on Investigations

Thanks so much. I'll let you know ASAP

R

From: Michelle Boucher [mailto:]
Sent: Wednesday, January 05, 2005 2:33 PM
To: Rena Alexander
Subject: Re: Art

good thought :-) let me know, I've cleared the concept on my end so we are good to go when we find substitution.

----- Original Message -----

From: Rena Alexander
To: Michelle Boucher
Cc: kelly@
Sent: Wednesday, January 05, 2005 3:29 PM
Subject: RE: Art

I had an after thought on these two paintings. I'm going to check with Elizabeth and make sure we know where they are. They maybe very very very old painting, so I need to check before we swap. I'll let you know as soon as possible.

Thanks,
Rena

From: Michelle Boucher [mailto:]
Sent: Wednesday, January 05, 2005 10:36 AM
To: Rena Alexander
Subject: Re: Art

sounds good - I think Eliot Yeary Gallery as curator for the collection should write a letter or give a notice to Audubon Assets of this exchange - address to David Harris @ IFG International - she should have the address details - TThanks!!

Permanent Subcommittee on Investigations

EXHIBIT #66
Additional Document

Confidential
SEC_ED00034877

PSI_ED00034877

— = Redacted by the Permanent
Subcommittee on Investigations

----- Original Message -----

From: Rena Alexander

To: Michelle Boucher

Sent: Wednesday, January 05, 2005 11:25 AM

Subject: RE: Art

How about two for one? I have "The Glory of Departing Days" Joseph Farquarson R.A. and "A Scene in Venice" Antonio Paoletti for \$1,260.00 each.

Elizabeth is still in Aspen, but I will have her transfer these in her database and I will show the trade on Sam's books, Thanks.

From: Michelle Boucher [REDACTED]
Sent: Tuesday, December 28, 2004 7:57 AM
To: Rena Alexander
Cc: Keeley Hennington
Subject: Re: Art

yes, owned by audubon, original cost was \$2,520. do you have a similarly valued piece owned domestically that the trustees could consider swapping out portfolio for?

----- Original Message -----

From: Rena Alexander

To: Michelle Boucher

Sent: Thursday, December 23, 2004 10:21 AM

Subject: Art

Michelle,

I hate to bother you, but I know Margot is out. Does Audubon Assets own "Off in the Distance" by William Mathews? He just gifted it to a friend.

Thanks,
 Rena

Confidential
 SEC_ED00034878

PSI_ED00034878

AUG 1 1984

Rena Alexander

From: Rena Alexander
 Sent: Tuesday, January 18, 2005 2:14 PM
 To: 'Michelle Boucher'
 Subject: RE: Painting

812380

Ok let's go ahead and book it for December-ok?

From: Michelle Boucher [REDACTED]
 Sent: Tuesday, January 18, 2005 2:05 PM
 To: Rena Alexander; MMacinnis [REDACTED]
 Subject: Re: Painting

[REDACTED] = Redacted by the Permanent
 Subcommittee on Investigations

I think this will work.

----- Original Message -----
 From: Rena Alexander
 To: MMacinnis [REDACTED]
 Cc: Michelle Boucher
 Sent: Tuesday, January 18, 2005 2:16 PM
 Subject: Painting

Margot,
 Sam and Cheryl gifted "Off in the Distance" worth \$2,520.00. Audubon Assets owns this painting and I would like to trade two Pierre Boncompain serigraphs for it.
 They are: "Rocking Chair" and "Lilac of the Garden" worth \$1,500.00 each. This is the best I can do in getting something close to the \$2,520.

Thanks,
 Rena

Need OK from Margo to book

Permanent Subcommittee on Investigations
EXHIBIT #66
Additional Document

CONFIDENTIAL
 SEC100026556
 PSI00038423

1050 1 01 1

Rena Alexander

From: Margot MacInnis [mmacinnis@redacted]
Sent: Wednesday, February 02, 2005 11:00 AM
To: Rena Alexander
Cc: Michelle Boucher
Subject: RE: Art Exchange

— = Redacted by the Permanent
 Subcommittee on Investigations

Hi Rena,

[redacted] We are booking the art exchange below in December (which I hope to complete shortly).

Kind regards,

Margot

From: Rena Alexander [mailto:ralexander@htst.com]
Sent: Wednesday, February 02, 2005 11:49 AM
To: Margot MacInnis
Subject: Art Exchange

Margot,
 Hope you had a great vacation/holiday. I had e-mailed Michelle about an exchange of art that Sam gifted at Christmas. I just want to follow up and make sure it works for you and the Trustees as well. I want to exchange your "Off in the Distance" worth \$2,520.00 for two Pierre Boncompagni serigraphs. 1) "Rocking Chair" 2) "Lilac of the Garden" each worth \$1,500.00. Please let me know if this works for you, so we can book as an December exchange.

Thanks,
 Rena

*4/2 e-mailed Kelly for editor notice to Herd when assets
 salary is cut for.*

Permanent Subcommittee on Investigations

EXHIBIT #66

Additional Document

CONFIDENTIAL
 SEC100026555
 PSI00038422

4977

25th May, 2005

Ms. Anna Benbatoul
Audubon Asset, Limited
International House
Castle Hill
Victoria Road
Douglas, Isle of Man

Via Facsimile Transmission
(01624) 624469

Dear Ms. Benbatoul:

I am writing to you in response to your two emails dated 16th May, 2005 to Kelly Elliott of the Elliott Yeary Gallery requesting confirmation details regarding acquisition and sale of and "The Negro and The Alligator" and "The Indian Tribes of North America".

As administrator of the art inventory system, I can confirm the following information:

"The Negro and The Alligator" was acquired by Audubon Asset, Limited on September 23, 1998 for US\$390,000.00. Following the recommendation of Elliott Yeary Gallery, this piece was sold on April 25, 2005 for US\$400,000.00

"The Indian Tribes of North America" was acquired by Audubon Asset, Limited on September 24, 1998 for US\$145,000. This set of three bound leather books, dating from 1838, is currently with Sotheby's, New York for auction, June 16, 2005, listed as sale number N08108, Lot # 204 with an estimated sales price of US\$70,000.00 to US\$100,000.00.

Please feel free to contact me in the future regarding additional information requests at 214- [REDACTED]

Yours sincerely,

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Elizabeth Yeary

Copy: Kelly Elliott

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1156

CONFIDENTIAL
SEC100066461
PS100078328

HAMMER GALLERIES

33 West 57th Street, New York, N.Y. 10019
Established 1928

Tel. (212) 644-4400
Fax: (212) 644-4407

www.hammergalleries.com
info@hammergalleries.com

September 23, 1998

Mr. Ken Jones
Audubon Assets, Ltd. c/o International House
Castle Hill, Victoria Road
Douglas, Isle of Man, IM2 4RB

INVOICE 98-0105HS

Thomas Hart BENTON
The Negro and the Alligator, c. 1927
Oil on canvas laid down on board
45 1/2 x 33 inches
C26731-001

Special Price	\$	390,000.00
Total	\$	390,000.00

Specializing in 19th & 20th Century European & American Paintings

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1156

HG0051

— = Redacted by the Permanent
Subcommittee on Investigations

FAX TRANSMITTALTO: **Michelle Boucher**FROM: **Shari Robertson** *Shari Robertson*

COMPANY:

PHONE: **214-880-4050**PHONE: **345-** [REDACTED]FAX: **214-880-4053**FAX: **345-** [REDACTED]DATE: **April 21, 1999**NUMBER OF PAGES (including cover): **19**TIME: **10:00am**

As in the past, the protectorate committee recommends that Tyler Trust (Soulieana Limited) consider the purchase of collectibles and artwork. I am attaching invoices from Marguerite Theresa Green and Associates, Inc. totalling \$224,298.26.

I am obtaining insurance on behalf of Soulieana, as requested. Pictures of these collectibles will come by courier with the original invoices.

If possible, could these funds be wired **AS SOON AS POSSIBLE** since vendors need to be paid immediately. Wiring instructions are: First National Bank of Park Cities, Dallas TX, ABA 111014325, for the account of Marguerite Theresa Green and Associates, Inc., Acct. No. [REDACTED]

Thank you.

300 Crescent Court • Suite 1000 • Dallas, Texas 75201 • 214/880-4056

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1157

CONFIDENTIAL
SEC100066614
PS100078481

4980

Apr-08-99 12:23P M. GREEN & ASSOC.

214 528 0492

P.07

Invoice **Marguerite Theresa Green and Associates, Inc.**

Invoice Number:
23489

Invoice Date:
4/1/99

Page:
1

Voice:
Fax:

Sold To:
 Soulieana Limited
 c/o Lorne House Trust Limited
 Castletown, Isle of Man
 British Isles

Customer IDSOU000

Customer PO

Payment Terms
Prepaid

Sales Rep ID

Due Date
4/1/99

Description

Amount

UPSTAIRS SITTING ROOM	
A mid-19th century Chinese pottery figure of an elder. (\$7200.00 x 20%)	8,640.00

PLEASE NOTE: The above items do not include sales tax, cartage, freight, crating, uncrating, storage, receiving, make-ready, delivery, or installation. All prices and orders are subject to confirmation by manufacturer or workroom. Your signature and payment of deposit shown below indicate your acceptance of this NON-CANCELLABLE CUSTOM ORDER. Balance Due is due and payable upon receipt of goods by Marguerite Theresa Green and Associates, Inc. from manufacturer or workroom. Warranty of manufacturer or workroom is only warranty offered. Cost of any freight and delivery damage and/or repair is responsibility of Client. The price quoted in this proposal is valid for ten (10) days. Thank you!

Signature for Acceptance

Date: _____

Subtotal 8,640.00

Sales Tax 712.80

Total Invoice Amount 9,352.80

Payment Received 0.00

TOTAL 9,352.80

Check No:

4445 Travis St • Shop 101 • Dallas, Texas 75205 • (214) 528-0400

Permanent Subcommittee on Investigations

EXHIBIT #66

Additional Document

CONFIDENTIAL
 SEC100066615
 PSI00078482

4981

Apr-08-99 12:24P M. GREEN & ASSOC.

214 528 0492

P.13

Marguerite Theresa Green and Associates, Inc.

Invoice

Invoice Number:
23500

Invoice Date:
4/8/99

Page:
1

Voice:
Fax:

Sold To:
Soulieana Limited
c/o Lorne House Trust Limited
Castletown, Isle of Man
British Isles

Customer ID: S00000

Customer PO	Payment Terms	Sales Rep ID	Due Date
	Prepaid		4/8/99
Description	Amount		
MRS. WYLY'S BATH A set of 2 "Parian" wall shelves. (\$1800.00 x 20%)	2,160.00		

PLEASE NOTE: The above items do not include sales tax, cartage, freight, crating, uncrating, storage, receiving, make-ready, delivery, or installation. All prices and orders are subject to confirmation by manufacturer or workroom. Your signature and payment of deposit shown below indicate your acceptance of this NON-CANCELLABLE CUSTOM ORDER. Balance Due is due and payable upon receipt of goods by Marguerite Theresa Green and Associates, Inc. from manufacturer or workroom. Warranty of manufacturer or workroom is only warranty offered. Cost of any freight and delivery damage and/or repair is responsibility of Client. The price quoted in this proposal is valid for ten (10) days. Thank you!

Signature for Acceptance

Date:

Subtotal	2,160.00
Sales Tax	178.20
Total Invoice Amount	2,338.20
Payment Received	0.00
TOTAL	2,338.20

Check No:

4445 Travis St. • Shop 101 • Dallas, Texas 75205 • (214) 528-0400

Permanent Subcommittee on Investigations
EXHIBIT #66
Additional Document

CONFIDENTIAL
SEC100066626
PS100078493

4982

APR-06-99 12:25P M. GREEN & ASSOC.

214 528 0492

P.14

Marguerite Theresa Green and Associates, Inc. **Invoice**

Invoice Number:
23502

Invoice Date:
4/8/99

Page:
1

Voice:
Fax:

Sold To:
Soulieana Limited
c/o Lorne House Trust Limited
Castletown, Isle of Man
British Isles

Customer ID:SO0000

Customer PO	Payment Terms	Sales Rep ID	Due Date
	Prepaid		4/8/99
Description			Amount
MRS. WYLY'S CLOSET Bronze and crystal lamp base. Not wired, lamping not included. (\$500.00 x 20%)			600.00

PLEASE NOTE: The above items do not include sales tax, cartage, freight, crating, uncrating, storage, receiving, make-ready, delivery, or installation. All prices and orders are subject to confirmation by manufacturer or workroom. Your signature and payment of deposit shown below indicate your acceptance of this NON-CANCELLABLE CUSTOM ORDER. Balance Due is due and payable upon receipt of goods by Marguerite Theresa Green and Associates, Inc. from manufacturer or workroom. Warranty of manufacturer or workroom is only warranty offered. Cost of any freight and delivery damage and/or repair is responsibility of Client. The price quoted in this proposal is valid for ten (10) days. Thank you!

Signature for Acceptance

Date:

Subtotal	600.00
Sales Tax	49.50
Total Invoice Amount	649.50
Payment Received	0.00
TOTAL	649.50

Check No:

4445 Travis St • Shop 101 • Dallas, Texas 75205 • (214) 528-0400

Permanent Subcommittee on Investigations

EXHIBIT #66

Additional Document

CONFIDENTIAL
SEC100066628
PS100078495

— = Redacted by the Permanent
Subcommittee on Investigations

FAX TRANSMITTAL

TO: **Maggie Green** FROM: **Amy Browning**
COMPANY: **Marguerite Green & Associates** PHONE: **214-891-8343**
PHONE: **214- [REDACTED]** FAX: **214-891-8339**
FAX: **214- [REDACTED]** DATE: **January 21, 1997**
NUMBER OF PAGES (including cover): **1** TIME: **3:15pm**

COMMENTS:

Pursuant to Mr. Wyly's telephone conversation, please invoice future purchases of collectibles as follows:

Soulicana Limited
Lorne House Trust Limited
c/o Lorne House
Castletown, Isle of Man
British Isles

Each invoice must be accompanied by a picture of the collectible being purchased. In addition, please send these invoices and the necessary documentation to the attention of Shari Robertson, 8080 North Central Expressway, LB31, Dallas TX 75206.

If you have any questions, do not hesitate to contact me.

cc: Charles Wyly
Shari Robertson

8080 North Central Expressway, Suite 1100 • LB-31 • Dallas, Texas 75206 • 214/891-8343

Permanent Subcommittee on Investigations

EXHIBIT #66
Additional Document

CONFIDENTIAL
SEC100066692
PSI00078559

FAX TRANSMITTAL

— = Redacted by the Permanent
Subcommittee on Investigations

TO: **Paul** FROM: **Amy Browning**
COMPANY: **Huntsman** PHONE: **214-891-8343**
PHONE: **970- [REDACTED]** FAX: **214-891-8339**
FAX: **970- [REDACTED]** DATE: **February 10, 1997**
NUMBER OF PAGES (including cover): **1** TIME: **2:10pm**

Pursuant to my telephone conversation, please invoice the recent purchase by Dee Wyly as follows:

Soulieana Limited
Lorne House Trust Limited
c/o Lorne House
Castletown, Isle of Man
British Isles

Each invoice should be accompanied by a picture of the item being purchased. In addition, please send these invoices and the necessary documentation to the attention of Shari Robertson, 8080 North Central Expressway, LB31, Dallas TX 75206. The Wyly name should not be noted on the invoices.

If you have any questions, do not hesitate to contact me.

8080 North Central Expressway, Suite 1100 • LB-31 • Dallas, Texas 75206-1895 • 214/891-8343

Permanent Subcommittee on Investigations

EXHIBIT #66
Additional Document

CONFIDENTIAL
SEC100066691
PS100078558

4985

**Huntsman Gallery
Of Fine Art, Ltd.**

521 E. Hyman Ave., Aspen, CO 81611

*Amy B
for your
review*

SHARI ROBERTSON,
8080 N CENTRAL EXPRESSWAY
LBS 31
DALLAS TX 75206

DEAR SHARI,

ENCLOSED ARE COPIES AND
DOCUMENTATION FOR ART PURCHASED
ON 2 INVOICES BY DEC 1994.
I DID NOT HAVE PHOTOS OR
2 OF THE PAINTINGS. IF THAT
PRESENTS A PROBLEM LET ME
KNOW

THE 1/2/97 INVOICE WAS PAID
BY DEC

THE 2/1/97 INVOICE WAS SENT
TO SOUTHERN LIMITED.

IF YOU HAVE ANY QUESTIONS, PLEASE
CALL

PAUL KLINGEMAN

(970) 920-1910 FAX (970) 925-4870 (800) 879-8988

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1158

*Shari -
When Louisiana
pays, Huntsman
will reimburse
Mrs. Killy
as
looks
OK -
I made copies
for collection
file.*

CONFIDENTIAL
SEC100066648
PS100078515

4986

Wire funds to:
First National Bank of Park Cities
Dallas, Texas
ABA 111014325
For the account of:
Marguerite Theresa Green and Associates, Inc.
Special Project
Acct # [REDACTED]

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

I am obtaining insurance on behalf of Souleiana as requested. Pictures of the art work and collectibles will come by courier with the original invoices. The property is presently in storage but will eventually reside at [REDACTED] DeLoache, Dallas, Texas 75225. The decorator has been told to devise an inventory tagging system. When the project is completed, I'll have a copy sent. If there is anything else you would like me to attend to, let me know. Would you please advise when the funds are wired out.

Copy: Michelle Boucher

Shari Roberts

Maverick Capital • 8080 North Central Expressway • Suite 1300 • LB-31 • Dallas, Texas 75206-1895

Permanent Subcommittee on Investigations
EXHIBIT #66
Additional Document

CONFIDENTIAL
SEC100066650
PS100078517

4987

1 FEB-1997 10:44

P.001/001



Lorne House Trust Limited

Lorne House · Castletown · Isle of Man · British Isles
Telephone +1624 823579 · Fax +1624 822952

Attn: Shari Robertson,

February 17th, 1997.

From: Barbara Wade
Lorne House Trust Limited

1 Page Fax

Thank you for your fax dated February 12th.

Please be advised that we have today instructed Bank of Bermuda to transfer
USD450,278.87 from Souleiana Limited to Maguerite Theresa Green & Associates, Inc.

Regards,

Barbara Wade
Barbara Wade

TO: Amy P

Internet: <http://www.lorne-house.com/>
Email: general@lorne-house.com

Licensed to conduct Investment Business by the Isle of Man
Financial Supervision Commission

Registered in Isle of Man No. 20507
Telex No. 629265

A.J. Buchanan (Chairman) F.C.A. · R. Buchanan (Managing) · R.I. Collister · M.G. Gishorne F.C.A.
A.F. Hohler · The Earl of Rosse (Ireland) · A.E. Wicler · J.K. Basnet (Nepal) (alternate) · S.P. Cairns (alternate)

TOTAL P.001

Permanent Subcommittee on Investigations
EXHIBIT #66
Additional Document

CONFIDENTIAL
SEC100066689
PSI00078556

— = Redacted by the Permanent
Subcommittee on Investigations

From: Keeley Hennington
Sent: Tuesday, July 15, 2003 8:23 AM
To: "Michelle Boucher" [REDACTED]
Subject: RE: insurance

great - thanks

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

"Michelle Boucher" [REDACTED]
07/15/03 09:31 AM

To
<khennington@ [REDACTED]>
cc

Subject
RE: insurance

can get it to you today - I think the new necklace might be the largest for Soulieana - but it hasn't been delivered yet. I think Cheryl's \$600K ruby is the most expensive on Audubon but will confirm

-----Original Message-----
From: khennington@ [REDACTED]
Sent: Tuesday, July 15, 2003 8:55 AM
To: Michelle Boucher
Subject: insurance

For the insurance renewal's on the jewelry policy the company needs to know the most expensive piece owned by both Audubon and Soulieana - no details just value of the most expensive single piece per company - is that hard to get?

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1160

Confidential
SEC_ED00002658

PSI_ED00002658

4989

= Redacted by the Permanent
Subcommittee on Investigations

From: Andrea Westbrook
Sent: Thursday, June 20, 2002 2:50 PM
To: rdegems@[REDACTED]
Subject: Charles Wyly invoices

Jan -

I just received a note from Mr. Wyly requesting that a couple of the invoices be charged to Soulieana. The invoice numbers are 19951A and 19951C. Can these please be addressed and re-billed to Soulieana? I hate to burden you with this again, but your help is appreciated as always.

Please feel free to give me a call if you have any questions.

Thanks again,

Andrea Westbrook
Highland Stargate
300 Crescent Court, Suite 1000
Dallas, TX 75201

214.880.4056 phone
214.880.4107 fax

Permanent Subcommittee on Investigations
EXHIBIT #66
Additional Document

Confidential
SEC_ED00004943

PSI_ED00004943

— = Redacted by the Permanent
Subcommittee on Investigations

06/24/02

(03019)

Charles Wyly, Jr

Dallas, TX

10-00474 ETERNITY HOOP EARRINGS W/ PAVE DIAMONDS COMBINING 11,475.00
TO WEIGH 6.41 CTS IN 18K WHITE GOLD 1/785/NRAI

S007319

SUB TOTAL 11,475.00
SALES TAX 946.69
TOTAL 12,421.69
PAID 12,421.69

17:27-1-RDE CASH

Richard D. Eiseman Jewels (214) 361-0341

06/24/02

(03019)

Charles Wyly, Jr

Dallas, TX

10-00474 ETERNITY HOOP EARRINGS W/ PAVE DIAMONDS COMBINING 11,475.00
TO WEIGH 6.41 CTS IN 18K WHITE GOLD 1/785/NRAI

S007319
P016554

SUB TOTAL 11,475.00
SALES TAX 946.69
TOTAL 12,421.69
PAID 12,421.69

17:27-1-RDE CASH

PSI-JEWEL 00166

in Jewels (214) 361-0341

Permanent Subcommittee on Investigations

EXHIBIT #66

Additional Document

Redacted by the Permanent
Subcommittee on Investigations

06/25/02

(07406)

Emily Wily-Lopez
[REDACTED]
Dallas, TX [REDACTED]

21-00133 18K WG "FLOATING PEARL" AND DIAMOND NECKLACE. 53 22,950.00
DIAS @4.14CT AND PEARLS RANGE FROM 9MM TO 7.5MM

S007321

SUB TOTAL 22,950.00
SALES TAX 1,893.38
TOTAL 24,843.38
PAID 24,843.38

11:50-1-MB OTHER

Richard D. Eiseman Jewels (214) 361-0341

06/25/02

(07406)

Emily Wily-Lopez
[REDACTED]
Dallas, TX [REDACTED]

21-00133 18K WG "FLOATING PEARL" AND DIAMOND NECKLACE. 53 22,950.00
DIAS @4.14CT AND PEARLS RANGE FROM 9MM TO 7.5MM

S007321
P016558
214-350-8180

SUB TOTAL 22,950.00
SALES TAX 1,893.38
TOTAL 24,843.38
PAID 24,843.38

PSI-JEWEL 00167

11:50-1-MB OTHER

Richard D. Eiseman Jewels (214) 361-0341

FUNDS TRANSFER NOTIFICATION

06-24-2002

BOKF WIRE TRANSFER DEPARTMENT
PO BOX 2300 TULSA, OK 74192

R D EISEMAN INC
CASH ACCOUNT
PO BOX 822837

DALLAS, TX 75382-2837

— Redacted by the Permanent
Subcommittee on Investigations

To: R D EISEMAN INC

This funds transfer was received on 2002-06-24, for \$37265.07.
The funds have been CREDITED to account # [REDACTED]

Sender:

Name: CITIBANK NA
ABA #: 021000089
Reference #: 20020624B1Q8021C002612
Received from: BBDAIMDX
By Order Of: SOULIEANA LIMITED

Receiver:

Name: BANK OF TEXAS
ABA #: 111014325
Fed Reference #: 20020624J3Q5021C00028106241222FT01

Intermediary Bank:

Beneficiary: R D EISEMAN INC
Beneficiary Account: 0043521

Beneficiary Bank:

Reference for Beneficiary [REDACTED]

Originator to Beneficiary: B/O ORDER OF SOULIENA LTD INVOICENO.19951-A + C DD
01/06/02

Bank to Bank Information: (6500)-BANK OF TEXAS DALLAS*

Instructing Bank: BANK OF BERMUDA (ISLE OF MAN) LTD

12,421.69 - 6/24/02
24,843.38 - 6/25/02

PSI-JEWEL 00168

4993

9/1/10/81 FRI US:14 FAX 214 880 4052

300 CRESCENT COURT 1000

001

Sam Wyly

000259

Redacted by the Permanent
Subcommittee on Investigations

July 18, 1997

Christie's
Attn: Lane Climmins
502 Park Avenue

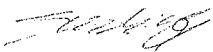
DUMMIED
INVOICE
ATTACHED

Dear Lane,

I am faxing a copy of invoice# J276149 that I need to have rebilled to Fugue Ltd. c/o Lorne House Trust, Castletown, Isle of Man, British Isles IM91AZ. Please fax a copy of the invoice today to 214 880-4055 and mail the original. We will initiate payment from the faxed copy, and payment should be received next week.

I would like to appologize for any inconvenience this causes you. I appreciate your help.

Yours truly,



Sam Wyly

WJW
#214 [REDACTED]

REINVOICE

SW/ra

Permanent Subcommittee on Investigations

EXHIBIT #66

Additional Document

PSI-CHRIST 00258

300 Crescent Court, Suite 1200, Dallas

Sam Wyly@starling.com

4994

07/18/97 FRI 09:14 FAX 214 880 4062

300 CRESCENT COURT 1000

002

000260



CHRISTIE'S

INVOICE
Client

Mr Sam E Wyly
300 Crescent Court
Suite 1200
Dallas TX 75201

INVOICE #: J276149
I.D.#: 566253
BIDDER #: 7000
DUE DATE: JUN 17 97

TEL #: 214 891 8344

8804000

SALE: 8662 Park 5JUN97 LUPE
Important American Paintings, Drawings and Sculpture
MR C. BURGE 761543

LOT NUMBER	PURCHASE PRICE LOT DESCRIPTION	TAX RATE	SALES/USE TAX
86	156500.00 Thos H Benton, w/c, framed, Louisiana Rice Fields		
Total Purchase Price		156500.00	+
		Total Amount Payable	

The description of any property identified on this invoice is made with reference to the catalogue entry, the glossary, if any, which appears in the front of the auction catalogue and any addendum or other saleroom announcement issued in connection with this auction.

Please return the bottom portion of this invoice along with your payment in the enclosed envelope

PAYMENT IN FULL IS DUE
SEVEN CALENDAR DAYS AFTER SALE.

Please see the back of this invoice
for complete payment instructions

PSI-CHRIST 00259

Christie's 502 Park Avenue, New York, New York 10022
Christie's East 219 East 67th Street, New York, New York 10021

The purchase of the property identified on this invoice is subject to the Conditions of Sale and Limited Warranty set forth in the front of the auction catalogue for the above-referenced sale.

The purchase price is the sum of the final bid price plus a premium payable by the buyer of 15% of the final bid price up to and including \$30,000 and 10% of the final bid price above \$30,000, for each lot, as set forth in the Conditions of Sale.

Lots remaining on Christie's premises for more than seven calendar days after the sale will incur storage charges. Buyers may incur a late charge of 1.34% per month on the total purchase price if the buyer does not make payment in full in accordance with the Conditions of Sale.

Title to property identified on this invoice shall not pass to the buyer until Christie's has collected payment in full from the buyer.

Sales/Use Tax:
If a buyer takes delivery in any of the following states, Christie's must collect any applicable state or local sales or use tax before property is shipped: Alabama, California, Connecticut, Florida, Illinois, Massachusetts, New Jersey, New York, Pennsylvania, Rhode Island, Texas or Washington D.C.

Failure to pay appropriate tax may affect delivery of your merchandise. Please call 212/546-1124 (Park) or 212/606-0450 (East) for assistance.

AS

/10JUN97

INVOICE #: J276149
SALE: 8662 Park 5JUN97
I.D.#: 566253
Mr Sam E Wyly
TOTAL PURCHASE PRICE: 156500.00
SALES/USE TAX:
(See instructions above)
TOTAL AMOUNT PAYABLE:

Tel. (212) 546 1124 Fax. (212) 759 7204
Tel. (212) 606 0450 Fax. (212) 879 0705

4995

From: Keeley Hennington

Sent: Wednesday, November 03, 2004 5:41:10 AM

To: Michelle Boucher ([REDACTED]); Margot MacInnis ([REDACTED])

Subject: Audubon

Rena got an e-mail for \$320k of art today and was going to have it re-invoiced to Audubon provided they have \$\$ - if not we will pay from Sam. Can you let me know what cash looks like

Thanks

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1162

Confidential
SEC_ED00015799

PSI_ED00015799

— = Redacted by the Permanent
Subcommittee on Investigations

From: Keeley Hennington
Sent: Thursday, December 12, 2002 8:07 AM
To: "Michelle Boucher" [REDACTED]
Subject: Re: Fw: Souleiana

Yes - he brought by a note that he had bought a bauble at Eiseman and Souleiana should pay. He only mentioned the \$297,000 so I don't know if you want to go back to him on the brooch or not.

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

"Michelle Boucher" [REDACTED]
12/12/02 09:22 AM

To: <khennington [REDACTED]>
cc:
Subject: Fw: Souleiana

It came in \$297K for earrings plus \$22.9K for a brooch.
Have you spoken with Charles on it? I'll put a call into double check if not.

----- Original Message -----
From: <khennington [REDACTED]>
To: "Margot MacInnis" [REDACTED]
Cc: <mboucher [REDACTED]>
Sent: Monday, December 09, 2002 4:51 PM
Subject: Souleiana

>
>
> > -----
> > From: khennington [REDACTED]
> > Sent: Monday, December 09, 2002 4:51:13 PM
> > To: Margot MacInnis [REDACTED]
> > Cc: mboucher [REDACTED]
> > Subject: Souleiana
> > Auto forwarded by a Rule
> >
> Richard Eiseman called and he already knew it was to come to Souleiana
> -
> so
> you should be receiving a fax for a purchase of \$297,000. Call if you

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1162

Confidential
SEC_ED00011332

PSI_ED00011332

4997

have
> any questions.
>
>

>
> The preceding e-mail message (including any attachments) contains
> information that may be confidential, or constitute non-public
information.
> It is intended to be conveyed only to the designated recipient(s). If
> you are not an intended recipient of this message, please notify the
> sender by replying to this message and then delete it from your
> system. Use, dissemination, distribution, or reproduction of this
> message by unintended recipients is not authorized and may be unlawful.
>

Confidential
SEC_ED00011333

PSI_ED00011333

12/17/02

(10076)

Soulienna Limited
12-14 Finch Road
Isle Of Man, BI

10-00632	ONE PR OF RADIANT CUT DIAMOND EARRINGS WEIGHING	297,000.00
	14.13 CARAT. GIA F/G-VS2. 1/1034/560	
24-00139	PLATINUM DIAMOND FLOWER BROOCH FROM OUR ESTATE	22,900.00
	COLLECTION. DIA TW APPROX 14.00 CARATS	

S007981

SUB TOTAL	319,900.00
SALES TAX	0.00
TOTAL	319,900.00
PAID	319,900.00

17:18-1-RDE CASH

Richard D. Biseman Jewels (214) 361-0341

12/17/02

(10076)

Soulienna Limited
12-14 Finch Road
Isle Of Man, BI

10-00632	ONE PR OF RADIANT CUT DIAMOND EARRINGS WEIGHING	297,000.00
	14.13 CARAT. GIA F/G-VS2. 1/1034/560	
24-00139	PLATINUM DIAMOND FLOWER BROOCH FROM OUR ESTATE	22,900.00
	COLLECTION. DIA TW APPROX 14.00 CARATS	

S007981
P018369

SUB TOTAL	319,900.00
SALES TAX	0.00
TOTAL	319,900.00
PAID	319,900.00

17:18-1-RDE CASH

PSI-JEWEL 00169

an Jewels (214) 361-0341

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1162

FUNDS TRANSFER NOTIFICATION		12-13-2002
<p>BANK OF TEXAS DAL FUNDS TRANSFER NOTIFICATION</p> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin-left: auto;"> = Redacted by the Permanent Subcommittee on Investigations </div>		
<p>R D EISEMAN INC CASH ACCOUNT PO BOX 822837 DALLAS, TX 75382-2837</p>		
<p>To: R D EISEMAN INC</p> <p>This funds transfer was received on 2002-12-13, for \$319000.00. The funds have been CREDITED to account # [REDACTED]</p> <p>Sender: Name: BK OF NYC ABA #: 021000018 Reference #: 20021213B1Q8151C003751 Received from: BANK OF AMERICA N.A. By Order Of: [REDACTED] LOULEANA LIMITED.SOULI </p> <p>Receiver: Name: BANK OF TEXAS DAL ABA #: 111014325 Fed Reference #: 20021213J3Q5021C00045612131314FT01 </p> <p>Intermediary Bank:</p> <p>Beneficiary: R D EISEMAN INC Beneficiary Account: 0043521</p> <p>Beneficiary Bank:</p> <p>Reference for Beneficiary:</p> <p>Originator to Beneficiary:</p> <p>Bank to Bank Information:</p> <p>Instructing Bank:</p>		
		PSI-JEWEL 00170

5000

HAMMER GALLERIES

33 West 37th Street, New York, N.Y. 10019
Established 1928

Tel: (212) 644-4400
Fax: (212) 644-4407

www.hamnergalleries.com
info@hamnergalleries.com

October 17, 2000

Mr. Sam Wyly
c/o St. Regis Hotel
BY HAND

Dear Sam,

It was nice to see you and Cheryl again. I hope your meetings are going well and that you are enjoying your stay in the Big Apple. Enclosed please find a notebook with information on the paintings that you viewed at Hammer including:

1. Rembrandt Peale - *George and Martha Washington - A Pair of "Porthole" Portraits* - I reviewed the paintings with my conservator and they are in excellent condition. Should you decide to purchase them, I would recommend some minor reduction of existing restoration and reframing. I would frame them to match your Gilbert Stuart *Washington* and your David Martin *Franklin*.

Regarding the price, the current owner bought these paintings at auction in 1996 for \$233,000. (see enclosed). Since then, however, the market for historical paintings has increased considerably - indeed, a Peale of *Washington at Yorktown* sold for over 1 million at auction last year. The current asking price for the pair is \$750,000. Even given the strength of the market I think that this is an aggressive price and would hope to negotiate it down. I did not want to start any price negotiations, however, until I had a sense of which, if any, of these works might appeal to you.

I have included an excerpt from Robert Hughes book *American Visions* on the Peales. He is probably the best art writer around today. According to Hughes, Rembrandt Peale painted Washington's portrait at least 65 times and possibly more. I am still researching this, but it seems that there are only about 6 surviving pairs with both Martha and George.

Specializing in 19th & 20th Century European & American Paintings

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1162

HG0228

HAMMER GALLERIES

33 West 57th Street, New York, N.Y. 10019
Established 1928

Tel: (212) 644-4400
Fax: (212) 644-4407

www.hammergalleries.com
info@hammergalleries.com

2. Charles Wilson Peale - *George Washington* - I realize that this painting is probably not of interest to you but I thought you still might enjoy reading some of its history. It also is in excellent condition and the asking price is \$1,000,000.

3. Henry Bone - *George Washington* (after Gilbert Stuart's *Landsdowne Portrait* - enamel) - Though it was not disclosed to me by the owner, I just discovered that it was purchased at auction in December 1999 for \$55,000. The current asking price is \$125,000. In spite of the fact that it only recently came up at auction, I find it to be a quite impressive and unusual piece of art and the price, though high, is not outrageous. Again, if you think it might be an interesting addition to your collection, we can always make an offer.

4. Thomas Hart Benton - *The Yankee Driver* - This is a wonderful character study of a local resident of Martha's Vineyard. If you read nothing else in this notebook, be sure to read the description of this character that I found in Adam's book on Benton. The painting is in excellent condition and the asking price is \$275,000.

5. Norman Rockwell - *Easter - Soldier Watering Tulip*. This painting for the cover of *Leslie's Magazine* in 1918 and comes from the collection of a rancher out west. It is also in excellent condition. The asking price is \$285,000.

6. Ralph Earl - *Portrait of Andrew Jackson* - Clearly, the condition is this painting is not great. Though the canvas has been stabilized, there is really no way to improve upon the cracking. I certainly wouldn't want you to have to take your glasses off every time you look at it. I thought you would enjoy seeing it as an example of Earl's work. Perhaps we can find one in better condition. (Asking price \$85,000.)

7. Zhen Huan Lu - I have included photos of the two that you and Cheryl liked. The whole collection of new works will be on www.hammergalleries.com shortly.

Specializing in 19th & 20th Century European & American Paintings

HG0229

5002

If you have time, there are three galleries you should visit. The Owen Gallery at 75th Street between Madison and Fifth is having a Benton exhibition. Their catalog will not be ready for about two weeks. I will send one to you. I have included a catalog from Forum Gallery's current show as well as some information on a Civil War painting they asked I forward to you. Also, I would like to take you to the Otto Nauman Gallery - the top gallery for Old Masters in the city.

The paintings are here at Hammer if you would like to take another look. Please give me a call if you have any questions or would like additional information.

I realize you usually have a pretty full schedule when you come to New York so I have tried to get as many paintings together in one place for your review. I will continue to look for important works that will fit into your collection.

With warmest regards,

HG0230

Howard Shaw

From: Kelly [REDACTED]
 Sent: Monday, July 09, 2001 5:55 PM
 To: ralexander@ [REDACTED]
 Cc: Howard
 Subject: Re: bill for Hammer Galleries

[REDACTED] = Redacted by the Permanent
 Subcommittee on Investigations

Hey Rena,
 The bill must have gotten lost in the mail, no problem. Dad has two Georges. One is the Gilbert Stuart (cost around \$800,000), and the other is the Rembrandt Peale George and Martha (these were bought as a pair for around \$525,000). I faxed you the invoice for the restoration work that was done on these two. If you have any more questions, email me or Howard. Hope all is well.

Kelly

----- Original Message -----
 From: <ralexander@ [REDACTED]>
 To: "Kelly" < [REDACTED]>
 Sent: Monday, July 09, 2001 6:57 AM
 Subject: Re: bill for Hammer Galleries

>
 > No problem. I don't show ever receiving an invoice. I show that
 > Audubon
 > Assets purchase George, but I don't show an invoice for Martha. Did
 > your
 > father purchase both? I'll fax the invoice to Cayman for payment as
 > soon
 > as I receive it. I'm sure they'll let me know if they didn't purchase
 > Martha.

>
 >
 >
 > "Kelly" < [REDACTED]> on 07/07/2001 05:40:55 PM

>
 > To: <ralexander@ [REDACTED]>
 > Cc:
 >
 > Subject: bill for Hammer Galleries

>
 >
 > Hey Rena,
 > I am sitting here with Howard, and I have the Rembrandt Peale "George
 > and
 > Martha Washington" on view at the gallery. Hammer took care of some
 > restoration on them for Dad. They sent a bill (it's around \$10,000),
 > and
 > haven't been paid yet. Howard is going to fax it to you, could you
 > pay it
 > as soon as you can? I have seen the restoration report, and can
 > verify
 > that the work was done.
 > Hope all is well with you.
 > Thanks,
 > Kelly
 >
 >
 >

1

5004

Wrangler Trust Art

Purchase Date	Invoice Amount	Gallery	Description	Costs
1/22/01	\$878,400	Elliott Yeary	Pablo Picasso, 1) <i>Assiette aux Chevaux</i> , 1961 2) <i>Plai Espagnol Tete de Taureau av Soleil</i> , 1957 3) <i>Plai Tete d'Homme</i> , 1947 4) <i>Scene de Tauromachique</i> , 1959 5) <i>Vase Deux Anses Grand Oiseau</i> , 1947	\$135,000 \$144,000 \$124,200 \$ 70,200 \$405,000
3/21/01	\$86,950	Christie's NY	303) A George V Silver Presentation Loving Cup 265) A Silver-Plated Presentation Urn Mounted as a Lamp 1920 353) A Gold Repousee Pair Case Watch with Chatelaine Signed Robert Chignett	\$ 23,500 \$ 22,325 \$ 41,125
3/28/01	\$265,000	Gerald Peters Gallery	Frank Tenney Johnson (1874-1939) <i>Camp on the Overland Trail</i> , 1928	
4/11/01	\$185,000	Computer Associates	John McCrady <i>Steamboat 'Round the Bend</i>	
5/24/01	\$9,500	Elliott Yeary Gallery	David Douglas Duncan 1) <i>Picasso dipping paint brush</i> 2) <i>Picasso Painting ceramic platter</i> 3) <i>Picasso working on plate of fish</i> 4) <i>Picasso working under natural light</i>	\$ 2,375 \$ 2,375 \$ 2,375 \$ 2,375

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1163

Confidential
SEC_ED00022604

PSI_ED00022604

5005

From: Keeley Hennington
Sent: Tuesday, January 16, 2001 9:01 AM
To: Rena Alexander
Subject: Re: Wrangler Trust

— Redacted by the Permanent
Subcommittee on Investigations

Sorry - I thought I sent back an answer on that - yes, Wrangler can purchase that art. It should be invoiced to Wrangler Attn: Evan Wyly, Trustee. There should be no mention of the art being purchased by Sam for the kids, or what kid will get which painting. The kids can use the trust property but it should still be reflected on Wranglers books.

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

Rena Alexander
01/16/01 10:24 AM

To: Keeley Hennington [REDACTED]
cc:
Subject: Wrangler Trust

Kristin sent me a invoice for Picasso's Sam purchased for each of the kids. Have you had a chance to discuss Wrangler Trust purchasing those? I'll have Kristin rebill, but I wanted to make sure you talked with Sam.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1163

Confidential
SEC_ED00005187

PSI ED00005187

5006

— = Redacted by the Permanent Subcommittee on Investigations

01-16-02 05:08pm
GLA.2

TRIAL BALANCE REPORT
ACTIVITY FROM 11-01-01 THRU 11-30-01
LEDGER: BOOK
ENTITY: 101W The Wrangler Trust

ACCOUNT DESCRIPTION	11-01-01 BBS BALANCE		ACTIVITY		11-30-01 END BALANCE	
	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT
INCOME						
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
TOTAL INCOME		[REDACTED]		[REDACTED]		[REDACTED]
EXPENSES						
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
TOTAL EXPENSES		[REDACTED]		[REDACTED]		[REDACTED]
ASSETS						
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
163400 Art Collection	1,336,901.25				1,336,901.25	
163500 Jewelry						1,424,850.00
TOTAL ASSETS						
LIABILITIES						
TOTAL LIABILITIES						
EQUITY						
470030 Retained Earnings						

*Board
wrong acct*

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1163

CONFIDENTIAL
SEC100013638
PS100025525

5007

01-16-02 05:08pm
GL4.2

TRIAL BALANCE REPORT
ACTIVITY FROM 11-01-01 THRU 11-30-01
LEDGER: BOOK
ENTITY: 10TW The Wrangler Trust

Redacted by the Permanent
Subcommittee on Investigations

PAGE: 2

ACCOUNT DESCRIPTION	11-01-01 BEG BALANCE		ACTIVITY		11-30-01 END BALANCE	
	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT
TOTAL CAPITAL						
TOTAL DEBITS						
TOTAL CREDITS						

Went
- pg 6 of GL.
Sale transaction hit wrong
acct. -
120 je so that 35,250 ends
up in AA Collectu

CONFIDENTIAL
SEC100013659
PSI00025526

5008

— = Redacted by the Permanent
Subcommittee on Investigations

GL4.1
01-16-02 05:13pm

GENERAL LEDGER DETAIL REPORT
PRIOR YEAR BOOK / BY ENTITY, ACCOUNT
YEAR TO DATE THROUGH PERIOD 12
ENTITY: 10TW The Wrangler Trust

PAGE: 6

PD	SRC	JRNL	BATCH-LINE	DESCRIPTION	REFERENCE/DOCUMENT	DATE	DEBIT AMT	CREDIT AMT	BALANCE
----	-----	------	------------	-------------	--------------------	------	-----------	------------	---------

* NET ACTIVITY
** CLOSING BALANCE

ACCOUNT: 10TW-163200

Furnishings & Fixtures

ASSETS

** OPENING BALANCE

ACCOUNT: 10TW-163400

Art Collection

ASSETS

** OPENING BALANCE

04 INV

IMO

23729-002

SD ROOSEVELT TEASET +MISC ITESD

04-11-01

16,248.75

10TW

ACCOUNT: 10TW-163500

Jewelry

ASSETS

** OPENING BALANCE

0.00DB

10 INV

IMO

27106-002

SOLD ARTWORK TO AUDUBON ASSETW2 AUDUBON ASSETS 10-02-01

1,424,850.00

10TW

SUBTOTAL FOR PERIOD 10

1,424,850.00** 1,424,850.00CR

* NET ACTIVITY

1,424,850.00**

** CLOSING BALANCE

1,424,850.00CR

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1163

CONFIDENTIAL
SEC00013666
PSI00025533

— = Redacted by the Permanent
Subcommittee on Investigations

Wrangler Trust

As Of
September 30, 2001

	Fair Market Value	% of Assets	% of Equity
<u>Assets</u>			
Cash	—	—	—
Receivables - Interfamily	—	—	—
<u>Investments</u>			
Maverick Holdings	—	—	—
Total Investment Holding	—	—	—
Furniture, Art and Jewelry	1,460,100	3.28%	3.28%
Total Assets	—	—	—
<u>Liabilities</u>			
Total Liabilities	—	—	—
Equity	—	—	—
Total Liabilities And Equity	—	—	—

11/2/01 4:44:27 PM

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1163

CONFIDENTIAL
SECI00013704
PSI00025571

5010

GL4.1
01-16-02 05:13pm

GENERAL LEDGER DETAIL REPORT
PRIOR YEAR BOOK / BY ENTITY, ACCOUNT
YEAR-TO-DATE THROUGH PERIOD 12
ENTITY: 10TW The Wrangler Trust

PAGE: 4

PD	SRCE	JRNL	BATCH	LINE	DESCRIPTION	REFERENCE/DOCUMENT	DATE	DEBIT AMT	CREDIT AMT	BALANCE
----	------	------	-------	------	-------------	--------------------	------	-----------	------------	---------

Redacted by the
Permanent Subcommittee
on Investigations

10	INV	IPL	27065-001	LOAN TO SAM (FOR INV PRECEPT)TSF	10TW	10-01-01	1,300,000.00			
				10TW*108/10TW						
10	INV	IPL	27102-001	LOAN SAM FOR PRECEPT INVESTMENTS	10TW*108/10TW	10-02-01	1,400,000.00			
				10TW*108/10TW						
10	INV	IMD	27106-001	SOLD ARTWORK TO AUDUBON ASSETSD AUDUBON ASSETS	10TW	10-02-01	1,424,850.00			
				10TW						

Redacted
by
Permanent Subcommittee
on Investigations

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1164

CONFIDENTIAL
SEC100013664
PSI00025531

5011

01-25-02 3
GL3.4

GENERAL LEDGER POSTING DETAIL AUDIT REPORT

PAGE: 1

LINE	ACCOUNT	SUB ACCT	DATE	DESCRIPTION	REFERENCE	AMOUNT
BATCH: 5969 PERIOD: 11 JOURNAL: JEP SOURCE: AJE						
001	10TW-163500		11-01-01	MOVE TO 163400 ART	11-01-01	1,424,850.00
002	10TW-163400		11-01-01	SD ARTWORK TO AUBUDON	11-01-02	<1,424,850.00>

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1164

CONFIDENTIAL
SEC100013672
PSI00025539

5012

INVOICE
Client

000327

CHRISTIE'S

= Redacted by the Permanent
Subcommittee on InvestigationsMr Sam E Wyly
Audubon Asset, Ltd
Attn Stacy Hubner
300 Crescent Court Suite 1000
Dallas TX 75201INVOICE #: J069399
I.D.#: [REDACTED]
BIDDER #: 1903
DUE DATE: OCT 16 02INVOICE DATE: OCT 9 02
TEL. 1 214 [REDACTED]SALE: 1139 Rock 09OCT02 FORBES TWO
The Forbes Collection of American Historical Documents
MR F. WAHLGREN 868229

LOT NUMBER	PURCHASE PRICE LOT DESCRIPTION	TAX RATE	SALES/USE TAX
179 Rock	16730.00 Hoover, H. Illuminated DS, requesting American support 1931 28x20x1		
199 Rock	16730.00 Truman, H. DS, 8 May 1945. Proclamation - end of European war 22x15x1		
Total Purchase Price	33460.00	+	
Total Amount Payable			

The purchase of the property identified on this invoice is subject
to the Conditions of Sale and Limited Warranty set forth in the
front of the auction catalogue for the above-referenced sale.The purchase price is the sum of the final bid price plus a premium
payable by the buyer of 19.5% of the final bid price up to and
including \$100,000 and 10% of the final bid price above \$100,000,
for each lot, as set forth in the Conditions of Sale.Lots remaining on Christie's premises for more than seven
calendar days after the sale will incur storage charges. Buyers
may incur a late charge of 1.34% per month on the total purchase
price if the buyer does not make payment in full in accordance
with the Conditions of Sale.Title to property identified on this invoice shall not pass to the
buyer until Christie's has collected payment in full from the buyer.Sales/Use Tax:
If a buyer takes delivery in any of the following states, Christie's
must collect any applicable state or local sales or use tax before
property is shipped: California, Connecticut, Florida,
Illinois, Massachusetts, New Jersey, New York, Pennsylvania,
Rhode Island, Texas or Washington D.C.Failure to pay appropriate tax may affect delivery of your
merchandise. Please call 212/636-2495 for assistance.

RP

The description of any property identified on this
invoice is made with reference to the catalogue entry,
the glossary, if any, which appears in the front of the
auction catalogue and any addendum or other saleroom
announcement issued in connection with this auction.

Please return the bottom portion of this invoice along with your payment in the enclosed envelope

PAYMENT IN FULL IS DUE
SEVEN CALENDAR DAYS AFTER SALE.Please see the back of this invoice
for complete payment instructions

INVOICE DATE: OCT 9 02

INVOICE #: J069399
SALE: 1139 Rock 09OCT02
I.D.#: [REDACTED]
Mr Sam E Wyly
TOTAL PURCHASE PRICE: 33460.00
SALES/USE TAX:
(See instructions above)

TOTAL AMOUNT PAYABLE:

Christie's 20 Rockefeller

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1166212) 636 2495 Fax (212) 636 4070
PSI-CHRIST 00327

5013

INVOICE
Client

000019

CHRISTIE'S

- Redacted by the Permanent
Subcommittee on InvestigationsMrs Cheryl Wylly
3905 Beverly Drive
Dallas TX 75205INVOICE #: J066788
I.D.#: [REDACTED]
BIDDER #: 1021
DUE DATE: JUN 20 02INVOICE DATE: JUN 14 02
TEL. 214 [REDACTED]SALE: 1087 Rock 14JUN02 GEMINI
Important Jewels
MS B. STRONGIN 849133

LOT NUMBER	PURCHASE PRICE LOT DESCRIPTION	TAX RATE	SALES/USE TAX
246	6572.50 Old Mine-cut diamond and rock crystal ring, signed Costagli		
291	9560.00 Large Group of jewelry, watches and coins		
Total Purchase Price		16132.50	+
		Total Amount Payable	

The description of any property identified on this invoice is made with reference to the catalogue entry, the placard, if any, which appears in the front of the auction catalogue and any addendum or other saleroom announcement issued in connection with this auction.

Please return the bottom portion of this invoice along with your payment in the enclosed envelope

PAYMENT IN FULL IS DUE
SEVEN CALENDAR DAYS AFTER SALE.Please see the back of this invoice
for complete payment instructions

INVOICE DATE: JUN 14 02

PSI-CHRIST 00019

Je's 20 Rock

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1166

The purchase of the property identified on this invoice is subject to the Conditions of Sale and Limited Warranty set forth in the front of the auction catalogue for the above-referenced sale.

The purchase price is the sum of the final bid price plus a premium payable by the buyer of 19.5% of the final bid price up to and including \$100,000 and 12% of the final bid price above \$100,000 for each lot, as set forth in the Conditions of Sale.

Lots remaining on Christie's premises for more than seven calendar days after the sale will incur storage charges. Buyers may incur a late charge of 1.34% per month on the total purchase price if the buyer does not make payment in full in accordance with the Conditions of Sale.

Title to property identified on this invoice shall not pass to the buyer until Christie's has collected payment in full from the buyer.

Sales/Use Tax:

If a buyer takes delivery in any of the following states, Christie's must collect any applicable state or local sales or use tax before property is shipped: California, Connecticut, Florida, Illinois, Massachusetts, New Jersey, New York, Pennsylvania, Rhode Island, Texas or Washington D.C.

Failure to pay appropriate tax may affect delivery of your merchandise. Please call 212/636-2495 for assistance.

RP

INVOICE #: J066788
SALE: 1087 Rock 14JUN02
I.D.#: [REDACTED]
Mrs Cheryl Wylly
TOTAL PURCHASE PRICE: 16132.50
SALES/USE TAX:
(See instructions above)
TOTAL AMOUNT PAYABLE:

Tel. (212) 636 2495 Fax. (212) 636 4939

5014

INVOICE
Client

000023

CHRISTIE'S

= Redacted by the Permanent
Subcommittee on InvestigationsMrs Cheryl Wyly
3905 Beverly Drive
Dallas TX 75205INVOICE #: J045910
I.D.#: [REDACTED]
BIDDER #: 1195
DUE DATE: FEB 21 01INVOICE DATE: FEB 15 01
TEL. 214 [REDACTED]SALE: 9690 Rock 15FEB01 VALKILL
The Roosevelt Era: Selections from the Roosevelt Family
MR R. NELSON 1184056

LOT NUMBER	PURCHASE PRICE LOT DESCRIPTION	TAX RATE	SALES/USE TAX
298	5875.00 AN AMERICAN SILVER TEAPOT Daniel Van Voorhis, New York, circa 1790 Oval, with straight		
303	23500.00 A GEORGE V SILVER PRESENTATION LOVING CUP AND COVER C.S. Harris, London, 1932, retailed		
314	4465.00 A GEORGE III SILVER TEAPOT Henry Chawner, London, 1788 Shaped oval with straight		
315	4465.00 A GEORGE III SILVER TEA CADDY Robert Hennell, London, 1789 Octagonal, with bright-cut		

The purchase of the property identified on this invoice is subject
to the Conditions of Sale and Limited Warranty set forth in the
front of the auction catalogue for the above-referenced sale.The purchase price is the sum of the final bid price plus a premium
payable by the buyer of 19.5% of the final bid price up to and
including \$100,000 and 12% of the final bid price above \$100,000
for each lot, as set forth in the Conditions of Sale.Lots remaining on Christie's premises for more than seven
calendar days after the sale will incur storage charges. Buyers
may incur a late charge of 1.34% per month on the total purchase
price if the buyer does not make payment in full in accordance
with the Conditions of Sale.Title to property identified on this invoice shall not pass to the
buyer until Christie's has collected payment in full from the buyer.Sales/Use Tax:
If a buyer takes delivery in any of the following states, Christie's
must collect any applicable state or local sales or use tax before
property is shipped: California, Connecticut, Florida,
Illinois, Massachusetts, New Jersey, New York, Pennsylvania,
Rhode Island, Texas or Washington D.C.Failure to pay appropriate tax may affect delivery of your
merchandise. Please call 212/636-3495 for assistance.The description of any property identified on this
invoice is made with reference to the catalogue entry,
the glossary, if any, which appears in the front of the
auction catalogue and any addendum or other saleroom
announcement issued in connection with this auction.

Continued on page 3

PSI-CHRIST 00023

Christie's 20 Rockefeller

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1166

1. (212) 636 2495 Fax. (212) 636 4939

000273

SEQUENCE # : 000009
 BTCT REF : S184042-ICP-102402 VALUE DATE : 10/24/02 \$33,460.00 V
 BNF REF : [REDACTED] REC'D FROM : BANK # 0008
 SSN # : [REDACTED] CITIBANK, N.A.
 B/O : AUDUBON ASSET LIMITED *Sam E Wily # 56253 1139*
 B/O BK: BANK OF BERMUDA ISLE OF MAN LTD. DOUGLAS IM 99 ISLE OF MAN
 TRN DTLS:REM=S0722978514601 OBI=REF AUDUBON/INVOICE NUMBER NO J0693 99, SAL
 NUMBER 1139, LOT NUMBERS 1 79 AND 199 BBI=/REC/130 LIBERTY STREET NY

SEQUENCE # : 000010
 BTCT REF : S148699-ICP-102402 VALUE DATE : 10/24/02 \$29,247.50 V
 BNF REF : 001/5024715/0001 REC'D FROM : BANK # 0001
 SSN # : [REDACTED] THE BANK OF NEW YORK *1132*
 B/O : [REDACTED] 6648 MINUSIO
 B/O BK: [REDACTED] 9490 VADUZ, LIECHTENSTEIN
 TRN DTLS:REM=FTS0210228367800 OBI=INVOICE J070012 SALE 1132 ROCK 17OCT.02, I.
 8238 MR. GUENTER H. KISS BBI=/REC/LESS OUR FEES

SEQUENCE # : 000011
 BTCT REF : C115434-BBK-102402 VALUE DATE : 10/24/02 \$6,572.50 V
 BNF REF : 000370033594 REC'D FROM : BANK # 04023445
 [REDACTED] BANCA DI ROMA S.P.A.
 [REDACTED] ROME, ITALY *1132*
 B/O : [REDACTED] 00184 ROMA RM
 TRN DTLS:REM=000370033594 OBI=PAYMENT INVOICE J070001 I.D.449052 BBI=CUST
 MER ACCOUNT

SEQUENCE # : 000012
 BTCT REF : F047759-IFD-102402 VALUE DATE : 10/24/02 \$36,208.50 V
 BNF REF : 021024016515 REC'D FROM : BANK # 121000248
 FED # : 102411B7033R000436 [REDACTED] WELLS FARGO SF *1111*
 B/O : [REDACTED] SAN FRANCISCO, CA 94109
 B/O BK: [REDACTED]
 TRN DTLS:OBI=INV J068519 SALE#1111ROCK

SEQUENCE # : 000013
 BTCT REF : F015883-IFD-102402 VALUE DATE : 10/24/02 \$49,156.33 V
 BNF REF : 29700443 REC'D FROM : BANK # 021001318
 FED # : 1024BCBFN11A000166 [REDACTED] US TR NYC *1115*
 B/O : [REDACTED] NY 10021
 [REDACTED] PSI-CHRIST 00272

Permanent Subcommittee on Investigations
 EXHIBIT #66 - FN 1166

Egeness, Elin

— = Redacted by the Permanent
Subcommittee on Investigations

From: Los, Maria
Sent: Tuesday, November 05, 2002 1:10 PM
To: Egeness, Elin; Wint, Dennese; DiLeo, Angelo
Cc: Freeman-Lehrman, Hadley; Wagstaff, Brent; *Cashiers, New York; Los, Maria; Rosenberger, Christina
Subject: RE: Mr Sam E Wyly# 566253
Importance: High

The client just told us that she wants it shipped to Colorado NOT Texas so no sales tax due:

Mr. Sam Wyly
 Attn: Kelly Elliot
 [REDACTED] East Hyman St.
 Aspen, Colorado 81611
 (970) [REDACTED]

Elin: Please either call Mrs. Wyly at (214) [REDACTED] or Mr. Wyly's assistant Stacy at (214) [REDACTED] with questions.

-----Original Message-----

From: Egeness, Elin
Sent: Tuesday, November 05, 2002 12:09 PM
To: Wint, Dennese; DiLeo, Angelo
Cc: Freeman-Lehrman, Hadley; Wagstaff, Brent; Los, Maria; *Cashiers, New York
Subject: RE: Mr Sam E Wyly# 566253

This will be picked up on the 7th of November.

-----Original Message-----

From: Wint, Dennese
Sent: Tuesday, November 05, 2002 12:05 PM
To: DiLeo, Angelo
Cc: Freeman-Lehrman, Hadley; Wint, Dennese; Wagstaff, Brent; Egeness, Elin; Los, Maria; *Cashiers, New York
Subject: RE: Mr Sam E Wyly# 566253

Angelo: Can you please JNl the Dallas TX 8.25% sales tax in the amount of \$2760.45 for sale 1139 lot 179 & 199.

Elin: This is OK to be shipped.

Maria: Can you please let me know when you have contacted the client and also when they are sending the payment of the tax.

Brent & cashiers FYI.

-----Original Message-----

From: Wint, Dennese
Sent: Wednesday, October 30, 2002 10:19 AM
To: Freeman-Lehrman, Hadley
Cc: Wint, Dennese
Subject: Mr Sam E Wyly# 566253

He requested that his property from sale 1139 lots 179 & 199 shipped to Dallas TX. He did not include sales tax in his payment. He owes \$2760.45 which is the 8.25% Dallas TX tax on the purchase price of \$33460.00.
 Can you please contact him. Or should I send him a fax?

Permanent Subcommittee on Investigations

EXHIBIT #66

Additional Document

PSI-CHRIST 00321

5017

MODERN ART SERVICES (NY)

ICC #494755

5-36 46th Road, Long Island City, New York 11101

000317

BILL OF LADING

Redacted by the Permanent
Subcommittee on Investigations

November 5, 2002

Page 1 of 1

Re: 159082 -- WYLY
Attn: Modern Art Services (NY)
cc: Method of Payment: Amex

Resort

From: Elin Egeness Collect: 11/7/2002

DELIVER TO:

MR. SAM WYLY
EAST HYMAN STREET
ASPEN, CO 81611
ATTN: MS. KELLY ELIOT

Note new
del. add.

H - 214-
W - 214-
F - 214-

SHIP VIA:

SOFT PACKAGE / REGULAR
COURIER / FEDERAL EXPRESS

Pick up:-	Property	Description	Value ()
ROCK	1139/179	HOOVER H. ILLUMINATED DS REQUESTING AMERICAN SUPPORT 1931 H-28, W-20, D-1 (IN)	16,730.00
	1139/199	TRUMAN H. DS 8 MAY 1945. PROCLAMATION - END OF EUROPEAN WAR H-22, W-15, D-1 (IN)	16,730.00

MAS PIECE COUNT
MAS CONDITION REPORT

MAS REF#

INSURANCE: No insurance

ESTIMATE: Insurance:
Shipping:
Packing:

Total:

BILL TO: Packer to bill client's credit card. Packer to remit shipping charges to Shipper.
CC#: Exp: Name on CC: SAM WYLY

Received for M.A.S. by

Date

Shipper's Release

Date

or liability contract on file, Christie's Legal Dept.

Permanent Subcommittee on Investigations

EXHIBIT #66

Additional Document

PSI-CHRIST 00317

5018

Full Page Detail

Inventory # MH001
 Artist: Hall, McKenney & , 1838
 Title: *The Indian Tribes of North America*, 1838
 Description: Bound leather books with chromolithographs
 3 Volumes
 Year: 1838
 Media: Book
 Dimensions: 18 X 12 inches
 45.72 X 30.48 cm
 Appraisal: 9/24/1998 145,000.00
 Insurance: 0.00
 Retail: \$ 0.00
 User 1 User 4 User Value 1 0.00
 User 2 User 5 User Value 2 0.00
 User 3 User 6 User Value 3 0.00
 Source: Gerald Peters Gallery
 Cost: 145,000.00 Date Received: 9/24/1998
 Notes: Purchase details:

Date	Type	Notes	Amount	Current
9/24/1998	Appraisal Value	Baird Ryan/Gerald Peters Gallery	145,000.00	Yes

ID: hall

ART-INDIAN TRIBES-N. AM
 10/1/1998 Gerald Peters Gallery

Permanent Subcommittee on Investigations

EXHIBIT #66
 Additional Document

CONFIDENTIAL
 HST_PSI000006

INVOICE

September 24, 1998

Sold to:
Audubon Assets
c/o I.F.G. International
International House
Castle Hill, Victoria Road
Douglas, Isle of Mann IM2 4RB

Description:

M'Kenney & Hall
The Indian Tribes of North America
1838
3 volumes
bound leather books with chromolithographs
18 x 12 inches each

TOTAL AMOUNT DUE: \$145,000

Wiring instructions: Jackson State Bank - Jackson, Wyoming 83001
ABA routing #102301209, for credit to The Peters Corporation, Acct. [REDACTED]

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Permanent Subcommittee on Investigations

EXHIBIT #66
Additional Document

TPC-S 0025

October 6, 1998

Mr. Sam Wyly
Audubon Assets
300 Crescent Court, #1000
Dallas, TX 75201

Dear Sam,

I enjoyed the visit to both your home and offices; I am not sure which impressed me more.

I thought the placement of both paintings in your home great. The Bierstadt could not "fit" any better on the wall it is on, and having the Charles Bird King in close proximity is a very fine statement. I am also pleased you choose to add the three volume set *The Indian Tribes of North America* to your library. It is a wonderful companion to the Charles Bird King.

I now have an important painting to discuss with you. The Bierstadt, *Golden Light of California*, is indeed available and I want you to be the first to consider it.

It is also a 1860's period painting, Bierstadt's best, most important period, and an extraordinary companion to your *A Rest on the Ride*, which also dates from the 1860's. The painting measures 40 by 60 inches, and is one of the largest of this period in private hands. I cannot emphasize enough how rare and fine this painting is, and how unusual it is to the marketplace. In the next few years, I am sure I will not have a Bierstadt of comparable quality to offer you. The asking price is \$2,250,000.

A transparency is included, the painting is also reproduced in our *Bierstadt's West* catalogue, but I feel seeing the painting in person is absolutely necessary to reach a decision. I hope you will consider this seriously.

Permanent Subcommittee on Investigations

EXHIBIT #66

Additional Document

TPC-S 0028

Mr. Wylly
page 2

I can arrange for you to see the painting, or to bring the painting to you. I would be happy to answer any questions you may have or supply you with any additional information.

Sincerely,

Baird W. Ryan
Executive Vice President
Gerald Peters Gallery

TPC-S 0029

5022

25th May, 2005

Ms. Anna Benbatoul
Audubon Asset, Limited
International House
Castle Hill
Victoria Road
Douglas, Isle of Man

Via Facsimile Transmission
(01624) 624469

Dear Ms. Benbatoul:

I am writing to you in response to your two emails dated 16th May, 2005 to Kelly Elliott of the Elliott Yearly Gallery requesting confirmation details regarding acquisition and sale of and "The Negro and The Alligator" and "The Indian Tribes of North America".

As administrator of the art inventory system, I can confirm the following information:

"The Negro and The Alligator" was acquired by Audubon Asset, Limited on September 23, 1998 for US\$390,000.00. Following the recommendation of Elliott Yearly Gallery, this piece was sold on April 25, 2005 for US\$400,000.00

"The Indian Tribes of North America" was acquired by Audubon Asset, Limited on September 24, 1998 for US\$145,000. This set of three bound leather books, dating from 1838, is currently with Sotheby's, New York for auction, June 16, 2005, listed as sale number N08108, Lot # 204 with an estimated sales price of US\$70,000.00 to US\$100,000.00.

Please feel free to contact me in the future regarding additional information requests at 214-██████████

Yours sincerely,

██████████ = Redacted by the Permanent
Subcommittee on Investigations

Elizabeth Yearly

Copy: Kelly Elliott

Permanent Subcommittee on Investigations
EXHIBIT #66
Additional Document

CONFIDENTIAL
SEC100066461
PS100078328

06/10/05 FRI 10:20 FAX 414 012 0666

DAN HILL / FIVE

00001

30964709

Fax Transmittal

— = Redacted by the Permanent
Subcommittee on Investigations

To: Susan Barrett - Sotheby's **From:** Sam Wyly
Fax: 212- [REDACTED] **Phone:** 212- [REDACTED]
Phone: 212- [REDACTED] **Date:** 6/10/05
Re: The Indian Tribes of North America **Pages:** Cover only

☐ Urgent ☐ For Review ☐ Please Comment ☐ Please Reply


Dear Ms. Barrett,

It is my understanding that your records are inaccurate regarding "The Indian Tribes of North America." These three books are owned by Audubon Asset Limited, Isle of Man. Please contact Ms. Anna Benbatoul c/o Audubon for complete instructions regarding the sale at the following address, telephone number and fax number:

Ms. Anna Benbatoul
 Audubon Asset Limited
 International House
 Castle House
 Victoria Road
 Douglas, Isle of Man

Telephone: 44 1624 630600
 Facsimile: 44 1624 624469

Thank you!



Permanent Subcommittee on Investigations

EXHIBIT #66

Additional Document

SENATE00213

Sotheby's

EST 1794

1234 YORK AVENUE NEW YORK NY 10021 212 406.7000 WWW.SOTHEBYS.COM

June 10, 2005

Ms. Anna Benbatoul
 Audubon Assets
 International House
 Castle House
 Victoria Road
 Douglas, Isle of Man

Dear Ms. Benbatoul,

Susan Barrett received a fax regarding "The Indian Tribes of North America." We have moved the consigned property from Mr. Wyly's personal account to the Audubon Assets account specified by you.

Since we will be offering the property in our June 16th sale please send the signed consignment agreement back to us at the below address. We will need it by Tuesday June 14th (Wednesday at the latest) or unfortunately it will not be able to be auctioned in the scheduled sale. Unfortunately we cannot proceed with a faxed consignment agreement and need the original signed agreement back. If Audubon Assets would like to be paid by wiring instructions please fill out the enclosed form and mail it back with the agreement. Mr. Wyly should initial the suggested reserve if he agrees to it. If not please have him write in the reserve that he would like.

David Redden, Vice Chairman, is out of the office today and he will need to sign the contract and initial the waived expenses. I will send you an original copy of the contract with his signature or I can fax it to you depending on what is best for you.

If you have any questions or concerns, please do not hesitate to contact me.

Sincerely yours,



Chloe Schon
 Administrator
 Books and Manuscripts Department
 Sotheby's
 1334 York Ave.
 New York, NY 10021

Permanent Subcommittee on Investigations

EXHIBIT #66

Additional Document

SENATE00204

HAMMER GALLERIES

33 West 57th Street, New York, N.Y. 10019
Established 1928

Tel: (212) 644-4400
Fax: (212) 644-4407

www.hammergalleries.com
info@hammergalleries.com

12 September 1997

Fugue, Ltd. c/o Lorne House Trust
Castletown, Isle of Man
British Isles IM9 1AZ

INVOICE 97-0120HS (H 14074)

Marc KLIONSKY <i>Portrait of Andrew Wyly</i> , 1997 Oil on canvas 55 5/8 x 37 5/8 inches (#C26624-006)	\$ 40,000.00
Marc KLIONSKY <i>Portrait of Christiana Wyly</i> , 1997 Oil on canvas 55 5/8 x 29 5/8 inches (#C26624-007)	\$ 40,000.00
Marc KLIONSKY <i>Portrait of Evan Wyly</i> , 1997 Oil on canvas 55 5/8 x 38 5/8 inches (#C26624-002)	\$ 40,000.00
Marc KLIONSKY <i>Portrait of Kelly Wyly</i> , 1997 Oil on canvas 55 5/8 x 38 5/8 inches (#C26624-005)	\$ 40,000.00
Marc KLIONSKY <i>Portrait of Laurie Wyly</i> , 1997 Oil on canvas 56 x 45 inches (#C26624-004)	\$ 40,000.00

Specializing in 19th & 20th Century European & American Paintings

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1167

HG0043

HAMMER GALLERIES

33 West 57th Street, New York, N.Y. 10019
Established 1928

Tel: (212) 644-4400
Fax: (212) 644-4407

www.hamnergalleries.com
info@hamnergalleries.com

Invoice #97-0120HS
Page 2

Marc KLIONSKY
Portrait of Lisa Wyly, 1997
Oil on canvas
55 5/8 x 44 1/8 inches
(#C26624-003) \$ 40,000.00

Marc KLIONSKY
Portrait of Sam & Cheryl Wyly, 1997
Oil on canvas
40 x 60 inches
(#C26624-008) \$ 50,000.00

Marc KLIONSKY
Portrait of Sam Wyly, 1997
Oil on canvas
36 x 35 inches
(#C26624-001) \$ 40,000.00

Subtotal \$ 330,000.00

Total \$ 330,000.00

DEPOSIT OF 50% DUE; BALANCE DUE UPON COMPLETION.

Specializing in 19th & 20th Century European & American Paintings

HG0044

HAMMER GALLERIES

33 West 57th Street, New York, N.Y. 10019
Established 1928

Tel: (212) 644-4400
Fax: (212) 644-4407

www.hammergalleries.com
info@hammergalleries.com

January 29, 1999

Audubon Assets, Ltd. c/o International House
Castle Hill, Victoria Road
Douglas, Isle of Man, IM2 4RB

Invoice# HG-199-0013HS

KLIONSKY, Marc
Ian Mathews, 1999
Oil on canvas
C26773-004

\$ 30,000.00

KLIONSKY, Marc
Lucy Wyly, 1999
Oil on canvas
40 x 28 inches
C26773-003

\$ 30,000.00

KLIONSKY, Marc
McCary Wyly, 1999
oil on canvas
40 x 28 inches
C26773-001

\$ 30,000.00

KLIONSKY, Marc
Mitchell Wyly, 1999
Oil on canvas
40 x 28 inches
C26773-002

\$ 30,000.00

KLIONSKY, Marc
Sarah & Laurie Mathews, 1999
Oil on canvas
48 x 34 inches
C26773-006

\$ 30,000.00

Specializing in 19th & 20th Century European & American Paintings

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1167

HG0053

HAMMER GALLERIES

33 West 57th Street, New York, N.Y. 10019
Established 1928

Tel: (212) 644-4400
Fax: (212) 644-4407

www.hammergalleries.com
info@hammergalleries.com

KLIONSKY, Marc
Stewart Mathews, 1999
Oil on canvas
38 x 29 inches
C26773-005

\$ 30,000.00

Total: \$ 180,000.00

ALL REPRODUCTION RIGHTS ARE RETAINED BY THE ARTIST.

TITLE TO THE ABOVE WORKS REMAINS WITH HAMMER GALLERIES UNTIL PAYMENT HAS BEEN RECEIVED IN FULL.

THE PAYMENT OF ANY APPLICABLE USE TAX IS THE OBLIGATION OF THE PURCHASER.

Specializing in 19th & 20th Century European & American Paintings

HG0054

HAMMER GALLERIES

33 West 57th Street, New York, N.Y. 10019
Established 1928

Tel. (212) 644-4400
Fax: (212) 644-4407

www.hammergalleries.com
info@hammergalleries.com

April 12, 2000

Audubon Assets, Ltd. c/o International House
Castle Hill, Victoria Road
Douglas, Isle of Man, IM2 4RB

Invoice# HG-IN00-93HS (H 14591)

KLIONSKY, Marc <i>Evan & Barbie Wyly, 2000</i> , Oil on canvas 34 x 52 inches C26913-001	\$	50,000.00
KLIONSKY, Marc <i>Lisa & John Graham, 2000</i> , Oil on canvas, 38 x 32 inches C26913-002	\$	50,000.00
KLIONSKY, Marc <i>Laurie & David Mathews, 2000</i> , Oil on canvas, 38 x 50 inches C26913-003	\$	50,000.00
KLIONSKY, Marc <i>Kelly & Jason Elliott, 2000</i> , Oil on canvas, 38 x 50 inches C26913-004	\$	50,000.00
Total:	\$	200,000.00
PAID:	\$	100,000.00
BALANCE DUE:	\$	100,000.00

ALL REPRODUCTION RIGHTS ARE RETAINED BY THE ARTIST.

TITLE TO THE ABOVE WORKS REMAINS WITH HAMMER GALLERIES UNTIL PAYMENT
HAS BEEN RECEIVED IN FULL.

Specializing in 19th & 20th Century European & American Paintings

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1167

HG0056

HAMMER GALLERIES

33 West 57th Street, New York, N.Y. 10019
Established 1928

Tel: (212) 644-4400
Fax: (212) 644-4407

www.hammergalleries.com
info@hammergalleries.com

June 23, 2000

Audubon Assets, Ltd. c/o International House
Castle Hill, Victoria Road
Douglas, Isle of Man, IM2 4RB

SPECIAL COMMISSIONS
Invoice# HG-IN00-158HS (H 14637)

KLIONSKY, Marc <i>Portrait of Cheryl Wylly, 2000</i> Oil on canvas, 30 x 40 inches C26950-001	\$	40,000.00
KLIONSKY, Marc <i>Kelly & Sander Wylly, 2000</i> Oil on canvas, 36 x 31 1/2 inches C26950-002	\$	40,000.00
KLIONSKY, Marc <i>Nikita Krushev, 2000</i> Oil on canvas, 50 x 38 inches C26950-003	\$	40,000.00
Total:	\$	120,000.00

ALL REPRODUCTION RIGHTS ARE RETAINED BY THE ARTIST.

TITLE TO THE ABOVE WORKS REMAINS WITH HAMMER GALLERIES UNTIL PAYMENT
HAS BEEN RECEIVED IN FULL.

Specializing in 19th & 20th Century European & American Paintings

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1167

HG0057

From: Spears, Jeff C [REDACTED]
 Sent: Sunday, September 09, 2001 11:12 AM
 To: Sailors, Thomas
 Subject: Fw: Re: next steps??

[REDACTED] = Redacted by the Permanent
 Subcommittee on Investigations

Looks good.

Sent from my BlackBerry Handheld.

-----Original Message-----

From: Lee Schaufele <[REDACTED]>
 To: Spears, Jeff C <[REDACTED]>
 Sent: Sun Sep 09 16:36:07 2001
 Subject: Re: next steps??

I think that we have made the decision. So we need to talk some logistics. I know that you need our "leaves statements", w-2 and check stub [REDACTED] and I talked and given that the market stinks but probably more importantly we really haven't tried to do anything since we started talking seriously with you, so if it is ok I am going to give you our check stub as of 6/30. We did do business in July and August I just don't think it is representative). The other things that I can think about is: staff- currently we have 3 sales assistants, 1 clerical person (travel, insurance gets lunch...) and 2 analyst for our core product (50-75mm @ 50bp plus commissions) one of the analyst just got his CFA and the firm pays him 75k and we are paying him 5k/mos, the other is the computer whiz and does a great job. We would like to bring everyone but there are a couple of issues, most importantly we don't want to do anything that would cause [REDACTED] to rescind the stock that we have already vested (I want your legal people to look at this and we are having our attorneys look at it as well, [REDACTED] took [REDACTED] and [REDACTED] and it did not seem to be a problem) Also the CFA analyst is now probably over qualified for what we need and although we still will have the core it isn't going to be a focus. The problem is I just don't think that we could leave him behind, I doubt [REDACTED] want him or any of our team but I really don't know what to do there. So you need to think of something in that regard. [REDACTED] and I talked about seeing if [REDACTED] could come over to BAC on a part time basis and help get things together for our clients, she could also learn your systems so that she could help our staff (I assume you remember her @ FBC) we don't know if she could do it but just a thought. From a timing perspective I don't think we could get everything together for 2-30 days. I know we don't want to rush this. I am having my secretary [REDACTED] (she is the only one who knows what is going on, so if you need anything you can talk to her) get together documents and place them in my briefcase and then I need to get them copied (does [REDACTED] have someone who could do this for us) and I could bring back next day, pretty 007ish but I don't want to jeopardize any of the staff. I assume that whatever our staffs base salary is that it won't be a problem (my problem is going to be to get those numbers). Obviously we will have to talk to our accounts but again that can be over the next few weeks. I will have to go to Isle of Man after we arrive, I have several offshore accounts (some Wyly related). One thing that you mentioned when [REDACTED] left was Maverick, what were you thinking there, I know Lee would want your best and brightest but I do think I can help there (maybe a quarterback role??) I think that [REDACTED] is great but on any issues that we have I want to discuss that with you if I have a problem. We probably need to give [REDACTED] another alias, just tell him to call as [REDACTED] and don't give a last name. I will alert [REDACTED]. I am really excited about this and look forward to working at BAC but I know that the next 30-60 days are going to suck. We are going to need to talk, if it is at all possible can you get to Dallas in the near term, maybe for dinner [REDACTED] you and I)? my palm is broken

----- Original Message -----

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1200

5032

From: "Spears, Jeff C" [REDACTED]
To: <leeschaufel@ [REDACTED]>
Sent: Saturday, September 08, 2001 1:42 PM
Subject: Re: status

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

> What is a good number to reach ou? I will call you tomorrow afternoon.
> I talked to [REDACTED] and he really wants to work this out! He thought your
> meeting went very well..
> -----
> Sent from my BlackBerry Handheld.
>
>
> IMPORTANT NOTICES:
> This message is intended only for the addressee. Please notify
> the
> sender by e-mail if you are not the intended recipient. If you are not the
> intended recipient, you may not copy, disclose, or distribute this message
> or its contents to any other person and any such actions may be unlawful.
>
> Banc of America Securities LLC("BAS") does not accept time
> sensitive, action-oriented messages or transaction orders, including
> orders
> to purchase or sell securities, via e-mail.
>
> BAS reserves the right to monitor and review the content of all
> messages sent to or from this e-mail address. Messages sent to or from
> this
> e-mail address may be stored on the BAS e-mail system.
>
>

Gcib Legal

From: Schaufele, Louis J.
Sent: Thursday, February 14, 2002 11:59 AM
To: 'michelle boucher'
Subject: acctis.

I wanted to show you what I have sent to Charles and Sam:
Memo to: Charles and Sam Wylly
From: Lou Schaufele

I spoke with Keely yesterday and I would like to thank you for your support. One of the things that Keely brought up was the confidentiality issue between accounts and the bank. That is something that I am very aware of. There is a "Chinese wall" between the security side and bank side. In coming to a new organization we do not have the history that we had at Lehman (which is a good thing). Each entity is going to be a totally separate entity without any linkage. While we were at Lehman it evolved to the point that Lehman viewed some of the accounts (off and on) as linked. They went as far as getting the counsel for Michaels on the phone to see if they viewed the offshore accounts as affiliates. Even though the counsel did not view the offshore as affiliates, Lehman chose to treat them as affiliates. Should the offshore accounts come here they would come as independent new entities, which I would work to maintain. Again I just wanted to let you know that I am very aware of the situation and will work accordingly. Again thanks for your confidence.

BA 007662

Confidential Treatment Requested

Permanent Subcommittee on Investigations
EXHIBIT #66
Additional Document

BA 007662

— = Redacted by the Permanent
Subcommittee on Investigations

From: Keeley Hennington
Sent: Wednesday, February 20, 2002 6:15 AM
To: "Michelle Boucher" [REDACTED]
Cc: Shari Robertson
Subject: Re: Fw: Lehman's

I had this discussion with Lou last week and he wrote a memo to Sam and Charles addressing this issue and that there is no sharing of information between the bank side and the broker side. He actually thinks this will be better at Bof A because they have never dealt with Michelle's accounts whereas Lehman was beginning to view all as one big entity (as evidenced by the problems we had on the MIKE swap we worked on earlier in the year). I guess only time will tell if it is going to be a problem, but Lou is very aware of the potential for problem and has promised to keep separation.

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

"Michelle Boucher" <[REDACTED]>
02/19/02 07:26 PM

To: <Khennington [REDACTED]>
cc:
Subject: Fw: Lehman's

I think SW/CJW have thought about this re: chinese walls, but here's Shari's comments.
Michelle

----- Original Message -----
From: <shari_robertson@ [REDACTED]>
To: "Michelle Boucher" [REDACTED]
Sent: Tuesday, February 19, 2002 6:34 PM
Subject: Re: Lehman's

>
> I'll need to ask Lee on Blake/Lynchburg. The only concern I have,
> which the Wyly's should consider also, is that my banker (where I
> borrow money) is now affiliated with my broker (where the bulk of my
> assets are). Okay to move Vasper.

>
>
> *****
> *****
>
> The information contained in this e-mail message is intended only for

Permanent Subcommittee on Investigations
EXHIBIT #66
Additional Document

Confidential
SEC_ED00009278

PSI_ED00009278

PSI_ED00009279

— = Redacted by the Permanent
Subcommittee on Investigations

From: Kellen, Cindy L. [REDACTED]
Sent: Tuesday, February 19, 2002 10:45 AM
To: Harris, Virgil E.; Schaufele, Louis J.
Cc: Sailors, Thomas
Subject: Registrations

Lou/Virgil,

Lou is the only member of your team that is effective with BAS as of Monday, Feb. 19th, which means that only Lou is authorized to enter orders, open accounts, speak to clients (i.e. function as a broker) at this time. We are working to get the other members of your team effective with BAS as soon as possible. Please let me know if you have any questions.

Thanks

Cindy L. Kellen
Vice President
Sales Supervisor
Banc of America Securities
214- [REDACTED]
Fax St. 214- [REDACTED]

This communication is for informational purposes only. It is not intended as an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. All market prices, data and other information are not warranted as to completeness or accuracy and are subject to change without notice. Any comments or statements made herein do not necessarily reflect those of Banc of America Securities LLC. BAS does not accept orders to buy or sell securities via e-mail.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1202

Confidential Treatment Requested

BA 05629

Redacted by the Permanent
Subcommittee on Investigations

From: Michelle Boucher
Sent: Tuesday, February 19, 2002 1:04 PM
To: Schaufele, Louis J.
Subject: Re: status

This sounds great!
Michelle

----- Original Message -----

From: "Schaufele, Louis J." <[REDACTED]>
To: "michelle boucher" <[REDACTED]>
Cc: "Crittenden, Michele M." <[REDACTED]>
Sent: Tuesday, February 19, 2002 12:43 PM
Subject: status

> I know that you have spoken with Michele and thanks. I have placed a call
> and email to David, Andy and Francis. What I had thought on the transition
> was: I would send Michele to Caymans to go over the documents with you.
> Simultaneously I would send documents to IOM. I would fly over to IOM and
> pick them up (that way I can make sure we have everything and it is such a
> lovely place in winter). I will copy you on what I have sent to IOM.
> thank you so much for your help.

>

>

> IMPORTANT NOTICES:

> This message is intended only for the addressee. Please notify
the
> sender by e-mail if you are not the intended recipient. If you are not the
> intended recipient, you may not copy, disclose, or distribute this message
> or its contents to any other person and any such actions may be unlawful.

>

> Banc of America Securities LLC ("BAS") does not accept time
> sensitive, action-oriented messages or transaction orders, including
orders
> to purchase or sell securities, via e-mail.

>

> BAS reserves the right to monitor and review the content of all
> messages sent to or from this e-mail address. Messages sent to or from
this

> e-mail address may be stored on the BAS e-mail system.

>

>

>

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1203

— = Redacted by the Permanent
Subcommittee on Investigations

From: Kellen, Cindy L. [REDACTED]
Sent: Friday, March 08, 2002 4:33 PM
To: Crittenden, Michele M.; Schaufele, Louis J.
Cc: Sailors, Thomas; Meher, Stuart; Bonina, Carole
Subject: RE: IOM

Michele/Lou,

i just got off the phone with our Compliance folks and next step is we have to run all the principals thru CDC. Everyone is aware of the time sensitiveness of getting these accounts opened but as i mentioned to Lou, Tom and I will be responsible for reviewing and approving all the activity in these accounts and as part of the "Know Your Customer" requirement, will need to get comfortable with these entities.

Also, as I mentioned to Lou, I will need detailed information regarding the following transactions from Jan 02, including but not limited to, description of investments, where the wires came from and where they were sent, why the amounts were wired same day and involvement of any third parties.

- 1) \$15 million wired into and out of Samia Investments LTD on 1/29/02
- 2) \$7 million wired into and \$5 million wired out of Moberly LTD on 1/2/02
- 3) \$15 million wire tsfr into and out of Greenbriar LTD on 1/29/02, \$2.5 million wire tsfr in on 1/4/02
- 4) \$1 million wire tsfr into East Carroll LTD on 1/7/02
- 5) \$2.9 million wire tsfr into Audubon Asset Limited on 1/4/02 and \$50,000 wired out on 1/29/02
- 6) \$1.25 million wired into Morehouse Limited on 1/7/02
- 7) \$3.85 million wired into Souleiana Limited on 1/18/02 and \$1 million wired out on 1/29/02
- 8) Copies of signed LOAs for these wires

Additional questions -

Aundyr Trust is listed as part of the address on the Lehman statements for Richland Ltd, West Carroll Ltd and Morehouse Ltd.. Who is Aundyr Trust? What is the nature of their relationship with these clients?

One of the accounts, Tyler Trust, submitted a FICOP marked with all options strategies. For this account we will need a copy of the amended trust reflecting the strategies as marked on the FICOP. This document will also need to be reviewed by Rob Horvath in Legat.

A list of the managers, including their positions, you deal with at each of IFG International House, Trident Trust and Intercontinental Management Ltd. (i recognize some of the manager you mentioned today, David Harris, Francis Webb and Andy Wallis, are listed as Directors on the Corporate Resolutions for most of these entities. Please explain the nature of the relationship between the money managers and the individual corporate entities.

-----Original Message-----

From: Crittenden, Michele M.
Sent: Friday, March 08, 2002 2:37 PM
To: Kellen, Cindy L.
Cc: Schaufele, Louis J.
Subject: IOM

Cindy,
 Please keep me posted on the status of the foreign accounts. Will they go to the next approval process today?
 Please let me know if I can do anything to help.
 Thanks,
 Michele Crittenden
 214.303.2917

This communication is for informational purposes only. It is not intended as an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. All market prices, data and other information are not warranted as to completeness or accuracy and are subject to change without notice. Any comments or statements made herein do not necessarily reflect those of Bank of America Securities LLC. BACS does not accept orders to buy or sell securities via e-mail.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1205

Confidential Treatment Requested

BA 05610

— = Redacted by the Permanent
Subcommittee on Investigations

From: Kellen, Cindy L. [REDACTED]
Sent: Friday, March 08, 2002 5:32 PM
To: Wu, James P; Ching, Allen
Cc: Meher, Stuart; Bonina, Carole; Sailors, Thomas
Subject: CDC background check request

Please conduct background checks on the following individuals listed as authorized signatories of money managers and directors of LLCs located in the Cayman Islands and/or Isle of Man

1) Manager: Trident Trust Company Limited Domiciled: Isle of Man -
 Authorized signatories:

David Hermanus Bester (Director)
 Richard Scott (Director)
 Gordon John Mundy (Secretary)
 Annsley Petula Plowman
 Francis Webb (Director)
 William Philip Merriam, Jr. (Director)

Corporate accounts managed by Trident pending Foreign Account approval:

Elegance LTD
 Elysium Limited
 Souleiana Limited
 Ramona Limited
 Rugosa Limited
 Quayle LTD
 Little Woody Limited
 Roaring Creek Limited
 Roaring Fork Limited
 Tyler Trust (only trust acct)

2) Manager: IFG International House Domiciled: Isle of Man
 Authorized Signatories:

Declan Thomas Kenny
 David Andrew Harris
 Kevin Malcolm Bromley (Director)
 Katherine Georgina Harding (Director, Secretary)
 Elaine Joyce Higgins
 Anna Maria Benbatoul (Director)
 Niamh Goddard (Chairman)
 Tanya Maria O'Carroll
 Melanie Jane Quayle

Corporate accounts managed by IFG International House pending Foreign Account approval:

Sarnia Investments LTD
 Dortmund Limited
 Vasper Limited
 Moberly Ltd.
 Tensas Limited
 Locke Limited
 Richland Ltd. (Aundyr Trust)
 West Carroll Ltd. (Aundyr Trust)
 East Carroll Ltd
 Greenbriar Ltd
 Audubon Asset Limited

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1206

5040

Arakan Limited
Yurta FAF Limited
Bubba LLC
POPS LLC
Orange LLC
FLOFLO LLC
Balch LLC
Katy LLC
East Baton Rouge Limited
Morehouse, Ltd (Aundyr Trust)

3) Manager: Intercontinental Management Ltd. Domiciled: Isle of Man
Authorized Signatories:

Mark Hatton Byrne (Director)
Andrew Peter Wallis (Director)
Christopher Michael Allix (Director)
Charles Colin Platten (Director)

Corporate accounts managed by Intercontinental pending Foreign Account approval:

Relish Enterprises Ltd
Devotion Ltd.

The titles in parentheses beside the names are the positions these individuals hold within these entities as listed on the Corporate Resolutions. There are a total of 33 (32 corp and 1 trust) foreign accounts pending approval. All accounts will be under RR#1KL, Louis Schaufele/Virgil Harris, new broker team that just transferred to BAS from Lehman Brothers. Please feel free to call me with any questions. Thanks

Cindy L. Kellen
Vice President
Sales Supervisor
Banc of America Securities
214 [REDACTED]
Fax St. 214 [REDACTED]

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

This communication is for informational purposes only. It is not intended as an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. All market prices, data and other information are not warranted as to completeness or accuracy and are subject to change without notice. Any comments or statements made herein do not necessarily reflect those of Banc of America Securities LLC. BAS does not accept orders to buy or sell securities via e-mail.

Redacted by the Permanent
Subcommittee on Investigations

From: Schaufele, Louis J.
Sent: Friday, March 08, 2002 6:47 PM
To: Kellen, Cindy L.
Cc: 'tom.sailors@'; Crittenden, Michele M.
Subject: RE: IOM

Cindy
I totally understand your concern. I am very aware of the know your customer rule and I know these customers very well and have had a long history with them. I don't know how familiar you are with offshore corp. Usually they are set up for a reason that being asset protection or tax deferral. We will get you an explanation of the year end transaction, in general they were money that was invested in hedge funds. As I said I have dealt with many of these entities for a number of years, they have always been very responsive and we have had no problems. Hopefully this can be resolved quickly. Thanks for your attention. I am email accessible.

Sent from my BlackBerry Wireless Handheld (www.BlackBerry.net)

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1207

Confidential Treatment Requested

BA 05609

— = Redacted by the Permanent
Subcommittee on Investigations

From: Sailors, Thomas [REDACTED]
Sent: Monday, March 11, 2002 2:00 PM
To: Kellen, Cindy L.
Subject: IOM

I just spoke with Jerry Timmons to get a better feel for our experience with offshore entities such as these. He confirmed that entities such as this are not unusual, and that if no red flags pop up while running the normal checks, we should be good to go. He suggested we run the names by Court Tanouye in SF who can run them through the PIMS system. This will tell us if these people/entities are already doing business with BAS or the bank. Also, Allen Ching told me this morning that he should have the CDCs back by this afternoon. Could you please send the names of the people and the companies to Court? I just spoke with him and he is expecting them. Thx.

Thomas Sailors
Banc of America Securities LLC
214 [REDACTED]
888.235.0710 [REDACTED]

This communication is for informational purposes only. It is not intended as an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. All market prices, data and other information are not warranted as to completeness or accuracy and are subject to change without notice. Any comments or statements made herein do not necessarily reflect those of Banc of America Securities LLC. BAS does not accept orders to buy or sell securities via e-mail.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1208

Confidential Treatment Requested

BA 05607

5043

From: Wollard, Denise L.
Sent: Thursday, March 18, 2004 12:41 PM
To: Crittenden, Michele M.
Subject: RE: Wire Transfer / Journal Exceptions - C.O.B. 03/17/04
Sorry...
it was a jnl done 3/5 for 1,200,000.00 says needs p/w from authorized signer...

— = Redacted by the Permanent
Subcommittee on Investigations

I thought this was the wire from Friday that Lori did (it was Acme)

dw

-----Original Message-----

From: Crittenden, Michele M.
Sent: Thursday, March 18, 2004 11:38 AM
To: Wollard, Denise L.; Pressley, Misty
Subject: RE: Wire Transfer / Journal Exceptions - C.O.B. 03/17/04

I'm lost... sorry....??

Michele Crittenden
Sales & Service Assistant
Bank of America Private Bank
Bank of America Investment Services, Inc.
Tel: 214-
Fax: 214-
TX2-488-31-01

-----Original Message-----

From: Wollard, Denise L.
Sent: Thursday, March 18, 2004 11:32 AM
To: Pressley, Misty; Crittenden, Michele M.
Cc: Wollard, Denise L.
Subject: FW: Wire Transfer / Journal Exceptions - C.O.B. 03/17/04

Are you working on the form for this exception....from last week.

denise

-----Original Message-----

From: Chandler, Scott
Sent: Thursday, March 18, 2004 11:25 AM
To: Wollard, Denise L.
Subject: FW: Wire Transfer / Journal Exceptions - C.O.B. 03/17/04

I see that Elegance Ltd. has made it to the exclusive list. Are Michelle/Misty working on getting this
ppwk?

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1208

Confidential Treatment Requested

BA 07703

Redacted by the Permanent
Subcommittee on Investigations

From: denise.l.wollard@
Sent: Thursday, March 25, 2004 10:31 AM
To: michele.m.crittenden@
Subject: Elegance

It looks like we need updated Corp Res for this account.
I have looked thru the forms on Imaging and there is nothing substantial for the people that signed the LOA that the jnl was done from...

Let me know if you don't understand.

denise

-----Original Message-----

From: Thompson, Cheryl G. (Charlotte)
Sent: Thursday, March 25, 2004 9:19 AM
To: Wollard, Denise L.
Cc: Chandler, Scott
Subject: RE: Wire/Journal Exceptions

Also, if we don't get within 5 business days the account will be commission blocked based on the new process.

Thanks

-----Original Message-----

From: Wollard, Denise L.
Sent: Wednesday, March 24, 2004 5:50 PM
To: Thompson, Cheryl G. (Charlotte)
Subject: RE: Wire/Journal Exceptions

UGH...I have looked thru all of this now and I am going to have to get with Michele...too many changes at BAS ...I'll talk to her tomorrow.

denise

-----Original Message-----

From: Thompson, Cheryl G. (Charlotte)
Sent: Wednesday, March 24, 2004 4:06 PM
To: Wollard, Denise L.
Subject: RE: Wire/Journal Exceptions

If it's the one I'm looking at (William Merriam, Richard Scott, Francis Webb, Gordon Mundy) then that's NOT who signed the request...look at the fourth item down, journal request....

-----Original Message-----

From: Wollard, Denise L.
Sent: Wednesday, March 24, 2004 5:03 PM
To: Thompson, Cheryl G. (Charlotte)
Subject: RE: Wire/Journal Exceptions

I can see an old BAS Corp Res on imaging...I can't tell from below if you are saying they need a new one or they just didn't send this one.

dw

-----Original Message-----

From: Thompson, Cheryl G. (Charlotte)
Sent: Wednesday, March 24, 2004 3:50 PM
To: Wollard, Denise L.; Chandler, Scott
Subject: RE: Wire/Journal Exceptions

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1208

5045

Denise -

I pulled up the request and they didn't send our Corporate Resolution or BAS' - they had lots of docs but not ours - it's a requirement to use internal forms....they need to get our corporate resolution signed by the client.

Thanks

-----Original Message-----

From: Wollard, Denise L.
Sent: Wednesday, March 24, 2004 3:18 PM
To: Thompson, Cheryl G. (Charlotte); Chandler, Scott
Cc: Wollard, Denise L.
Subject: RE: Wire/Journal Exceptions

I sent an email to Robin Lawhun) on 3/18 as Laura asked me to do since it was a jnl (I had no idea we were missing anything). I recvd back response on 3/19..."looking into this with NFS and will advise. I can see the dollare amount was approved by senior management here in ops but I'm not sure what NFS is looking for. I'll let you know as soon as I hear back."
I have it in my pending...I have not heard back from her.

tk

denise

-----Original Message-----

From: Thompson, Cheryl G. (Charlotte)
Sent: Wednesday, March 24, 2004 2:10 PM
To: Chandler, Scott; Wollard, Denise L.
Subject: FW: Wire/Journal Exceptions

What's the deal on P86-016985 - that's been out there for MUCH longer than our 5 day minimum - I would expect that this account will be commission blocked very soon.

-----Original Message-----

From: Wiegand, Laura L.
Sent: Wednesday, March 24, 2004 3:08 PM
To: Thompson, Cheryl G. (Charlotte); Wiegand, Tom; Koval, David; Temple, Jo; Norton, Michael J.; Callahan, Tracy S.; Campione, Salvatore F.; Chandler, Scott; Davis, Richard T.; Dyer, Lynda-Lee; Hernandez, Millie M.; Kim, Grace W.; Olson, Dana; Reardon, Robin S.; Russell Ashihara, Lynn; Weltgenant, David; Wollard, Denise L.
Subject: FW: Wire/Journal Exceptions

Attached is the latest list of exceptions. Please review and provide appropriate documentation ASAP. Send directly to my attention. If you have questions, please feel free to call. Thanks.

Subject:

<< File: BofA.pdf >>

Gcib Legal

From: Thompson, Cheryl G. (Charlotte)
Sent: Friday, March 26, 2004 9:47 AM
To: Wollard, Denise L.
Cc: Bersing, Lori S.
Subject: RE: Offshore Accounts

I absolutely agree....I did get another email from Lori that Barry Harris said these aren't PICs so we won't need all this paperwork, we will need a corporate resolution or LLC for Elegance showing authorized signers, there's one out there on FileNet but the signers don't match.

Thanks!

-----Original Message-----

From: Wollard, Denise L.
Sent: Friday, March 26, 2004 9:45 AM
To: Thompson, Cheryl G. (Charlotte)
Cc: Bersing, Lori S.
Subject: RE: Offshore Accounts

----- = Redacted by the Permanent
 Subcommittee on Investigations

Re: Elegance [REDACTED] Until it was on the report from Laura on 3/18 I didn't even know it was an exception. When I asked her, she sent me to Robin Lawhun, who said that the dollar amount was approved by senior mgmt in ope and she wasn't sure what NFS was looking for but would let me know. The report says TBD....it wasn't until Wed. when you sent me an email about it that I knew there was still something wrong. Just wanted to make sure Lori knew that we were not ignoring this, we were waiting for Robin to tell us what NFS wanted and that it was approved there first. Michele was out yesterday and today so I can't talk to her about the p/w...

tics
 denise

-----Original Message-----

From: Thompson, Cheryl G. (Charlotte)
Sent: Friday, March 26, 2004 7:28 AM
To: Bersing, Lori S.
Cc: Wollard, Denise L.
Subject: Offshore Accounts

Hi Lori -

Just wanted to keep you in the loop on a couple of items.

First, on the offshore accounts with concentrated positions. Tom and I spoke with our Senior Client Services Manager late yesterday. He had called Tom earlier on this same situation so there is definitely discussion on these accounts throughout NFS. At this point we have escalated the item to Geoff Rusnak. As you know NFS has concerns about the beneficial owner of the accounts, they have expressed these concerns to our Compliance group and these two groups are discussing. I will keep you posted.

Along these same lines, we recently processed a journal for account P86-016985, ironically one of these offshore accounts. BAI does have paperwork policy on offshore trust accounts (PICs) - normally these accounts are opened through Bank of America in the Cayman Islands but occasional third party PIC accounts are allowed by the Risk Committee, I am assuming these accounts were approved during conversion. The issue we are having with this account is that it does not have the required paperwork on file to process money movement requests. The paperwork requirements for PIC accounts are as follows:

- BAI Corporate Account Agreement & Enabling Resolutions signed by the Trust Officers managing the account. Normally where the authorized signers are listed it states any 2 of the attached signatory list, and a list is attached from the bank.
- Depending on the underlying customer we require different paperwork. When the underlying customer is a corporation we require Articles of Incorporation, if it's a trust we require their Trust Document or our TCiP, if it's an LLC they can provide us our LLC form.
- BAI has our own KYC forms for PIC accounts, we need these signed by the Bank

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1208

BA 007690

Confidential Treatment Requested

BA 007690

5047

We processed a recent \$1.2 million journal for the above account without this appropriate paperwork as an exception, we need to get all this paperwork on this account (and any other offshore trusts you may have - if you plan on moving money out of them) to satisfy this exception. New policy states that if we do not get appropriate paperwork within 10 business days of the exception the account will be commission blocked. I can buy you a little extra time on this because I don't think anyone properly explained this to you before now - but not much more - we are already on business day 15.

I did run the paperwork requirements by Chris Pope in Compliance and he stated that this paperwork will have to be gathered.

Thanks
Cheryl

— = Redacted by the Permanent
Subcommittee on Investigations

From: Crittenden, Michele M. [REDACTED]
Sent: Monday, March 11, 2002 2:57 PM
To: Kelen, Cindy L.
Cc: Sailors, Thomas; Meher, Stuart; Bonina, Carole; Schaufele, Louis J.; Harris, Virgil E.
Subject: RE: IOM

These entities use the Lehman Brothers accounts as a vehicle to hold publicly traded investments and to pool excess funds that are not currently invested in other investments, as such some of the activity is related to proceeds of sales or redemptions from other investments that cleared directly through the entities' Bank of Bermuda accounts. The excess funds were then transferred out to Lehman for investment in US Government Agency Bonds or the Money Market Fund until they were needed again.

The copies of the LOAs are on their way. The rest of the information requested follows:

- 1) \$15M wired into Samia was proceeds on the sale of Ranger Fund shares. Samia then used the proceeds to advance \$15M to Greenbriar which is a related company, they are wholly owned subsidiaries of the same parent.
- 2) \$5M into Moberly, this was proceeds of a redemption from Ranger Fund which were wired to Bank of Bermuda, they were transferred out to Lehman for short term investments. In light of other liquidity/cash flow items, it was subsequently determined that the redemption from Ranger was unnecessary to meet immediate cash needs. As such, the funds were wired back to Bank of Bermuda and invested back into Ranger fund a week later. ie. the redemption was effectively cancelled.
- 3) \$15M into Greenbriar was an intercompany advance from Samia, as discussed above. \$15M was then loaned out to Security Capital, Ltd. \$2.52M rec'd was proceeds of 10% mandatory redemption from Maverick Fund which occurred at 12/31/01. The 10% was wired to Bank of Bermuda and the excess funds were wired over to Lehman Brothers for investment in Agencies.
- 4) \$1M into East Carroll was a combination of funds raised on two redemptions - approximately \$900K raised on redemption of Maverick Levered Fund shares and approximately \$100K raised from the 10% mandatory redemption from Maverick Fund. The redemption proceeds were wired to Bank of Bermuda and the excess funds were wired over to Lehman for investment.
- 5) Audubon \$2.93M this represents a portion of the proceeds of a sale of Scottish Annuity & Life Holdings Shares which were sold through Bear Stearns in December. The proceeds were delivered to Bank of Bermuda from Bear, some funds were used to administration fees and repay intercompany balances, the net remaining proceeds were wired to Lehman for investment. The \$50K was wired back to Bank of Bermuda to be used with the funds left there to purchase a piece of artwork for approximately \$75,000.
- 6) \$1.26M into Morehouse, this is 10% mandatory redemption from Maverick Fund which was wired to Bank of Bermuda and transferred over to Lehman for investment
- 7) \$3.85M into Souleana, this represents the approximate value of proceeds of the sale of Scottish Annuity & Life Holdings, Ltd which took place at Bear Stearns in December. The proceeds were wired to Bank of Bermuda from Bear and then the balance for investment at Lehman was transferred over. The \$1Million transferred back to Bank of Bermuda on January 29th was an unexpected capital call on a real estate development that a related company

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1209

Confidential Treatment Requested

BA 00759

5049

is invested in. Soulieana wired the money back to Bank of Bermuda, and over to the related company as an intercompany advance and the related company wired it out to the real estate project. The two companies are wholly owned subsidiaries of the same parent.

Please advise if additional information is required.

Michele Crittenden

214.3 [REDACTED]

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

This communication is for informational purposes only. It is not intended as an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. All market prices, data and other information are not warranted as to completeness or accuracy and are subject to change without notice. Any comments or statements made herein do not necessarily reflect those of Banc of America Securities LLC. BACS does not accept orders to buy or sell securities via e-mail.

-----Original Message-----

From: Kellen, Cindy L.
Sent: Friday, March 08, 2002 3:33 PM
To: Crittenden, Michele M.; Schaufele, Louis J.
Cc: Sailors, Thomas; Meher, Stuart; Bonina, Carole
Subject: RE: TOM

Michele/Lou,

I just got off the phone with our Compliance folks and next step is we have to run all the principals thru CDC. Everyone is aware of the time sensitiveness of getting these accounts opened but as I mentioned to Lou, Tom and I will be responsible for reviewing and approving all the activity in these accounts and as part of the "Know Your Customer" requirement, will need to get comfortable with these entities.

Also, as I mentioned to Lou, I will need detailed information regarding the following transactions from Jan 02, including but not limited to, description of investments, where the wires came from and where they were sent, why the amounts were wired same day and involvement of any third parties.

- 1) \$15 million wired into and out of Samia Investments LTD on 1/29/02
- 2) \$7 million wired into and \$5 million wired out of Moberly LTD on 1/2/02
- 3) \$15 million wire tsfr into and out of Greenbriar LTD on 1/29/02, \$2.5 million wire tsfr in on 1/4/02
- 4) \$1 million wire tsfr into East Carroll LTD on 1/7/02
- 5) \$2.9 million wire tsfr into Audubon Asset Limited on 1/4/02 and \$50,000 wired out on 1/29/02
- 6) \$1.26 million wired into Morehouse Limited on 1/7/02
- 7) \$3.85 million wired into Soulieana Limited on 1/18/02 and \$1 million wired out on 1/29/02
- 8) Copies of signed LOAs for these wires

Additional questions -

Aundyr Trust is listed as part of the address on the Lehman statements for Richland Ltd, West Carroll Ltd and Morehouse Ltd.. Who is Aundyr Trust? What is the nature of their relationship with these clients?

One of the accounts, Tyler Trust, submitted a FICOP marked with all options strategies. For this account we will need a copy of the amended trust reflecting the strategies as marked on the FICOP. This document will also need to be reviewed by Rob Horvath in Legal.

A list of the managers, including their positions, you deal with at each of IFG International House, Trident Trust and Intercontinental Management Ltd. (I recognize some of the manager you mentioned today, David Harris, Francis Webb and Andy Wallis, are listed as Directors on the Corporate Resolutions for most of these entities. Please explain the nature of the relationship between the money managers and the individual corporate entities.

-----Original Message-----

From: Crittenden, Michele M.
Sent: Friday, March 08, 2002 2:37 PM
To: Kellen, Cindy L.
Cc: Schaufele, Louis J.

5050

Subject: IOM

Cindy,
Please keep me posted on the status of the foreign accounts. Will they go to the next approval process today?
Please let me know if I can do anything to help.
Thanks,
Michele Crittenden
214 [REDACTED]

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

This communication is for informational purposes only. It is not intended as an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. All market prices, data and other information are not warranted as to completeness or accuracy and are subject to change without notice. Any comments or statements made herein do not necessarily reflect those of Banc of America Securities LLC. BAS does not accept orders to buy or sell securities via e-mail.

5051

03/12/02 09:41 FAX FROM

TO: 0013459492519 P: 1/3



TRIDENT TRUST
ISLE OF MAN

FAX MEMORANDUM

TO: Michelle Boucher
COMPANY: The Irish Trust Company (Cayman) Limited
FAX NO: +1-345-9492519
FROM: Francis Webb
FAX NO: +44-1624-620588
DATE: 12 March 2002
TIME: 12.40
PAGES: 8 including cover
REF. NO: fwtrch-03/1305-002F

Dear Michelle

SOULEANA LIMITED

I thank you for your two e-mail messages of 11 March 2002 in connection with the requests received from Banc of America Securities LLC.

As requested I attach copies of:-

1. Letter of 17 January 2002 instructing remittance of US \$3,850,000 to the Souleana Limited Lehman Brothers account;
2. Letter of 17 January 2002 to Lehman Brothers to advise the remittance of US \$3,850,000;
3. Letter of 29 January 2002 to Lehman Brothers requesting the raising and remittance of US \$1,000,000 to the Company's account at Bank of Bermuda.

This amount was realised to lend to Stargate Farms Limited for its additional support of Stargate Horse Properties Inc.

Turning to the more general information you have requested, the Account Documentation completed for Banc of America Securities LLC has been prepared in each case in our usual manner for the accounts to be operated by the instructions of any two of the Authorised Signatories of Trident Trust Company (I.O.M.) Limited as may be so authorised from time to time; the currently Authorised Signatories are as detailed in the attached copy of our formal schedule (a copy of which has of course been included in each Account Documentation package).

The Directors of each of the Companies opening accounts are:-

Richard Scott
Francis Webb
William Philip Merriam Jr.

Cont'd...

The original will not follow.

This facsimile transmission is intended only for the use of the addressee and may contain confidential information. If you are not the intended recipient, you are hereby notified that any use or dissemination of this communication is strictly prohibited. If you receive this transmission in error, please notify us immediately by telephone so that we can arrange for the return of the documents to us at the earliest opportunity.

TRIDENT TRUST COMPANY (I.O.M.) LTD
P.O. Box 175, 12-14 Finch Road, Douglas IM99 1TT, Isle of Man
Tel: +44-1624-646700 • Fax: +44-1624-620588 • Email: foim@tridenttrust.com • www.tridenttrust.com
Directors: D.H. Boucher (C.B. & S.A.), W.P. Merriam (U.S.A.), C.L. Mundy (Ireland), R. Scott (C.B.)
VAT No. 000 0719 23 • Registered Office: 12-14 Finch Road, Douglas, Isle of Man • Registered in the Isle of Man No. 40477
Licensed by the Isle of Man Financial Supervision Commission as a Corporate Service Provider.

MAR 12 2002 09:41

PAGE 02

Confidential Treatment Requested

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1210

BA 04416

5052

03/11/02 09:12:35 FROM:

TO: 0013459492519

P: 2/8

- 2 -

In the case of the account held for Tyler Trust, this will be in the name of Trident Trust Company (I.O.M.) Limited as Trustees of the Tyler Trust, and the Directors of Trident Trust Company (I.O.M.) Limited are as shown in our letterhead:-

David Hermanus Bester
William Philip Merriam Jr
Gordon John Mundy
Richard Scott

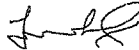
So far as operation of the accounts is concerned, however, it is the Authorised Signatories, in that capacity, who have the authority.

The principal point of contact, if required, should be recited as myself.

I trust that this will provide the required information but please do not hesitate to call me if you wish to discuss any matters arising from the above paragraphs.

With best regards

Yours sincerely



F WEBB
Senior Manager

Encs

MAR 12 2002 09:41

PAGE 03

BA 044167

Confidential Treatment Requested

— Redacted by the Permanent
Subcommittee on Investigations

From: Bonina, Carole [REDACTED]
Sent: Monday, March 11, 2002 8:09 PM
To: Kellen, Cindy L.; Meher, Stuart
Subject: RE: CDC background check request

Cindy,

Based on the results and the questions and answers you have received I think you have done adequate due diligence. Stuart in terms of the countries, are you okay in terms of providing approval?

C

-----Original Message-----
From: Kellen, Cindy L.
Sent: Monday, March 11, 2002 2:37 PM
To: Bonina, Carole; Meher, Stuart
Subject: FW: CDC background check request

Carole/Stuart,

Do you guys want to regroup? I've got all the paperwork ready to be reviewed and signed off by Compliance.

-----Original Message-----
From: Ching, Allen
Sent: Monday, March 11, 2002 3:22 PM
To: Kellen, Cindy L.; Sailors, Thomas
Cc: Wu, James P; Tanouye, Court
Subject: RE: CDC background check request

Tom/Kellen,

Just got the report back from our two vendors. They have NOTHING NEGATIVE to report at this time. All names have been entered for monitoring purposes. Both individuals and companies check out fine.

Allen Ching
Banc Of America Securities, LLC
Risk Management
NY1-301-25-02
9 West 57th, 25th FLR
New York, NY 10019
Work (212) 8 [REDACTED]
Fax (212) [REDACTED]

-----Original Message-----
From: Kellen, Cindy L.
Sent: Friday, March 08, 2002 5:32 PM
To: Wu, James P; Ching, Allen
Cc: Meher, Stuart; Bonina, Carole; Sailors, Thomas
Subject: CDC background check request

Please conduct background checks on the following individuals listed as authorized signatories of money managers and directors of LLCs located in the Cayman Islands and/or Isle of Man

1) **Manager: Trident Trust Company Limited** **Domiciled: Isle of Man -**
Authorized signatories:

David Hermanus Bester (Director)

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1212

Redacted by the Permanent
Subcommittee on Investigations

From: Bonina, Carole
Sent: Tuesday, March 12, 2002 10:04 AM
To: Kellen, Cindy L.
Subject: RE: CDC background check request

Cindy, why don't you ring me when you have a chance. Rgds,

-----Original Message-----
From: Kellen, Cindy L.
Sent: Tuesday, March 12, 2002 6:44 AM
To: Bonina, Carole
Subject: RE: CDC background check request

Carole,

Tom asked me to forward the list of principals and managers to Court Tanouye. Does Court work in Compliance? In addition, Tom stated, based on his conversation with Lou, he was comfortable with these accounts but would not reveal to me the family name behind them stating that the family was extremely worried about being linked to these accounts and had gone to great measures to set the accounts up specifically to distance themselves from them. Tom further stated that Lou would get extremely upset if I were to mention the name to him. I'm not sure if Tom mentioned this to you but I'd like to discuss this with you when you have a moment. I've got a conference call at 9:00 my time this morning but am available anytime after that. Thanks

-----Original Message-----
From: Bonina, Carole
Sent: Monday, March 11, 2002 7:09 PM
To: Kellen, Cindy L.; Meher, Stuart
Subject: RE: CDC background check request

Cindy,

Based on the results and the questions and answers you have received I think you have done adequate due diligence. Stuart in terms of the countries, are you okay in terms of providing approval?

C

-----Original Message-----
From: Kellen, Cindy L.
Sent: Monday, March 11, 2002 2:37 PM
To: Bonina, Carole; Meher, Stuart
Subject: FW: CDC background check request

Carole/Stuart,

Do you guys want to regroup? I've got all the paperwork ready to be reviewed and signed off by Compliance.

-----Original Message-----
From: Ching, Allen
Sent: Monday, March 11, 2002 3:22 PM
To: Kellen, Cindy L.; Sailors, Thomas
Cc: Wu, James P; Tanouye, Court
Subject: RE: CDC background check request

Tom/Kellen,

Just got the report back from our two vendors. They have NOTHING NEGATIVE to report at this time. All names have been entered for monitoring purposes. Both individuals and companies check out fine.

Allen Ching

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1213

5055

— = Redacted by the Permanent
Subcommittee on Investigations

From: Kellen, Cindy L. [REDACTED]
Sent: Tuesday, March 12, 2002 4:01 PM
To: Wu, James P; Ching, Allen
Subject: CDC Request

Please run a background check on Sam Wyly, SS# [REDACTED] 300 Crescent Court, Suite 1000, Dallas, TX 75201-7852. Thanks

Cindy L. Kellen
Vice President
Sales Supervisor
Banc of America Securities
214-[REDACTED]
Fax Sr. 214-[REDACTED]

This communication is for informational purposes only. It is not intended as an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. All market prices, data and other information are not warranted as to completeness or accuracy and are subject to change without notice. Any comments or statements made herein do not necessarily reflect those of Banc of America Securities LLC. BAS does not accept orders to buy or sell securities via e-mail.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1214

Confidential Treatment Requested

BA 055941

— = Redacted by the Permanent
Subcommittee on Investigations

From: Sailors, Thomas [REDACTED]
Sent: Thursday, March 14, 2002 9:27 AM
To: Spears, Jeff C
Cc: Kellen, Cindy L.
Subject: Lou's offshore accts

We were unable to send out the ACATs last night because we couldn't get acct numbers; and we couldn't get acct numbers because new accts needed approval from compliance. Compliance (Carol Bonina) told us they needed "one more thing" from you before they would issue that approval. I assume she was referring to a conversation with you, and a memo for "the file". Will you have a chance to talk to Carol and/or Lauri today?

Thomas Sailors
Banc of America Securities LLC
214. [REDACTED]
888.236.01 [REDACTED]

This communication is for informational purposes only. It is not intended as an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. All market prices, data and other information are not warranted as to completeness or accuracy and are subject to change without notice. Any comments or statements made herein do not necessarily reflect those of Banc of America Securities LLC. BAS does not accept orders to buy or sell securities via e-mail.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1215

Confidential Treatment Requested

BA 05590:

5057

Redacted by the Permanent
Subcommittee on Investigations

From: Smith, Laura [REDACTED]
Sent: Thursday, March 14, 2002 2:26 PM
To: Timmons, Gerard
Cc: Kellen, Cindy L.; Sailors, Thomas; Spears, Jeff C
Subject: foreign accounts in Dallas

Please do not forward this email!

As discussed today (in great detail). Please send your approval to Adrian Woods in new accounts to open the series of foreign accounts for the Dallas office today. As we talked about these offshore entities are holding investment companies vehicles ultimately owned by a trust. The trust is established by a local family from Texas. The source of the wealth is from a software company and a consumer retail chain. While the trust does not have an account here the broker has had the relationship for 10 years. We know full well the family however confidentiality is critical to this relationship and the assets are technically completely separate from the family as the stock of the corporations is owned by "the trust". The family has also a relationship with the private bank.

While we have all the BAS documents executed we have also asked for verification of the primary individuals responsible for communicating with BAS (drivers licensee, passport etc) and the official articles of incorporation or like document. We are requesting that the accounts be opened so we can start the ACAT from Lehman. The broker understands that if we do not get the documentation that we need in 30 days the accounts will be restricted. Thanks for your help here.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1216

Confidential Treatment Requested

BA 05589:

Michele,

Regards,

Anna

```
>-----
> From: Crittenden, Michele
> [REDACTED]
> Sent: 15 March 2002 00:01
> To: 'Anna88' [REDACTED]
> Cc: Schaufele, Louis J.
> Subject: FW: Account transfers
>
>
>
> > We are in the process of opening the accounts for all of the offshore
> > entities. I am sure that you are aware of the increased scrutiny for
> > offshore entities in the US now. I am sure you are accustomed in
> > providing
> > some type of information to outside entities. We are just trying to show
> > that we have done our due diligence. I think if we could get some
> > additional documentation from you "for the file" it would be very
> > helpful.
> > Would there be any way to get a copy of original articles of
> > incorporation
> > (you filled out our corporate resolution), this would show us when the
> > company was formed etc... Also, as crazy as this may sound, may we
> > have
> > proof of identification for all corporate officers i.e. drivers license
> > or
> > passport. Any other information that you feel applicable would be
> > helpful. I will call you tomorrow to discuss. Please let me apologize
> > for any inconvenience this may cause and thank you in advance for your
> > cooperation.
> > Thanks
> > Michele Crittenden
> >
> >
```

> IMPORTANT NOTICES:
> ~~This message is intended only for the addressee. Please notify~~
> the
> sender by e-mail if you are not the intended recipient. If you are not the
> intended recipient, you may not copy, disclose, or distribute this message
> or its contents to any other person and any such actions may be unlawful.
>
> Banc of America Securities LLC ("BAS") does not accept time
> sensitive, action-oriented messages or transaction orders, including
> orders
> to purchase or sell securities, via e-mail.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1217

5059



19th March 2002

Attn: Michelle Crittenden
Banc of America Securities LLC
2001 Ross Avenue
Suite 3100
Dallas
Texas 75201
USA

Dear Michelle

RE: DEVOTION LIMITED / RELISH ENTERPRISES LIMITED


Further to your fax dated 15th March 2002, please find enclosed the following documents:

1. Certified copy of the Certificate of Incorporation for Devotion Limited;
2. Certified copy of the Memorandum and Articles of Association of Devotion Limited;
3. Certified copy of the Certificate of Incorporation for Relish Enterprises Limited;
4. Certified copy of the Memorandum and Articles of Association of Relish Enterprises Limited;
5. Certified copies of the Passports of Messrs Platten, Byrne, Alix and myself - the Directors of both Devotion Limited and Relish Enterprises Limited.

I trust this is sufficient for your records. Please do not hesitate to contact me should you require any additional information. The W8 forms were sent to you under separate cover.

Best wishes.

Yours sincerely


Andrew P Wallis
Account Manager

Licensed by the Isle of Man Service Provider

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1218

Confidential Treatment Requested

BA 04389

5060

— = Redacted by the Permanent
Subcommittee on Investigations

From: Stephenson, Susan M. [REDACTED]
Sent: Tuesday, March 26, 2002 11:35 AM
To: Hickman, Kevin D. (BAS); Ezzo, Shawn (BAS); Crittenden, Michele M. (BAS); Kirkpatrick, Trina J. (BAS)
Cc: Doss, Laurel (BAS)
Subject: Second Request (513-11957), Devotion LTD Intercontinental Mgmt LTD

2nd Request

Date: March 26, 2002
Account: [REDACTED]
Account Name: DEVOTION LTD
DEVOTION LTD
INTERCONTINENTAL MGMT LTD
PROSPECT CHAMBERS
PROSPECT HIL
DOUGLAS IM1 1ET
ISLE OF MAN
RR Number: 1KL
Account Open Date: 03/13/2002
Restrict Date: 04/22/2002

We are still missing the following documents:

- United States Tax - W-8

New Accounts Department

Fax: 704-[REDACTED]

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1219

Confidential Treatment Requested

BA 07566

5061

— Redacted by the Permanent
Subcommittee on Investigations

From: Stephenson, Susan M. [REDACTED]
Sent: Tuesday, March 26, 2002 11:33 AM
To: Hickman, Kevin D. (BAS); Ezzo, Shawn (BAS); Crittenden, Michele M. (BAS); Kirkpatrick, Trina J. (BAS)
Cc: Doss, Laurel (BAS)
Subject: Second Request [REDACTED] Relish Enterprises LTD Intercontinental Mgmt LTD

2nd Request

Date: March 26, 2002
Account: [REDACTED]
Account Name: RELISH ENTERPRISES L T D
RELISH ENTERPRISES LTD
INTERCONTINENTAL MGMT LTD
PROSPECT CHAMBERS
PROSPECT HI
DOUGLAS IM11ET
ISLE OF MAN
RR Number: 1KL
Account Open Date: 03/13/2002
Restrict Date: 04/22/2002

We are still missing the following documents:

- United States Tax - W-8

New Accounts Department
Fax: 704-[REDACTED]

Redacted by the Permanent
Subcommittee on Investigations

From: Crittenden, Michele M. [REDACTED]
Sent: Wednesday, March 27, 2002 11:51 AM
To: Kellen, Cindy L.
Subject: RE: Isle of Man Accounts

Michele Crittenden
214- [REDACTED]

This communication is for informational purposes only. It is not intended as an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. All market prices, data and other information are not warranted as to completeness or accuracy and are subject to change without notice. Any comments or statements made herein do not necessarily reflect those of Banc of America Securities LLC. BAS does not accept orders to buy or sell securities via e-mail.

I'm sure that in 1992 those people were employees of Trident as Francis and the others are now. I assume employment changes for these people as it does for all of us occasionally. If they are no longer employed by Trident, they would no longer be involved with said entities. Anytime there are changes we are notified in writing.

I don't believe the 'ownership' of the entities has ever changed.

I have already made copies.

Thanks,

Michele

-----Original Message-----

From: Kellen, Cindy L.
Sent: Wednesday, March 27, 2002 9:35 AM
To: Crittenden, Michele M.
Subject: Isle of Man Accounts

Michele,

I've revised the attached spreadsheet based on the original id docs provided by the trust companies. I notice that most if not all of the LLCs were originally set up with different directors/subscribers/shareholders. For example, Ronald Buchanan and Janak Kumar Basnet are listed as directors per the original articles of Incorporation for Elegance, Elysium, Souleana, Ramona, Roaring Creek and Roaring Fork. Are these folks employees of Trident Trust? Are they still involved in these entities? Does the ownership of these entities change hands often? How are we notified of these types of changes? I will have these docs copied so we can forward to Laura Smith. Will give originals back to you.

<< File: Isle of Man Accounts.xls >>

Cindy L. Kellen
Vice President
Sales Supervisor
Banc of America Securities
214- [REDACTED]
Fax Sr. 214- [REDACTED]

This communication is for informational purposes only. It is not intended as an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. All market prices, data and other information are not warranted as to completeness or accuracy and are subject to change without notice. Any comments or statements made herein do not necessarily reflect those of Banc of America Securities LLC. BAS does not accept orders to buy or sell securities via e-mail.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1220

Form **W-BBEN** Certificate of Foreign Status or Beneficial Owner for United States Tax Withholding
(Rev. December 2000)
Department of the Treasury
Internal Revenue Service

Section references are to the Internal Revenue Code. See separate instructions.
Give this form to the withholding agent or payer. Do not send to the IRS.

OMB No. 1545-1621

Do not use this form for:
 • A U.S. citizen or other U.S. person, including a resident alien individual.
 • A person claiming an exemption from U.S. withholding on income effectively connected with the conduct of a trade or business in the United States.
 • A foreign partnership, a foreign simple trust, or a foreign grantor trust (see instructions for exceptions).
 • A foreign government, international organization, foreign central bank of issue, foreign tax-exempt organization, foreign private foundation, or government of a U.S. possession that received effectively connected income or that is claiming the applicability of sections 118(c), 501(c), 692, 696, or 1443(b) (see instructions).
 • A person acting as an intermediary.
 • A person acting as an intermediary.

Instead, use Form:
 • W-9
 • W-BECI
 • W-BIMY
 • W-BECI or W-BEXP
 • W-BIMY

Note: These entities should use Form W-BBEN if they are claiming treaty benefits or are providing the form only to claim they are a foreign person exempt from backup withholding.

Note: See instructions for additional exceptions.

Part I Identification of Beneficial Owner (See instructions.)

1 Name of individual or organization that is the beneficial owner
RELISH ENTERPRISES LTD

2 Country of incorporation or organization
ISLE OF MAN

3 Type of beneficial owner:
☐ Individual ☒ Corporation ☐ Disregarded entity ☐ Partnership ☐ Simple trust
☐ Grantor trust ☐ Complex trust ☐ Estate ☐ Government ☐ International organization
☐ Owner bank of issue ☐ Tax-exempt organization ☐ Private foundation

4 Permanent residence address (street, apt. or suite no., or rural route). Do not use a P.O. box or in-care-of address.
PROSPECT CHAMBERS PROSPECT HILL
DOUGLAS, ISLE OF MAN, IM1 1ET

5 Mailing address (if different from above)
DOUGLAS, ISLE OF MAN, IM1 1ET

6 U.S. taxpayer identification number, if required (see instructions)
N/A ☐ SSN or ITIN ☐ EIN

7 Foreign tax identifying number, if any (optional)
N/A

8 Reference number(s) (see instructions)
N/A

Part II Claim of Tax Treaty Benefits (if applicable)

9 I certify that (check all that apply):
 a ☐ The beneficial owner is a resident of within the meaning of the income tax treaty between the United States and that country.
 b ☐ If required, the U.S. taxpayer identification number is stated on line 6 (see instructions).
 c ☐ The beneficial owner is not an individual, derives the item (or items) of income for which the treaty benefits are claimed, and, if applicable, meets the requirements of the treaty provision dealing with limitation on benefits (see instructions).
 d ☐ The beneficial owner is not an individual, is claiming treaty benefits for dividends received from a foreign corporation or interest from a U.S. trade or business of a foreign corporation, and meets qualified resident status (see instructions).
 e ☐ The beneficial owner is related to the person obligated to pay the income within the meaning of section 267(b) or 707(b), and will file Form 8833 if the amount subject to withholding received during a calendar year exceeds, in the aggregate, \$500,000.

10 Special rates and conditions (if applicable—see instructions): The beneficial owner is claiming the provisions of Article of the treaty identified on line 9a above to claim a % rate of withholding on (specify type of income).....
 Explain the reasons the beneficial owner meets the terms of the treaty article:.....

Part III Notional Principal Contracts

11 ☐ I have provided or will provide a statement that identifies those notional principal contracts from which the income is net effectively connected with the conduct of a trade or business in the United States. I agree to update this statement as required.

Part IV Certification

Under penalties of perjury, I declare that I have examined the information on this form and to the best of my knowledge and belief it is true, correct, and complete. I further certify under penalties of perjury that:
 • I am the beneficial owner or am authorized to sign for the beneficial owner of all the income to which this form relates.
 • The beneficial owner is not a U.S. person.
 • The income to which this form relates is not effectively connected with the conduct of a trade or business in the United States or is effectively connected but is not subject to tax under an income tax treaty, and
 • For broker transactions or barrier exchanges, the beneficial owner is an exempt foreign person as defined in the instructions.
 Furthermore, I authorize this form to be provided to any withholding agent that has control, receipt, or custody of the income of which I am the beneficial owner or any withholding agent that can disburse or make payments of the income of which I am the beneficial owner.

Sign Here
 Signature of beneficial owner or individual authorized to sign for beneficial owner Date (MM-DD-YYYY) Capacity in which acting

For Paperwork Reduction Act Notice, see separate instructions. Cat. No. 350472 Form W-BBEN (Rev. 12-2000)

FOR AND ON BEHALF OF
 RELISH ENTERPRISES LIMITED
 Mark H. B.

5-2802 Original
 Sent to
 T&E

Permanent Subcommittee on Investigations
 EXHIBIT #66 - FN 1221

Confidential Treatment Requested

BA 04422C

From: Hall, Tara F.
Sent: Wednesday, August 20, 2003 3:12 PM
To: Crittenden, Michele M. (BAS)
Subject: NFS client list.xls

= Redacted by the Permanent Subcommittee on Investigations

[illegible]

**Redacted
by
Permanent Subcommittee
on Investigations**

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1225

**Redacted
by
Permanent Subcommittee
on Investigations**

Config[44] Treatment Requested

[illegible]

**Redacted
by
Permanent Subcommittee
on Investigations**

5068

10/22/04 FRI 21:38 FAX 212 450 4015 DFW 10-51
OCT 22 2004 18:31 FR BA161-COMPLIANCE-CLT 784 369 8822 TO 91212/4503805 P.04/43

011

Hudgins, Steven E.

From: Hudgins, Steven E.
Sent: Friday, September 12, 2003 2:27 PM
To: Wollard, Denise L.
Subject: [REDACTED]

[REDACTED] = Redacted by the Permanent Subcommittee on Investigations

Denise,

Per our conversation, Michelle Boucher [REDACTED] transferred \$432k to the following brokerage accounts on 8/11/03:

[REDACTED] Two Oceans Limited
[REDACTED] Brown Dog Limited
[REDACTED] Altonco International Ltd

I just need to know her relationship with the three accounts and the nature of their business.

Thanks,

Steve

Steve Hudgins
Bank of America Investment Services, Inc.
Surveillance Compliance Officer
Charlotte
(704) [REDACTED]
(704) [REDACTED]

ZXT

Handwritten notes and stamps:
- Circle containing "Ethel", "Sue", "Dor", "Jill"
- Stamp: "SCHAUFFLE / HARAGE"
- Checkmark below "ZXT"

1

BA 007670

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1226

Confidential Treatment Requested

BA 007670

Hudgins, Steven E.

Redacted by the Permanent
Subcommittee on Investigations

From: Wollard, Denise L. [REDACTED]
Sent: Wednesday, September 24, 2003 9:43 PM
To: Hudgins, Steven
Subject: FW: [REDACTED]

Steve...

This is the answer to your request. Scott Chandler is the RAD for our region and he talked to the brokers on this account. Hope this helps. If you need anything further, please let me know.

Thanks
denise

-----Original Message-----

From: Chandler, Scott
Sent: Monday, September 22, 2003 4:44 PM
To: Wollard, Denise L.
Subject: RE: [REDACTED]

Michele Boucher is the Directorate of the corporations listed below. She resides in the Cayman Islands. Trident oversees the administration of the accounts. The corporations are strictly investment corporations. To my knowledge they neither produce nor market anything, etc. I hope that this helps.
Scott

-----Original Message-----

From: Wollard, Denise L. [REDACTED]
Sent: Monday, September 22, 2003 12:38 PM
To: Chandler, Scott
Subject: FW: [REDACTED]

I talked to Michele about this and as you can see I responded. But after talking to her, I found several emails that show that there is some kind of relationship between Michele and Trident.
I don't want to give him anymore "VAGUE" information...do you know anything about this?

tkx
denise

-----Original Message-----

From: Hudgins, Steven
Sent: Friday, September 12, 2003 2:46 PM
To: Wollard, Denise L. (BAS)
Subject: RE: [REDACTED]

Denise,

What types of businesses are these?

Steve

-----Original Message-----

From: Wollard, Denise L. [mailto:denise.l.wollard@bankofamerica.com]
Sent: Friday, September 12, 2003 3:11 PM
To: Hudgins, Steven
Subject: RE: [REDACTED]

I talked to the SA on this account...Michelle is the officer of those other accounts...they are corporations that are her 2 children and husband.
I will be glad to get you a copy of the corp resolutions from filenet and send to you if you need them. These accounts are not related to the Trident Trust group.
Let me know what else you need.

thanks

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1227

5070

denise

-----Original Message-----
From: Hudgins, Steven
Sent: Friday, September 12, 2003 1:29 PM
To: Wollard, Denise L. (BAS)
Subject: [REDACTED]

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Denise,

Per our conversation, Michelle Boucher ([REDACTED]) transferred \$432k to the following brokerage accounts on 9/11/03:

[REDACTED] Two Oceans Limited
[REDACTED] Brown Dog Limited
[REDACTED] Altonco International Ltd

I just need to know her relationship with the three accounts and the nature of their business.

Thanks,

Steve

Steve Hudgins
Bank of America Investment Services, Inc.
Surveillance Compliance Officer
Charlotte
(704) [REDACTED] Phone
(704) [REDACTED] Fax

5071

URGENT REQUEST FOR INFORMATION FOR: 10041103 DEVOTION LTD--Bank of America Page 1 of 1

Hursh, Margo J.

Redacted by the Permanent Subcommittee on Investigations

From: Pinard, Zachary [REDACTED]
Sent: Thursday, January 15, 2004 9:42 AM
To: Cavaliere, Christopher; Mariano, David; Capalad, Karen; Strouse, Marijke; Feduccia, Karen B; Hudgins, Steven; Hursh, Margo; Also, Ken; Singleton, Mario; Hicks, Leigh; Pinard, Zachary
Subject: URGENT REQUEST FOR INFORMATION FOR: [REDACTED] Devotion LTD--Bank of America Correspondent

We are currently reviewing account [REDACTED] Devotion LTD--Bank of America Correspondent. This account is holding mostly a cash position. The citizenship on the account is indicating the Isle of Man. Consistent wiring activity has become apparent both into and out of the account, the majority of which are involving third parties. Outgoing wires have involved La Fourche Trust (Isle of Man), Red River Ventures I LP, and Bank of America Securities LLC. Incoming wires have been sent from Queensgate bank and Trust Co Ltd and the client. The incoming wires have all been domestic wires. No real investments are made in this account, although it does hold some stock.

Can you please supply us with the following information relevant to this account?

- o What is the purpose of this account?
- o Why is this account acting like a monetary conduit?
- o What is the relationship between this account, and all of the third party groups listed above?
- o Who is the beneficial owner of this account?
- o A copy of the account application and corporate documentation for these accounts.
- o Explanation of relationship with customer (i.e. are they personally known by the correspondent?)

Any other relevant information concerning this customer that you think would be helpful in evaluating this account

Please note that this information is confidential and should not be disseminated nor shared with the customer.

Please provide us this information within the next 10 days and send to Zachary.Pinard@fmr.com

Zachary Pinard
Risk Analyst--Fidelity Investments
tel. 617- [REDACTED]
fax 617- [REDACTED]
Boston, MA

FA #247
Louis Schaufele/Harris
Virgil Harris

1/15/2004

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1228

Confidential Treatment Requested

BA 000159

5072

URGENT REQUEST FOR INFORMATION FOR: P86017183 Devotion LTD---Bank of... Page 1 of 2

Hursh, Margo J.

Redacted by the Permanent
Subcommittee on Investigations

From: Crittenden, Michele M.

Sent: Wednesday, January 21, 2004 4:04 PM

To: Hursh, Margo J.

Cc: Bensing, Lori S.; Wollard, Denise L.; Harris, Virgil E.; Schaefe, Louis J.

Subject: RE: URGENT REQUEST FOR INFORMATION FOR: [REDACTED] Devotion LTD---Bank of America
Correspondent

Devotion Ltd. is an offshore corporation (Incorporated in the Isle of Man), which serves as an investment entity. The beneficial owner of the entity is an offshore grantor trust... the beneficiaries of which are U.S. individuals. The securities in the account are owned by the entity. The relationships to the third party groups referenced in the e-mail we believe are strictly for investment purposes (both incoming & outgoing wires). We believe the entity would have no problem in providing additional details, in a macro-sense (ex. Real estate purchase, etc.) for what the wire transfers are for.

Copies of all pertinent account documentation will be faxed to the fax # shown on your e-mail (704-[REDACTED]).

Should you need any additional information, please feel free to let us know.

Thanks,

Michele Crittenden
Sales & Service Assistant
Bank of America Private Bank
Bank of America Investment Services, Inc.
Tel: 214-[REDACTED]
Fax: 214-[REDACTED]
TX1-486-31-01

-----Original Message-----

From: Wollard, Denise L.

Sent: Friday, January 16, 2004 9:07 AM

To: Crittenden, Michele M.; Harris, Virgil E.; Schaefe, Louis J.; Ezzo, Shawn

Cc: Wollard, Denise L.; Bensing, Lori S.

Subject: FW: URGENT REQUEST FOR INFORMATION FOR: P86-017183 Devotion LTD---Bank of America
Correspondent

Please see the Request for Information below...they are asking that we respond by 1/22.
Please answer the questions and send back to me to review and I will forward them to Margo.

Thank you
denise

-----Original Message-----

From: Hursh, Margo J.

Sent: Thursday, January 15, 2004 3:30 PM

To: Hutt, Douglas; Wollard, Denise L.

Cc: Chandler, Scott; Hudgins, Steven E.; LaBelle, Jacque A.

Subject: URGENT REQUEST FOR INFORMATION FOR: [REDACTED] Devotion LTD---Bank of America
Correspondent

Surveillance AML Inquiry

1/22/2004

Confidential Treatment Requested

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1229

BA 007849

Wollard, Denise L.

— = Redacted by the Permanent
Subcommittee on Investigations

From: Hudgins, Steven E.
Sent: Friday, February 06, 2004 10:29 AM
To: Hutt, Douglas; Wollard, Denise L.
Cc: McAdams, Sue D.
Subject: Account Inquiry - Various

Surveillance Compliance Inquiry

The accounts referenced below, appeared on the Large Margin Debit Report:

done
[Redacted]

①

② *none - relationship*
dis.

The accounts each hold a large position of Michaels Stores. What is the relationship between the accounts? Also, what is the reason for the concentrated position in Michaels Stores? *(orig. gift to trust from quarters)*

Please update the suitability information on FBSI for the accounts referenced above.

Please respond within five business days.

Thanks,

Steve Hudgins
Surveillance Compliance Officer
Banc of America Investments Services, Inc.
Charlotte
(704) [Redacted] Phone
(704) [Redacted] Fax

dis. grant to

All Separate Corp

Hoffman Corp owns 4 trusts - (master trust)

Phenix. are Wally & Kevin -
no control of assets

Son Wally gain money - Michaels
Duke wanted not - MS design - not right

option used/sold to trust yrs ago -

trust is not taxp until into 4y - US

margin cheap -

any to stock
Charles - (not trust)
a new deal
they got ignored
Michaels/Trust
(as appears)
to smooth things
Unit: 1 note - Unit: 1 note

Not up Corp - funded by a...

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1230

BA 012815

9:00 am - 10:00 am

Wollard, Denise L.

From: Hursh, Margo J.
 Sent: Wednesday, February 18, 2004 2:31 PM
 To: Wollard, Denise L.
 Subject: RE: Account Inquiry - Various

- Redacted by the Permanent
 Subcommittee on Investigations

NFS is very concerned about the amount of Michael's these accounts hold. They have asked me several times about it, but I kept telling them that you were in the process of responding to some questions Steve Hudgins asked. Anyway, I could tell Zach would need additional information. He's not trying to pester you, he's just concerned that they could get in trouble for not knowing enough about this situation.

Thanks

Margo

-----Original Message-----

From: Wollard, Denise L.
 Sent: Wednesday, February 18, 2004 3:17 PM
 To: Hursh, Margo J.
 Cc: Hudgins, Steven E.; Bensing, Lori S.
 Subject: RE: Account Inquiry - Various

I will get them to you as soon as possible.

Thanks

denise

-----Original Message-----

From: Hursh, Margo J.
 Sent: Wednesday, February 18, 2004 1:48 PM
 To: Wollard, Denise L.
 Cc: Hudgins, Steven E.
 Subject: FW: Account Inquiry - Various

Denise,

I forwarded the response you sent to Steve Hudgins onto NFS. They had been asking me about the large positions in Michael's. Please read the additional questions from Zach Pinard and respond back to me.

Thank you,
 Margo J. Hursh
 Senior Compliance Officer
 Banc of America Investment Services, Inc.
 NCI-002-21-50
 (704) [redacted] phone
 (704) [redacted] fax

-----Original Message-----

From: Pinard, Zachary [mailto:Zachary.Pinard@FMR.COM]
 Sent: Wednesday, February 18, 2004 2:27 PM
 To: Hursh, Margo
 Cc: Grady, Alex
 Subject: RE: Account Inquiry - Various

Margo,

I do have more questions. If all of the accounts were funded by the same "grantor", then they are all related in that aspect. I guess I would want

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1231

Hursh, Margo J.

Redacted by the Permanent
Subcommittee on Investigations

From: Pinard, Zachary [REDACTED]
 Sent: Wednesday, February 18, 2004 2:27 PM
 To: Hursh, Margo
 Cc: Grady, Alex
 Subject: RE: Account Inquiry - Various

Margo,

I do have more questions. If all of the accounts were funded by the same "grantor", then they are all related in that aspect. I guess I would want to know the following:

- ✓ 1) Where did the original stock options come from?
- ✓ 2) Who/What acted as the "grantor" of the stock options? If an entity deposited the shares, who was the owner of the entity?
- ✓ 3) Who are the beneficial owners of all of the grantor trusts?
- ✓ 4) Copies of the account applications, W8-IMY information for the grantor trusts, and if information is being held on the grantor trusts themselves, I want to see that information to determine which US individuals are the owners of these accounts.

My concern is that I do not believe that this company is reporting the ownership of the shares adequately. The fact that they are all being treated as separate companies does not impact the matter because they clearly have a link due to the original deposit. In addition, some of the accounts also maintain a control relationship even as independent accounts. Therefore, an account like [REDACTED] (Quayle Ltd), which made a sale of 100,000 shares of Michael's on 09/02/03 should have filed a form 144 with the SEC because of their control relationship before the sale. Do we have a copy of that form on file? This is an important issue that I do not believe can be explained in a paragraph and without documentation. I know that this issue will take a lot of time to resolve, but I do not believe that we understand their business, and I want to make sure they are in compliance with SEC regulations. Thank you for the preliminary information.

Zachary Pinard
 Risk Analyst---Fidelity Investments
 tel. 617- [REDACTED]
 fax 617- [REDACTED]
 Boston, MA

-----Original Message-----

From: Hursh, Margo [REDACTED]
 Sent: Wednesday, February 18, 2004 1:56 PM
 To: zachary.pinard@fmr.com
 Subject: FW: Account Inquiry - Various

Zach,

Here is the response regarding Michaels' stock. Let me know what additional information you may need.

Thanks,
 Margo

> -----Original Message-----

> From: Hudgins, Steven E,
 > Sent: Wednesday, February 18, 2004 12:59 PM
 > To: Hursh, Margo J.
 > Subject: FW: Account Inquiry

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1232

Redacted by the Permanent
Subcommittee on Investigations

> FYI
>
> -----Original Message-----
> From: Wollard, Denise L.
> Sent: Wednesday, February 18, 2004 12:42 PM
> To: Hudgins, Steven E.
> Cc: McAdams, Sue D.; Bensing, Lori S.; Wollard, Denise L.
> Subject: RE: Account Inquiry - Various
>
> As per our conversation this am, I did get the additional information that
> you requested.
>
> Each account is a separate corporation.
> There is no relationship between the corporations other than the original
> grant of options of Michael's Stores from the grantor to set up the
> corporations.
> These are offshore corporations which serve as investment entities. The
> beneficial owners of the entities are offshore grantor trusts...the
> beneficiaries are U.S. individuals. The securities in the account are
> owned by the entity, not insiders.
> The reason for using margin is the interest rate is cheap, and also, the
> growth is not taxed until it comes back into the US
>
> The suitability has been updated on all of the accounts.
>
> If you need further information, please let me know.
>
> Thanks
> Denise
>
> -----Original Message-----
> From: Hudgins, Steven E.
> Sent: Friday, February 06, 2004 10:29 AM
> To: Hutt, Douglas; Wollard, Denise L.
> Cc: McAdams, Sue D.
> Subject: Account Inquiry - Various
>
> Surveillance Compliance Inquiry
>
> The accounts referenced below, appeared on the Large Margin Debit Report:
>
> [REDACTED]
>
> [REDACTED]
>
> [REDACTED]
>
> The accounts each hold a large position of Michaels Stores. What is the
> relationship between the accounts? Also, what is the reason for the
> concentrated position in Michaels Stores?
>
> Please update the suitability information on FBSI for the accounts
> referenced above.
>
> Please respond within five business days.
>
> Thanks,
>
> Steve Hudgins
> Surveillance Compliance Officer
> Banc of America Investments Services, Inc.
> Charlotte
> (704) [REDACTED] Phone
> (704) [REDACTED] Fax
>

5077

For your security, Banc of America Investment Services, Inc. does not accept instructions concerning changes to accounts or transactions through email. Additionally, do not send information you consider confidential via email as it will not be transmitted through a secure line. Instead, please speak to your Banc of America Investment Services, Inc. investment representative.

We want you to know:

Investment products provided by Banc of America Investment Services, Inc.™

Are Not FDIC Insured *** May Lose Value *** Are Not Bank Guaranteed

Banc of America Investment Services, Inc. is a registered broker-dealer, member NASD and SIPC and a nonbank subsidiary of Bank of America, N.A.

The information contained in this e-mail was obtained from sources believed to be reliable; however, Banc of America Investment Services, Inc. does not guarantee the accuracy or completeness of this information, nor is it responsible for results obtained from use of this information. The delivery of this information should not be considered to be an offer or solicitation of securities and in no way guarantees the future performance of the securities.

Past performance is no guarantee of future results.

Banc of America Securities, LLC is an affiliate of Banc of America Investment Services, Inc. and a non-bank subsidiary of Bank of America Corporation.

— = Redacted by the Permanent
Subcommittee on Investigations

From: Bensing, Lori S [REDACTED]
Sent: Monday, March 08, 2004 12:24 PM
To: Schaufele, Louis J
Subject: sorry but I need some help understanding this so I can go back to NFS

Lou,

Of the 11 accounts that hold concentrated Michaels positions, I need to understand the relationship between them better. I thought that they had all been set up separately but today we got instruction to sell in Elegance and send the proceeds to Soulliana to 1) pay off margin debt 2) add to the operating account at Citibank.
Can you explain it to me again? Thanks

Lori Bensing
Managing Director, Sales Manager
Bank of America Private Bank
Bank of America Investment Services, Inc.
214- [REDACTED] ph
214- [REDACTED] fax

Permanent Subcommittee on Investigations

EXHIBIT #66
Additional Document

Confidential Treatment Requested

BA 00621

5079

Hursh, Margo J.

~~Redacted~~ = Redacted by the Permanent
Subcommittee on Investigations

From: Bensing, Lori S.
Sent: Thursday, March 11, 2004 6:33 PM
To: Hudgins, Steven E.
Cc: Hursh, Margo J.; Wollard, Denise L.
Subject: various accounts with MIK positions

Steve,

Per our conversation yesterday and today, we have gone back to try and gather more information about the stock. The different corporate entities purchased options on MIK (1992 and 1995) and purchased the stock outright 1997 and 1998.

I will be out of the office next week so if we need to get more information please let me know tomorrow.

Lori Bensing
Managing Director, Sales Manager
Bank of America Private Bank
Bank of America Investment Services, Inc.
214- [REDACTED] ph
214- [REDACTED] fax

~~Tuesday~~
Wednesday
meeting
3/24/04 4:00 - 5:00 p.m

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1234

Confidential Treatment Requested

BA 00796

5080

 **completed**

Wollard, Denise L.

From: Bensing, Lori S.
Sent: Thursday, March 11, 2004 5:33 PM
To: ~~Hudson, Steven E.~~ *file*
Cc: Hursh, Margo J.; Wollard, Denise L.
Subject: various accounts with MIK positions

— Redacted by the Permanent Subcommittee on Investigations

Steve,

Per our conversation yesterday and today, we have gone back to try and gather more information about the stock. The different corporate entities purchased options on MIK (1992 and 1995) and purchased the stock outright 1997 and 1998.

I will be out of the office next week so if we need to get more information please let me know tomorrow.

Lori Bensing
Managing Director, Sales Manager
Bank of America Private Bank
Bank of America Investment Services, Inc.
214-2 [redacted] ph
214-2 [redacted] fax

Back - where/who really owns the "Alts"

3/17/04

Maeg - Chairman - Michael - Charles Wyley

they think he is the common thread in all these acts -

all family members on Fair 4's + holdings to SEC = contact use him

Stan - before going to CM - he is going to tell NPS wait until Monday

in that corp counsel will write letter

3 meetings w/ same name

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1235

Confidential Treatment Requested

BA 008300

FW: Bank of America account numbers P86

Page 1 of 2

Gcib Legal

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

From: Hudgins, Steven E,
Sent: Friday, March 26, 2004 1:18 PM
To: Rusnak, Geoff
Subject: RE: Bank of America account numbers P86

Unfortunately, I'm all too familiar w/ these accounts. Just to give a quick summary: Those 11 or 12 accounts all hold sizeable positions of Michael's Stores. As we have recently found out, these are accounts established by insiders of Michael's (the Wyly family), for the benefit of other family members and some various charities. Personally, I feel better about the accounts, now that we know who established them. (it was a chore just to get that info) However, Barry Harris and NFS feel differently. These are the accounts that Barry Harris was referring to in his e-mail from 3/25. It may be easier to explain all of this verbally as opposed to an e-mail, if so just let me know.

Dr. Hudgins

-----Original Message-----

From: Rusnak, Geoff
Sent: Friday, March 26, 2004 1:04 PM
To: Hudgins, Steven E,
Subject: FW: Bank of America account numbers P86
Importance: High

Dr. Hudgins:

Do you have any concerns regarding the activity in the accounts mentioned below?

Geoff

-----Original Message-----

From: Wiegand, Tom
Sent: Thursday, March 25, 2004 4:29 PM
To: Rusnak, Geoff
Cc: Thompson, Cheryl G. (Charlotte)
Subject: FW: Bank of America account numbers P86
Importance: High

Geoff,

NF Client Services has contacted me about these accounts. I believe it is a 3rd party PIC relationship that came over from PCS. NF AML Risk is asking several questions about the relationship and I believe Steve Hudgins has been involved in discussions between OSJ (Lori Bensing) and NF Risk but now they have contacted me and are considering restricting accounts, so I assume they could come to an agreement on proper documentation for the accounts. Frankly, I'm not very well versed in this type of account and was wondering if you can provide any assistance.

Tom

-----Original Message-----

From: Worthley, Steven [REDACTED]
Sent: Thursday, March 25, 2004 12:19 PM
To: Wiegand, Tom
Subject: FW: Bank of America account numbers P86
Importance: High

11/2/2004

Confidential Treatment Requested

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1236

BA 029445

BA 029445

5082

FW: Bank of America account numbers P86

Page 2 of 2

Hi Tom,

= Redacted by the Permanent
Subcommittee on Investigations

Here are the account numbers we talked about.

Thanks
Steven Worthley
Director Client Services
Phone: 617-
Clearing, Custody and other brokerage services
May be provided by National Financial Services LLC or
Fidelity Brokerage Services LLC. Members NYSE/SIPC

-----Original Message-----

From: Pinard, Zachary
Sent: Thursday, March 25, 2004 12:13 PM
To: Worthley, Steven
Subject: Bank of America account numbers

Account Number	Entity Name	Number of Shares	Share Market Value (as of 3/25/04)
P86- [REDACTED]	Elegance LLC	958,334	\$44,821,281
P86- [REDACTED]	Quayle Ltd	300,268	\$14,043,534
P86- [REDACTED]	Soulana Ltd	175,000	\$8,184,750
P86- [REDACTED]	Katy LLC	53,600	\$2,506,872
P86- [REDACTED]	Balch LLC	53,600	\$2,506,872
P86- [REDACTED]	POPS LLC	53,600	\$2,506,872
P86- [REDACTED]	Orange LLC	45,300	\$2,118,681
P86- [REDACTED]	Flo Flo LLC	44,900	\$2,099,973
P86- [REDACTED]	Bubba LLC	29,500	\$1,379,715
P86- [REDACTED]	Dortmund LLC	20,800	\$972,816
P86- [REDACTED]	Devotion LLC	1,200	\$56,122

Hope this helps.

Zachary Pinard
Risk Analyst--Fidelity Investments
tel. 617-
fax 617-
Boston, MA

11/2/2004

Confidential Treatment Requested

BA 029446

BA 029446

5083

this sensitive area.

Mike/Susan/Geoff, your thoughts and expertise?

Redacted by the Permanent
Subcommittee on Investigations

Barry

Sent from my BlackBerry Wireless Handheld

-----Original Message-----

From: Bensing, Lori S. <[REDACTED]>
To: Harris, Barry P. <[REDACTED]> Hearn, Mike
CC: Schaafsma, Louis J. <[REDACTED]> Hudgins,
Steven E. <[REDACTED]>; Wollard, Denise L.
Sent: Thu Mar 25 17:43:15 2004
Subject: need some offshore help

Jim Dwiggins suggested floating this out to both of you.
At conversion, Barry you may remember that we got approval to hold several
Isle of Man accounts. We have been experiencing a lot of difficulty with
NFS on these accounts since conversion and in particular 10 accounts that
hold MIK stock (Michael's Stores). These accounts were created a number of
years ago by trusts and according to the directorate the accounts share
several of the same beneficiaries (various Wyly Family members and various
charities). In short, NFS thinks that there might be Patriot Act issues and
that the stock might be affiliated in some way. MUCH of their
misunderstanding stems from a general lack of knowledge of the purpose and
benefits of offshore accounts. The stock transferred in as clean stock but
if need be we can go to corporate counsel for Michaels and get an opinion
(1.7mm shares total) or statement that the shares are not affiliated. We
can also go to the Isle of Man attorney for these accounts and get some
letter that states that the beneficiaries are not terrorists. What we
probably cannot do is get a list of the names, addresses and social security
numbers of the beneficiaries. I am afraid that if we can't provide this that
they may tell us to move the accounts. We may need someone from legal to
help us with this (I should mention that BAI compliance is satisfied). Your
thoughts?

Lori Bensing
Managing Director, Sales Manager
Bank of America Private Bank
Bank of America Investment Services, Inc.
214- [REDACTED] ph
214- [REDACTED] fax

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1239

Confidential Treatment Requested

BA 006201

Gcib Legal

Redacted by the Permanent
Subcommittee on Investigations

From: Hearn, Mike
Sent: Friday, March 26, 2004 10:51 AM
To: Schaufele, Louis J.; Harris, Barry P.; Bensing, Lori S.
Cc: Mitchell, David
Subject: RE: need some offshore help

I will ask one of the patriot act experts to see what they say about this type of account, but my best guess is that we would need the names and SS numbers for all the adult beneficiaries as there is not a US based financial institutions between us and the ultimate clients... will let you know, Mike

-----Original Message-----

From: Schaufele, Louis J.
Sent: Friday, March 26, 2004 10:29 AM
To: Harris, Barry P.; Bensing, Lori S.; Hearn, Mike
Subject: RE: need some offshore help

Is it sufficient to say that the beneficiaries of the trust are members of the Charles Wyly family and their immediate children and grandchildren subject to the discretion of the trustee?

-----Original Message-----

From: Harris, Barry P.
Sent: Thursday, March 25, 2004 6:21 PM
To: Bensing, Lori S.; Hearn, Mike
Cc: Schaufele, Louis J.; Hudgins, Steven E.; Wollard, Denise L.; Bowden, Theodore I.; Schroder, Alan; Hechtlinger, Susan; Rusnak, Geoff
Subject: Re: need some offshore help
Importance: High

Lori, I think you have I'd'd 2 distinct issues. On the first, I would assume that a letter from the corp GC would satisfy NFS that the stock is neither control nor restricted.

The second, AML/Patriot Act, more problematic. I presume the trustee is not BofA. If not, I believe that our policies require that we know the I'd of all beneficiaries as is required by law. If the trustees or beneficiaries are unwilling to disclose, I believe that leaves us and NFS with little option. The regulators leave us virtually no room, and a failure to follow our own policies (if I am correct on them) would be a significant breach in this sensitive area.

Mike/Susan/Geoff, your thoughts and expertise?

Barry

Sent from my BlackBerry Wireless Handheld

-----Original Message-----

From: Bensing, Lori S.
To: Harris, Barry P.; Hearn, Mike
Cc: Schaufele, Louis J.; Wollard, Denise L.; Hudgins, Steven E.
Sent: Thu Mar 25 17:43:15 2004
Subject: need some offshore help

Jim Diggins suggested floating this out to both of you.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1240

Confidential Treatment Requested

BA 029540

BA 029540

Redacted by the Permanent
Subcommittee on Investigations

From: Harris, Barry [REDACTED]
Sent: Friday, March 26, 2004 10:56 AM
To: Schaufele, Louis J.; Bensing, Lori S.; Hearn, Mike
Cc: Hechtlinger, Susan; Bowden, Theodore I.
Subject: Re: need some offshore help

Sent from my BlackBerry Wireless Handheld

-----Original Message-----
From: Harris, Barry P. [REDACTED]
To: Schaufele, Louis J. [REDACTED]; Bensing, Lori S. [REDACTED]; Hearn, Mike [REDACTED]
Sent: Fri Mar 26 10:54:57 2004
Subject: Re: need some offshore help

Unfortunately no. Need names and/or other identifiers to run them through the background checks as I understand our and NFS' processes. But Susan H and Ted may have other thoughts.

Barry

Sent from my BlackBerry Wireless Handheld

-----Original Message-----
From: Schaufele, Louis J. [REDACTED]
To: Harris, Barry P. [REDACTED]; Bensing, Lori S. [REDACTED]; Hearn, Mike [REDACTED]
Sent: Fri Mar 26 10:28:33 2004
Subject: RE: need some offshore help

Is it sufficient to say that the beneficiaries of the trust are members of the Charles Wyly family and their immediate children and grandchildren subject to the discretion of the trustee?

-----Original Message-----
From: Harris, Barry P.
Sent: Thursday, March 25, 2004 6:21 PM
To: Bensing, Lori S.; Hearn, Mike
Cc: Schaufele, Louis J.; Hudgins, Steven E.; Wollard, Denise L.; Bowden, Theodore I.; Schroder, Alan; Hechtlinger, Susan; Rusnak, Geoff
Subject: Re: need some offshore help
Importance: High

Lori, I think you have I'd'ed 2 distinct issues. On the first, I would assume that a letter from the corp GC wou satisfy NFS that the stock is neither control nor restricted.

The second, AML/Patriot Act, more problematic. I presume the trustee is not BofA. If not, I believe that our policies require that we know the I'd of all beneficiaries as is required by law. If the trustees or beneficiaries are unwilling to disclose, I believe that leaves us and NFS with little option. The regulators leave us virtually no room, and a failure to follow our own policies (if I am correct on them) would be a significant breach in

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1241

5086

this sensitive area.

Mike/Susan/Geoff, your thoughts and expertise?

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Barry

Sent from my BlackBerry Wireless Handheld

-----Original Message-----

From: Bensing, Lori S. <[REDACTED]>
To: Harris, Barry P. <[REDACTED]>; Hearn, Mike
<[REDACTED]>; Schauliere, Louis J. <[REDACTED]>; Hudgins,
Steven E. <[REDACTED]>; Wollard, Denise L. <[REDACTED]>
Sent: Thu Mar 25 17:43:15 2004
Subject: need some offshore help

Jim Dwiggins suggested floating this out to both of you.
At conversion, Barry you may remember that we got approval to hold several
Isle of Man accounts. We have been experiencing a lot of difficulty with
NFS on these accounts since conversion and in particular 10 accounts that
hold MIK stock (Michael's Stores). These accounts were created a number of
years ago by trusts and according to the directorate the accounts share
several of the same beneficiaries (various Wyly Family members and various
charities). In short, NFS thinks that there might be Patriot Act issues and
that the stock might be affiliated in some way. MUCH of their
misunderstanding stems from a general lack of knowledge of the purpose and
benefits of offshore accounts. The stock transferred in as clean stock but
if need be we can go to corporate counsel for Michaels and get an opinion
(1.7mm shares total) or statement that the shares are not affiliated. We
can also go to the Isle of Man attorney for these accounts and get some
letter that states that the beneficiaries are not terrorists. What we
probably cannot do is get a list of the names, addresses and social security
numbers of the beneficiaries. I am afraid that if we can't provide this that
they may tell us to move the accounts. We may need someone from legal to
help us with this (I should mention that BAI compliance is satisfied). Your
thoughts?

Lori Bensing
Managing Director, Sales Manager
Bank of America Private Bank
Bank of America Investment Services, Inc.
214- [REDACTED] ph
214- [REDACTED] fax

Redacted by the Permanent
Subcommittee on Investigations

From: louis.j.schaufele@
Sent: Wednesday, March 31, 2004 11:13 AM
To: lori.s.bensing@
Subject: RE: Michaels Stores Accounts

What I would like to do is to arrange a conference call with the trustees to talk about the certification letter and seeing how we could come to some resolution. Someone needs to ask the question what about the other Isle of Man accounts we have? NFS does have other accounts in IOM and I bet in other tax jurisdictions.

-----Original Message-----

From: Bensing, Lori S.
Sent: Wednesday, March 31, 2004 9:39 AM
To: Schaufele, Louis J.
Cc: Crittenden, Michele M.
Subject: FW: Michaels Stores Accounts

Lou,

Skip number 1. Please find out if we have any way to get the beneficial owners.

-----Original Message-----

From: Hudgins, Steven E.
Sent: Wednesday, March 31, 2004 9:34 AM
To: Bensing, Lori S.
Cc: Wollard, Denise L.; Rusnak, Geoff; Mariano, David
Subject: Michaels Stores Accounts

Lori,

I just received word from NFS regarding the Michaels Stores accounts. They need the following information:

- 1) The Foreign Bank Certification for Elegance Ltd
- 2) The specific names of the beneficial owners for each of the accounts. (I believe there are 11 total accounts.)

Please respond as soon as possible.

Thanks,

Steve

Steve Hudgins
Surveillance Compliance Officer
Banc of America Investments Services, Inc.
Charlotte
(704) Phone
(704) Fax

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1242

— = Redacted by the Permanent
Subcommittee on Investigations

From: louis.j.schaufele@
Sent: Friday, March 26, 2004 12:16 PM
To: lori.s.bensing@
Subject: FW: need some offshore help

-----Original Message-----

From: Schaufele, Louis J.
Sent: Friday, March 26, 2004 11:11 AM
To: Hearn, Mike
Subject: RE: need some offshore help

then I don't think it is that big of a problem, they just want to talk about it, confidentiality is HUGE. thanks for your help, I will check with you on Monday to see if you are available and up to speed.

-----Original Message-----

From: Hearn, Mike
Sent: Friday, March 26, 2004 11:09 AM
To: Schaufele, Louis J.
Subject: RE: need some offshore help

I assume we run them through the inside databases and outside services which check for drug dealers and terrorists and the like.

-----Original Message-----

From: Schaufele, Louis J.
Sent: Friday, March 26, 2004 12:07 PM
To: Hearn, Mike
Subject: RE: need some offshore help

We can play it by ear, the 2 Directorates were going to be with the attorneys and I suggested it. One question they asked is what do we do with the names of the beneficiaries once we have them?

-----Original Message-----

From: Hearn, Mike
Sent: Friday, March 26, 2004 11:05 AM
To: Schaufele, Louis J.
Subject: RE: need some offshore help

not sure I will have the answers by then...

-----Original Message-----

From: Schaufele, Louis J.
Sent: Friday, March 26, 2004 12:03 PM
To: Hearn, Mike
Subject: RE: need some offshore help

I think we are going to try to have a conference call next Monday or Tuesday with the 2 Directorates and counsel. Lori Bensing may be asking, can you give me a couple of slots that work for you.
thanks

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1243

5089

-----Original Message-----

From: Hearn, Mike
Sent: Friday, March 26, 2004 9:58 AM
To: Schaufele, Louis J.
Subject: RE: need some offshore help

will do if it is in a written form that is that clear.... hope it is, Mike

-----Original Message-----

From: Schaufele, Louis J.
Sent: Friday, March 26, 2004 10:53 AM
To: Hearn, Mike
Subject: RE: need some offshore help

If that is the case could you get me the actual ruling so I can show the client.
thanks

-----Original Message-----

From: Hearn, Mike
Sent: Friday, March 26, 2004 9:51 AM
To: Schaufele, Louis J.; Harris, Barry P.; Sensing, Lori S.
Cc: Mitchell, David
Subject: RE: need some offshore help

I will ask one of the patriot act experts to see what they say about this type of account, but my best guess is that we would need the names and SS numbers for all the adult benies, as there is not a US based financial institutions between us and the ultimate clients... will let you know, Mike

-----Original Message-----

From: Schaufele, Louis J.
Sent: Friday, March 26, 2004 10:29 AM
To: Harris, Barry P.; Sensing, Lori S.; Hearn, Mike
Subject: RE: need some offshore help

Is it sufficient to say that the beneficiaries of the trust are members of the Charles Wyly family and their immediate children and grandchildren subject to the discretion of the trustee?

-----Original Message-----

From: Harris, Barry P.
Sent: Thursday, March 25, 2004 6:21 PM
To: Sensing, Lori S.; Hearn, Mike
Cc: Schaufele, Louis J.; Hudgins, Steven E.; Wollard, Denise L.; Bowden, Theodore I.; Schroder, Alan; Hechtlinger, Susan; Rusnak, Geoff
Subject: Re: need some offshore help
Importance: High

Lori, I think you have I'd'ed 2 distinct issues. On the first, I would assume that a letter from the corp GC wou satisfy NFS that the stock is neither control nor restricted.

The second, AML/Patriot Act, more problematic. I presume the trustee is not BofA. If not, I believe that our policies require that we know the I'd of all beneficiaries as is required by law. If the trustees or beneficiaries are unwilling to disclose, I believe that leaves us and NFS with little option. The regulators leave us virtually no room, and a failure to follow our own policies (if I am correct on them) would be a significant breach in this sensitive area.

Mike/Susan/Geoff, your thoughts and expertise?

5090

----- = Redacted by the Permanent
Subcommittee on Investigations

Barry

Sent from my BlackBerry Wireless Handheld

-----Original Message-----

From: Bensing, Lori S.

To: Harris, Barry P. <[REDACTED]>; Hearn, Mike

CC: Schaefe, Louis J. <[REDACTED]>; Hudgins, Steven E,

<[REDACTED]>; Wollard, Denise L.

Sent: Thu Mar 25 17:43:15 2004

Subject: need some offshore help

Jim Dwiggins suggested floating this out to both of you.
At conversion, Barry you may remember that we got approval to hold several Isle of Man accounts. We have been experiencing a lot of difficulty with NFS on these accounts since conversion and in particular 10 accounts that hold MIK stock (Michael's Stores). These accounts were created a number of years ago by trusts and according to the directorate the accounts share several of the same beneficiaries (various Wyly Family members and various charities). In short, NFS thinks that there might be Patriot Act issues and that the stock might be affiliated in some way. MUCH of their misunderstanding stems from a general lack of knowledge of the purpose and benefits of offshore accounts. The stock transferred in as clean stock but if need be we can go to corporate counsel for Michaels and get an opinion (1.7mm shares total) or statement that the shares are not affiliated. We can also go to the Isle of Man attorney for these accounts and get some letter that states that the beneficiaries are not terrorists. What we probably cannot do is get a list of the names, addresses and social security numbers of the beneficiaries. I am afraid that if we can't provide this that they may tell us to move the accounts. We may need someone from legal to help us with this (I should mention that BAI compliance is satisfied). Your thoughts?

Lori Bensing
Managing Director, Sales Manager
Bank of America Private Bank
Bank of America Investment Services, Inc.
214-261-6666 ph
214-261-6666 fax

Gcib Legal

— Redacted by the Permanent
Subcommittee on Investigations

From: Schaufele, Louis J.
Sent: Wednesday, March 31, 2004 10:50 AM
To: Bensing, Lori S.
Subject: RE: Michaels Stores Accounts

as it stands right now, No on beneficial owners but supposedly the certification draft letter is forthcoming as is the Michaels Stores opinion of counsel.
Is

-----Original Message-----

From: Bensing, Lori S.
Sent: Wednesday, March 31, 2004 9:39 AM
To: Schaufele, Louis J.
Cc: Crittenden, Michele M.
Subject: FW: Michaels Stores Accounts

Lou,

Skip number 1. Please find out if we have any way to get the beneficial owners.

-----Original Message-----

From: Hudgins, Steven E.
Sent: Wednesday, March 31, 2004 9:34 AM
To: Bensing, Lori S.
Cc: Wollard, Denise L.; Rusnak, Geoff; Mariano, David
Subject: Michaels Stores Accounts

Lori,

I just received word from NFS regarding the Michaels Stores accounts. They need the following information:

- 1) The Foreign Bank Certification for Elegance Ltd [REDACTED]
- 2) The specific names of the beneficial owners for each of the accounts. (I believe there are 11 total accounts.)

Please respond as soon as possible.

Thanks,

Steve

Steve Hudgins
Surveillance Compliance Officer
Banc of America Investments Services, Inc.
Charlotte
(704) [REDACTED] Phone
(704) [REDACTED] Fax

01/04 04 12:58 FAX 01624 62469

001



Redacted by the Permanent
Subcommittee on Investigations

Ref: AB/SLD/TENSAS-L-1

31st March, 2004.

Louis J. Schaufele
Bank of America,
2001 Ross Avenue,
Suite 3100,
Dallas, Texas,
75201,
U.S.A.

FAX → LOUIS SCHAUFELE 1980
→ 001-214-1111
→ DINA BENNETT
022 114124

Dear Mr. Schaufele,

RE: TENSAS LIMITED

We are writing to confirm that IFG International Limited ("IFG") acts as corporate administrator for the above named Company. IFG is licensed by the Isle of Man Financial Supervision Commission as a Corporate Services Provider. The Isle of Man is a FATF (Financial Action Task Force) approved jurisdiction. In its role as a Corporate Services Provider IFG must maintain "Know Your Client" information for all entities under its administration.

We confirm that we have carried out the usual accepted Anti-Money Laundering checks on the underlying beneficiaries of Tensas Limited ("the Company") who have been clients of IFG for eight years. We confirm that the checks were satisfactory and that consequently the Company is in good standing with ourselves in so far as Isle of Man Anti-Money Laundering legislation is concerned.

In the years that we have dealt with the Company the underlying beneficiaries have given us no cause for concern on any matter and we have been given no reason whatsoever to doubt their probity.

Should you require any further information, please do not hesitate to contact us.

Yours sincerely,

D.A. Harris,
Director.

Registered Office:

Inverchapel House,

Castle Hill, Vaneigh Road,

Douglas, Isle of Man.

M02 4B, Douglas, Isle

Telephone:

+44 (1624) 624600

Fax:

+44 (1624) 624609

E-mail: info@ifg.comWeb site: www.ifg.com

Incorporated in the

Isle of Man No. 7770

FAT registered No.

No. 000 1902 34

IFG GROUP PLC

IFG International Limited is a
member of the IFG Group plc.

Designed by D.A. Harris, F.M. Bentley, A.C.U.E., 121, Kewey (Enb).
Licensed by the Isle of Man Financial Supervision Commission.
FOS 04 2004 06:120

Confidential Treatment Requested

Permanent Subcommittee on Investigations
EXHIBIT #66
Additional Document

1469

PAGE 01

BA 008241

5093

Crittenden, Michele M.

From: Bensing, Lori S.
Sent: Monday, April 19, 2004 8:16 AM
To: Crittenden, Michele M.; Schautele, Louis J.
Subject: RE: Boucher

Redacted by the Permanent
Subcommittee on Investigations

I emailed all I know to Lou. Phil and Michelle talked on Friday and he said it went well and that she showed no resistance to getting the beneficial owners. I put the list of accounts that NFS has issues with on your desk Friday afternoon and Michelle is waiting to hear from us which accounts she needs to work on. In the meantime I will ask Phil to send NFS a letter saying that we are working on it because as of Friday we were in serious jeopardy of them totally shutting down the accounts - not just commissions but ALL ACTIVITY.

-----Original Message-----

From: Crittenden, Michele M.
Sent: Monday, April 19, 2004 7:43 AM
To: Bensing, Lori S.
Subject: Boucher

Good morning,
Lou asked that I talk to you early this morning and get the details of Friday's call and our plan going forward.
Let me know when you get in.

Thanks,
Michele Crittenden
Sales & Service Assistant
Bank of America Private Bank
Bank of America Investment Services, Inc.
Tel: 214-
Fax: 214-
TX2-488-31-01

Confidential Treatment Requested

Permanent Subcommittee on Investigations
EXHIBIT #66
Additional Document

BA 029766

BA 029766

— = Redacted by the Permanent
Subcommittee on Investigations

From: Schaufele, Louis J. [REDACTED]
Sent: Monday, April 19, 2004 3:26 PM
To: Bensing, Lori S.
Subject: RE: I sent you a fax

We are making a sale today for Dortmund of MIK (6800shs). They have a capital call for another investment. Can you make sure NFS is not going to hang up the funds as we will be getting the beneficial owners (my understanding).
Is

-----Original Message-----
From: Bensing, Lori S.
Sent: Monday, April 19, 2004 9:44 AM
To: Crittenden, Michele M.; Schaufele, Louis J.
Subject: RE: I sent you a fax

4 days would be great. 2 weeks from today is May 3. I can't control NFS but I will tell you that my sense is that we are down to our last chance. All we can do is relay the sense of urgency to her, I guess.

-----Original Message-----
From: Crittenden, Michele M.
Sent: Monday, April 19, 2004 9:42 AM
To: Schaufele, Louis J.; Bensing, Lori S.
Subject: RE: I sent you a fax

In speaking with Michelle this morning, she told Phil on Friday that this could take anywhere from 4 days to 2 weeks and explained why.

Michele Crittenden
Sales & Service Assistant
Bank of America Private Bank
Bank of America Investment Services, Inc.
Tel: 214-[REDACTED]
Fax: 214-[REDACTED]
TX2-488-31-01

-----Original Message-----
From: Schaufele, Louis J.
Sent: Monday, April 19, 2004 9:36 AM
To: Bensing, Lori S.; Crittenden, Michele M.
Subject: Re: I sent you a fax

Make certain Boucher knows this.
Michele can relay.
Thx

Sent from my BlackBerry Wireless Handheld

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1245

Redacted by the Permanent
Subcommittee on Investigations

From: Chanda, Jaidip [REDACTED]
Sent: Monday, April 19, 2004 9:35 AM
To: Hearn, Mike; Wertz, Phillip
Cc: Wiegand, Tom
Subject: RE: I really need your

Mike-

Thank you. We are researching the claim around whether this is a foreign bank or not. Regarding the beneficial ownership, we would like to have the beneficial ownership information no later than April 30.

Thank you.

Jai

-----Original Message-----

From: Hearn, Mike [REDACTED]
Sent: Saturday, April 17, 2004 6:43 PM
To: Chanda, Jaidip; Wertz, Phillip
Cc: Wiegand, Tom
Subject: Re: I really need your

I have been trying to talk to them. Tell them to get with me on tuesday and to not block any more wires without checking with their legal and me. If there is an aml issue, then they need to work with our aml people.
Thanks
Mike

Michael D. Hearn

-----Original Message-----

From: Chanda, Jaidip [REDACTED]
To: Hearn, Mike [REDACTED]; Wertz, Phillip
Cc: Wiegand, Tom [REDACTED]
Sent: Fri Apr 16 12:02:38 2004
Subject: RE: I really need your help

Mike & Phillip-

Please status us on the foreign bank certification paperwork and the disclosure information on the beneficial owners. It appears as if we have not received either. And as far as Lori's claim below, I don't show any restriction code on [REDACTED] the account in question.

Please advise when you can. Jai

-----Original Message-----

From: Sensing, Lori S [REDACTED]
Sent: Wednesday, April 07, 2004 5:22 PM
To: Hearn, Mike; Wertz, Phillip
Cc: Chanda, Jaidip
Subject: I really need your help

Today NFS blocked commissions on one of the Michael's accounts and

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1246

Gclb Legal

= Redacted by the Permanent
 Subcommittee on Investigations

From: Badertscher, Brian [REDACTED]
 Sent: Friday, April 23, 2004 9:20 AM
 To: Schaufele, Louis J
 Subject: RE: MIK

I was checking with Prime Brokerage and they mentioned BAS needs to do their due diligence on these types of accounts, and it may not be dissimilar to NFS or others on the street. Give me a buzz when you are free.

-----Original Message-----

From: Schaufele, Louis J [REDACTED]
 Sent: Friday, April 23, 2004 9:11 AM
 To: Badertscher, Brian
 Subject: RE: MIK

sure

-----Original Message-----

From: Badertscher, Brian [REDACTED]
 Sent: Friday, April 23, 2004 7:40 AM
 To: Schaufele, Louis J
 Subject: RE: MIK

I just heard Ashley is out today, back in Monday. She is the expert on my team for these issues. Can it wait until Monday?

-----Original Message-----

From: Schaufele, Louis J [REDACTED]
 Sent: Friday, April 23, 2004 8:10 AM
 To: Badertscher, Brian
 Subject: Re: MIK

Will call when I get in.

 Sent from my BlackBerry Wireless Handheld

Confidential Treatment Requested

Permanent Subcommittee on Investigations

EXHIBIT #66

Additional Document

BA 007700

BA 007700

Redacted by the Permanent
Subcommittee on Investigations

From: Schaufele, Louis J. [REDACTED]
Sent: Thursday, April 29, 2004 9:50 AM
To: Michelle Boucher (E-mail)
Subject: regular

First let me say I am sorry for all of this run around on the offshores. I plan to talk today to Phil on the SCT request. Let me say this, if we were to enter into some type of forward sale with any of the entities that stock would be moved out of BAI (this is where you are now) and into BAS. I do not think we would have the beneficiary issues. I know this is nuts but BAS deals more with offshore than BAI (yes, we are the same company??? go figure). The obvious question would be then lets just move all of these accts. over, that is possible but I am not sure we could handle some of the needs that you might have on another basis. The reason that I mention this is that I do not want to hold you up on any business that you might want to conduct while we are working on the beneficiaries issue. The best world answer on the beneficiary issue would be that we are OK with SCT USA and don't have to change anything, next best would be is that you give us the beneficiaries and we give you something that makes you comfortable that it does not go to NFS (or anyone else unless by law). I really appreciate your patience. I have attached new MIK pricing as well.

The 85% floor forward the implied interest cost is the difference between the advance rate and the floor divided by the number of years so the implied rate would be approximately 3% versus on the 100% floor the implied interest cost is 6.6%. Obviously if someone is more bullish on the stock then the 85% floor is more attractive. Let me know what else I can do.

thanks

Lou Schaufele
Managing Director / Investments
Private Client Advisor
Bank of America Private Bank
Banc of America Investment Services, Inc.
214 [REDACTED]
214- [REDACTED] fax

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1249

Redacted by the Permanent
Subcommittee on Investigations

From: Schaufele, Louis J [REDACTED]
Sent: Monday, May 10, 2004 8:33 AM
To: Badertscher, Brian
Subject: MIK

I am back trying to get the offshore accts approved. I talked to Sam Hocking (prime) about opening accts on his platform. He can but says Innes really wants accts to generate revs, can you speak to Chris and explain situation to see if he is OK with that? I guess Michele Crittenden shud talk to Ashley? to make certain that we won't have same type of problems. Thanks, let me know.

LS

Sent from my BlackBerry Wireless Handheld

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1249

Confidential Treatment Requested

BA 00563:

5099

Redacted by the Permanent
Subcommittee on Investigations

From: Schaufele, Louis J [REDACTED]
Sent: Monday, May 10, 2004 10:46 AM
To: Badertscher, Brian
Subject: Re: MIK

The only thing is just holding the MIK. I have told offshore if we do this
we need to do a fwd to help pay for having accts at prime.

Sent from my BlackBerry Wireless Handheld

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1249

Confidential Treatment Requested

BA 07957

5100

— Redacted by the Permanent
Subcommittee on Investigations

From: Michelle Boucher [REDACTED]
Sent: Tuesday, April 27, 2004 5:46 PM
To: Crittenden, Michele M; Louis Schaufele (E-mail)
Subject: bofa

Lou,
Last week you mentioned that an acceptable financial institution for purposes of
providing certification that BofA/NFS requires would be a US regulated insurance company.
Please confirm back to me that Scottish Re Group Limited would be an acceptable entity.
Michelle

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1250

Confidential Treatment Requested

BA 069251

Redacted by the Permanent
Subcommittee on Investigations

From: Schaufele, Louis J. [REDACTED]
Sent: Thursday, April 29, 2004 10:50 AM
To: Michelle Boucher (E-mail)
Subject: FW: same old subject

See the note I got from Phil Wertz. I don't think Scottish Re is going to work. We are working towards the release of the beneficiaries to us and then getting you some type of understanding to get you comfortable on confidentiality.
Is

-----Original Message-----
From: Wertz, Phillip [REDACTED]
Sent: Thursday, April 29, 2004 9:33 AM
To: Schaufele, Louis J
Cc: Bensing, Lori S; White, Phil
Subject: RE: same old subject

Lori and Jai at NFS have been trading emails. As of now, we don't know if NFS will accept anything short of having the names themselves. We have pitched to them that we will get the names and they can rely upon us, which I think would be a reasonable compromise. I have two problems with using Scottish Re. First, insurance companies are not subject to the same Patriot Act rules today as banks and broker dealers (although some day I anticipate that they will be). I only know a little about Scottish Re, but I believe they are an insurance company. Typically, I wouldn't feel comfortable solely relying on that at Bank of America and I think it would be a hard sell for NFS. Second, aside from the AML/KYC issues, NFS seems to want the information so they can clear exceptions that kick out on their systems. While I think they should be able to live with Bank of America having it and calling us up to get comfortable, they wouldn't be able to call up Scottish re.

-----Original Message-----
From: Schaufele, Louis J
Sent: Thursday, April 29, 2004 10:08 AM
To: Wertz, Phillip
Cc: Bensing, Lori S; White, Phil
Subject: same old subject

I was actually in your state yesterday but in Raleigh-Durham. I understand that Boucher is asking about using a financial institution as a third party for the AML issue, Scottish Re. You are probably wondering why. She has a history with Scottish and would be comfortable in their acting in some sort of capacity. Her problem with us is that she knows us, but is unable to ascertain if we can keep the information confidential (she understands that we would give up on legal inquiry). As you know it is the offshore counsel's posture that for the corporate entities they feel that they do not need to give up the beneficiaries and I understand that we believe otherwise (we agree to disagree). As I have said in the past my goal is not to put BAI at any risk but I also do not want the assets to leave (she has indicated to me that they have a home for these if we are unable to work something out). I do know that we could probably move these to our prime brokerage if you cannot get NFS to agree. I hope that the Scottish Re is a viable option. I understand that when you all spoke it was mentioned that we could allow a US regulated financial institution to act in some capacity so perhaps that can work. Scottish has a US sub in Charlotte. I really appreciate your effort and let me know when you think I should go explore this with Prime (BAS) if

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1251

5102

you think we are at a dead end here. We actually have a Prime Brokerage office in Dallas so it isn't hard to walk across the hall.
thanks

-----Original Message-----
From: Crittenden, Michele M.
Sent: Thursday, April 29, 2004 8:42 AM
To: Schaefe, Louis J.
Subject: FW: bofa

----- = Redacted by the Permanent
Subcommittee on Investigations

-----Original Message-----
From: Michelle Boucher [REDACTED]
Sent: Tuesday, April 27, 2004 4:46 PM
To: Crittenden, Michele M; Louis Schaefe (E-mail)
Subject: bofa

Lou,
Last week you mentioned that an acceptable financial institution for purposes of providing certification that BofA/NFS requires would be a US regulated insurance company. Please confirm back to me that Scottish Re Group Limited would be an acceptable entity.
Michelle
.

Redacted by the Permanent
Subcommittee on Investigations

From: Bensing, Lori S. [REDACTED]
Sent: Thursday, April 29, 2004 8:41 AM
To: 'Chanda, Jaidip'
Cc: Hearn, Mike; Wertz, Phillip
Subject: RE: Q Investments and affiliated entities

Thanks Jai,

Sorry you are being dragged into all of my office problems. I think what you just stated pertains to the Isle of Man accounts and MIK stock. My question is about Q Investments, the hedge fund with multiple entities. The same lawyers for us (Hearn and Wertz) are involved. I don't know who in legal Mike has been talking to? Mike? Hopefully, we will hear good news on using the certification form in place of disclosing the names to NFS.
 I'll wait to hear from you. Thanks Lori

-----Original Message-----
From: Chanda, Jaidip [REDACTED]
Sent: Wednesday, April 28, 2004 5:13 PM
To: Bensing, Lori S
Subject: Re: Q Investments and affiliated entities

Lori,

Where we left the beneficial ownership disclosure issue was that I was going to find out, per Phillip Wertz's (legal colleague of Mike Hearn's) request whether it was ok for BAI to receive the names of the individuals but not for NFS to receive the names. In place of not receiving the names, BAI would indicate in a certification form that they had the names and were comfortable on their end. I was going to check with our Compliance person to see if NFS would be comfortable or not with not physically having the actual names.

I've been at a conference all week with limited cell phone and email access. Nor have I talked live to our Compliance person (just swapped messages 2-3 times). Regardless, I am in the office tomorrow and should have an answer on whether we need the names or not. I should know in the a.m. and I'll get back to you and Phillip Wertz.

Thanks. Jai

-----Original Message-----
From: Bensing, Lori S [REDACTED]
To: Chanda, Jaidip [REDACTED]
Sent: Wed Apr 28 14:50:01 2004
Subject: Q Investments and affiliated entities

Jai,

I just spoke to Mike Hearn and neither of us is clear who has the ball on this one. He suggested coming to you because he thinks we are waiting on NFS to come back and tell us what paperwork they need.
 Thanks

Lori Bensing
 Managing Director, Sales Manager
 Bank of America Private Bank
 Banc of America Investment Services, Inc.
 214 [REDACTED] ph

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1253

Gcib Legal

— = Redacted by the Permanent
Subcommittee on Investigations

From: Hudgins, Steven E.
Sent: Thursday, April 29, 2004 3:47 PM
To: Bensing, Lori S.
Cc: Hursh, Margo J.; Mariano, David; McAdams, Sue D.
Subject: RE: MIK and Q Investments

Jai can tell you for sure, since they will put the restriction on the accounts. But, if memory serves me, they will be restricted only to closing transactions and outgoing wires. No new business or incoming wires. But again, he should be able to tell you for sure.
Steve

-----Original Message-----

From: Bensing, Lori S.
Sent: Thursday, April 29, 2004 3:43 PM
To: Hudgins, Steven E.
Subject: FW: MIK and Q Investments

we are still working on this but I need to know what happens to the accounts as of tomorrow if we don't have this in place?

-----Original Message-----

From: Chanda, Jaidip
Sent: Thursday, April 29, 2004 11:53 AM
To: Bensing, Lori S.
Cc: Hearn, Mike; Wertz, Phillip; Wiegand, Tom; Norton, Michael
Subject: MIK and Q Investments

Lori/Phillip/Mike:

Regarding Q Investments, our Compliance folks are still reviewing.

Sorry to be the bearer of bad news, but regarding the MIK accounts, I confirmed with our Anti-Money Laundering Office at NFS that we are not comfortable with not receiving the names of the beneficial owners. By not knowing the names of the beneficial owners does not allow us to fulfill our Patriot Act obligations. I am also being told by my AMLO that this is the last time that they will be asking for these names. Please supply this information to myself by end of day tomorrow.

Thank you.

Jai

-----Original Message-----

From: Bensing, Lori S.
Sent: Thursday, April 29, 2004 8:41 AM
To: Chanda, Jaidip
Cc: Hearn, Mike; Wertz, Phillip
Subject: RE: Q Investments and affiliated entities

Thanks Jai,

Sorry you are being dragged into all of my office problems. I think what you just stated pertains to the Isle of Man accounts and MIK stock. My question is about Q Investments, the hedge fund with multiple entities. The

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1254

BA 029435

5105

same lawyers for us (Hearn and Wertz) are involved. I don't know who in legal Mike has been talking to? Mike?
Hopefully, we will hear good news on using the certification form in place of disclosing the names to NFS.
I'll wait to hear from you. Thanks Lori

— Redacted by the Permanent
Subcommittee on Investigations

-----Original Message-----
From: Chanda, Jaidip [REDACTED]
Sent: Wednesday, April 28, 2004 5:13 PM
To: Bensing, Lori S
Subject: Re: Q Investments and affiliated entities

Lori,

Where we left the beneficial ownership disclosure issue was that I was going to find out, per Phillip Wertz's (legal colleague of Mike Hearn's) request whether it was ok for BAI to receive the names of the individuals but not for NFS to receive the names. In place of not receiving the names, BAI would indicate in a certification form that they had the names and were comfortable on their end. I was going to check with our Compliance person to see if NFS would be comfortable or not with not physically having the actual names.

I've been at a conference all week with limited cell phone and email access. Nor have I talked live to our Compliance person (just swapped messages 2-3 times). Regardless, I am in the office tomorrow and should have an answer on whether we need the names or not. I should know in the a.m. and I'll get back to you and Phillip Wertz.

Thanks. Jai

-----Original Message-----
From: Bensing, Lori S <[REDACTED]>
To: Chanda, Jaidip [REDACTED]
Sent: Wed Apr 28 14:50:01 2004
Subject: Q Investments and affiliated entities

Jai,

I just spoke to Mike Hearn and neither of us is clear who has the ball on this one. He suggested coming to you because he thinks we are waiting on NFS to come back and tell us what paperwork they need.
Thanks

Lori Bensing
Managing Director, Sales Manager
Bank of America Private Bank
Banc of America Investment Services, Inc.
214-[REDACTED] ph
214-[REDACTED] fax

Relationship Managers may offer you investment and trust services through Bank of America Private Bank. Certain Private Bank relationship managers are Registered Representatives of Banc of America Investment Services, Inc. and may assist you with investment products and services provided through Banc of America Investment Services, Inc. and other non-bank investment affiliates.

This communication is confidential and intended only for the addressee. If you are not the intended recipient, you may not copy, disclose, or distribute this message to anyone else; any such actions may be unlawful.

If you have received this communication in error, please contact the sender of the message to inform him or her of the error.

.....

.....
 The intent of this e-mail may be to solicit your interest in doing business with Banc of America Investment Services, Inc. If you do not wish to receive future e-mail communications from Bank of America and its affiliates, including Banc of America Investment Services, Inc.,

please click on this link and indicate your preferences.
https://www.bankofamerica.com/privacy/index.cfm?template=privacysecur_se
 t_pr
 ivacy_pref

.....

For your security, instructions concerning changes to accounts or transactions through email are not accepted by Banc of America Investment Services, Inc. and may not be accepted by Bank of America.

Additionally, do not send information you consider confidential via email as it will not be transmitted through a secure line. Instead, please speak to your representative.

We want you to know:

Investment products provided by Bank of America or Banc of America Investment Services, Inc.™

|Are Not FDIC Insured *** May Lose Value *** Are Not Bank Guaranteed|

Banc of America Investment Services, Inc. is a registered broker-dealer, member NASD and SIPC and a nonbank subsidiary of Bank of America, N.A.

The information contained in this e-mail was obtained from sources believed to be reliable; however, the accuracy or completeness of this information is not guaranteed, nor is Bank of America or any of its affiliates responsible for results obtained from use of this information.

The delivery of this information should not be considered to be an offer

5107

or solicitation of securities and in no way guarantees the future performance of the securities.

Past performance is no guarantee of future results.

Redacted by the Permanent
Subcommittee on Investigations

From: Crittenden, Michele M. [REDACTED]
Sent: Thursday, April 29, 2004 1:39 PM
To: Bensing, Lori S.
Subject: FW: MIK and Q Investments
Importance: High

Michele Crittenden
 Sales & Service Assistant
 Bank of America Private Bank
 Banc of America Investment Services, Inc.
 Tel: 214- [REDACTED]
 Fax: 214- [REDACTED]
 TX2-486-31-01

-----Original Message-----

From: Schaufele, Louis J.
Sent: Thursday, April 29, 2004 12:38 PM
To: Wertz, Phillip; Schaufele, Louis J.; Crittenden, Michele M.
Cc: Liendo, Carolina; White, Phil
Subject: RE: MIK and Q Investments
Importance: High

That is not what we wanted to hear. I guess the next question is whom can we appeal this to. It is amazing to me that a third party can be used in some cases and that NFS won't let BAI act as that third party. In talking with the client they are very concerned over NFS having this information. I think they are +90% in giving us the information they just don't want NFS to have it. Their reasons are their own but I suspect that they are concerned over NFS and have no operating history with them. I would like to appeal this decision on the basis that if my client gives us the required information (beneficiaries) and we are comfortable on the securities side (letter from company that this is not affiliate stock) that we tell NFS that we are satisfied with the AML and securities issues. I get the sense that NFS has other issues here than AML, those being security issues with the MIK. Why wouldn't a letter from company counsel or lawyer saying this is not affiliate stock and independently owned be sufficient. Why this would not be enough is amazing. We are NFS' largest client. This is a very large relationship to BAI and the bank. I really don't want +100mm of assets to leave. Please let me know. I am out this PM but Lori is aware of this.
 thanks

-----Original Message-----

From: Wertz, Phillip [REDACTED]
Sent: Thursday, April 29, 2004 12:00 PM
To: Schaufele, Louis J.; Crittenden, Michele M.
Cc: Liendo, Carolina
Subject: FW: MIK and Q Investments

FYI. NFS's position is they insist on the names themselves.

-----Original Message-----

From: Chanda, Jaidip [REDACTED]
Sent: Thursday, April 29, 2004 12:53 PM
To: Bensing, Lori S.
Cc: Hearn, Mike; Wertz, Phillip; Wiegand, Tom; Norton, Michael
Subject: MIK and Q Investments

Permanent Subcommittee on Investigations

EXHIBIT #66

Additional Document

Confidential Treatment Requested

BA 06690

— = Redacted by the Permanent
Subcommittee on Investigations

From: Bensing, Lori S. [REDACTED]
Sent: Thursday, April 29, 2004 6:06 PM
To: Wertz, Phillip
Subject: RE: Michaels Account

is this the part where I respond "you're my hero"

-----Original Message-----

From: Wertz, Phillip [REDACTED]
Sent: Thursday, April 29, 2004 4:56 PM
To: Bensing, Lori S; Schaufele, Louis J; Hearn, Mike; Liendo, Carolina; Crittenden, Michele M
Subject: Michaels Account

Most of you know this by now, but just to keep everyone informed. Here is where we are with the Michaels accounts. I understand that Michele Boucher has agreed to give Bank of America the beneficial ownership information, and has requested that we sign a confidentiality agreement. I have sent a brief draft to the sales folks and hopefully that can be worked out by tomorrow afternoon. I spoke with Jai Chanda and Carl Brown at NFS and they understand that we will not be sharing the beneficial ownership information with them. They said that the accounts will not be closed and no restrictions would be placed on the accounts. We are not giving them at this time a formal reliance agreement of any sort. Given that they will not have all the information we have in their files, if they flag transactions or issues that raise questions or concerns, Bank of America staff may from time to time have to have discussions to try to make them comfortable that transactions are appropriate and not suspicious. If NFS cannot get comfortable on any given issue, they may do what they feel they need to do to comply with their regulatory requirements and procedures. I was assured that such actions would not include putting restrictions on accounts or closing accounts without dialogue with Bank of America and an opportunity to work through the issue.

Long story short, we should still get the beneficial ownership information as soon as possible, but we are not facing an ultimatum from NFS about account closure anymore.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1257

— = Redacted by the Permanent
Subcommittee on Investigations

From: Schaufele, Louis J. [REDACTED]
Sent: Thursday, May 06, 2004 1:02 PM
To: Michelle Boucher (E-mail)
Cc: Crittenden, Michele M.

Here is a thought I have, provide whatever you are comfortable with and that way I have something in hand to go to the powers that be. I did talk to David about giving a letter that stated names of beneficiaries but did not tie the beneficiaries to a specific acct. With something in hand I feel I will improve my negotiation position greatly.

thanks

Lou Schaufele
Managing Director / Investments
Private Client Advisor
Bank of America Private Bank
Bank of America Investment Services, Inc.
214 [REDACTED]
214 [REDACTED] fax

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1258

Redacted by the Permanent
Subcommittee on Investigations

From: Schaufele, Louis J. [REDACTED]
Sent: Thursday, May 06, 2004 8:23 AM
To: Michelle Boucher (E-mail)
Subject: FW: AML Issues

I just sent this to David. Here are some thoughts, I am checking with prime brokerage to see if we can open accounts on that platform making certain that they are independent accounts, should we go that way. On the collar issue with Elegance, I am told that the platform for the derivatives does not need as much "documentation". Let me pose this question: What if we got a list of the beneficiaries that was somewhat vague: for example The following entities Flo Flo and Elegance have as beneficial owners family members of Louis J. Schaufele. The following entities have as beneficial owners of Michele Crittenden and Red Cross and the American Cancer Society. The only difference here is not specifying the exact owners to the exact accounts. I don't know if I can get them to agree but if the worry is AML this would allow them to run the screen etc...

I really appreciate your diligence in trying to make this work. I don't think I would actually move these yet. However, I would make certain that you have a back up if needed. I will continue to work on this. Do you think I could get something from Meadows saying we do not feel we need to supply due to whatever. This gives me something to go to more senior mgmt. thanks

> -----Original Message-----

> From: Schaufele, Louis J.
> Sent: Thursday, May 06, 2004 7:07 AM
> To: David Harris (E-mail)
> Cc: IFG International House (E-mail)
> Subject: AML Issues

> David we need the following (we have been in discussion with Michele Boucher):
> In accordance with our previous discussions, Banc of America Investment Services, Inc. is requesting that you provide to us supplemental information with respect to the attached list of accounts. In particular, we request that you deliver to us the names and city, state and country of residence of all entities or individuals who directly or indirectly are beneficial owners of the accounts. We are requesting this information in order to fulfill our obligations under Bank of America's know-your-customer policies and procedures. These policies and procedures are part of Bank of America's anti-money laundering and anti-terrorism financing program that has been implemented in order to comply with applicable United States law, including the Bank Secrecy Act (as amended by the USA PATRIOT Act).

> I am sorry for the inconvenience but this appears out of my control.

> Lou Schaufele
> Managing Director / Investments
> Private Client Advisor
> Bank of America Private Bank
> Banc of America Investment Services, Inc.
> 214 [REDACTED]
> 214 [REDACTED] fax

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1259

Redacted by the Permanent
Subcommittee on Investigations

From: Schaufele, Louis J. [REDACTED]
Sent: Thursday, May 06, 2004 3:34 PM
To: Crittenden, Michele M.
Cc: Bensing, Lori S.
Subject: FW: help
Importance: High

-----Original Message-----

From: Schaufele, Louis J.
Sent: Thursday, May 06, 2004 2:14 PM
To: Michelle Boucher (E-mail)
Subject: help
Importance: High

I hung up from the Phil Wertz and he is trying to work with us. Can you get me a couple of things: We are going to go to our int'l attorney and ask about a IOM law that might prohibit them from releasing the names. You used a term for some law you had in Cayman's but anything you can get me will be great (if possible today on this). Also can you get Meadows Owens to give me a brief legal note as to why they feel you cannot give the names up voluntarily. I think if he saw this argument this would help immensely.

Also if you have opened accounts elsewhere recently and they have not required owners if appropriate what firms did this as maybe we could ask their legal as to why or how they see it that it is not needed (you may feel not appropriate and I understand).
thanks

Lou Schaufele
Managing Director / Investments
Private Client Advisor
Bank of America Private Bank
Bank of America Investment Services, Inc.
214- [REDACTED]
214- [REDACTED] fax

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1260

- Redacted by the Permanent
Subcommittee on Investigations

From: Schaufele, Louis J. [REDACTED]
Sent: Friday, May 07, 2004 8:21 AM
To: Bensing, Lori S.
Subject: Fw: IOM

Phil is correct, these folks do not want to give the names. As a last resort they were and then found that there are adverse legal effects if they did. Boucher is getting supporting docs on this. One thing you might mention to Phil (which I alluded to) is that the probable beneficiaries are extremely large PB clients (my guess is +1mm revs. Obviously we don't know the exact beneficiaries but good idea... I am out to Va. Today and back Monday AM. Will have cell and bb, traveling though most of day.

Sent from my BlackBerry Wireless Handheld

-----Original Message-----

From: Wertz, Phillip <[REDACTED]>
To: Schaufele, Louis J. [REDACTED]
Cc: Bensing, Lori S. [REDACTED]; Crittenden, Michele M
Sent: Thu May 06 16:54:30 2004
Subject: RE: IOM

FYI. According to our IPB attorney, Caymans (and likely IOM) do have confidentiality laws that state unauthorized disclosure of client information is prohibited. In order to give the names, the trustee/director may need to get consent of their beneficiaries to do it. Our Cayman's trust office goes through this as well. We'll see what they say, but I still think it is more based on not wanting to give the information rather than not able to.

-----Original Message-----

From: Schaufele, Louis J
Sent: Thursday, May 06, 2004 4:35 PM
To: Wertz, Phillip
Cc: Bensing, Lori S; Crittenden, Michele M
Subject: IOM

Michelle is getting us something from Meadows Owen and also on the IOM. The term that she spoke of in the Caymans was a law regarding the preservation of the confidentiality relationship. She said they have something like it in IOM but in banking law and she is getting. As an aside they have opened accounts in the last 6 months they have opened accounts with Morgan Stanley and US Bancorp.

thanks

Lou Schaufele
Managing Director / Investments
Private Client Advisor
Bank of America Private Bank
Bank of America Investment Services, Inc.
214 [REDACTED]
214- [REDACTED] fax

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1261



g'dah\BoA1105.04lt

Banc of America
2001 Ross Avenue
Suite 3100
Dallas
Texas 75201
USA

For the attention of Louis J. Schaufele

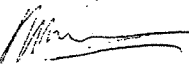
11 May 2004

Dear Sirs,

We refer to your email of May 6. We have sought advice from our Advocates in relation to your request and a copy of their letter of today is attached for your information. In view of this advice we regret that we are unable to comply with your request.

We would add that we have already confirmed to you that we hold all appropriate due diligence information on these clients as confirmed to you in our letters of 31 March 2004. As stated in our letters of 31 March 2004 the Isle of Man is a FATF approved jurisdiction which is substantially in compliance with all FATF/IMF AML requirements, indeed probably to a greater extent than those currently operating in the USA.

Yours faithfully


David A. Harris
Director

Registered Office:
Interconcord House,
Castle Hill, Victoria Road,
Douglas, Isle of Man,
IM2 4JL, British Isles
Telephone:
+44 (1624) 630070
Facsimile:
+44 (1624) 624469
E-mail: enquiries@igf.com
Web site: www.igf.com
Incorporated in the
Isle of Man No. 7774
VAT registration No.
GB 010 1963 34

BA 007781

Directors: D.A. Harris, K.M. Brooker A.C.I.B., D.T. Kewer A.C.I.B., A.C.C.
Confidential Treatment Requested

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1264

IFG International Limited is a
member of the IFG Group plc.

BA 007781

5115

CAINS

Advocates, Solicitors & Notaries

YOUR REF:		TELEPHONE NO.: +44 1624 638390
OUR REF:	A1C/db/99999.0042/123	FAX NO.: +44 1624 638333
PLEASE RESPOND TO:	ANDREW CORLETT	DIRECT DIAL: +44 1624 638310
		DIRECT EMAIL: ajc@cains.co.im

11 May 2004

IFG International
International House
Castle Hill
Douglas
Isle of Man

For the attention of David Harris

Dear Sirs

Trustees duty of confidentiality

We refer to our telephone conversation of 7 May 2004. Based on such telephone conversation, our view is as follows:-

We understand that you have been asked by a foreign banking institution for details of the underlying persons beneficially interested in certain companies administered by yourselves which companies are owned by trusts of which you are trustees.

We can confirm that, as trustees, you have, under Isle of Man law, a fiduciary duty of confidentiality which may prevent you from complying with such requests.

In addition, a dissemination of confidential client information may involve a breach of the Isle of Man Data Protection laws which carries criminal sanction.

We would be happy to advise more fully upon receipt of further details.

Yours faithfully


Cains

POSTAL ADDRESS: PO BOX 207, DOUGLAS, ISLE OF MAN IM99 1TP
DX: 124795 ISLE OF MAN EMAIL: jam@cains.co.im WEB SITE: www.cains.co.im

DIRECTORY: A J CORLETT, R V VANDERBEEK, J R G WALTON, S P CAIRN, P B CLOYNE

AMPUTATION: A J BAKER, M J FROST, M J FROST, A J FROST, R J CLOUTY, T B ALAN, S J BARNES, G D KENNEDY, D J BERNARDINI, G N J HILL
J C HILL, N T EDWARDS, C M BRIDGES, R P F HILL, H C BARRETT, S R CHANDLER, S L BISHOP, C J EYRE, CONSULTANT: P H BATHURST

CAINS IS THE TRADING NAME OF CAINS ADVISORY

0 100000 107000

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1264

Confidential Treatment Requested

BA 008234

Gerb Legal

= Redacted by the Permanent
 Subcommittee on Investigations

From: Schaufele, Louis J.
 Sent: Tuesday, May 11, 2004 8:29 AM
 To: Bensing, Lori S.
 Subject: RE:

I am just sending to you in case Phil called to let him know that we are working on this. I have had some travel time to think about this. It seems to me that we are at somewhat of a standoff. I think at some point management (as opposed to legal) is going to have to weigh in on this. I don't know at what level...Phil White or Tim. Could you talk to Phil White and just bring more in the loop. In talking with Marta the Wyly family have PB revenues of approximately 1.5mm annually (between Sam and Charles). This does not include any revenue on the PCS side. It seems to me that because there is no black or white on this issue, even Phil says this. Meadows Owen clearly has a point that we do not need the ultimate beneficiaries and we believe we do (agree to disagree). In talking to Prime they certainly feel that they could have (and do) an account like this without knowing the beneficial owners. Obviously we do not know who the actual beneficial owners are but we have a pretty good idea that they are members of the Wyly family. My guess is that we have KYC's on most of the family members. Any way we should be receiving a letter from IFG explaining why they cannot release the names. Which we will send to Phil Wertz but I just think that ultimately someone is going to have to make a decision on this.

-----Original Message-----
 From: Bensing, Lori S.
 Sent: Monday, May 10, 2004 4:57 PM
 To: Schaufele, Louis J.
 Subject: RE:

are you forwarding to Phil Wertz or do you want me to?

-----Original Message-----
 From: Schaufele, Louis J.
 Sent: Monday, May 10, 2004 4:20 PM
 To: Bensing, Lori S.
 Subject: Fw:

Fyi

 Sent from my BlackBerry Wireless Handheld

-----Original Message-----
 From: Michelle Boucher <mboucher@itc.com.ky>
 To: Schaufele, Louis J <louis.j.schaufele@bankofamerica.com>
 Sent: Mon May 10 16:09:27 2004
 Subject: RE:

no, I'm expecting you will receive a memo from IOM legal counsel and a letter from IFG

-----Original Message-----
 From: Schaufele, Louis J [REDACTED]
 Sent: Monday, May 10, 2004 3:54 PM
 To: Michelle Boucher
 Subject: Re:

Thx, do you know if Meadows has anything or is it incorporated in thios?

 Sent from my BlackBerry Wireless Handheld

Permanent Subcommittee on Investigations
 EXHIBIT #66 - FN 1265

BA 007707

Confidential Treatment Requested

BA 007707

Gcib Legal

— = Redacted by the Permanent
Subcommittee on Investigations

From: Schaufele, Louis J.
Sent: Wednesday, May 12, 2004 8:24 AM
To: White, Phil
Cc: Bersing, Lori S.
Subject: Offshore accounts

I believe that you are going to be at PCS today, I am red panting for the rest of the week. Lori and I have spoken on this. I think you are partially in the loop on this. We have been working with Phil Wertz (legal) on getting the approval of these accounts. here are what I believe are the salient points:

- 1) If Phil W. is pressed he thinks we are OK on this one (more worried on future situations)
- 2) I have done business with these accounts since the early 90's
- 3) While I do not know for a fact the beneficiaries my guess is that they are members of the Wyty family. The Wyty family pays fees to the Private Bank of over 1.2mm per year. This does not include what they do in PCS. Nor does any of those numbers include what the offshore accounts produce. Bottom line is that the trustees generally do not involve the beneficiaries in the operation of the offshore but should they inform them of this development we could potentially lose the onshore family relationship (I doubt this, but it could happen).
- 4) We know that entities like this have opened accounts recently with Morgan Stanley and US Bancorp without this problem. We are also told by Prime (who has 2 accounts that are very similar to the ones in questions) that they could open these accounts. On that issue Phil Wertz disagrees but we have talked with Prime specifically on this.
- 5) The offshore have retained legal counsel on this (both US and ICM) and there are legal issues as to why they cannot divulge this aside from the fact that they believe there is no need. At one point we told them we were willing to let them divulge to US financial institution the names and then have that institution represent to us that there is no AML problems. They came back to us with Scottish Re (NYSE-SCT) but for whatever reason we took that off the table as an option.
- 6) We have a 300-400k collar pending with one of these entities

I think someone is going to have to make a management decision on this and move on. I do not want to see 50-75mm of assets move. The account wants to maintain our +10yr relationship but does have choice to move. Lori has worked very hard on this and I believe understands the issues, I just wanted to give you my overview.

thanks

Lou Schaufele
Managing Director / Investments
Private Client Advisor
Bank of America Private Bank
Bank of America Investment Services, Inc.
214 [REDACTED]
214 [REDACTED] tax

Confidential Treatment Requested

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1267

BA 007708

BA 007708

Gcib Legal

From: Bensing, Lori S.
Sent: Tuesday, May 18, 2004 3:47 PM
To: Rusnak, Geoff
Cc: White, Phil
Subject: RE: MIK and offshore accounts

Geoff,

I'll address in the order that you ask. Lou would like to be on the call because he has a lot at stake and would like the opportunity to speak directly. If a problem starts to develop I will ask him to leave. Will that be okay?

We have been back and forth with NFS on this many times and Jai Chanda has been extremely supportive and understanding of the fact that we are their client. They will want assurance from our legal and compliance people that we are comfortable not documenting the beneficial owners.

We were told who the beneficial owners were on a call by someone who apparently was not supposed to disclose them. Their counsel (both sides) will not allow it. Wertz has spoken directly to them and can explain the law surrounding this better than I can. Our business decision (whether it comes from Phil or Tim) will be based on knowing this information and being comfortable with it on a business risk and client relationship.

Does this explain where we are? I was not trying to be sly as I was told that you knew everything.

Lori

-----Original Message-----
From: Rusnak, Geoff
Sent: Tuesday, May 18, 2004 2:21 PM
To: Bensing, Lori S.
Cc: White, Phil
Subject: RE: MIK and offshore accounts

Lori:

I have seen most of the e-mails, but did not know the expected outcome of this meeting. The reason why I feel it is better not to have an FA on a call like this is that we already know his position - he wants to keep the accounts and feels that NFS is being unreasonable. I am not sure what more Lou can add regarding the legal discussion that you want to have today.

I have been out of the loop on this one for a while now and am missing part of the equation. What is it going to take for NFS to allow these accounts to remain open? The last I heard, they had their heels dug in pretty deep and were not prepared to budge. Have they now offered a solution as to how we can maintain these accounts without disclosing the beneficial owners?

Depending upon the answer to my last question, we will likely need Regional President approval vs. Phil's approval. Regarding my ability to make a decision, it is going to depend upon the information presented in this meeting and the answers to the questions surrounding NFS. Also, if we know the identity of the beneficial owners (which I recall you do), I am going to require (if we have not already done so) that we obtain any and all information regarding these beneficial owners and have Bank of America Corporate Security conduct complete due diligence reviews of these individuals.

Thanks,

Geoff

-----Original Message-----
From: Bensing, Lori S.
Sent: Tuesday, May 18, 2004 3:00 PM
To: Rusnak, Geoff
Cc: White, Phil

— = Redacted by the Permanent
Subcommittee on Investigations

Subject: RE: MIK and offshore accounts

I am sorry I did not understand that you needed something beforehand. I assume that you have been copied on most of the emails (at least that is what Phil Wertz has told me). We are basically at a point where what NFS wants (disclosure of the beneficial owners) is not going to happen because the client has been advised by both their US and IOM counsel not to do it. Phil is the expert on it and has consulted with the IPB to verify that what they say is law in IOM is true. We have been told that compliance will require someone from the business side (my ME) to say that we are comfortable with the risk. Wertz will purport our position. The client is a substantial Private Bank client. I can't understand why the FA should not be included and his tone is zealous because it represents revenue and reputation to him.

What more can I tell you?

Will you be able to make a decision on this or do I need to involve someone else?

-----Original Appointment-----

From: Rusnek, Geoff
Sent: Tuesday, May 18, 2004 1:50 PM
To: Bersing, Lori S.
Subject: Tentative: MIK and offshore accounts
When: Tuesday, May 18, 2004 4:00 PM-4:30 PM (GMT-06:00) Central Time (US & Canada).
Where: [REDACTED] passcode: [REDACTED]

Lori:

I asked yesterday for an explanation of the intention of this meeting and did not get one. I also see that the FA is now invited, which was not disclosed yesterday. It is not typical protocol for an FA to be on a call such as this with Legal and Compliance. I have seen e-mails from Lou regarding these accounts and, while I fully appreciate his perspective, his tone has been overly zealous.

Please let me know the intention/desired outcome of this meeting.

Geoff

Redacted by the Permanent
Subcommittee on Investigations

From: Rusnak, Geoff
Sent: Wednesday, May 19, 2004 4:00 PM
To: Bensing, Lori S.; White, Phil
Cc: Wertz, Phillip; Bryant, Jennifer L.
Subject: MIK Accounts

Importance: High

Phil and Lori:

I had a discussion with Susan Hechtlinger today regarding our conference call yesterday on the above accounts. Susan concurred that it needed to go before the Risk Committee with Tim Maloney's sponsorship (if he wants to keep the accounts open). Susan also stated that it should be presented at either this Friday's or next Friday's BAI Risk Committee.

Let me know if Tim approves the account relationships and I will let you know how to get on the Risk Committee agenda.

Thank you,

Geoff

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1271

= Redacted by the Permanent
 Subcommittee on Investigations

From: Wertz, Phillip [REDACTED]
Sent: Thursday, May 20, 2004 2:11 PM
To: Rusnak, Geoff
Subject: RE: Wiley Offshore Trusts

I agree. Given their posture so far, and IOM law about confidentiality, I doubt that we could get the info in 5 days either.

-----Original Message-----
From: Rusnak, Geoff
Sent: Thursday, May 20, 2004 2:09 PM
To: Wertz, Phillip
Subject: Wiley Offshore Trusts

Phil:

I ran into Dan Soto and discussed our meeting with the Dallas team on Tuesday about the above-related accounts. He felt that we need to have the information on the beneficial owners in the file. One reason that he cited was because if the government sends us a request that we need to be able to respond within 5 days with the information and we cannot afford to try to scramble to get the information. Given what Lou was saying the other day, I seriously doubt that we could get that information in 5 days if we needed it.

Geoff

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1272

—= Redacted by the Permanent
Subcommittee on Investigations

From: Robey, Daniel [REDACTED]
Sent: Tuesday, May 25, 2004 3:37 AM
To: Schaufele, Louis J
Cc: Rogers, Michael B. (BAS); Crittenden, Michele M; Bensing, Lori S; O'Donnell, Robin
Subject: RE: Isle of Man (IOM)

Lou

The level of due diligence required on the Isle of Man corporation is based upon an interpretation of the US Patriot Act. I would not like to second guess Phil Wertz's interpretation of a piece of US legislation.

In order to assist you and to determine the level of reliance that may be placed on representations made by an Isle of Man Corporation I suggest that you ask Phil Wertz to contact the UK anti-money laundering advisor, Daniel Shonfeld.

Regards, Dan.

Daniel Robey
 Assistant General Counsel
 Bank of America

Tel - 0207 [REDACTED]
 Fax - 0207 [REDACTED]
 e-mail - daniel.robey@ [REDACTED]

-----Original Message-----

From: Schaufele, Louis J
Sent: 21 May 2004 16:05
To: Robey, Daniel
Cc: Rogers, Michael B. (BAS); Crittenden, Michele M; Bensing, Lori S
Subject: Isle of Man (IOM)
Importance: High

I have an issue that I am trying to work thru with BAI legal. We currently have accounts with several IOM Offshore Corporations (OC) managed by various investment companies in IOM. I have dealt with the accounts for several years. These entities were set up in the early 90's by a foreign grantor trust, the beneficiaries of the trust are US individuals (members of a wealthy Dallas family). I am being told that because of the Patriot Act we need to know whom the actual beneficiaries are. The OCs have been able to open accounts with our competitors without providing that information and they have received advice from on and offshore legal counsel that they do not need to provide. We obviously have various corporate documents and copies of passports etc... for each of the offshore. I am being told because of the Patriot Act we must have that information and the client is saying that we do not need to go that deeply. We actually got a letter of reassurance from one of the trust companies that states that "we confirm that we have carried out the usual accepted Anti-Money Laundering checks on the underlying beneficiaries of Tensas Limited ("the Company")...We confirm the checks were satisfactory....", which is from IOM but it is something for our file. In talking with the people here in our prime office in Dallas I understand they might not need that much of information. We are at an impasse and I do not want to see 75mm of assets move to a competitor. I am sure you all are more familiar with offshore. I am dealing with Phil Wertz in BAI legal. I thought maybe you could give me some comments of how you view these. There are actually 2 of the entities that have Prime brokerage relationship currently with BAS Prime and I am not having any problem with those. Any comments I would greatly appreciate.

Lou Schaufele
 Managing Director / Investments
 Private Client Advisor
 Bank of America Private Bank
 Banc of America Investment Services, Inc.
 214 303 2916
 214-303-2980 fax

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1273

Confidential Treatment Requested

BA 06680

Redacted by the Permanent
Subcommittee on Investigations

From: Schaufele, Louis J. [REDACTED]
Sent: Tuesday, May 25, 2004 9:46 AM
To: Wertz, Phillip
Subject: RE: IOM



PW: From Lou
Schaufele on offs...

We are having a conference call with Tim Maloney. In your opinion (setting corporate policy aside), would you classify this as a black and white issue or grey? I would assume you would say grey given that the final version of Patriot is not out yet? I have attached my history on the relationship that I sent to Maloney.
thanks

-----Original Message-----
From: Wertz, Phillip [REDACTED]
Sent: Tuesday, May 25, 2004 8:39 AM
To: Schaufele, Louis J
Subject: RE: IOM

I have not spoken to him about the MIK issue, but our problem is really a US law issue and a Corporate Policy issue.

-----Original Message-----
From: Schaufele, Louis J
Sent: Tuesday, May 25, 2004 8:05 AM
To: Wertz, Phillip
Subject: IOM

Have you spoken with Daniel Shonfeld, as I understand it he is the UK AML advisor. I just wondered if the UK folks have any different interpretation.
thanks

Lou Schaufele
Managing Director / Investments
Private Client Advisor
Bank of America Private Bank
Bank of America Investment Services, Inc.
214- [REDACTED]
214- [REDACTED] fax

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1274

Gcib Legal

From: Schaufele, Louis J.
 Sent: Tuesday, May 25, 2004 11:28 AM
 To: Bensing, Lori S.
 Subject: FW: IOM

Redacted by the Permanent
 Subcommittee on Investigations

-----Original Message-----

From: Wertz, Phillip
 Sent: Tuesday, May 25, 2004 10:05 AM
 To: Schaufele, Louis J.
 Subject: RE: IOM

Set forth below is the relevant text of Section 312 of Patriot Act. As the proposed regulations are not yet final, the interim rules state that we must apply with the statutory language itself. Section 3(A) is pretty clear about the need to identify beneficial owners. The proposed rules (which will eventually be finalized) would clarify some of the scope of the rules. For example, it provided that you need to identify the holders of beneficial ownership interests if they have a right to at least \$1MM or 5% of the value of the account (therefore setting a de minimus threshold).

All of these rules are subject to interpretation and therefore it is difficult to say it is black and white, however, I don't think this is as gray as the MIK counsel argues it is. They argued that it is not technically a "private banking account". They argued that it is not necessarily a non-US customer if you drill down to the beneficial owners. They argued that the family may not technically have "beneficial ownership interests" depending on how that term is defined. As pointed out to their counsel, the issue we face is that the Banking Regulators and Congress are interpreting the Patriot Act rules with a mindset that expects banks to not split hairs on technicalities and to go beyond the letter of the rules. When the final rules are published, I think they will be relatively consistent with the proposed rules. This was also the basis of our Corporate Policy. I would not feel comfortable advising the bank that our policy should eliminate the need for this information in all cases, so I believe you must argue that you have done enough to warrant an exception to the general rule.

If the decision is made to keep the account open, we will take the position that we have sufficient information in the file and know enough overall to satisfy this legal obligation. Without the names themselves, I think there is a risk that we will be deemed to have not met that obligation under Section 312. Without the names themselves, there is also a risk that we are criticized because we are unable to screen these people against OFAC and other terrorist lists that are issued from time to time. None of those are guarantees of a legal violation or a regulatory sanction and therefore must be weighed by the business unit.

I must admit that I have not heard any persuasive arguments from the client about why they should withhold the names, other than that they just want to maintain secrecy. I agree with the IOM counsel that the director couldn't give the names without consent of their clients, but I have confirmed that we get such consent all the time for offshore trusts that we manage when faced with such circumstances. Given how much we know about the family overall and your relationship with them, I don't understand why they would object if the director asked for their consent.

Section 312

“(1) IN GENERAL.—Each financial institution that establishes, maintains, administers, or manages a private banking account or a correspondent account in the United States for a non-United States person, including a foreign individual visiting the United States, or a representative of a non-United States person shall establish appropriate, specific,

Permanent Subcommittee on Investigations
 EXHIBIT #66 - FN 1275

Confidential Treatment Requested

BA 029518

BA 029518

and, where necessary, enhanced, due diligence policies, procedures, and controls that are reasonably designed to detect and report instances of money laundering through those accounts.

“(3) MINIMUM STANDARDS FOR PRIVATE BANKING ACCOUNTS.—If a private banking account is requested or maintained by, or on behalf of, a non-United States person, then the due diligence policies, procedures, and controls required under paragraph (1) shall, at a minimum, ensure that the financial institution takes reasonable steps—

“(A) to ascertain the identity of the nominal and beneficial owners of, and the source of funds deposited into, such account as needed to guard against money laundering and report any suspicious transactions under subsection (g); and

“(B) to conduct enhanced scrutiny of any such account that is requested or maintained by, or on behalf of, a senior foreign political figure, or any immediate family member or close associate of a senior foreign political figure that is reasonably designed to detect and report transactions that may involve the proceeds of foreign corruption.

“(4) DEFINITION.—For purposes of this subsection, the following definitions shall apply:

“(B) PRIVATE BANKING ACCOUNT.—The term ‘private banking account’ means an account (or any combination of accounts) that—

“(i) requires a minimum aggregate deposits of funds or other assets of not less than \$1,000,000;

or

“(ii) is established on behalf of 1 or more individuals who have a direct or beneficial ownership interest in the account; and

“(iii) is assigned to, or is administered or managed by, in whole or in part, an officer, employee, or agent of a financial institution acting as a liaison between the financial institution and the direct or beneficial owner of the account.”.

-----Original Message-----

From: Schaufele, Louis J
Sent: Tuesday, May 25, 2004 9:46 AM
To: Wertz, Phillip
Subject: RE: IOM

We are having a conference call with Tim Maloney. In your opinion (setting corporate policy aside), would you classify this as a black and white issue or grey? I would assume you would say grey given that the final version of Patriot is not out yet? I have attached my history on the relationship that I sent to Maloney.

thanks

-----Original Message-----

From: Wertz, Phillip
Sent: Tuesday, May 25, 2004 8:39 AM
To: Schaufele, Louis J
Subject: RE: IOM

I have not spoken to him about the MIK issue, but our problem is really a US law issue and

•a Corporate Policy issue.

-----Original Message-----
From: Schaufele, Louis J
Sent: Tuesday, May 25, 2004 8:05 AM
To: Wertz, Phillip
Subject: IOM

Redacted by the Permanent
Subcommittee on Investigations

Have you spoken with Daniel Shonfeld, as I understand it he is the UK AML
advisor. I just wondered if the UK folks have any different interpretation.
thanks

Lou Schaufele
Managing Director / Investments
Private Client Advisor
Bank of America Private Bank
Bank of America Investment Services, Inc.
214
214-3 fax

— = Redacted by the Permanent
Subcommittee on Investigations

From: Schaufele, Louis J. [mailto:lschaufe@camerand.com]
Sent: Wednesday, May 26, 2004 7:24 PM
To: 'cpulman@' [mailto:cpulman@]
Subject: Fw: IOM

Charles thanks for the call, I have attached an email from Phil Wertz and would appreciate any comments you might have. I think bottom line is the IF scenario we spoke of. You can see Phil seems pretty adamant on it.

Thanks

Michele is my asst. And fwd phil's email.

Sent from my BlackBerry Wireless Handheld

-----Original Message-----

From: Crittenden, Michele M. [mailto:mccritte@camerand.com]
To: Schaufele, Louis J. [mailto:lschaufe@camerand.com]
Sent: Wed May 26 17:27:55 2004
Subject: IOM

cpulman@ [mailto:cpulman@]

Set forth below is the relevant text of Section 312 of Patriot Act. As the proposed regulations are not yet final, the interim rules state that we must apply with the statutory language itself. Section 3(A) is pretty clear about the need to identify beneficial owners. The proposed rules (which will eventually be finalized) would clarify some of the scope of the rules. For example, it provided that you need to identify the holders of beneficial ownership interests if they have a right to at least \$1MM or 5% of the value of the account (therefore setting a de minimus threshold).

All of these rules are subject to interpretation and therefore it is difficult to say it is black and white, however, I don't think this is as gray as their counsel argues it is. They argued that it is not technically a "private banking account". They argued that it is not necessarily a non-US customer if you drill down to the beneficial owners. They argued that the family may not technically have "beneficial ownership interests" depending on how that term is defined. As pointed out to their counsel, the issue we face is that the Banking Regulators and Congress are interpreting the Patriot Act rules with a mindset that expects banks to not split hairs on technicalities and to go beyond the letter of the rules. When the final rules are published, I think they will be relatively consistent with the proposed rules. This was also the basis of our Corporate Policy. I would not feel comfortable advising the bank that our policy should eliminate the need for this information in all cases, so I believe you must argue that you have done enough to warrant an exception to the general rule.

If the decision is made to keep the account open, we will take the position that we have sufficient information in the file and know enough overall to satisfy this legal obligation. Without the names themselves, I think there is a risk that we will be deemed to have not met that obligation under Section 312. Without the names themselves, there is also a risk that we are criticized because we are unable to screen these people against OFAC and other terrorist lists that are issued from time to time. None of those are guarantees of a legal violation or a regulatory sanction and therefore must be weighed by the business unit.

I must admit that I have not heard any persuasive arguments from the client

Permanent Subcommittee on Investigations

EXHIBIT #66

Additional Document

Confidential Treatment Requested

BA 09020

— = Redacted by the Permanent
Subcommittee on Investigations

From: Crittenden, Michele M. [REDACTED]
Sent: Tuesday, May 25, 2004 9:42 AM
To: Schaufele, Louis J.
Subject: FW: From Lou Schaufele on offshore accounts.....

Phil
 I have attached a brief history of the Wyly family and the offshore account history, also attached is a history on the Wyly family banking relationship (prepared by Marta Engram the banker) I think you will be able to tell this is the right kind of relationship that our team brings to the bank. It would be a shame to jeopardize a relationship like this and to allow competition in the door. Please give to Tim and I look forward to our meeting.
 Thanks
 Lou

From Marta.....
 The purpose of this email is to provide an introduction to Sam and Charles Wyly and give you the history of the banking relationship with the Family.

FAMILY HISTORY:

Sam and Charles Wyly are brothers. Originally from Louisiana, both attended Louisiana Tech with Sam going on to get an MBA from the University of Michigan. They moved to Dallas to begin their business careers with IBM; however, the entrepreneur bug bit them and in 1963 they left IBM to start University Computing Company (which they sold to Computer Associates). Over the next 30 years, they went on to start or acquire several public and private companies. Among the companies they have been involved with are Earth Resources Company, an oil refining and silver mining company; Bonanza Restaurants; Michael Stores, an arts and crafts retailer chain; Sterling Software, a worldwide supplier of software products (they sold this to Computer Associates as well); and Sterling Commerce, which was spun off from Sterling Software in 1995 and then sold it to SBC Communications in 2000. They started Maverick Capital in the early 1990s as a vehicle to manage the family wealth eventually opening it up to outside investors. Although they no longer have an ownership interest in Maverick, they continue to be investors in the funds. In 1994 they founded Scottish Annuity and Life Holdings.

Currently, Charles serves as chairman of Michael Stores and is very involved in civic and philanthropic organizations. He is Chairman of the Board of Communities Foundation of Texas and past Chairman of the Salvation Army. He and his wife recently gave \$2.0MM to the Center for Brain Health at the University of Dallas and along with Sam and his wife gave \$20MM to the Dallas Center for the Performing Arts Foundation for the construction of a multiroom theatre which will be named Charles and Dee Wyly Theatre. They were named to the Texas Philanthropy Hall of Fame in 2002. Charles and Dee have been married since 1955 and have four children and seven grandchildren.

Sam has continued his entrepreneur spirit and re-entered the energy business with the creation Green Mountain Energy. He also went back in the hedge fund business with the creation of Ranger Capital. Sam gave \$10MM to the University of Michigan for the construction of the Sam Wyly Business School. Sam is married to Cheryl (wife number 3) and has six children (four with his first wife and two with his second wife) and eight grandchildren.

RELATIONSHIP HISTORY:

The relationship between Bank of America and the Wyly Family dates back to 1994. After a few years of trying to meet the Wyls, I was introduced to Sam and Charles by Mike French. At the time, Mike was managing partner of Jackson Walker (one of my clients) and the attorney for the Wyly controlled entities. Mike eventually left Jackson Walker and

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1277

joined Sam and Charles helping them start Maverick Capital and Scottish Annuity. I have been their Private Banker the entire time they have been clients.

We began the relationship with the extension of approximately \$70MM in lines of credit to various family trusts and partnerships. All of the lines were secured by Michaels Stores and Sterling Software stock. Shortly after the closing of the loans, all of their depository accounts were moved from Bank One and we began investing short term cash (I introduced John Jones currently at BAI, because I the time I did not have another alternative). We have also financed the purchase of many homes in Dallas, Colorado and Florida as well as airplanes.

The relationship with the family has been outstanding and we are their bank (JP Morgan has been actively calling on them and they have thrown them a few pieces of business here and there). We continue to have the lines of credit although now they total about \$54MM (includes a new \$10MM line to Sam that we are in the process of closing) and are secured by Michaels Stores stock and Maverick Fund. Current outstanding balances on the lines is \$26MM. We have over 100 checking accounts with average balances of over \$7.0MM, 13 mortgages with \$22.1MM in outstanding balances and an airplane loan for \$2.7MM. Overnight investing with BAI (outside of our team) averages about \$5.0MM.

Revenues for 2003 on the banking side were \$753,538 for the Charles Wyly Family and \$574,609 for the Sam Wyly Family.

From Lou.....

I wanted to give you a detail of the history I have had with these offshore accounts: My original relationship with the Wyly family began in the early 90's while I was employed at First Boston Corp (FB). The initial relationship began with Sam Wyly and the family, my dealings were with Sam and his CFO Shari Robertson. Sometime shortly after that Shari asked me if FB could provide an introduction to an offshore bank. I arranged a meeting with a representative of Credit Suisse in Geneva. I accompanied Shari to Geneva and attended the meeting. Probably a few months later we (FB) opened accounts for offshore corporations that were located in Isle of Man. The initial trustees were Lorne House Ltd. I went to meet with Lorne House and had Shari set up a meeting. I learned more about the establishment of these offshore corp. (OC) and learned that they were created by a trust and the beneficiaries of the trust were members of the Wyly family. Over the years I have had subsequent meetings with the trustees and learned more about the reasons these were created and how they were formed. The family set these up for two primary reasons, first asset protection and the second is tax deferred compounding of growth. Most of my meetings with the trustees occurred either in the Isle of Man (IOM) or at the annual meeting of Maverick Fund (hedge fund founded by Sam Wyly, now managed by Lee Ainslie). Within the body of the trust there is a directorate named, initially the directorate was Shari Robertson (family CFO she is now CFO of Maverick Fund) and Mike French (formerly family legal counsel and now C of B of Scottish Re- SCT/NYSE). The Directorate act like our board of directors and can hire and fire the management of the offshore corp. The beneficiaries have NO control over the offshore corp., it is controlled by the trust company. The current directorates of the trust are Michelle Boucher (she has been whom Phil Wertz has dealt with and is the primary contact) and Keeley Hemmington (Wyly family CFO). While I have never seen any document showing whom the beneficiaries are I have had conversations where I have been told the beneficiaries are family members of the Wyly family. There are actually 2 trust on is for the Charles Wyly family and the other is for the Sam Wyly family. I all my years of dealing with the aforementioned entities I have never had a copy of the trust only documentation for the various offshore corps. I can say that in the 10+ years of dealing with the OC they have always provided whatever documents we have needed (you will see attached documents which we have for all entities). While I was employed at Lehman one of the things that LEH wanted was when we moved funds somewhere they asked that it be noted what the funds were for to which the OC complied. Hopefully you can see that I have had a long history with these folks and have a fairly comprehensive knowledge of the relationship.

Now I would like to tell you my understanding of why they do not want to give us the names of the beneficiaries of the trust. First it is their US counsel's belief that they do not need to release that to us. Phil Wertz had conversations on this and says it is a gray area and basically he agreed to disagree with counsel. This is why we are at the impasse. One of the reasons that these were created in the first place was for asset protection. It

5130

was explained to me that if they voluntarily gave us the beneficiaries that it could hurt them in the future were there some type of legal issue (divorce, law suit...). We also have a letter from IOM counsel that there are legal IOM issues about privacy disclosure. We do have a letter from trustees saying that they (trustees) are aware of AML requirements and they say there is no problem (sample in packet).

From a business perspective these accounts and the Wyly family are very profitable to the firm. We have an 800k share collar on with one of the OC entities and are working on another collar/forward that will probably be 500k shares. Aside from that the OC accounts produced +100k in business last year. Collectively they have around 50-75mm in assets here along with the potential of bringing other assets in. The Wyly family viewed the OC as one of their main investment vehicles so along with the Michael Stores holdings they have investments in hedge funds, and other companies like Scottish Re (remember Cof B is Mike French and Wyly family was seed money behind this company). I know that one of the entities is a large owner of SCT warrants. We did a VERY profitably derivative trade in these warrants for another client and I think that when the OC decides to monetize we would get that business. The Wyly family itself is extremely profitable and long standing relationship with the bank (see Marta Engram's memo). Because of our relationship with the me the family has referred several pieces of business to me over the years, both onshore and offshore. The sale of the 450k SCT warrants were a result of this. The family is a very high profile family in Dallas and are very involved from a business sense and civically as well (Wyly's just gave 20mm for a Dallas Theater).

Given that none of the activities were of a suspicious nature I would like to ask for an exception to the policy on this. I do know that some of our competitors would open accounts for these entities. Michelle Boucher has opened accounts recently with Morgan Stanley and US Bancorp and did not have to provide the beneficial owners. I do not think it is wise to allow a competitor into a relationship like this.

From: White, Phil
Sent: Thursday, May 27, 2004 9:53 AM
To: Strieby, Greg
Cc: Otto, Lawrence; Maloney, Timothy P.
Subject: FW: Offshore accounts

This is the second item that we may need to discuss.

WHO: 11 accounts that are based in the Isle of Man -most of which contain shares of Michael's Stock (MIK). NFS initially raised the issue to BAI that it is necessary to know the beneficial owners of these accounts. Before 9-11 and the US Patriot Act this information was not necessary. The Patriot Act has not been finalized so much of it is up to legal interpretation and each country's understanding of how the law affects their residents. The offshore trusts were set up around 10 years ago by Sam and Charles Wyly as a way to protect the assets and receive favorable tax treatment. The beneficial owners are presumed to be Wyly heirs and charities.

Currently, Charles serves as chairman of Michael Stores and is very involved in civic and philanthropic organizations. He is Chairman of the Board of Communities Foundation of Texas and past Chairman of the Salvation Army. He and his wife recently gave \$2.0MM to the Center for Brain Health at the University of Dallas and along with Sam and his wife gave \$20MM to the Dallas Center for the Performing Arts Foundation for the construction of a multiform theatre which will be named Charles and Dee Wyly Theatre. They were named to the Texas Philanthropy Hall of Fame in 2002. Charles and Dee have been married since 1955 and have four children and seven grandchildren.

Sam has re-entered the energy business with the creation Green Mountain Energy. He also back in the hedge fund business with the creation of Ranger Capital. Sam gave \$10MM to the University of Michigan for the construction of the Sam Wyly Business School. Sam is married Cheryl (wife number 3) and has six children (four with his first wife and two with his second wife) and eight grandchildren.

Sam and Charles Wyly have been clients of the PB for 10 years and Marta Engram has been their private banker for all of those years. Their relationship is:
We have lines of credit totaling about \$54MM (includes a new \$10MM line to Sam that we are in the process of closing) and are secured by Michaels Stores stock and Maverick Fund. Current outstanding balances on the lines is \$26MM. We have over 100 checking accounts with average balances of over \$7.0MM, 13 mortgages with \$22.1MM in outstanding balances and an airplane loan for \$2.7MM. Overnight investing with BAI (outside of our team) averages about \$5.0MM. Revenues for 2003 on the banking side were \$753,538 for the Charles Wyly Family and \$574,609 for the Sam Wyly Family.

WHAT: The directorates of the offshore trusts do not want to disclose the beneficial owners for two reasons: they are not being asked to do it anywhere else and they need confidentiality. We feel like we know enough about the clients and could defend that they are not persons of ill repute if the information was requested.

IMPACT: We would definitely lose the offshore business to someone else which would open the door for another institution to take the loan and deposit business as well. These people are true PB clients and very well known in the community.

[White, Phil] Phil White

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1279

= Redacted by the Permanent
Subcommittee on Investigations

From: Yarbrough, Nancy P. [REDACTED]
Sent: Friday, May 28, 2004 2:23 PM
To: Engram, Marta
Subject: FW: Wyly - Offshore accounts

FYI --- are you "in the loop" on this????

-----Original Message-----

From: Krapf, Craig D.
Sent: Friday, May 28, 2004 1:05 PM
To: Yarbrough, Nancy P.
Subject: RE: Wyly - Offshore accounts

Nancy, they said they would bring it up with someone named "Mike" - I assume he's a high-level Risk Manager, but I don't know his last name.

Based on the tone of the meeting, I think the PCA should try again from his side because they're essentially asking the Committee to override Bank Policy and SEC & Banking Regs and they're not inclined to do it at this time.

-----Original Message-----

From: Yarbrough, Nancy P.
Sent: Friday, May 28, 2004 12:25 PM
To: Krapf, Craig D.
Subject: RE: Wyly - Offshore accounts

this would be a significant loss in revenue to bank and could negatively impact our overall relationship with the Wyly family so I would definitely think this needs to be elevated. I would think we might want to know what the actual revenue is related to the 11 accounts referenced, plus, not retaining this business opens the door for other lenders to solicit all of the other business we have.

Who does this get elevated to? Should I speak with Larry on this?

-----Original Message-----

From: Krapf, Craig D.
Sent: Friday, May 28, 2004 10:01 AM
To: Yarbrough, Nancy P.
Subject: Wyly - Offshore accounts

Nancy, this was brought up to the BAI Risk Committee. The committee recommended to reject the request due to AML and Patriot Act concerns, but they will raise the issue to the higher level and discuss it again next week.

craig

-----Original Message-----

From: White, Phil
Sent: Thursday, May 27, 2004 8:53 AM
To: Strieby, Greg
Cc: Otto, Lawrence; Maloney, Timothy P.
Subject: FW: Offshore accounts

This is the second item that we may need to discuss.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1280

Wally 5/3/04

* 2 exceptions -

1) beneficiary owners

2) that But be trustee

statute in place -

We're supposed to identify the names
of beneficiary owners

- must be able to provide the names
to a regulator w/ 180 days

* We have a corp policy that
requires us to get the names

Govt Pursue - mentioned that

MSB does not grant exceptions

While some think the MSB are forming on some

SEC focused on AML, NABP focused

on AML, Banking focused on AMB.

NPS will file SAR - will lead a

regulator to us; they will find us
have violated our own policy for
this.

Have not made an exception before.

Govt. of Fin - Call

Existing relationships, we have changed our policy. Not
because of any external review or audit. Given that there
preclude the policy.

** TOTAL PAGE.05 **

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1281

BA 007792

Redacted by the Permanent
Subcommittee on Investigations

From: Wertz, Phillip
Sent: Tuesday, June 01, 2004 9:13 AM
To: Schaufele, Louis J
Subject: RE: IOM

I don't think that sort of agreement is going to overcome the concerns raised by the risk committee. Two main issues I see with it:

1. If a regulator is asking for it, the damage is done because we confess that we don't have the information in hand when they would seem to be expecting it. Also, under the Patriot Act, if we receive a government request for information, we have 120 hours to comply. Based on all of our discussions to date, we would have to trust that they (i) would comply and give the information without continuing to object and (ii) that they would do it on an immediate turnaround. Remember that to date they have challenged whether the information is required under US law and permitted to be shared under IOM law. We also would be in the awkward position of having to go to the target of a regulatory investigation to ask for information, which regulators and law enforcement are generally opposed to.

2. What has been clear in my earlier discussions with their lawyers is that they philosophically take a different approach to interpreting what the law and regs say. They are not subject to the laws and have no regulatory compliance obligation, therefore, they are willing to take a very strict and narrow reading of the rules. As a bank/BD subject to regulatory enforcement, we can't afford to take such a view and therefore are more conservative. I don't think the law will ever be clear enough such that the client and their lawyers concede that they have no choice but to comply.

I sat in on the risk committee meeting on Friday morning. What they were referring to about offshore trusts is that BAI's AML policy generally states that they won't open accounts for offshore trusts unless Bank of America is the trustee (and therefore has the beneficial ownership information via the trust relationship). The committee was not saying that we need to become the trustee to run the offshore corp, they were stating that it is the exception, not the rule, when we will permit accounts for non-US trusts that we don't operate. Even though the client here is not itself a trust, but rather a PIC, the same issue applies, which is knowing the underlying clients.

-----Original Message-----

From: Schaufele, Louis J
Sent: Tuesday, June 01, 2004 7:15 AM
To: Wertz, Phillip
Subject: IOM

Call with Mahoney (reg pres) went well. From a regulators point of view! What if we had a document from them that said they would provide beneficiaries if regulators asked or if law became more definitive? I gathered that risk cmtee had brief discussion last friday and tabled till this friday but one thing they said was we wanted to be ttee on offshore trust. I don't really think that is the issue, our client is the offshore corp. The owner of the corp happens to be a trust. Any clarity you can provide I would appreciate. Hope you had a good holiday.
Thanks

Sent from my BlackBerry Wireless Handheld

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1282

— = Redacted by the Permanent
Subcommittee on Investigations

From: Maloney, Timothy P. [REDACTED]
Sent: Monday, June 07, 2004 11:45 AM
To: Harris, Barry P.; Norton, Michael J.; Santo, Michael; Bowden, Theodore I.; Newth, Ronald J.
Subject: RE: Wileys--Attorney/client Privileged

absolutely right

-----Original Message-----

From: Harris, Barry P.
Sent: Monday, June 07, 2004 10:41 AM
To: Norton, Michael J.; Maloney, Timothy P.; Santo, Michael; Bowden, Theodore I.; Newth, Ronald J.
Subject: RE: Wileys--Attorney/client Privileged

Mike, if you weren't able to do so, please make certain that NFS understands that they need to come to their conclusion on the account independently---that BAI is in no way exerting pressure on them to abandon or depart from what they consider to be necessary on these accounts. Many thanks,

Barry

-----Original Message-----

From: Norton, Michael J.
Sent: Monday, June 07, 2004 11:37 AM
To: Harris, Barry P.; Maloney, Timothy P.; Santo, Michael; Bowden, Theodore I.; Newth, Ronald J.
Subject: RE: Wileys--Attorney/client Privileged

All,

I have confirmed with NF that they have escalated this account to their AML/Risk Control group. They have no plans to restrict the account, but as Barry has pointed out they will issue a SAR's if they see suspicious activity. I agree with Barry's comment that they might tend to be more caution with this account because they/we don't have information on the beneficiaries. I have communicated the new proposal and they will begin discussing it today within the Fidelity AML group.

Mike

-----Original Message-----

From: Harris, Barry P.
Sent: Monday, June 07, 2004 10:47 AM
To: Maloney, Timothy P.; Santo, Michael; Norton, Michael J.; Bowden, Theodore I.
Subject: FW: Wileys--Attorney/client Privileged
Importance: High

Gentlemen, Mike N. called me saying he'd deal with NFS on the proposal. However, he also has the understanding that NFS had "backed off" on the issues, indicating that they would not restrict the accounts for lack of info. Supposedly they said that if they saw any "suspicious activity", they would immediately file a SARs report ["Suspicious Activity Report"]. If they had the info., however, they still should file a SARs report if they see "suspicious activity". It might be that their definition of "suspicious" would be lower without the paperwork.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1283

5136

Mike N. will confirm NFS' current stance on the issues. Consistent with my conversation with Mike S., if NFS has dropped the demand, Mike N. will make certain that they have done so based upon their independent decision, and are not somehow departing from what they believe to be reasonable and necessary practice because of BAI's involvement.

Mike N. also confirmed my fears that there are technological challenges to the proposal we've formulated. Specifically, that it will be very difficult for the outside firm to do the necessary checks without providing the info. to NFS directly or to some thirdparty with access to the Equifax systems used in the check.

Mike N. will let us know NFS' reaction.

Barry

-----Original Message-----
From: Harris, Barry P.
Sent: Monday, June 07, 2004 10:12 AM
To: Maloney, Timothy P.; Norton, Michael J.; Bowden, Theodore I.
Cc: Santo, Michael
Subject: RE: Wileys--Attorney/client Privileged
Importance: High

Mike and Ted, I'm not sure who to contact on this one. Need to run a proposal up to NFS on the Wiley accounts. As you recall, these are the Isle of Mann trust accounts, where the settlors and beneficiaries are not comfortable in providing the names of the ultimate beneficiaries. I understand that their concern is that the trusts were established to protect assets from adverse claims, such as divorces, and they fear that providing the information will make it accessible if such disputes arise.

NFS has indicated, I understand, that it must have the info. under AML and the Patriot Act.

The proposal is as follows. To the extent that I mistate it, or that my understanding differs from Mike S.' or Tim's, I ask that they let us know immediately so that we can all have a common understanding. Under the proposal which Tim wishes to take to the Wileys, they would:

1. Participate in the joint retention by all Wiley trust beneficiaries [through their attorney(s), I presume, with BAI and NFS of an outside law firm of BAI's and NFS' selection. The outside firm would be provided by the Wiley's all information necessary for the firm to perform the AML and Patriot checks that BAI and NFS require. The information would be under a joint A/C privilege among all the parties.

2. The firm would perform the checks, and report back to all parties their findings. The firm would retain all info. for production to NFS and/or BAI under certain circumstances, discussed below.

3. The Wileys agree that, should BAI or NFS ever receive a regulatory request for the info., they and/or the outside firm will produce it to NFS and BAI.

4. The Wileys agree that when the Rules are promulgated [presumed later this year], if the Rules require that NFS or BAI gather the information, the Wileys will produce all updated info. necessary to fulfill the regulatory directive.

5. The Wileys will assume all costs associated with this process.

I just spoke with Mike S., and this does seem to comport with his thoughts. He specifically wants NFS to understand that it must be comfortable that this process will satisfy its needs and obligations, and that NFS is in no way deferring to BAI on the issues. In short, NFS must be satisfied and comfortable with this process before we will propose it to the Wileys.

I also need input from you, Mike N. or Ted, as to how the outside firm could carry out these tasks without further disclosure of the info. I understand that NFS' processes, at least in part, involve bouncing the beneficiaries names off a program database provided by a 3d party vendor. My question is how the outside firm can perform that and similar checks without providing the info. directly to NFS or some other third party with access to the programming. I would welcome NFS' thoughts on how that might be accomplished, if they have an interest in the proposal. I had some thought of a "download" of the database for a onetime access by the firm, but suspect there may be technological and legal [copyrights, for example] challenges.

I suggest we need to move on this with some speed. If you, Ted and Mike, would confer and let me know your thoughts on the proposal, and if appropriate which who would present it to NFS, I'd be most grateful.

Again, Tim or Mike S., please jump in quickly if I've somehow misunderstood or mistated the proposal.

Thanks, all.

Barry

-----Original Message-----

From: Maloney, Timothy P.
Sent: Monday, June 07, 2004 8:57 AM
To: Harris, Barry P.
Cc: Santo, Michael
Subject: RE: Wileys

Barry:

Spoke with Mike Santo this am. He will call you. We are in agreement that if NFS is comfortable with outside counsel review and certification we should pursue.

5138

Tim

-----Original Message-----
From: Harris, Barry P.
Sent: Thursday, June 03, 2004 7:37 AM
To: Maloney, Timothy P.
Subject: Wileys
Importance: High

Tim, one other issue occurred to me. The outside attorneys contemplated by Alan's alternative would need access to whatever systems/info. are necessary to "scrub" the beneficiaries against the "bad guy" lists. I don't think the systems/info. is generally available, and it could therefore be necessary for the id's of the beneficiaries to be provided to some third party to do the scrubbing. Under our processes, NFS does it for us generally, although we also have access to some BAC systems, as I understand it.

I'll try to get some info. from someone with more knowledge than I on how this could work.

Barry

**BAI Risk Committee
Minutes 6/11/04**

- Roll call was taken.
- Mike Norton informed the group that although the exchanges were closed due to former President Regan's funeral, the Federal Reserve was open and it was BAU at BoA including BAI.
- Committee re-visited request from the Houston Private Bank office to allow a client to do step-out option trades. Ted Bowden informed the Committee that he has met with reps from NFS and BAS. He was told that routing option directly to BAS was feasible and could be delivered as early as the end of July and that BAS was willing to accept such trades. Committee agreed that if the pipeline is developed, Private Bank will have to agree to absorb the cost of its development. The question was raised as to whether the Firm wants to assume the risk associated with processing the trades on a step-out basis as it's a manual process during the interim period. Ted reiterated that he could support this one account until the end of July. The cost estimate will not be ready for a couple of week. Once estimate is in hand, must set-up a meeting with Alan Rappaport to discuss.
- Barry Harris provided an update on the Wiley's request to establish off shore trust accounts without disclosing the beneficial owners. Barry informed the Committee that it might be possible for the Firm to retain an outside attorney who would then perform a KYC review on the Wiley's beneficiaries. In the event the government/regulatory body subsequently requests the information or if the requirement is formally adopted as law, the attorney would then and only then release the information. Such a scenario would need to be approved by both the Wiley's and NFS Legal. Barry to set-up a meeting with NFS.
- Greg Strieby presented the revised Margin Maintenance Requirement Request form and the Large Margin Loan Request form to the Committee. Greg informed Committee that the field had requested a simpler form as the current version combined the two requests onto one form which the field found confusing. Committee approved use of the revised Margin Maintenance Request form. However, consensus was not reached with respect to the Large Margin Loan Approval form. Some questions were raised about whether the form was needed if branch management was already receiving the Large Debit Balance Report and if such a review should encompass a suitability review. Frank Kulak suggested investigating the feasibility of adding KYC info to the Large Debit Balance Report so that management would have one

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1284

comprehensive tool. Committee also discussed revising current policy so that process is the same at both the Private Bank and BAI.

- Scott Todd provided an update on recent Credit Committee activity.
- Susan Hechtlinger informed the Committee that the breakpoint project was approx. 90% complete but that many letters have been returned as undeliverable. She also noted that she thought the SEC was about to come into all areas of BoA in order to perform a compliance and control exam. However, there was no update on the current SEC exam. Lastly, she advised the Committee that we had received a letter from the NASD indicating that we may not have properly reported on corporate bond activity. Ted's groups is currently reviewing.

5141

To: Maloney, Timothy P.; Santo, Michael
Cc: Norton, Michael J.; Hechtlinger, Susan; Dorfman, Beth
Subject: Wyley Isle of Mann Trust Accts.-Privileged
Importance: High

Attorney/client Privileged

I had a conference with NFS Legal and Risk today on the proposal surrounding identification of the beneficiaries on these Isle of Mann trusts. Without belaboring the point, the proposal was that an attorney of our choice do the research and certify to us and NFS that the customer/beneficiary id's didn't hit the OFAC/AML/Patriot lists.

I quickly gained the understanding that the issues at NFS are far broader than merely customer id. As you know, the patriarch of the Wyley clan is the CEO of Michael's stores, which is publically traded. NFS has substantial questions regarding the positions held in the trust accounts, which is exclusively Michaels stock. They also have substantial questions regarding the movement of money out/in/between the accounts, given that Isle of Mann is a "suspect" jurisdiction because of its secrecy laws. Here's a list of NFS' concerns.

1. Customer id: they don't know the basic info. required for money-laundering/OFAC/Patriot policies.
2. They are concerned that the stock in the accounts is 144 or control, given Mr. Wyley's position. They question whether the US filings required of Michaels/Mr. Wyley require disclosure of these shares and, if so, were they in fact disclosed. They also question whether the stock is restricted by US laws.
3. The accounts have been buying Michaels stock. They question the propriety of and filing requirements on such purchases.
4. Money has moved from, into and between the accounts. The lack of information makes this very troublesome to NFS; even if they had the info., the movements and the fact that the accounts are Isle of Mann entities would hit tripwires in the NFS systems. Isle of Mann is a known haven for hiding ownership and assets, apparently.

Given all the concerns, the proposal we had envisioned clearly was not sufficient. NFS has agreed to determine if the proposal of using an outside attorney could be expanded to provide certifications on all of the issues, to NFS' satisfaction. My take is that it won't. I expect to hear from them again next week.

Two additional points: I emphasized, as Mike S. had instructed, that we were in no way trying to sway NFS to abandon reasonable practices on these issues, but were only exploring if other methods existed to get them comfortable. I expressly stated that we were in no way pressuring them to abandon good practice or their compliance with the requirements, as they interpreted them to exist. Secondly,

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1285

5142

NFS' Risk Manager shared his view that we, as introducing broker, should be as nervous than NFS, if not more so.

I'll let you know when I hear from them. In the interim, status quo. I believe that will entail filing SAR's if any activity in the account hits the NFS tripwires.

Please let me have any reaction or direction you may feel appropriate at this time.

Barry

—= Redacted by the Permanent
Subcommittee on Investigations

From: Harris, Barry P. [REDACTED]
Sent: Tuesday, July 20, 2004 11:32 AM
To: Mariano, David
Subject: FW: A/C Privileged---Wyley Offshore Trust Accounts--Update
Importance: High

Sorry about the confusion, Dave. Again, under the privilege, please research these accounts. Since my last, I have learned that Mike Hearn is reviewing these accounts, on a different issue. Suggest that you start with him. As to your task, I would like an idea of issues under AML/Patriot Acts.

Thanks.

Barry

-----Original Message-----

From: Harris, Barry P.
Sent: Thursday, July 15, 2004 6:06 PM
To: Santo, Michael; Maloney, Timothy P.
Cc: Strieby, Greg; Dorfman, Beth; Hechdinger, Susan
Subject: A/C Privileged---Wyley Offshore Trust Accounts--Update
Importance: High

Attorney/client Privileged

I conferred again today with NFS Legal and AML Compliance personnel on these Isle of Mann Trusts. They are housing in Lori Bensing's Dallas HNW office. We understand that the beneficiaries of the numerous trusts are members of the Wyley family, whose patriarch is the CEO and a major shareholder in publicly-traded Michael's Stores.

To briefly recap the situation, the Wyleys have a substantial relationship with the PB. The Wyley family has established 10 or more Isle of Mann Trusts, principally funded, it appears, with Michael's stock. The Trusts have opened accounts with BAI/NFS. Some months ago, NFS became uncomfortable with the trading activity and cash transfers in these accounts. A basic concern was that the beneficiaries of the various trusts were unknown to NFS, and to BAI. They cannot perform the AML/Patriot Act due dilly without knowledge of the beneficiaries. The Wyleys were asked to identify the beneficiaries, and declined, stating that no current regulation specifically requires that information. [The regulations implementing the Patriot Act have not been released; it is clear, however, that when released they will require the names of beneficiaries in these circumstances.] I understand that the Wyleys were concerned that, if the beneficial interests were known, they could be subject to claims by unfriendly parties [ex-spouses were mentioned].

When I became involved, I understood the problem to be only the beneficiaries' identities.

Permanent Subcommittee on Investigations
EXHIBIT #66
Additional Document

Confidential Treatment Requested

BA 086801

At Tim's suggestion, I approached NFS with the idea of retaining an outside, independent, lawyer to receive the ideas of the beneficiaries and perform whatever checks are required to satisfy the Patriot/AML concerns. The lawyer would report back to BAI and NFS.

I presented the proposal to NFS some weeks ago. I learned at that time that their concerns were much broader than merely identity. Specifically, they were equally concerned by the facts that the accounts were funded with Michael's stock, and possibly control or 144 restrictions applied; and that large cash positions were moving out of the accounts. There are periodic sales of significant blocks of Michael's stock from the accounts, and periodic movements of hundreds of thousands of dollars. On the sales, they are concerned that the stock is/should be somehow restricted under the US securities laws, given that the patriarch is a controlling person, or that at a minimum disclosures of the sales should be made under US law. The cash transfers have hit the NFS AML "suspicious movements" tripwires, unrelated to the lack of identity issue. Given their broader concerns, they agreed to take the idea of the outside attorney away to determine if it might somehow work.

Throughout my contacts with NFS, I have made it extremely clear that BAI is not asking them to forgo any activity or information they feel necessary to perform their obligations. They have in turn made it clear that, in their opinion, BAI as introducing broker should be concerned about these accounts, as well.

In the call today, they reported their conclusion that the proposal would not satisfy their needs on the trades and cash movements. We developed the following proposal: NFS will prepare written questions which they need answered to continue to support the accounts; BAI will add any questions which it believes need to be answered. I would forward the questions to the attorney representing the Wyley's and the trusts, informing them that we and NFS need answers within 30 days, or it will be necessary to ask them to move the accounts to another BD which can support them based upon the information which they are willing to share. I need your input on the proposal.

I believe we have hit the wall. NFS is extremely nervous about these accounts, if not for actual violations of Patriot/AML, for negative regulatory action based on the lack of info. and activity. NFS recently was cited on its AML procedures. If we proceed as suggested, we need to alert the PB on the decision, and possibly seek their assistance in getting the necessary information from the Wyley's.

I share NFS' concern that we are exposed here. While we frequently have the benefit of facts/knowledge of the PB in our AML due dilly efforts, we too don't know the identities of the beneficiaries. I additionally am concerned that the PB doesn't know off/is not involved in the sales and cash transfers, and therefore we have no comfort from that side.

At the end of the call, NFS briefly identified another series of accounts out of Lori's office that have the same problems---sans the "Michael's stock" problems. The accounts are offshore, with a Texas mailing address, opened in the names of "R2 Co.", "R3 Co.", "Acme Widget" [no

5145

kidding], etc. There is substantial money movement out of and between the accounts. Once again, the clients are pushing back on identifying the beneficial owners, and apparently NFS feels it is getting little help or support from Lori or her staff.

Please let me have your thoughts and directions. Because of vacation schedules, NFS promised to get the written questions to me during the week of Aug. 8. Call, of course, if you wish to discuss.

Barry



To: Barry Harris
Chief Counsel
Bank of America Investment Services, Inc.

From: Steve Ganis
Anti-Money Laundering Officer
National Financial Services LLC

cc: Jai Chanda
Karen O'Toole
Jen Moran
Tori Dunham
Dave Tesconi

Date: September 22, 2004
Subject: Requests Concerning Certain Bank of America Accounts

— Redacted by the Permanent
Subcommittee on Investigations

Per your request, here follows a list of questions to be answered and information to be provided in order to understand certain activity patterns in certain accounts introduced to National Financial Services LLC ("NFS") by Bank of America Investment Securities, Inc. Complete responses to the items set forth herein will be necessary for NFS to assess fully its regulatory obligations.

- Please provide the foreign government issued identification number, if any, for each entity (each, a "Direct Owner") to which one of the following accounts (the "Accounts") has been registered. If any Direct Owner organized outside the U.S. lacks an identification number issued by the government of the nation where such Direct Owner is organized, please explain why.

- [REDACTED] ELEGANCE LTD
- [REDACTED] QUAYLE LTD
- [REDACTED] SOULIEANA LTD
- [REDACTED] KATY LLC
- [REDACTED] BALCH LLC
- [REDACTED] POPS LLC
- [REDACTED] ORANGE LLC
- [REDACTED] FLO FLO
- [REDACTED] BUBBA LLC
- [REDACTED] DORTMUND LTD
- [REDACTED] DEVOTION LTD
- [REDACTED] ELYSIUM LIMITED
- [REDACTED] FIRST DALLAS INTERNATIONAL LTD
- [REDACTED] RELISH LTD
- [REDACTED] LITTLE WOODY LIMITED
- [REDACTED] ROARING FORK LIMITED
- [REDACTED] ROARING CREEK LIMITED
- [REDACTED] EAST CARROLL LTD
- [REDACTED] WEST CARROLL LTD
- [REDACTED] ALTONCO INTERNATIONAL LTD
- [REDACTED] TWO OCEANS LIMITED
- [REDACTED] BROWN DOG LIMITED

Risk Oversight
Enterprise Compliance
Anti-Money Laundering Office (AMLO)

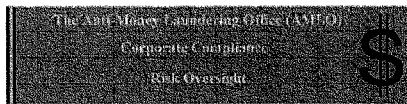
82 Devonshire Street C3A
Boston, MA 02109

Page 1 of 5

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1287

Confidential Treatment Requested

BA 086888



- [REDACTED] LOCKE LIMITED
- [REDACTED] RICHLAND
- [REDACTED] VASPER
- [REDACTED] SARNIA
- [REDACTED] IRISH TRUST

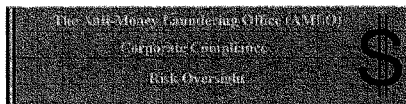
— = Redacted by the Permanent
Subcommittee on Investigations

- Please provide the name, physical (not post office box) address, U.S. tax identification number (if any), and foreign government issued identification number (if any) (collectively, the "Entity Information") for any entity (each, an "Indirect Ownership Vehicle") that directly or indirectly owns in whole or in part or otherwise controls any Direct Owner. If any Indirect Ownership Vehicle organized outside the U.S. lacks an identification number issued by the government of the nation where such Direct Owner is organized, please explain why.
- Please provide the name, date of birth, address, citizenship, U.S. social security number (if any), and foreign government-issued identification number (if any) (collectively, the "Personal Information") for each natural person (each, an "Indirect Owner") who directly or indirectly holds any ownership interest under the law of any country in each Direct Owner or in any Indirect Ownership Vehicle, or who otherwise owns or controls any funds or assets contained in each of the Accounts.
- Please confirm which nation is the legal domicile of each Direct Owner and any Indirect Ownership Vehicle (i.e., which nation's laws each is organized under).
- If any Indirect Ownership Vehicle is a trust, please provide the Entity Information or the Personal Information, as appropriate, for each grantor, settlor, trustee, beneficiary, protector, or other entity or natural person with any control over the trust for each such Indirect Ownership Vehicle. Excluded from this request would be Entity Information for a trustee of an Indirect Ownership Vehicle if such trustee is a bank or trust company (or employee thereof) for which Bank of America has obtained, and shared with National Financial Services LLC a copy of, a fully completed in good order U.S. Treasury Department foreign bank certification form adequate to cover the Account in question.
- To the extent that the same Indirect Owner or group of Indirect Owners directly or indirectly owns or controls more than one of the Direct Owners, why have multiple Direct Owners been organized and multiple Accounts established? Explain where possible the business or economic purpose of such a structure.
- Who decided to organize the Direct Owners and any offshore Indirect Ownership Vehicles outside the U.S.? Why? Please be as specific as possible about any economic, service quality, tax, asset protection, secrecy, or other advantages derived from having organized such entities outside the U.S.
- What is the source of wealth of each Indirect Owner?
- What is the source of funds deposited into, or used to purchase assets deposited into, the Accounts? Please provide as many details as possible.
- There have been many offshore wire transfers from the Accounts to like-registered accounts maintained for the Direct Owners, typically in the Isle of Man. Please explain the purpose of such transfers providing as many details as possible, including each beneficiary, purpose destination of any subsequent transfers of the same funds.
- Have any of the funds transmitted by wire transfer transfers from the Accounts to like-registered non-U.S. accounts maintained for the Direct Owners been or will they be subsequently repatriated (i.e., transmitted by any means to the U.S., including to accounts maintained at any financial institutions in the U.S.)? If so, please:
 - indicate any persons or entities who received or will receive the funds in the U.S.;

Risk Oversight
Enterprise Compliance
Anti-Money Laundering Office (AMLO)

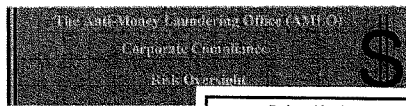
82 Devonshire Street C3A
Boston, MA 02109

Page 2 of 5



- provide the registration information for any accounts anywhere through which the funds are transmitted to the in the U.S.;
- provide the registration information for any accounts in the U.S. that ultimately receive the funds;
- explain the purpose of sending the funds offshore and then transmitting them back to the U.S.;
- explain how the funds will be used when transmitted back to the U.S.; and
- indicate whether any of the funds transferred from the Accounts to offshore accounts have been or will be converted into physical currency of any nation or monetary instruments.
- There have been inter-account journal transfers of stock and money among some of the Accounts. Please explain the purpose of such transfers, including each of the transfers listed on the attached spreadsheet, providing as many details as possible. Do such transfers cause ultimate ownership interests in the stock or money to change among different Indirect Owners or Indirect Ownership Vehicles or just the nominal ownership of the stock or money to change among different Direct Owners?
- To what extent have any of the Direct Owners, Indirect Ownership Vehicles or Indirect Owners been subjects of litigation or enforcement actions by any government alleging any of the following?
 - violations of the U.S. federal or state securities laws;
 - violations of any U.S. state corporation laws;
 - violations of the U.S. Internal Revenue Code;
 - corruption;
 - fraud
 - money laundering;
 - terrorist financing; or
 - other financial crime.
- Please indicate whether any Indirect Owner of one or more of the following accounts (the "MIK Accounts") is or has been an employee, officer, or director or a relative of an employee, officer, or director (each, a "MIK Insider") of Michaels Stores Inc.
 - ELEGANCE LTD
 - QUAYLE LTD
 - SOULIEANA LTD
 - KATY LLC
 - BALCH LLC
 - POPS LLC
 - ORANGE LLC
 - FLO FLO
 - BUBBA LLC
 - DORTMUND LTD
 - DEVOTION LTD
- To the extent any Indirect Owner ultimately owns more than one of the MIK Accounts, explain why have multiple MIK Accounts been established to hold the same security, explaining where possible the business or economic purpose of such a structure.
- Please list any title and dates of employment or service at Michaels Stores Inc. for each Indirect Owner of one or more MIK Accounts or relative of an Indirect Owner of one or more MIK Accounts who is or has been an employee, officer, or director of Michaels Stores Inc.

— = Redacted by the Permanent
Subcommittee on Investigations



— Redacted by the Permanent Subcommittee on Investigations

Please describe any family relationships between each Indirect Owner of one or more of the MIK Accounts and any MIK Insiders.

- Why has the ownership of stock issued by Michaels Stores Inc. ("MIK Stock") by the Indirect Owners of the MIK Accounts been structured using the Direct Owners and any Indirect Ownership Vehicles?
- In addition to the MIK Stock held in the Accounts, do any of the Direct Owners, Indirect Ownership Vehicles, or Indirect Owners of any of the Accounts directly or indirectly own any securities issued by Michaels Stores Inc. anywhere in any account or in physical certificate form?
- Why have the Indirect Owners of the MIK Accounts chosen not to hold the MIK Stock in directly under such Indirect Owner's true name?
- What is the source of the MIK Stock held in the MIK Accounts? Please provide details. Were the shares of MIK Stock in the MIK Accounts, or any options used to acquire such shares, issued by Michaels Stores Inc. directly to any Direct Owner, Indirect Ownership Vehicle, or Indirect Owner? If so, which ones? To what extent did Michaels Stores Inc. disclose any direct issuance of MIK securities to any Direct Owner, Indirect Ownership Vehicle, or Indirect Owner in SEC filings? (Please provide relevant portions of each such filing.) Were any such MIK Stock shares or options used to acquire such MIK Stock purchased on the market?
- Are any of the shares of MIK Stock in any of the MIK Accounts control stock or restricted stock? If so, please provide details. If not, were any such shares previously restricted? If so, please explain when and how they became unrestricted, if applicable.
- Why has Michaels Stores Inc. not disclosed recent sales or intended sales of MIK stock from the Accounts (e.g., 100,000 shares sold from account [REDACTED] on 9/2/03) in its Securities and Exchange Commission ("SEC") filings as it previously disclosed intended sales by certain of the Direct Owners in the issuer's 1997 SEC filings?
- Please explain why any indirect, offshore ownership of millions of dollars worth of MIK Stock by MIK Insiders who are Indirect Owners of the MIK Accounts is consistent with U.S. securities laws and regulations (including the Securities Act of 1933 and Securities Exchange Act of 1934) and other federal and state laws regulating disclosures to investors by, and the corporate governance of, Michaels Stores Inc.
- What is the purpose of the following transactions? To what extent did the ultimate ownership interests in the transferred money change as a result of the following transactions? What are the legal and business relationships between the entities involved in each of the following transactions?
 - journals between account [REDACTED] (Elegance Ltd.) and [REDACTED] (Souleiana Ltd.);
 - journals between account [REDACTED] (Elegance Ltd.) and [REDACTED] (First Dallas International Ltd.);
 - wires from account [REDACTED] (Altonco International Ltd.) to ABL Strategies Ltd., Maverick Stable Fund, and Nautica International;
 - wires from account [REDACTED] (Altonco International Ltd.) from Queensgate Bank and Fund Administration Holdings LLC (Cayman);
 - wire from account [REDACTED] (Relish Ltd.) to LaFourche Trust;
 - journal from account [REDACTED] (Altonco International Ltd.) to account [REDACTED] (Michelle Boucher); same day journals from account [REDACTED] (Michelle Boucher) to account [REDACTED] (Brown Dog Ltd.) and account [REDACTED] (Two Oceans Ltd.);
 - wire from account [REDACTED] (Bubba LLC) to Rosemary's Circle R Management Trust;
 - wire from CT Ranger Multi-Strategy Ltd. to account [REDACTED] (Devotion Ltd.); and

Risk Oversight
Enterprise Compliance
Anti-Money Laundering Office (AMLO)

82 Devonshire Street C3A
Boston, MA 02109

Page 4 of 5

5150



- wire from account [REDACTED] (Dortmund Ltd.) to WAB Fund LP.
- What is the purpose of the wires from account [REDACTED] (Devotion Ltd.) to the following entities? What is the relationship between Devotion Ltd. and the following entities?
 - La Fourche Trust (via Bank of Bermuda, Isle of Man)
 - Red River Ventures I LP (via Frost National Bank, San Antonio)

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Risk Oversight
Enterprise Compliance
Anti-Money Laundering Office (AMLO)

82 Devonshire Street C3A
Boston, MA 02109

Page 5 of 5

Resident of [REDACTED]

BA 086892



October 22, 2004

Bank of America, N.A.
IL1-231-03-50
231 South LaSalle Street
Chicago, IL 60697

Tel 312.828.3165
Fax 312.974.3040

Ms. Anna Benbatoul
IFG International House
Castle Hill Victoria Street
Douglas IM2 4RB
Isle of Man

Dear Ms. Benbatoul:

As we have discussed in the past, it is necessary for Bank of America to obtain the information for each entity, natural person or trust that directly or indirectly owns, controls or holds a beneficial ownership interest in whole or in part in any of the accounts listed below. The specific information we need is:

- (i) Name,
- (ii) physical address (primary residence for individuals or primary business address for legal entities),
- (iii) date of birth, (for individuals only); and
- (iv) identification number (a U.S. taxpayer identification number or social security number for a U.S. person; a U.S. taxpayer identification number, social security number or foreign government issued identification number (such as a passport number) for non-U.S. persons).

Please return this information no later than Friday, October 29, 2004. Please forward this information to my personal attention at:

Timothy P. Maloney
Bank of America
Mail Code: IL1-231-03-50
231 South LaSalle Street
Chicago, IL 60697



3600-3504

19/22/04 8:24 AM

Two other things

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1289

Confidential Treatment Requested

BA 14936'

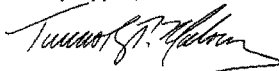
The accounts in question are:

<u>Name</u>	<u>Account Number</u>
[REDACTED]	[REDACTED]
Audubon	P86-017205
Balch LLC	P86-017116
Bubba LLC	P86-017159
Dortmund Ltd	P86-017299
East Baton Rouge	P86-017086
East Carroll	P86-017213
Flo Flo LCC	P86-017124
Greenbrier	P86-017221
Katy LLC	P86-017108
Looke	P86-017248
Moberly	P86-017272
Morehouse	P86-017094
Orange LLC	P86-017140
Pops LLC	P86-017132
Richland	P86-017256
Sarnia	P86-017302
Tensas	P86-017264
[REDACTED]	[REDACTED]
West Carroll	P86-017230
Yurta Faf	P86-017175

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

I greatly appreciate your cooperation with this important matter. Thank you very much.

Very truly yours,



Bank of America

Timothy P. Maloney
Central Region President
Private Bank

Bank of America, N.A.
IL1-231-03-50
231 South LaSalle Street
Chicago, IL 60697

Tel 312.828.3165
Fax 312.974.3040

October 22, 2004

Ms. Jane Carty
P.O. Box 203
St. George's Court
Upper Church Street
Douglas IM99 1RB
Isle of Man

Dear Ms. Carty:

As we have discussed in the past, it is necessary for Bank of America to obtain the information for each entity, natural person or trust that directly or indirectly owns, controls or holds a beneficial ownership interest in whole or in part in any of the accounts listed below. The specific information we need is:

- (i) Name,
- (ii) physical address (primary residence for individuals or primary business address for legal entities),
- (iii) date of birth, (for individuals only); and
- (iv) identification number (a U.S. taxpayer identification number or social security number for a U.S. person; a U.S. taxpayer identification number, social security number or foreign government issued identification number (such as a passport number) for non-U.S. persons).

Please return this information no later than Friday, October 29, 2004. Please forward this information to my personal attention at:

Timothy P. Maloney
Bank of America
Mail Code: IL1-231-03-50
231 South LaSalle Street
Chicago, IL 60697



10/22/04 8:26 AM
US Olympic Team

10/22/04 8:26 AM

10/22/04 8:26 AM

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1289

Confidential Treatment Requested

BA 14936

5154

JUL 26 2005 08:50 FR BAI SERVICES

6174340108 TO 912124503744

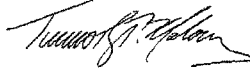
P.05

The accounts in question are:

<u>Name</u>	<u>Account Number</u>
Elegance	P86-016985

I greatly appreciate your cooperation with this important matter. Thank you very much.

Very truly yours,



(NY) 01816041/COR04/account.information.early.doc

2

10/22/04 8:26 AM

Confidential Treatment Requested

BA 149365



5156

JUL 26 2005 08:50 FR BAI SERVICES

6174340108 TO 912124503744

P.07

— = Redacted by the Permanent
Subcommittee on Investigations

The accounts in question are:

Account #

[REDACTED]

Name

Altonco
Brown Dog
First Dallas International
Irish Trust
Two Oceans

I greatly appreciate your cooperation with this important matter. Thank you very much.

Very truly yours,

Thomas F. Mahon

(P) 02526/98UCO/04/account_information.ws6is.doc

2

10/23/04 8:23 AM

Confidential Treatment Requested

BA 149367

5157

JUL 26 2005 08:50 FR BAI SERVICES

6174348108 TO 912124503744

P.08

Bank of America



Timothy P. Maloney
Central Region President
Private Bank

Bank of America, N.A.
IL1-231-03-50
231 South LaSalle Street
Chicago, IL 60697

Tel 312.878.3165
Fax 312.974.3040

October 22, 2004

Mr. Andy Wallis
Intercontinental Management
Prospect Chambers
Prospect Hill
Douglas IM1 1ET
Isle of Man

Dear Mr. Wallis:

As we have discussed in the past, it is necessary for Bank of America to obtain the information for each entity, natural person or trust that directly or indirectly owns, controls or holds a beneficial ownership interest in whole or in part in any of the accounts listed below. The specific information we need is:

- (i) Name,
- (ii) physical address (primary residence for individuals or primary business address for legal entities),
- (iii) date of birth, (for individuals only); and
- (iv) identification number (a U.S. taxpayer identification number or social security number for a U.S. person; a U.S. taxpayer identification number, social security number or foreign government issued identification number (such as a passport number) for non-U.S. persons).

Please return this information no later than Friday, October 29, 2004. Please forward this information to my personal attention at:

Timothy P. Maloney
Bank of America
Mail Code: IL1-231-03-50
231 South LaSalle Street
Chicago, IL 60697



10/22/04 10:23 AM
10/22/04 10:23 AM
US Olympic Team

10/22/04 10:23 AM

Permitted Host

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1289

Confidential Treatment Requested

BA 149361

5158

JUL 26 2005 08:58 FR BAI SERVICES

6174340108 TO 912124503744

P.09

— = Redacted by the Permanent
Subcommittee on Investigations

The accounts in question are:

<u>Name</u>	<u>Account Number</u>
Devotion Ltd.	[REDACTED]
Relish Ltd.	[REDACTED]

I greatly appreciate your cooperation with this important matter. Thank you very much.

Very truly yours,



(NY) 02826/081/COROM/account_information.w3lls.doc

2

10/22/04 1:23 AM

Confidential Treatment Requested

BA 149365



JUL 26 2005 08:50 FR BAI SERVICES 6174340108 TO 912124503744 P.11

The accounts in question are:

[REDACTED]

I greatly appreciate your cooperation with this important matter. Thank you very much.

Thomas J. Yelton

5161

OCT 29 2004 07:08 FR BANK OF AMERICA B312 974 3040 TO 917046025068 P.02/04
10:30ED 9P:51 0002 02 LCO

The Irish Trust Company (Cayman) Ltd
P.O. Box 10658 APO
5th Floor Harbour Place, South Church Street
Grand Cayman, Cayman Islands
(345) 949-0658 tel (345) 949-2519 fax

October 28th, 2004

Mr. Timothy P. Maloney
Bank of America
Mail Code: IL 1-231-03-50
231 South LaSalle Street
Chicago, IL 60697

via facsimile 312-974-3040

Dear Mr. Maloney,

I confirm receipt of your letter dated October 22nd, 2004 regarding the following account:

[REDACTED] First Dallas International, Ltd

In connection with your request for information regarding the beneficial interest in this account, please clarify the following items:

- (i) Why the information is being requested
- (ii) Under what legal authority is the request for the information being made, and provide us with a copy of such authority.
- (iii) How Bank of America intends to use this information, including to whom such information may ultimately be disseminated.
- (iv) The controls Bank of America undertakes to ensure the confidentiality and integrity of this information is maintained and provide us with a written description and confirmation that such controls are in place.

Finally, please note that the contact information for this account is as above, and any future communication should be addressed to that address.

I look forward to hearing from you in due course.

Sincerely,
The Irish Trust Company (Cayman) Ltd
For and on behalf of First Dallas International, Ltd
As Administrator


Michelle L. Bofinger
Chief Financial Officer

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1290

100 0
Confidential Treatment Requested

XVJ ZC:ST (RL 90/02/01

BA 149061

OCT 29 2004 07:08 FR BANK OF AMERICA 8312 974 3848 TO 917045025868 P.04/04
 NO SUBJ

The Irish Trust Company (Cayman) Ltd
P.O. Box 10658 APO
5th Floor Harbour Place, South Church Street
Grand Cayman, Cayman Islands
(345) 949-0658 tel (345) 949-2519 fax

October 28th, 2004

— = Redacted by the Permanent
 Subcommittee on Investigations

Mr. Timothy P. Maloney
 Bank of America
 Mail Code: IL 1-231-03-50
 231 South LaSalle Street
 Chicago, IL 60697

via facsimile 312-974-3040

Dear Mr. Maloney,

I confirm receipt of your letter dated October 22nd, 2004 regarding the following account:

The Irish Trust Company (Cayman) Ltd

In connection with your request for information regarding the beneficial interest in this account, please clarify the following items:

- (i) Why the information is being requested.
- (ii) Under what legal authority is the request for the information being made, and provide us with a copy of such authority.
- (iii) How Bank of America intends to use this information, including to whom such information may ultimately be disseminated.
- (iv) The controls Bank of America will undertake to ensure the confidentiality and integrity of this information is maintained, and provide us with a written description and confirmation that such controls are in place.

Finally, please note that the contact information for this account is as above, and any future communication should be addressed to that address.

I look forward to hearing from you in due course.

Sincerely,


 Michelle L. Boucher
 Chief Financial Officer

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1290

Y000

Confidential Treatment Requested

XVd 01:01 08L 10/02/01
 ** TOTAL PAGE 04 **

BA 14906

5163

OCT 29 2004 07:08 FR BANK OF AMERICA
10:30AM

B312 974 3040 TO 917046025868

P.03/04
12:51 PM OCT 02 120

Michelle L. Boucher
P.O. Box 2299GT
Grand Cayman, Cayman Islands
(345) 946 9435
(345) 949-2519 fax

October 28th, 2004

Mr. Timothy P. Maloney
Bank of America
Mail Code: IL 1-231-03-50
231 South LaSalle Street
Chicago, IL 60697

via facsimile 312-974-3040

Dear Mr. Maloney,

I confirm receipt of your letter dated October 22nd, 2004 regarding the following accounts:

[REDACTED] Altonco International Limited
[REDACTED] Brown Dog Limited
[REDACTED] Two Oceans Limited

In connection with your request for information regarding the beneficial interest in these accounts, please clarify the following items:

1. Why the information is being requested.
2. Under what legal authority is the request for the information being made, and provide me with a copy of such authority.
3. How Bank of America intends to use this information, including to whom such information may ultimately be disseminated.
4. The controls Bank of America undertakes to ensure the confidentiality and integrity of this information is maintained and provide me with a written description and confirmation that such controls are in place.

Finally, please note that my contact information is as above, and any future communication to me should be addressed to the above.

I look forward to working with you on this matter to our mutual satisfaction.

Sincerely,


Michelle L. Boucher

— Redacted by the Permanent
Subcommittee on Investigations

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1290

T000

Confidential Treatment Requested

XVJ 01:51 AM 10/22/04

BA 149062

OCT 29 2004 08:48 FR BANK OF AMERICA B312 974 3040 TO 917046025866 P.02



TRIDENT TRUST COMPANY (I.O.M.) LTD

P.O. Box 175
12-14 Finch Road
Douglas IM10 1TT
Isle of Man
British Isles
Tel +44-1624-649700
Fax +44-1624-620588
ism@tridenttrust.com
www.tridenttrust.com

Our Ref: *fwipw101303-004L*

29 October 2004

Mr Timothy P Maloney
Bank of America
Mail Code: IL 1-231-03-50
231 South LaSalle Street
Chicago, IL 60697
United States of America

Transmitted by Facsimile
Tel: + 1 - 312 - 974 - 3040
Original will not follow

Dear Mr Maloney

I confirm receipt of your letter dated 22 October 2004. In connection with your request for information regarding the beneficial interest in the accounts noted therein, please clarify the following items:

- > Why the information is being requested.
- > Under what legal authority is the request for the information being made, and provide a copy of such authority
- > How Bank of America intends to use this information, including to whom such information may ultimately be disseminated.
- > The controls Bank of America undertakes to ensure the confidentiality and integrity of this information is maintained and provide a written description of the controls and confirmation that such controls are in place.

I look forward to hearing from you in due course.

Yours sincerely

F WEBB
Company Secretary/Authorised Signatory

A MEMBER OF THE TRIDENT TRUST GROUP

BAHAMAS • BARBADOS • BRITISH VIRGIN ISLANDS • CAYMAN ISLANDS • CYPRUS • GUERNSEY • HONG KONG
ISLE OF MAN • JERSEY • MAURITIUS • SWITZERLAND • UNITED KINGDOM • UNITED STATES • U.K. VIRGIN ISLANDS

DIRECTORS: D. M. BATES (C.B. & S.A.), S. J. MUNRO (CIVIL), A. P. PIERCE (CIVIL)

VAT REGISTRATION NO. 009 8119 12 • GROUP HEAD OFFICE: 12-14 FINCH ROAD, DOUGLAS, ISLE OF MAN • REGISTRATION NO. THE ISLE OF MAN NO. 00471

LICENSED BY THE ISLE OF MAN

OCT 29 2004 08:36

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1290

** TOTAL PAGE: 02 **

BA 149060

Confidential Treatment Requested

Ref: AB/SLD/MALONEY-L4

29th October, 2004To be transmitted by Facsimile
Fax No: 3129743040Mr. Timothy P. Maloney
Bank of America,
Mail Code: IL 1-231-03-50231
South La Salle Street,
Chicago,
IL 60697.

Dear Mr. Maloney,

We confirm receipt of your letter dated 22nd October 2004 regarding the following accounts :

Account Name Account No:

Audubon
Balch LLC
Bubba LLC
Dortmund
East Baton Rouge
East Carroll
Flo Flo LLC
Greenbriar
Katy LLC
Locke
Moberly
Morehouse
Orange LLC
Pops LLC
Richland
Sarnia
Tensas
Vaspar
West Carroll
Yurta Faf

RECEIVED

NOV - 1 2004

TIMOTHY P. MALONEY

= Redacted by the Permanent
Subcommittee on Investigations

Given the time that it has taken you to respond to our earlier letter, the deadline purportedly imposed by your letter is somewhat unreasonable.

Duncan D.A. Harris, N.M. Brookes, A.C.L.U., I.C.G. (Holding), A.C.L.U., M.A.J.
Licensed by the Isle of Man Financial Supervision Commission as a

NOV 01 2004 11:35

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1290Registered Office:
International House,
Castle Hill, Victoria Road,
Douglas, Isle of Man,
IM2 4LB, British Isles
Telephone:
+44 (1624) 430600
Facsimile:
+44 (1624) 424185
Email: enquiries@ifg.com
Web: www.ifg.com
Incorporated in the
Isle of Man, No. 7774
VAT registration No.
GB 100 1542 34

IFG CONSULTING LTD

IFG Consulting Limited is a
member of the IFG Group plc.

BA 149064

In addition, we are surprised at the contents of your letter in the light of our earlier response. We would remind you that we are a licensed corporate service provider in the Isle of Man, a fact which you can confirm by reference to our regulator's website, www.fsg.gov.im and that we have carried out full due diligence on these client entities to international standards.

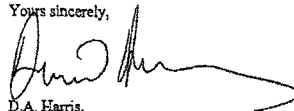
If, notwithstanding the above comments you still request the information detailed in your letter, then before we can further consider your requests we should be grateful for your assistance on the following:-

- Please advise of the purpose of the request for the information.
- Please detail the legal requirement which has prompted your request for the information. A full copy of any such requirement would be appreciated.
- Please confirm how Bank of America proposes to use the requested information. In particular please advise on whether it is anticipated that it would be disclosed to any third party.
- As confidentiality is of paramount importance, please advise on the internal controls that Bank of America has in place to ensure that complete confidentiality is preserved. Please provide a written outline of internal controls of the bank in these matters and confirmation that they are in place.

If you would prefer to speak to me directly my direct number is 00 44 1624 630670.

We look forward to hearing from you in due course.

Yours sincerely,



D.A. Harris,
Director.

5167

NOV 09 2004 14:48 FR BANK OF AMERICA 8312 974 3040 TO 912124503885 P.02

Bank of America



Timothy P. Maloney
Central Region President
Private Bank

Bank of America, N.A.
111-231-03-50
231 South LaSalle Street
Chicago, IL 60697

Tel 312.828.3165
Fax 312.974.3040

November 8, 2004

— = Redacted by the Permanent
Subcommittee on Investigations

Mr. D. A. Harris
IFG International
International House
Castle Hill, Victoria Road
Douglas, Isle of Man
IM2 4RB British Isles

Dear Mr. Harris:

Pursuant to the relevant account agreements, and applicable law, Banc of America Investment Services ("BAI") hereby exercises its right to close the following accounts (the "Accounts"):

<u>Name</u>	<u>Account Number</u>
Elegance Ltd	
Arakan	
Audubon	
Balch LLC	
Bubba LLC	
Dortmund Ltd	
East Baton Rouge	
East Carroll	
Flo Flo LLC	
Greenbriar	
Katy LLC	
Locke	
Orange LLC	
Pops LLC	
Soulicana Ltd	

Please contact Scott Chandler, Regional Administration Director, in writing on or before November 16, 2004 at Bank of America Plaza, 901 Main Street, Dallas, Texas 75202-3714



Any/Ver/Exp

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1291

Confidential Treatment Requested

BA 14911

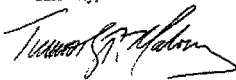
Redacted by the Permanent
Subcommittee on Investigations

(214. [REDACTED] or scott.chandler@[REDACTED] to let us know whether you will be transferring the above accounts to another broker-dealer or if we should transfer and ship all securities and property held in the accounts to the owner and address of record. We intend either to transfer the account to another broker-dealer pursuant to your direction or deliver the account contents to the account holder at the address of record by November 30, 2004.

In order to best protect your interests and manage this transition most effectively, please be advised that, effective immediately, we will not accept any orders for your accounts except to close positions. Further, we will not accept receipt of any incoming wires of funds into these accounts (except for receipt of dividends for securities held in the account or cash to buy securities to close out short positions). If you elect to transfer to another broker-dealer, we will cease to execute any orders or disbursements of funds upon validation of the account(s) for transfer. If you decide to transfer and ship the securities and property held in each account, we will cease to execute any orders upon notification of your decision.

Thank you in advance for your cooperation.

Sincerely,



5169

NOV 09 2004 14:49 FR BANK OF AMERICA B312 974 3040 TO 912124503985 P.06

Bank of America



Timothy P. Maloney
Central Region President
Private Bank

Bank of America, N.A.
111-231-03-56
231 South LaSalle Street
Chicago, IL 60697

Tel 312.828.3165
Fax 312.974.3040

November 8, 2004

Redacted by the Permanent
Subcommittee on Investigations

Ms. Jane Carty
Close Private Bank
P.O. Box 203
St. George's Court
Upper Church Street
Douglas IM99 1RB
Isle of Man

Dear Ms. Carty:

Pursuant to the relevant account agreements, and applicable law, Banc of America Investment Services ("BAI") hereby exercises its right to close the following account (the "Account"):

Name	Account Number
Elegance	[REDACTED]

Please contact Scott Chandler, Regional Administration Director, in writing on or before November 16, 2004 at Bank of America Plaza, 901 Main Street, Dallas, Texas 75202-3714 (214. [REDACTED]) or scott.chandler@ [REDACTED] to let us know whether you will be transferring the above accounts to another broker-dealer or if we should transfer and ship all securities and property held in the accounts to the owner and address of record. We intend either to transfer the account to another broker-dealer pursuant to your direction or deliver the account contents to the account holder at the address of record by November 30, 2004.

In order to best protect your interests and manage this transition most effectively, please be advised that, effective immediately, we will not accept any orders for your account except to close positions. Further, we will not accept receipt of any incoming wires of funds into these accounts (except for receipt of dividends for securities held in the account or cash to buy securities to close out short positions). If you elect to transfer to another broker-dealer, we will cease to execute any orders or disbursements of funds upon validation of the account(s) for



Redacted Page

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1291

Confidential Treatment Requested

BA 14911

5170

NOV 09 2004 14:49 FR BANK OF AMERICA 8312 974 3848 TO 912124503885 P.07

transfer. If you decide to transfer and ship the securities and property held in each account, we will cease to execute any orders upon notification of your decision.

Thank you in advance for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas G. Johnson", with a long horizontal flourish extending to the right.

5171

NOV 09 2004 14:49 FR BANK OF AMERICA B312 974 3040 TO 912124503865 P.10



Timothy P. Maloney
Central Region President
Private Bank

Bank of America, N.A.
IL1-234-03-50
232 South LaSalle Street
Chicago, IL 60697

Tel 312.828.3165
Fax 312.974.3040

November 8, 2004

Mr. Francis Webb
Trident Trust Company (L.O.M.) Ltd
P.O. Box 175
12-14 Finch Road
Douglas IM99 1TT
Isle of Man

— = Redacted by the Permanent
Subcommittee on Investigations

Dear Mr. Webb:

Pursuant to the relevant account agreements, and applicable law, Banc of America Investment Services ("BAI") hereby exercises its right to close the following accounts (the "Accounts"):

<u>Name</u>	<u>Account Number</u>
Quayle Ltd	[REDACTED]
Tyler Trust	[REDACTED]

Please contact Scott Chandler, Regional Administration Director, in writing on or before November 16, 2004 at Bank of America Plaza, 901 Main Street, Dallas, Texas 75202-3714 (214. [REDACTED]) or scott.chandler@[REDACTED] to let us know whether you will be transferring the above accounts to another broker-dealer or if we should transfer and ship all securities and property held in the accounts to the owner and address of record. We intend either to transfer the account to another broker-dealer pursuant to your direction or deliver the account contents to the account holder at the address of record by November 30, 2004.

In order to best protect your interests and manage this transition most effectively, please be advised that, effective immediately, we will not accept any orders for your accounts except to close positions. Further, we will not accept receipt of any incoming wires of funds into these accounts (except for receipt of dividends for securities held in the account or cash to buy securities to close out short positions). If you elect to transfer to another broker-dealer, we will cease to execute any orders or disbursements of funds upon validation of the account(s) for



Revised Page

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1291

Confidential Treatment Requested

BA 149111

5172

NOV 09 2004 14:50 FR BANK OF AMERICA B312 974 3040 TO 912124583885 P.11

transfer. If you decide to transfer and ship the securities and property held in each account, we will cease to execute any orders upon notification of your decision.

Thank you in advance for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read "Timothy J. Gorman". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Confidential Treatment Requested

00000000

5173

NOV 09 2004 14:50 FR BANK OF AMERICA B312 974 3040 TO 912124503865 P.14



Timothy P. Maloney
Central Region President
Private Bank

Bank of America, N.A.
611-231-03-50
231 South LaSalle Street
Chicago, IL 60697
Tel 312.828.3165
Fax 312.974.3040

November 8, 2004

Mr. Andy Wallis
Intercontinental Management
Prospect Chambers
Prospect Hill
Douglas IM1 IET
Isle of Man

Redacted by the Permanent
Subcommittee on Investigations

Dear Mr. Wallis:

Pursuant to the relevant account agreements, and applicable law, Banc of America Investment Services ("BAI") hereby exercises its right to close the following accounts (the "Accounts"):

Name	Account Number
Devotion Ltd	[REDACTED]

Please contact Scott Chandler, Regional Administration Director, in writing on or before November 16, 2004 at Bank of America Plaza, 901 Main Street, Dallas, Texas 75202-3714 (214. [REDACTED]) or scott.chandler@ [REDACTED] to let us know whether you will be transferring the above accounts to another broker-dealer or if we should transfer and ship all securities and property held in the accounts to the owner and address of record. We intend either to transfer the account to another broker-dealer pursuant to your direction or deliver the account contents to the account holder at the address of record by November 30, 2004.

In order to best protect your interests and manage this transition most effectively, please be advised that, effective immediately, we will not accept any orders for your accounts except to close positions. Further, we will not accept receipt of any incoming wires of funds into these accounts (except for receipt of dividends for securities held in the account or cash to buy securities to close out short positions). If you elect to transfer to another broker-dealer, we will cease to execute any orders or disbursements of funds upon validation of the account(s) for transfer. If you decide to transfer and ship the securities and property held in each account, we will cease to execute any orders upon notification of your decision.



US Olympic Team
Never Unknown document property name.

Never Unknown document property name.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1291

Confidential Treatment Requested

BA 149122

5174

NOV 09 2004 14:51 FR BANK OF AMERICA B312 974 3040 TO 912124503865 P.15

Thank you in advance for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas G. Nelson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Error! Unknown document property name.

Error! Unknown document property name.

Confidential Treatment Requested

5175

NOV 09 2004 14:50 FR BANK OF AMERICA B312 974 3848 TO 912124503885 P.14



Timothy P. Maloney
Central Region President
Private Bank

Bank of America, N.A.
111-231-03-50
231 South LaSalle Street
Chicago, IL 60697

Tel 312.828.3165
Fax 312.974.3040

November 8, 2004

Mr. Andy Wallis
Intercontinental Management
Prospect Chambers
Prospect Hill
Douglas IM1 1ET
Isle of Man

— = Redacted by the Permanent
Subcommittee on Investigations

Dear Mr. Wallis:

Pursuant to the relevant account agreements, and applicable law, Banc of America Investment Services ("BAI") hereby exercises its right to close the following accounts (the "Accounts"):

<u>Name</u>	<u>Account Number</u>
Devotion Ltd	[REDACTED]

Please contact Scott Chandler, Regional Administration Director, in writing on or before November 16, 2004 at Bank of America Plaza, 901 Main Street, Dallas, Texas 75202-3714 (214. [REDACTED]) or scott.chandler@ [REDACTED] to let us know whether you will be transferring the above accounts to another broker-dealer or if we should transfer and ship all securities and property held in the accounts to the owner and address of record. We intend either to transfer the account to another broker-dealer pursuant to your direction or deliver the account contents to the account holder at the address of record by November 30, 2004.

In order to best protect your interests and manage this transition most effectively, please be advised that, effective immediately, we will not accept any orders for your accounts except to close positions. Further, we will not accept receipt of any incoming wires of funds into these accounts (except for receipt of dividends for securities held in the account or cash to buy securities to close out short positions). If you elect to transfer to another broker-dealer, we will cease to execute any orders or disbursements of funds upon validation of the account(s) for transfer. If you decide to transfer and ship the securities and property held in each account, we will cease to execute any orders upon notification of your decision.



USA Olympic logo
Error! Unknown document property name.

Error! Unknown document property name.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1291

Confidential Treatment Requested

BA 149121

5176

NOV 09 2004 14:51 FR BANK OF AMERICA B312 974 3040 TO 912124503885 P.15

Thank you in advance for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas J. Nelson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Error! Unknown document property name.

Error! Unknown document property name.

Confidential Treatment Requested

5177

NOV 09 2004 14:51 FR BANK OF AMERICA B312 974 3040 TO 912124503085 P.20



Timothy P. Maloney
Central Region President
Private Bank

Bank of America, N.A.
IL1-231-03-50
231 South LaSalle Street
Chicago, IL 60697

Tel 312.828.3165
Fax 312.974.3040

November 9, 2004

Mrs. Michelle L. Boucher
P.O. Box 2299GT
Grand Cayman, Cayman Islands

— = Redacted by the Permanent
Subcommittee on Investigations

Dear Mrs. Boucher:

We are in receipt of your letter dated November 5, 2004. Although we take issue with the statements contained in your letter, we do not believe that it is productive to respond to your assertions. Pursuant to the relevant account agreements, and applicable law, Banc of America Investment Services ("BAI") hereby exercises its right to close the following accounts (the "Accounts"):

<u>Name</u>	<u>Account Number</u>
Altonco	[REDACTED]
Brown Dog	[REDACTED]
Two Oceans	[REDACTED]

Please contact Scott Chandler, Regional Administration Director, in writing on or before November 16, 2004 at Bank of America Plaza, 901 Main Street, Dallas, Texas 75202-3714 (214 [REDACTED]) or scott.chandler@[REDACTED] to let us know whether you will be transferring the above accounts to another broker-dealer or if we should transfer and ship all securities and property held in the accounts to the owner and address of record. We intend either to transfer the account to another broker-dealer pursuant to your direction or deliver the account contents to the account holder at the address of record by November 30, 2004.

In order to best protect your interests and manage this transition most effectively, please be advised that, effective immediately, we will not accept any orders for your accounts except to close positions. Further, we will not accept receipt of any incoming wires of funds into these accounts (except for receipt of dividends for securities held in the account or cash to buy securities to close out short positions). If you elect to transfer to another broker-dealer, we will



Enclosed Herein

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1291

Confidential Treatment Requested

BA 149126

5178

NOV 09 2004 14:51 FR BANK OF AMERICA 8312 974 3040 TO 912124503865 P.21

cease to execute any orders or disbursements of funds upon validation of the account(s) for transfer. If you decide to transfer and ship the securities and property held in each account, we will cease to execute any orders upon notification of your decision.

Thank you in advance for your cooperation.

Sincerely,

Timothy J. Maloney
(jmc)

5179

Bank of America



Timothy P. Maloney
Central Region President
Private Bank

Bank of America, N.A.
IL1-231-03-50
231 South LaSalle Street
Chicago, IL 60697

Tel 312.828.3165
Fax 312.974.3040

October 29, 2004

Ms. Michelle L. Boucher
P.O. Box 2299GT
Grand Cayman, Cayman Islands

— = Redacted by the Permanent
Subcommittee on Investigations

RE: [REDACTED] Altonco International Limited
[REDACTED] Brown Dog Limited
[REDACTED] Two Oceans Limited

Dear Ms. Boucher:

As set forth in our letter of October 22, 2004, Bank of America has determined it is necessary for us to obtain the information requested by the close of business today, October 29, 2004. The bank will take all reasonable steps to ensure that the information remains confidential and protected from disclosure, to the extent authorized by law.

We would appreciate your prompt cooperation with the request.

Very truly yours,



Revised Page

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1291

Confidential Treatment Requested

BA 15149

Michelle L. Boucher
P.O. Box 2299GT
74 Antoinette Avenue, South Sound
Grand Cayman, Cayman Islands
(345) 946 9435
(345) 949-2519 fax

November 5th, 2004

Mr. Timothy P. Maloney
 Bank of America
 Mail Code: IL 1-231-03-50
 231 South LaSalle Street
 Chicago, IL 60697

— = Redacted by the Permanent
 Subcommittee on Investigations

via facsimile 312-974-3040
 cc: Lou Schaufele via facsimile 214-303-2980

Dear Mr. Maloney,

I confirm receipt of your letter dated October 29th, 2004 regarding the following accounts:

Altonco International Limited
 Brown Dog Limited
 Two Oceans Limited

As you are aware, my attorney has had an opportunity to speak with yourself and Bank of America's legal counsel this week.

By way of background, and despite the fact that you have not asked, I am a Chartered Accountant, and employed as the Chief Financial Officer and Money Laundering Reporting Officer (MLRO) for the Irish Trust Company (Cayman) Limited. We provide Fund Administration services to the offshore funds of one of the 5th largest Private Hedge Fund Complexes in the United States. In addition to the accounting and other statutory services we provide, we are responsible to ensure that the due diligence performed on the funds' investors comply with the Cayman Proceeds of Criminal Conduct Law and Anti Money Laundering Legislation, and are the front line source for the investment manager (who is registered with the SEC) to obtain due diligence in compliance with the Patriot Act.

As you are aware, Cayman is the 5th largest financial centre in the world, focusing its business on mutual fund administration and financing structures for international financial institutions. This legislation is premier legislation in the foreign banking and investment community and far surpasses any legislation the United States has undertaken in adopting the Patriot Act. In my capacity as MLRO, we have worked with over 700 investors (US domestic tax exempt entities and foreign) comprising an asset base of over \$5Billion.

Given my vast experience in these matters I would like to say that the manner in which your institution has dealt with the due diligence collection process on the above accounts appalls and enrages me. I find it wholly unprofessional and disrespectful. There has clearly

NOV 05 2004 15:06

Confidential Treatment Requested

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1291

BA 140314

5181

NOV 08 2004 07:55 FR BANK OF AMERICA
11/08/04 FRI 10:04 PAA

8312 974 3840 TO 917046025868 P.03
Boucher

Redacted by the Permanent
Subcommittee on Investigations

been no attempt to actually get to 'know your customer' or to work with your customer to determine what reasonable outcome we can achieve together.

With regard to the specific accounts referred to above, the first instance in which I was aware that you desired additional information regarding the beneficial owners was upon receipt of your letter dated October 22nd. I was traveling the week of October 25th, and responded at my earliest convenience on October 29th. The information and clarifications asked for in my letter of October 29th are wholly reasonable in context of your request. I would be negligent to not have asked them, and am certain that you, or any reasonable person, would do the same. I am offended by your effective lack of response and consideration as demonstrated in your reply letter of October 29th, and even further shocked by your attorney's position of 'we just want it and are not willing to discuss the matter further' which was communicated to me by way of my attorney yesterday.

Clearly your institution does not care about my business, for that I am sorry. I am 37 years old, have built the Irish Trust business from the ground during the past 9 years and in 1998 co-founded and served as the CFO for Scottish Annuity & Life Holdings, Ltd (now SCT Scottish Re) which launched its IPO in November 1998. In the mid '90's my husband developed software used by hedge funds to manage their share registers, calculate performance fees including hurdle rates, equalization mechanisms and series of share approaches. He undertook a joint venture with a large NY investment manager and 2 years ago sold the business to State Street bank. He continues to work with them under contract. I would think that two such young entrepreneurial individuals would be prime candidates for a relationship with Bank of America. I am disappointed that you do not take this same view and in fact that no one in your compliance area bothered to ask.

Despite the above, I personally have had a 10 year relationship with Mr. Lou Schaufele and enjoy working with him and his team immensely. Michele, Shawn, Misty and Nora are truly amazing and dedicated. If not for my relationship with them and the exceptional client service I receive from their group, I would terminate the relationship with Bank of America on the spot. I, however, do care about knowing who I do business with and know that I am lucky to be able to work with them. As such, I am disclosing to you the fact that the aforementioned three accounts are owned 50/50 by myself (Canadian passport # [REDACTED] DOB: [REDACTED]) and my husband Jeff Boucher (Canadian passport # [REDACTED] DOB: [REDACTED]). Our address is as above in the Cayman Islands. We have resided there for nearly 13 years, my husband has Caymanian Status and I am a Cayman Permanent Resident.

I trust this satisfies your need, if you require any further information you are aware of how to reach me.

Regards,


Michelle L. Boucher

NOV 05 2004 15:07

Confidential Treatment Requested

BA 146315

5182

MEADOWS, OWENS, COLLIER, EBERHART & COOPER
ATTORNEYS AT LAW
A REGISTERED LIMITED LIABILITY PARTNERSHIP FOLLOWING PROFESSIONAL CORPORATION
901 MAIN STREET, SUITE 3700
DALLAS, TEXAS 75202
(214) 744-3700
www.meadowsowens.com

CHARLES D. PULMAN



FAX (214) 747-3732

WATS (202) 431-0093

DIRECT DIAL (214) 749-2447

cpulman@meadowsowens.com

November 12, 2004

VIA FACSIMILE: 312-974-3040

Mr. Timothy P. Maloney

Bank of America
Mail Code: IL 1-231-03-50
231 South LaSalle Street
Chicago, IL 60697

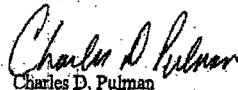
Re: Michelle L. Boucher

Dear Mr. Maloney:

By letter dated November 5, 2004, Ms. Boucher sent you a letter containing the information that Bank of America had requested. Since Bank of America subsequently informed Ms. Boucher that the relevant accounts would be closed, request is hereby made, on behalf of Ms. Boucher, that you return to me her letter to you dated November 5, 2004, and that the Bank neither retain any copies of that information or disclose that information to any person.

If you have any questions, please contact me.

Truly yours,


Charles D. Pulman

CDP:ll

cc: Michelle L. Boucher
310649

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1291

Confidential Treatment Requested

NON-NEGOTIABLE PROMISSORY NOTE

\$10,000,000

Burlington, Vermont
August __, 1998

FOR VALUE RECEIVED, the undersigned, GREEN MOUNTAIN ENERGY RESOURCES, L.L.C., a Delaware limited liability company (the "Borrower"), hereby unconditionally promises to pay to QUEENSGATE BANK & TRUST COMPANY, LTD., (the "Lender") at its office located in Georgetown, Cayman Islands, in lawful money of the United States of America and in immediately available funds, the principal amount of (a) TEN MILLION DOLLARS (\$10,000,000.00), or, if less, (b) the aggregate unpaid principal amount of loans made by the Lender to the Borrower as contemplated by this Promissory Note and reflected in the schedule annexed hereto and made a part hereof or on a continuation of such schedule which shall be attached hereto and made a part hereof (the "Grid"). The principal amount of each loan evidenced hereby shall be payable on October 30, 1998.

The Borrower further agrees to pay interest in like money at such office on the unpaid principal amount of each loan evidenced hereby, at the rate of 10% per annum, calculated on the basis of a year of 360 days and actual days elapsed from the date of such loan until the due date thereof (whether at the stated maturity, by acceleration or otherwise). [The Borrower shall be entitled, to the extent it is required to do so by law, to deduct or withhold income or other similar taxes imposed by the United States of America any state or subdivision thereof from any payment of interest due hereunder, provided that the Borrower shall not withhold such tax if the Lender shall have delivered to the Borrower United States Internal Revenue Service Form W-8 or other applicable form, together with any documentation reasonably requested by the Borrower and establishing to the Borrower's reasonable satisfaction that the payment of interest is exempt from such withholding.] [Any and all payments hereunder shall be free and clear of and without deduction for any and all taxes, levies, imposts deductions or withholdings, provided that the Borrower shall, to the extent it is required to do so by law, deduct or withhold income or other similar taxes imposed by the United States of America or any state or subdivision thereof from any payment of interest due hereunder if the Lender shall have failed to deliver to the Borrower United States Internal Revenue Service Form W-8 or other applicable form, together with any other documentation reasonably requested by the Borrower for the purpose of establishing that the such payments are exempt from such withholding.]

The holder of this Note is authorized to endorse on the Grid the date and amount in respect of each loan made pursuant hereto, and each payment of principal with respect thereto.

All parties now and hereafter liable with respect to this Note, whether maker, principal, surety, guarantor, endorser or otherwise, hereby waive presentment, demand, protest and all other notices of any kind.

NYMAIN02: gmsotc.WPD
Printed: 08/20/98 07:05PM

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1294

PSI-WYBR 00476

This Note shall be transferable only on the register which shall be maintained for such purposes by the Borrower upon surrender thereof together with a written instrument of transfer satisfactory to the Borrower and duly executed by the registered holder thereof, as reflected on such register. Upon the registration of the transfer and surrender of this note, the Borrower shall provide, a new Note in the name of the transferee. The Borrower shall deem and treat the person in whose name the Note shall be registered on the register as the absolute owner of such Note, whether such Note shall be overdue or not, for the purpose of receiving payments with respect to such Note and for all other purposes. All such payments so made to any such registered holder shall be valid and effective to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid, and the Borrower shall not be affected by any notice to the contrary.

**THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED AND
INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE CAYMAN ISLANDS.**

GREEN MOUNTAIN ENERGY RESOURCES, L.L.C.

By: _____

Name: _____

Title: _____

[illegible]

5186

RICHLAND LIMITED

(Incorporated in the Isle of Man No: 57931)

Directors:

N.J. Carter
N. Field-Corbett (Irish)

ORIGINAL

CONFIRMATION OF FACSIMILE

Registered Office:

International House,
Castle Hill,
Victoria Road,
Douglas,
Isle of Man.

Tel: (01624) 626931
Fax: (01624) 624469

*** * * FACSIMILE TRANSMISSION * * ***

The information contained in this fax is confidential and/or privileged. This fax is intended to be read only by the person named below. If the reader of this fax is not the intended recipient or a representative of the intended recipient you are hereby notified that any review, dissemination or copying of this fax is prohibited. If you have not received all the pages or have received this fax in error, please notify the sender by telephone and return this fax to the sender at the above address.

Page 1 of 1 (Total Sent)

Date: 1st September, 1998.

Time Sent:

Fax No: 001 214 720 9464
Operator Ref: INST 1 DISB 782

TO: LEHMAN BROTHERS INC
ATTN: LOU SCHAUFEL / CAROL PATRICK

FROM: RICHLAND LIMITED

REF: KJ/SLD/RICH-F.1

— = Redacted by the Permanent
Subcommittee on Investigations

RE: ACCOUNT NO. 837-20086-18

Reference is made to our fax of the 25th August 1998, requesting that the sum of US\$5,500,000 (Five Million, Five Hundred Thousand US Dollars) be realised from the sale of US Agency Bonds held for our account with you.

The amount realised is now to be transferred, for value 1st September, to the following account:-

Bank: IBI Schroder Bank & Trust Company, New York.
ABA No: 026007825
CHIPS: 782
In favour of: Queensgate Bank & Trust Company Limited
Account No: [REDACTED]
For further credit to: Security Capital Limited
Sub Account: 2122
By order of: Richland Limited

We look forward to receiving confirmation when the transfer has been made as requested. However, should there be any difficulties in complying with these instructions or if additional information is required, will you please contact us on the above telephone or fax number as soon as possible.

It is confirmed that the original of these instructions will be sent to you by courier today.

Yours faithfully,

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1295

CC 022992

5187

MOREHOUSE LIMITED

(Incorporated in the Isle of Man No: 57930)

Directors:

N.J. Carter
N. Field-Corbett (Irish)

Registered Office:

International House,
Castle Hill,
Victoria Road,
Douglas,
Isle of Man.

Tel: (01624) 630600
Fax: (01624) 624469

ORIGINAL

CONFIRMATION OF FACSIMILE

***** FACSIMILE TRANSMISSION *****

The information contained in this fax is confidential and/or privileged. This fax is intended to be read only by the person named below. If the reader of this fax is not the intended recipient or a representative of the intended recipient you are hereby notified that any review, dissemination or copying of this fax is prohibited. If you have not received all the pages or have received this fax in error, please notify the sender by telephone and return this fax to the sender at the above address.

Page 1 of 1 (Total Sent)

Date: 22nd October, 1998.

Time Sent:

Fax No: 001-214-720-9464

Operator Ref: INST 1 DISB 829

TO: LOU SCHAUFLE / MICHELLE CRITTENDEN
LEHMAN BROTHERS INC.

FROM: MOREHOUSE LIMITED

REF: KJ/SLD/MOREH-F2.3

— = Redacted by the Permanent
Subcommittee on Investigations

RE: ACCOUNT NO. 837-20088-16

We refer to communications with you a few weeks ago regarding our above account. In particular, reference is made to our faxes dated 25th and 27th August requesting the realisation of the sum of US\$4,500,000 which it was anticipated would be required at the end of September.

The sum is now required and we would therefore request that the sum of US\$4,500,000 (Four Million, Five Hundred Thousand US Dollars only) be realised from disposal of US Agency Bonds held for our account. The amount is then required to be remitted, if possible for value no later than tomorrow 23rd October 1998, to the following account:-

Bank: IBI Schroder Bank & Trust Company, New York
ABA No: 026007825
CHIPS: 782
In favour of: Queensgate Bank & Trust Company Limited
Account No: [REDACTED]
For further credit to: Security Capital Limited
Sub Account: 2122
By order of: Morehouse Limited

We look forward to receiving confirmation when the transfer has been made as requested. However, should there be any difficulties in complying with these instructions or if additional information is required, will you please contact us on the above telephone or fax number as soon as possible.

It is confirmed that the original of this communication will be sent to you by courier today.

Yours faithfully,

N.J. Carter,
Director.

CONFIRMATION OF FACSIMILE

J.M. Waterson,
Authorised Signatory.

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1295

CC 023454

— = Redacted by the Permanent
Subcommittee on Investigations

FAX TRANSMITTAL

To: David Harris	From: Shari Robertson
Ken Jones	Mike French
Company: Aundyr Trust Company Ltd.	Phone: 214-████████
Phone: 011 44 ██████████	Fax: 214-████████
Fax: 011 44 ██████████	Date: November 19, 1998
Number of pages: 1	Time: 9:31 AM

Re: Green Mountain/GMP

Attached is a schedule showing the anticipated funding for the prior approved GMP Holdings investment. I will be out next week, final confirmation of the amounts and dates will be coming from either Michelle Boucher or Evan Wyly. If you need further confirmation of my approval, leave me a voice mail and I will call. The cash call in total is \$10,000,000. (The protectors are recommending leaving the \$10,000,000 loan to Security Capital outstanding at this time, more on that later.) At this time, I do not know whether Maverick is going to invest in this round. If Maverick does invest the % of GMP's Cash call is 66.71328%, if not the % is 86.71328%. I have attached schedules outlining these two cash calls.

The protectors' recommendation is to fund GMP's % as follows:

Roaring Fork	\$750,000
Dortmund	\$302,080.
Locke	\$5,135,920.
East Carroll	483,328.

And if Maverick is out:

Tensas	\$1,000,000.
W. Carroll	\$1,000,000.

Michelle will provide you with wiring instructions. It is my understanding that good funds are needed at Green Mountain Energy on 11/30/98. I think you should plan to have cash ready to wire to GMP Holdings on Tuesday/Wednesday of next week. I am in the office today and tomorrow if you have questions.

300 Crescent Court • Suite 1000 • Dallas, TX 75201 • 214/880-4100 • Fax 214/880-4104

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1297

Confidential
SEC_ED00070493

PSI_ED00070493




Adjusting
Closing Entry

Account #	Description	Beginning	DR	CR	Ending
Devotion	Cash	494,398.00	750,000.00		1,244,398.00
Devotion	Selling Maverick	8,400,075.00		1,500,000.00	6,900,075.00
Devotion	Cash	1,244,398.00	1,500,000.00		2,744,398.00
Devotion	Cash	2,744,399.00		2,000,000.00	744,399.00
Devotion	Gift to University		2,000,000.00		2,000,000.00
Relish	Selling Edinburgh	9,000,000.00		750,000.00	2,250,000.00
Relish	Cash	453,435.00	750,000.00		1,203,435.00
Greenbriar	Cash	10,671,841.00		1,500,000.00	9,171,841.00
Greenbriar	Purchasing Maverick	3,465,941.00	1,500,000.00		4,965,941.00
Greenbriar	Cash	9,171,841.00		6,490,666.00	2,681,175.00
Greenbriar	Pay off Lehman's	(6,490,666.00)	6,490,666.00		0.00
Sarnia	Cash	3,750,010.00		600,000.00	3,150,010.00
Sarnia	Purchasing Maverick	22,485,454.00	600,000.00		33,085,454.00
Sarnia	Cash	3,150,010.00		1,835,703.00	1,354,307.00
Sarnia	Pay off Lehman's	1,835,703.00	1,835,703.00		3,671,406.00
Dormund	Selling Maverick	5,526,228.00		600,000.00	4,926,228.00
Dormund	Cash	89,060.00	600,000.00		689,060.00
Dormund	Cash	699,060.00		666,666.00	32,394.00
Dormund	Purchase GMP Holdings	0.00	666,666.00		666,666.00
E Carroll	Selling Edinburgh	2,000,000.00		1,250,000.00	750,000.00
E Carroll	Cash	3,342,034.00	1,250,000.00		4,592,034.00
E Carroll	Cash	4,592,034.00		2,200,000.00	2,392,034.00
E Carroll	Loan to GMP Holding	0.00	2,200,000.00		2,200,000.00
E Carroll	Cash	2,392,034.00		1,000,000.00	1,392,034.00
E Carroll	Purchase GMP Holdings	0.00	1,000,000.00		1,000,000.00

Prepared By	Initials	Date
Approved By	SR	18-Jul-05
Batch #		
11/30/98		

5191

— = Redacted by the Permanent
Subcommittee on Investigations

 **Shari Robertson**
02/02/1999 11:42 AM
To: Michelle Boucher 
cc:
Subject: Re: GMP/Security Capital 

Security Capital loan should be cancelled. The two entities now own \$10,000,000 more Green Funding 2, Ltd.
I'm attaching the dilution file, hopefully it answers the rest of your question. If not let's discuss.


Greenowner.123

There is a restriction on exercising SE until middle part of next week

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1297

Confidential
SEC_ED00046780

PSI_ED00046780

04/18/98 08:00 FAX

→ MAYCAP ACCTING 0001

*To: Elaine Spang*Summary of investment in Green Funding II L.L.C.
re: GMP Holdings

		SW	CW
Aug 4/97	18,000,000.00	18,000,000.00	
Aug 12/97	18,750.00	18,750.00	
Nov 25/97	6,750,000.00	3,746,515.00	3,003,485.00
Dec 12/97	587.50	516.50	71.00
 total to 12/31/97	 24,789,337.50	 21,765,781.50	 3,003,556.00
 Nov 27/98	 1,841,607.00	 341,607.00	 1,500,000.00
Nov 27/98	2,000,000.00	2,000,000.00	
Dec 16/98	1,501,049.00	1,501,049.00	
 Total to 12/31/98	 30,111,993.50	 25,608,437.50	 4,503,556.00
 add. conversion of Security Capital loan		10,000,000.00	
 Total investment at 12/31/98		35,608,437.50	4,503,556.00
 Feb 16/98	5,000,000.00	5,000,000.00	
Feb 17/98	5,000,000.00		5,000,000.00
 Total investment at 2/28/99		40,608,437.50	9,503,556.00
 per Greenowner spreadsheet		40,608,437.50	9,503,945.00
 difference		-	(389.00)

Elaine,

GMP Holdings received \$553,053 back from Green Funding II on January 12th, 1999
It's my understanding that this was a refund of excess cash at GFII, due to interest
accumulation on funds in the account between GMER drawdowns.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1297

CONFIDENTIAL
HST_PSI031913
[D]

EAST CARROLL LIMITED

(Incorporated in the Isle of Man No: 57929)

Directors:N.J. Carter
N. Fash-Carson (Irish)= Redacted by the Permanent
Subcommittee on Investigations**Registered Office:**International House,
Carrick Hill,
Vincennes Road,
Douglas,
Isle of Man.Tel: (01624) 610600
Fax: (01624) 624469

***** FACSIMILE TRANSMISSION *****

The information contained in this fax is confidential and/or privileged. This fax is intended to be read only by the person named below. If the reader of this fax is not the intended recipient or a representative of the intended recipient you are hereby notified that any review, dissemination or copying of this fax is prohibited. If you have not received all the pages or have received this fax in error, please notify the sender by telephone and return this fax to the sender at the above address.

Page 1 of 1 (Total Sent) Date: 23rd October 1998

Time Sent:

Fax No: 001 214 7209464
Operator Ref: INST I DISB 1099TO: LOU SCHAUFLE / MICHELLE CRITTENDEN
LEHMAN BROTHERS INC

FROM: EAST CARROLL LIMITED

REF: KJ/DG/EASTC23F.3


We write to confirm that it is required to realise the sum of US\$2,200,000.00 from disposal of US Agency Bonds held for our Account with you. The amount is then required to be remitted, if possible for value next Monday 26 October 1998, to the following Account:-


Bank: IBJ Schroder Bank & Trust Company, New York
ABA No: 026007825
CHIPS: 782
In favour of: Queensgate Bank & Trust Company Limited
Account: [REDACTED]
For further credit to: GMP Holdings Limited
Sub-Account: [REDACTED]
By order of: East Carroll Limited

We look forward to receiving confirmation when the transfer has been made as requested. However, should there be any difficulties in complying with these instructions or if additional information is required, please contact us on the above telephone or fax number as soon as possible.

It is confirmed the original of this communication will be sent to you by Courier.

Yours faithfully,


N.J. Carter,
Director.


J.M. Watterson,
Authorised Signatory.

200/2002 LEHMAN BROTHERS

000000 920102 10:52 22/10 88 01/02

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1298

CC 020008

Adjusting
Closing Entry

Account #	Description	Beginning	DR	CR	Ending
Devotion	Cash	494,399.00	750,000.00		1,244,399.00
Devotion	Selling Maverick	8,400,075.00		1,500,000.00	6,900,075.00
Devotion	Cash	1,244,399.00	1,500,000.00		2,744,399.00
Devotion	Cash	2,744,399.00		2,000,000.00	744,399.00
Devotion	Gift to University		2,000,000.00		2,000,000.00
Relish	Selling Edinburgh	3,000,000.00		750,000.00	2,250,000.00
Relish	Cash	453,435.00	750,000.00		1,203,435.00
Greenbriar	Cash	10,671,841.00		1,500,000.00	9,171,841.00
Greenbriar	Purchasing Maverick	3,465,941.00	1,500,000.00		4,965,941.00
Greenbriar	Cash	9,171,841.00		6,490,666.00	2,681,175.00
Greenbriar	Pay off Lehman's	6,490,666.00	6,490,666.00		0.00
Sarnia	Cash	3,790,010.00		600,000.00	3,190,010.00
Sarnia	Purchasing Maverick	32,485,454.00	600,000.00		33,085,454.00
Sarnia	Cash	3,190,010.00		1,835,703.00	1,354,307.00
Sarnia	Pay off Lehman's	1,835,703.00	1,835,703.00		3,671,405.00
Dorimund	Selling Maverick	5,526,229.00		600,000.00	4,926,229.00
Dorimund	Cash	99,060.00	600,000.00		699,060.00
Dorimund	Cash	699,060.00		666,666.00	32,394.00
Dorimund	Purchase GMP Holdings	0.00	666,666.00		666,666.00
E Carroll	Selling Edinburgh	2,000,000.00		1,250,000.00	750,000.00
E Carroll	Cash	2,242,034.00	1,250,000.00		4,592,034.00
E Carroll	Cash	4,592,034.00		2,200,000.00	2,392,034.00
E Carroll	Loan to GMP Holding	0.00	2,200,000.00		2,200,000.00
E Carroll	Cash	2,392,034.00		1,000,000.00	1,392,034.00
E Carroll	Purchase GMP Holdings	0.00	1,000,000.00		1,000,000.00

Prepared By	Initials	Date
Approved By	SR	18-Jul-05
Batch #		
11/30/89		

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1298

Confidential
SEC_ED00073857

PSI_ED00073857

Trust:	La Fourche	Delhi	Lake Prov.	Bessie/S	Bessie/E	Plaq.
Trustee:	Trident	Valmet	Valmet	IFG	IFG	IFG
Company:	Devotion	Greenbrier	Sarnia	Audubon	Dortmund	E. Carroll
	Relish			Yurta Fat	E. Baton	
9/30						
Cash	5,516	21,422	3,065	1,549,437	0	1,135,077
Agencies	488,893	432,013	3,785,438	5,920,499	0	2,206,957
Changes:					0	1,736,033
Edin-Cash	750,000		0	0	0	1,250,000
Mav-Cash	1,500,000	(1,500,000)	(600,000)		0	0
Lehman's		(6,490,666)	(1,835,703)		600,000	
Gift	(2,000,000)					
Green (1)						2,200,000
Green (2)					(665,666)	(1,000,000)
To Security						
From Security						
Scottish				(6,666,667)		
S-Total	744,399	1,203,435	1,354,307	803,299	0	32,394
					1,392,034	1,240,492
9/30						
Edinburgh	15,000,000				0	2,000,000
Changes:						
Redemption	(750,000)					(1,250,000)
S-Total	14,250,000	2,250,000	0	0	0	750,000
9/30						
Maverick	8,400,075	0	3,465,941	32,485,454	0	18,179,367
Changes:					5,526,229	2,820,330
Redemption	(1,500,000)				(600,000)	0
Investment		1,500,000	600,000			
S-Total	6,900,075	4,965,941	33,085,454	0	4,926,229	18,179,367
						2,820,330
9/30						
Green						
Changes:						
S-Total	0	0	0	0	665,666	3,200,000
					665,666	500,000
9/30						
Security						
Changes:						

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1298

Confidential
SEC_ED00073913

PSI_ED00073913

[illegible]

— = Redacted by the Permanent
Subcommittee on Investigations

Page: 1 Document Name: Lehman

01/08/99 13:54 CHECK WRITING SYSTEM
ACCT: 937 20093 RR: 222 NAME: EAST CARROLL LTD
026007825 IBJ WHITEHALL BANK AND TR
NEW YORK NY
TP1 TD BALANCE SD BALANCE
TP2 QUEENSGATE BANK & TRUST CO
TP3 /- 2122 SECURITY CAPITAL LTD
OTH /- BY ORDER OF EAST CARROLL LTD
NET
MONEY FUNDS 112.47

TEFRA 5

AMT 1,300,000.00 TYPE 1 CAT W

TRLR TRLR

Agrees done today

* THIS IS A THIRD PARTY INSTRUCTION *

TOTAL REQUESTED \$0.00

PFKEYS: 1-BAL 2-HIS 3-POS 7-ACTIVITY 8-MONEY LINE 11-MENU 14-RESET

John D. 1/8/99

SD 1/8/99

Date: 1/8/99 Time: 12:54:10 PM

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1301

CC 019923

— = Redacted by the Permanent
Subcommittee on Investigations

EAST CARROLL LIMITED

(Incorporated in the Isle of Man, No. 57929)

Directors:

N.J. Carter
N. Field-Corbett (Chair)

Registered Office:

International House,
Carrs Hill,
Victoria Road,
Douglas,
Isle of Man.

Tel: (01624) 630600
Fax: (01624) 624499

*** FACSIMILE TRANSMISSION ***

The information contained in this fax is confidential and/or privileged. This fax is intended to be read only by the person named below. If the reader of this fax is not the intended recipient or a representative of the intended recipient you are hereby notified that any review, dissemination or copying of this fax is prohibited. If you have not received all the pages or have received this fax in error, please notify the sender by telephone and return this fax to the sender at the above address.

Page 1 of 1 (Total Sent)

Date: 8th January, 1999.

Time Sent:

Fax No: 001 214 720 9464

Operator Ref: INST I DISB 1099

TO: LEHMAN BROTHERS INC.
ATTENTION: CINDY MURDOCK / MICHELLE CRITTENDEN

FROM: EAST CARROLL LIMITED

REF: KJ/SLD/ECARR-F.1

RE: ACCOUNT NO: [REDACTED]

Will you please accept this as our instruction to realise the sum of US\$1,300,000 (One Million. Three Hundred Thousand US Dollars only) from the sale of US Agency Bonds held on our account. The amount realised is to be transferred for value 8th January, to the following account:-

Bank:	IBJ Schroder Bank & Trust Company, New York
ABA No:	026007825
Chips:	782
In favour of:	Queensgate Bank & Trust Company Limited
Account No:	[REDACTED]
For further credit to:	Security Capital Limited
Sub Account:	2122
By order of:	East Carroll Limited

We look forward to receiving confirmation when the transfer has been made as requested. However, should there be any difficulties in complying with these instructions or if additional information is required will you please contact us on the above telephone or fax number as soon as possible.

It is confirmed that the original of these instructions will be forwarded to you by courier today.

Yours faithfully,

[Signature]
D.A. Harris,
Authorised Signatory.

[Signature]
J.M. Watkinson,
Authorised Signatory.

100/1000 LEHMAN BROTHERS

689929 929103 51:51 68 10/80

Confidential Treatment Requested

CC 019924

EAST CARROLL LIMITED

(Incorporated in the Isle of Man No: 57929)

Directors:N.J. Carter
N. Field-Corbett (Irish)**Registered Office:**International House,
Custo Hill,
Victoria Road,
Douglas,
Isle of Man.Tel: (01624) 630600
Fax: (01624) 624469**CONFIRMATION OF FACSIMILE**
CONFIRMATION OF FACSIMILE***** FACSIMILE TRANSMISSION *****

The information contained in this fax is confidential and/or privileged. This fax is intended to be read only by the person named below. If the reader of this fax is not the intended recipient or a representative of the intended recipient you are hereby notified that any review, dissemination or copying of this fax is prohibited. If you have not received all the pages or have received this fax in error, please notify the sender by telephone and return this fax to the sender at the above address.

Page 1 of	(Total Sent)	Date:	8th January, 1999.
Time Sent:		Fax No:	001 214 720 9464
		Operator Ref:	INST 1 DISB 1099
TO:	LEHMAN BROTHERS INC. ATTENTION: CINDY MURDOCK / MICHELLE CRITTENDEN		
FROM:	EAST CARROLL LIMITED		
REF:	KJ/SLD/ECARR-F.1		

— = Redacted by the Permanent
Subcommittee on Investigations

RE: ACCOUNT NO: [REDACTED]

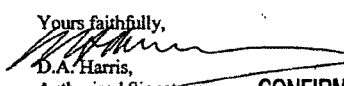
Will you please accept this as our instruction to realise the sum of US\$1,300,000 (One Million, Three Hundred Thousand US Dollars only) from the sale of US Agency Bonds held on our account. The amount realised is to be transferred for value 8th January, to the following account:-

Bank:	IBJ Schroder Bank & Trust Company, New York
ABA No:	026007825
Chips:	782
In favour of:	Queensgate Bank & Trust Company Limited
Account No:	[REDACTED]
For further credit to:	Security Capital Limited
Sub Account:	2122
By order of:	East Carroll Limited

We look forward to receiving confirmation when the transfer has been made as requested. However, should there be any difficulties in complying with these instructions or if additional information is required will you please contact us on the above telephone or fax number as soon as possible.

It is confirmed that the original of these instructions will be forwarded to you by courier today.

Yours faithfully,


D.A. Harris,
Authorised Signatory.


J.M. Watterson,
Authorised Signatory.

Confidential Treatment Requested

CC 019925

= Redacted by the Permanent
Subcommittee on Investigations

```

01|USN  IBS                                FUNDS TRANSFER ENTRY          SND DATE 01/08/99
02|SRC  FED  RPT#                                TRN  990108001873
03|AMT  1,300,000.00  CUR  USD                RATE  0.000000000000
04|VAL  01/08/99    TYP FTR  MTP              FNDS S  CHG: DB N CD N COM N CBL N
05|-----
06|DBT PTY G [REDACTED] CDT PTY D/[REDACTED] ADV WIR
07|DBT ID A/[REDACTED] CDT ID D/[REDACTED]
08|AMT  0.00  CUR  AMT  0.00  CUR
09|THE CHASE MANHATTAN BANK  QUEENSGATE BK & TRUST CO
10|FOUR NEW YORK PLAZA      UGLAND HOUSE PO BOX 30464 SMB
11|NEW YORK, NEW YORK 10015  GRAND CAYMAN CI BRITISH W INDIES
12|                          ATTN MS KARLA BODDEN FIN CTRL
13|SEND  /000066027977      ADVICE INSTRUCTIONS
14|LEHMAN BROTHERS INCORPORATED
15|101 HUDSON STREET
16|BANK RECONCILIATION DEPT 30TH FL
17|JERSEY CITY NJ 07302      1ST IBK  /
18|
19|SNDR REF NUM  6923400008JF  ADVICE INSTRUCTIONS
20|CHF SSN
21|
22|IMAD 0108B1QGC03C00435401081634FT01
23|
24|Enter=Select                      F10=Next Inquiry
25|

```

1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80

Redacted by the Permanent
Subcommittee on Investigations

```

26 |                                     FUNDS TRANSFER ENTRY                                     PAGE 2 |
27 | ORD BNK /                                     INTR BNK / |
28 | LEHMAN BROTHERS COMM-FUTURES |
29 | NEW YORK NY |
30 | |
31 | |
32 | REF NUM                                     ADV INSTRUCTIONS |
33 | |
34 | ORIG /8372009319 |
35 | EAST CARROLL LTD |
36 | AUNDYR TRUST |
37 | DOUGLAS ISLE OF MAN | BNF BNK [REDACTED] |
38 | | QUEENSGATE BANK + TRUST CO |
39 | REF NUM SWF OF 99/01/08 |
40 | |
41 | BANK TO BANK INFO |
42 | | ADV INSTRUCTIONS |
43 | |
44 | |
45 | |
46 | |
47 | |
48 | |
49 | Enter=Select | F10=Next Inquiry |
50 | |

```

1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80

— = Redacted by the Permanent
Subcommittee on Investigations

```

51 |                                     FUNDS TRANSFER ENTRY | PAGE 3 |
52 |
53 | INTR BK / | BNF BNK [REDACTED] | WIR |
54 | | QUEENSGATE BANK + TRUST CO | |
55 |
56 |
57 |
58 | ADVICE INSTRUCTIONS | ADVICE INSTRUCTIONS |
59 |
60 |
61 |
62 |
63 | ORIG TO BNF INFO | BNF /2122 | CH: BK?N |
64 | . BY ORDER OF EAST CORROLL LTD | SECURITY CAPITAL LTD |
65 |
66 |
67 |
68 | ADVICE INSTRUCTIONS |
69 |
70 |
71 |
72 |
73 |
74 | Enter=Select | F10=Next Inquiry |
75 |

```

1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80

5206

EAST CARROLL LIMITED

(Incorporated in the Isle of Man No: 57929)

Directors:

N.J. Carter
N. Field-Corbet (Irish)

Registered Office:

International House,
Castle Hill,
Victoria Road,
Douglas,
Isle of Man.

Tel: (01624) 630600
Fax: (01624) 624469

CONFIRMATION OF FACSIMILE

*** FACSIMILE TRANSMISSION ***

The information contained in this fax is confidential and/or privileged. This fax is intended to be read only by the person named below. If the reader of this fax is not the intended recipient or a representative of the intended recipient you are hereby notified that any review, dissemination or copying of this fax is prohibited. If you have not received all the pages or have received this fax in error, please notify the sender by telephone and return this fax to the sender at the above address.

Page 1 of 1 (Total Sent)

Date: 20th January, 1999.

Time Sent: 1715

Fax No: 001 214 720 9464
Operator Ref: INST 1 DISB 1099

TO: LEHMAN BROTHERS INC.
ATTENTION: CINDY MURDOCK / MICHELLE CRITTENDEN

FROM: EAST CARROLL LIMITED

REF: KJ/SLD/EASTC-F3 1099 S.D

Redacted by the Permanent
Subcommittee on Investigations

RE: ACCOUNT NO. [REDACTED]

Would you please accept this as our instruction to realise the sum of US\$300,000 (Three Hundred Thousand United States Dollars only) from the sale of US Agency Bonds held on our account. The amount realised is then to be transferred as soon as possible to the following account:-

Bank: IBJ Schroder Bank & Trust Company, New York.
ABA No: 026007825
CHIPS: 782
In favour of: Queensgate Bank & Trust Company Limited
Account No: [REDACTED]
For further credit to: Security Capital Limited
Sub-Account: 2122
By order of: East Carroll Limited

We look forward to receiving confirmation when the transfer has been dealt with as requested. However, if there are any difficulties in complying with these instructions or if additional clarification is required will you please contact us at the above telephone or fax number as soon as possible.

It is confirmed the original of these instructions will be forwarded to you today.

Yours faithfully,
N.J. Carter,
Director.

CONFIRMATION OF FACSIMILE

A. Harris,
Authorised Signatory.

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1301

CC 019922

— = Redacted by the Permanent
Subcommittee on Investigations

age: 1 Document Name: Lehman

01/20/99 12:24 CHECK WRITING SYSTEM
ACCT: 837 20093 RR: 222 NAME: EAST CARROLL LTD
026007825 IBJ WHITEHALL BANK AND TR
NEW YORK NY
TP1
TP2 QUEENSGATE BANK & TRUST CO
TP3 /- SECURITY CAPITAL LTD
OTH /- 2122 EAST CARROLL LTD
NET
MONEY FUNDS 127.36

TEFRA 5
AMT 300,000.00 TYPE 1 CAT W
TLR AGENCIES SETTLE TODAY TRLR

* THIS IS A THIRD PARTY INSTRUCTION *

TOTAL REQUESTED \$0.00

PFKEYS: 1-BAL 2-HIS 3-POS 7-ACTIVITY 8-MONEY LINE 11-MENU 14-RESET

ate: 1/20/99 Time: 11:24:33 AM

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1301

CC 019933

— = Redacted by the Permanent
Subcommittee on Investigations

```

01|USN  IBS                FUNDS TRANSFER ENTRY          SND DATE 01/20/99
02|SRC  FED  RPT#          TRN  990120001710
03|AMT      300,000.00    CUR  USD          RATE      0.000000000000
04|VAL  01/20/99      TYP FTR  MTP          FNDS S    CHG: DB N  CD N  COM N  CBL N
05|-----
06|DBT PTY G/          CDT PTY D/          ADV WIR
07|DBT ID A/          CDT ID D/
08|AMT      0.00      CUR          AMT      0.00      CUR
09|THE CHASE MANHATTAN BANK    QUEENSGATE BK & TRUST CO
10|FOUR NEW YORK PLAZA        UGLAND HOUSE PO BOX 30464 SMB
11|NEW YORK, NEW YORK 10015    GRAND CAYMAN CI BRITISH W INDIES
12|                               ATTN MS KARLA BODDEN FIN CTRL
13|SEND      /000066027977      ADVICE INSTRUCTIONS
14|LEHMAN BROTHERS INCORPORATED
15|101 HUDSON STREET
16|BANK RECONCILIATION DEPT 30TH FL
17|JERSEY CITY NJ 07302      1ST IBK  /
18|
19|SNDR REF NUM  7190200020JF      ADVICE INSTRUCTIONS
20|CHP SSN
21|
22|IMAD 0120BIQGC07C00374401201519FT01
23|
24|Enter=Select          F10=Next Inquiry
25|
-----
1---|---1φ---|---2φ---|---3φ---|---4φ---|---5φ---|---6φ---|---7φ---|---8φ

```

— = Redacted by the Permanent
Subcommittee on Investigations

```

26 |                                     FUNDS TRANSFER ENTRY                                PAGE 2 |
27 | ORD BNK /                               INTR BNK /                                |
28 | LEHMAN BROTHERS COMM-FUTURES                                     |
29 | NEW YORK NY                                                         |
30 |                                                                       |
31 |                                                                       |
32 | REF NUM                               ADV INSTRUCTIONS                         |
33 |                                                                       |
34 | ORIG-----/8372009319                                             |
35 | EAST CARROLL LTD }                                                 |
36 | AUNDYR TRUST      |                                                 |
37 | DOUGLAS ISLE OF MAN                                         BNF BNK [REDACTED] |
38 |                                                                       QUEENSGATE BANK + TRUST CO |
39 | REF NUM SWF OF 99/01/20                                         |
40 |                                                                       |
41 | BANK TO BANK INFO                                             ADV INSTRUCTIONS |
42 |                                                                       |
43 |                                                                       |
44 |                                                                       |
45 |                                                                       |
46 |                                                                       |
47 |                                                                       |
48 |                                                                       |
49 | Enter=Select                                                    F10=Next Inquiry |
50 |                                                                       |

```

1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80

— = Redacted by the Permanent
Subcommittee on Investigations

```

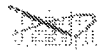
51 |                                     FUNDS TRANSFER ENTRY                                     PAGE 3 |
52 |                                                                                                                                               |
53 | INTR BK /                                     BNF BNK [REDACTED] WIR |
54 |                                     QUEENSGATE BANK + TRUST CO |
55 |                                                                                                                                               |
56 |                                                                                                                                               |
57 |                                                                                                                                               |
58 | ADVICE INSTRUCTIONS                                     ADVICE INSTRUCTIONS |
59 |                                                                                                                                               |
60 |                                                                                                                                               |
61 |                                                                                                                                               |
62 |                                                                                                                                               |
63 | ORIG TO BNF INFO                                     BNF / CH: BK?N |
64 | 2122 EAST CARROLL LTD                                     SECURITY CAPITAL LTD |
65 |                                                                                                                                               |
66 |                                                                                                                                               |
67 |                                                                                                                                               |
68 |                                     ADVICE INSTRUCTIONS |
69 |                                                                                                                                               |
70 |                                                                                                                                               |
71 |                                                                                                                                               |
72 |                                                                                                                                               |
73 |                                                                                                                                               |
74 | Enter=Select                                     F10=Next Inquiry |
75 |                                                                                                                                               |

```

1---|---1φ---|---2φ---|---3φ---|---4φ---|---5φ---|---6φ---|---7φ---|---8φ

5211

— = Redacted by the Permanent
Subcommittee on Investigations



Shari Robertson
01/07/1999 01:22 PM

To: mboucher@
cc:
Subject: David White loans from Security Capital

As we discussed Security Capital has \$1.4 million + interest on hand. Evan just told me that the following funds are needed:
\$300,000 loan to David collateralized with SSW, SE and Michaels stock - Friday
\$300,000 loan to David collateralized with a Scottish Annuity contract - Friday
\$1,500,000 loan to David collateralized with Green Mountain Energy Stock - Monday if possible
\$900,000 loan to David collateralized with Colorado property to be loaned when title is cleared(Unknown date)

Recommendations please on where to come up with the money

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1302

Confidential
SEC_ED00043243

PSI ED00043243

LEHMAN BROTHERS

Please read carefully, sign and return to
 Lehman Brothers Inc.
 Customer Account Services
 308 Greenwich Street - 22nd Floor
 New York, NY 10013-2596

DESIGNATION OF TENANCY/TEXAS RESIDENTS

I. Tenants-in-Common with Equal Interests/when one dies, his or her interest passes to his or her estate.

Lehman Brothers Inc. will presume that our express intention is for the entire interest in the account to be owned by equal interests by each of the undersigned as tenants-in-common without rights of survivorship and not as joint tenants, unless otherwise provided by our striking this paragraph (I) and filling in the terms of one of paragraphs (II), (III), or (IV) hereafter. In the event of the death of either or any of us, such person's equal interest in the account shall be determined as of the close of business on the date of death of the decedent (or on the next following business day if the date of death is not a business day), and such equal interest shall be owned by the decedent's estate.

II. Tenants-in-Common with Unequal Interests/when one dies, his or her interest passes to his or her estate.

We expressly agree that the entire interest in the account will be owned by the undersigned as tenants-in-common without rights of survivorship and not as joint tenants. The interests of the undersigned in the account shall be set forth below. In the event of the death of either or any of the undersigned, the interests in the account shall be determined as of the close of business on the date of death of the decedent (or on the next following business day if the date of death is not a business day) as follows:

*Name of _____ or his or her estate _____ %
 Tenant

*Name of _____ or his or her estate _____ %
 Tenant

*Name of _____ or his or her estate _____ %
 Tenant

*Name of _____ or his or her estate _____ %
 Tenant

Note: total of percentages must equal 100%

* Indicate names and percentage amount of the interests of each tenant. The only names to be inserted are those of the present owners of the account; heirs or beneficiaries CANNOT be designated on this form.

III. Joint Tenants with Rights of Survivorship Between Spouses who are Texas Residents/when one spouse dies his or her interest passes to the survivor.

If a joint tenancy with rights of survivorship account between spouses is desired, the following sections (a) and (b) must both be signed by both spouses.

a. **Partition of Initial and Subsequently Acquired Funds.** We agree as between ourselves and with you that the initial funds and securities deposited into the account, all funds and securities deposited into the account in the future by either of us and cash and stock dividends, interest income and all other account increments are hereby partitioned so that such funds and values will hereafter be owned one-half by each of us

Texas Joint Account
Supplement to Client Agreement

CPI 0171

For Texas residents establishing a joint account, the following section replaces the "Designation of Tenancy" section of the Client Agreement:

Type of agreement attached hereto: _____

respectively as our separate property.

Husband's Signature _____ Date 1/10/99

Wife's Signature _____ Date 1/10/99

b. **Joint Tenancy and Rights of Survivorship Agreement.** Both of us, as between ourselves and with you, agree that the entire interest in the account, including the initial deposit, subsequent deposits, and subsequent cash and stock dividends, interest, interest income and all other account increments, are held by us as joint tenants with rights of survivorship and not as tenants-in-common and that the entire interest of a deceased joint tenant in the account will pass by right of survivorship. In the event of the death of either of us, the entire interest in the account shall be vested in the survivor on the same terms and conditions as theretofore held, without in any manner releasing the decedent's estate from any liability it may have hereunder. We understand that Lehman Brothers Inc. is making no representations regarding the legal effectiveness of the partition or survivorship designation, and we acknowledge that YOU WILL HAVE NO LIABILITY TO ANY PARTY IF THE PARTITION AND/OR THE SURVIVORSHIP DESIGNATION ARE DETERMINED TO BE INEFFECTIVE.

Each of us acknowledges that we have given informed consent to the partition agreement above and to this right of survivorship designation and that this agreement was not procured by either of us or any other person by fraud, duress or overreaching. EACH OF US UNDERSTANDS THAT BY SIGNING THIS DOCUMENT, HE OR SHE MAY PERMANENTLY SURRENDER RIGHTS TO INCOME OR PROPERTY HE OR SHE OTHERWISE WOULD HAVE UNDER TEXAS LAW.

Husband's Signature _____ Date 1/10/99

Wife's Signature _____ Date 1/10/99

(subparagraph (a) above also MUST be jointly signed for this survivorship agreement to be effective.)

iv. Joint Tenants with Rights of Survivorship Between Persons Who are Not Spouses/when one dies, his or her interest passes to the survivor(s).

We expressly agree that the entire account shall be equally owned by us as joint tenants with rights of survivorship and not as tenants-in-common. In the event of the death of any of the undersigned, the entire interest in the account shall be vested in the survivor or equally in the survivors on the same terms and conditions as theretofore held, without in any manner releasing the decedent's estate from any liability it may have hereunder.

Signature _____ Date _____

Signature _____ Date _____

FOR TEXAS RESIDENTS ESTABLISHING A JOINT ACCOUNT, THIS SUPPLEMENT, TOGETHER WITH THE APPLICABLE AGREEMENT ATTACHED HERETO AND MADE A PART HEREOF, MUST BE SIGNED BY THE PARTIES AS FOLLOW AND RETURNED TO LEHMAN BROTHERS INC.

I. Tenants-in-Common with Equal Interests:

- 1) Sign attached Agreement in all signature areas.
- 2) Sign this Supplement below.

II. Tenant-in-Common with Unequal Interests:

- 1) Sign attached Agreement in all signature areas.
- 2) Designate names and percentage in paragraph ii above.
- 3) Cross out paragraph i above.
- 4) Sign this Supplement below.

III. Joint Tenants with Rights of Survivorship Between Spouses:

- 1) Sign attached Agreement in all signature areas.
- 2) Sign paragraph iii(a) and iii(b) above.
- 3) Cross out paragraph i above.
- 4) Sign this Supplement below.

iv. Joint Tenants with Rights of Survivorship between Persons who are not Spouses:

- 1) Sign attached Agreement in all signature areas.
- 2) Sign paragraph iv above.
- 3) Cross out paragraph i above.
- 4) Sign this Supplement below.

Account Number
 8372731516122

Signature _____ Date 1/10/99
 Permanent Subcommittee on Investigations
 EXHIBIT #66 - FN 1302

CC 037451

ACCOUNT CONTROL AGREEMENT

THIS AGREEMENT (the "Agreement") dated as of January 7, 1999, is entered into among Highland Stargate, Ltd., a Texas limited partnership, as agent for itself and the holders of the Notes (as such term is defined in the Pledge Agreement referred to below) (the "Creditor"), M. David White and Jennifer J. White (individually and collectively, the "Debtor"), and Lehman Brothers Inc. (the "Broker").

PRELIMINARY STATEMENTS:

WHEREAS, the Broker and the Debtor have entered into a customer agreement dated as of January 10, 1999, (the "Customer Agreement"), pursuant to which the Broker has established its account entitled M. David & Jennifer J. White Pledge Account FBO Highland Stargate, LTD., account no. 837-27315-1-6-222 (the "Account");

WHEREAS, the Debtor and the Creditor have entered into the Pledge Agreement of even date herewith, (the "Pledge Agreement"), pursuant to which the Debtor and Jennifer White have granted the Creditor a security interest in the Account; and

WHEREAS, the Creditor, the Debtor and the Broker are entering into this Agreement to provide for the control of the Account and to perfect the security interest of the Creditor in the Account as more fully described in the Pledge Agreement.

NOW THEREFORE, for and in consideration of any loan heretofore or hereafter made to the Debtor by the Creditor, and for other good and valuable consideration, the parties hereto agree as follows:

1. The Account. Broker hereby represents and warrants to the Creditor and the Debtor that (a) the Account has been established in the name of the Debtor as recited above, (b) Exhibit A attached hereto is a complete and accurate statement of the Account and the financial assets carried therein and any free credit balance thereunder as of the date hereof, (c) Exhibit A does not reflect any financial assets which are registered in the name of the Debtor, payable to his order, or specially indorsed to him; which have not been indorsed to the Broker or in blank, (d) the Customer Agreement, the security entitlements arising out of the financial assets carried in the Account, and such free credit balance are valid and legally binding obligations of the Broker, and (e) except for the claims and interest of the Creditor and of the Debtor in the Account, the Broker does not know of any claim to or interest in the Account or in any financial asset carried therein. The Broker will treat all property held by it in the Account as financial assets under Article 8 of the Uniform Commercial Code of the State of Texas.

2. No Withdrawals. The Broker shall neither accept nor comply with any entitlement order from the Debtor withdrawing any financial assets from the Account nor deliver any such financial assets to the Debtor nor pay any free credit balance or other amount owing

DL: 1012373v5

Confidential Treatment Requested

CC 037452

from the Broker to the Debtor with respect to the Account without the specific prior written consent of the Creditor.

3. Priority of Lien. The Broker hereby acknowledges that it has received a copy of the Pledge Agreement, consents to the terms thereof and recognizes the security interest granted therein to the Creditor by the Debtor. The Broker hereby confirms that the Account is a cash account and that it will not advance any margin or other credit to the Debtor therein, either directly or by allowing him to trade in instruments such as options and commodities contracts that create similar obligations, nor hypothecate any securities carried in the Account. The Broker hereby subordinates all liens, security interests, encumbrances, claims and rights of setoff it may now or hereafter have against the Account or any financial asset carried in the Account or any credit balance in the Account to all present and future liens of the Creditor and/or Security Capital, Ltd., a Cayman Islands company ("Security Capital"), in the Account, any financial asset carried in the Account or any credit balance in the Account and the Broker agrees that, it will not enforce or exercise any such lien, security interest, claim or right of setoff against the Account or any financial asset carried in the Account or any credit balance in the Account until all obligations, indebtedness and liabilities of the Debtor to the Creditor and/or Security Capital have been paid and performed in full and all commitments of the Creditor and/or Security Capital to extend credit to the Debtor shall have terminated. The Broker agrees that it will not seek to enjoin or otherwise interfere with the exercise by the Creditor and/or Security Capital of any right or remedy with respect to the Account or any financial assets in the Account or any credit balance in the Account. In the event that the Broker obtains or receives any property of the Debtor in violation of the subordination contained herein, the Broker shall immediately deliver such property to the Creditor in the exact form received with any necessary endorsements. The Broker will not agree with any third party that the Broker will comply with entitlement orders concerning the Account originated by such third party without the prior written consent of the Creditor and the Debtor.

4. Control. The Broker will comply with entitlement orders originated by the Creditor concerning the Account without further consent by the Debtor. The Broker shall make no trades of financial assets held in the Account at the instruction of the Debtor, or his authorized representatives, and shall not comply with entitlement orders concerning the Account from the Debtor, or his authorized representatives, without the prior written consent of the Creditor. Evan Wyly, Sam Wyly or Lisa Wyly are authorized to act on behalf of the Creditor pursuant to this Agreement.

5. Statements, Confirmations and Notices of Adverse Claims. The Broker will send copies of all statements, confirmations and other correspondence concerning the Account simultaneously to each of the Debtor and the Creditor at the address specified for notices pursuant to Section 15. If any person asserts any lien, encumbrance or adverse claim against the Account or in any financial asset carried therein, the Broker will promptly notify the Creditor and the Debtor thereof.

6. Responsibility of Broker. The Broker shall have no responsibility or liability to the Debtor for complying with entitlement orders concerning the Account originated by the Creditor. Neither this Agreement nor the Pledge Agreement imposes nor creates any obligation

or duty of Broker other than those expressly set forth herein. The Broker is not responsible for any losses in connection with market fluctuations regarding the value of the Account.

7. **Tax Reporting.** All items of income, gain, expense and loss recognized in the Account shall be reported to the Internal Revenue Service and all state and local taxing authorities under the name and taxpayer identification number of the Debtor.

8. **Customer Agreement.** This Agreement supplements the Customer Agreement among the parties hereto. In the event of a conflict between this Agreement and the Customer Agreement, the terms of this Agreement will prevail. Texas shall be deemed to be the Broker's location solely for the purposes of this Agreement and the perfection and priority of creditor's security interest in the Account.

9. **Termination.** The rights and powers granted herein to the Creditor have been granted in order to perfect its security interest in the Account, are powers coupled with an interest and will neither be affected by the death or bankruptcy of the Debtor nor by the lapse of time. The obligations of the Broker under Sections 2, 3, 4 and 5 above shall continue in effect until the security interest of the Creditor in the Account has been terminated pursuant to the terms of the Pledge Agreement and the Creditor has notified the Broker of such termination in writing. Upon receipt of such notice the obligations of the Broker under Sections 2, 3, 4 and 5 above with respect to the operation and maintenance of the Account after the receipt of such notice shall terminate, the Creditor shall have no further right to originate entitlement orders concerning the Account and the Broker may take such steps as the Debtor may request to vest full ownership and control of the Account in the Debtor, including, but not limited to, removing the name of the Creditor from the Account or transferring all of the financial assets and credit balances in the Account to another securities account in the name of the Debtor or its designee.

10. **FINAL AGREEMENT.** THIS AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AS TO THE SUBJECT MATTER HEREOF AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS OF THE PARTIES.

11. **Amendments.** No amendment, modification or termination of this Agreement or waiver of any right hereunder shall be binding on any party hereto unless it is in writing and is signed by the party to be charged.

12. **Severability.** If any term or provision set forth in this Agreement shall be invalid or unenforceable, the remainder of this Agreement, or the application of such terms or provisions to persons or circumstances, other than those to which it is held invalid or unenforceable, shall be construed in all respects as if such invalid or unenforceable term or provision were omitted.

13. **Successors.** The terms of this Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective corporate successors or heirs and personal representatives.

14. Rules of Construction. In this Agreement, words in the singular number include the plural, and in the plural include the singular; words of the masculine gender include the feminine and the neuter, and when the sense so indicates words of the neuter gender may refer to any gender and the word "or" is disjunctive but not exclusive. The captions and section numbers appearing in this Agreement are inserted only as a matter of convenience. They do not define, limit or describe the scope or intent of the provisions of this Agreement.

15. Notices. Any notice, request or other communication required or permitted to be given under this Agreement shall be in writing and deemed to have been properly given when delivered in person, or when sent by telecopy or other electronic means and electronic confirmation of error free receipt is received or two days after being sent by certified or registered United States mail, return receipt requested, postage prepaid, addressed to the party at the address set forth next to such party's name on the signature page of this Agreement. Any party may change his address for notices in the manner set forth above.

16. Counterparts. This Agreement may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Agreement by signing and delivering one or more counterparts.

17. Choice of Law. The parties hereto agree that certain material events, occurrences and transactions relating to this Agreement bear a reasonable relationship to the State of Texas. The validity, terms, performance and enforcement of this Agreement shall be governed by those laws of the State of Texas which are applicable to agreements which are negotiated, executed, delivered and performed solely in the State of Texas.

18. Indemnification. The Debtor agrees to indemnify and hold harmless the Broker, its affiliates, officers and employees from and against any and all claims, causes of action, liabilities, demands or damages, including, without limitation, any and all court costs and reasonable attorneys' fees, relating to or arising out of or in connection with this Agreement.

19. Joint and Several Obligations. All agreements, covenants, and other obligations of the Debtor under this Agreement are joint and several obligations of each Debtor.

20. Continuing Agreement. The obligations of the Broker under this Agreement are irrevocable, absolute and unconditional. The Creditor and/or Security Capital may extend, renew, increase, modify or amend the terms of any present or future indebtedness of the Debtor to the Creditor and/or Security Capital or any security therefor and release, sell, exchange such security and otherwise deal freely with the Debtor, all without notice to or the consent of the Broker and without affecting the liabilities and obligations of the Broker under this Agreement.

5217

SIGNATURES:

Debtor:

M. David White
M. David White

Address for notices:

3800 Potomac
Dallas, Texas 75205

Creditor:

Highland Stargate, Ltd., in its capacity as agent for itself and the holders of the Notes

By: Highland Stargate General, L.L.C.

By:

Evan W. Hylton
Name: _____
Title: _____

300 Crescent, Suite 1000
Dallas, Texas 75201

Broker:

Lehman Brothers Inc.

By:

Kurt W. Haney
Name: KURT W. HANEY
Title: MANAGING DIRECTOR - BRANCH MANAGER

2200 Ross Avenue
Dallas, Texas 75201

Consented and Agreed to by:

Jennifer White
Jennifer White as Debtor JO

Memo

Elaine -
I finally cleaned
my desk & found
in case you still
need.
S

Date: January 8, 1999
To: Shari Robertson
From: Michele Crittenden
RE: Wiring Instructions

— = Redacted by the Permanent
Subcommittee on Investigations

Below are wiring instructions you have requested.

Chase Bank NYC
ABA #021000021
FBO Lehman Brothers
A/C #140-094-221
FFC M. David & Jennifer J. White Pledge Account FBO Highland Stargate
LTD
A/C # [REDACTED]

If you have any questions, please advise.

OK to send out
money
Shari

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1302

CONFIDENTIAL
SEC100027298
PS100039165

F= 0033 P= 0029 S= 0004
299029AP01 LCPGFO01

五

LEHMAN BROTHERS

M DAVID WHITE AND

Cash and money funds balance

Opening balance	£ 0.00
Securities bought and other subtractions	293,051.50
Securities sold and other additions	0.00
Deposits	3,343,000.00
Withdrawals	-1,805,000.00
Interest credited	675.73
Money funds earnings credited	211.64
Closing balance	\$ 1,216,798.87

Portfolio details

This section shows the holdings in your account. It reflects values as of the close of business on 01/20/99.

[illegible]

Please refer to the back of the Statement for definitions of research rankings.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1302

CC 035951

— = Redacted by the Permanent
Subcommittee on Investigations

Page 3 of 4
H

LEHMAN BROTHERS
Client Statement
January 31, 1999

Ref: 0000944 0000007

M DAVID WHITE AND
Account number [REDACTED]

Anticipated annual income

This value is a grand total of all the anticipated annual income amounts that are shown on the statement. The anticipated income from such products as Money Funds and Mortgage Backed Securities is not included.

Total anticipated income (excluding) \$ 220.00

Transaction details

Date	Activity	Description	Quantity	Price	Amount
01/13/99	Bought	STERLING COMMERCIAL INC	4,300	\$ 44.75	\$ 192,328.85
01/14/99	Bought	STERLING SOFTWARE INC	4,000	24.307	97,228.00
		AVG PRICE SHOWN-DETAILS ON REQ			
		ACTUAL CONFIRM TO YOUR AGENT			
		Total securities bought and other transactions			\$ 290,000.00
		Total investments and other securities			\$ 0.00

Investment activity

Deposits

Date	Description	Amount
01/13/99	FND3 WIRED TO CHEMICAL FROM FED: 000012	\$ 2,700,000.00
01/25/99	FND3 WIRED TO CHEMICAL FROM FED: 000012	\$ 300,000.00
01/26/99	FND3 WIRED TO CHEMICAL FROM HIGHLAND WEALTH MGT LTD FED: 000012	\$ 300,000.00
	Total deposits	\$ 3,300,000.00

Confidential Treatment Requested

CC 035952

Redacted by the Permanent
Subcommittee on Investigations

Page 4 of 4

LEHMAN BROTHERS **Client Statement**
January 31, 1999

M DAVID WHITE AND Account number: [REDACTED]

Reference No. [REDACTED]

Withdrawals

Date	Description	Amount
01/14/98	MDAI K118849 FROS WIRED TO [REDACTED]	\$ 1,500,000.00
01/14/98	MDAI K118852 FROS WIRED TO [REDACTED]	350,000.00
	Total withdrawals	\$ 1,850,000.00

Money funds activity

Date	Description	Amount
01/14/98	Investment	\$ 600,000.00
01/22/99	Investment	217.84
	Total money funds activity	\$ 600,217.84

Interest credited

Date	Description	Amount
01/14/98	Interest	\$ 675.73
01/22/99	Interest	217.84
	Total interest credited	\$ 893.57

Money funds earnings

Date	Description	Amount
01/14/98	Earnings	\$ 217.84
01/22/99	Earnings	217.84
	Total money funds earnings	\$ 435.68

Earnings details

The tax status of earnings is reliable to the best of our knowledge. Taxable and non-taxable designations refer to the federal income tax status of your securities, not of your account.

Date	Description	Amount	Taxable	Non-taxable
01/14/98	Interest	\$ 675.73		
01/22/99	Interest	217.84		
	Total earnings	\$ 893.57		

Money funds balance

Date	Description	Amount
01/14/98	Balance	\$ 600,000.00
01/22/99	Balance	217.84
	Total money funds balance	\$ 600,217.84

Summary

Category	Amount
Money funds activity	\$ 600,217.84
Interest credited	\$ 893.57
Money funds earnings	\$ 435.68
Total	\$ 1,894,547.09

Confidential Treatment Requested

CC 035953

5222

David White
Lehman's

Date	Qty	Description	Price	Amount	Margin Acct	Cash Mgnt	C.M. Balance
1/8/99	4,000	SSW	24.36720	(97,572.65)	(97,572.65)		
1/11/99	4,300	SE	44.75	(192,528.85)	(290,101.50)		
1/13/99		Loan - Security Capital		2,700,000.00	2,409,898.50		
1/14/99		Scottish Annuity		(303,000.00)	2,106,898.50		
1/14/99	150,000	Green Mountain	10.00	(1,500,000.00)	606,898.50		
1/19/99	606,898.5	Automated Cash Mgnt		(606,898.50)	0.00	606,898.50	606,898.50
1/21/99		Interest on Balance		675.73	675.73		
1/22/99		Dividend Auto. Cash		(675.73)	0.00		
1/25/99		Loan - Security Capital		300,000.00	300,000.00		
1/26/99		Payroll - Highland		303,000.00	603,000.00		
1/27/99		Automated Cash Mgnt		(603,000.00)	0.00	803,000.00	1,209,898.50
2/2/99				151,500.00	151,500.00		
2/3/99		Automated Cash Mgnt		(151,500.00)	0.00	151,500.00	1,361,398.50

- 900,000. - ①

① Must give clear title to lot in CO as security for loan. before funds can be invested

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1302

CONFIDENTIAL
SEC100027297
PS100039164

5223

From: Shari Robertson
Sent: Wednesday, October 13, 1999 12:09 PM
To: mboucher@[REDACTED]
Subject: Security Capital

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

I don't know whether I've remember to tell you that David White is no longer with Green Mtn. Evan has been negotiating a settlement of David's employment contract with Highland.

The settlement as I just had described by McCafferty is the following:

All Security Capital debt forgiven in exchange for 750,000 shares of Green Mountain Energy that has debt of \$1,500,000 attached to it. If you price GMER at the last price \$6.67 it would have a fair market value of \$5,002,500 with debt attached of \$1,500,000 + accrued interest.

I need to know who funded Security Capital. I'm not ready to talk to them yet, I just need to know who it is. I'm going to assume that it is going to be David Harris.

Additionally, GMER needs \$4,000,000 by 10/20. DH has told Evan that he won't advance anymore money without an update. I've been asking Evan to handle this once a week for the last four weeks. I'm now down to asking him daily. Mike Bursell is calling and e-mailing me asking if the money is going to come. Just to let you know that this is going to get into a crunch next week.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1304

MAV008588

5224

From: Michelle Boucher <mboucher@[REDACTED]>
Sent: Thursday, October 14, 1999 11:02 AM
To: Shari Robertson
Subject: SECURITY CAPITAL

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

THE LOAN WAS MADE FROM EAST CARROLL LIMITED

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1304

MAV007724

— = Redacted by the Permanent
Subcommittee on Investigations

Shari Robertson
10/18/1999 12:12 PM

To: "Bursell, Mike" [REDACTED]
cc: mboucher@ [REDACTED]
Subject: Re: Loan Receipt [REDACTED]

I will be out of the office tomorrow. Contact Michelle Boucher at 345- [REDACTED] or by e-mail at [REDACTED]

A portion of the funds may come from a different counterparty than normal. This will be the entity paying off the David White loan. Provide Michelle with direct wiring instructions.
"Bursell, Mike" [REDACTED]



"Bursell, Mike"
[REDACTED]
10/18/1999 12:18 PM

To: Shari Robertson [REDACTED]
cc: [REDACTED]
Subject: Loan Receipt

Shari,
Received your voice mail this morning. I will give you paydown information as soon as I can get hold of David White loan information. The account to wire both amounts will be the same as we have done previously (our Chittenden Bank operating account). Does e-mail work OK for you? If so I will send details to you electronically as soon as I have loan information.

Mike Bursell
Treasurer
GreenMountain.com Company
mike.bursell@ [REDACTED]
(802) [REDACTED] d/l
(802) [REDACTED] Fax
check out our website at www.greenmountain.com

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1304

Confidential
SEC_ED00043760

PSI FD00043760

— = Redacted by the Permanent
Subcommittee on Investigations

-----Original Message-----

From: Bursell, Mike
Sent: Tuesday, October 19, 1999 10:37 AM
To: 'mboucher'; 'shari_robertson';
Cc: Haase, Ed; Park, Dick; Zamore, Peter; Fallon, Veronica
Subject:

Michelle & Shari,

The \$4 million dollar cash request should be made up of two payments based on my correspondence with Shari. The first payment of \$1,569,677 represents the paydown of the \$1,500,000 promissory note executed by M.David White and Jennifer J. White with six percent interest charges, (total interest payment of \$69,677), from the effective date of January 11, 1999 to the payment date of October 20, 1999. The remaining balance of \$2,430,323 represents the amount borrowed from our loan agreement. Total principal borrowings to date on our \$22 million loan will be \$18,130,323 after receipt of the funds mentioned above. This treatment is required if we are to clear David's note receivable from our books. I have attached an amortization schedule for your review on David's loan.

If the note payment for David White is coming from the \$22 million loan, please let me know and we will need to determine how to reflect the current loan balance of \$19,700,000 and how to clear the White note receivable on our balance sheet.

Mike Bursell
Treasurer
GreenMountain.com Company
mike.bursell@greenmountain.com
(802) 888-1111 d/l
(802) 888-1111 fax
check out our website at www.greenmountain.com

Confidential
SEC_ED00080040

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1304

CONFIDENTIAL
PSI ED00080040

5227

Bank of America, N.A.
P.O. Box 831547
Dallas, TX 75283-1547

H
Account Reference Information
Account Number [REDACTED]
Tax ID Number [REDACTED]
E O C Enclosures 0 50
Statement Period 03/02/99
10/01/99 through 10/31/99

[REDACTED] - Redacted by the Permanent
Subcommittee on Investigations

GREEN FUNDING I LLC
300 CRESCENT CT STE 1000
DALLAS TX 75201-7852

Customer Service:
Bank of America, N.A.
P.O. Box 831547
Dallas, TX 75283-1547
1-800-462-6229

Page 1 of 2

Full Analysis Business Checking

Account Summary Information

Statement Period	10/01/99 through 10/31/99	Statement Beginning Balance	43,635.78
Number of Deposits/Credits	1	Amount of Deposits/Credits	2,430,323.00
Number of Withdrawals/Debits	1	Amount of Withdrawals/Debits	2,430,323.00
		Statement Ending Balance	43,635.78
Number of Enclosures	0	Average Ledger Balance	122,032.51
Number of Days in Cycle	31	Service Charge	0.00

Deposits and Credits

Date Posted	Customer Reference	Amount	Description	Bank Reference
10/20		2,430,323.00	Wire Type:Fed IN Date:991020 Time:1606 Fed Ref:004504 Seq:991020018087 Orig:East Carroll Ltd Og Fmt Det:Green Funding I L Lc Ac-1237673478 Rfb= rwt Of 99 10 20 IN: D0009602 7977 Lehman Brothers Inco Sending Bank:Chase Nyc	904010209018087

Withdrawals and Debits

Other Debits

Date Posted	Customer Reference	Amount	Description	Bank Reference
10/21		2,430,323.00	Wire Type:Fed Out Date:991021 Time:1107 Fed Ref:000653 Seq:991021006060 Bnf:Green Mountain Enrgy Pmt Det:Green Mountain En Ergy Resources LI Ac-01 5 Bnf Bk:Chittenden Tr Bur L	904010219006060

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1304

Confidential Treatment Requested

BA PSI-W 016694

PROMISSORY NOTE

\$8,000,000.00

April 14, 1999

FOR VALUE RECEIVED, the undersigned ("Maker") promises to pay to the order of SECURITY CAPITAL, LTD., a Cayman Islands Exempted Company ("Payee"), the principal sum of EIGHT MILLION and NO/100 DOLLARS (\$8,000,000.00), together with interest on the unpaid principal sum from time to time outstanding at the rate of six and 75/100 percent (6.75%) per annum from the date hereof until paid. All principal and interest payable hereunder shall be due and payable in lawful money of the United States of America.

Principal and interest on this Note shall be payable in three hundred sixty (360) monthly installments, commencing thirty (30) days from the date hereof, and payable each succeeding month thereafter. Each installment shall be in the amount of \$51,887.85. All unpaid principal, together with any accrued, but unpaid interest, shall be payable in full on the thirtieth (30th) anniversary hereof, April 14, 2029.

The payment of this Note is secured by a deed of trust (the "Deed of Trust"), from Maker to Payee, which grants Payee a deed of trust lien against certain real property. The property described in the Deed of Trust is hereinafter referred to as (the "Property")

The entire unpaid principal balance of, and all accrued interest on, this Note shall immediately become due and payable at the option of the Payee upon the occurrence of any one or more of the following events of default (the "Events of Default"):

(a) Failure by Maker to pay the principal and interest hereon as and when the same becomes due and payable in accordance with the terms hereof and the continuation of said failure for a period of ten (10) days after Payee has provided Maker with written notice of such failure; or

(b) Failure by Maker to perform any term, condition, or covenant contained in the Deed of Trust and the continuation of such failure for a period of thirty (30) days after Payee has provided Maker with written notice thereof or, if such failure on the part of Maker is not susceptible of being cured within said thirty (30) day period, the failure of Maker to commence curing such failure within said thirty (30) day period or, having commenced to cure the failure within said thirty (30) day period, the failure of Maker to prosecute or complete the curing of such failure with due diligence and dispatch.

In the event any one or more of the Events of Default specified hereinabove shall occur, Payee may proceed to protect and enforce its rights either by suit in equity and/or by action at law, or by other appropriate proceedings, including, but not limited to, foreclosure under the Deed of Trust. No delay on the part of the holder of this Note in the exercise of any power or right under this Note, under the Deed of Trust, or under any other instrument executed pursuant thereto shall operate as a waiver thereof, nor shall a single or partial exercise of any other power or right preclude further exercise

thereof. Enforcement by the holder of this Note of any security for the payment hereof shall not constitute any election by it of remedy so as to preclude the exercise of any other remedy available to it.

Except as expressly otherwise provided herein, Maker waives demand, presentment, protest, notice of nonpayment, notice of protest, notice of intent to accelerate, notice of acceleration, and any and all lack of diligence or delay in collection or the filing of suit hereon which may occur.

If this Note is not paid at maturity, howsoever such maturity may be brought about, and the same is placed in the hands of an attorney for collection, or if this Note is collected by suit or through bankruptcy, probate, or other legal proceedings, Maker agrees to pay the costs of collection and attorneys' fees, in addition to the principal and interest.

This Note may be delivered by telefacsimile or similar facsimile transmission and, in such case, shall be deemed delivered upon Payee's receipt of such facsimile transmission.

All notices or demands required or permitted hereunder shall be in writing and delivered to the person to whom the notice is directed, either in person, by facsimile transmission, or by United States Mail, as a registered or certified item, return receipt requested. Notices delivered by mail shall be deemed given three (3) days after deposit of same in a regularly maintained receptacle for the United States Mail, with proper postage prepaid, and addressed as follows:

If to Maker: Sam Wyly 1978 Malibu Revocable Trust
300 Crescent Court, Suite 1000
Dallas, Texas 75201

If to Payee: Security Capital, Ltd.
P. O. Box 30868 SMB
Ugland House
Georgetown, Grand Cayman

This Note has been executed and delivered, and is to be performed, in the State of California, and the laws of such state shall govern the validity, construction, enforcement, and interpretation of this Note.

All agreements between Maker and Payee are expressly limited so that in no contingency or event whatsoever, whether by reason of advancement of the payment hereof, acceleration of maturity of the unpaid principal balance hereof, or otherwise, shall the amount paid or agreed to be paid to the holder hereof for the use, forbearance, or detention of the money to be advanced hereunder exceed the highest rate permissible under the laws of the State of California. If, from any circumstance whatsoever, fulfillment of any provision hereof or of the Deed of Trust securing this Note or any other agreement referred to herein shall, at the time fulfillment of such provision be due, involve transcending the limit of validity prescribed by law which a court of competent jurisdiction may deem applicable hereto, then ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity, and if from any circumstance the holder hereof shall ever receive as interest an amount which would be

excessive, such amount shall (i) be applied to the reduction of the unpaid principal balance due hereunder or (ii) be refunded to Maker and not applied to the payment of interest. This provision shall control every other provision of all agreements between Maker and the holder hereof.

Maker shall have the right to prepay the indebtedness evidenced by this Note, in whole or in part, at any time, without premium or penalty of any kind whatsoever, and interest shall immediately cease to accrue on any part of this Note so prepaid.

Upon payment in full of this Note, whether in accordance with its terms or as a result of prepayment by Maker, this Note shall be canceled and returned to Maker, together with an executed release of the lien created by the Deed of Trust.

This Note is an unregistered bearer debt instrument issued by a foreign lender to a United States of America obligor.

This Note cannot be offered or sold (or resold in connection with its original issuance) to any individual or entity who is a "United States Person" as that term is defined and interpreted under the laws of taxation of the United States of America. With respect to any assignee who is not a "United States Person," Payee may assign the Note and Deed of Trust without the consent of Maker and any such assignment shall not relieve the Maker of its obligations hereunder, except that Maker shall make all payments to and give any notices at the address of such assignee as provided to Maker by Payee.

This Note is intended to constitute and qualify as "portfolio debt investment" as that term is defined and interpreted under the taxation laws of the United States of America. The parties to this Note specifically intend that the interest payable hereunder shall not be subject to income or excise taxation, including the imposition of any withholding taxes thereon, under the laws of the United States of America or any state or municipality thereof.

The principal and interest payable per the terms and condition of this Note shall be payable only outside the United States of America and its possessions.

It is specifically understood and intended that no "United States Person" (as that term is defined and interpreted under the taxation laws of the United States of America) shall ever be an owner or holder of this Note; however, should any "United States Person" (as that term is defined and interpreted under the taxation laws of the United States of America) ever become a holder or owners of this Note, such "United States Person" will be subject to limitation under the income tax laws of the United States of America. Any "United States Person" who holds this Note will be subject to limitation under the United States income tax laws, including the limitation provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.

The owner of this Note must certify to the Maker (or any distributor) of this Note that the owner is not a "United States Person" (as that term is defined and interpreted under the taxation laws of the United States of America.)

5231

IN WITNESS WHEREOF, the undersigned has executed this Note effective as of the date and year first above written.

Lisa L. Wylly
LISA L. WYLY, TRUSTEE OF THE SAM
WYLY 1978 MALIBU REVOCABLE TRUST,
CREATED BY WRITTEN TRUST
AGREEMENT DATED MAY 15, 1978.

- 4 -

CONFIDENTIAL
HST_PSI089325

5232

AGREED:

The undersigned acknowledges and agrees to all terms and conditions of this Note. The undersigned certifies to the Maker that the undersigned is not a "United States Person" (as that term is defined under the taxation laws of the United States of America).

SECURITY CAPITAL, LTD.,
A Cayman Islands Exempted Company

By: _____

Name: _____

Title: _____

Dated Effective as of April 14, 1999

203972.v4

- 5 -

CONFIDENTIAL
HST PSI089326

5233

02/14/99 10:04 FAX

+ MAYCAP ACCTNG 001/002

— = Redacted by the Permanent
Subcommittee on Investigations

FACSIMILE COVER PAGE

TO: Rena Alexander From: Michelle Boucher
FAX: 1-214- [REDACTED] Fax: 345- [REDACTED]
DATE: May 14th, 1999 Tel: 345- [REDACTED]

We are transmitting 3 page(s). Please contact the undersigned if there is a problem with the transmission.

Dear Rena,

Here is a copy of the amortization schedule. If you have any questions, please call.

Thanks for your help.


Michelle

FAXED

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1305

CONFIDENTIAL
HST_PSI089333

Mortgage Amortization

Key Figures

Annual Loan Payments	\$822,854.20
Monthly Payments	\$51,887.85
Interest in First Calendar Year	\$403,586.75
Interest Over Term of Loan	\$10,679,826.00
Sum of All Payments	\$18,679,826.00

Inputs

Loan Principal Amount	\$8,000,000.00
Annual Interest Rate	6.75%
Loan Period in Years	30
Base Year of Loan	1999
Base Month of Loan	April

Payments in First 12 Months

Year	Month	Beginning Balance	Payments	Principal	Interest	Cumulative Principal	Cumulative Interest	Ending Balance
	Apr	\$8,000,000.00	\$51,887.85	\$6,887.85	\$45,000.00	\$6,887.85	\$45,000.00	\$7,993,112.15
	May	7,993,112.15	51,887.85	6,926.59	44,961.26	13,814.44	89,961.26	7,986,186
	Jun	7,986,186.56	51,887.85	6,965.56	44,922.29	20,780.00	134,883.55	7,979,220
	Jul	7,979,220.00	51,887.85	7,004.74	44,883.11	27,784.74	179,766.66	7,972,215
	Aug	7,972,215.26	51,887.85	7,044.14	44,843.71	34,828.88	224,610.37	7,965,171
	Sep	7,965,171.12	51,887.85	7,083.76	44,804.09	41,912.64	269,414.46	7,958,087
	Oct	7,958,087.36	51,887.85	7,123.61	44,764.24	49,036.25	314,178.70	7,950,964
	Nov	7,950,963.75	51,887.85	7,163.68	44,724.17	56,199.93	358,902.87	7,943,800
	Dec	7,943,800.07	51,887.85	7,203.97	44,683.88	63,403.90	403,586.75	7,936,596
2000	Jan	7,936,599.10	51,887.85	7,244.50	44,643.35	70,648.40	448,230.10	7,929,352
	Feb	7,929,351.60	51,887.85	7,285.25	44,602.80	77,933.65	492,832.70	7,922,066
	Mar	7,922,066.35	51,887.85	7,326.23	44,561.62	85,259.88	537,394.32	7,914,740

Yearly Schedule of Balances and Payments

Year	Beginning Balance	Payments	Principal	Interest	Cumulative Principal	Cumulative Interest	Ending Balance
2000	\$7,936,596.10	\$622,854.20	\$86,874	\$532,980	\$153,078.06	\$36,566.79	\$7,849,722
2001	7,846,921.94	622,854.20	95,918	526,736	248,996.44	1,463,302.61	7,751,004
2002	7,751,003.56	622,854.20	102,597	520,057	351,593.43	1,983,359.82	7,646,407
2003	7,648,406.57	622,854.20	109,741	512,914	461,334.02	2,496,273.43	7,538,666
2004	7,538,665.98	622,854.20	117,382	505,273	578,715.53	3,001,546.02	7,421,284
2005	7,421,284.37	622,854.20	125,555	497,100	704,270.28	3,498,645.57	7,295,730
2006	7,295,729.72	622,854.20	134,297	488,357	838,567.04	3,987,003.01	7,161,433
2007	7,161,432.96	622,854.20	143,648	479,007	982,214.50	4,466,009.85	7,017,785
2008	7,017,785.40	622,854.20	153,849	469,005	1,135,964.05	4,935,014.40	6,864,136
2009	6,864,135.85	622,854.20	164,348	458,305	1,300,211.79	5,393,320.88	6,699,788
2010	6,699,788.21	622,854.20	175,791	446,863	1,476,002.73	5,840,184.12	6,523,997
2011	6,523,997.27	622,854.20	188,031	434,623	1,664,033.63	6,274,807.42	6,335,966
2012	6,335,965.37	622,854.20	201,123	421,531	1,865,158.73	6,696,338.52	6,134,843
2013	6,134,843.27	622,854.20	215,127	407,527	2,080,283.62	7,103,865.83	5,919,716
2014	5,919,716.38	622,854.20	230,106	392,548	2,310,389.34	7,496,414.31	5,689,611
2015	5,689,610.66	622,854.20	246,128	376,527	2,556,516.86	7,872,940.99	5,443,483
2016	5,443,483.14	622,854.20	263,265	359,389	2,819,781.73	8,232,330.32	5,180,218
2017	5,180,218.27	622,854.20	281,595	341,059	3,101,377.18	8,573,389.07	4,898,623
2018	4,898,622.82	622,854.20	301,202	321,452	3,402,579.55	8,894,840.90	4,597,420
2019	4,597,420.45	622,854.20	322,174	300,480	3,724,754.01	9,195,320.64	4,275,246
2020	4,275,245.99	622,854.20	344,607	278,047	4,069,360.82	9,473,368.03	3,930,639
2021	3,930,639.18	622,854.20	368,601	254,053	4,437,961.89	9,727,421.16	3,562,038
2022	3,562,038.11	622,854.20	394,266	228,388	4,832,227.89	9,955,809.36	3,167,772
2023	3,167,772.11	622,854.20	421,718	200,936	5,253,945.82	10,156,745.63	2,746,054
2024	2,746,054.18	622,854.20	451,081	171,573	5,705,027.10	10,328,318.55	2,294,973
2025	2,294,972.90	622,854.20	482,489	140,165	6,187,516.24	10,489,483.51	1,812,484
2026	1,812,483.75	622,854.20	516,084	106,570	6,703,600.10	10,575,053.95	1,286,400
2027	1,286,399.90	622,854.20	552,018	70,836	7,255,617.82	10,645,690.43	744,382
2028	744,382.18	622,854.20	590,454	32,201	7,846,071.38	10,677,891.07	153,929
2029	153,928.62	155,663.55	153,929	1,735	8,000,000.00	10,679,826.00	0

CONFIDENTIAL
HST_PSI089334

— = Redacted by the Permanent
Subcommittee on Investigations

```

01|USN  IBS                FUNDS TRANSFER ENTRY          SND DATE 04/14/99
02|SRC  FAX      RPT#          TRN 990414001595
03|AMT      8,000,000.00    CUP  USD          RATE      0.000000000000
04|VAL  04/14/99    TYP FTR  MTP 1000    FNDS S    CHG: DB N  CD N COM N CBL N
05|-----
06|DBT PTY D/ [REDACTED]    CDT PTY [REDACTED]          ADV FED
07|DBT ID D/ [REDACTED]    CDT ID [REDACTED]
08|AMT      0.00    CUP          AMT      0.00    CUP
09|QUEENSGATE BK & TRUST CO    NATIONS BANK TEXAS
10|UGLAND HOUSE PO BOX 30464 SMB    DALLAS, TX
11|GRAND CAYMAN CI BRITISH W INDIES
12|ATTN MS KARLA BODDEN FIN CTRL
13|SEND      /          ADVICE INSTRUCTIONS
14|
15|
16|
17|          1ST IBK  /
18|
19|SNDR REF NUM          ADVICE INSTRUCTIONS
20|CHP SSN
21|
22|IMAD 0414B1Q8691C000223
23|
24|      Enter=Select          F10=Next Inquiry
25|

```

1---|---1φ---|---2φ---|---3φ---|---4φ---|---5φ---|---6φ---|---7φ---|---8φ

007530

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1305

5236

```
-----
26|                                FUNDS TRANSFER ENTRY                                PAGE 2|
27|ORD BNK  /                                INTR BNK  /|
28|
29|
30|
31|
32|REF NUM                                ADV INSTRUCTIONS|
33|
34|ORIG    /|
35|
36|
37|                                BNF BNK    /|
38|
39|REF NUM  2122|
40|
41|BANK TO BANK INFO|
42|                                ADV INSTRUCTIONS|
43|
44|
45|
46|
47|
48|
49|Enter=Select                                F10=Next Inquiry|
50|-----
1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80
```

007531

— = Redacted by the Permanent
Subcommittee on Investigations

```

51 |                                FUNDS TRANSFER ENTRY                                PAGE 3 |
52 |
53 | INTR BK /                                BNF BNK /                                WIR |
54 |
55 |
56 |
57 |
58 | ADVICE INSTRUCTIONS                                ADVICE INSTRUCTIONS |
59 |
60 |
61 |
62 |
63 | ORIG TO BNF INFO                                BNF [REDACTED]                                CH: BK?N |
64 | SECURITY CAPITAL                                THE SAM WYLY MALIBU TRUST |
65 |
66 |
67 |
68 |                                ADVICE INSTRUCTIONS |
69 |
70 |
71 |
72 |
73 |
74 | Enter=Select                                F10=Next Inquiry |
75 |

```

1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80

— = Redacted by the Permanent
Subcommittee on Investigations

```

01 |
02 | {1510} Type/Subtype Code:
03 |     Type Code:      10 (Transfer of funds)
04 |     Subtype Code:   00 (Regular transfer)
05 |
06 | {2000} Amount:      $8,000,000.00
07 |
08 | {3100} Sending Bank:
09 |     ABA number:      026007825
10 |     Short name:      SCHRODER NYC
11 |     ABA lookup (AUX): IBJ WHITEHALL BANK AND TRUST
12 |                     NEW YORK, NY
13 |
14 | {3320} Sender Reference: 990414001595
15 |
16 | {3400} Receiving Bank:
17 |     ABA number:      111000025
18 |     Short name:      NATIONSBK DALLAS
19 |     ABA lookup (AUX): NATIONSBANK TEXAS
20 |                     DALLAS, TX
21 |
22 | {3600} Business Function Code: CTR (Customer transfer)
23 |
24 | {4200} Beneficiary:   [REDACTED]
25 |                     THE SAM WYLY MALIBU TRUST
26 |
27 | {4320} Reference for Beneficiary: 2122
28 |
29 | {5000} Originator:    D. [REDACTED]
30 |                     QUEENSGATE BK & TRUST CO
31 |                     UGLAND HOUSE PO BOX 30464 SMB
32 |                     GRAND CAYMAN CI BRITISH W INDIES
33 |                     ATTN MS KARLA BODDEN FIN CTRL
34 |
35 | {6000} Originator to Beneficiary Info: SECURITY CAPITAL
36 |
37 |

```

007533

Bank of America

Bank of America, N.A.
P.O. Box 831547
Dallas, TX 75283-1547

Page 1 of 2
Statement Period
03-15-99 through 04-14-99
Number of checks enclosed: 1
B 10 & C

Account Number: [REDACTED]

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Private Client

SAM WYLY MALIBU TRUST
18 31
300 CRESCENT CT STE 1000
DALLAS TX 75201-7852

See Back for Change of Address

Customer Service Information

For additional information or service, you may call:
1-800-247-6262 Express Service/Customer Service
1-800-332-5977 Hearing Impaired Customer Service

Or you may write to:
Bank of America, N.A.
P.O. Box 831547
Dallas, TX 75283-1547

SAM WYLY MALIBU TRUST Interest Checking 18 31

Your Account at a Glance

Account Number: [REDACTED] Annual Percentage Yield Earned this Statement
Beginning Balance on 03-15-99: \$ 70,548.74 Period: 0.50%
Deposits and Other Additions: + 8,012,241.41 Interest Paid Year to Date: \$198.66
Checks Posted: - 10,985.03
Ending Balance on 04-14-99: \$ 8,071,807.12

Beginning June 18 1999 overdraft protection transfer notices will no longer be sent. Overdraft protection transfer information will continue to be available on your monthly account statement. Account information is also available 24 hours a day by calling Telephone Banking or by using online Financial Services.

Thank you for banking with Bank of America.

Interest Checking Additions

Deposits and Other Additions	Date Posted	Amount(\$)
Deposit	03-31	12,100.00
Wire Type: Fed IN Date: 990414 Time: 1422	04-14	8,000,000.00
Fed Ref: 000225 Seq: 990414013457		
Orig: Queensgate BK & Tru Pat Det: The Sam Wyly Mali		
Su Trust: [REDACTED] RFB=2122 On: security Capit		
At Sending Bank: SCH 0000r Nyc	04-14	141.41
Interest Earned		
Total Deposits and Other Additions		8,012,241.41

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1305

Confidential Treatment Requested

Recycled Paper

BA 147331

5240

RECORDING REQUESTED BY
STEWART TITLE OF CALIFORNIA, INC.

99 1471211

WHEN RECORDED
PLEASE MAIL THIS INSTRUMENT TO:

Security Capital, Ltd.
P. O. Box 30868 SMB
Ugland House
Georgetown, Grand Cayman

FEE \$ 32 F 7

D.A. FEE Code 20 \$ 4

SPACE ABOVE THIS LINE FOR RECORDER'S USE

DEED OF TRUST AND ASSIGNMENT OF RENTS

THIS DEED OF TRUST, effective as of the 14th day of April, 1999, between SAM WYLY 1978 MALIBU REVOCABLE TRUST, herein called TRUSTOR, whose address is 300 Crescent Court, Suite 1000, Dallas, Texas 75201, STEWART TITLE OF CALIFORNIA, INC., a California corporation, herein called TRUSTEE, and SECURITY CAPITAL, LTD., a Cayman Islands Exempted Company, herein called BENEFICIARY.

WITNESSETH: Trustor irrevocably grants, transfers and assigns to Trustee, in trust, with power of sale, that real property in the County of Los Angeles, State of California, described on Exhibit "A" attached hereto (the "Property"), together with all appurtenances in which Trustor has any interest, including water rights benefiting said real Property whether represented by shares of a company or otherwise; and,

TOGETHER WITH the rents, issues and profits thereof, SUBJECT, HOWEVER, to the right, power and authority given to and conferred upon Beneficiary by paragraph (10) of the provisions herein to collect and apply such rents, issues and profits.

FOR THE PURPOSES OF SECURING: (1) Performance of each agreement of Trustor incorporated by reference or contained herein; (2) payment of one promissory note (the "Note") of even date herewith made by Trustor, payable to Beneficiary, or order, in the principal sum of Eight Million and No/100 Dollars (\$8,000,000.00), and any extension or renewal thereof; (3) payment of such additional sums as may from time to time be hereafter borrowed from the

-1-

205958.v3

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1306

CONFIDENTIAL
SECT00075723
PSI00087590

NOTIFICATION SENT \$4

Beneficiary or its successor in interest by the then record owner of said real property when evidenced by another note or notes reciting that it is so secured.

To Protect the Security of this Deed of Trust, Trustor agrees:

- (1) To keep said Property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said Property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said Property in violation of law to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said Property may be reasonably necessary, the specific enumerations herein not excluding the general.
- (2) To provide, maintain and deliver to Beneficiary "all risk" insurance coverage against loss or damage to the Property from all-risk perils, in such amounts and upon such terms as are reasonably satisfactory to Beneficiary. During the period of any construction on the Property or renovation or alteration of any improvements on the Property, Trustor agrees to provide, maintain, and deliver to Beneficiary a so-called "Builder's All-Risk Completed Value" or "Course of Construction" insurance policy in non-reporting form for any improvements under construction, renovation or alteration in an amount reasonably approved by Beneficiary and worker's compensation insurance covering all persons engaged in such construction, renovation or alteration. All insurance policies shall contain a "mortgagee" clause whereby any losses are payable to the Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount as collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default or notice of default hereunder or invalidate any act done pursuant to such notice.
- (3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed.
- (4) To pay: at least ten days before delinquency all taxes and assessments affecting said Property, including assessments on appurtenant water stock, when due, all encumbrances, charges and liens, with interest, on said Property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust; provided, however, that this Deed is secondary and inferior to the lien created by that certain Deed of Trust executed by Sam Wyly in favor of Wells Fargo Bank, N.A., dated April 23, 1984 (the "Prior Lien"), and Trustor need not pay the indebtedness secured by the Prior Lien except as required by the promissory note secured by said Prior Lien.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation as to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said Property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof as the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

(5) To pay immediately and without demand all sums as expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

(6) That any award of damages in connection with any condemnation for public use of or injury to said Property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

(7) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure to pay.

(8) That at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said Property; consent to the making of any map or plat thereof; join in granting any agreements thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

(9) That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the Property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto." Five years after issuance of such full reconveyance, Trustee may destroy said note and this Deed (unless directed in such request to retain them).

(10) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said Property, reserving unto Trustor the right, prior to any default by Trustor in

99 1471211

payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain said rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said Property or any part thereof, in his own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said Property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(11) That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, after notice of default and failure of Trustor to cure said default within any cure periods set forth in the Note, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee a written declaration of default and demand for sale and a written notice of default and of election to cause to be sold said Property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said Property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the Property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof, all other sums then secured hereby, and the remainder, if any, to the person or persons entitled thereto.

(12) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said

99 1471211

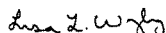
Property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

(13) That Beneficiary may not assign the Note and this Deed of Trust except in accordance with the limitations and restrictions set forth in the Note. Provided that Beneficiary complies with the limitations and restrictions set forth in the Note, Beneficiary may assign the Note and Deed of Trust without the consent of Trustor and any such assignment shall not relieve the Trustor of its obligations hereunder, except that Trustor shall make all payments to and give any notices at the address of such assignee as provided to Trustor by Beneficiary.

(14) Subject to the limitation on assignment as set forth in the Note, that this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisee, administrator, executors, successors, and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the note secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and or neuter, and the singular number includes the plural.

(15) That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a part unless brought by Trustee.

The undersigned Trustor requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to him at his address hereinbefore set forth.



LISA L. WYLY, TRUSTEE OF THE SAM WYLY
1978 MALIBU REVOCABLE TRUST,
PURSUANT TO A WRITTEN TRUST
AGREEMENT DATED MAY 15, 1978

5245

99 1471211

STATE OF TEXAS
COUNTY OF DALLAS

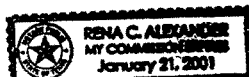
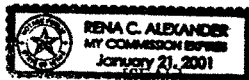
§
§ ss:
§

On April 15th, 1999 before me, Rena C Alexander, personally appeared Lisa L. Wyly, Trustee of the Sam Wyly 1978 Malibu Revocable Trust pursuant to a written Trust Agreement dated May 15, 1978, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal.

Signature

Rena C Alexander



-6-

205958.v3

CONFIDENTIAL
SEC100075728
PST000087505

The land referred to in this report is situated in the State of California, County of Los Angeles, and is described as follows:

A Parcel of land being a part of Rancho Topanga Malibu Sequit, as per map recorded in Book 1 Pages 414 to 416 inclusive of Patents, in the office of the County Recorder of said County, described as follows:

Commencing at Engineer's centerline station 944 Plus 81.47 in a tangent bearing South 83° 09' 30" West of the 80 foot strip of land as described in the Final Order of Condemnation in Superior Court, Case No. 135650, a certified copy of said Final Order being recorded in Book 9434 Page 338, Official Records of said County, said centerline station being South 0° 40' 42" East 4183.75 feet from a 12" x 12" sandstone monument marked TM4 in the root of a 54" Sycamore at a North boundary corner of said Rancho, described on County Surveyor's Map 9207, Records of said County; thence South 0° 40' 42" East 821.22 feet to a point marked with a 2 1/2" pipe; thence North 76° 25' 30" West, 1330.00 feet to a point marked with a 2 1/4" pipe; thence North 64° 35' 30" West 155.00 feet to the true point of beginning; thence North 84° 35' 30" West 60.00 feet to a point; thence South 5° 24' 30" West 254 feet; more or less, to a point in the ordinary high tide line of the Pacific Ocean; thence Easterly along said ordinary high tide, 60 feet more or less, to the intersection of said tide line and that line which bears South 5° 24' 30" West from said point of beginning; thence North 5° 24' 30" East 256 feet, more or less, to said point of beginning.

EXCEPTING any portion of said land, which at any time was tide land, which was not formed by the deposit of alluvion from natural causes and by imperceptible decrees.

5247

LOCKE LIMITED

(Incorporated in the Isle of Man No: 77573C)

Directors:

N.J. Carter
N. Field-Corbett (Irish)

Registered Office:

International House,
Castle Hill,
Victoria Road,
Douglas,
Isle of Man,
IM2 4RB.

CONFIRMATION OF FACSIMILE

Tel: (01624) 630600
Fax: (01624) 624469

*** FACSIMILE TRANSMISSION ***

The information contained in this fax is confidential and/or privileged. This fax is intended to be read only by the person named below. If the reader of this fax is not the intended recipient or a representative of the intended recipient you are hereby notified that any review, dissemination or copying of this fax is prohibited. If you have not received all the pages or have received this fax in error, please notify the sender by telephone and return this fax to the sender at the above address.

Page 1 of 1 (Total Sent)

Date: 12th April, 1999.

Time Sent:

Fax No: 001 214 7209464
Operator Ref: INST 1 DISB 1064

TO: ATTN: CINDY MURDOCK / MICHELLE CRITTENDEN
LEHMAN BROTHERS INC.

FROM: LOCKE LIMITED

REF: KJ/SLD/LOCKE-F.2

ORIGINAL

RE: ACCOUNT NO: [REDACTED]

Further to our fax of 9th April 1999, will you please now arrange for the transfer of the sum of US\$3,000,000 (Three Million US Dollars only) realised from the account to be transferred as soon as possible to the following:-

Bank: IBJ Schroder Bank & Trust Company, New York.
ABA No: 026007825
Chips: 782
In favour of: Queensgate Bank & Trust Company Limited
Account No: [REDACTED]
For further credit to: Security Capital Limited
Sub Account: 2122
By order of: Locke Limited

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

We look forward to receiving confirmation when the transfer has been made as requested. However, should there be any difficulties in complying with these instructions, or if additional information is required will you please contact us on the above telephone or fax number as soon as possible.

It is confirmed that the original of these instructions will be forwarded to you by courier.

Yours faithfully,

N.J. Carter,
Director.

CONFIRMATION OF FACSIMILE

N. Field-Corbett,
Director.

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1307

CC 022578

5248

MOBERLY LIMITED

(Incorporated in the Isle of Man No. 77466)

Directors:

N.J. Carter
N. Field-Corbett

Registered Office:

International House,
Castle Hill,
Victoria Road,
Douglas,
Isle of Man.

Tel: (01624) 626931
Fax: (01624) 624469

CONFIRMATION OF FACSIMILE

*** FACSIMILE TRANSMISSION ***

The information contained in this fax is confidential and/or privileged. This fax is intended to be read only by the person named below. If the reader of this fax is not the intended recipient or a representative of the intended recipient you are hereby notified that any review, dissemination or copying of this fax is prohibited. If you have not received all the pages or have received this fax in error, please notify the sender by telephone and return this fax to the sender at the above address.

Page 1 of / (Total Sent)

Date: 12th April, 1999.

Time Sent:

Fax No: 001 214 720 9464
Operator Ref: INST 1 DISB

TO: MICHELLE CITTENDEN / CINDY MURDOCK
LEHMAN BROTHERS INC.

FROM: MOBERLY LIMITED

REF: KJ/SLD/MOBER-F.2

ORIGINAL

RE: ACCOUNT NO: [REDACTED]

Further to our fax of 9th April 1999, will you please now arrange for the transfer of the sum of US\$5,000,000 (Five Million US Dollars only) realised from the account to be transferred as soon as possible to the following:-

Bank: IBJ Schroder Bank & Trust Company, New York.
ABA No: 026007825
Chips: 782
In favour of: Queensgate Bank & Trust Company Limited
Account No: [REDACTED]
For further credit to: Security Capital Limited
Sub Account: 2122
By order of: Moberly Limited

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

We look forward to receiving confirmation when the transfer has been made as requested. However, should there be any difficulties in complying with these instructions, or if additional information is required will you please contact us on the above telephone or fax number as soon as possible.

It is confirmed that the original of these instructions will be forwarded to you by courier.

Yours faithfully,

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1307

CC 023636

Bank of America, N.A.
P.O. Box 831547
Dallas, TX 75283-1547

Page 2 of 3
Statement Period
04-15-99 through 05-14-99
Number of checks enclosed: 1
B 10 6 C
Account Number: [REDACTED]

SAH WYLY MALIBU TRUST
LB 31

- Redacted by the Permanent
Subcommittee on Investigations

Interest Checking Additions

Deposits and Other Additions - Continued	Date Posted	Amount(\$)
Wire Type: Fed IN Date: 990507 Time: 1137 Fed Ref: 080995 Seq: 990507067995 Orig: First Data Investor Pmt Det: The Sah Wylly Mall Bu Trust [REDACTED] RFB: 5000049501 Sending Bank	05-07	200,000.00
: Boston Safe Dep 2 Wire Type: Fed IN Date: 990507 Time: 1449 Fed Ref: 082343 Seq: 990507016656 Orig: First Data Investor Pmt Det: The Sah Wylly Mall Bu Trust [REDACTED] RFB: 5000049501 Sending Bank	05-07	200,000.00
: Boston Safe Dep 2 Interest Earned	05-14	75.33
Total Deposits and Other Additions		662,175.33

Interest Checking Subtractions

Checks Posted	Date Posted	Amount(\$)
Check Number 79404 Date 05-05 Amount(\$)		10,983.03
Total Checks Posted		610,985.03
Service Charges and Other Fees	Date Posted	Amount(\$)
Wire Transfer Fee	04-16	30.00
Wire Transfer Fee	05-07	15.00
Wire Transfer Fee	05-14	15.00
Total Service Charges and Other Fees		60.00
Other Subtractions	Date Posted	Amount(\$)
Funds Transfer Debit Fdes Rtx 8901145 HSK46V3 Wire Type: Fed Out Date: 990416 Time: 1020 Fed Ref: 081665 Seq: 990416004669	04-15	5,000,000.00
: BK: Vectra BK Denver Wire Type: Fed Out Date: 990416 Time: 1419 Fed Ref: 084655 Seq: 990416014226 BNF: NATIONSFUNDS PMT DET: NATIONSFUNDS R Bnf BK: Boston Safe Dep 1	04-16	5,000,000.00
Wire Type: Fed Out Date: 990507 Time: 1354 Fed Ref: 081546 Seq: 990507012401 BNF [REDACTED] BNF BK: Vectra BK Denver	05-07	182,160.68

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1309

Confidential Treatment Requested

BA 14733

5250

Bank of America, N.A.
P.O. Box 831547
Dallas, TX 75283-1547

Page 1 of 3
Statement Period
01-08-99 through 05-07-99
Number of checks enclosed: 21
R 05 0 C 05 #99450
Account Number [REDACTED]

Private Client

SAM WYLY/SEPARATE PROPERTY
RENA ALEXANDER, AMY BROWNING, LISA WYLY
KEELEY HENNINGTON OR ELAINE SPANG
300 CRESCENT CT SUITE 1000
DALLAS, TX 75201-7652

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

See Back for Change of Address

Customer Service Information

For additional information or service, you may call:
1-800-247-6262 Express Service/Customer Service
1-800-832-3977 Hearing Impaired Customer Service

Or you may write to:
Bank of America, N.A.
P.O. Box 831547
Dallas, TX 75283-1547

Interest Checking

SAM WYLY/SEPARATE PROPERTY RENA ALEXANDER, AMY BROWNING, LISA WYLY
KEELEY HENNINGTON OR ELAINE SPANG

Your Account at a Glance

Account Number	[REDACTED]	Annual Percentage Yield Earned this Statement
Beginning Balance on 04-08-99	\$ 149,090.25	Period: 0.50%
Deposits and Other Additions	+ 5,400,983.87	Interest Paid Year to Date: \$1,290.09
Checks Posted	- 4,311,809.62	
Service Charges and Other Fees	- 23.60	
Other Subtractions	- 1,108,200.00	
Ending Balance on 05-07-99	\$ 130,041.00	

Y2K UPDATE: We are on target to be Y2K Ready in accordance with federal guidelines by 6/30/99 and are committed to ongoing quality reviews throughout the year. Please visit www.bankofamerica.com for more information.

Thank you for banking with Bank of America.

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1309

Confidential Treatment Requested

EA 093058

Bank of America, N.A.
P.O. Box 831547
Dallas, TX 75283-1547

Page 2 of 3
Statement Period
04-08-99 through 05-07-99
Number of checks enclosed: 21
R 05 0 C 05
Account Number [REDACTED]

SAM WYLY/SEPARATE PROPERTY
RENA ALEXANDER, AMY BROWNING, LISA WYLY
KEELEY HENNINGTON OR ELAINE SPANG

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Interest Checking Additions

Deposits and Other Additions	Date Posted	Amount(\$)
Funds Transfer Credit	04-15	5,000,000.00
Fdes Ntr 0001145 NBKA6Y3		
Funds Transfer Credit	05-03	400,000.00
Fdes Ntr 0001145 NBKA6Y3		
Interest Earned	05-07	983.87
Total Deposits and Other Additions		\$5,400,983.87

Interest Checking Subtractions

Checks Posted								
Check Number	Date Posted	Amount(\$)	Check Number	Date Posted	Amount(\$)	Check Number	Date Posted	Amount(\$)
[REDACTED]	04-30	[REDACTED]	[REDACTED]	04-27	[REDACTED]	[REDACTED]	04-22	[REDACTED]
[REDACTED]	04-27	[REDACTED]	[REDACTED]	04-21	[REDACTED]	[REDACTED]	04-19	[REDACTED]
[REDACTED]	04-19	[REDACTED]	[REDACTED]	04-16	[REDACTED]	[REDACTED]	04-20	[REDACTED]
[REDACTED]	04-08	[REDACTED]	[REDACTED]	04-19	[REDACTED]	[REDACTED]	04-30	[REDACTED]
[REDACTED]	04-08	[REDACTED]	[REDACTED]	04-18	[REDACTED]	[REDACTED]	05-07	[REDACTED]
[REDACTED]	04-12	[REDACTED]	[REDACTED]	04-16	[REDACTED]	[REDACTED]	05-04	[REDACTED]
[REDACTED]	04-12	[REDACTED]	[REDACTED]	04-20	[REDACTED]	[REDACTED]	05-07	[REDACTED]
Total Checks Posted						\$4,311,809.62		

*The asterisk shows a break in the check number order. Your check may have been in a previous statement or may still be outstanding.

Service Charges and Other Fees	Date Posted	Amount(\$)
Wire Transfer Fee	04-26	8.50
Wire Transfer Fee	05-06	15.00
Total Service Charges and Other Fees		\$23.50

Other Subtractions	Date Posted	Amount(\$)
Wire Type:Book Out Date:990426 Time:1007	04-26	8,200.00
Bnf:Rosemary Acton		
Seq:990426004530 Pmt Det: [REDACTED] Bnf: [REDACTED]		
[REDACTED] RFB [REDACTED] Obi= principal		
1443 65 Interest Bnf Br:NationsBank Texas		

5252

Bank of America, N.A.
P.O. Box 831547
Dallas, TX 75283-1547

Page 2 of 3
Statement Period
04/08/99 through 05/07/99
Number of checks enclosed: 21
B O B C 05 039496
Account Number [REDACTED]

H

SAM WYLY/SEPARATE PROPERTY
RENA ALEXANDER, AMY BROWNING, LISA WYLY
KEELEY HENNINGTON OR ELAINE SPANG

[REDACTED] - Redacted by the Permanent
Subcommittee on Investigations

Interest Checking Subtractions

Other Subtractions - Continued	Date Posted	Amount(\$)
Wire Type: Fed Out Date: 990506 Time: 1212 Fed Ref: 001010 Seq: 990506008888 Bnf: Nationsfunds Ac-1542 Pmt Det: Nationsfunds Ac-1 54202 RFB= 00099050699003 Bnf Bk: Boston Safe Dep T R	05-06	1,100,000.00
Total Other Subtractions		\$1,108,200.00

Daily Balance Summary

Date	Balance	Date	Balance	Date	Balance
Beginning	149,090.25	04-20	5,135,338.55	05-03	1,234,194.19
04-08	148,520.28	04-21	5,135,048.55	05-04	1,234,164.13
04-12	142,051.27	04-22	5,135,041.78	05-05	134,149.13
04-15	5,142,031.27	04-25	5,126,833.26	05-07	130,041.00
04-16	5,141,358.89	04-27	904,705.72		
04-19	5,136,276.55	04-30	834,194.19		

Confidential Treatment Requested

BA 09306

H

Bank of America, N.A.
P.O. Box 831547
Dallas, TX 75283-1547

Page 2 of 2
Statement Period
11-27-99 through 12-24-99
Number of checks enclosed: 2
B 18 0 C

Account Number: [REDACTED]

CHARLES J WYLY, JR CURATOR
OF THE INTERDIET,
KATIE WYLY BELSER/OR AMY BROWNING OR

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Deposits and Other Additions			Interest Checking Additions			Amount(\$)
Check Number	Date	Amount(\$)	Check Number	Date	Amount(\$)	
Counter Credit				12-01		381.70
US Treasury S10 (Des=soe Sec ID=494688366C1 SSA				12-03		254.00
Eff Date: 991205;Zndn:Charles J Wyly Jr						
Prt Info:NI*gdW*Charles J Wyly Jr						
NI*be*katie						
Hbeler				12-03		130.00
Counter Credit				12-16		88.00
Counter Credit				12-24		15.64
Interest Earned						
Total Deposits and Other Additions						660.34
Checks Posted			Interest Checking Subtractions			
Check Number	Date	Amount(\$)	Check Number	Date	Amount(\$)	
19779	12-16	2,319.52	19780	12-20	67.23	
Total Checks Posted						62,566.75
Daily Balance Summary						
Date	Balance	Date	Balance	Date	Balance	
Beginning	41,877.50	12-05	42,143.20	12-20	39,844.45	
12-01	41,759.20	12-16	39,911.68	12-24	39,837.09	

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1310

Confidential Treatment Requested

BA 14744

5254

Investments For A Lifetime™

P.O. BOX 34602
CHARLOTTE, NC 28254-3584DEALER: 002000
BRANCH: 0091800
REP NO: 1JJ
ALPHA: JONES-JOHN
NAME: JOHN JONES

STATEMENT DATE 04/16/99

CONSOLIDATED STATEMENT

NATIONSBANK INVESTMENTS INC
DALLAS TX1-492-22-01
901 MAIN ST
DALLAS TX 75202LISA WYLY TRUSTEE
THE SAM WYLY MALIBU TRUST
ATTN: RENA ALEXANDER
300 CRESCENT COURT STE 1000
DALLAS TX 75201INVESTMENT AMOUNT: \$
ACCOUNT NUMBER:
SSN/TAX ID NUMBER:
FUND NAME:

DETACH HERE

Redacted by the Permanent
Subcommittee on Investigations

USE THE ABOVE REMITTANCE SLIP WITH YOUR NEXT INVESTMENT. DETACH HERE.

ACCOUNT NUMBER SS OR TAX ID NUMBER

POST DATE	TRADE DATE	TYPE OF TRANSACTION	TRANSACTION AMOUNT	SHARE PRICE	TRANSACTION SHARES	TOTAL SHARES
04/16/99	04/16/99	NEW ACCOUNT INVESTMENT	3,000,000.00	\$1.00	3,000,000.000	3,000,000.000

REFERENCE NO.	MEDIA	MSG	DATE	TIME	ACCOUNT NO.	DIVOR	AMOUNT
4685	FW	014226	04/16/99	14:19	00000	DEBIT	\$3,000,000.00

NATIONSBANK TEXAS /ORG=SAM WYLY MALIBU TRUST
BOSTON SAFE DEP TR/CTR/BBK=UNKNOWN BNF=NATIONSPFUNDS /AC
REF SAM WYLY MALIBU TRUSTSAM WYLY MALIBU TRUST
LB 31
300 CRESCENT CT SUITE 1000
DALLAS, TX 75201-7852NationsBank
P.O. Box 83000-7154, Dallas, Texas 75283

FUNDS TRANSFER ADVICE

*IF ASSISTANCE ON THIS TRANSACTION IS NEEDED, PLEASE CONTACT OUR RESEARCH DEPARTMENT AT 1-800-577-8473.



SH CPT 000 002000

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1310

PAGE 01

CONFIDENTIAL
SEC100025317
PS100037184

5255

= Redacted by the Permanent
Subcommittee on Investigations

```

01|USN  IBS                                FUNDS TRANSFER ENTRY          SND DATE 05/14/99
02|SRC  FED  RPT#                               TRN  990514000891
03|AMT                    51,887.85      CUR  USD          RATE      0.000000000000
04|VAL  05/14/99      TYP FTR  MTP          FNDS S      CHG: DB N  CD N COM N CBL N
05|-----
06|DBT PTY G/ [REDACTED]          CDT PTY [REDACTED]          ADV WIR
07|DBT ID [REDACTED]          CDT ID [REDACTED]
08|AMT                    0.00      CUR          AMT                    0.00      CUR
09|NATIONSBANK TEXAS          QUEENSGATE BK & TRUST CO
10|DALLAS, TX          UGLAND HOUSE PO BOX 30464 SMB
11|          GRAND CAYMAN CI BRITISH W INDIES
12|          ATTN MS KARLA BODDEN FIN CTRL
13|SEND      /          ADVICE INSTRUCTIONS
14|
15|
16|
17|          1ST IBK      /
18|
19|SND R REF NUM  9905140047690492          ADVICE INSTRUCTIONS
20|CHP SSN
21|
22|IMAD 0514KIQJA01C00049205141111FT01
23|
24|      Enter=Select          F10=Next Inquiry
25|

```

1---|---1φ---|---2φ---|---3φ---|---4φ---|---5φ---|---6φ---|---7φ---|---8φ

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1311

000250

5256

```
26 |                                     FUNDS TRANSFER ENTRY                                     PAGE 2 |
27 | ORD BNK /                               INTR BNK /
28 |
29 |
30 |
31 |
32 | REF NUM                               ADV INSTRUCTIONS
33 |
34 | ORIG /
35 | SAM WYLY MALIBU TRUST
36 |
37 |                               BNF BNK /
38 |
39 | REF NUM 0009905149900082
40 |
41 | BANK TO BANK INFO                               ADV INSTRUCTIONS
42 |
43 |
44 |
45 |
46 |
47 |
48 |
49 | Enter=Select                               F10=Next Inquiry
50 |
-----
1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80
```

000251

5257

```
51 |-----|
52 |                FUNDS TRANSFER ENTRY                PAGE 3 |
53 | INTR BK  /                      BNF BNK  /                      WIR |
54 |
55 |
56 |
57 |
58 | ADVICE INSTRUCTIONS                      ADVICE INSTRUCTIONS |
59 |
60 |
61 |
62 |
63 | ORIG TO BNF INFO                      BNF  /                      CH: BK?N |
64 | FURTHER CREDIT TO SECURITY CAPITAL |
65 | LTD SUB ACCOUNT 2122 |
66 |
67 |
68 |                      ADVICE INSTRUCTIONS |
69 |
70 |
71 |
72 |
73 |
74 | Enter=Select                      F10=Next Inquiry |
75 |-----|
    1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80
```

000252

= Redacted by the Permanent
Subcommittee on Investigations

```

01|USN  IBS                                FUNDS TRANSFER ENTRY          SND DATE 06/14/99
02|SRC  FED  RPT#                          TRN  990614001728
03|AMT          51,887.85      CUR  USD      RATE      0.000000000000
04|VAL  06/14/99      TYP FTR  MTP          FNDS S      CHG: DB N  CD N COM N CBL N
05|-----
06|DBT PTY [REDACTED]                  CDT PTY [REDACTED]          ADV WIR
07|DBT ID  [REDACTED]                  CDT ID  [REDACTED]
08|AMT          0.00      CUR          AMT          0.00      CUR
09|NATIONSBANK TEXAS                  QUEENSGATE BK & TRUST CO
10|DALLAS, TX                          UGLAND HOUSE PO BOX 30464 SMB
11|                                  GRAND CAYMAN CI BRITISH W INDIES
12|                                  ATTN MS KARLA BODDEN FIN CTRL
13|SEND      /                          ADVICE INSTRUCTIONS
14|
15|
16|
17|                                  1ST IBK  /
18|
19|SNDR REF NUM  9906140130381514      ADVICE INSTRUCTIONS
20|CHP SSN
21|
22|IMAD 0614K1QJA01C00151406141515FT01
23|
24|      Enter=Select                      F10=Next Inquiry
25|

```

1---|---1φ---|---2φ---|---3φ---|---4φ---|---5φ---|---6φ---|---7φ---|---8φ

000313

5259

```
26 |                                     FUNDS TRANSFER ENTRY                                     PAGE 2 |
27 | ORD BNK /                               INTR BNK /
28 |
29 |
30 |
31 |
32 | REF NUM                               ADV INSTRUCTIONS
33 |
34 | ORIG /
35 | SAM WYLY-MALIBU TRUST
36 |
37 |                               BNF BNK /
38 |
39 | REF NUM 0009906149900780
40 |
41 | BANK TO BANK INFO
42 |                               ADV INSTRUCTIONS
43 |
44 |
45 |
46 |
47 |
48 |
49 | Enter=Select                               F10=Next Inquiry
50 |
-----
1---|---1φ---|---2φ---|---3φ---|---4φ---|---5φ---|---6φ---|---7φ---|---8φ
```

000314

5260

```
-----
51|                                FUNDS TRANSFER ENTRY                                PAGE 3|
52|
53| INTR BK   /                                BNF BNK   /                                WIR|
54|
55|
56|
57|
58| ADVICE INSTRUCTIONS                                ADVICE INSTRUCTIONS|
59|
60|
61|
62|
63| ORIG TO BNF INFO                                BNF   /                                CH: BK?N|
64| FURTHER CREDIT TO SECURITY CAPITAL|
65| LTD SUB ACCT 2122|
66|
67|
68|                                ADVICE INSTRUCTIONS|
69|
70|
71|
72|
73|
74|      Enter=Select                                F10=Next Inquiry|
75|
-----
1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80
```

000315

— = Redacted by the Permanent
Subcommittee on Investigations

```

01|USN  IBS                FUNDS TRANSFER ENTRY          SND DATE 07/14/99
02|SRC  FED  RPT#          TRN 990714001053
03|AMT          51,887.85  CUR  USD          RATE          0.000000000000
04|VAL  07/14/99        TYP FTR  MTP          FNDS S        CHG: DB N  CD N COM N CBL N
05|-----
06|DBT PTY [REDACTED]    CDT PTY [REDACTED]          ADV WIR
07|DBT ID [REDACTED]    CDT ID [REDACTED]
08|AMT          0.00      CUR          AMT          0.00      CUR
09|NATIONSBANK TEXAS    QUEENSGATE BK & TRUST CO
10|DALLAS, TX          UGLAND HOUSE PO BOX 30464 SMB
11|                      GRAND CAYMAN CI BRITISH W INDIES
12|                      ATTN MS KARLA BODDEN FIN CTRL
13|SEND          /          ADVICE INSTRUCTIONS
14|
15|
16|
17|                      1ST IBK  /
18|
19|SNDR REF NUM  9907140088240928          ADVICE INSTRUCTIONS
20|CHP SSN
21|
22|IMAD 0714K1QJA01C00092807141309FT01
23|
24|Enter=Select          F10=Next Inquiry
25|

```

1---|---1φ---|---2φ---|---3φ---|---4φ---|---5φ---|---6φ---|---7φ---|---8φ

5262

```
26|                                     FUNDS TRANSFER ENTRY                                     PAGE 2|
27| ORD BNK   /                                     INTR BNK   /
28|
29|
30|
31|
32| REF NUM                                     ADV INSTRUCTIONS
33|
34| ORIG   /
35| SAM WYLY MALIBU TRUST
36|
37|                                     BNF BNK   /
38|
39| REF NUM 0009907149900110
40|
41| BANK TO BANK INFO
42|                                     ADV INSTRUCTIONS
43|
44|
45|
46|
47|
48|
49| Enter=Select                                     F10=Next Inquiry
50|
```

1---|---1φ---|---2φ---|---3φ---|---4φ---|---5φ---|---6φ---|---7φ---|---8φ

000378

5263

```
51 |                                     FUNDS TRANSFER ENTRY                                     PAGE 3 |
52 |
53 | INTR BK /                               BNF BNK /                               WIR
54 |
55 |
56 |
57 |
58 | ADVICE INSTRUCTIONS                     ADVICE INSTRUCTIONS
59 |
60 |
61 |
62 |
63 | ORIG TO BNF INFO                       BNF /                               CH: BK?N
64 | FURTHER CREDIT TO SECURITY CAPITAL
65 | LTD SUB ACCOUNT 2122
66 |
67 |
68 |                                     ADVICE INSTRUCTIONS
69 |
70 |
71 |
72 |
73 |
74 | Enter=Select                           F10=Next Inquiry
75 |
-----|-----|-----|-----|-----|-----|-----|-----|-----|
1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80
```

000379

— = Redacted by the Permanent
Subcommittee on Investigations

```

01|USN  IBS                                FUNDS TRANSFER ENTRY          SND DATE 09/13/99
02|SRC  FED      RPT#                      TRN  990913001076
03|AMT                    51,887.85      CUR  USD      RATE      0.000000000000
04|VAL  09/13/99      TYP FTR  MTP          FNDS S      CHG: DB N  CD N COM N CBL N
05|-----
06|DBT PTY [REDACTED]          CDT PTY [REDACTED]          ADV WIR
07|DBT ID A [REDACTED]          CDT ID [REDACTED]
08|AMT                    0.00      CUR      AMT                    0.00      CUR
09|NATIONS BANK TEXAS          QUEENSGATE BK & TRUST CO
10|DALLAS, TX                  SMB
11|                              PO BOX 30464
12|                              GRAND CAYMAN ISLAND B WI
13|SEND  /                      ADVICE INSTRUCTIONS
14|
15|
16|
17|                              1ST IBK  /
18|
19|SND R REF NUM  9909130153722171 -      ADVICE INSTRUCTIONS
20|CHP SSN
21|
22|IMAD 0913K1QJA01C00217109131609FT01
23|
24|Enter=Select                      F10=Next Inquiry
25|
1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80

```

5265

```
26 |                                     FUNDS TRANSFER ENTRY                                     PAGE 2 |
27 | ORD BNK /                               INTR BNK /
28 |
29 |
30 |
31 |
32 | REF NUM                               ADV INSTRUCTIONS
33 |
34 | ORIG /
35 | SAM WYLY-MALIBU TRUST
36 |
37 |                               BNF BNK /
38 |
39 | REF NUM 0009909139901000
40 |
41 | BANK TO BANK INFO
42 |                               ADV INSTRUCTIONS
43 |
44 |
45 |
46 |
47 |
48 |
49 | Enter=Select                               F10=Next Inquiry
50 |
```

1---|---1φ---|---2φ---|---3φ---|---4φ---|---5φ---|---6φ---|---7φ---|---8φ

000922

5266

```
-----
51|                                FUNDS TRANSFER ENTRY                                PAGE 3|
52|
53| INTR BK   /                                BNF BNK   /                                WIR
54|
55|
56|
57|
58| ADVICE INSTRUCTIONS                                ADVICE INSTRUCTIONS
59| .
60|
61|
62|
63| ORIG TO BNF INFO                                BNF   /                                CH: BK?N
64| FURTHER CREDIT TO SECURITY CAPITAL
65| LTD SUB ACCOUNT 2122
66|
67|
68|                                ADVICE INSTRUCTIONS
69|
70|
71|
72|
73|
74| Enter=Select                                F10=Next Inquiry
75|
-----
1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80
```

000923

— = Redacted by the Permanent
Subcommittee on Investigations

```

01|USN  IBS                                FUNDS TRANSFER ENTRY          SND DATE 10/13/99
02|SRC  FED  RPT#                          TRN  991013000571
03|AMT                    51,887.85      CUR  USD      RATE      0.000000000000
04|VAL  10/13/99      TYP FTR  MTP      FNDS S      CHG: DB N  CD N COM N CBL N
05|-----
06|DBT PTY [REDACTED]          CDT PTY [REDACTED]          ADV WIR
07|DBT ID [REDACTED]          CDT ID [REDACTED]
08|AMT                    0.00      CUR      AMT                    0.00      CUR
09|NATIONSBANK TEXAS          QUEENSGATE BK & TRUST CO
10|DALLAS, TX                SMB
11|                            PO BOX 30464
12|                            GRAND CAYMAN ISLAND B WI
13|SEND      /                ADVICE INSTRUCTIONS
14|
15|
16|
17|                            1ST IBK      /
18|
19|SNDR REF NUM  9910130107671307      ADVICE INSTRUCTIONS
20|CHP SSN
21|
22|IMAD 1013K1QJA01C00130710131409FT01
23|
24|      Enter=Select                                F10=Next Inquiry
25|-----
  1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80

```

5268

```
26 |                                     FUNDS TRANSFER ENTRY                                     PAGE 2 |
27 | ORD BNK /                               INTR BNK /
28 |
29 |
30 |
31 |
32 | REF NUM                               ADV INSTRUCTIONS
33 |
34 | ORIG /
35 | SAM-WYLY MALIBU TRUST
36 |
37 |                               BNF BNK /
38 |
39 | REF NUM 0009910139900258
40 |
41 | BANK TO BANK INFO
42 |                               ADV INSTRUCTIONS
43 |
44 |
45 |
46 |
47 |
48 |
49 | Enter=Select                               F10=Next Inquiry
50 |
-----
1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80
```

000943

5269

```
-----
51 |                                FUNDS TRANSFER ENTRY                                PAGE 3 |
52 |
53 | INTR BK   /                                BNF BNK   /                                WIR   |
54 |
55 |
56 |
57 |
58 | ADVICE INSTRUCTIONS                                ADVICE INSTRUCTIONS                                |
59 |
60 |
61 |
62 |
63 | ORIG TO BNF INFO                                BNF   /                                CH: BK?N |
64 | FURTHER CREDIT TO SECURITY CAPITAL                                |
65 | LTD SUB ACCT 2122                                |
66 |
67 |
68 |                                ADVICE INSTRUCTIONS                                |
69 |
70 |
71 |
72 |
73 |
74 | Enter=Select                                F10=Next Inquiry                                |
75 |
-----
1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80
```

000944

5270

— = Redacted by the Permanent
Subcommittee on Investigations

```

01|USN  IBS                                FUNDS TRANSFER ENTRY          SND DATE 11/16/99
02|SRC  FED  RPT#                          TRN  991116000314
03|AMT                    51,887.85      CUR  USD          RATE      0.000000000000
04|VAL  11/16/99      TYP FTR  MTP      FNDS S      CHG: DB N  CD N COM N CBL N
05|-----
06|DBT PTY [REDACTED]                  CDT PTY [REDACTED]          ADV WIR
07|DBT ID [REDACTED]                  CDT ID [REDACTED]
08|AMT                    0.00      CUR          AMT                    0.00      CUR
09|NATIONS BANK TEXAS                  QUEENSGATE BK & TRUST CO
10|DALLAS, TX                          SMB
11|                                      PO BOX 30464
12|                                      GRAND CAYMAN ISLAND B WI
13|SEND      /                          ADVICE INSTRUCTIONS
14|
15|
16|
17|                                      1ST IBK      /
18|
19|SNDR REF NUM  9911160062370642      ADVICE INSTRUCTIONS
20|CHP SSN
21|
22|IMAD 1116K1QJA01C00064211161209FT01
23|
24|      Enter=Select                      F10=Next Inquiry
25|-----
1---|---1φ---|---2φ---|---3φ---|---4φ---|---5φ---|---6φ---|---7φ---|---8φ

```

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1311

000975

5271

```
26 |                                     FUNDS TRANSFER ENTRY                                     PAGE 2 |
27 | ORD BNK /                               INTR BNK /
28 |
29 |
30 |
31 |
32 | REF NUM                               ADV INSTRUCTIONS
33 |
34 | ORIG /
35 | SAM WYLY MALIBU TRUST
36 |
37 |                               ENF BNK /
38 |
39 | REF NUM 0009911169900213
40 |
41 | BANK TO BANK INFO
42 |                               ADV INSTRUCTIONS
43 |
44 |
45 |
46 |
47 |
48 |
49 | Enter=Select                               F10=Next Inquiry
50 |
|-----|-----|-----|-----|-----|-----|-----|-----|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
```

000976

5272

```
51 |                                     FUNDS TRANSFER ENTRY                                     PAGE 3 |
52 |                                                                                                                                               |
53 | INTR BK   /                               BNF BNK   /                               WIR               |
54 |                                                                                                                                               |
55 |                                                                                                                                               |
56 |                                                                                                                                               |
57 |                                                                                                                                               |
58 | ADVICE INSTRUCTIONS                               ADVICE INSTRUCTIONS                               |
59 |                                                                                                                                               |
60 |                                                                                                                                               |
61 |                                                                                                                                               |
62 |                                                                                                                                               |
63 | ORIG TO BNF INFO                               BNF   /                               CH: BK?N         |
64 | FURTHER CREDIT TO SECURITY CAPITAL                                     |
65 | LTD SUB ACCT 2122                                     |
66 |                                                                                                                                               |
67 |                                                                                                                                               |
68 |                               ADVICE INSTRUCTIONS                               |
69 |                                                                                                                                               |
70 |                                                                                                                                               |
71 |                                                                                                                                               |
72 |                                                                                                                                               |
73 |                                                                                                                                               |
74 |      Enter=Select                                     F10=Next Inquiry                               |
75 |                                                                                                                                               |
   |-----1-----2-----3-----4-----5-----6-----7-----8-----|
```

000977

— = Redacted by the Permanent
Subcommittee on Investigations

```

01|USN  IBS                FUNDS TRANSFER ENTRY          SND DATE 12/15/99
02|SRC  FED  RPT#          TRN  991215000385
03|AMT          51,887.85    CUR  USD          RATE          0.000000000000
04|VAL  12/15/99    TYP FTR  MTP          FNDS S    CHG: DB N  CD N COM N CBL N
05|-----
06|DBT PTY [REDACTED]          CDT PTY [REDACTED]          ADV WIR
07|DBT ID [REDACTED]          CDT ID [REDACTED]
08|AMT          0.00    CUR          AMT          0.00    CUR
09|NATIONSBANK TEXAS          QUEENSGATE BK & TRUST CO
10|DALLAS, TX          SMB
11|          PO BOX 30464
12|          GRAND CAYMAN ISLAND B WI
13|SEND      /          ADVICE INSTRUCTIONS
14|
15|
16|
17|          1ST IBK  /
18|
19|SNDR REF NUM  9912150080440816          ADVICE INSTRUCTIONS
20|CHP SSN
21|
22|IMAD 1215K1QJA01C00081612151208FT01
23|
24|Enter=Select          F10=Next Inquiry
25|-----
  |---1φ---|---2φ---|---3φ---|---4φ---|---5φ---|---6φ---|---7φ---|---8φ

```

5274

```
26 |                                     FUNDS TRANSFER ENTRY                                     PAGE 2 |
27 | ORD BNK /                               INTR BNK /
28 |
29 |
30 |
31 |
32 | REF NUM                               ADV INSTRUCTIONS
33 |
34 | ORIG /
35 | LISA L WYLY TRUSTEE
36 |
37 |                               BNF BNK /
38 |
39 | REF NUM 0009912159900157
40 |
41 | BANK TO BANK INFO
42 |                               ADV INSTRUCTIONS
43 |
44 |
45 |
46 |
47 |
48 |
49 | Enter=Select                               F10=Next Inquiry
50 |
-----
1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80
```

001006

5275

```
51 |                                     FUNDS TRANSFER ENTRY                                     PAGE 3 |
52 |                                                                                                                                               |
53 | INTR BK   /                               BNF BNK   /                               WIR   |
54 |                                                                                                                                               |
55 |                                                                                                                                               |
56 |                                                                                                                                               |
57 |                                                                                                                                               |
58 | ADVICE INSTRUCTIONS                               ADVICE INSTRUCTIONS                               |
59 |                                                                                                                                               |
60 |                                                                                                                                               |
61 |                                                                                                                                               |
62 |                                                                                                                                               |
63 | ORIG TO BNF INFO                               BNF   /                               CH: BK?N |
64 | FURTHER CREDIT TO SECURITY CAPITAL                               |
65 | LTD SUB ACCT 2122                               |
66 |                                                                                                                                               |
67 |                                                                                                                                               |
68 |                               ADVICE INSTRUCTIONS                               |
69 |                                                                                                                                               |
70 |                                                                                                                                               |
71 |                                                                                                                                               |
72 |                                                                                                                                               |
73 |                                                                                                                                               |
74 | Enter=Select                               F10=Next Inquiry                               |
75 |                                                                                                                                               |
    |-----10-----|-----20-----|-----30-----|-----40-----|-----50-----|-----60-----|-----70-----|-----80-----|
```

001007

5276

Redacted by the Permanent
Subcommittee on Investigations

```
01|USN  IBS                FUNDS TRANSFER ENTRY          SND DATE 02/15/00
02|SRC  FED  RPT#          TRN  000215000456
03|AMT          51,887.85  CUR  USD          RATE          0.000000000000
04|VAL  02/15/00        TYP FTR  MTP          FNDS S        CHG: DE N  CD N  COM N  CBL N
05|
06|DBT PTY [REDACTED]      CDT PTY [REDACTED]          ADV WIR
07|DBT ID [REDACTED]      CDT ID [REDACTED]
08|AMT          0.00      CUR          AMT          0.00      CUR
09|NATIONS BANK TEXAS      QUEENSGATE BK & TRUST CO
10|DALLAS, TX              SMB
11|                          PO BOX 30464
12|                          GRAND CAYMAN ISLAND B WI
13|SEND          /          ADVICE INSTRUCTIONS
14|
15|
16|
17|                          1ST IBK  /
18|
19|SND R REF NUM  0002150092731135      ADVICE INSTRUCTIONS
20|CHP SSN
21|
22|IMAD 0215K1QJA01C00113502151309FT01
23|
24|      Enter=Select                      F10=Next Inquiry
25|
-----
1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80
```

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1311

001011

5277

```
-----
26|                                     FUNDS TRANSFER ENTRY                                     PAGE 2|
27|ORD BNK /                                     INTR BNK /|
28|
29|
30|
31|
32|REF NUM                                     ADV INSTRUCTIONS|
33|
34|ORIG /|
35|LISA L WYLY TRUSTEE|
36|
37|                                     BNF BNK /|
38|
39|REF NUM 0009902150000557|
40|
41|BANK TO BANK INFO|
42|                                     ADV INSTRUCTIONS|
43|
44|
45|
46|
47|
48|
49|Enter=Select                                     F10=Next Inquiry|
50|
-----
1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80
```

001012

5278

```
-----
51|                                     FUNDS TRANSFER ENTRY                                     PAGE 3|
52|
53| INTR BK   /                               BNF BNK   /                               WIR|
54|
55|
56|
57|
58| ADVICE INSTRUCTIONS                               ADVICE INSTRUCTIONS|
59|
60|
61|
62|
63| ORIG TO BNF INFO                               BNF   /                               CH: BK?N|
64| FURTHER CREDIT TO SECURITY CAPITAL|
65| LTD SUB ACCT 2122|
66|
67|
68|                               ADVICE INSTRUCTIONS|
69|
70|
71|
72|
73|
74| Enter=Select                               F10=Next Inquiry|
75|
-----
1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80
```

001013

= Redacted by the Permanent
Subcommittee on Investigations

```

01|USN  IBS                FUNDS TRANSFER ENTRY          SND DATE 02/18/00
02|SRC  FED  RPT#
03|AMT          52,087.85    CUR  USD          TRN  000218000560
04|VAL  02/18/00    TYP FTR  MTP          FNDS S    RATE  0.000000000000
05|-----
06|DBT PTY [REDACTED]          CDT PTY [REDACTED]          ADV WIR
07|DBT ID [REDACTED]          CDT ID [REDACTED]
08|AMT          0.00    CUR          AMT          0.00    CUR
09|NATIONS BANK TEXAS          QUEENSGATE BK & TRUST CO
10|DALLAS, TX          SMB
11|          PO BOX 30464
12|          GRAND CAYMAN ISLAND B WI
13|SEND /          ADVICE INSTRUCTIONS
14|
15|
16|
17|          1ST IBK /
18|
19|SNDR REF NUM  0002180102901168          ADVICE INSTRUCTIONS
20|CHP SSN
21|
22|IMAD 0218K1QJA01C00116802181309FT01
23|
24|Enter=Select          F10=Return
25|
1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80

```

5280

```
26 |-----FUNDS TRANSFER ENTRY-----PAGE 2|
27 |ORD BNK  /                               INTR BNK  /
28 |
29 |
30 |
31 |
32 |REF NUM                               ADV INSTRUCTIONS
33 |
34 |ORIG  /
35 |LISA L WYLY TRUSTEE
36 |
37 |                               BNF BNK  /
38 |
39 |REF NUM 0009902180000400
40 |
41 |BANK TO BANK INFO
42 |                               ADV INSTRUCTIONS
43 |
44 |
45 |
46 |
47 |
48 |
49 |Enter=Select                               F10=Return
50 |-----
    |1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80
```

001123

5281

```
51 |                                     FUNDS TRANSFER ENTRY                                     PAGE 3 |
52 |                                                                                                                                              |
53 | INTR BK /                                     BNF BNK /                                     WIR |
54 |                                                                                                                                              |
55 |                                                                                                                                              |
56 |                                                                                                                                              |
57 |                                                                                                                                              |
58 | ADVICE INSTRUCTIONS                                     ADVICE INSTRUCTIONS |
59 |                                                                                                                                              |
60 |                                                                                                                                              |
61 |                                                                                                                                              |
62 |                                                                                                                                              |
63 | ORIG TO BNF INFO                                     BNF /                                     CH: BK?N |
64 | FURTHER CREDIT TO SECURITY CAPITAL |
65 | LTD SUB ACCOUNT 2122 |
66 |                                                                                                                                              |
67 |                                                                                                                                              |
68 |                                     ADVICE INSTRUCTIONS |
69 |                                                                                                                                              |
70 |                                                                                                                                              |
71 |                                                                                                                                              |
72 |                                                                                                                                              |
73 |                                                                                                                                              |
74 | Enter=Select                                     F10=Return |
75 |                                                                                                                                              |
    |-----10-----|-----20-----|-----30-----|-----40-----|-----50-----|-----60-----|-----70-----|-----80-----|
```

001124

= Redacted by the Permanent
Subcommittee on Investigations

```

01|USN  IBS                                FUNDS TRANSFER ENTRY          SND DATE 03/15/00
02|SRC  FED  RPT#                          TRN  000315000235
03|AMT          51,887.85      CUR  USD      RATE  0.000000000000
04|VAL  03/15/00      TYP  FTR  MTP          FNDS S      CHG: DB N  CD N COM N CBL N
05|-----
06|DBT PTY [REDACTED]          CDT PTY D [REDACTED]          ADV WIR
07|DBT ID [REDACTED]          CDT ID [REDACTED]
08|AMT          0.00      CUR          AMT          0.00      CUR
09|NATIONSBANK TEXAS          QUEENSGATE BK & TRUST CO
10|DALLAS, TX          SMB
11|          PO BOX 30464
12|          GRAND CAYMAN ISLAND B WI
13|SEND /          ADVICE INSTRUCTIONS
14|
15|
16|
17|          1ST IBK /
18|
19|SNDR REF NUM  0003150050290520          ADVICE INSTRUCTIONS
20|CHP SSN
21|
22|IMAD 0315K1QJA01C00052003151107FT01
23|
24|Enter=Select          F10=Next Inquiry
25|

```

1---|---1φ---|---2φ---|---3φ---|---4---|---7φ---|---8φ

Credit Party
7/7/02 2308
Inquiry
Es/c/100-
03/24/00

001127

5283

```
26 |                                     FUNDS TRANSFER ENTRY                                     PAGE 2 |
27 | ORD BNK /                                     INTR BNK / |
28 |
29 |
30 |
31 |
32 | REF NUM                                     ADV INSTRUCTIONS |
33 |
34 | ORIG / |
35 | LISA L WYLY TRUSTEE |
36 |
37 |                                     BNF BNK / |
38 |
39 | REF NUM 0009903150000062 |
40 |
41 | BANK TO BANK INFO |
42 | JANUARY PMT PLUS INTEREST | ADV INSTRUCTIONS |
43 |
44 |
45 |
46 |
47 |
48 |
49 | Enter=Select | F10=Next Inquiry |
50 |
-----
1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80
```

001128

5284

```
-----
51|                                FUNDS TRANSFER ENTRY                                PAGE 3|
52|                                                                                      |
53| INTR BK   /                                BNF BNK   /                                WIR   |
54|                                                                                      |
55|                                                                                      |
56|                                                                                      |
57|                                                                                      |
58| ADVICE INSTRUCTIONS                                ADVICE INSTRUCTIONS                |
59|                                                                                      |
60|                                                                                      |
61|                                                                                      |
62|                                                                                      |
63| ORIG TO BNF INFO                                BNF   /                                CH: BK?N |
64| FURTHER CREDIT TO SECURITY CAPITAL                |
65| LTD SUB ACCOUNT 2122 REF                            |
66|                                                                                      |
67|                                                                                      |
68|                                ADVICE INSTRUCTIONS                |
69|                                                                                      |
70|                                                                                      |
71|                                                                                      |
72|                                                                                      |
73|                                                                                      |
74| Enter=Select                                F10=Next Inquiry                |
75|-----
  |---|---1φ---|---2φ---|---3φ---|---4φ---|---5φ---|---6φ---|---7φ---|---8φ
```

001129

— = Redacted by the Permanent
Subcommittee on Investigations

```

01 USN IBS                FUNDS TRANSFER ENTRY                SND DATE 04/13/00
02 SRC FED RPT#           TRN 000413000392
03 AMT 51,887.85          CUR USD          RATE 0.000000000000
04 VAL 04/13/00          TYP FTR MTP        FNDS S  CHG: DB N  CD N COM N CBL N
05 -----
06 DBT PTY [REDACTED]      CDT PTY [REDACTED]              ADV WIR
07 DBT ID [REDACTED]      CDT ID [REDACTED]
08 AMT 0.00              CUR          AMT 0.00              CUR
09 NATIONS BANK TEXAS    QUEENSGATE BK & TRUST CO
10 DALLAS, TX            SMB
11                        PO BOX 30464
12                        GRAND CAYMAN ISLAND B WI
13 SEND /                ADVICE INSTRUCTIONS
14
15
16
17                        1ST IBK /
18
19 SNDR REF NUM 0004130068990713    ADVICE INSTRUCTIONS
20 CHP SSN
21
22 IMAD 0413K1QJA01C00071304131210FT01
23
24 Enter=Select                      F10=Next Inquiry
25
-----
1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80

```

5286

```
26 |-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
27 |ORD BNK /                                FUNDS TRANSFER ENTRY                PAGE 2|
28 |                                         INTR BNK /                                |
29 |                                         |                                |
30 |                                         |                                |
31 |                                         |                                |
32 |REF NUM                                ADV INSTRUCTIONS                    |
33 |                                         |                                |
34 |ORIG /                                |                                |
35 |LISA L WYLY TRUSTEE                    |                                |
36 |-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
37 |                                         BNF BNK /                                |
38 |                                         |                                |
39 |REF NUM 0009904130000262                |                                |
40 |                                         |                                |
41 |BANK TO BANK INFO                        ADV INSTRUCTIONS                    |
42 |                                         |                                |
43 |                                         |                                |
44 |                                         |                                |
45 |                                         |                                |
46 |                                         |                                |
47 |                                         |                                |
48 |                                         |                                |
49 |Enter=Select                            F10=Next Inquiry                    |
50 |-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
    |1---|---1---|---2---|---3---|---4---|---5---|---6---|---7---|---8---|
```

000634

5287

```
51|-----FUNDS TRANSFER ENTRY-----PAGE 3|
52|
53|INTR BK  /                               BNF BNK  /                               WIR
54|
55|
56|
57|
58|ADVICE INSTRUCTIONS                      ADVICE INSTRUCTIONS
59|
60|
61|
62|
63|ORIG TO BNF INFO                        BNF /                               CH:.. BK?N
64|FURTHER CREDIT TO SECURITY CAPITAL
65|LTD SUB ACCT 2122
66|
67|
68|                      ADVICE INSTRUCTIONS
69|
70|
71|
72|
73|
74|Enter=Select                               F10=Next Inquiry
75|-----
  |1|2|3|4|5|6|7|8|
```

000635

= Redacted by the Permanent
Subcommittee on Investigations

```

01|USN  IBS                                FUNDS TRANSFER ENTRY          SND DATE 05/15/00
02|SRC  FED      RPT#                      TRN 000515000409
03|AMT                    51,887.85      CUR  USD      RATE      0.000000000000
04|VAL 05/15/00      TYP FTR  MTP          FNDS S      CHG: DB N  CD N COM N CBL N
05|-----
06|DBT PTY [REDACTED]                      CDT PTY D [REDACTED]          ADV WIR
07|DBT ID [REDACTED]                      CDT ID [REDACTED]
08|AMT                    0.00      CUR      AMT                    0.00      CUR
09|NATIONS BANK TEXAS                      QUEENSGATE BK & TRUST CO
10|DALLAS, TX                          SMB
11|                                      PO BOX 30464
12|                                      GRAND CAYMAN ISLAND B WI
13|SEND /                                ADVICE INSTRUCTIONS
14|
15|
16|
17|                                      1ST IBK /
18|
19|SNDR REF NUM 0005150103951088          ADVICE INSTRUCTIONS
20|CHP SSN
21|
22|IMAD 0515K1QJA01C00108805151310FT01
23|
24|      Enter=Select                      F10=Next Inquiry
25|

```

1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1311

000663

5289

```
26|                                     FUNDS TRANSFER ENTRY                                     PAGE 2|
27|ORD BNK  /                                     INTR BNK  /
28|
29|
30|
31|
32|REF NUM                                     ADV INSTRUCTIONS
33|
34|ORIG  /
35|LISA L WYLY TRUSTEE
36|
37|                                     BNF BNK  /
38|
39|REF NUM 0009905150000464
40|
41|BANK TO BANK INFO
42|                                     ADV INSTRUCTIONS
43|
44|
45|
46|
47|
48|
49|Enter-Select                                     F10=Next Inquiry
50|
-----
1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80
```

000664

5290

```
51|-----FUNDS TRANSFER ENTRY-----PAGE 3|
52|
53|INTR BK /                BNF BNK /                WIR
54|
55|
56|
57|
58|ADVICE INSTRUCTIONS                ADVICE INSTRUCTIONS
59|
60|
61|
62|
63|ORIG TO BNF INFO                BNF / . . . . .CH: BK?N
64|FURTHER CREDIT TO SECURITY CAPITAL
65|LTD SUB ACCT 2122
66|
67|
68|                ADVICE INSTRUCTIONS
69|
70|
71|
72|
73|
74|Enter=Select                F10=Next Inquiry
75|-----
1---|---1φ---|---2φ---|---3φ---|---4φ---|---5φ---|---6φ---|---7φ---|---8φ
```

000665

— = Redacted by the Permanent
Subcommittee on Investigations

```

-----
USN IBS                FUNDS TRANSFER ENTRY                SND DATE 06/13/00
SRC FED RPT#          CUR USD          TRN 000613000687
AMT 51,887.85          RATE 0.000000000000
VAL 06/13/00          TYP FTR MTP      FNDS S  CHG: DB N CD N COM N CBL N
-----
DBT PTY [REDACTED]    CDT PTY [REDACTED]          ADV WIR
DBT ID [REDACTED]    CDT ID [REDACTED]
AMT 0.00 CUR          AMT 0.00 CUR
NATIONS BANK TEXAS    QUEENSGATE BK & TRUST CO
DALLAS, TX            SMB
                        PO BOX 30464
                        GRAND CAYMAN ISLAND B WI
SEND /                ADVICE INSTRUCTIONS
                        1ST IBK /
SND REF NUM 000613012419  ADVICE INSTRUCTIONS
CHP SSN
IMAD 0613K1QJA01C00156006131510FT01
Enter=Select          F10=Next Inquiry
-----
1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80

```

000666

5292

```
26 |                                     FUNDS TRANSFER ENTRY                                     PAGE 2 |
27 | ORD BNK /                               INTR BNK /
28 |
29 |
30 |
31 |
32 | REF NUM                               ADV INSTRUCTIONS
33 |
34 | ORIG /
35 | LISA L WYLY TRUSTEE
36 |
37 |                               BNF BNK /
38 |
39 | REF NUM 0009906130000801
40 |
41 | BANK TO BANK INFO
42 | CHIPS 782                               ADV INSTRUCTIONS
43 |
44 |
45 |
46 |
47 |
48 |
49 | Enter=Select                               F10=Next Inquiry
50 |
```

1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80

000667

5293

```
51|                                     FUNDS TRANSFER ENTRY                                     PAGE 3|
52|
53| INTR BK /                               BNF BNK /                               WIR
54|
55|
56|
57|
58| ADVICE INSTRUCTIONS                     ADVICE INSTRUCTIONS
59|
60|
61|
62|
63| ORIG TO BNF INFO                       BNF /                               CH: ..BK?N..
64| PFC TO SECURITY CAPITAL LTD SUB ACC
65| T 2122
66|
67|
68|                                     ADVICE INSTRUCTIONS
69|
70|
71|
72|
73|
74| Enter=Select                               F10=Next Inquiry
75|
-----
1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80
```

000668

— = Redacted by the Permanent
Subcommittee on Investigations

```

P
-----
01|USN  IBS                      FUNDS TRANSFER ENTRY          SND DATE 07/13/00
02|SRC  FED  RPT#                TRN  000713000225
03|AMT                    51,887.85  CUR  USD          RATE      0.000000000000
04|VAL  07/13/00          TYP  FTR  MTP          FNDS  S    CHG: DB N  CD N COM N CBL N
05|-----
06|DBT PTY [REDACTED]          CDT PTY [REDACTED]          ADV WIR
07|DBT ID [REDACTED]          CDT ID [REDACTED]
08|AMT                    0.00    CUR          AMT      0.00    CUR
09|NATIONSBANK TEXAS          QUEENSGATE BK & TRUST CO
10|DALLAS, TX                SMB
11|                            PO BOX 30464
12|                            GRAND CAYMAN ISLAND B WI
13|SEND  /                    ADVICE INSTRUCTIONS
14|
15|
16|
17|                            1ST IBK  /
18|
19|SNDR REF NUM  000713004596          ADVICE INSTRUCTIONS
20|CHP SSN
21|
22|IMAD 0713K1QJA01C00049607131106FT01
23|
24|Enter=Select                      F10=Next Inquiry
25|-----
1---|---1φ---|---2φ---|---3φ---|---4φ---|---5φ---|---6φ---|---7φ---|---8φ

```

5295

```

26 |-----|-----|-----|-----|-----|-----|-----|-----|
27 |ORD BNK /                                FUNDS TRANSFER ENTRY    INTR BNK /    PAGE 2|
28 |
29 |
30 |
31 |
32 |REF NUM                                ADV INSTRUCTIONS
33 |
34 |ORIG- /
35 |LISA L WYLY TRUSTEE
36 |
37 |                                BNF BNK /
38 |
39 |REF NUM 0009907130000127
40 |
41 |BANK TO BANK INFO                                ADV INSTRUCTIONS
42 |
43 |
44 |
45 |
46 |
47 |
48 |
49 |Enter=Select                                F10=Next Inquiry
50 |-----|-----|-----|-----|-----|-----|-----|-----|
    |1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80|

```

000682

5296

```
51 |-----|
52 |                FUNDS TRANSFER ENTRY                PAGE 3 |
53 | INTR BK  /                      BNF BNK  /                      WIR |
54 |
55 |
56 |
57 |
58 | ADVICE INSTRUCTIONS                      ADVICE INSTRUCTIONS |
59 |
60 |
61 |
62 |
63 | ORIG TO BNF INFO                      BNF /                      CH: BK?N |
64 | FURTHER CREDIT TO SECURITY CAPITAL |
65 | LTD SUB ACCOUNT 2122 |
66 |
67 |
68 |                      ADVICE INSTRUCTIONS |
69 |
70 |
71 |
72 |
73 |
74 |      Enter=Select                      F10=Next Inquiry |
75 |-----|
  1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80
```

000683

= Redacted by the Permanent
Subcommittee on Investigations

```

01|USN  IBS                FUNDS TRANSFER ENTRY          SND DATE 08/14/00
02|SRC  FED  RPT#          TRN  000814000450
03|AMT                    51,887.85  CUR  USD          RATE  0.000000000000
04|VAL  08/14/00        TYP FTR  MTP          FNDS S    CHG: DB N  CD N  COM N  CBL N
05|-----
06|DBT PTY G [REDACTED]    CDT PTY D/ [REDACTED]          ADV WIR
07|DBT ID A [REDACTED]    CDT ID [REDACTED]
08|AMT                    0.00    CUR          AMT  0.00    CUR
09|NATIONSBANK TEXAS      QUEENSGATE BK & TRUST CO
10|DALLAS, TX             SMB
11|                        PO BOX 30464
12|                        GRAND CAYMAN ISLAND B WI
13|SEND /                 ADVICE INSTRUCTIONS
14|
15|
16|
17|                        1ST IBK  /
18|
19|SNDR REF NUM  000814009170      ADVICE INSTRUCTIONS
20|CHP SSN
21|
22|IMAD 0814K1QJA01C00101108141308FT01
23|
24|Enter=Select                      F10=Next Inquiry
25|

```

1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80

5298

```
-----
26|                                     FUNDS TRANSFER ENTRY                                     PAGE 2|
27|ORD BNK /                                     INTR BNK /|
28|
29|
30|
31|
32|REF NUM                                     ADV INSTRUCTIONS|
33|
34|ORIG /|
35|LISA L WYLY TRUSTEE|
36|
37|                                     BNF BNK /|
38|
39|REF NUM 00099081400Q0465|
40|
41|BANK TO BANK INFO|
42|                                     ADV INSTRUCTIONS|
43|
44|
45|
46|
47|
48|
49|      Enter=Select                                     F10=Next Inquiry|
50|
-----
  |--1|---2|---3|---4|---5|---6|---7|---8|
  |0|0|0|0|0|0|0|0|
  |0|0|0|0|0|0|0|0|
```

001271

5299

```
51 |-----| FUNDS TRANSFER ENTRY |-----| PAGE 3 |
52 |
53 | INTR BK / | BNF BNK / | WIR |
54 |
55 |
56 |
57 |
58 | ADVICE INSTRUCTIONS | ADVICE INSTRUCTIONS |
59 |
60 |
61 |
62 |
63 | ORIG TO BNF INFO | BNF / | CH: BK?N |
64 | FURTHER CREDIT TO SECURITY CAPITAL |
65 | LTD SUB ACCOUNT 2122 |
66 |
67 |
68 | ADVICE INSTRUCTIONS |
69 |
70 |
71 |
72 |
73 |
74 | Enter=Select | F10=Next Inquiry |
75 |-----|
  1---|---1φ---|---2φ---|---3φ---|---4φ---|---5φ---|---6φ---|---7φ---|---8φ
```

001272

5300

Redacted by the Permanent Subcommittee on Investigations

```

01|USN  IBS                FUNDS TRANSFER ENTRY          SND DATE 09/15/00
02|SRC  FED  RPT#          TRN  000915000688
03|AMT                    51,887.85  CUR  USD  RATE      0.000000000000
04|VAL  09/15/00  TYP FTR  MTP      FNDS S  CHG: DB N  CD N COM N CBL N
05|-----
06|DBT PTY G/          CDT PTY D          ADV WIR
07|DBT ID          CDT ID
08|AMT                    0.00  CUR      AMT                    0.00  CUR
09|NATIONSBANK TEXAS  QUEENSGATE BK & TRUST CO
10|DALLAS, TX        SMB
11|                  PO BOX 30464
12|                  GRAND CAYMAN ISLAND B WI
13|SEND  /          ADVICE INSTRUCTIONS
14|
15|
16|
17|                  1ST IBK  /
18|
19|SNDR REF NUM  000915021026  ADVICE INSTRUCTIONS
20|CHP SSN
21|
22|IMAD 0915K1QJA01C00316709151713FT01
23|
24|Enter=Select          F10=Next Inquiry
25|

```

1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1311

000717

5301

```
-----
26|                                     FUNDS TRANSFER ENTRY                                     PAGE 2|
27|ORD BNK   /                                     INTR BNK   /|
28|
29|
30|
31|
32|REF NUM                                     ADV INSTRUCTIONS|
33|
34|ORIG      /|
35|LISA L WYLY TRUSTEE|
36|
37|                                     BNF BNK   /|
38|
39|REF NUM 0009909150001241|
40|
41|BANK TO BANK INFO|
42|                                     ADV INSTRUCTIONS|
43|
44|
45|
46|
47|
48|
49|Enter=Select                                     F10=Next Inquiry|
50|
-----
1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80
```

000718

5302

```
51|                                     FUNDS TRANSFER ENTRY                                     PAGE 3|
52|
53| INTR BK /                               BNF BNK /                               WIR
54|
55|
56|
57|
58| ADVICE INSTRUCTIONS                     ADVICE INSTRUCTIONS
59|
60|
61|
62|
63| ORIG TO BNF INFO                       BNF /                               CH: BK?N
64| FURTHER CREDIT SECURITY CAPITAL LTD
65| SUB ACCOUNT 2122
66|
67|
68|                                     ADVICE INSTRUCTIONS
69|
70|
71|
72|
73|
74| Enter=Select                               F10=Next Inquiry
75|
-----
1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80
```

000719

5303

— = Redacted by the Permanent
Subcommittee on Investigations

```

01|USN  IBS                FUNDS TRANSFER ENTRY          SND DATE 11/15/00
02|SRC  FED  RPT#          TRN  001115000702
03|AMT          103,775.70  CUR  USD          RATE  0.000000000000
04|VAL  11/15/00  TYP FTR  MTP          FNDS S  CHG: DB N  CD N COM N CBL N
05|-----
06|DBT PTY C [REDACTED]  CDT PTY D [REDACTED]          ADV WIR
07|DBT ID [REDACTED]    CDT ID [REDACTED]
08|AMT          0.00      CUR          AMT          0.00      CUR
09|NATIONS BANK TEXAS    QUEENSGATE BK & TRUST CO
10|DALLAS, TX            SMB
11|                        PO BOX 30464
12|                        GRAND CAYMAN ISLAND B WI
13|SEND  /              ADVICE INSTRUCTIONS
14|
15|
16|
17|                        1ST IBK  /
18|
19|SND R REF NUM  001115015845          ADVICE INSTRUCTIONS
20|CHP SSN
21|
22|IMAD 1115K1QJA01C00214911151608FT01
23|
24|      Enter=Select                      F10=Next Inquiry
25|

```

1---|---1φ---|---2φ---|---3φ---|---4φ---|---5φ---|---6φ---|---7φ---|---8φ

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1311

000735

5304

```
26 |                                     FUNDS TRANSFER ENTRY                                     PAGE 2 |
27 | ORD BNK   /                               INTR BNK   /                               |
28 |                                                                                             |
29 |                                                                                             |
30 |                                                                                             |
31 |                                                                                             |
32 | REF NUM                               ADV INSTRUCTIONS                               |
33 |                                                                                             |
34 | ORIG /                               |
35 | LISA L WYLY TRUSTEE |
36 |                                                                                             |
37 |                                                                                             |
38 |                                                                                             |
39 | REF NUM: 0009911150000833 |
40 |                                                                                             |
41 | BANK TO BANK INFO                               ADV INSTRUCTIONS                               |
42 |                                                                                             |
43 |                                                                                             |
44 |                                                                                             |
45 |                                                                                             |
46 |                                                                                             |
47 |                                                                                             |
48 |                                                                                             |
49 | Enter=Select                               F10=Next Inquiry                               |
50 |                                                                                             |
    |-----1-----2-----3-----4-----5-----6-----7-----8-----|
```

000736

5305

```
51 |                                     FUNDS TRANSFER ENTRY                                     PAGE 3 |
52 |
53 | INTR BK /                               BNF BNK /                               WIR
54 |
55 |
56 |
57 |
58 | ADVICE INSTRUCTIONS                     ADVICE INSTRUCTIONS
59 |
60 |
61 |
62 |
63 | ORIG TO BNF INFO                       BNF /                               CH: BK?N
64 | FFC TO SECURITY CAPITAL LTD SUB ACC
65 | OUNT 2122
66 |
67 |
68 |                                     ADVICE INSTRUCTIONS
69 |
70 |
71 |
72 |
73 |
74 | Enter=Select                               F10=Next Inquiry
75 |
-----
1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80
```

000737

— = Redacted by the Permanent
Subcommittee on Investigations

```

01|USN  IBS                      FUNDS TRANSFER ENTRY          SND DATE 12/14/00
02|SRC  FED  RPT#                      TRN  001214000349
03|AMT                    52,308.85    CUR  USD          RATE      0.000000000000
04|VAL  12/14/00          TYP FTR  MTP          FND S      CHG: DB N  CD N COM N CBL N
05|
06|DBT PTY G[REDACTED]          CDT PTY D[REDACTED]          ADV WIR
07|DBT ID [REDACTED]          CDT ID [REDACTED]
08|AMT                    0.00    CUR          AMT          0.00    CUR
09|NATIONSBANK TEXAS          QUEENSGATE BK & TRUST CO
10|DALLAS, TX                SMB
11|                            PO BOX 30464
12|                            GRAND CAYMAN ISLAND B WI
13|SEND  /                    ADVICE INSTRUCTIONS
14|
15|
16|
17|                            1ST IBK  /
18|
19|SND R REF NUM    001214008464          ADVICE INSTRUCTIONS
20|CHP SSN
21|
22|IMAD 1214K1QJA01C00105012141307FT01
23|
24|Enter=Select                      F10=Next Inquiry
25|

```

1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80

5307

```
26 |                                     FUNDS TRANSFER ENTRY                                     PAGE 2 |
27 | ORD BNK /                                     INTR BNK /                                     |
28 |                                                                                                     |
29 |                                                                                                     |
30 |                                                                                                     |
31 |                                                                                                     |
32 | REF NUM                                     ADV INSTRUCTIONS                                     |
33 |                                                                                                     |
34 | ORIG /                                     |
35 | LISA L WYLY TRUSTEE |
36 |                                                                                                     |
37 |                                                                                                     BNF BNK /                                     |
38 |                                                                                                     |
39 | REF NUM 0009912140000342 |
40 |                                                                                                     |
41 | BANK TO BANK INFO                                     |
42 | ADDITIONAL 421 00 IS INTEREST OWED ADV INSTRUCTIONS |
43 |                                                                                                     |
44 |                                                                                                     |
45 |                                                                                                     |
46 |                                                                                                     |
47 |                                                                                                     |
48 |                                                                                                     |
49 | Enter=Select                                     F10=Next Inquiry |
50 |                                                                                                     |
-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80
```

000742

5308

```
-----
51|                                FUNDS TRANSFER ENTRY                                PAGE 3|
52|
53| INTR BK /                                BNF BNK /                                WIR|
54|
55|
56|
57|
58| ADVICE INSTRUCTIONS                                ADVICE INSTRUCTIONS|
59|
60|
61|
62|
63| ORIG TO BNF INFO                                BNF /                                CH: BK?N|
64| FURTHER CREDIT TO SECURITY CAPITAL|
65| LTD SUB ACCOUNT 2122 NOTATION|
66|
67|
68|                                ADVICE INSTRUCTIONS|
69|
70|
71|
72|
73|
74| Enter=Select                                F10=Next Inquiry|
75|
-----
1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80
```

000743

5309

- Redacted by the Permanent
Subcommittee on Investigations

```

01|USN  IBS                FUNDS TRANSFER ENTRY          SND DATE 01/12/01
02|SRC  FED  RPT#          TRN  010112000446
03|AMT          51,887.85  CUR  USD          RATE  0.000000000000
04|VAL  01/12/01  TYP FTR  MTP          FND S  CHG: DB N  CD N COM N CBL N
05|-----
06|DBT PTY C [REDACTED]  CDT PTY D [REDACTED]          ADV WIR
07|DBT ID [REDACTED]    CDT ID [REDACTED]
08|AMT          0.00      CUR          AMT          0.00      CUR
09|NATIONS BANK TEXAS    QUEENSGATE BK & TRUST CO
10|DALLAS, TX            SMB
11|                        PO BOX 30464
12|                        GRAND CAYMAN ISLAND B WI
13|SEND          /        ADVICE INSTRUCTIONS
14|
15|
16|
17|                        1ST IBK  /
18|
19|SND R REF NUM  010112012530          ADVICE INSTRUCTIONS
20|CHF SSN
21|
22|IMAD 0112K1QJA01C00158001121408FT01
23|
24|Enter=Select          F10=Next Inquiry
25|

```

1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80

015105

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1311

5310

```
26 |                                     FUNDS TRANSFER ENTRY                                     PAGE 2 |
27 | ORD BNK   /                                     INTR BNK   /                                     |
28 |                                                                                                     |
29 |                                                                                                     |
30 |                                                                                                     |
31 |                                                                                                     |
32 | REF NUM                                     ADV INSTRUCTIONS                                     |
33 |                                                                                                     |
34 | ORIG   /                                     |
35 | LISA L WYLY TRUSTEE                                     |
36 |                                                                                                     |
37 |                                                                                                     BNF BNK   /                                     |
38 |                                                                                                     |
39 | REF NUM 0009901120100389                                     |
40 |                                                                                                     |
41 | BANK TO BANK INFO                                     ADV INSTRUCTIONS                                     |
42 |                                                                                                     |
43 |                                                                                                     |
44 |                                                                                                     |
45 |                                                                                                     |
46 |                                                                                                     |
47 |                                                                                                     |
48 |                                                                                                     |
49 | Enter=Select                                     F10=Next Inquiry                                     |
50 |                                                                                                     |
-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80
```

015106

5311

```
-----
51 |                                FUNDS TRANSFER ENTRY                                PAGE 3 |
52 |
53 | INTR BK   /                                BNF BNK   /                                WIR   |
54 |
55 |
56 |
57 |
58 | ADVICE INSTRUCTIONS                                ADVICE INSTRUCTIONS
59 |
60 |
61 |
62 |
63 | ORIG TO BNF INFO                                BNF   /                                CH: BK?N
64 | FURTHER CREDIT TO SECURITY CAPITAL
65 | LTD SUB ACCOUNT 2122
66 |
67 |
68 |                                ADVICE INSTRUCTIONS
69 |
70 |
71 |
72 |
73 |
74 |      Enter=Select                                F10=Next Inquiry
75 |
-----
  1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80
```

015107

= Redacted by the Permanent
Subcommittee on Investigations

```

01 |
02 | {1100} Message Disposition:
03 |     Format Version:                02 (New expanded format)
04 |     Test Production Code:         P (Production)
05 |     Msg Duplication Code:         (Original incoming msg)
06 |     Msg Status Indicator:         N (Incoming msg)
07 |
08 | {1110} Acceptance Timestamp:
09 |     Date:                        01/12
10 |     Time:                        14:08
11 |     Application Id:              FT01
12 |
13 | {1120} OMAD:
14 |     Output cycle date:            2001/01/12
15 |     Output Destination Id:       B1Q8691C
16 |     Output sequence number:      000098
17 |     Output date:                 01/12
18 |     Output time:                 14:08
19 |     Output application Id:       FT01
20 |
21 | {1510} Type/Subtype Code:
22 |     Type Code:                   10 (Transfer of funds)
23 |     Subtype Code:                00 (Regular transfer)
24 |
25 | {1520} IMAD:
26 |     Input Cycle date:            2001/01/12
27 |     Input Source id:             K1QJA01C
28 |     Input Sequence number:       001580
29 |
30 | {2000} Amount:                   $51,887.85
31 |
32 | {3100} Sending Bank:
33 |     ABA number:                  111000025
34 |     Short name:                  BK AMERICA TX
35 |     ABA lookup (AUX):            NATIONS BANK TEXAS
36 |                                  DALLAS, TX
37 |
38 | {3320} Sender Reference:          010112012530
39 |
40 | {3400} Receiving Bank:
41 |     ABA number:                  026007825
42 |     Short name:                  IBJ WHITEHALL B&T
43 |     ABA lookup (AUX):            IBJ WHITEHALL BANK AND TRUST
44 |                                  NEW YORK, NY
45 |
46 | {3600} Business Function Code:    CTR (Customer transfer)
47 |
48 | {4100} Beneficiary's Bank:
49 |     /
50 |     NEW YORK NY
51 | {4200} Beneficiary:
52 |     [REDACTED]
53 |     QUEENSGATE BANK TRUST COMPANY LT
54 | {4320} Reference for Beneficiary: [REDACTED]
55 |
56 | {5000} Originator:
57 |     /
58 |     LISA L WYLY TRUSTEE

```

015143

5313

58	
59	{6000} Originator to Beneficiary Info: FURTHER CREDIT TO SECURITY CAPITAL
60	LTD SUB ACCOUNT 2122
61	
62	

015100

= Redacted by the Permanent
Subcommittee on Investigations

```

01|USN  IBS                FUNDS TRANSFER ENTRY          SND DATE 03/09/01
02|SRC  FED  RPT#          TRN  010309000412
03|AMT          51,887.85  CUR  USD          RATE          0.000000000000
04|VAL  03/09/01  TYP FTR  MTP          FNDS S  CHG: DB N  CD N  COM N  CBL N
05|-----
06|DBT PTY [REDACTED]      CDT PT [REDACTED]          ADV WIR
07|DBT ID [REDACTED]      CDT ID [REDACTED]
08|AMT          0.00      CUR          AMT          0.00      CUR
09|NATIONSBANK TEXAS      QUEENSGATE BK & TRUST CO
10|DALLAS, TX            SMB
11|                        PO BOX 30464
12|                        GRAND CAYMAN ISLAND B WI
13|SEND      /            ADVICE INSTRUCTIONS
14|
15|
16|
17|                        1ST IBK  /
18|
19|SND REF NUM  010309011506      ADVICE INSTRUCTIONS
20|CHP SSN
21|
22|IMAD 0309K1QJA01C00173703091412FT01
23|
24|      Enter=Select          F10=Next Inquiry
25|
-----
1---|---1φ---|---2φ---|---3φ---|---4φ---|---5φ---|---6φ---|---7φ---|---8φ

```

015166

5315

```
-----
26 |                                FUNDS TRANSFER ENTRY                                PAGE 2 |
27 | ORD BNK  /000004770767297          INTR BNK  /                                |
28 | LISA L WYLY TRUSTEE                                |
29 | 300 CRESCENT CT SUITE 1000                                |
30 | DALLAS, XX 752017852                                |
31 |                                |
32 | REF NUM                                ADV INSTRUCTIONS                                |
33 |                                |
34 | ORIG  /                                |
35 | LISA L WYLY TRUSTEE                                |
36 |                                |
37 |                                BNF BNK  /                                |
38 |                                |
39 | REF NUM  0009903090100566                                |
40 |                                |
41 | BANK TO BANK INFO                                ADV INSTRUCTIONS                                |
42 |                                |
43 |                                |
44 |                                |
45 |                                |
46 |                                |
47 |                                |
48 |                                |
49 |      Enter=Select                                F10=Next Inquiry                                |
50 |                                |
-----
1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80
```

015167

5316

```
-----
51|                                FUNDS TRANSFER ENTRY                                PAGE 3|
52|
53| INTR BK   /                                BNF BNK   /                                WIR|
54|
55|
56|
57|
58| ADVICE INSTRUCTIONS                                ADVICE INSTRUCTIONS|
59|
60|
61|
62|
63| ORIG TO BNF INFO                                BNF   /                                CH: BK?N|
64| FURTHER CREDIT TO SECURITY CAPITAL|
65| LTD SUB ACCT 2122|
66|
67|
68|                                ADVICE INSTRUCTIONS|
69|
70|
71|
72|
73|
74| Enter=Select                                F10=Next Inquiry|
75|
-----
1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80
```

015163

		= Redacted by the Permanent Subcommittee on Investigations
--	--	---

```

01 |
02 | {1100} Message Disposition:
03 |     Format Version:                02 (New expanded format)
04 |     Test Production Code:         P (Production)
05 |     Msg Duplication Code:         (Original incoming msg)
06 |     Msg Status Indicator:         N (Incoming msg)
07 |
08 | {1110} Acceptance Timestamp:
09 |     Date:                        03/09
10 |     Time:                        14:12
11 |     Application Id:              FT01
12 |
13 | {1120} OMAD:
14 |     Output cycle date:            2001/03/09
15 |     Output Destination Id:       B1Q8691C
16 |     Output sequence number:      000100
17 |     Output date:                 03/09
18 |     Output time:                 14:12
19 |     Output application Id:       FT01
20 |
21 | {1510} Type/Subtype Code:
22 |     Type Code:                   10 (Transfer of funds)
23 |     Subtype Code:                00 (Regular transfer)
24 |
25 | {1520} IMAD:
26 |     Input Cycle date:            2001/03/09
27 |     Input Source id:             K1QJA01C
28 |     Input Sequence number:       001737
29 |
30 | {2000} Amount:                   $51,887.85
31 |
32 | {3100} Sending Bank:
33 |     ABA number:                  111000025
34 |     Short name:                  BK AMERICA TX
35 |     ABA lookup (AUX):            NATIONS BANK TEXAS
36 |                                   DALLAS, TX
37 |
38 | {3320} Sender Reference:          010309011506
39 |
40 | {3400} Receiving Bank:
41 |     ABA number:                  026007825
42 |     Short name:                  IBJ WHITEHALL B&T
43 |     ABA lookup (AUX):            IBJ WHITEHALL BANK AND TRUST
44 |                                   NEW YORK, NY
45 |
46 | {3600} Business Function Code:    CTR (Customer transfer)
47 |
48 | {4100} Beneficiary's Bank:        /
49 |                                   NEW YORK NY
50 |
51 | {4200} Beneficiary:               [REDACTED]
52 |                                   QUEENSGATE BANK TRUST COMPANY LT
53 |
54 | {4320} Reference for Beneficiary: [REDACTED]
55 |
56 | {5000} Originator:                /
57 |                                   LISA L WYLY TRUSTEE

```

015169

5318

58		
59	{5100} Originator's Bank:	D/000004770767297
60		LISA L WYLY TRUSTEE
61		300 CRESCENT CT SUITE 1000
62		DALLAS, XX 752017852
63		
64	{6000} Originator to Beneficiary Info:	FURTHER CREDIT TO SECURITY CAPITAL
65		LTD SUB ACCT 2122
66		
67		

015170

— Redacted by the Permanent
Subcommittee on Investigations

```

01|USN  IBS                      FUNDS TRANSFER ENTRY          SND DATE 05/02/01
02|SRC  FED  RPT#
03|AMT                    51,887.85      CUR  USD      TRN  010502000687
04|VAL  05/02/01      TYP FTR  MTP          FNDS S      RATE      0.000000000000
                                CHG: DB N  CD N COM N CBL N
05|-----
06|DBT PTY G [REDACTED]          CDT PTY [REDACTED]          ADV WIR
07|DBT ID [REDACTED]          CDT ID [REDACTED]
08|AMT                    0.00      CUR          AMT                    0.00      CUR
09|NATIONSBANK TEXAS          QUEENSGATE BK & TRUST CO
10|DALLAS, TX          SMB
11|          PO BOX 30464
12|          GRAND CAYMAN ISLAND B WI
13|SEND  /          ADVICE INSTRUCTIONS
14|
15|
16|
17|          1ST IBK  /
18|
19|SND R REF NUM  010502016845          ADVICE INSTRUCTIONS
20|CHP SSN
21|
22|IMAD 0502K1QJA01C00258405021640FT01
23|
24|Enter=Select          F10=Next Inquiry
25|-----
1---|---1φ---|---2φ---|---3φ---|---4φ---|---5φ---|---6φ---|---7φ---|---8φ

```

5320

```
26 |-----FUNDS TRANSFER ENTRY-----PAGE 2|
27 |ORD BNK /000004770767297          INTR BNK /|
28 |LISA L WYLY TRUSTEE|
29 |300 CRESCENT CT SUITE 1000|
30 |DALLAS, XX 752017852|
31 |
32 |REF NUM                          ADV INSTRUCTIONS|
33 |
34 |ORIG /|
35 |LISA L WYLY TRUSTEE|
36 |
37 |                          BNF BNK /|
38 |
39 |REF NUM 0009905020101076|
40 |
41 |BANK TO BANK INFO|
42 |                          ADV INSTRUCTIONS|
43 |
44 |
45 |
46 |
47 |
48 |
49 |Enter=Select                      F10=Next Inquiry|
50 |-----|
    |1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80|
```

001081

— = Redacted by the Permanent
Subcommittee on Investigations

```
51 |                                     FUNDS TRANSFER ENTRY                                     -----
52 |
53 | INTR BK /                               BNF BNK /                               WIR
54 |
55 |
56 |
57 |
58 | ADVICE INSTRUCTIONS                     ADVICE INSTRUCTIONS
59 |
60 |
61 |
62 |
63 | ORIG TO BNF INFO                       BNF [REDACTED] CH: BK?N
64 | FOR FURTHER CREDIT TO SECURITY CAPI    QUEENSGATE BANK TRUST COMPANY LT
65 | TAL LTD SUB ACCT 2122
66 |
67 |
68 | ADVICE INSTRUCTIONS
69 |
70 |
71 |
72 |
73 |
74 | Enter=Select                               F10=Next Inquiry
75 |
-----
1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80
```

— = Redacted by the Permanent
Subcommittee on Investigations

```

01|USN  IBS                                FUNDS TRANSFER ENTRY          SND DATE 05/07/01
02|SRC  FED  RPT#                               TRN  010507000516
03|AMT                    51,887.85      CUR  USD          RATE      0.000000000000
04|VAL  05/07/01      TYP FTR  MTP          FNDS S      CHG: DB N  CD N COM N CBL N
05|-----
06|DBT PTY G [REDACTED]          CDT PTY [REDACTED]          ADV WIR
07|DBT ID [REDACTED]          CDT ID [REDACTED]
08|AMT                    0.00      CUR          AMT                    0.00      CUR
09|NATIONSBANK TEXAS          QUEENSGATE BK & TRUST CO
10|DALLAS, TX          SMB
11|          PO BOX 30464
12|          GRAND CAYMAN ISLAND B WI
13|SEND      /          ADVICE INSTRUCTIONS
14|
15|
16|
17|          1ST IBK  /
18|
19|SNDR REF NUM  010507015325          ADVICE INSTRUCTIONS
20|CHP SSN
21|
22|IMAD 0507K1QJA01C00262805071637FT01
23|
24|      Enter=Select          F10=Next Inquiry
25|

```

1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80

01513

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1311

5323

```
-----
26 |                                FUNDS TRANSFER ENTRY                                PAGE 2 |
27 |ORD BNK   /000004770767297          INTR BNK   /
28 |LISA L WYLY TRUSTEE
29 |300 CRESCENT CT SUITE 1000
30 |DALLAS, XX 752017852
31 |
32 |REF NUM                                ADV INSTRUCTIONS
33 |
34 |ORIG      /
35 |LISA L WYLY TRUSTEE
36 |
37 |                                BNF BNK   /
38 |
39 |REF NUM  0009905070101151
40 |
41 |BANK TO BANK INFO
42 |                                ADV INSTRUCTIONS
43 |
44 |
45 |
46 |
47 |
48 |
49 |      Enter=Select                                F10=Next Inquiry
50 |
-----
1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80
```

0151,4

5324

```
51 |                                     FUNDS TRANSFER ENTRY                                     PAGE 3 |
52 |
53 | INTR BK /                               BNF BNK /                               WIR |
54 |
55 |
56 |
57 |
58 | ADVICE INSTRUCTIONS                     ADVICE INSTRUCTIONS                     |
59 |
60 |
61 |
62 |
63 | ORIG TO BNF INFO                       BNF /                               CH: BK?N |
64 | FURTHER CREDIT TO SECURITY CAPITAL                                     |
65 | LTD SUB ACCT 2122                                                         |
66 |
67 |
68 |                                     ADVICE INSTRUCTIONS                     |
69 |
70 |
71 |
72 |
73 |
74 | Enter=Select                               F10=Next Inquiry                     |
75 |
-----|-----|-----|-----|-----|-----|-----|-----|-----|
1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80
```

015185

— = Redacted by the Permanent
Subcommittee on Investigations

```

01
02 {1100} Message Disposition:
03     Format Version:                02 (New expanded format)
04     Test Production Code:         P  (Production)
05     Msg Duplication Code:         (Original incoming msg)
06     Msg Status Indicator:        N  (Incoming msg)
07
08 {1110} Acceptance Timestamp:
09     Date:                        05/07
10     Time:                        16:37
11     Application Id:              FT01
12
13 {1120} OMAD:
14     Output cycle date:            2001/05/07
15     Output Destination Id:       B1Q8691C
16     Output sequence number:      000098
17     Output date:                  05/07
18     Output time:                  16:37
19     Output application Id:        FT01
20
21 {1510} Type/Subtype Code:
22     Type Code:                    10 (Transfer of funds)
23     Subtype Code:                 00 (Regular transfer)
24
25 {1520} IMAD:
26     Input Cycle date:             2001/05/07
27     Input Source id:              K1QJA01C
28     Input Sequence number:        002628
29
30 {2000} Amount:                    $51,887.85
31
32 {3100} Sending Bank:
33     ABA number:                   111000025
34     Short name:                   BK AMERICA TX
35     ABA lookup (AUX):             NATIONS BANK TEXAS
36                                     DALLAS, TX
37
38 {3320} Sender Reference:           010507015325
39
40 {3400} Receiving Bank:
41     ABA number:                   026007825
42     Short name:                   IBJ WHITEHALL B&T
43     ABA lookup (AUX):             IBJ WHITEHALL BANK AND TRUST
44                                     NEW YORK, NY
45
46 {3600} Business Function Code:     CTR (Customer transfer)
47
48 {4100} Beneficiary's Bank:         /
49                                     NEW YORK NY
50
51 {4200} Beneficiary:                [REDACTED]
52                                     QUEENSGATE BANK TRUST COMPANY LT
53
54 {4320} Reference for Beneficiary:  [REDACTED]
55
56 {5000} Originator:                 /
57                                     LISA L WYLY TRUSTEE

```

015188

5326

58		
59	{5100} Originator's Bank:	D/000004770767297
60		LISA L WYLY TRUSTEE
61		300 CRESCENT CT SUITE 1000
62		DALLAS, XX 752017852
63		
64	{6000} Originator to Beneficiary Info:	FURTHER CREDIT TO SECURITY CAPITAL
65		LTD SUB ACCT 2122
66		
67		

015187

— = Redacted by the Permanent
Subcommittee on Investigations

```

01|USN  IBS                      FUNDS TRANSFER ENTRY          SND DATE 05/11/01
02|SRC  FED  RPT#                TRN  010511000577
03|AMT                    51,942.58    CUR  USD          RATE    0.000000000000
04|VAL  05/11/01      TYP FTR  MTP          FNDS S    CHG: DB N  CD N COM N CBL N
05|-----
06|DBT PTY [REDACTED]          CDT PTY [REDACTED]          ADV WIR
07|DBT ID [REDACTED]          CDT ID [REDACTED]
08|AMT                    0.00    CUR          AMT          0.00    CUR
09|NATIONSBANK TEXAS          QUEENSGATE BK & TRUST CO
10|DALLAS, TX                SMB
11|                            PO BOX 30464
12|                            GRAND CAYMAN ISLAND B WI
13|SEND      /              ADVICE INSTRUCTIONS
14|
15|
16|
17|                            1ST IBK  /
18|
19|SND R REF NUM    010511017071          ADVICE INSTRUCTIONS
20|CHP SSN
21|
22|IMAD 0511K1QJA01C00258505111635FT01
23|
24|      Enter=Select                      F10=Next Inquiry
25|
-----
1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80

```

5328

```
-----
26 |                                FUNDS TRANSFER ENTRY                                PAGE 2
27 |ORD BNK   /000004770767297          INTR BNK   /
28 |LISA L WYLY TRUSTEE
29 |300 CRESCENT CT SUITE 1000
30 |DALLAS, XX 752017852
31 |
32 |REF NUM                                ADV INSTRUCTIONS
33 |
34 |ORIG      /
35 |LISA L WYLY TRUSTEE
36 |
37 |                                BNF BNK   /
38 |                                NEW YORK NY
39 |REF NUM   0009905110100835
40 |
41 |BANK TO BANK INFO
42 |                                ADV INSTRUCTIONS
43 |
44 |
45 |
46 |
47 |
48 |
49 |   Enter=Select                                F10=Next Inquiry
50 |
-----
1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80
```

015189

— = Redacted by the Permanent
Subcommittee on Investigations

```

51 |                                     FUNDS TRANSFER ENTRY                                     PAGE 3
52 |
53 | INTR BK /                                     BNF BNK /                                     WIR
54 |                                     NEW YORK NY
55 |
56 |
57 |
58 | ADVICE INSTRUCTIONS                                     ADVICE INSTRUCTIONS
59 |
60 |
61 |
62 |
63 | ORIG TO BNF INFO                                     BNF [REDACTED] CH: BK?N
64 | FURTHER CREDIT TO SECURITY CAPITAL QUEENSGATE BANK TRUST COMPANY LT
65 | LTD SUB ACCT 2122
66 |
67 |
68 |                                     ADVICE INSTRUCTIONS
69 |
70 |
71 |
72 |
73 |
74 | Enter=Select                                     F10=Next Inquiry
75 |

```

1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80

— Redacted by the Permanent
Subcommittee on Investigations

```

01
02 {1100} Message Disposition:
03     Format Version:          02 (New expanded format)
04     Test Production Code:    P (Production)
05     Msg Duplication Code:    (Original incoming msg)
06     Msg Status Indicator:    N (Incoming msg)
07
08 {1110} Acceptance Timestamp:
09     Date:                    05/11
10     Time:                    16:35
11     Application Id:          FT01
12
13 {1120} OMAD:
14     Output cycle date:        2001/05/11
15     Output Destination Id:    B1Q8691C
16     Output sequence number:   000119
17     Output date:              05/11
18     Output time:              16:35
19     Output application Id:    FT01
20
21 {1510} Type/Subtype Code:
22     Type Code:                10 (Transfer of funds)
23     Subtype Code:             00 (Regular transfer)
24
25 {1520} IMAD:
26     Input Cycle date:         2001/05/11
27     Input Source id:          K1QJA01C
28     Input Sequence number:    002585
29
30 {2000} Amount:                $51,942.58
31
32 {3100} Sending Bank:
33     ABA number:               111000025
34     Short name:               BK AMERICA TX
35     ABA lookup (AUX):         NATIONSBANK TEXAS
36                               DALLAS, TX
37
38 {3320} Sender Reference:       010511017071
39
40 {3400} Receiving Bank:
41     ABA number:               026007825
42     Short name:               IBJ WHITEHALL B&T
43     ABA lookup (AUX):         IBJ WHITEHALL BANK AND TRUST
44                               NEW YORK, NY
45
46 {3600} Business Function Code: CTR (Customer transfer)
47
48 {4100} Beneficiary's Bank:    /
49                               NEW YORK NY
50
51 {4200} Beneficiary:           [REDACTED]
52                               QUEENSGATE BANK TRUST COMPANY LT
53
54 {4320} Reference for Beneficiary: [REDACTED]
55
56 {5000} Originator:            /
57                               LISA L WYLY TRUSTEE

```

015191

5331

58			
59		{5100} Originator's Bank:	D/000004770767297
60			LISA L WYLY TRUSTEE
61			300 CRESCENT CT SUITE 1000
62			DALLAS, XX 752017852
63			
64		{6000} Originator to Beneficiary Info:	FURTHER CREDIT TO SECURITY CAPITAL
65			LTD SUB ACCT 2122
66			
67			

015192

5332

Redacted by the Permanent Subcommittee on Investigations

```

01|USN  IBS                                FUNDS TRANSFER ENTRY          SND DATE 06/13/01
02|SRC  FED  RPT#                          TRN  010613000705
03|AMT                    52,673.15      CUR  USD      RATE      0.000000000000
04|VAL  06/13/01      TYP FTR  MTP      FNDS S      CHG: DB N  CD N COM N CBL N
05|-----
06|DBT PTY [REDACTED]      CDT PTY [REDACTED]      ADV WIR
07|DBT ID [REDACTED]      CDT ID [REDACTED]
08|AMT                    0.00      CUR      AMT                    0.00      CUR
09|NATIONSBANK TEXAS      QUEENSGATE BK & TRUST CO
10|DALLAS, TX      SMB
11|      PO BOX 30464
12|      GRAND CAYMAN ISLAND B WI
13|SEND      /      ADVICE INSTRUCTIONS
14|
15|
16|
17|      1ST IBK      /
18|
19|SND REF NUM      010613016211      ADVICE INSTRUCTIONS
20|CHF SSN
21|
22|IMAD 0613K1QJA01C00261106131709FT01
23|
24|      Enter=Select      F10=Next Inquiry
25|

```

1---|---1φ---|---2φ---|---3φ---|---4φ---|---5φ---|---6φ---|---7φ---|---8φ

015199

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1311

5333

```
-----
26|                                     FUNDS TRANSFER ENTRY                                     PAGE 2|
27|ORD BNK   /000004770767297          INTR BNK   /
28|LISA L WYLY TRUSTEE
29|300 CRESCENT CT SUITE 1000
30|DALLAS, XX 752017852
31|
32|REF NUM                                ADV INSTRUCTIONS
33|
34|ORIG      /
35|LISA L WYLY TRUSTEE
36|
37|                                BNF BNK   /
38|
39|REF NUM  0009906130100955
40|
41|BANK TO BANK INFO
42|INTEREST OWED 730 57          ADV INSTRUCTIONS
43|
44|
45|
46|
47|
48|
49|      Enter=Select                                F10=Next Inquiry
50|
-----
|---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80
```

015200

5334

```
-----
51|                                FUNDS TRANSFER ENTRY                                PAGE 3|
52|
53| INTR BK   /                                BNF BNK   /                                WIR   |
54|
55|
56|
57|
58| ADVICE INSTRUCTIONS                                ADVICE INSTRUCTIONS                                |
59|
60|
61|
62|
63| ORIG TO BNF INFO                                BNF   /                                CH: BK?N |
64| FURTHER CREDIT TO SECURITY CAPITAL                                |
65| LTD SUB ACCT 2122 ADDITION                                |
66|
67|
68|                                ADVICE INSTRUCTIONS                                |
69|
70|
71|
72|
73|
74|      Enter=Select                                F10=Next Inquiry                                |
75|
-----
1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80
```

015201

— = Redacted by the Permanent
Subcommittee on Investigations

```

01|
02| {1100} Message Disposition:
03|     Format Version:                02 (New expanded format)
04|     Test Production Code:         P (Production)
05|     Msg Duplication Code:         (Original incoming msg)
06|     Msg Status Indicator:         N (Incoming msg)
07|
08| {1110} Acceptance Timestamp:
09|     Date:                        06/13
10|     Time:                        17:09
11|     Application Id:              FT01
12|
13| {1120} OMAD:
14|     Output cycle date:            2001/06/13
15|     Output Destination Id:       B1Q8691C
16|     Output sequence number:      000149
17|     Output date:                 06/13
18|     Output time:                 17:09
19|     Output application Id:       FT01
20|
21| {1510} Type/Subtype Code:
22|     Type Code:                   10 (Transfer of funds)
23|     Subtype Code:                00 (Regular transfer)
24|
25| {1520} IMAD:
26|     Input Cycle date:            2001/06/13
27|     Input Source id:             K1QJA01C
28|     Input Sequence number:       002611
29|
30| {2000} Amount:                   $52,673.15
31|
32| {3100} Sending Bank:
33|     ABA number:                  111000025
34|     Short name:                  BK AMERICA TX
35|     ABA lookup (AUX):            NATIONS BANK TEXAS
36|                                   DALLAS, TX
37|
38| {3320} Sender Reference:          010613016211
39|
40| {3400} Receiving Bank:
41|     ABA number:                  026007825
42|     Short name:                  IBJ WHITEHALL B&T
43|     ABA lookup (AUX):            IBJ WHITEHALL BANK AND TRUST
44|                                   NEW YORK, NY
45|
46| {3600} Business Function Code:    CTR (Customer transfer)
47|
48| {4100} Beneficiary's Bank:        /
49|                                   NEW YORK NY
50|
51| {4200} Beneficiary:               [REDACTED]
52|                                   QUEENSGATE BANK TRUST COMPANY LT
53|
54| {4320} Reference for Beneficiary: [REDACTED]
55|
56| {5000} Originator:                /
57|                                   LISA L WYLY TRUSTEE

```

015202

5336

58			
59		{5100} Originator's Bank:	D/000004770767297
60			LISA L WYLY TRUSTEE
61			300 CRESCENT CT SUITE 1000
62			DALLAS, XX 752017852
63			
64		{6000} Originator to Beneficiary Info:	FURTHER CREDIT TO SECURITY CAPITAL
65			LTD SUB ACCT 2122 ADDITION
66			
67		{6500} Bank to Bank Info:	INTEREST OWED 730 57
68			
69			

015203

5337

Redacted by the Permanent
Subcommittee on Investigations

```

01|USN  IBS                                FUNDS TRANSFER ENTRY          SND DATE 07/13/01
02|SRC  FED  RPT#                          TRN  010713000347
03|AMT                    51,887.85      CUR  USD      RATE      0.000000000000
04|VAL  07/13/01      TYP FTR  MTP      FNDS S      CHG: DB N  CD N COM N CBL N
05|-----
06|DBT PTY G [REDACTED]                  CDT PTY [REDACTED]          ADV WIR
07|DBT ID [REDACTED]                    CDT ID [REDACTED]
08|AMT                    0.00      CUR      AMT                    0.00      CUR
09|NATIONS BANK TEXAS                  QUEENSGATE BK & TRUST CO
10|DALLAS, TX                          SMB
11|                                      PO BOX 30464
12|                                      GRAND CAYMAN ISLAND B WI
13|SEND      /                          ADVICE INSTRUCTIONS
14|
15|
16|
17|                                      1ST IBK      /
18|
19|SNDR REF NUM    010713007223          ADVICE INSTRUCTIONS
20|CHP SSN
21|
22|IMAD 0713K1QJA01C00091507131206FT01
23|
24|Enter=Select                          F10=Next Inquiry
25|
-----
1---|---1φ---|---2φ---|---3φ---|---4φ---|---5φ---|---6φ---|---7φ---|---8φ

```

015225

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1311

5338

```
-----
26 |                                FUNDS TRANSFER ENTRY                                PAGE 2 |
27 | ORD BNK   /000004770767297          INTR BNK   /                                |
28 | LISA L WYLY TRUSTEE                                |
29 | 300 CRESCENT CT SUITE 1000                                |
30 | DALLAS, XX 752017852                                |
31 |                                |
32 | REF NUM                                ADV INSTRUCTIONS                                |
33 |                                |
34 | ORIG      /                                |
35 | LISA L WYLY TRUSTEE                                |
36 |                                |
37 |                                BNF BNK   /                                |
38 |                                |
39 | REF NUM  0009907130100110                                |
40 |                                |
41 | BANK TO BANK INFO                                ADV INSTRUCTIONS                                |
42 |                                |
43 |                                |
44 |                                |
45 |                                |
46 |                                |
47 |                                |
48 |                                |
49 |      Enter=Select                                F10=Next Inquiry                                |
50 |                                |
-----
  1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80
```

015226

5339

```
-----
51 |                                FUNDS TRANSFER ENTRY                                PAGE 3 |
52 |
53 | INTR BK /                                BNF BNK /                                WIR |
54 |
55 |
56 |
57 |
58 | ADVICE INSTRUCTIONS                                ADVICE INSTRUCTIONS |
59 |
60 |
61 |
62 |
63 | ORIG TO BNF INFO                                BNF /                                CH: BK?N |
64 | FURTHER CREDIT TO SECURITY CAPITAL |
65 | LTD SUB ACCT 2122 |
66 |
67 |
68 |                                ADVICE INSTRUCTIONS |
69 |
70 |
71 |
72 |
73 |
74 | Enter=Select                                F10=Next Inquiry |
75 |
-----
  |---|---1φ---|---2φ---|---3φ---|---4φ---|---5φ---|---6φ---|---7φ---|---8φ
```

015227

— = Redacted by the Permanent
Subcommittee on Investigations

```

01
02 {1100} Message Disposition:
03     Format Version:          02 (New expanded format)
04     Test Production Code:    P (Production)
05     Msg Duplication Code:    (Original incoming msg)
06     Msg Status Indicator:    N (Incoming msg)
07
08 {1110} Acceptance Timestamp:
09     Date:                    07/13
10     Time:                    12:06
11     Application Id:          FT01
12
13 {1120} OMAD:
14     Output cycle date:       2001/07/13
15     Output Destination Id:   B1Q8691C
16     Output sequence number:  000050
17     Output date:             07/13
18     Output time:             12:06
19     Output application Id:   FT01
20
21 {1510} Type/Subtype Code:
22     Type Code:               10 (Transfer of funds)
23     Subtype Code:            00 (Regular transfer)
24
25 {1520} IMAD:
26     Input Cycle date:        2001/07/13
27     Input Source id:         K1QJA01C
28     Input Sequence number:   000915
29
30 {2000} Amount:               $51,887.85
31
32 {3100} Sending Bank:
33     ABA number:              111000025
34     Short name:              BK AMERICA TX
35     ABA lookup (AUX):        NATIONS BANK TEXAS
36                               DALLAS, TX
37
38 {3320} Sender Reference:      010713007223
39
40 {3400} Receiving Bank:
41     ABA number:              026007825
42     Short name:              IBJ WHITEHALL B&T
43     ABA lookup (AUX):        IBJ WHITEHALL BANK AND TRUST
44                               NEW YORK, NY
45
46 {3600} Business Function Code: CTR (Customer transfer)
47
48 {4100} Beneficiary's Bank:    /
49                               NEW YORK NY
50
51 {4200} Beneficiary:           [REDACTED]
52                               QUEENSGATE BANK TRUST COMPANY LT
53
54 {4320} Reference for Beneficiary: [REDACTED]
55
56 {5000} Originator:            /
57                               LISA L WYLY TRUSTEE

```

015228

5341

58			
59		{5100} Originator's Bank:	D/000004770767297
60			LISA L WYLY TRUSTEE
61			300 CRESCENT CT SUITE 1000
62			DALLAS, XX 752017852
63			
64		{6000} Originator to Beneficiary Info:	FURTHER CREDIT TO SECURITY CAPITAL
65			LTD SUB ACCT 2122
66			
67			

015229

— = Redacted by the Permanent
Subcommittee on Investigations

```

01|USN  IBS                                FUNDS TRANSFER ENTRY          SND DATE 08/13/01
02|SRC  FED  RPT#                          TRN  010813000192
03|AMT                    51,887.85      CUR  USD      RATE      0.000000000000
04|VAL  08/13/01      TYP FTR  MTP      FNDS S      CHG: DB N  CD N COM N CBL N
05|-----
06|DBT PTY [REDACTED]                  CDT PTY D/[REDACTED]          ADV WIR
07|DBT ID [REDACTED]                  CDT ID [REDACTED]
08|AMT                    0.00      CUR      AMT                    0.00      CUR
09|NATIONSBANK TEXAS                  QUEENSGATE BK & TRUST CO
10|DALLAS, TX                        SMB
11|                                  PO BOX 30464
12|                                  GRAND CAYMAN ISLAND B WI
13|SEND      /                        ADVICE INSTRUCTIONS
14|
15|
16|
17|                                  1ST IBK      /
18|
19|SNDR REF NUM    010813006296          ADVICE INSTRUCTIONS
20|CHP SSN
21|
22|IMAD 0813K1QJA01C00072708131154FT01
23|
24|      Enter=Select                                F10=Next Inquiry
25|-----
  |1|---|1|---|2|---|3|---|4|---|5|---|6|---|7|---|8|

```

015247

5343

```
-----
26 |                                FUNDS TRANSFER ENTRY                                PAGE 2 |
27 | ORD BNK   /000004770767297          INTR BNK   /                               |
28 | LISA L WYLY TRUSTEE                                     |
29 | 300 CRESCENT CT SUITE 1000                               |
30 | DALLAS, XX 752017852                                     |
31 |                                                           |
32 | REF NUM                                     ADV INSTRUCTIONS                     |
33 |                                                           |
34 | ORIG      /                                               |
35 | LISA L WYLY TRUSTEE                                     |
36 |                                                           |
37 |                                                           BNF BNK   /                               |
38 |                                                           |
39 | REF NUM  0009908130100059                               |
40 |                                                           |
41 | BANK TO BANK INFO                                     ADV INSTRUCTIONS                     |
42 |                                                           |
43 |                                                           |
44 |                                                           |
45 |                                                           |
46 |                                                           |
47 |                                                           |
48 |                                                           |
49 | Enter=Select                                     F10=Next Inquiry                     |
50 |                                                           |
-----
1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80
```

015243

5344

```
51 |                                     FUNDS TRANSFER ENTRY                                     PAGE 3 |
52 |                                                                                                                                               |
53 | INTR BK   /                                     BNF BNK   /                                     WIR   |
54 |                                                                                                                                               |
55 |                                                                                                                                               |
56 |                                                                                                                                               |
57 |                                                                                                                                               |
58 | ADVICE INSTRUCTIONS                               ADVICE INSTRUCTIONS                               |
59 |                                                                                                                                               |
60 |                                                                                                                                               |
61 |                                                                                                                                               |
62 |                                                                                                                                               |
63 | ORIG TO BNF INFO                               BNF   /                                     CH: BK?N |
64 | FURTHER CREDIT TO SECURITY CAPITAL                                     |
65 | LD SUB ACCT 2122                                     |
66 |                                                                                                                                               |
67 |                                                                                                                                               |
68 |                                     ADVICE INSTRUCTIONS                               |
69 |                                                                                                                                               |
70 |                                                                                                                                               |
71 |                                                                                                                                               |
72 |                                                                                                                                               |
73 |                                                                                                                                               |
74 | Enter=Select                                     F10=Next Inquiry                               |
75 |                                                                                                                                               |
    |-----1-----2-----3-----4-----5-----6-----7-----8-----|
```

015249

— = Redacted by the Permanent
Subcommittee on Investigations

```

01 |
02 | {1100} Message Disposition:
03 |     Format Version:                02 (New expanded format)
04 |     Test Production Code:         P (Production)
05 |     Msg Duplication Code:         (Original incoming msg)
06 |     Msg Status Indicator:         N (Incoming msg)
07 |
08 | {1110} Acceptance Timestamp:
09 |     Date:                        08/13
10 |     Time:                        11:54
11 |     Application Id:              FT01
12 |
13 | {1120} OMAD:
14 |     Output cycle date:            2001/08/13
15 |     Output Destination Id:       B1Q8691C
16 |     Output sequence number:      000056
17 |     Output date:                 08/13
18 |     Output time:                 11:54
19 |     Output application Id:       FT01
20 |
21 | {1510} Type/Subtype Code:
22 |     Type Code:                   10 (Transfer of funds)
23 |     Subtype Code:                00 (Regular transfer)
24 |
25 | {1520} IMAD:
26 |     Input Cycle date:            2001/08/13
27 |     Input Source id:             K1QJA01C
28 |     Input Sequence number:       000727
29 |
30 | {2000} Amount:                   $51,887.85
31 |
32 | {3100} Sending Bank:
33 |     ABA number:                  111000025
34 |     Short name:                  BK AMERICA TX
35 |     ABA lookup (AUX):            NATIONSBANK TEXAS
36 |                                   DALLAS, TX
37 |
38 | {3320} Sender Reference:          010813006296
39 |
40 | {3400} Receiving Bank:
41 |     ABA number:                  026007825
42 |     Short name:                  IBJ WHITEHALL B&T
43 |     ABA lookup (AUX):            IBJ WHITEHALL BANK AND TRUST
44 |                                   NEW YORK, NY
45 |
46 | {3600} Business Function Code:    CTR (Customer transfer)
47 |
48 | {4100} Beneficiary's Bank:        /
49 |                                   NEW YORK NY
50 |
51 | {4200} Beneficiary:               [REDACTED]
52 |                                   QUEENSGATE BANK TRUST COMPANY LT
53 |
54 | {4320} Reference for Beneficiary: [REDACTED]
55 |
56 | {5000} Originator:                /
57 |                                   LISA L WYLY TRUSTEE

```

015250

5346

58			
59		{5100} Originator's Bank:	D/000004770767297
60			LISA L WYLY TRUSTEE
61			300 CRESCENT CT SUITE 1000
62			DALLAS, XX 752017852
63			
64		{6000} Originator to Beneficiary Info:	FURTHER CREDIT TO SECURITY CAPITAL
65			LD SUB ACCT 2122
66			
67			

015251

— = Redacted by the Permanent
Subcommittee on Investigations

```

01|USN  IBS                                FUNDS TRANSFER ENTRY          SND DATE 09/14/01
02|SRC  FED  RPT#                          TRN  010914000325
03|AMT                    51,887.85      CUR  USD      RATE      0.000000000000
04|VAL  09/14/01      TYP FTR  MTP      FNDS S      CHG: DB N  CD N COM N CBL N
05|-----
06|DBT PTY [REDACTED]                  CDT PTY D [REDACTED]          ADV WIR
07|DBT ID [REDACTED]                  CDT ID [REDACTED]
08|AMT                    0.00      CUR      AMT                    0.00      CUR
09|NATIONSBANK TEXAS                  QUEENSGATE BK & TRUST CO
10|DALLAS, TX                          SMB
11|                                      PO BOX 30464
12|                                      GRAND CAYMAN ISLAND B WI
13|SEND      /                          ADVICE INSTRUCTIONS
14|
15|
16|
17|                                      1ST IBK      /
18|
19|SNDR REF NUM  010914008936          ADVICE INSTRUCTIONS
20|CHP SSN
21|
22|IMAD 0914K1QJA01C00413009141410FT01
23|
24|      Enter=Select                      F10=Next Inquiry
25|
-----
1---|---1φ---|---2φ---|---3φ---|---4φ---|---5φ---|---6φ---|---7φ---|---8φ

```

5348

```
-----
26|                                     FUNDS TRANSFER ENTRY                                     PAGE 2|
27|ORD BNK   /000004770767297          INTR BNK   /
28|LISA L WYLY TRUSTEE
29|300 CRESCENT CT SUITE 1000
30|DALLAS, XX 752017852
31|
32|REF NUM                                ADV INSTRUCTIONS
33|
34|ORIG      /
35|LISA L WYLY TRUSTEE
36|
37|                                BNF BNK   /
38|
39|REF NUM  0009909140100318
40|
41|BANK TO BANK INFO
42|                                ADV INSTRUCTIONS
43|
44|
45|
46|
47|
48|
49|      Enter=Select                                F10=Next Inquiry
50|
-----
1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80
```

015295

5349

```
51 |                                     FUNDS TRANSFER ENTRY                                     PAGE 3 |
52 |                                                                                                                                               |
53 | INTR BK   /                               BNF BNK . /                               WIR               |
54 |                                                                                                                                               |
55 |                                                                                                                                               |
56 |                                                                                                                                               |
57 |                                                                                                                                               |
58 | ADVICE INSTRUCTIONS                         ADVICE INSTRUCTIONS                         |
59 |                                                                                                                                               |
60 |                                                                                                                                               |
61 |                                                                                                                                               |
62 |                                                                                                                                               |
63 | ORIG TO BNF INFO                           BNF /                               CH: BK?N               |
64 | FURTHER CREDIT SECURITY CAPITAL LTD                                     |
65 | SUB ACCT 2122                                                                |
66 |                                                                                                                                               |
67 |                                                                                                                                               |
68 |                                     ADVICE INSTRUCTIONS                                     |
69 |                                                                                                                                               |
70 |                                                                                                                                               |
71 |                                                                                                                                               |
72 |                                                                                                                                               |
73 |                                                                                                                                               |
74 |      Enter=Select                                                                F10=Next Inquiry               |
75 |                                                                                                                                               |
    |-----1-----2-----3-----4-----5-----6-----7-----8-----|
```

015296

5350

— = Redacted by the Permanent
Subcommittee on Investigations

```

01 |
02 | {1100} Message Disposition:
03 |     Format Version:                02 (New expanded format)
04 |     Test Production Code:         P (Production)
05 |     Msg Duplication Code:         (Original incoming msg)
06 |     Msg Status Indicator:         N (Incoming msg)
07 |
08 | {1110} Acceptance Timestamp:
09 |     Date:                        09/14
10 |     Time:                        14:10
11 |     Application Id:              FT01
12 |
13 | {1120} OMAD:
14 |     Output cycle date:            2001/09/14
15 |     Output Destination Id:       B1Q8691C
16 |     Output sequence number:      000077
17 |     Output date:                 09/14
18 |     Output time:                 14:10
19 |     Output application Id:       FT01
20 |
21 | {1510} Type/Subtype Code:
22 |     Type Code:                   10 (Transfer of funds)
23 |     Subtype Code:                00 (Regular transfer)
24 |
25 | {1520} IMAD:
26 |     Input Cycle date:            2001/09/14
27 |     Input Source id:             K1QJA01C
28 |     Input Sequence number:       004130
29 |
30 | {2000} Amount:                   $51,887.85
31 |
32 | {3100} Sending Bank:
33 |     ABA number:                  111000025
34 |     Short name:                  BK AMERICA TX
35 |     ABA lookup (AUX):            NATIONS BANK TEXAS
36 |                                   DALLAS, TX
37 |
38 | {3320} Sender Reference:          010914008936
39 |
40 | {3400} Receiving Bank:
41 |     ABA number:                  026007825
42 |     Short name:                  IBJ WHITEHALL B&T
43 |     ABA lookup (AUX):            IBJ WHITEHALL BANK AND TRUST
44 |                                   NEW YORK, NY
45 |
46 | {3600} Business Function Code:   CTR (Customer transfer)
47 |
48 | {4100} Beneficiary's Bank:       /
49 |                                   NEW YORK NY
50 |
51 | {4200} Beneficiary:              [REDACTED]
52 |                                   QUEENSGATE BANK TRUST CO LTD
53 |
54 | {4320} Reference for Beneficiary: [REDACTED]
55 |
56 | {5000} Originator:               /
57 |                                   LISA L WYLY TRUSTEE

```

015297

5351

58		
59	{5100} Originator's Bank:	D/000004770767297
60		LISA L WYLY TRUSTEE
61		300 CRESCENT CT SUITE 1000
62		DALLAS, XX 752017852
63		
64	{6000} Originator to Beneficiary Info:	FURTHER CREDIT SECURITY CAPITAL LTD
65		SUB ACCT 2122
66		
67		

015298

5352

Redacted by the Permanent
Subcommittee on Investigations

```

01|USN  IBS                      FUNDS TRANSFER ENTRY          SND DATE 10/12/01
02|SRC  FED  RPT#                  TRN  011012000404
03|AMT                    51,887.85    CUR  USD          RATE    0.000000000000
04|VAL  10/12/01    TYP PTR  MTP          FNDS S    CHG: DB N  CD N COM N CBL N
05|-----
06|DBT PTY [REDACTED]          CDT PTY [REDACTED]          ADV WIR
07|DBT ID [REDACTED]          CDT ID [REDACTED]
08|AMT                    0.00    CUR          AMT                    0.00    CUR
09|NATIONS BANK TEXAS          QUEENSGATE BK & TRUST CO
10|DALLAS, TX                  SMB
11|                              PO BOX 30464
12|                              GRAND CAYMAN ISLAND B WI
13|SEND      /                  ADVICE INSTRUCTIONS
14|
15|
16|
17|                              1ST IBK  /
18|
19|SND REF NUM    011012008353          ADVICE INSTRUCTIONS
20|CHP SSN
21|
22|IMAD 1012K1QJA01C00343310121405FT01
23|
24|Enter=Select                      F10=Next Inquiry
25|

```

1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1311

015310

5353

```
-----
26 |                                FUNDS TRANSFER ENTRY                                PAGE 2 |
27 |ORD BNK   /000004770767297          INTR BNK   /
28 |LISA L WYLY TRUSTEE
29 |300 CRESCENT CT SUITE 1000
30 |DALLAS, XX 752017852
31 |
32 |REF NUM                                ADV INSTRUCTIONS
33 |
34 |ORIG      /
35 |LISA L WYLY TRUSTEE
36 |
37 |                                BNF BNK    /
38 |
39 |REF NUM  0009910120100248
40 |
41 |BANK TO BANK INFO
42 |                                ADV INSTRUCTIONS
43 |
44 |
45 |
46 |
47 |
48 |
49 |      Enter=Select                                F10=Next Inquiry
50 |
-----
1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80
```

015311

5354

```
26 |                                     FUNDS TRANSFER ENTRY                                     PAGE 2 |
27 | ORD BNK /000004770767297          INTR BNK /
28 | LISA L WYLY TRUSTEE
29 | 300 CRESCENT CT SUITE 1000
30 | DALLAS, XX 752017852
31 |
32 | REF NUM                                ADV INSTRUCTIONS
33 |
34 | ORIG /
35 | LISA L WYLY TRUSTEE
36 |
37 |                                BNF BNK /
38 |
39 | REF NUM 0009910120100248
40 |
41 | BANK TO BANK INFO
42 |                                ADV INSTRUCTIONS
43 |
44 |
45 |
46 |
47 |
48 |
49 | Enter=Select                                F10=Next Inquiry
50 |
```

1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80

015312

5355

```
-----
51|                                FUNDS TRANSFER ENTRY                                PAGE 3|
52|
53|INTR BK /                                BNF BNK /                                WIR|
54|
55|
56|
57|
58|ADVICE INSTRUCTIONS                                ADVICE INSTRUCTIONS|
59|
60|
61|
62|
63|ORIG TO BNF INFO                                BNF /                                CH: BK?N|
64|FURTHER CREDIT SECURITY CAPITAL LTD|
65|SUB ACCT 2122|
66|
67|
68|                                ADVICE INSTRUCTIONS|
69|
70|
71|
72|
73|
74|Enter=Select                                F10=Next Inquiry|
75|
-----
1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80
```

015313

— = Redacted by the Permanent
Subcommittee on Investigations

```

01
02 {1100} Message Disposition:
03     Format Version:                02 (New expanded format)
04     Test Production Code:         P (Production)
05     Msg Duplication Code:         (Original incoming msg)
06     Msg Status Indicator:         N (Incoming msg)
07
08 {1110} Acceptance Timestamp:
09     Date:                        10/12
10     Time:                        14:05
11     Application Id:              FT01
12
13 {1120} OMAD:
14     Output cycle date:            2001/10/12
15     Output Destination Id:        B1Q8691C
16     Output sequence number:       000112
17     Output date:                  10/12
18     Output time:                  14:05
19     Output application Id:        FT01
20
21 {1510} Type/Subtype Code:
22     Type Code:                    10 (Transfer of funds)
23     Subtype Code:                 00 (Regular transfer)
24
25 {1520} IMAD:
26     Input Cycle date:              2001/10/12
27     Input Source id:               K1QJA01C
28     Input Sequence number:         003433
29
30 {2000} Amount:                    $51,887.85
31
32 {3100} Sending Bank:
33     ABA number:                   111000025
34     Short name:                   BK AMERICA TX
35     ABA lookup (AUX):             NATIONSBANK TEXAS
36     DALLAS, TX
37
38 {3320} Sender Reference:           011012008353
39
40 {3400} Receiving Bank:
41     ABA number:                   026007825
42     Short name:                   IBJ WHITEHALL B&T
43     ABA lookup (AUX):             IBJ WHITEHALL BANK AND TRUST
44     NEW YORK, NY
45
46 {3600} Business Function Code:     CTR (Customer transfer)
47
48 {4100} Beneficiary's Bank:         /
49     NEW YORK NY
50
51 {4200} Beneficiary:                [REDACTED]
52     QUEENSGATE BANK TRUST COMPANY LT
53
54 {4320} Reference for Beneficiary:  [REDACTED]
55
56 {5000} Originator:                 /
57     LISA L WYLY TRUSTEE

```

015314

5357

58			
59		{5100} Originator's Bank:	D/000004770767297
60			LISA L WYLY TRUSTEE
61			300 CRESCENT CT SUITE 1000
62			DALLAS, XX 752017852
63			
64		{6000} Originator to Beneficiary Info:	FURTHER CREDIT SECURITY CAPITAL LTD
65			SUB ACCT 2122
66			
67			

015315

— = Redacted by the Permanent
Subcommittee on Investigations

```

01|USN IBS FUNDS TRANSFER ENTRY SND DATE 11/16/01
02|SRC FED RPT# TRN 011116000553
03|AMT 51,887.85 CUR USD RATE 0.000000000000
04|VAL 11/16/01 TYP FTR MTP FNDS S CHG: DB N CD N COM N CBL N
05|-----
06|DBT PTY [REDACTED] CDT PTY [REDACTED] ADV WIR
07|DBT ID [REDACTED] CDT ID [REDACTED]
08|AMT 0.00 CUR AMT 0.00 CUR
09|NATIONSBANK TEXAS QUEENSGATE BK & TRUST CO
10|DALLAS, TX SMB
11| PO BOX 30464
12| GRAND CAYMAN ISLAND B WI
13|SEND /004770767297 ADVICE INSTRUCTIONS
14|LISA L WYLY TRUSTEE
15|SAM WYLY MALIBU TRUST
16|300 CRESCENT CT STE 1000
17|DALLAS TX 75201-7852 1ST IBK /
18|
19|SNDR REF NUM 011116045769 ADVICE INSTRUCTIONS
20|CHP SSN
21|
22|IMAD 1116L1LFBP8C00165811161506FT01
23|
24|Enter=Select F10=Next Inquiry
25|

```

1---|---1φ---|---2φ---|---3φ---|---4φ---|---5φ---|---6φ---|---7φ---|---8φ

5359

```
-----
26 |                                FUNDS TRANSFER ENTRY                                PAGE 2 |
27 | ORD BNK   /                                INTR BNK   /                                |
28 | BANK OF AMERICA                                |
29 | BRANCH FUNDS TRANSFER                                |
30 | CONCORD, CALIFORNIA 94520                                |
31 |                                |
32 | REF NUM                                ADV INSTRUCTIONS                                |
33 |                                |
34 | ORIG      /                                |
35 | /004770767297                                |
36 | LISA L WYLY TRUSTEE                                |
37 | 300 CRESCENT CT STE 1000                                BNF BNK   /                                |
38 | DALLAS TX 75201-7852                                |
39 | REF NUM 01011116004431NN                                |
40 |                                |
41 | BANK TO BANK INFO                                ADV INSTRUCTIONS                                |
42 |                                |
43 |                                |
44 |                                |
45 |                                |
46 |                                |
47 |                                |
48 |                                |
49 | Enter=Select                                F10=Next Inquiry                                |
50 |                                |
-----
1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80
```

015333 -

5360

```
-----
51 |                                FUNDS TRANSFER ENTRY                                PAGE 3 |
52 |                                                                                      |
53 | INTR BK /                                BNF BNK /                                WIR |
54 |                                                                                      |
55 |                                                                                      |
56 |                                                                                      |
57 |                                                                                      |
58 | ADVICE INSTRUCTIONS                                ADVICE INSTRUCTIONS |
59 |                                                                                      |
60 |                                                                                      |
61 |                                                                                      |
62 |                                                                                      |
63 | ORIG TO BNF INFO                                BNF /                                CH: BK?N |
64 | FURTHER CREDIT TO: SECURITY CAPITAL |
65 | LTD, SUB                                ACCOUNT 2122 |
66 |                                                                                      |
67 |                                                                                      |
68 |                                ADVICE INSTRUCTIONS |
69 |                                                                                      |
70 |                                                                                      |
71 |                                                                                      |
72 |                                                                                      |
73 |                                                                                      |
74 | Enter=Select                                F10=Next Inquiry |
75 |-----
  | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
  | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
```

015334

= Redacted by the Permanent
Subcommittee on Investigations

```

01|
02| {1100} Message Disposition:
03|     Format Version:                02 (New expanded format)
04|     Test Production Code:         P (Production)
05|     Msg Duplication Code:         (Original incoming msg)
06|     Msg Status Indicator:         N (Incoming msg)
07|
08| {1110} Acceptance Timestamp:
09|     Date:                        11/16
10|     Time:                        15:06
11|     Application Id:              FT01
12|
13| {1120} OMAD:
14|     Output cycle date:            2001/11/16
15|     Output Destination Id:       BLQ8691C
16|     Output sequence number:      000098
17|     Output date:                 11/16
18|     Output time:                 15:06
19|     Output application Id:       FT01
20|
21| {1510} Type/Subtype Code:
22|     Type Code:                   10 (Transfer of funds)
23|     Subtype Code:                00 (Regular transfer)
24|
25| {1520} IMAD:
26|     Input Cycle date:            2001/11/16
27|     Input Source id:             L1LFBF8C
28|     Input Sequence number:       001658
29|
30| {2000} Amount:                   $51,887.85
31|
32| {3100} Sending Bank:
33|     ABA number:                  111000025
34|     Short name:                  BK AMER DL
35|     ABA lookup (AUX):            NATIONS BANK TEXAS
36|                                   DALLAS, TX
37|
38| {3320} Sender Reference:          011116045769
39|
40| {3400} Receiving Bank:
41|     ABA number:                  026007825
42|     Short name:                  IBJ WHITEHALL NYC
43|     ABA lookup (AUX):            IBJ WHITEHALL BANK AND TRUST
44|                                   NEW YORK, NY
45|
46| {3600} Business Function Code:    CTR (Customer transfer)
47|
48| {4200} Beneficiary:               [REDACTED]
49|                                   QUEENSGATE BANK TRUST COMPANY
50|
51| {4320} Reference for Beneficiary: [REDACTED]
52|
53| {5000} Originator:                /
54|                                   /004770767297
55|                                   LISA L WYLY TRUSTEE
56|                                   300 CRESCENT CT STE 1000
57|                                   DALLAS TX 75201-7852

```

015235

5362

58		
59	{5100} Originator's Bank:	/
60		BANK OF AMERICA
61		BRANCH FUNDS TRANSFER
62		CONCORD, CALIFORNIA 94520
63		
64	{5200} Instructing Bank:	D/004770767297
65		LISA L WYLY TRUSTEE
66		SAM WYLY MALIBU TRUST
67		300 CRESCENT CT STE 1000
68		DALLAS TX 75201-7852
69		
70	{6000} Originator to Beneficiary Info:	FURTHER CREDIT TO: SECURITY CAPITAL
71		LTD, SUB ACCOUNT 2122
72		
73		

015336

— = Redacted by the Permanent
Subcommittee on Investigations

```

01|USN  IBS                                FUNDS TRANSFER ENTRY          SND DATE 12/18/01
02|SRC  FED  RPT#                          TRN  011218000792
03|AMT                    51,887.85      CUR  USD          RATE      0.000000000000
04|VAL  12/18/01      TYP FTR  MTP          FNDS S      CHG: DB N  CD N  COM N  CBL N
05|-----
06|DBT PTY [REDACTED]                  CDT PTY D [REDACTED]          ADV WIR
07|DBT ID [REDACTED]                  CDT ID [REDACTED]
08|AMT                    0.00      CUR          AMT [REDACTED] 0.00      CUR
09|NATIONSBANK TEXAS                  QUEENSGATE BK & TRUST CO
10|DALLAS, TX                          SMB
11|                                      PO BOX 30464
12|                                      GRAND CAYMAN ISLAND B WI
13|SEND /004770767297                  ADVICE INSTRUCTIONS
14|LISA L WYLY TRUSTEE
15|SAM WYLY MALIBU TRUST
16|300 CRESCENT CT STE 1000
17|DALLAS TX 75201-7852                  1ST IBK /
18|
19|SNDR REF NUM 011218055899          ADVICE INSTRUCTIONS
20|CHP SSN
21|
22|IMAD 1218L1LFBF8C00227912181634FT01
23|
24|Enter-Select                          F10=Next Inquiry
25|

```

1---|---1φ---|---2φ---|---3φ---|---4φ---|---5φ---|---6φ---|---7φ---|---8φ

5364

```
26 |                                     FUNDS TRANSFER ENTRY                                     PAGE 2 |
27 | ORD BNK /                               INTR BNK /
28 | BANK OF AMERICA
29 | BRANCH FUNDS TRANSFER
30 | CONCORD, CALIFORNIA 94520
31 |
32 | REF NUM                               ADV INSTRUCTIONS
33 |
34 | ORIG /
35 | /004770767297
36 | LISA L WYLY TRUSTEE
37 | 300 CRESCENT CT STE 1000
38 | DALLAS TX 75201-7852
39 | REF NUM 01011218006489NN
40 |
41 | BANK TO BANK INFO
42 |                               ADV INSTRUCTIONS
43 |
44 |
45 |
46 |
47 |
48 |
49 | Enter=Select                               F10=Next Inquiry
50 |
-----
1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80
```

015344

5365

```
-----
51|                                FUNDS TRANSFER ENTRY                                PAGE 3|
52|
53| INTR BK   /                                BNF BNK   /                                WIR
54|
55|
56|
57|
58| ADVICE INSTRUCTIONS                                ADVICE INSTRUCTIONS
59|
60|
61|
62|
63| ORIG TO BNF INFO                                BNF   /                                CH: BK?N
64| FURTHER CREDIT: SECURITY CAPITAL LT
65| D, SUB ACCT      2122
66|
67|
68|                                ADVICE INSTRUCTIONS
69|
70|
71|
72|
73|
74|      Enter=Select                                F10=Next Inquiry
75|
-----
1|---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80
```

015345

Redacted by the Permanent
Subcommittee on Investigations

```

01|
02| {1100} Message Disposition:
03|     Format Version:          02 (New expanded format)
04|     Test Production Code:    P (Production)
05|     Msg Duplication Code:    (Original incoming msg)
06|     Msg Status Indicator:    N (Incoming msg)
07|
08| {1110} Acceptance Timestamp:
09|     Date:                    12/18
10|     Time:                    16:34
11|     Application Id:          FT01
12|
13| {1120} OMAD:
14|     Output cycle date:        2001/12/18
15|     Output Destination Id:    B1Q8691C
16|     Output sequence number:   000146
17|     Output date:              12/18
18|     Output time:              16:34
19|     Output application Id:    FT01
20|
21| {1510} Type/Subtype Code:
22|     Type Code:                10 (Transfer of funds)
23|     Subtype Code:             00 (Regular transfer)
24|
25| {1520} IMAD:
26|     Input Cycle date:         2001/12/18
27|     Input Source id:          L1LFBF8C
28|     Input Sequence number:    002279
29|
30| {2000} Amount:                $51,887.85
31|
32| {3100} Sending Bank:
33|     ABA number:               111000025
34|     Short name:               BK AMER DL
35|     ABA lookup (AUX):         NATIONS BANK TEXAS
36|                               DALLAS, TX
37|
38| {3320} Sender Reference:       011218055899
39|
40| {3400} Receiving Bank:
41|     ABA number:               026007825
42|     Short name:               IBJ WHITEHALL NYC
43|     ABA lookup (AUX):         IBJ WHITEHALL BANK AND TRUST
44|                               NEW YORK, NY
45|
46| {3600} Business Function Code: CTR (Customer transfer)
47|
48| {4200} Beneficiary:            [REDACTED]
49|                               QUEENSGATE BANK TRUST CO LTD
50|
51| {4320} Reference for Beneficiary: [REDACTED]
52|
53| {5000} Originator:             /
54|                               /004770767297
55|                               LISA L WYLY TRUSTEE
56|                               300 CRESCENT CT STE 1000
57|                               DALLAS TX 75201-7852

```

015346

5367

58			
59		{5100} Originator's Bank:	/
60			BANK OF AMERICA
61			BRANCH FUNDS TRANSFER
62			CONCORD, CALIFORNIA 94520
63			
64		{5200} Instructing Bank:	D/004770767297
65			LISA L WYLY TRUSTEE
66			SAM WYLY MALIBU TRUST
67			300 CRESCENT CT STE 1000
68			DALLAS TX 75201-7852
69			
70		{6000} Originator to Beneficiary Info:	FURTHER CREDIT: SECURITY CAPITAL LT
71			D, SUB ACCT 2122
72			
73			

015347

— = Redacted by the Permanent
Subcommittee on Investigations

```

01|USN  IBS                                FUNDS TRANSFER ENTRY          SND DATE 01/14/02
02|SRC  FED   RPT#                          TRN  020114000132
03|AMT                51,887.85          CUR  USD          RATE      0.000000000000
04|VAL  01/14/02      TYP FTR   MTP          FNDS S      CHG: DB N  CD N COM N CBL N
05|-----
06|DBT PTY [REDACTED]                  CDT PTY D [REDACTED]          ADV WIR
07|DBT ID [REDACTED]                  CDT ID [REDACTED]
08|AMT                0.00          CUR          AMT                0.00          CUR
09|NATIONSBANK TEXAS                  QUEENSGATE BK & TRUST CO
10|DALLAS, TX                          SMB
11|                                      PO BOX 30464
12|                                      GRAND CAYMAN ISLAND B WI
13|SEND          /004770767297          ADVICE INSTRUCTIONS
14|LISA L WYLY TRUSTEE
15|SAM WYLY MALIBU TRUST
16|300 CRESCENT CT STE 1000
17|DALLAS TX 75201-7852                  1ST IBK  /
18|
19|SNDR REF NUM    020114014784          ADVICE INSTRUCTIONS
20|CHP SSN
21|
22|IMAD 0114L1LFBF8C00049501141051FT01
23|
24|Enter=Select                                F10=Next Inquiry
25|

```

1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80

015110

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1311

5369

```
-----
26|                                     FUNDS TRANSFER ENTRY                                     PAGE 2|
27| ORD BNK /                                     INTR BNK /|
28| BANK OF AMERICA|
29| BRANCH FUNDS TRANSFER|
30| CONCORD, CALIFORNIA 94520|
31|
32| REF NUM                                     ADV INSTRUCTIONS|
33|
34| ORIG /|
35| /004770767297|
36| LISA L WYLY TRUSTEE|
37| 300 CRESCENT CT STE 1000|
38| DALLAS TX 75201-7852|
39| REF NUM 01020114000657NN|
40|
41| BANK TO BANK INFO|
42|                                     ADV INSTRUCTIONS|
43|
44|
45|
46|
47|
48|
49| Enter=Select                                     F10=Next Inquiry|
50|
-----
1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80
```

015111

5370

```
51|                                     FUNDS TRANSFER ENTRY                                     PAGE 3|
52|
53| INTR BK   /                               BNF BNK   /                               WIR
54|
55|
56|
57|
58| ADVICE INSTRUCTIONS                       ADVICE INSTRUCTIONS
59|
60|
61|
62|
63| ORIG TO BNF INFO                           BNF   /                               CH: BK?N
64| FURTHER CREDIT: SECURITY CAPITAL LT
65| D, SUB ACCT      2122
66|
67|
68|                                     ADVICE INSTRUCTIONS
69|
70|
71|
72|
73|
74| Enter=Select                               F10=Next Inquiry
75|
-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80
```

015112

— = Redacted by the Permanent
Subcommittee on Investigations

```

01
02 {1100} Message Disposition:
03     Format Version:          02 (New expanded format)
04     Test Production Code:    P (Production)
05     Msg Duplication Code:    (Original incoming msg)
06     Msg Status Indicator:    N (Incoming msg)
07
08 {1110} Acceptance Timestamp:
09     Date:                    01/14
10     Time:                    10:51
11     Application Id:          FT01
12
13 {1120} OMAD:
14     Output cycle date:       2002/01/14
15     Output Destination Id:   B1Q8691C
16     Output sequence number:  000051
17     Output date:             01/14
18     Output time:             10:51
19     Output application Id:   FT01
20
21 {1510} Type/Subtype Code:
22     Type Code:               10 (Transfer of funds)
23     Subtype Code:            00 (Regular transfer)
24
25 {1520} IMAD:
26     Input Cycle date:        2002/01/14
27     Input Source id:         L1LFBF8C
28     Input Sequence number:   000495
29
30 {2000} Amount:               $51,887.85
31
32 {3100} Sending Bank:
33     ABA number:              111000025
34     Short name:              BK AMER DL
35     ABA lookup (AUX):        NATIONS BANK TEXAS
36     DALLAS, TX
37
38 {3320} Sender Reference:      020114014784
39
40 {3400} Receiving Bank:
41     ABA number:              026007825
42     Short name:              IBJ WHITEHALL NYC
43     ABA lookup (AUX):        IBJ WHITEHALL BANK AND TRUST
44     NEW YORK, NY
45
46 {3600} Business Function Code: CTR (Customer transfer)
47
48 {4200} Beneficiary:          [REDACTED]
49     QUEENSGATE BANK TRUST COMPANY LTD
50
51 {4320} Reference for Beneficiary: [REDACTED]
52
53 {5000} Originator:           /
54     /004770767297
55     LISA L WYLY TRUSTEE
56     300 CRESCENT CT STE 1000
57     DALLAS TX 75201-7852

```

015112

5372

58				
59		{5100} Originator's Bank:	/	
60			BANK OF AMERICA	
61			BRANCH FUNDS TRANSFER	
62			CONCORD, CALIFORNIA 94520	
63				
64		{5200} Instructing Bank:	D/004770767297	
65			LISA L WYLY TRUSTEE	
66			SAM WYLY MALIBU TRUST	
67			300 CRESCENT CT STE 1000	
68			DALLAS TX 75201-7852	
69				
70		{6000} Originator to Beneficiary Info:	FURTHER CREDIT: SECURITY CAPITAL LT	
71			D, SUB ACCT 2122	
72				
73				

015111

— = Redacted by the Permanent
Subcommittee on Investigations

THE IRISH TRUST COMPANY (CAYMAN) LTD.
FACSIMILE COVER SHEET

TO:	Rena Alexander	FROM:	Petra Nott
COMPANY:	Maverick Capital	FAX:	345-9 [REDACTED]
FAX:	1-214-880-4062	TEL:	345-9 [REDACTED]
DATE:	November 21, 2000		

We are transmitting 1 page. Please contact the undersigned if there is a problem with the transmission.

Re: Security Capital Malibu Loan – Locke and Moberly

Blair Gauld from Queensgate has just informed me that he received the payments for November and October. He said that the interest from their account being drawn comes to \$421.00, which you can just add to next month's payment. This was calculated on a basis of 31 days at 10%. Please let me know if you need any more details.

Regards,

Petra Nott
Petra Nott

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1312

CONFIDENTIAL
SEC100025379
PSI00037246

— = Redacted by the Permanent
Subcommittee on Investigations

THE IRISH TRUST COMPANY (CAYMAN) LTD.
FACSIMILE COVER SHEET

TO: Rena Alexander
COMPANY: Maverick Capital
FAX: 1-214-880-4062
DATE: May 11, 2001

FROM: Michelle Boucher
FAX: 345-
TEL: 345-

We are transmitting 1 page. Please contact the undersigned if there is a problem with the transmission.

Re: Security Capital Loan Payments

Please see below the calculations for interest due to Locke and Moberly for late payments of the March interest:

Locke
Days Late 20/360*
Interest Rate 2%*
Original Payment \$18,471.52
Total Interest Due \$ 20.52

20.52
34.21
54.73

Moberly
Days Late 20/360*
Interest Rate 2%*
Original Payment \$30,785.86
Total Interest Due \$ 34.21

Queensgate were charged a total of \$730.57 in overdraft interest from the February payment. Please add this amount to the total wire.

Regards,


Michelle Boucher

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1312

CONFIDENTIAL
SECT00027052
PST00038919

5375

— = Redacted by the Permanent
Subcommittee on Investigations

THE IRISH TRUST COMPANY (CAYMAN) LTD.
FACSIMILE COVER SHEET

TO:	Rena Alexander	FROM:	Petra Nott
COMPANY:	Maverick Capital	FAX:	345- [REDACTED]
FAX:	1-214-880-4062	TEL:	345- [REDACTED]
DATE:	May 22, 2001		

We are transmitting 1 page. Please contact the undersigned if there is a problem with the transmission.

Re: Security Capital Malibu Loan – Locke and Moberly

Hi Rena,

Further to the late payment issue, could you also please wire the \$730.57 to Queensgate that they were charged in overdraft interest from the February payment. Please let me know if you have any questions.

Regards,

Petra Nott
Petra Nott

54.73
Int.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1312

CONFIDENTIAL
SEC100027049

— = Redacted by the Permanent
Subcommittee on Investigations

```

01|USN  IBS                                FUNDS TRANSFER ENTRY          SND DATE 12/05/01
02|SRC  FAX    RPT#                        TRN  011205000633
03|AMT                30,785.86          CUR  USD          RATE  0.000000000000
04|VAL  12/05/01      TYP FTR  MTP  1000  FNDS S      CHG: DB N  CD N COM N CBL N
05|-----
06|DBT PTY [REDACTED]                    CDT PTY [REDACTED]          ADV FED
07|DBT ID [REDACTED]                    CDT ID [REDACTED]
08|AMT                0.00          CUR  AMT                0.00          CUR
09|QUEENSGATE BK & TRUST CO              CITIBANK, N.A.
10|SMB                                  111 WALL STREET, 22ND FL. ZONE 1
11|PO BOX 30464                          NEW YORK, NEW YORK  10043
12|GRAND CAYMAN ISLAND B WI
13|SEND      /                          ADVICE INSTRUCTIONS
14|
15|
16|
17|                                  1ST IBK  /
18|
19|SND R REF NUM                          ADVICE INSTRUCTIONS
20|CHP SSN
21|
22|IMAD 1205B1Q8691C000139
23|
24|      Enter=Select                      F10=Next Inquiry
25|

```

↓---|---1φ---|---2φ---|---3φ---|---4φ---|---5φ---|---6φ---|---7φ---|---8φ

012938

— = Redacted by the Permanent
Subcommittee on Investigations

01
02 {1510} Type/Subtype Code:
03 Type Code: 10 (Transfer of funds)
04 Subtype Code: 00 (Regular transfer)
05
06 {2000} Amount: \$30,785.86
07
08 {3100} Sending Bank:
09 ABA number: 026007825
10 Short name: IBJ WHITEHALL NYC
11 ABA lookup (AUX): IBJ WHITEHALL BANK AND TRUST
12 NEW YORK, NY
13
14 {3320} Sender Reference: 011205000633
15
16 {3400} Receiving Bank:
17 ABA number: 021000089
18 Short name: CITIBANK NYC
19 ABA lookup (REL): CITIBANK, N.A.
20 111 WALL STREET, 22ND FL. ZONE 1
21 NEW YORK, NEW YORK 10043
22
23 {3600} Business Function Code: CTR (Customer transfer)
24
25 {4100} Beneficiary's Bank: [REDACTED]
26 BANK OF BERMUDA ISLE OF MAN LTD
27
28 {4200} Beneficiary: D/[REDACTED]
29 MOBERLY LTD
30
31 {4320} Reference for Beneficiary: 2122
32
33 {5000} Originator: D/[REDACTED]
34 QUEENSGATE BK & TRUST CO
35 SMB
36 PO BOX 30464
37 GRAND CAYMAN ISLAND B WI
38
39 {6000} Originator to Beneficiary Info: NOVEMBER PMT SECURITY CAPITAL
40
41

012941

— = Redacted by the Permanent
Subcommittee on Investigations

```

01|USN  IBS                      FUNDS TRANSFER ENTRY          SND DATE 12/05/01|
02|SRC  FAX   RPT#                TRN  011205000634              |
03|AMT                18,471.52    CUR  USD          RATE      0.000000000000|
04|VAL  12/05/01      TYP. FTR    MTP  1000    FNDS S    CHG: DB N  CD N COM N CBL N|
05|-----|
06|DBT PTY [REDACTED]          CDT PTY [REDACTED]          ADV FED|
07|DBT ID [REDACTED]          CDT ID [REDACTED]              |
08|AMT                0.00      CUR          AMT                0.00      CUR|
09|QUEENSGATE BK & TRUST CO    CITIBANK, N.A.              |
10|SMB                      111 WALL STREET, 22ND FL. ZONE 1|
11|PO BOX 30464              NEW YORK, NEW YORK  10043|
12|GRAND CAYMAN ISLAND B WI|
13|SEND  /                  ADVICE INSTRUCTIONS|
14|                          |
15|                          |
16|                          |
17|                          1ST IBK  /|
18|                          |
19|SNDR REF NUM              ADVICE INSTRUCTIONS|
20|CHP SSN|
21|
22|IMAD 1205B1Q8691C000140|
23|
24|Enter=Select                      F10=Next Inquiry|
25|

```

1---|---1φ---|---2φ---|---3φ---|---4φ---|---5φ---|---6φ---|---7φ---|---8φ

Redacted by the Permanent
Subcommittee on Investigations

26 |
27 | ORD BNK / FUNDS TRANSFER ENTRY
28 | INTR BNK /
29 |
30 |
31 |
32 | REF NUM ADV INSTRUCTIONS
33 |
34 | ORIG /
35 |
36 |
37 | BNF BNK [REDACTED]
38 | BANK OF BERMUDA ISLE OF MAN LTD
39 | REF NUM 2122
40 |
41 | BANK TO BANK INFO
42 | ADV INSTRUCTIONS
43 |
44 |
45 |
46 |
47 |
48 |
49 | Enter=Select F10=Next Inquiry
50 |

1---|---1φ---|---2φ---|---3φ---|---4φ---|---5φ---|---6φ---|---7φ---|---8φ

— = Redacted by the Permanent
Subcommittee on Investigations

```

51 |                                     FUNDS TRANSFER ENTRY                                     PAGE 3
52 |
53 | INTR BK /                               BNF BNK /36022287                               WIR
54 |                                     BANK OF BERMUDA ISLE OF MAN LTD
55 |
56 |
57 |
58 | ADVICE INSTRUCTIONS                               ADVICE INSTRUCTIONS
59 |
60 |
61 |
62 |
63 | ORIG TO BNF INFO                               BNF [REDACTED]                               CH: BK?N
64 | NOVEMBER PMT SECURITY CAPITAL                     LOCKE LTD
65 |
66 |
67 |
68 |                                     ADVICE INSTRUCTIONS
69 |
70 |
71 |
72 |
73 |
74 | Enter=Select                               F10=Next Inquiry
75 |

```

1---|---1φ---|---2φ---|---3φ---|---4φ---|---5φ---|---6φ---|---7φ---|---8φ

Redacted by the Permanent
Subcommittee on Investigations

01
02 {1510} Type/Subtype Code:
03 Type Code: 10 (Transfer of funds)
04 Subtype Code: 00 (Regular transfer)
05
06 {2000} Amount: \$18,471.52
07
08 {3100} Sending Bank:
09 ABA number: 026007825
10 Short name: IBJ WHITEHALL NYC
11 ABA lookup (AUX): IBJ WHITEHALL BANK AND TRUST
12 NEW YORK, NY
13
14 {3320} Sender Reference: 011205000634
15
16 {3400} Receiving Bank:
17 ABA number: 021000089
18 Short name: CITIBANK NYC
19 ABA lookup (REL): CITIBANK, N.A.
20 111 WALL STREET, 22ND FL. ZONE 1
21 NEW YORK, NEW YORK 10043
22
23 {3600} Business Function Code: CTR (Customer transfer)
24
25 {4100} Beneficiary's Bank:
26 D/36022287
27 BANK OF BERMUDA ISLE OF MAN LTD
28 {4200} Beneficiary: D/ [REDACTED]
29 LOCKE LTD
30
31 {4320} Reference for Beneficiary: 2122
32
33 {5000} Originator: D/ [REDACTED]
34 QUEENSGATE BK & TRUST CO
35 SMB
36 PO BOX 30464
37 GRAND CAYMAN ISLAND B WI
38
39 {6000} Originator to Beneficiary Info: NOVEMBER PMT SECURITY CAPITAL
40
41

— = Redacted by the Permanent
Subcommittee on Investigations

```

01|USN  IBS                      FUNDS TRANSFER ENTRY          SND DATE 12/14/01
02|SRC  FAX   RPT#                      TRN  011214000666
03|AMT                30,785.86      CUR  USD          RATE      0.000000000000
04|VAL  12/14/01      TYP FTR  MTP  1000  FNDS S      CHG: DB N  CD N COM N CBL N
05|-----
06|DBT PTY D/ [REDACTED]          CDT PTY G/ [REDACTED]          ADV FED
07|DBT ID [REDACTED]          CDT ID [REDACTED]
08|AMT                0.00      CUR          AMT                0.00      CUR
09|QUEENSGATE BK & TRUST CO          CITIBANK, N.A.
10|SMB                          111 WALL STREET, 22ND FL. ZONE 1
11|PO BOX 30464                  NEW YORK, NEW YORK 10043
12|GRAND CAYMAN ISLAND B WI
13|SEND /                          ADVICE INSTRUCTIONS
14|
15|
16|
17|                          1ST IBK /
18|
19|SND R REF NUM          ADVICE INSTRUCTIONS
20|CHP SSN
21|
22|IMAD 1214B1Q8691C000170
23|
24|      Enter=Select                      F10=Next Inquiry
25|-----
  |1---|---1φ---|---2φ---|---3φ---|---4φ---|---5φ---|---6φ---|---7φ---|---8φ

```

— = Redacted by the Permanent
Subcommittee on Investigations

26	FUNDS TRANSFER ENTRY		PAGE 2
27	ORD BNK /	INTR BNK /	
28			
29			
30			
31			
32	REF NUM	ADV INSTRUCTIONS	
33			
34	ORIG /		
35			
36			
37		BNF BNK [REDACTED]	
38		BANK OF BERMUDA	
39	REF NUM	ISLE OF MAN LTD	
40			
41	BANK TO BANK INFO		
42		ADV INSTRUCTIONS	
43			
44			
45			
46			
47			
48			
49	Enter=Select	F10=Next Inquiry	
50			

1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80

= Redacted by the Permanent
 Subcommittee on Investigations

```

51 |                                     FUNDS TRANSFER ENTRY                                     PAGE 3 |
52 |                                                                                                                                 |
53 | INTR BK /                               BNF BNK /36022287                               WIR |
54 |                                     BANK OF BERMUDA                               |
55 |                                     ISLE OF MAN LTD                               |
56 |                                                                                                                                 |
57 |                                                                                                                                 |
58 | ADVICE INSTRUCTIONS                     ADVICE INSTRUCTIONS                     |
59 |                                                                                                                                 |
60 |                                                                                                                                 |
61 |                                                                                                                                 |
62 |                                                                                                                                 |
63 | ORIG TO BNF INFO                       BNF [REDACTED]                       CH: BK?N |
64 | NOVEMBER PYMT/SECURITY CAPITAL REF     MOBERLY LTD                       |
65 | 2122                                     |
66 |                                                                                                                                 |
67 |                                                                                                                                 |
68 |                                     ADVICE INSTRUCTIONS                     |
69 |                                                                                                                                 |
70 |                                                                                                                                 |
71 |                                                                                                                                 |
72 |                                                                                                                                 |
73 |                                                                                                                                 |
74 | Enter=Select                           F10=Next Inquiry                       |
75 |                                                                                                                                 |

```

1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80

= Redacted by the Permanent
Subcommittee on Investigations

```

01
02 {1510} Type/Subtype Code:
03   Type Code:          10 (Transfer of funds)
04   Subtype Code:       00 (Regular transfer)
05
06 {2000} Amount:        $30,785.86
07
08 {3100} Sending Bank:
09   ABA number:         026007825
10   Short name:         IBJ WHITEHALL NYC
11   ABA lookup (AUX):   IBJ WHITEHALL BANK AND TRUST
12                       NEW YORK, NY
13
14 {3320} Sender Reference: 011214000666
15
16 {3400} Receiving Bank:
17   ABA number:         021000089
18   Short name:         CITIBANK NYC
19   ABA lookup (REL):   CITIBANK, N.A.
20                       111 WALL STREET, 22ND FL. ZONE 1
21                       NEW YORK, NEW YORK 10043
22
23 {3600} Business Function Code: CTR (Customer transfer)
24
25 {4100} Beneficiary's Bank: D [REDACTED]
26                           BANK OF BERMUDA
27                           ISLE OF MAN LTD
28
29 {4200} Beneficiary:      D [REDACTED]
30                           MOBERLY LTD
31
32 {5000} Originator:       D [REDACTED]
33                           QUEENSGATE BK & TRUST CO
34                           SMB
35                           PO BOX 30464
36                           GRAND CAYMAN ISLAND B WI
37
38 {6000} Originator to Beneficiary Info: NOVEMBER PYMT/SECURITY CAPITAL REF
39                                       2122
40
41

```

013142

— = Redacted by the Permanent
Subcommittee on Investigations

```

01|USN  IBS                                FUNDS TRANSFER ENTRY          SMD DATE 12/14/01
02|SRC  FAX      RPT#                      TRN  011214000670
03|AMT                18,471.52          CUR  USD          RATE      0.000000000000
04|VAL  12/14/01      TYP FTR  MTP  1000  FNDS S          CHG: DB N  CD N COM N CBL N
05|-----
06|DBT PTY [REDACTED]                    CDT PTY [REDACTED]          ADV FED
07|DBT ID [REDACTED]                    CDT ID [REDACTED]
08|AMT                0.00          CUR          AMT                0.00          CUR
09|QUEENSGATE BK & TRUST CO              CITIBANK, N.A.
10|SMB                                  111 WALL STREET, 22ND FL. ZONE 1
11|PO BOX 30464                          NEW YORK, NEW YORK 10043
12|GRAND CAYMAN ISLAND B WI
13|SEND /                               ADVICE INSTRUCTIONS
14|
15|
16|
17|                                1ST IBK /
18|
19|SNDR REF NUM                          ADVICE INSTRUCTIONS
20|CHP SSN
21|
22|IMAD 1214B1Q8691C000171
23|
24|    Enter=Select                      F10=Next Inquiry
25|
-----
1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80

```

— = Redacted by the Permanent
Subcommittee on Investigations

```

26 |                                     FUNDS TRANSFER ENTRY                PAGE 2 |
27 | ORD BNK /                          INTR BNK /                          |
28 |                                     |                                  |
29 |                                     |                                  |
30 |                                     |                                  |
31 |                                     |                                  |
32 | REF NUM                            ADV INSTRUCTIONS                    |
33 |                                     |                                  |
34 | ORIG /                             |                                  |
35 |                                     |                                  |
36 |                                     |                                  |
37 |                                     BNF BNK [REDACTED]                    |
38 |                                     BANK OF BERMUDA                      |
39 | REF NUM                            ISLE OF MAN LTD                      |
40 |                                     |                                  |
41 | BANK TO BANK INFO                  ADV INSTRUCTIONS                    |
42 |                                     |                                  |
43 |                                     |                                  |
44 |                                     |                                  |
45 |                                     |                                  |
46 |                                     |                                  |
47 |                                     |                                  |
48 |                                     |                                  |
49 | Enter=Select                       F10=Next Inquiry                    |
50 |                                     |                                  |

```

1---|---2φ---|---3φ---|---4φ---|---5φ---|---6φ---|---7φ---|---8φ

Redacted by the Permanent
Subcommittee on Investigations

```

51 |                                FUNDS TRANSFER ENTRY                                | PAGE 3 |
52 |
53 | INTR BK /                      BNF BNK [REDACTED]                      | WIR |
54 |                                BANK OF BERMUDA                          |
55 |                                ISLE OF MAN LTD                          |
56 |
57 |
58 | ADVICE INSTRUCTIONS            ADVICE INSTRUCTIONS                      |
59 |
60 |
61 |
62 |
63 | ORIG TO BNF INFO              BNF [REDACTED]                          | CH: BK?N |
64 | NOV PYMT/SECURITY CAPITAL REF 2122  LOCKE LTD                        |
65 |
66 |
67 |                                ADVICE INSTRUCTIONS                      |
68 |
69 |
70 |
71 |
72 |
73 |
74 | Enter=Select                  F10=Next Inquiry                        |
75 |

```

1---|---1φ---|---2φ---|---3φ---|---4φ---|---5φ---|---6φ---|---7φ---|---8φ

— = Redacted by the Permanent
Subcommittee on Investigations

```

01|
02| {1510} Type/Subtype Code:
03|   Type Code:          10 (Transfer of funds)
04|   Subtype Code:       00 (Regular transfer)
05|
06| {2000} Amount:        $18,471.52
07|
08| {3100} Sending Bank:
09|   ABA number:          026007825
10|   Short name:          IBJ WHITEHALL NYC
11|   ABA lookup (AUX):    IBJ WHITEHALL BANK AND TRUST
12|                       NEW YORK, NY
13|
14| {3320} Sender Reference: 011214000670
15|
16| {3400} Receiving Bank:
17|   ABA number:          021000089
18|   Short name:          CITIBANK NYC
19|   ABA lookup (REL):    CITIBANK, N.A.
20|                       111 WALL STREET, 22ND FL. ZONE 1
21|                       NEW YORK, NEW YORK 10043
22|
23| {3600} Business Function Code: CTR (Customer transfer)
24|
25| {4100} Beneficiary's Bank:
26|   [REDACTED]
27|   BANK OF BERMUDA
28|   ISLE OF MAN LTD
29|
29| {4200} Beneficiary:
30|   D/ [REDACTED]
31|   LOCKE LTD
32|
32| {5000} Originator:
33|   D/ [REDACTED]
34|   QUEENSGATE BK & TRUST CO
35|   SMB
36|   PO BOX 30464
37|   GRAND CAYMAN ISLAND B WI
38| {6000} Originator to Beneficiary Info: NOV PYMT/SECURITY CAPITAL REF 2122
39|
40|

```

5390

PROMISSORY NOTE

\$15,000,000.00

Effective January 30, 2002

FOR VALUE RECEIVED, the undersigned ("Maker") promises to pay to the order of SECURITY CAPITAL, LTD., a Cayman Islands Exempted Company ("Payee"), the principal sum of FIFTEEN MILLION and NO/100 DOLLARS (\$15,000,000.00), together with interest on the unpaid principal sum from time to time outstanding at the rate of FIVE AND ONE-HALF PERCENT (5.50%) per annum from the date hereof until paid. All principal and interest payable hereunder shall be due and payable in lawful money of the United States of America.

Interest on this Note shall be payable in ten (10) annual installments, commencing one year from the date hereof, and payable each succeeding year thereafter. Each interest installment shall be in the amount of \$825,000. All remaining unpaid principal, together with any accrued, but unpaid interest, shall be payable in full on February 15, 2012.

The entire unpaid principal balance of, and all accrued interest on, this Note shall immediately become due and payable at the option of the Payee upon the occurrence of the following events of default (the "Event of Default"): Failure by Maker to pay the principal and/or interest hereon as and when the same becomes due and payable in accordance with the terms hereof and the continuation of said failure for a period of ten (10) days after Payee has provided Maker with written notice of such failure; or

In the event the Event of Default specified hereinabove shall occur, Payee may proceed to protect and enforce its rights either by suit in equity and/or by action at law, or by other appropriate proceedings. No delay on the part of the holder of this Note in the exercise of any power or right under this Note or under any other instrument executed pursuant thereto shall operate as a waiver thereof, nor shall a single or partial exercise of any other power or right preclude further exercise thereof.

Except as expressly otherwise provided herein, Maker waives demand, presentment, protest, notice of nonpayment, notice of protest, notice of intent to accelerate, notice of acceleration, and any and all lack of diligence or delay in collection or the filing of suit hereon which may occur.

If this Note is not paid at maturity, howsoever such maturity may be brought about, and the same is placed in the hands of an attorney for collection, or if this Note is collected by suit or through bankruptcy, probate, or other legal proceedings, Maker agrees to pay the costs of collection and attorneys' fees, in addition to the principal and interest.

This Note may be delivered by telefacsimile or similar facsimile transmission and, in such case, shall be deemed delivered upon Payee's receipt of such facsimile transmission.

All notices or demands required or permitted hereunder shall be in writing and delivered to the person to whom the notice is directed, either in person, by facsimile transmission, or by United

-1-

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1315

CONFIDENTIAL
SECI00015545
PSI00027412

5391

States Mail, as a registered or certified item, return receipt requested. Notices delivered by mail shall be deemed given three (3) days after deposit of same in a regularly maintained receptacle for the United States Mail, with proper postage prepaid, and addressed as follows:

If to Maker: Sam Wyly
300 Crescent Court, Suite 1000
Dallas, Texas 75201

If to Payee: Security Capital, Ltd.
P. O. Box 30868 SMB
Ugland House
Georgetown, Grand Cayman

This Note has been executed and delivered, and is to be performed, in the State of Texas, and the laws of such state shall govern the validity, construction, enforcement, and interpretation of this Note.

All agreements between Maker and Payee are expressly limited so that in no contingency or event whatsoever, whether by reason of advancement of the payment hereof, acceleration of maturity of the unpaid principal balance hereof, or otherwise, shall the amount paid or agreed to be paid to the holder hereof for the use, forbearance, or detention of the money to be advanced hereunder exceed the highest rate permissible under the laws of the State of Texas. If, from any circumstance whatsoever, fulfillment of any provision hereof or any other agreement referred to herein shall, at the time fulfillment of such provision be due, involve transcending the limit of validity prescribed by law which a court of competent jurisdiction may deem applicable hereto, then ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity, and if from any circumstance the holder hereof shall ever receive as interest an amount which would be excessive, such amount shall (i) be applied to the reduction of the unpaid principal balance due hereunder or (ii) be refunded to Maker and not applied to the payment of interest. This provision shall control every other provision of all agreements between Maker and the holder hereof.

Maker shall have the right to prepay the indebtedness evidenced by this Note, in whole or in part, at any time, without premium or penalty of any kind whatsoever, and interest shall immediately cease to accrue on any part of this Note so prepaid.

This Note is an unregistered debt instrument issued by a foreign lender to a United States of America obligor.

This Note cannot be offered or sold (or resold in connection with its original issuance) to any individual or entity who is a "United States Person" as that term is defined and interpreted under the laws of taxation of the United States of America. With respect to any assignee who is not a "United States Person," Payee may assign the Note without the consent of Maker and any such assignment shall not relieve the Maker of its obligations hereunder, except that Maker shall make all payments to and give any notices at the address of such assignee as provided to Maker by Payee.

- 2 -

CONFIDENTIAL
SECI00015546
PSI00027413

5392

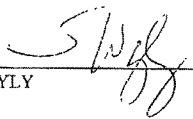
This Note is intended to constitute and qualify as "portfolio debt investment" as that term is defined and interpreted under the taxation laws of the United States of America. The parties to this Note specifically intend that the interest payable hereunder shall not be subject to income or excise taxation, including the imposition of any withholding taxes thereon, under the laws of the United States of America or any state or municipality thereof.

The principal and interest payable per the terms and condition of this Note shall be payable only outside the United States of America and its possessions.

It is specifically understood and intended that no "United States Person" (as that term is defined and interpreted under the taxation laws of the United States of America) shall ever be an owner or holder of this Note; however, should any "United States Person" (as that term is defined and interpreted under the taxation laws of the United States of America) ever become a holder or owners of this Note, such "United States Person" will be subject to limitation under the income tax laws of the United States of America. Any "United States Person" who holds this Note will be subject to limitation under the United States income tax laws, including the limitation provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.

The owner of this Note must certify to the Maker (or any distributor) of this Note that the owner is not a "United States Person" (as that term is defined and interpreted under the taxation laws of the United States of America.)

IN WITNESS WHEREOF, the undersigned has executed this Note effective as of the date and year first above written.



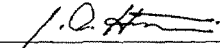
SAM WYLY

5393

AGREED:

The undersigned acknowledges and agrees to all terms and conditions of this Note. The undersigned certifies to the Maker that the undersigned is not a "United States Person" (as that term is defined under the taxation laws of the United States of America).

SECURITY CAPITAL, LTD.,
A Cayman Islands Exempted Company

By: 

Name: **J.D. HUNTER**
Director

Title: _____

Dated Effective as of January 30, 2002

254440.2

- 4 -

CONFIDENTIAL
SEC00015548
PSI00027415

5394

Redacted by the Permanent Subcommittee on Investigations

25/01 '02 FRI 12:32 FAX 01624 863803



II SW loan

92-OK
SEC CAPITAL

Directors:
D. A. Harris,
K.M. Bromley, A.C.L.B.
K.G. Harding, A.C.L.B. M.A.A.T.
D.T. Kenny (Chair)
E.J. Higgins, Vice (Pres.), A.C.A.

Keeley

Registered Office:
International House
Castle Hill, Victoria Road
Douglas, Isle of Man
British Isles
IM2 4RB
Telephone: (01624) 630400
Fax No: (01624) 824468
Internet: <http://www.ifginc.com>
Email: secret@ifginc.com

FAX TH

TE

The information contained in this fax is confidential and is intended only for the person named below. If the reader of this fax is not the intended recipient or a representative of the intended recipient, you are hereby notified that any review, dissemination or copying of this fax is prohibited. If you have not received all the pages or have received this fax in error, please notify the sender by telephone and return this fax to the sender at the above address.

TO: Michelle Boucher
Cayman Islands
FROM: David A. Harris
REF: wldah\oucher2501.02fx
PAGES:(including this one) 1
FAX NO: 001 345
DATE: 2nd January 2002
DISB INST Client Code
TIME SENT:

Security Capital/Sant Wyly Note

Thank you for your fax of yesterday. The note seems fine save for a couple of questions:-

1. I am not sure how it can be effective 1 January 2002 when the monies have not yet gone across;
2. I do not understand in the penultimate paragraph on page 2 how the note can be "bearer" when the name of the holder is quoted clearly thereon - for the avoidance of doubt I am not for a moment suggesting that the note is converted to what I would call a proper bearer note.

As discussed yesterday, we do still need to determine who is funding Security Capital and to agree the terms of that note.

Finally, do we have confirmation from somewhere that 5.5% is an appropriate interest rate for a 10 year unsecured note.

Kind regards

David A. Harris
Director

Licensed by the Isle of Man Financial Supervision Commission as a Corporate Service Provider
IFG International Limited is a member of the IFG Group plc.
V.A.T. No. GB 000 1962 34

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1315

CONFIDENTIAL
SEC100027721
PS100039588

92' 94'
94 loan to
SEC CAP
SEC CAP to
BIS.

→ Jan 30th
Date Jan
is agree

negotiable
fully transferable
BIS NOT
need to
be there

Sold or
transferred
by you
w/o BIS

PROMISSORY NOTE****DRAFT****

\$15,000,000.00

Effective January 30, 2002

FOR VALUE RECEIVED, the undersigned ("Maker") promises to pay to the order of GREENBRIAR LIMITED, an Isle of Man Exempted Company ("Payee"), the principal sum of FIFTEEN MILLION and NO/100 DOLLARS (\$15,000,000.00), together with interest on the unpaid principal sum from time to time outstanding at the rate of FIVE AND ONE-QUARTER PERCENT (5.25%) per annum from the date hereof until paid. All principal and interest payable hereunder shall be due and payable in lawful money of the United States of America.

Interest on this Note shall be payable in ten (10) annual installments, commencing one year from the date hereof, and payable each succeeding year thereafter. Each interest installment shall be in the amount of \$787,500. All remaining unpaid principal, together with any accrued, but unpaid interest, shall be payable in full on February 15, 2012.

The entire unpaid principal balance of, and all accrued interest on, this Note shall immediately become due and payable at the option of the Payee upon the occurrence of the following events of default (the "Event of Default"): Failure by Maker to pay the principal and/or interest hereon as and when the same becomes due and payable in accordance with the terms hereof and the continuation of said failure for a period of ten (10) days after Payee has provided Maker with written notice of such failure; or

In the event the Event of Default specified hereinabove shall occur, Payee may proceed to protect and enforce its rights either by suit in equity and/or by action at law, or by other appropriate proceedings. No delay on the part of the holder of this Note in the exercise of any power or right under this Note or under any other instrument executed pursuant thereto shall operate as a waiver thereof, nor shall a single or partial exercise of any other power or right preclude further exercise thereof.

Except as expressly otherwise provided herein, Maker waives demand, presentment, protest, notice of nonpayment, notice of protest, notice of intent to accelerate, notice of acceleration, and any and all lack of diligence or delay in collection or the filing of suit hereon which may occur.

If this Note is not paid at maturity, howsoever such maturity may be brought about, and the same is placed in the hands of an attorney for collection, or if this Note is collected by suit or through bankruptcy, probate, or other legal proceedings, Maker agrees to pay the costs of collection and attorneys' fees, in addition to the principal and interest.

This Note may be delivered by telefacsimile or similar facsimile transmission and, in such case, shall be deemed delivered upon Payee's receipt of such facsimile transmission.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1316

CC 021671

All notices or demands required or permitted hereunder shall be in writing and delivered to the person to whom the notice is directed, either in person, by facsimile transmission, or by United States Mail, as a registered or certified item, return receipt requested. Notices delivered by mail shall be deemed given three (3) days after deposit of same in a regularly maintained receptacle for the United States Mail, with proper postage prepaid, and addressed as follows:

If to Maker:	Security Capital P.O. Box 30868 SMB Harbour Place George Town, Grand Cayman
If to Payee:	Greenbriar Limited International House Castle Hill, Victoria Road, Douglas, Isle of Man

This Note has been executed and delivered, and is to be performed, in the State of Texas, and the laws of such state shall govern the validity, construction, enforcement, and interpretation of this Note.

All agreements between Maker and Payee are expressly limited so that in no contingency or event whatsoever, whether by reason of advancement of the payment hereof, acceleration of maturity of the unpaid principal balance hereof, or otherwise, shall the amount paid or agreed to be paid to the holder hereof for the use, forbearance, or detention of the money to be advanced hereunder exceed the highest rate permissible under the laws of the State of Texas. If, from any circumstance whatsoever, fulfillment of any provision hereof or any other agreement referred to herein shall, at the time fulfillment of such provision be due, involve transcending the limit of validity prescribed by law which a court of competent jurisdiction may deem applicable hereto, then *ipso facto*, the obligation to be fulfilled shall be reduced to the limit of such validity, and if from any circumstance the holder hereof shall ever receive as interest an amount which would be excessive, such amount shall (i) be applied to the reduction of the unpaid principal balance due hereunder or (ii) be refunded to Maker and not applied to the payment of interest. This provision shall control every other provision of all agreements between Maker and the holder hereof.

Maker shall have the right to prepay the indebtedness evidenced by this Note, in whole or in part, at any time, without premium or penalty of any kind whatsoever, and interest shall immediately cease to accrue on any part of this Note so prepaid.

This Note is an unregistered debt instrument issued by a foreign lender to a United States of America obligor.

This Note cannot be offered or sold (or resold in connection with its original issuance) to any individual or entity who is a "United States Person" as that term is defined and interpreted under the laws of taxation of the United States of America. With respect to any assignee who is not a "United States Person," Payee may assign the Note without the consent of Maker and any such

assignment shall not relieve the Maker of its obligations hereunder, except that Maker shall make all payments to and give any notices at the address of such assignee as provided to Maker by Payee.

This Note is intended to constitute and qualify as "portfolio debt investment" as that term is defined and interpreted under the taxation laws of the United States of America. The parties to this Note specifically intend that the interest payable hereunder shall not be subject to income or excise taxation, including the imposition of any withholding taxes thereon, under the laws of the United States of America or any state or municipality thereof.

The principal and interest payable per the terms and condition of this Note shall be payable only outside the United States of America and its possessions.

It is specifically understood and intended that no "United States Person" (as that term is defined and interpreted under the taxation laws of the United States of America) shall ever be an owner or holder of this Note; however, should any "United States Person" (as that term is defined and interpreted under the taxation laws of the United States of America) ever become a holder or owners of this Note, such "United States Person" will be subject to limitation under the income tax laws of the United States of America. Any "United States Person" who holds this Note will be subject to limitation under the United States income tax laws, including the limitation provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.

The owner of this Note must certify to the Maker (or any distributor) of this Note that the owner is not a "United States Person" (as that term is defined and interpreted under the taxation laws of the United States of America.)

IN WITNESS WHEREOF, the undersigned has executed this Note effective as of the date and year first above written.

SECURITY CAPITAL, LTD

5398

AGREED:

The undersigned acknowledges and agrees to all terms and conditions of this Note. The undersigned certifies to the Maker that the undersigned is not a "United States Person" (as that term is defined under the taxation laws of the United States of America).

GREENBRIAR LIMITED
An Isle of Man Exempted Company

By: _____

Name: _____

Title: _____

Dated Effective as of January 30, 2002

254440.2

- 4 -

Confidential Treatment Requested

CC 021674

5399

— = Redacted by the Permanent
Subcommittee on Investigations

From: Michelle Boucher [REDACTED]
Sent: Tuesday, January 29, 2002 12:46 PM
To: Crittenden, Michele
Subject: recap on cash flow
\$15M from Devotion to Sarnia
\$15M from Sarnia to Greenbriar
\$15M from Greenbriar to Security Capital (wire out)

Andy Wallis will get you instructions for the first step today, and I hope Anna will get the next 2 to you today also, but it might be tomorrow. (today is much preferred!)

Michelle

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1316

CC 012691

5400

— = Redacted by the Permanent
Subcommittee on Investigations

From: Michelle Boucher [REDACTED]
Sent: Tuesday, January 29, 2002 1:56 PM
To: Crittenden, Michele
Subject: some additional info on the transactions
- Devotion bought \$15Million of Ranger Fund LLC shares from Sarnia, so the transfer to Sarnia is to pay for those shares.
- Sarnia is lending the funds to Greenbriar as an intercompany advance, Greenbriar are related companies - wholly owned by the same Trust.
- Greenbriar is making a \$15Million loan to Security Capital

Michelle

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1316

CC 012690

5401

03/16/2002 11:43 FAX
12/03 '02 16:07 FAX 01924 024468

011
010

SARNIA INVESTMENTS LIMITED
(Incorporated in the Isle of Man No: 52403)

Directors:
K.G. Harding
N. Goddard (Irish)

Registered Office:
International House,
Castle Hill
Victoria Road,
Douglas,
Isle of Man.
Tel: (01624) 630600
Fax: (01624) 624469

***** FACSIMILE TRANSMISSION *****

The information contained in this fax is confidential and/or privileged. This fax is intended to be read only by the person named below. If the reader of this fax is not the intended recipient or a representative of the intended recipient you are hereby notified that any review, dissemination or copying of this fax is prohibited. If you have not received all the pages or have received this fax in error, please notify the sender by telephone and return this fax to the sender at the above address.

Page 1 of (Total Sent)
Time Sent: Date: 29th January, 2002.
Fax No: 001 21
Operator Ref: INST 1 DISB

TO: MICHELE CRITTENDEN
LEHMAN BROTHERS INC.
FROM: ANNA BENBATOUL
REF: AB/SLD/SARNIA-F.5

Redacted by the Permanent Subcommittee on Investigations

Dear Michele,

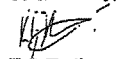
RE: ACCOUNT NO: [REDACTED]


Please be advised that we are expecting receipt of the sum of US\$15,000,000 into the above account. Upon receipt we should be grateful if you would transfer US\$15,000,000 into another account held with you, the details of which are as follows:-

Account Name: Greenbriar Limited
Account No: [REDACTED]

We look forward to receiving confirmation of the transaction in due course. However, if you need clarification of these instructions or require any further information please do not hesitate to contact Anna Benbatoul at the above telephone number.

Yours sincerely,


K.G. Harding,
Authorised "A" Signatory.


A.M. Benbatoul,
Authorised "B" Signatory.

MAR 12 2002 11:43

PAGE.11

Confidential Treatment Requested

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1316

BA PSI-W 013595

— = Redacted by the Permanent
Subcommittee on Investigations

SARNIA INVESTMENTS LIMITED

(Incorporated in the Isle of Man No: 52403)

Directors:

K.G. Harding
N. Goddard (Irish)

Registered Office:

International House,
Castle Hill
Victoria Road,
Douglas,
Isle of Man.

Tel: (01624) 630600
Fax: (01624) 624469

***** FACSIMILE TRANSMISSION *****

The information contained in this fax is confidential and/or privileged. This fax is intended to be read only by the person named below. If the reader of this fax is not the intended recipient or a representative of the intended recipient you are hereby notified that any review, dissemination or copying of this fax is prohibited. If you have not received all the pages or have received this fax in error, please notify the sender by telephone and return this fax to the sender at the above address.

Page 1 of (Total Sent)

Date: 29th January, 2002.

Time Sent:

Fax No: 001 214 [REDACTED]
Operator Ref: INST 1 DISB

TO: MICHELE CRITTENDEN
LEHMAN BROTHERS INC.

FROM: ANNA BENBATOUL

REF: AB/SLD/SARNIA-F.5

Dear Michele,

RE: ACCOUNT NO. [REDACTED]

Please be advised that we are expecting receipt of the sum of US\$15,000,000 into the above account. Upon receipt we should be grateful if you would transfer US\$15,000,000 into another account held with you, the details of which are as follows:-

Account Name: Greenbriar Limited
Account No: [REDACTED]

We look forward to receiving confirmation of the transaction in due course. However, if you need clarification of these instructions or require any further information please do not hesitate to contact Anna Benbatoul at the above telephone number.

Yours sincerely,

[Signature]

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1316

[Signature]

CC 027316

5403

GREENBRIAR LIMITED

(Incorporated in the Isle of Man No: 60403)

ORIGINAL

Directors:

K.G. Harding
N. Goddard (Irish)

Registered Office:

International House,
Castle Hill
Victoria Road,
Douglas,
Isle of Man.

Tel: (01624) 630600
Fax: (01624) 624469

CONFIRMATION OF FACSIMILE

***** FACSIMILE TRANSMISSION *****

The information contained in this fax is confidential and/or privileged. This fax is intended to be read only by the person named below. If the reader of this fax is not the intended recipient or a representative of the intended recipient you are hereby notified that any review, dissemination or copying of this fax is prohibited. If you have not received all the pages or have received this fax in error, please notify the sender by telephone and return this fax to the sender at the above address.

Page 1 of (Total Sent)

Date: 29th January, 2002.

Time Sent:

Fax No: 001 214 [REDACTED]
Operator Ref: INST I DISB

TO: MICHELE CRITTENDEN
LEHMAN BROTHERS INC.

FROM: ANNA BENBATOUL

REF: AB/SLD/GREENB-F.5

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Dear Michele,

RE: ACCOUNT NO: [REDACTED]

Please be advised that we are expecting the sum of US\$15,000,000 to be credited to the above account. Upon receipt we should be grateful if you would effect the transfer in accordance with the following instructions:-

Amount: US\$15,000,000 (Fifteen Million US Dollars)
Bank: IBJ Whitehall Bank & Trust Company
New York, NY
Account Name: Queensgate Bank & Trust Company Limited
Account No: [REDACTED]
ABA No: 026007825
For further credit to: Security Capital Limited
Account No: 2122

We look forward to receiving confirmation of the transaction in due course. However, if you need clarification of these instructions or require any further information please do not hesitate to contact Anna Benbatoul at the above telephone number.

Yours sincerely,

K.G. Harding,
Authorised "A" Signatory.

A.M. Benbatoul,
Authorised "B" Signatory.

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1316

CC 021725

00/12/02 12:05 FAX 01824 624489

Redacted by the Permanent
Subcommittee on Investigations

GREENBRIAR LIMITED
(Incorporated in the Isle of Man No: 60403)

Directors:

K.G. Harding
N. Gaddard (Irish)

Registered Office:

International House,
Castle Hill
Victoria Road,
Douglas,
Isle of Man.

Tel: (01624) 630600
Fax: (01624) 624489

*** FACSIMILE TRANSMISSION ***

The information contained in this fax is confidential and/or privileged. This fax is intended to be read only by the person named below. If the reader of this fax is not the intended recipient or a representative of the intended recipient you are hereby notified that any review, dissemination or copying of this fax is prohibited. If you have not received all the pages or have received this fax in error, please notify the sender by telephone and return this fax to the sender at the above address.

Page 1 of (Total Sent)

Date: 29th January, 2002.

Time Sent:

Fax No: 001 314 [REDACTED]

Operator Ref: INST 1 DISB

TO: MICHELE CRITTENDEN
LEHMAN BROTHERS INC.

FROM: ANNA BENBATOUL

RSF: AB/SLD/GREENB-F.5

Dear Michele,

RE: ACCOUNT NO: [REDACTED]

Please be advised that we are expecting the sum of US\$15,000,000 to be credited to the above account. Upon receipt we should be grateful if you would effect the transfer in accordance with the following instructions:-

Amount: US\$15,000,000 (Fifteen Million US Dollars)
Bank: IBI Whitehall Bank & Trust Company
New York, NY
Account Name: Queensgate Bank & Trust Company Limited
Account No: [REDACTED]
ABA No: 026007825
For further credit to: Security Capital Limited
Account No: 2122

We look forward to receiving confirmation of the transaction in due course. However, if you need clarification of these instructions or require any further information please do not hesitate to contact Anna Benbatoul at the above telephone number.

Yours sincerely,

K.G. Harding
Authorised "A" Signatory.

[Signature]
A. Benbatoul
Authorised "B" Signatory.

MAR 12 2002 11:42

PAGE 05

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1316

Confidential Treatment Requested

BA PSI-W 013589

— = Redacted by the Permanent
Subcommittee on Investigations

GREENBRIAR LIMITED*(Incorporated in the Isle of Man No:60403)***Directors:**

K.G. Harding
N. Goddard (Irish)

Registered Office:

International House,
Castle Hill
Victoria Road,
Douglas,
Isle of Man.

Tel: (01624) 630600
Fax: (01624) 624469

***** FACSIMILE TRANSMISSION *****

The information contained in this fax is confidential and/or privileged. This fax is intended to be read only by the person named below. If the reader of this fax is not the intended recipient or a representative of the intended recipient you are hereby notified that any review, dissemination or copying of this fax is prohibited. If you have not received all the pages or have received this fax in error, please notify the sender by telephone and return this fax to the sender at the above address.

Page 1 of (Total Sent)

Date: 29th January, 2002.

Time Sent:

Fax No: 001 214 [REDACTED]
Operator Ref: INST I DISB

TO: MICHELE CRITTENDEN
LEHMAN BROTHERS INC.

FROM: ANNA BENBATOUL

REF: AB/SLD/GREENB-F.5

Dear Michele,

RE: ACCOUNT NO: [REDACTED]

Please be advised that we are expecting the sum of US\$15,000,000 to be credited to the above account. Upon receipt we should be grateful if you would effect the transfer in accordance with the following instructions:-

Amount: US\$15,000,000 (Fifteen Million US Dollars)
Bank: IBJ Whitehall Bank & Trust Company
New York, NY
Account Name: Queensgate Bank & Trust Company Limited
Account No: [REDACTED]
ABA No: 026007825
For further credit to: Security Capital Limited
Account No: 2122

We look forward to receiving confirmation of the transaction in due course. However, if you need clarification of these instructions or require any further information please do not hesitate to contact Anna Benbatoul at the above telephone number.

Yours sincerely,

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1316

CC 027039

Journal of Management Inquiry 22(1) 3-17
© The Author(s) 2013
Reprints and permissions: sagepub.com/journalsPermissions.nav
DOI: 10.1177/1056492613500711
jmi.sagepub.com

Account number

Date	Description	Reference No.	Amount
01/29/02	WITCHAMWALL TRUSTS TRUST TO INDY TRILL BANK AND TRUST C SECURITY CAPITAL REF ID: S1231103.021004344		\$ 15,000,000.00

Earnings details

The taxable and non-taxable designations provided below refer to the US income tax treatment of distributions from your securities. The designations are accurate to the best of our knowledge. Clients should consult with a tax advisor regarding the tax treatment of their investments.

Date	Description	Committed 1/1/18/02	Total	Non-taxable	Amount
01/07/02	INTEREST ON CREDIT BALANCE		\$ 264.60		\$ 264.60
	Total interest earned		\$ 264.60	\$ 0.00	\$ 264.60

Earnings details

The taxable and non-taxable designations provided below refer to the US income tax treatment of distributions from your securities. The designations are accurate to the best of our knowledge. Clients should consult with a tax advisor regarding the tax treatment of their investments.

Interest credited

— = Redacted by the Permanent Subcommittee on Investigations

Banc of America Securities LLC
 Private Client Services
 200 Montgomery Street
 San Francisco, CA 94111
 415.627.2000
 www.bofasecurities.com
 A Bank of America Company

Banc of America Securities

Page 7 of 8

Duplicate Statement Delivered To:

BANC OF AMERICA SECURITIES
 ATTN: SALES SUPERVISION
 2001 ROSS AVENUE, SUITE 3100
 DALLAS TX 75201-2947

End of statement.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1316

002649

Confidential Treatment Requested

BA PSI-W 003526

Ref: 00000415 0002179

LEHMAN BROTHERS

GREENBRIAR, LTD
INTERNATIONAL HOUSE
CASTLE HILL
VICTORIA ROAD
DOUGLAS
IM992LL ISLE OF MAN

LEHMAN BROTHERS INC.
Global Investment Management Account
January 1 - January 31, 2002

Page 1 of 6

Your Investment Representative

HARRIS/SCHAUFEL
LEHMAN BROTHERS INC.
CHASE TOWER
2200 ROSS AVE 2500
DALLAS TX 75201
1-800-287-5705

Account number

As you requested, copies of this statement have also been sent to:
MICHELLE BOUCHER

Account value

	Last period	This period
Money funds	\$ 867.18	\$ 869.26
Bonds	617,947.70	3,141,477.20
Net value	\$ 618,814.88	\$ 3,142,346.46

Bulletin board

Due to the evacuation of our World Financial Center offices, if you have been sending any checks, stock certificates, or other correspondence to this location, please now forward them to 280 Park Avenue, West Building, 31st Floor, New York, NY 10017.

1999/Detail Income Statements for 2001 will be mailed beginning on January 24, 2002. If you have any questions regarding this information, please refer to the brochure included with the 1999/Detail Income Statement.

Earnings summary

	This period	This year
Interest	\$ 284.60	\$ 264.60
Money funds earnings	87.28	87.28
Total	\$ 351.88	\$ 351.88

= Redacted by the Permanent Subcommittee on Investigations

Confidential Treatment Requested

BA PSI-W 011369

LEHMAN BROTHERS INC.
Page 2 of 6
Global Investment Management Account
January 1 - January 31, 2002

Ref: 00000415 0002180

LEHMAN BROTHERS

GREENRIAR, LTD

Account number

Bulletin board

Please visit our website at www.lehman.com

Borrowing potential

You can borrow against the value of your portfolio to buy additional securities or for other purposes. For more information, please call your Investment Representative.

Cash and money funds balance

	This period	This year
Opening balance	\$ 687.18	
Securities bought and other subtractions	-2,529,328.78	
Securities sold and other additions	0.00	
Deposits	17,520,000.00	17,520,000.00
Withdrawals	-15,000,000.00	-15,000,000.00
Interest credited	264.80	
Money funds earnings credited	87.28	
Closing balance	\$ 689.26	

5409

— = Redacted by the Permanent
Subcommittee on Investigations

— = Redacted by the Permanent
Subcommittee on Investigations

Confidential Treatment Requested

LEHMAN BROTHERS INC.
Global Investment Management Account
January 1 - January 31, 2002

LEHMAN BROTHERS

Ref: 00000415 00002182

LEHMAN BROTHERS LTD Account number [REDACTED]

Date	Description	Amount
01/04/02	WIRE RF#010410021002589 GREENBRIAR LIMITED	\$ 2,520,000.00
01/29/02	TRANSFER FROM ACCT 837-20446-1	15,000,000.00
	Total deposits	\$ 17,520,000.00

Date	Description	Reference no.	Amount
01/28/02	WITHDRAWAL FUNDS WIRED TO IBJ WHITEHALL BANK AND TRUST C SECURITY CAPITAL LIM REF ID:0128010001004354		\$ 16,000,000.00

Date	Description	Amount	Amount
01/07/02	Investment ***US MONEY MARKET FD NV III	2,520,000.00	67.26
01/08/02	Redemption ***US MONEY MARKET FD NV III	-2,520,000.16	
	Closing balance		\$ 682.26

Earnings details
All transactions are traded at 1.00 USD (\$) per share.
The taxable and non-taxable designations provided below refer to the US Income tax treatment of distributions from your securities. The designations are accurate to the best of our knowledge. Clients should consult with a tax advisor regarding the tax treatment of their investments.

Date	Description	Comment	Taxable	Non-taxable	Amount
01/07/02	INTEREST ON CREDIT BALANCE	1/4-7/6/02	\$ 284.80		\$ 284.80
	Total interest earned		\$ 284.80	\$ 0.00	\$ 284.80

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1316

5411

= Redacted by the Permanent
Subcommittee on Investigations

Page: 1 Document Name: ADPSESSION

ITEM # RR#: 222 FUNDS WIRE REQUEST 13:4
DP DELV ACCOUNT# TC AMOUNT ENTRY FEE Y/N PROF# REQ
M 3T 83720444 15 15,000,000.00 DBT .00 Y
NAME/ADDRESS GREENBRIAR LTD INTERNATIONAL HOUSE
APR1: APR2: APR3: APR4:
BKPG TRLR : DUP WIR APR: N CXL/VD APRV: DEST PROFILE/NAME AND ADDRESS
WIRE INSTRUCTIONS
REC BNK NUM: 026007825 TYPE: A
REC BNK NME: IBJ WHITEHALL BANK AND TRUST C
REC BNK LOC: NEW YORK NY
BEN BNK NME: QUEENSGATE BANK & TRUST CO LTD
BEN BNK LOC:
BEN BNK ACC:
BEN ACC NME: SECURITY CAPITAL LIMITED
BEN ACC #: 2122
BEN ACC NM2:
BEN ACC NM3:
INFO:
INF2:
INF3:
INF4:
C/M/P B/C/F BANK CD 3T CD:
ACT: DEPT: ACCT: DELV: ITEM: PSWRD:
PLEASE PRESS ENTER TO CONFIRM DESTINATION INFO PF3=WDPR PF12=MENU CLEAR-E

Verified with Daniel Hamer
authorized
COMPLETED
ant.

DB 1/24/02

Date: 01/29/2002 Time: 12:44:36 PM

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1316

CC 021669

— = Redacted by the Permanent
Subcommittee on Investigations

```

01 USN IBS                FUNDS TRANSFER ENTRY                SND DATE 01/29/02
02 SRC FED RPT#
03 AMT 15,000,000.00      CUR USD      TRN 020129000670
04 VAL 01/29/02          TYP FTR MTP      FNDS S      CHG: DB N CD N COM N CBL N
05 -----
06 DBT PTY G [REDACTED]      CDT PTY I [REDACTED]      ADV WIR
07 DBT ID A [REDACTED]      CDT ID I [REDACTED]
08 AMT 0.00 CUR          AMT 0.00 CUR
09 THE CHASE MANHATTAN BANK      QUEENSGATE BK & TRUST CO
10 FOUR NEW YORK PLAZA          SMB
11 NEW YORK, NEW YORK 10015      PO BOX 30464
12                               GRAND CAYMAN ISLAND B WI
13 SEND /LEHMANBR054          ADVICE INSTRUCTIONS
14
15
16
17                               1ST IBK /
18
19 SNDR REF NUM 0470700029FQ      ADVICE INSTRUCTIONS
20 CHF SSN
21
22 IMAD 0129B1QGC01C00435401291705FT01
23
24 Enter=Select                      F10=Next Inquiry
25
-----
1---|---1φ---|---2φ---|---3φ---|---4φ---|---5φ---|---6φ---|---7φ---|---8φ

```


5413

```
-----
26 |                                FUNDS TRANSFER ENTRY                                PAGE 2 |
27 | ORD BNK   /LEHMANBR              INTR BNK   /                                |
28 | LEHMAN INVESTMENT INC.              |
29 | 101 HUDSON STREET                    |
30 | JERSEY CITY NJ 07032-                |
31 |                                     |
32 | REF NUM                                ADV INSTRUCTIONS                        |
33 |                                     |
34 | ORIG      /                          |
35 | GREENBRIAR LTD INTER                  |
36 | NATIONAL HOUSE                        |
37 | CASTLE HILL                            BNF BNK   /                          |
38 | VICTORIA ROAD                        |
39 | REF NUM   SWF OF 02/01/29              |
40 |                                     |
41 | BANK TO BANK INFO                      ADV INSTRUCTIONS                        |
42 |                                     |
43 |                                     |
44 |                                     |
45 |                                     |
46 |                                     |
47 |                                     |
48 |                                     |
49 | Enter=Select                          F10=Next Inquiry                      |
50 |                                     |
-----
1---|---1φ---|---2φ---|---3φ---|---4φ---|---5φ---|---6φ---|---7φ---|---8φ
```

015893

— = Redacted by the Permanent
Subcommittee on Investigations

```

51 |                                FUNDS TRANSFER ENTRY                                PAGE 3 |
52 |                                                                                      |
53 | INTR BK   /                                BNF BNK   /                                WIR   |
54 |                                                                                      |
55 |                                                                                      |
56 |                                                                                      |
57 |                                                                                      |
58 | ADVICE INSTRUCTIONS                                ADVICE INSTRUCTIONS                                |
59 |                                                                                      |
60 |                                                                                      |
61 |                                                                                      |
62 |                                                                                      |
63 | ORIG TO BNF INFO                                BNF [REDACTED]                                CH: BK?N |
64 | LEHMAN REF:D1V89C0                                SECURITY CAPITAL LIMITED                                |
65 |                                                                                      |
66 |                                                                                      |
67 |                                                                                      |
68 |                                ADVICE INSTRUCTIONS                                |
69 |                                                                                      |
70 |                                                                                      |
71 |                                                                                      |
72 |                                                                                      |
73 |                                                                                      |
74 |      Enter=Select                                F10=Next Inquiry                                |
75 |                                                                                      |
-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80

```

— = Redacted by the Permanent
Subcommittee on Investigations

```

01 |
02 | {1100} Message Disposition:
03 |     Format Version:           02 (New expanded format)
04 |     Test Production Code:     P (Production)
05 |     Msg Duplication Code:     (Original incoming msg)
06 |     Msg Status Indicator:     N (Incoming msg)
07 |
08 | {1110} Acceptance Timestamp:
09 |     Date:                    01/29
10 |     Time:                    17:05
11 |     Application Id:          FT01
12 |
13 | {1120} OMAD:
14 |     Output cycle date:        2002/01/29
15 |     Output Destination Id:    B1Q8691C
16 |     Output sequence number:   000156
17 |     Output date:              01/29
18 |     Output time:              17:05
19 |     Output application Id:    FT01
20 |
21 | {1510} Type/Subtype Code:
22 |     Type Code:                10 (Transfer of funds)
23 |     Subtype Code:             00 (Regular transfer)
24 |
25 | {1520} IMAD:
26 |     Input Cycle date:         2002/01/29
27 |     Input Source id:          B1QGC01C
28 |     Input Sequence number:    004354
29 |
30 | {2000} Amount:                $15,000,000.00
31 |
32 | {3100} Sending Bank:
33 |     ABA number:              021000021
34 |     Short name:              JPMCHASE
35 |     ABA lookup (REL):        THE CHASE MANHATTAN BANK
36 |                               FOUR NEW YORK PLAZA
37 |                               NEW YORK, NEW YORK 10015
38 |
39 | {3320} Sender Reference:      0470700029FQ
40 |
41 | {3400} Receiving Bank:
42 |     ABA number:              026007825
43 |     Short name:              IEJ WHITEHALL NYC
44 |     ABA lookup (AUX):        IEJ WHITEHALL BANK AND TRUST
45 |                               NEW YORK, NY
46 |
47 | {3600} Business Function Code: CTR (Customer transfer)
48 |
49 | {4100} Beneficiary's Bank:    [REDACTED]
50 |                               QUEENSGATE BANK + TRUST CO LTD
51 |
52 | {4200} Beneficiary:          [REDACTED]
53 |                               SECURITY CAPITAL LIMITED
54 |
55 | {4320} Reference for Beneficiary: SWF OF 02/01/29
56 |
57 | {5000} Originator:           /

```

015695

5416

58		GREENBRIAR LTD INTER
59		NATIONAL HOUSE
60		CASTLE HILL
61		VICTORIA ROAD
62		
63	{5100} Originator's Bank:	B/LEHMANBR
64		LEHMAN INVESTMENT INC.
65		101 HUDSON STREET
66		JERSEY CITY NJ 07032-
67		
68	{5200} Instructing Bank:	B/LEHMANBR054
69		
70	{6400} Beneficiary Info:	LEHMAN REF:DIV89C0
71		
72		

015696

— = Redacted by the Permanent
Subcommittee on Investigations

From: Crittenden, Michele M. [REDACTED]
Sent: Monday, March 11, 2002 2:57 PM
To: Kellen, Cindy L.
Cc: Sators, Thomas; Meher, Stuart; Bonina, Carole; Schaefe, Louis J.; Harris, Virgil E.
Subject: RE: IOM

These entities use the Lehman Brothers accounts as a vehicle to hold publicly traded investments and to pool excess funds that are not currently invested in other investments, as such some of the activity is related to proceeds of sales or redemptions from other investments that cleared directly through the entities' Bank of Bermuda accounts. The excess funds were then transferred out to Lehman for investment in US Government Agency Bonds or the Money Market Fund until they were needed again.

The copies of the LOAs are on their way. The rest of the information requested follows:

- 1) \$15M wired into Samia was proceeds on the sale of Ranger Fund shares. Samia then used the proceeds to advance \$15M to Greenbriar which is a related company, they are wholly owned subsidiaries of the same parent.
- 2) \$5M into Moberly, this was proceeds of a redemption from Ranger Fund which were wired to Bank of Bermuda, they were transferred out to Lehman for short term investments. In light of other liquidity/cash flow items, it was subsequently determined that the redemption from Ranger was unnecessary to meet immediate cash needs. As such, the funds were wired back to Bank of Bermuda and invested back into Ranger fund a week later. ie. the redemption was effectively cancelled.
- 3) \$15M into Greenbriar was an intercompany advance from Samia, as discussed above. \$15M was then loaned out to Security Capital, Ltd. \$2.52M rec'd was proceeds of 10% mandatory redemption from Maverick Fund which occurred at 12/31/01. The 10% was wired to Bank of Bermuda and the excess funds were wired over to Lehman Brothers for investment in Agencies.
- 4) \$1M into East Carroll was a combination of funds raised on two redemptions - approximately \$900K raised on redemption of Maverick Levered Fund shares and approximately \$100K raised from the 10% mandatory redemption from Maverick Fund. The redemption proceeds were wired to Bank of Bermuda and the excess funds were wired over to Lehman for investment.
- 5) Audubon \$2.93M this represents a portion of the proceeds of a sale of Scottish Annuity & Life Holdings Shares which were sold through Bear Stearns in December. The proceeds were delivered to Bank of Bermuda from Bear, some funds were used to administration fees and repay intercompany balances, the net remaining proceeds were wired to Lehman for investment. The \$50K was wired back to Bank of Bermuda to be used with the funds left there to purchase a piece of artwork for approximately \$75,000.
- 6) \$1.26M into Morehouse, this is 10% mandatory redemption from Maverick Fund which was wired to Bank of Bermuda and transferred over to Lehman for investment
- 7) \$3.85M into Souleana, this represents the approximate value of proceeds of the sale of Scottish Annuity & Life Holdings, Ltd which took place at Bear Stearns in December. The proceeds were wired to Bank of Bermuda from Bear and then the balance for investment at Lehman was transferred over. The \$1Million transferred back to Bank of Bermuda on January 29th was an unexpected capital call on a real estate development that a related company

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1316

Confidential Treatment Requested

BA 007597

5418

is invested in. Soulieana wired the money back to Bank of Bermuda, and over to the related company as an intercompany advance and the related company wired it out to the real estate project. The two companies are wholly owned subsidiaries of the same parent.

Please advise if additional information is required.

Michele Crittenden

214.3 [REDACTED]

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

This communication is for informational purposes only. It is not intended as an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. All market prices, data and other information are not warranted as to completeness or accuracy and are subject to change without notice. Any comments or statements made herein do not necessarily reflect those of Banc of America Securities LLC. BAS does not accept orders to buy or sell securities via e-mail.

-----Original Message-----

From: Kellen, Cindy L.
Sent: Friday, March 08, 2002 3:33 PM
To: Crittenden, Michele M.; Schaufele, Louis J.
Cc: Sailors, Thomas; Meher, Stuart; Bonina, Carole
Subject: RE: IOM

Michele/Lou,

I just got off the phone with our Compliance folks and next step is we have to run all the principals thru CDC. Everyone is aware of the time sensitiveness of getting these accounts opened but as I mentioned to Lou, Tom and I will be responsible for reviewing and approving all the activity in these accounts and as part of the "Know Your Customer" requirement, will need to get comfortable with these entities.

Also, as I mentioned to Lou, I will need detailed information regarding the following transactions from Jan 02, including but not limited to, description of investments, where the wires came from and where they were sent, why the amounts were wired same day and involvement of any third parties.

- 1) \$15 million wired into and out of Samia Investments LTD on 1/29/02
- 2) \$7 million wired into and \$5 million wired out of Moberly LTD on 1/2/02
- 3) \$15 million wire tsfr into and out of Greenbriar LTD on 1/29/02, \$2.5 million wire tsfr in on 1/4/02
- 4) \$1 million wire tsfr into East Carroll LTD on 1/7/02
- 5) \$2.9 million wire tsfr into Audubon Asset Limited on 1/4/02 and \$50,000 wired out on 1/29/02
- 6) \$1.26 million wired into Morehouse Limited on 1/7/02
- 7) \$3.85 million wired into Soulieana Limited on 1/18/02 and \$1 million wired out on 1/29/02
- 8) Copies of signed LOAs for these wires

Additional questions -

Aundyr Trust is listed as part of the address on the Lehman statements for Richland Ltd, West Carroll Ltd and Morehouse Ltd.. Who is Aundyr Trust? What is the nature of their relationship with these clients?

One of the accounts, Tyler Trust, submitted a FICOP marked with all options strategies. For this account we will need a copy of the amended trust reflecting the strategies as marked on the FICOP. This document will also need to be reviewed by Rob Horvath in Legal.

A list of the managers, including their positions, you deal with at each of IFG International House, Trident Trust and Intercontinental Management Ltd. (I recognize some of the manager you mentioned today, David Harris, Francis Webb and Andy Wallis, are listed as Directors on the Corporate Resolutions for most of these entities. Please explain the nature of the relationship between the money managers and the individual corporate entities.

-----Original Message-----

From: Crittenden, Michele M.
Sent: Friday, March 08, 2002 2:37 PM
To: Kellen, Cindy L.
Cc: Schaufele, Louis J.

5419

February 20, 2003

— = Redacted by the Permanent
Subcommittee on Investigations

Kelly Roark
Nations Bank
901 Main Street, 19th Floor
Dallas, Texas 75202

Ref:0302117

Dear Kelly:

Please wire the following:

From:
Sam Wyly Separate Property
Acct.# 4770767310
Amt. \$825,000.00

To:
Bank of New York
1 Wall Street
ABA# 021-000-018
Swift ID IRVTUS3N
Account # 803-326-5086
Account Name: Bank of Butterfield Intl.
Cayman Ltd.
Swift ID BNTBKYYK
Final Credit: Queensgate Bank & Trust
Account # [REDACTED]
Ref: Security Capital, [REDACTED]

If you have any questions or need additional information, please contact me.

Yours truly,


Rena Alexander


Jana Frederick

300 CRESCENT COURT SUITE 1400 DALLAS TEXAS 75201-7852

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1319

CONFIDENTIAL
HST PSI005707

5420

02/20/2003 08:56 FAX

001

*** TX REPORT ***		

TRANSMISSION OK		
TX/RX NO	4875	
CONNECTION TEL		9p2142093370
CONNECTION ID		BANK OF AMERICA
ST. TIME		02/20 08:56
USAGE T		00'17
PGS. SENT		1
RESULT		OK

— = Redacted by the Permanent
Subcommittee on Investigations

February 20, 2003

Kelly Roark
Nations Bank
901 Main Street, 19th Floor
Dallas, Texas 75202

Ref:0302117

Dear Kelly:

Please wire the following:

From:
Sam Wyly Separate Property
Acct.# 4770767310
Amt. \$825,000.00

To:
Bank of New York
1 Wall Street
ABA# 021-000-018
Swift ID IRVTUS3N
Account # 803-326-5086
Account Name: Bank of Butterfield Intl.
Cayman Ltd.
Swift ID BNTBKYYK
Final Credit: Queensgate Bank & Trust
Account # [REDACTED]
Ref: Security Capital, [REDACTED]

If you have any questions or need additional information, please contact me.

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1319

CONFIDENTIAL
HST PS1008730

5421

— = Redacted by the Permanent
Subcommittee on Investigations

From: Rena Alexander
Sent: Monday, February 02, 2004 8:47 AM
To: "Margot MacInnis" [REDACTED]
Subject: RE: funds

Margot, it went out Friday and the fed # is: 00160. The bank said it doesn't show being returned for any reason. Hope this helps.

Rena

"Margot MacInnis" [REDACTED]
02/02/2004 10:55 AM

To
<ralexander@ [REDACTED]>
cc

Subject
RE: funds

Thanks Rena.

-----Original Message-----
From: ralexander@htst.com [REDACTED]
Sent: Monday, February 02, 2004 11:25 AM
To: Margot MacInnis
Subject: Re: funds

Hi Margot,
I wired the funds (\$825,000) Friday. I will get a Fed Number from the bank and get back to you.

Rena

"Margot MacInnis" [REDACTED]

02/02/2004 10:36

"Ralexander (E-mail)" [REDACTED]

To

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1319

Confidential
SEC_ED00011301

PSI_ED00011301

5422

AM

cc

Subject

funds

— = Redacted by the Permanent
Subcommittee on Investigations

Hi Rena,

Do you know when Security Capital can expect to receive the funds
(\$819,375) - I checked with them this morning and they don't have them yet.

Thanks,

Margot MacInnis
Compliance Manager

(345) [REDACTED] (tel)
(345) [REDACTED] (fax)
The Irish Trust Company
P.O. Box 10658 APO
5th Floor Harbour Place
Grand Cayman, Cayman Islands

Confidential
SEC_ED00011302

PSI ED00011302

5423

Fidelity IFS Wire Room

Page 1 of 2

Incoming Wire/History Review

— = Redacted by the Permanent
Subcommittee on Investigations

Please fill out the form and click on Submit button

Basic Information			Processing Instruction		
Tracking No. *	Amount *		Account	Account Type *	Search
423707	825000.00		0009067457	Checking	
Wire Type	Date	Status	Product *	Fee	Method
1000	Feb 14 2005 1:50	Processed	Standard	10.00	Analysis
IMAD			Print Fee		
20050214L1LFBF8C001243			- Please Select -		
ONAD			Email Fee	Email	
20050214A1Q1821E00025702141346FT0			- Please Select -		
Originator			Fax Fee	Fax	
SAM WYLY SEPARATE PROPERTY			- Please Select -	13459452197	
Name			Instruction		
QUEENSGATE BANK TRUST CO. L					

FED Text	
Fed Text ##### 02 ##### FT PROD ##### FT INCOMING #####NORMAL MSG/ACCTG ENTRY##### (3100) Sender: 111000025 BK AMER DL (2000) Amount: \$825,000.00 (3400) Receiver: 211170101 WEBSTER BANK CT (3600) Bus Function Code: CTR (1510) Type Code: 1000 (3700) Charges: S (5000) Originator: D004770767310 SAM WYLY SEPARATE PROPERTY 300 CRESCENT CT STE 1000 DALLAS TX 75201-7852 (6000) ORG to BNF Info: PFCT SECURITY CAPITAL LTD, ACCT 21 22 (5100) Originator's FI: BANK OF AMERICA BRANCH FUNDS TRANSFER CONCORD, CALIFORNIA 94520 (5200) Instructing FI: D004770767310 SAM WYLY SEPARATE PROPERTY RENA ALEXANDER, JANA FREDERICK OR 300 CRESCENT CT STE 1000 DALLAS TX 75201-7852 (4200) Beneficiary: [REDACTED] QUEENSGATE BANK TRUST CO. LTD (4320) Ref for BNF: 01050214002725NN (1520) IMAD: 20050214L1LFBF8C001243 (3320) Sender Ref: 050214038283	

http://10.1.81.85/wire/loadpage_modal.asp?pagename=Incoming_History_Review&wrapp... 10/6/2005

CONFIDENTIAL/BUSINESS/PROPRIETARY/
OR CONFIDENTIAL INFORMATION
1W002070

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1319

5424

SECURED PROMISSORY NOTE

\$5,000,000.00

Effective June 4, 2002

FOR VALUE RECEIVED, the undersigned ("Maker") promises to pay to the order of SECURITY CAPITAL, LTD., a Cayman Islands Exempted Company ("Payee"), the principal sum of FIVE MILLION and NO/100 DOLLARS (\$5,000,000.00), together with interest on the unpaid principal sum from time to time outstanding at the rate of FOUR AND THREE-FOURTHS PERCENT (4.75%) per annum from the date hereof until paid. All principal and interest payable hereunder shall be due and payable in lawful money of the United States of America.

Interest on this Note shall be payable in FIVE (5) annual installments, commencing one year from the date hereof, and payable each succeeding year thereafter. Each interest installment shall be in the amount of \$237,500. All remaining unpaid principal, together with any accrued, but unpaid interest, shall be payable in full on June 3, 2007.

The entire unpaid principal balance of, and all accrued interest on, this Note shall immediately become due and payable at the option of the Payee upon the occurrence of the following events of default (the "Event of Default"): Failure by Maker to pay the principal and/or interest hereon as and when the same becomes due and payable in accordance with the terms hereof and the continuation of said failure for a period of ten (10) days after Payee has provided Maker with written notice of such failure.

A security interest is created and granted in that certain Pledge Agreement entered into by and between Maker (the pledgor) and Payee (the secured party), effective as of June 4, 2002 (the "Pledge Agreement"). The collateral for such security interest shall be the painting Rosie the Riveter by Norman Rockwell (the "Collateral"). Such Collateral is to be purchased with the proceeds of this Note. Reference is hereby made to the nonrecourse, exculpatory provisions more fully set out in Section 4 of the Pledge Agreement. Such provisions are hereby incorporated in this Note by reference as if the same were fully set forth herein.

In the event the Event of Default specified hereinabove shall occur, Payee may proceed to protect and enforce its rights either by suit in equity and/or by action at law, or by other appropriate proceedings, including those specified in the Pledge Agreement referenced above. No delay on the part of the holder of this Note in the exercise of any power or right under this Note or under any other instrument executed pursuant thereto shall operate as a waiver thereof, nor shall a single or partial exercise of any other power or right preclude further exercise thereof.

Except as expressly otherwise provided herein, Maker waives demand, presentment, protest, notice of nonpayment, notice of protest, notice of intent to accelerate, notice of acceleration, and any and all lack of diligence or delay in collection or the filing of suit hereon which may occur.

-1-

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1320

Confidential

SEC_ED00013667

PSI_ED00013667

If this Note is not paid at maturity, howsoever such maturity may be brought about, and the same is placed in the hands of an attorney for collection, or if this Note is collected by suit or through bankruptcy, probate, or other legal proceedings, Maker agrees to pay the costs of collection and attorneys' fees, in addition to the principal and interest.

This Note may be delivered by telefacsimile or similar facsimile transmission and, in such case, shall be deemed delivered upon Payee's receipt of such facsimile transmission.

All notices or demands required or permitted hereunder shall be in writing and delivered to the person to whom the notice is directed, either in person, by facsimile transmission, or by United States Mail, as a registered or certified item, return receipt requested. Notices delivered by mail shall be deemed given three (3) days after deposit of same in a regularly maintained receptacle for the United States Mail, with proper postage prepaid, and addressed as follows:

If to Maker: Wrangler Trust
 Attn: Evan Wyly, Trustee
 300 Crescent Court, Suite 1000
 Dallas, Texas 75201

If to Payee: Security Capital, Ltd.
 P. O. Box 30868 SMB
 Ugland House
 Georgetown, Grand Cayman

This Note has been executed and delivered, and is to be performed, in the State of Texas, and the laws of such state shall govern the validity, construction, enforcement, and interpretation of this Note.

All agreements between Maker and Payee are expressly limited so that in no contingency or event whatsoever, whether by reason of advancement of the payment hereof, acceleration of maturity of the unpaid principal balance hereof, or otherwise, shall the amount paid or agreed to be paid to the holder hereof for the use, forbearance, or detention of the money to be advanced hereunder exceed the highest rate permissible under the laws of the State of Texas. If, from any circumstance whatsoever, fulfillment of any provision hereof or any other agreement referred to herein shall, at the time fulfillment of such provision be due, involve transcending the limit of validity prescribed by law which a court of competent jurisdiction may deem applicable hereto, then *ipso facto*, the obligation to be fulfilled shall be reduced to the limit of such validity, and if from any circumstance the holder hereof shall ever receive as interest an amount which would be excessive, such amount shall (i) be applied to the reduction of the unpaid principal balance due hereunder or (ii) be refunded to Maker and not applied to the payment of interest. This provision shall control every other provision of all agreements between Maker and the holder hereof.

Maker shall have the right to prepay the indebtedness evidenced by this Note, in whole or in part, at any time, without premium or penalty of any kind whatsoever, and interest shall immediately cease to accrue on any part of this Note so prepaid.

This Note is an unregistered debt instrument issued by a foreign lender to a United States of America obligor.

This Note cannot be offered or sold (or resold in connection with its original issuance) to any individual or entity who is a "United States Person" as that term is defined and interpreted under the laws of taxation of the United States of America. With respect to any assignee who is not a "United States Person," Payee may assign the Note without the consent of Maker and any such assignment shall not relieve the Maker of its obligations hereunder, except that Maker shall make all payments to and give any notices at the address of such assignee as provided to Maker by Payee.

This Note is intended to constitute and qualify as "portfolio debt investment" as that term is defined and interpreted under the taxation laws of the United States of America. The parties to this Note specifically intend that the interest payable hereunder shall not be subject to income or excise taxation, including the imposition of any withholding taxes thereon, under the laws of the United States of America or any state or municipality thereof.

The principal and interest payable per the terms and condition of this Note shall be payable only outside the United States of America and its possessions.

It is specifically understood and intended that no "United States Person" (as that term is defined and interpreted under the taxation laws of the United States of America) shall ever be an owner or holder of this Note; however, should any "United States Person" (as that term is defined and interpreted under the taxation laws of the United States of America) ever become a holder or owners of this Note, such "United States Person" will be subject to limitation under the income tax laws of the United States of America. Any "United States Person" who holds this Note will be subject to limitation under the United States income tax laws, including the limitation provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.

The owner of this Note must certify to the Maker (or any distributor) of this Note that the owner is not a "United States Person" (as that term is defined and interpreted under the taxation laws of the United States of America.)

IN WITNESS WHEREOF, the undersigned has executed this Note effective as of the date and year first above written.

WRANGLER TRUST, MAKER

By: _____
EVAN WYLY, Trustee

5427

AGREED:

The undersigned acknowledges and agrees to all terms and conditions of this Note. The undersigned certifies to the Maker that the undersigned is not a "United States Person" (as that term is defined under the taxation laws of the United States of America).

SECURITY CAPITAL, LTD., PAYEE
A Cayman Islands Exempted Company

By: _____

Name: _____

Title: _____

Dated Effective as of June 4, 2002

264942.4

- 4 -

Confidential
SEC_ED00013670

BSI ED00013670

Redacted by the Permanent
Subcommittee on Investigations

```

01|USN  IBS                      FUNDS TRANSFER ENTRY          SND DATE 06/04/02
02|SRC  FAX    RPT#              TRN  020604000183
03|AMT      5,000,000.00    CUR  USD          RATE      0.000000000000
04|VAL  06/04/02    TYP FTR  MTP  1000    FNDS S    CHG: DB N  CD N COM N CBL N
05|-----
06|DBT PTY D/ [REDACTED]          CDT PTY G/ [REDACTED]          ADV FED
07|DBT ID [REDACTED]              CDT ID [REDACTED]
08|AMT      0.00    CUR          AMT      0.00    CUR
09|QUEENSGATE BK & TRUST CO      NATIONS BANK TEXAS
10|SMB                          DALLAS, TX
11|PO BOX 30464
12|GRAND CAYMAN ISLAND B WI
13|SEND /                      ADVICE INSTRUCTIONS
14|
15|
16|
17|                          1ST IBK /
18|
19|SND R REF NUM                ADVICE INSTRUCTIONS
20|CHP SSN
21|
22|IMAD 0604B1Q8691C000029
23|
24|Enter=Select                      F10=Next Inquiry
25|

```

1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80

*June 2002
(Part 1 of 2)*

5429

```
26 |                                     FUNDS TRANSFER ENTRY                                     PAGE 2 |
27 | ORD BNK   /                                     INTR BNK   /                                     |
28 |                                                                                                                                           |
29 |                                                                                                                                           |
30 |                                                                                                                                           |
31 |                                                                                                                                           |
32 | REF NUM                                     ADV INSTRUCTIONS                                     |
33 |                                                                                                                                           |
34 | ORIG      /                                     |
35 |                                                                                                                                           |
36 |                                                                                                                                           |
37 |                                                                                                                                           |
38 |                                                                                                                                           |
39 | REF NUM 2122                                     |
40 |                                                                                                                                           |
41 | BANK TO BANK INFO                                     ADV INSTRUCTIONS                                     |
42 |                                                                                                                                           |
43 |                                                                                                                                           |
44 |                                                                                                                                           |
45 |                                                                                                                                           |
46 |                                                                                                                                           |
47 |                                                                                                                                           |
48 |                                                                                                                                           |
49 | Enter=Select                                     F10=Next Inquiry                                     |
50 |                                                                                                                                           |
-----|-----|-----|-----|-----|-----|-----|-----|-----|
1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80
```

001659

Redacted by the Permanent
Subcommittee on Investigations

```

51 |                                FUNDS TRANSFER ENTRY                                | PAGE 3 |
52 |
53 | INTR BK /                                BNF BNK /                                | WIR |
54 |
55 |
56 |
57 |
58 | ADVICE INSTRUCTIONS                                ADVICE INSTRUCTIONS |
59 |
60 |
61 |
62 |
63 | ORIG TO BNF INFO                                BNF [REDACTED] CH: BK?N |
64 | REF SECURITY CAPITAL LTD                                WRANGLER TRUST |
65 |
66 |
67 |
68 |                                ADVICE INSTRUCTIONS                                |
69 |
70 |
71 |
72 |
73 |
74 | Enter=Select                                F10=Next Inquiry |
75 |

```

1---|---1φ---|---2φ---|---3φ---|---4φ---|---5φ---|---6φ---|---7φ---|---8φ

Redacted by the Permanent
Subcommittee on Investigations

```

01|
02| {1510} Type/Subtype Code:
03|   Type Code:           10 (Transfer of funds)
04|   Subtype Code:        00 (Regular transfer)
05|
06| {2000} Amount:         $5,000,000.00
07|
08| {3100} Sending Bank:
09|   ABA number:           026007825
10|   Short name:           IBJ WHITEHALL NYC
11|   ABA lookup (AUX):     IBJ WHITEHALL BANK AND TRUST
12|                         NEW YORK, NY
13|
14| {3320} Sender Reference: 020604000183
15|
16| {3400} Receiving Bank:
17|   ABA number:           111000025
18|   Short name:           NATIONSBK DALLAS
19|   ABA lookup (AUX):     NATIONS BANK TEXAS
20|                         DALLAS, TX
21|
22| {3600} Business Function Code: CTR (Customer transfer)
23|
24| {4200} Beneficiary:      D [REDACTED]
25|                         WRANGLER TRUST
26|
27| {4320} Reference for Beneficiary: 2122
28|
29| {5000} Originator:       D [REDACTED]
30|                         QUEENSGATE BK & TRUST CO
31|                         SMB
32|                         PO BOX 30464
33|                         GRAND CAYMAN ISLAND B WI
34|
35| {6000} Originator to Beneficiary Info: REF SECURITY CAPITAL LTD
36|
37|

```

DAILY STOCK REPORT
[TODAY]

EQUITIES	Last Trade	High	Low	Volume	Change - 1 day
Computer Associates, Inc.	26.64	27.15	26.60	1,933,800	-0.40
Michaels Stores, Inc.	48.70	49.27	48.11	246,500	-0.17
Scottish Annuity & Life Holdings	23.59	23.84	23.58	142,700	-0.21
INDICES					
Dow	10591.48	10678.36	10568.88	213,947,856	-86.66
Nasdaq - Composite	2039.66	2064.40	2039.66		-18.14
S&P 500	1149.10	1156.54	1147.31		-6.86
S&P Retail	398.63	402.71	397.12		-3.42
Morgan Stanley Technical	496.11	503.53	496.11		-4.08

U.S. TBILLS/Bonds	Last Trade	Yld to Mat
3 month Treasury Bill	0.94	0.97
1 Year Treasury Bill	100.30	1.21
10 Year Treasury Bond	99.67	4.04
30 Year Treasury Bond	107.11	4.90
Michaels Stores, Inc. - Bonds	111.58	6.63

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1320

Confidential
SEC_ED00025917

REF ID: A5017

— = Redacted by the Permanent Subcommittee on Investigations

Credit Facilities	Michaelis	Computer Associates				Maverick Fund				Total
		Shs Pledged	Market Value	Advance Amount	Shs Pledged	Market Value	Advance Amount	Market Value	Max Loan on MAV	
Market Value/Sh	46,5100	50%			25,8000	50%				
Advance Ratio		67%			65%					
Call Ratio										
[TODAY]										
Tellus Ltd.	200,000		9,302,000	4,851,000	0	0	0	0	0	4,651,000
Trust	37,243		1,732,172	866,096	0	0	0	1,078,085	350,000	866,086
Trust	67,886		3,157,378	1,578,689	0	0	0	1,078,085	1,500,000	1,578,689
Trust	127,722		5,940,560	2,970,175	0	0	0	0	0	2,970,175
Trust	74,786		3,478,287	1,738,148	0	0	0	0	0	1,738,148
Trust	74,786		3,478,287	1,738,148	0	0	0	0	0	1,738,148
Starlight Ltd.	160,000		7,441,680	3,720,800	0	0	0	10,712,417	4,500,000	3,720,800
Trust	143,938		6,694,566	3,347,278	0	0	0	1,078,085	350,000	3,347,278
Trust	207,806		9,665,057	4,832,529	0	0	0	1,078,085	350,000	4,832,529
Shadywood USA	207,604		9,655,662	4,827,831	0	0	0	1,078,690	350,000	4,827,831
Trust	203,540		9,468,645	4,733,323	0	0	0	1,078,690	350,000	4,733,323
Total	1,505,311		70,012,015	35,006,007	0	0	0	17,184,138	7,750,000	35,006,007

Note: If Loan-To-Value exceeds 67%, requirement to bring back to 50%, do not let exceed 67%

[NOW]

4.00
1.06
2.75
1.09

[DATE], [TIME]

Confidential
SEC_ED00025919

PSI_ED00025919

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1320

— = Redacted by the Permanent
Subcommittee on Investigations

	214- [REDACTED] Hm	2500 Tx Commerce Tower 2200 Ross Avenue Dallas Tx 75201	Dallas Tx, 75225
Geno Tolari	925- [REDACTED]		9540 Santos Ranch Road Pleasanton, CA 94588
Warner Blow	972- [REDACTED] 231- [REDACTED] 941- [REDACTED]		Summer: 11721 N. PaBeShan Charlevoix, MI 49720 Winter: 8153 Via Vecchia Naples, Florida 34108
Jim Francis	972- [REDACTED] Wk 214- [REDACTED] Hm	1901 N. Akard Suite B Dallas Tx 75201	3904 Miramar Avenue Dallas Tx 75205
Mike French	214- [REDACTED] Wk 214- [REDACTED] Hm	200 Crescent Court Suite 630 Dallas Tx 75201	4260 Bordeaux Dallas Tx 75205
Brad Sharp	614- [REDACTED]		

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1320

Confidential
SEC_ED00041867

PSI FD00041867

5435

JUN 03 2002 12:47 FR BANK OF AMERICA SEC R 2143032980 TO MARGIN

P.05/05

LOCKE LIMITED

(Incorporated in the Isle of Man No: 77573C)

Directors:

K.G. Harding
A.M. Benbatoul

Registered Office:

International House,
Castle Hill,
Victoria Road,
Douglas,
Isle of Man,
IM2 4RB.

Tel: (01624) 636600
Fax: (01624) 624469

S(AD) 51B-11963

***** FACSIMILE TRANSMISSION *****

The information contained in this fax is confidential and/or privileged. This fax is intended to be read only by the person named below. If the reader of this fax is not the intended recipient or a representative of the intended recipient you are hereby notified that any review, dissemination or copying of this fax is prohibited. If you have not received all the pages or have received this fax in error, please notify the sender by telephone and return this fax to the sender at the above address.

Page 1 of (Total Sent)

Date: 3rd June, 2002

Time Sent:

Fax No: 001 21 [REDACTED]
Operator Ref: INSTYDISB

TO: MICHELE CRITTENDEN
BANK OF AMERICA SECURITIES LLC

FROM: ANNA BENBATOUL

REF: AB/KW/CRITTF4.1

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

ACCOUNT NUMBER 513-11963

This faxed instruction supercedes our fax of earlier today. The earlier instruction should be disregarded.

We are shortly expecting a credit of US\$3,000,000 into the above account. Upon receipt please liquidate sufficient money funds or US Agency Bonds as appropriate to bring the cash balance to US\$5,000,000.

Once sufficient funds have been liquidated, we should be grateful if you would arrange for US\$5,000,000 to be transferred to the following account details:-

Bank: IBJ Whitehall Bank & Trust Company, New York
ABA Number: 026-007-825
CHIPS Number: 782
For account: Queensgate Bank & Trust Company Limited 77 00 2308
Reference: Security Capital Limited
Account: [REDACTED] APPROVED

This payment is being made to enable the company to acquire a work of art.

JUN 03 2002

Thank you for your assistance in this matter. Should you have any queries in connection with this transaction, please contact Anna Benbatoul on the above telephone number. CINDY L. KELLEN
SALES SUPERVISOR

Yours sincerely,

E.J. Higgins,
Authorised "A" Signatory.

A.M. Benbatoul,
Authorised "B" Signatory.

JUN 03 2002 18:44

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1321

624469

PAGE 01

** TOTAL PAGE 05 **

Confidential Treatment Requested

— Redacted by the Permanent
Subcommittee on Investigations

```

01 USN IBS FUNDS TRANSFER ENTRY SND DATE 06/03/02
02 SRC FED RPT# TRN 020603000592
03 AMT 5,000,000.00 CUR USD RATE 0.000000000000
04 VAL 06/03/02 TYP FTR MTP FNDS S CHG: DB N CD N COM N CBL N
05 -----
06 DBT PTY G [REDACTED] CDT PTY D/ [REDACTED] ADV WIR
07 DBT ID [REDACTED] CDT ID D/ [REDACTED]
08 AMT 0.00 CUR AMT 0.00 CUR
09 BANK OF NEW YORK QUEENSGATE BK & TRUST CO
10 6023 AIRPORT ROAD SMB
11 ORISKANY, NY 13424 PO BOX 30464
12 GRAND CAYMAN ISLAND B WI
13 SEND / ADVICE INSTRUCTIONS
14
15
16
17 1ST IBK /
18
19 SNDR REF NUM FTJ0206035019222 ADVICE INSTRUCTIONS
20 CHP SSN
21
22 IMAD 0603B1Q8154C00637106031516FT01
23
24 Enter=Select F10=Next Inquiry
25
-----
1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80

```

015866

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1321

Redacted by the Permanent
Subcommittee on Investigations

26 | FUNDS TRANSFER ENTRY PAGE 2
27 | ORD BNK /8900436964 INTR BNK /
28 | BANC OF AMERICA SECURITIES LLC
29 | 600 MONTGOMERY STREET
30 | SAN FRANCISCO, CA 94111
31 |
32 | REF NUM ADV INSTRUCTIONS
33 |
34 | ORIG /
35 | 5131196312.LOCKE LIMITED.LOCKE LIM
36 | TED.IFG INTERNATIONAL HOUSE.CASTLE
37 | HILL.VICTORIA STREET.DOUGLAS IM2 4R BNF BNK [REDACTED]
38 | B.ISLE OF MAN QUEENSGATE BANK AND TRUST CO LTD
39 | REF NUM
40 |
41 | BANK TO BANK INFO
42 | ADV INSTRUCTIONS
43 |
44 |
45 |
46 |
47 |
48 |
49 | Enter=Select F10=Next Inquiry
50 |

1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80

— = Redacted by the Permanent
Subcommittee on Investigations

	FUNDS TRANSFER ENTRY	PAGE 3
51		
52		
53	INTR BK /	BNF BNK [REDACTED] WIR
54		QUEENSGATE BANK AND TRUST CO LTD
55		
56		
57		
58	ADVICE INSTRUCTIONS	ADVICE INSTRUCTIONS
59		
60		
61		
62		
63	ORIG TO BNF INFO	BNF [REDACTED] CH: BK?N
64		SECURITY CAPITAL LIMITED
65		
66		
67		
68		ADVICE INSTRUCTIONS
69		
70		
71		
72		
73		
74	Enter=Select	F10=Next Inquiry
75		

1---|---10---|---20---|---30---|---40---|---50---|---60---|---70---|---80

— = Redacted by the Permanent
Subcommittee on Investigations

```

01 |
02 | {1100} Message Disposition:
03 |     Format Version:           02 (New expanded format)
04 |     Test Production Code:     P (Production)
05 |     Msg Duplication Code:      (Original incoming msg)
06 |     Msg Status Indicator:      N (Incoming msg)
07 |
08 | {1110} Acceptance Timestamp:
09 |     Date:                     06/03
10 |     Time:                     15:16
11 |     Application Id:           FT01
12 |
13 | {1120} OMAD:
14 |     Output cycle date:        2002/06/03
15 |     Output Destination Id:    B1Q8691C
16 |     Output sequence number:   000108
17 |     Output date:              06/03
18 |     Output time:              15:16
19 |     Output application Id:    FT01
20 |
21 | {1510} Type/Subtype Code:
22 |     Type Code:                10 (Transfer of funds)
23 |     Subtype Code:             00 (Regular transfer)
24 |
25 | {1520} IMAD:
26 |     Input Cycle date:         2002/06/03
27 |     Input Source id:          B1Q8154C
28 |     Input Sequence number:    006371
29 |
30 | {2000} Amount:                $5,000,000.00
31 |
32 | {3100} Sending Bank:
33 |     ABA number:              021000018
34 |     Short name:              BK OF NYC
35 |     ABA lookup (REL):        BANK OF NEW YORK
36 |                               6023 AIRPORT ROAD
37 |                               ORISKANY, NY 13424
38 |
39 | {3320} Sender Reference:      FTJ0206035019222
40 |
41 | {3400} Receiving Bank:
42 |     ABA number:              026007825
43 |     Short name:              IBJ WHITEHALL NYC
44 |     ABA lookup (AUX):        IBJ WHITEHALL BANK AND TRUST
45 |                               NEW YORK, NY
46 |
47 | {3600} Business Function Code: CTR (Customer transfer)
48 |
49 | {4100} Beneficiary's Bank:    [REDACTED]
50 |                               QUEENSGATE BANK AND TRUST CO LTD
51 |
52 |
53 |
54 | {4200} Beneficiary:           [REDACTED]
55 |                               SECURITY CAPITAL LIMITED
56 |
57 |

```

015869

5440

58	{5000} Originator:	/
59		5131196312.LOCKE LIMITED.LOCKE LIM
60		TED.IFG INTERNATIONAL HOUSE.CASTLE
61		HILL.VICTORIA STREET.DOUGLAS IM2 4R
62		B.ISLE OF MAN
63		
64	{5100} Originator's Bank:	D/8900436964
65		BANC OF AMERICA SECURITIES LLC
66		600 MONTGOMERY STREET
67		SAN FRANCISCO, CA 94111
68		
69		

015870

Bank of America

EVAN WYLY & LISA WYLY CO-TRUSTEES
THE WRANGLER TRUST

— Redacted by the Permanent
Subcommittee on Investigations

Page 2 of 2
Account Number: [REDACTED]
E O C Enclosures 0 50
Statement Period
06/01/02 through 06/30/02 0008162

Business Economy Checking**Withdrawals and Debits****Other Debits**

Date Posted	Amount	Description	Bank Reference
06/03	4,959,500.00	Wire Type:Wire Out Date:060302 Time:1406 Ct Trn:020603048369 FarefSeq:020603048369001890 BnfWlyl Works Dis Elliott Yea ID:4749752459 Bnf Bk-Vectra Bk Colorado Natl ID:102003154 Pmt Det:01020603005103Nn	903706030048369
06/03	35.00	Wire Transfer Fee	903706030057064
06/03	2.00	Wire Transfer Fee	903706030057065
06/04	1,000,000.00	Funds Transfer Debit Fdes Ntx 0001145 Nbkaj61	945006041450119
06/04	10.00	Wire Transfer Fee	903706040043446
06/04	2.00	Wire Transfer Fee	903706040043447
06/11	1,600,000.00	Funds Transfer Debit Fdes Ntx 0001145 Nbk6Y3	945006111450077
06/17	5.00	Wire Transfer Fee	903706170040783
06/17	2.00	Wire Transfer Fee	903706170040784
06/17	3,000,000.00	Transfer To Banc Of America Investment Services, Inc. W18086444	949106173000269
06/17	1,000,000.00	Funds Transfer Debit Fdes Ntx 0001145 Nbkkiw89	945006181450121
06/28	5.00	Wire Transfer Fee	903706280061333
06/28	2.00	Wire Transfer Fee	903706280061334

Daily Ledger Balances

Date	Balance	Date	Balance	Date	Balance
06/01	852,949.19	06/11	3,293,400.19	06/28	653,019.47
06/03	893,412.19	06/17	315,017.87		
06/04	4,893,400.19	06/21	631,401.79		

Message Center

Introducing the new America West FlightFund Visa Business Card from Bank of America for small businesses. Turn your everyday business expenses into award travel. This new card gives you expense management tools, convenience and exciting award travel. Earn 5,000 bonus FlightFund miles after your first purchase. Call 1.800.360.5080 today to apply.

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1322

CONFIDENTIAL
SEC100014051
PS100025918

GLA 5 ACCOUNT ANALYSIS
07-03-02
DETAIL ASSETS ACCOUNT: 107W-101100 - Cash-Bank of America
FOR PERIODS 06 THROUGH 06

DETAIL ACCOUNTS		CURRENT YEAR BOOK	
ACCOUNT	DESCRIPTION	PERIOD	ACTIVITY BALANCE
		BEG	852,949.19DB 852,949.19DB
		JUN	-299,929.72CR 553,019.47DB

07-03-02
PERIOD CURRENT YEAR BOOK ACCOUNT ACTIVITY
DETAIL ASSETS ACCOUNT: 107W-101100 - Cash-Bank of America

ACCOUNT	PD	SRCE	JRNL	BATCH-LINK	DESCRIPTION	REFERENCE	DATE	DEBIT AMOUNT	CREDIT AMOUNT	BALANCE
107W-101100	06	INV	IMO	34843-001	TALLULAH OVERNIGHT LOAN/ART PU TSP	** OPENING BALANCE	06-03-02	1,000,000.00		852,949.19DB
107W-101100	06	INV	ICT	34846-002	FROM MFA TO CHECKING	107W TSP	06-03-02	4,000,000.00		
107W-101100	06	INV	IMO	34847-001	WD ELLIOTT YEART/ROSIE RIVIERA NO	107W TSP	06-03-02		4,999,500.00	
107W-101100	06	INV	IMO	34844-001	TALLULAH OVERNIGHT LOAN/ART PU TSP	107W TSP	06-04-02		1,000,000.00	
107W-101100	06	INV	ISS	34856-001	LOAN FRM SEC CAPITAL 10YR 85.5 LONW	107W	06-04-02	5,000,000.00		
107W-101100	06	INV	IFL	35344-001	LOAN 5M FOR RANKER C INV 1.6	107W*SEC3/6-4 TSP	06-11-02		1,600,000.00	
107W-101100	06	INV	ICT	35254-001	TO MFA	107W*105/107W INV	06-14-02		3,000,000.00	
107W-101100	06	INV	IDED	35095-001	SEMI-MONTHLY	DIR TSP	06-15-02	21,624.68		
107W-101100	06	INV	IFL	35397-001	LOAN TO SAM FOR TAXES	107W*MOV3 TSP	06-16-02		1,000,000.00	
107W-101100	06	INV	ICT	35418-002	TRANSFER TO LOAN 5M	107W*105/107W INV	06-18-02	1,000,000.00		

CONFIDENTIAL
SEC100014052
PS1000025019

5443

Bank of America



WIRE TRANSFER ADVICE PAGE 1 OF 1
BANK OF AMERICA, N.A.
WIRE TRANSFER DEPT CA4-706-08-21
CONCORD, CA 94520

EVAN OR LISA WYLY CO TRU MRANGLE /
300 CRESCENT COURT 18TH FL
DALLAS, TX 75201

— = Redacted by the Permanent
Subcommittee on Investigations

DATE: 06/03/02
DIRECT INQUIRIES TO:
800.227.3337

ACCOUNT: [REDACTED]

THE FOLLOWING WIRE WAS DEBITED TODAY:

USD AMOUNT \$4,959,500.00

TRANSACTION REF:	020603048369	FEDREF/SEQ:	020603048369 /001890
RELATED REF:	01020603005103NN	IMAD:	20020603L1LFBF8C001890
ORIGINATOR:	EVAN WYLY LISA WYLY CO-TRUSTEES	ID:	004774472164
INSTRUCTING BANK:	BANK OF AMERICA	ID:	BFTA
BENEFICIARY:	WYLY WORKS DBA ELLIOTT YEARY GALLER	ID:	4749752459
BENEFICIARY'S BANK:	VECTRA BK COLORADO NATL ASSOCIATION	ID:	102003154

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1322

CONFIDENTIAL
SEC100014101
PSI00025968

INVESTMENT TRANSACTION POSTING DELETION REPORT

06-04-02 03:08
INC. X para-32

TRN NUMBER	ENTITY	TRN DATE	GL ENF	TRN CODE	INVEST DESCRIPTION	CASH CUR	FX RATE	CASH AMOUNT	QUANTITY	LOCAL AMOUNT	BASE AMOUNT
34847	107M	107M	107M	107M	WD ELLIOTT YEARLY/RSIE POSTED	USD	1.00000	-4,959,500			
06-03-02	107M										
PER 06	LINE ACCOUNT				SUB ACCOUNT	DESCRIPTION		BOOK AMOUNT	TAX AMOUNT		
	0001 107M-101100					Cash-Bank of America		4,959,500.000R	4,959,500.000R		
	0002 107M-163400					Art Collection		4,959,500.000R	4,959,500.000R		

5445

June 3, 2002

Kelly Roark
Nations Bank
901 Main Street, 19th Floor
Dallas, Texas 75202

— = Redacted by the Permanent
Subcommittee on Investigations

Ref: 020603

Dear Kelly:

Please wire the following:.


From:
Wrangler Trust
Acct.# [REDACTED]
Amt.\$4,959,500.00

To:
Vectra Bank of Colorado
ABA# 102003154
Wyly Works, Inc. dba Elliott Yeary Gallery
Account# [REDACTED]

If you have any questions or need additional information, please contact me.

Yours truly,


Rena Alexander


Jana Frederick



300 CRESCENT COURT, SUITE 1000 • DALLAS, TEXAS 75201-7852

CONFIDENTIAL
SEC100014103
PSI00025970

— = Redacted by the Permanent
Subcommittee on Investigations

From: Keeley Hennington
Sent: Tuesday, March 04, 2003 3:28 PM
To: "Michelle Boucher" [REDACTED]
Subject: Re: Sec Cap notes

I will put on fax to you in an -two of the ones I have are not signed by Security Capital
(one of these is the one we are changing)

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

"Michelle Boucher" [REDACTED]
03/04/03 05:22 PM
Please respond to "Michelle Boucher"

To: <khennington@ [REDACTED]>
cc:
Subject: Sec Cap notes

Can you fax me what you have executed for CW/SW/Wrangler regarding the \$6M, \$15M, \$5M loans. We don't have execution copies. I know there will be a change to some of them (1 or 2). We are going to try to sort out all the Sec Cap paperwork by end of next week and ensure that QBT has it all fully minuted. Any chance Meadows Owens will have the revised initial notes ready? I don't think I've seen this yet.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1324

[REDACTED]
PSI-WYBR 00673

— = Redacted by the Permanent
Subcommittee on Investigations

From: Keeley Hennington
Sent: Friday, March 07, 2003 8:49 AM
To: mboucher@ [REDACTED]; Margot MacInnis < [REDACTED]>
Subject: Wrangler Note

Attachments: 5_5041.doc

I am sending federal express to you today signed originals for the restated Wrangler note and the new CJW loan for execution by Security Capital. Will you just make sure I get copies back for my file - also, if you have a copy of the Sam \$15M note executed by Security Capital if you could send that at the same time - thanks

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

----- Forwarded by Keeley Hennington/htst on 03/07/03 10:47 AM -----

"Stroud, Alan L." < [REDACTED]>
 03/07/03 10:23 AM

To: "Keeley Hennington [E-mail]" < [REDACTED]>
 cc:
 Subject: Wrangler Note

Keeley,

Attached is the revised Wrangler note. The effective date is still 6/4/02. The qualified obligation language has been removed. I also corrected the amount stated as interest (it formerly said \$250,000, but I changed it to \$237,500).

Thanks,
 Alan



5_5041.doc (38 KB)

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1324

Confidential
 SEC_ED00013666

DST ED00013666



Bank of America



Bank of America, N.A.
P.O. Box 25118
Tampa, FL 33622-5118

1.800.432.1000
www.bankofamerica.com

Page 1 of 2
Account Number: [REDACTED]
ED P 0C Enclosures 0 50
Statement Period
05/01/04 through 05/31/04 0002772

EVAN WYLY & LISA WYLY CO-TRUSTEES
THE WRANGLER TRUST
300 CRESCENT CT STE 1000
DALLAS TX 75201-7852

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Our free Online Banking service allows you to check account balances,
transfer funds, pay bills and more. Enroll at www.bankofamerica.com.

Business Checking

Account Summary Information

Statement Period	05/01/04 through 05/31/04	Statement Beginning Balance	1,817,314.04
Number of Deposits/Credits	3	Amount of Deposits/Credits	4,030,200.00
Number of Withdrawals/Debits	6	Amount of Withdrawals/Debits	5,233,037.80
Number of Deposited Items	0	Statement Ending Balance	614,476.24
Number of Enclosures	0	Average Ledger Balance	673,094.48
Number of Days in Cycle	31	Service Charge	0.00

Deposits and Credits

05/03	4,000,000.00	Transfer From Banc Of America Investment Services, Inc. W18086444	949105033000220
05/17	15,100.00	Wire Type:Book IN Date:051704 Time:0537 Ct Trn:040517000055	903705170003065
05/28	15,100.00	Orig:Maverick Capital Ltd ID:001295867254 Pmt Det: Partner Distribution And Partnership Distribution Wire Type:Book IN Date:052804 Time:0616 Ct Trn:040528004828	903705280004828
		Orig:Maverick Capital Ltd ID:001295867254 Pmt Det: Partner Distribution And Partnership Distribution	

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1325

CONFIDENTIAL
SEC100026759

Bank of America
 EVAN WYLY & LISA WYLY CO-TRUSTEES
 THE WRANGLER TRUST

 = Redacted by the Permanent
 Subcommittee on Investigations

 Page 2 of 2
 Account Number: [REDACTED]
 ED P 9C Enclosures 0 50
 Statement Period
 05/01/04 through 05/31/04 0002773

Business Economy Checking
Withdrawals and Debits
Other Debits

05/03	5,217,977.80	Wire Type:Wire Out Date:050304 Time:1644 Ct Trn:040503061348 Fdref/Seq:040503061348/003553 Bnf:Bank Of Butterfld Intl ID:893 326 5086 Bnf Bk:Bank Of New York ID:021000018 Pmt Det:01040 503006182Nfinal Credit: Queensgate Bank Trust, Ac	903705030061348
05/03	15,000.00	Wire Type:Wire Out Date:050304 Time:1420 Ct Trn:040503055402 Fdref/Seq:040503055402/002462 Bnf:Rosemary Acton ID:5050242659 Bnf Bk:Alpine Ban K And Trust ID:102103407 Pmt Det:01040503004656Nnm Arch, April May.	903705030055402
05/03	20.00	Wire Transfer Fee	903705030066387
05/03	20.00	Wire Transfer Fee	903705030062696
05/17	10.00	Wire Transfer Fee	903705170045833
05/28	10.00	Wire Transfer Fee	903705280064036

Daily Ledger Balances

05/01	1,817,314.04	05/17	599,386.24
05/03	584,296.24	05/28	614,476.24

 CONFIDENTIAL
 SEC100026760
 PS100038627

5450

Bank of America



WIRE TRANSFER ADVICE PAGE 1 OF 1
BANK OF AMERICA, N.A.
WIRE TRANSFER DEPT CA4-706-08-21
CONCORD, CA 94520

EVAN OR LISA WYLY CO TRU MRANGLER /
300 CRESCENT COURT 18TH FL
DALLAS, TX 75201

Redacted by the Permanent
Subcommittee on Investigations

DATE: 05/03/04
DIRECT INQUIRIES TO THE CUSTOMER
SERVICE NUMBER LISTED ON YOUR
BANK STATEMENT.
ACCOUNT: [REDACTED]

THE FOLLOWING WIRE WAS DEBITED TODAY:

USD AMOUNT \$15,000.00

TRANSACTION REF: 040503055402
RELATED REF: 01040503004656NN
ORIGINATOR: EVAN WYLY LISA WYLY CO-TRUSTEES
INSTRUCTING BANK: BANK OF AMERICA
BENEFICIARY: ROSEMARY ACTON
BENEFICIARY'S BANK: ALPINE BANK AND TRUST
PAYMENT DETAIL: MARCH, APRIL MAY

FEDREF/SEQ: 040503055402 /002462
IMAD: 20040503L1LFBF8C002462
ID: 004774472164
ID: BFTA
ID: 5050242659
ID: 102103407

THE FOLLOWING WIRE WAS DEBITED TODAY:

USD AMOUNT \$5,217,977.80

TRANSACTION REF: 040503061348
RELATED REF: 01040503006182NN
ORIGINATOR: EVAN WYLY LISA WYLY CO-TRUSTEES
INSTRUCTING BANK: BANK OF AMERICA
BENEFICIARY: BANK OF BUTTERFIELD INTL
BENEFICIARY'S BANK: BANK OF NEW YORK
PAYMENT DETAIL: FINAL CREDIT: QUEENSGATE BANK TRUST, ACCT [REDACTED]
CAPITAL, [REDACTED]

FEDREF/SEQ: 040503061348 /003553
IMAD: 20040503L1LFBF8C003553
ID: 004774472164
ID: BFTA
ID: 803 326 5086
ID: 021000018

REFSECURITY

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1325

CONFIDENTIAL
SEC100026776
PS100038643

5451

May 3, 2004

Kelly Roark
Nations Bank
901 Main Street, 19th Floor
Dallas, Texas 75202

— = Redacted by the Permanent
Subcommittee on Investigations

Ref: 040501

Dear Kelly:

Please wire the following:.

From:
Wrangler Trust
Acct.# 4774472164
Amt.\$5,217,977.80

To:
Bank of New York, 1 Wall Street, NY
ABA# 021 000 018
Swift ID: IRVTUS3N
Acct. Name: Bank of Butterfield Intl.
Acct #: 803-326-5086
Swift ID: BNTBKYYK
Final Credit: Queensgate Bank & Trust
Acct.# [REDACTED]
Ref: Security Capital, [REDACTED]

If you have any questions or need additional information, please contact me.

Yours truly,


Rena Alexander


Keeley Hennington

300 CRESCENT COURT, SUITE 1000 • DALLAS, TEXAS 75201-7852

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1325

CONFIDENTIAL
SECI00026781
PSI00038648

5452

Keeley Hennington/htst
01/29/2004 09:03 AM

To: Rena Alexander/htst@htst
cc
bcc
Subject: Re: Maverick []

Hold off because I am thinking it might be best to pay off some of the \$5M loan to Security Capital with the proceeds and keep what Wrangler will need for the year - that way it is not sitting there and getting attention. Let's sit down and talk about it when the \$ comes in

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

Rena Alexander/htst

 Rena Alexander/htst
01/29/04 09:01 AM

To: Keeley Hennington/htst@htst
cc
Subject: Re: Maverick []

I have not be investing the money in Wrangler Trust. Should I start investing everything over a couple hundred thousand? Wouldn't it be safe to say I could even go out as much as one for 3 mos another for 6mos, like that?

Keeley Hennington/htst

Keeley Hennington/htst
01/29/2004 08:52 AM

To: Rena Alexander
cc
Subject: Maverick

I think Wrangler trust should be getting about \$1.3M from Maverick in the next couple of weeks. This is their 2003 earnings that they elected not to defer - all the others did defer. I think we will get something from Maverick when it is sent but just thought I would let you know

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1325

CONFIDENTIAL
SECT00026634
PSI00038501

— = Redacted by the Permanent
Subcommittee on Investigations

From: "Margot MacInnis" [REDACTED]
Sent: Friday, April 30, 2004 2:15 PM
To: <ralexander@htst.com>
Subject: RE: 5Million Note Interest

The wiring instructions are correct.

-----Original Message-----
From: ralexander@htst.com [REDACTED]
Sent: Friday, April 30, 2004 2:55 PM
To: Margot MacInnis
Subject: RE: 5Million Note Interest

Sorry, I forgot to ask. Do I wire it to the same account I wired last years interest payment? Bank of New York

York, NY,

1 Wall Street, New

ABA 021 000 018
Swift ID IRVTUS3N
Acct

Name: Bank of Butterfield Intl.

803-326-5086

Acct.#

Swift ID BNTBKYYK
Final Credit :

Queensgate Bank & Trust

Acct.# [REDACTED]

Ref:

Security Capital, 212200

"Margot MacInnis"

04/30/2004 03:07
PM

<ralexander@htst.com>

To

cc

Subject

RE: 5Million Note Interest

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1325

Confidential
SEC_ED00009470

PSI_ED00009470

5454

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

ok - 335 days \$217,977.80 payment on May 3rd.

-----Original Message-----

From: ralexander@htst.com [REDACTED]
Sent: Friday, April 30, 2004 2:22 PM
To: Margot MacInnis
Subject: RE: 5Million Note Interest

It look like it will be monday before we can pay for the note so that will add three more days, right? So it should be 335 days? Therefore \$217,977.80?

"Margot MacInnis"

04/30/2004 02:40
PM

<ralexander@htst.com>

To

cc

Subject

RE: 5Million Note Interest

Hi Rena,

Our system shows 302 days o/s as at March 31st - so if we add 30 days for April that brings us to 332 days. It would be easier for us if the repayment was made effective April 30th. This would make the calculation: $\$650.68 \times 332 = \$216,025.76$

Thanks,

Margot

-----Original Message-----

From: ralexander@htst.com [REDACTED]
Sent: Friday, April 30, 2004 1:05 PM
To: Margot MacInnis
Subject: 5Million Note Interest

Margo

Confidential
SEC_ED00009471

DOI EDO00009471

5455

This is how I calculated the interest and what I got. Please let me know if you agree or disagree.

Annual interest payments of \$237,500. 210 days have expired in 2003 after last payment, and 121 days in 2004 for a total of 331 days.
 $\$237,500 / 365 \text{ days} = 650.68 \text{ a day}$ $\$650.68 \times 331 = \$215,375.08$

Thanks,
Rena

Confidential
SEC_ED00009472

5456

Redacted by the Permanent
Subcommittee on Investigations



"Margot MacInnis"

04/30/2004 03:07 PM

To <ralexander@

cc

bcc

Subject RE: 5Million Note Interest

ok - 335 days \$217,977.80 payment on May 3rd.

-----Original Message-----

From: ralexander@htst.com [mailto:ralexander@htst.com]

Sent: Friday, April 30, 2004 2:22 PM

To: Margot MacInnis

Subject: RE: 5Million Note Interest

It look like it will be monday before we can pay for the note so that will add three more days, right? So it should be 335 days? Therefore \$217,977.80?

"Margot MacInnis"

04/30/2004 02:40 PM

<ralexander@

To

cc

Subject

RE: 5Million Note Interest

Hi Rena,

Our system shows 302 days o/s as at March 31st - so if we add 30 days for April that brings us to 332 days. It would be easier for us if the repayment was made effective April 30th. This would make the calculation: \$650.68 x 332 =216,025.76

Thanks,

Margot

-----Original Message-----

From: ralexander@htst.com [mailto:ralexander@htst.com]

Sent: Friday, April 30, 2004 1:05 PM

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1325

CONFIDENTIAL
SECI00026782
PSI00038649

5457

To: Margot MacInnis
Subject: 5Million Note Interest

Margo

This is how I calculated the interest and what I got. Please let me know if you agree or disagree.

Annual interest payments of \$237,500. 210 days have expired in 2003 after last payment, and 121 days in 2004 for a total of 331 days.
 $\$237,500 / 365 \text{ days} = \650.68 a day $\$650.68 \times 331 = \$215,375.08$

Thanks,
Rena

CONFIDENTIAL
SEC100026783
DST00010650

ACCOUNT ANALYSIS
DETAIL ASSETS ACCOUNT: 10TW-101100 - Cash-Bank of America
FOR PERIODS 05 THROUGH 05

1.5
-02-04

DEBIT ACCOUNTS		CURRENT YEAR BOOK	
ACCOUNT	DESCRIPTION	PERIOD	ACTIVITY BALANCE
BQO			1,817,314.04DB
MAY			-1,202,837.80CDB
			614,476.24DB

DETAIL ASSETS ACCOUNT: [REDACTED] - Cash-Bank of America

02-04										
IOD CURRENT YEAR BOOK ACCOUNT ACTIVITY										
DETAIL ASSETS ACCOUNT: [REDACTED] - Cash-Bank of America										
COUNT	PD	SCH#	JRNL	BATCH-LINE	DESCRIPTION	REFERENCE	DATE	DEBIT AMOUNT	CREDIT AMOUNT	BALANCE
						** OPENING BALANCE				1,817,314.04DB
M-101100	05	AJE	JTE	11341-002	MOVE TO NOTE	A/E	05-01-04			
M-101100	05	INV	IPL	54355-001	TEMP LOAN TO SAM 10/2/03	A/E	05-01-04	500,000.00	500,000.00	
M-101100	05	INV	ICT	53925-002	MOVE TO XJMTG TO WIRE/SEC CAP	10TM*05/10TM CASHREDIN	05-03-04	4,000,000.00		
M-101100	05	INV	IIP	53957-001	PAID SEC CAP NOTE INT FULL+INT	10TM INT IN FULL	05-03-04		217,977.80	
M-101100	05	INV	ICS	53958-001	PAID NOTE IN FULL + ACC INT	10TM*SECCM/6-4 PD IN FULL	05-03-04		5,000,000.00	
M-101100	05	INV	IMO	53989-001	DIST MARCH, APRIL MAY TO ROSEN TR	10TM*SECCM/6-4 TR DIST	05-01-04		15,000.00	
M-101100	05	INV	IRD	53715-001	SEMI-MONTHLY DISTRIBUTION	10TM DIST.	05-15-04	15,100.00		
M-101100	05	INV	IRD	53716-001	SEMI-MONTHLY DISTRIBUTION	10TM*MAVCAP DIST.	05-30-04	15,100.00		
M-101100	05	INV	IMO	54672-001	WIRE CHARGES 5/3, 5/17 & 5/28	10TM*MAVCP WIRE CHRG	05-31-04		60.00	
SUBTOTAL FOR PERIOD 05										
									1,202,837.80*	614,476.24DB

■ = Redacted by the Permanent Subcommittee on Investigations

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1325

CONFIDENTIAL
SEC100026757
DET00029674

5459

05-18-04 03:34pm
GL4.2TRIAL BALANCE REPORT
ACTIVITY FROM 05-01-04 THRU 05-31-04
LEDGER: BOOK
ENTITY: 10TW The Wrangler Trust

PAGE: 1

ACCOUNT DESCRIPTION	05-01-04 BEG BALANCE -- -----		ACTIVITY ----- --		05-31-04 END BALANCE --	
	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT
INCOME						
510045 Interest Income-WMA Accts.		14.22		442.44		456.66
520110 Long Term Capital G/L-Manual		1,197,192.58				1,197,192.58
520200 Unrealized Capital Gain/Loss		927,579.49				927,579.49
530110 Partnership Income		4,272,607.34		60,400.00		4,333,007.34
605000 Unrealized Interest Expense	69,513.89				69,513.89	
888100 Prior year tax/acctg adjustments		35,250.00				35,250.00
TOTAL INCOME		6,363,129.74		60,842.44		6,423,972.18
EXPENSES						
604020 Investment Interest - Other			217,977.80		217,977.80	
660010 Trust Distribution Expense	5,000.00		15,000.00		20,000.00	
740030 Bank Charges	90.00				90.00	
TOTAL EXPENSES	5,090.00		232,977.80		238,067.80	
ASSETS						
101040 Cash-Bank of America Texas-WMA	4,016,677.10			3,999,557.56	17,119.54	
101100 Cash-Bank of America	1,817,314.04			1,172,577.80	644,736.24	
120400 Maverick Investments		2,646,396.23				2,646,396.23
120410 Mark to Market - Maverick Inv	30,783,803.62				30,783,803.62	
130000 Notes Receivable - Internal	20,156,874.00				20,156,874.00	
163400 Art Collection	5,009,750.00				5,009,750.00	
TOTAL ASSETS	59,139,022.53			5,172,135.36	53,966,887.17	
LIABILITIES						
310500 Accrued Interest Pay-Investments		313,958.33				313,958.33
320100 Notes Payable - External		5,000,000.00	5,000,000.00			
TOTAL LIABILITIES		5,313,958.33	5,000,000.00			313,958.33
CAPITAL						
470030 Retained Earnings		47,466,024.46				47,466,024.46
TOTAL CAPITAL		47,466,024.46				47,466,024.46

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1325

CONFIDENTIAL
SEC100026764

INVESTMENT TRANSACTION POSTING AND VALUATION REPORT

03-04 04:12:00
X rem 34

NUMBER	ENTITY	TXN DATE	GL ENT	TXN CODE	INVESTMENT DESCRIPTION	CASH CUR	INV CUR	FX RATE	CASH AMOUNT	QUANTITY	LOCAL AMOUNT	BASE AMOUNT
05-03-04	107W	11P			PAYD SEC CAP NOTE INT POSTED	USD	USD	1.00000	-217,978			
05-03-04	107W	SEC03/6-4			SEC CAP INT 107W 5.5% 6/04/12	USD	USD	1.00000				
PER 05	LINE ACCOUNT	SUB ACCOUNT			DESCRIPTION				BOOK AMOUNT	TAX AMOUNT		
0001	107W-101100				Cash-Bank of America				217,977.80CR	217,977.80CR		
0002	107W-604020				Investment Interest - Other				217,977.80DB	217,977.80DB		
												217,977.80
												INCOME

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1325

CONFIDENTIAL
SEC100026779
DCT00036246

INVESTMENT TRANSACTION POSTING AND BALANCE SHEET

03-04-04 13:14
.X 2500-14

MEMBER	ENTITY	TRN DATE	GL ENT	TRN CODE	INVESTMENT DESCRIPTION	CASH CUR	FX RATE	CASH AMOUNT	QUANTITY	PRICE	LOCAL AMOUNT	BASE AMOUNT
SET DATE	BROKER											
58	107W	ICS			PAID NOTE IN FULL - AC POSTED	USD	1.00000	-5,000,000	5,000,000.000			100,000
05-03-04	107W	SEC06-4			SEC CASH LTD 107W 5.5% 6/04/12	USD	1.00000					5,000,000.00
05-03-04					CONFIRMED							
PER 05					SUB ACCOUNT							
					0001 107W-101100							
					0002 107W-102100							
					DESCRIPTION							
					Cash-Bank of America							
					Notes Payable - External							
					BOOK AMOUNT							
					5,000,000.0000							
					TAX AMOUNT							
					5,000,000.0000							
					5,000,000.0000							

5461

CONFIDENTIAL
SEC100026780
PS100039667

5462

05-20-04 01:19pm
GLA.2TRIAL BALANCE REPORT
ACTIVITY FROM 04-01-04 THRU 04-30-04
LEDGER: BOOK
ENTITY: 10TW The Wrangler Trust

PAGE: 1

ACCOUNT DESCRIPTION	04-01-04	BEG BALANCE	ACTIVITY	04-30-04	END BALANCE	
	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT
INCOME						
510045 Interest Income-MMA Accts.		14.22		447.04		461.26
520110 Long Term Capital G/L-Manual		1,197,192.58				1,197,192.58
520200 Unrealized Capital Gain/Loss		927,579.49		356,085.00		1,283,664.49
530110 Partnership Income		3,954,125.56		318,481.78		4,272,607.34
605000 Unrealized Interest Expense	69,513.89		22,916.67		92,430.56	
888100 Prior year tax/acctg adjustmtns				35,250.00		35,250.00
TOTAL INCOME		6,009,397.96		687,347.15		6,696,745.11
EXPENSES						
660010 Trust Distribution Expense	5,000.00				5,000.00	
740030 Bank Charges	70.00		20.00		90.00	
TOTAL EXPENSES	5,070.00		20.00		5,090.00	
ASSETS						
101040 Cash-Bank of America Texas-MMA	16,677.10		4,000,447.04		4,017,124.14	
101100 Cash-Bank of America	5,498,852.26			3,681,538.22	1,817,314.04	
120400 Maverick Investments		2,646,396.23				2,646,396.23
120410 Mark to Market - Maverick Inv	30,783,803.62		356,085.00		31,139,888.62	
130000 Notes Receivable - Internal	20,156,874.00				20,156,874.00	
163400 Art Collection	4,974,500.00		35,250.00		5,009,750.00	
TOTAL ASSETS	58,784,310.75		710,243.82		59,494,554.57	
LIABILITIES						
310500 Accrued Interest Pay-Investmtns		313,958.33		22,916.67		336,875.00
320100 Notes Payable - External		5,000,000.00				5,000,000.00
TOTAL LIABILITIES		5,313,958.33		22,916.67		5,336,875.00
CAPITAL						
470030 Retained Earnings		47,466,024.46				47,466,024.46
TOTAL CAPITAL		47,466,024.46				47,466,024.46
TOTAL DEBITS	58,789,380.75		710,263.82		59,499,644.57	

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1325

CONFIDENTIAL
SEC100026786
PS100038653

5464

PROMISSORY NOTE

\$6,000,000.00

Effective October 1, 2002

FOR VALUE RECEIVED, the undersigned ("Maker") promises to pay to the order of SECURITY CAPITAL, LTD., a Cayman Islands Exempted Company ("Payee"), the principal sum of SIX MILLION and NO/100 DOLLARS (\$6,000,000.00), together with interest on the unpaid principal sum from time to time outstanding at the rate of FOUR AND NINE-TENTHS PERCENT (4.90%) per annum from the date hereof until paid. All principal and interest payable hereunder shall be due and payable in lawful money of the United States of America.

Interest on this Note shall be payable in ten (10) annual installments, commencing one year from the date hereof, and payable each succeeding year thereafter. Each interest installment shall be in the amount of \$294,000. All remaining unpaid principal, together with any accrued, but unpaid interest, shall be payable in full on September 30, 2012.

The entire unpaid principal balance of, and all accrued interest on, this Note shall immediately become due and payable at the option of the Payee upon the occurrence of the following events of default (the "Event of Default"): Failure by Maker to pay the principal and/or interest hereon as and when the same becomes due and payable in accordance with the terms hereof and the continuation of said failure for a period of ten (10) days after Payee has provided Maker with written notice of such failure; or

In the event the Event of Default specified hereinabove shall occur, Payee may proceed to protect and enforce its rights either by suit in equity and/or by action at law, or by other appropriate proceedings. No delay on the part of the holder of this Note in the exercise of any power or right under this Note or under any other instrument executed pursuant thereto shall operate as a waiver thereof, nor shall a single or partial exercise of any other power or right preclude further exercise thereof.

Except as expressly otherwise provided herein, Maker waives demand, presentment, protest, notice of nonpayment, notice of protest, notice of intent to accelerate, notice of acceleration, and any and all lack of diligence or delay in collection or the filing of suit hereon which may occur.

If this Note is not paid at maturity, howsoever such maturity may be brought about, and the same is placed in the hands of an attorney for collection, or if this Note is collected by suit or through bankruptcy, probate, or other legal proceedings, Maker agrees to pay the costs of collection and attorneys' fees, in addition to the principal and interest.

This Note may be delivered by telefacsimile or similar facsimile transmission and, in such case, shall be deemed delivered upon Payee's receipt of such facsimile transmission.

All notices or demands required or permitted hereunder shall be in writing and delivered to the person to whom the notice is directed, either in person, by facsimile transmission, or by United

-1-

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1326

CONFIDENTIAL
SEC100015556
PSI00027423

5465

States Mail, as a registered or certified item, return receipt requested. Notices delivered by mail shall be deemed given three (3) days after deposit of same in a regularly maintained receptacle for the United States Mail, with proper postage prepaid, and addressed as follows:

If to Maker: Charles Wylly
300 Crescent Court, Suite 1000
Dallas, Texas 75201

If to Payee: Security Capital, Ltd.
P. O. Box 30868 SMB
Ugland House
Georgetown, Grand Cayman

This Note has been executed and delivered, and is to be performed, in the State of Texas, and the laws of such state shall govern the validity, construction, enforcement, and interpretation of this Note.

All agreements between Maker and Payee are expressly limited so that in no contingency or event whatsoever, whether by reason of advancement of the payment hereof, acceleration of maturity of the unpaid principal balance hereof, or otherwise, shall the amount paid or agreed to be paid to the holder hereof for the use, forbearance, or detention of the money to be advanced hereunder exceed the highest rate permissible under the laws of the State of Texas. If, from any circumstance whatsoever, fulfillment of any provision hereof or any other agreement referred to herein shall, at the time fulfillment of such provision be due, involve transcending the limit of validity prescribed by law which a court of competent jurisdiction may deem applicable hereto, then ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity, and if from any circumstance the holder hereof shall ever receive as interest an amount which would be excessive, such amount shall (i) be applied to the reduction of the unpaid principal balance due hereunder or (ii) be refunded to Maker and not applied to the payment of interest. This provision shall control every other provision of all agreements between Maker and the holder hereof.

Maker shall have the right to prepay the indebtedness evidenced by this Note, in whole or in part, at any time, without premium or penalty of any kind whatsoever, and interest shall immediately cease to accrue on any part of this Note so prepaid.

This Note is an unregistered debt instrument issued by a foreign lender to a United States of America obligor.

This Note cannot be offered or sold (or resold in connection with its original issuance) to any individual or entity who is a "United States Person" as that term is defined and interpreted under the laws of taxation of the United States of America. With respect to any assignee who is not a "United States Person," Payee may assign the Note without the consent of Maker and any such assignment shall not relieve the Maker of its obligations hereunder, except that Maker shall make all payments to and give any notices at the address of such assignee as provided to Maker by Payee.

- 2 -

CONFIDENTIAL
SEC100015557
PST00027424

5466

This Note is intended to constitute and qualify as "portfolio debt investment" as that term is defined and interpreted under the taxation laws of the United States of America. The parties to this Note specifically intend that the interest payable hereunder shall not be subject to income or excise taxation, including the imposition of any withholding taxes thereon, under the laws of the United States of America or any state or municipality thereof.

The principal and interest payable per the terms and condition of this Note shall be payable only outside the United States of America and its possessions.

It is specifically understood and intended that no "United States Person" (as that term is defined and interpreted under the taxation laws of the United States of America) shall ever be an owner or holder of this Note; however, should any "United States Person" (as that term is defined and interpreted under the taxation laws of the United States of America) ever become a holder or owners of this Note, such "United States Person" will be subject to limitation under the income tax laws of the United States of America. Any "United States Person" who holds this Note will be subject to limitation under the United States income tax laws, including the limitation provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.

The owner of this Note must certify to the Maker (or any distributor) of this Note that the owner is not a "United States Person" (as that term is defined and interpreted under the taxation laws of the United States of America.)

IN WITNESS WHEREOF, the undersigned has executed this Note effective as of the date and year first above written.



CHARLES J. WYLY, JR.

5467

AGREED:

The undersigned acknowledges and agrees to all terms and conditions of this Note. The undersigned certifies to the Maker that the undersigned is not a "United States Person" (as that term is defined under the taxation laws of the United States of America).

SECURITY CAPITAL, LTD.,
A Cayman Islands Exempted Company

By: /s/ J.D. Hunter

Name: J.D. HUNTER
Director

Title: _____

Dated Effective as of October 1, 2002

254440.2

- 4 -

CONFIDENTIAL
SECI00015559
PSI00027426



5468

— = Redacted by the Permanent
Subcommittee on Investigations

From: Keeley Hennington
Sent: Wednesday, October 09, 2002 9:27 AM
To: MBoucher@ [REDACTED] Margot MacInnis [REDACTED]
Subject: Notes
Attachments: WYLY - Note from Gorsemoor to Security Capital_v1.doc; WYLY - Note from Security Capital to CW_v1.doc

Attached are the two note agreements for the \$6M loan. Do you want me to have CJW execute an original and send to you for Security Capital signature?

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

 WYLY - Note from
Gorsemoor to ...
 WYLY - Note from
Security Capl...

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1326

Confidential
SEC_ED00013466

PSI_ED00013466

— = Redacted by the Permanent
Subcommittee on Investigations

From: Keeley Hennington
Sent: Friday, October 11, 2002 3:00 PM
To: Andrea Westbrook
Subject: Security Capital Loan

FYI - we are just going to leave this in the account until I hear from CJW to pay Sam

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

----- Forwarded by Keeley Hennington/htst on 10/11/02 04:04 PM -----

Margot MacInnis
10/11/02 11:01 AM

To: "Khennington (E-mail)" <[REDACTED]>
cc: Michelle Boucher <[REDACTED]>
Subject: Security Capital Loan

Security Capital will be wiring the \$6million on Tuesday, October 15.

Margot MacInnis
Compliance Manager
Irish Trust Company
P.O. Box 10658 APO
5th Floor Harbour Place
George Town, Grand Cayman
Tel: (345) [REDACTED]
Fax: (345) [REDACTED]

This email communication is intended as a private communication for the sole use of the primary addressee and those individuals listed for copies in the original message. The information contained in this email is private and confidential and if you are not an intended recipient you are hereby notified that copying, forwarding or other dissemination or distribution of this communication by any means is prohibited. If you are not specifically authorized to receive this email and if you believe that you received it in error please notify the original sender immediately.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1326

Confidential
SEC_ED00013492

PSI_ED00013492

5470

the Irish Trust Company (Cayman) Ltd.

P.O. Box 10658 APO
5th Floor, Harbour Place
George Town, Grand Cayman
Cayman Islands, BW1
(345) 949-0658
Fax: (345) 949-2519
E-mail: irishtst@candw.ky

*File
CSW NLP
to Security Capital*


October 25th, 2002

Keeley Hennington
300 Crescent Court
Suite 1000
Dallas Texas, 75201
USA

Dear Keeley,

Please find attached the original promissory note between Security Capital and Charles Wyly.

Yours truly,



Margot MacInnis
Manager Trust & Compliance

*Interest on Sep 2012
prmt of \$294,000 due
Sept 30 10th year*

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1326

CONFIDENTIAL
SECI00015555
PST00077427

5471

PROMISSORY NOTE

\$6,000,000.00

Effective October 1, 2002

FOR VALUE RECEIVED, the undersigned ("Maker") promises to pay to the order of GORSEMOOR LIMITED ("Payee"), the principal sum of SIX MILLION and NO/100 DOLLARS (\$6,000,000.00), together with interest on the unpaid principal sum from time to time outstanding at the rate of FOUR AND FIVE HUNDRED AND TWENTY-FIVE THOUSANDTHS PERCENT (4.525%) per annum from the date hereof until paid. All principal and interest payable hereunder shall be due and payable in lawful money of the United States of America.

Interest on this Note shall be payable in ten (10) annual installments, commencing one year from the date hereof, and payable each succeeding year thereafter. Each interest installment shall be in the amount of \$271,500. All remaining unpaid principal, together with any accrued, but unpaid interest, shall be payable in full on September 30, 2012.

The entire unpaid principal balance of, and all accrued interest on, this Note shall immediately become due and payable at the option of the Payee upon the occurrence of the following events of default (the "Event of Default"): Failure by Maker to pay the principal and/or interest hereon as and when the same becomes due and payable in accordance with the terms hereof and the continuation of said failure for a period of ten (10) days after Payee has provided Maker with written notice of such failure; or

In the event the Event of Default specified hereinabove shall occur, Payee may proceed to protect and enforce its rights either by suit in equity and/or by action at law, or by other appropriate proceedings. No delay on the part of the holder of this Note in the exercise of any power or right under this Note or under any other instrument executed pursuant thereto shall operate as a waiver thereof, nor shall a single or partial exercise of any other power or right preclude further exercise thereof.

Except as expressly otherwise provided herein, Maker waives demand, presentment, protest, notice of nonpayment, notice of protest, notice of intent to accelerate, notice of acceleration, and any and all lack of diligence or delay in collection or the filing of suit hereon which may occur.

If this Note is not paid at maturity, howsoever such maturity may be brought about, and the same is placed in the hands of an attorney for collection, or if this Note is collected by suit or through bankruptcy, probate, or other legal proceedings, Maker agrees to pay the costs of collection and attorneys' fees, in addition to the principal and interest.

This Note may be delivered by telefacsimile or similar facsimile transmission and, in such case, shall be deemed delivered upon Payee's receipt of such facsimile transmission.

-1-

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1327

Confidential
SEC_ED00013467

PSI_ED00013467

5472

All notices or demands required or permitted hereunder shall be in writing and delivered to the person to whom the notice is directed, either in person, by facsimile transmission, or by United States Mail, as a registered or certified item, return receipt requested. Notices delivered by mail shall be deemed given three (3) days after deposit of same in a regularly maintained receptacle for the United States Mail, with proper postage prepaid, and addressed as follows:

If to Maker:	Security Capital, Ltd. P. O. Box 30868 SMB Ugland House Georgetown, Grand Cayman
If to Payee:	Gorsemoor Limited C/o Trident Trust Company (IOM) Limited Attn: Francis Webb P.O. Box 175 12-14 Finch Road Douglas, Isle of Man British Isles IM1997TT

This Note has been executed and delivered, and is to be performed, in the British West Indies, Grand Cayman, and the laws of such country shall govern the validity, construction, enforcement, and interpretation of this Note.

All agreements between Maker and Payee are expressly limited so that in no contingency or event whatsoever, whether by reason of advancement of the payment hereof, acceleration of maturity of the unpaid principal balance hereof, or otherwise, shall the amount paid or agreed to be paid to the holder hereof for the use, forbearance, or detention of the money to be advanced hereunder exceed the highest rate permissible under the laws of Grand Cayman. If, from any circumstance whatsoever, fulfillment of any provision hereof or any other agreement referred to herein shall, at the time fulfillment of such provision be due, involve transcending the limit of validity prescribed by law which a court of competent jurisdiction may deem applicable hereto, then ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity, and if from any circumstance the holder hereof shall ever receive as interest an amount which would be excessive, such amount shall (i) be applied to the reduction of the unpaid principal balance due hereunder or (ii) be refunded to Maker and not applied to the payment of interest. This provision shall control every other provision of all agreements between Maker and the holder hereof.

Maker shall have the right to prepay the indebtedness evidenced by this Note, in whole or in part, at any time, without premium or penalty of any kind whatsoever, and interest shall immediately cease to accrue on any part of this Note so prepaid.

This Note is an unregistered debt instrument issued by a foreign lender to a United States of America obligor.

- 2 -

Confidential
SEC_ED00013468

SEC_ED00013468

This Note cannot be offered or sold (or resold in connection with its original issuance) to any individual or entity who is a "United States Person" as that term is defined and interpreted under the laws of taxation of the United States of America. With respect to any assignee who is not a "United States Person," Payee may assign the Note without the consent of Maker and any such assignment shall not relieve the Maker of its obligations hereunder, except that Maker shall make all payments to and give any notices at the address of such assignee as provided to Maker by Payee.

This Note is intended to constitute and qualify as "portfolio debt investment" as that term is defined and interpreted under the taxation laws of the United States of America. The parties to this Note specifically intend that the interest payable hereunder shall not be subject to income or excise taxation, including the imposition of any withholding taxes thereon, under the laws of the United States of America or any state or municipality thereof.

The principal and interest payable per the terms and condition of this Note shall be payable only outside the United States of America and its possessions.

It is specifically understood and intended that no "United States Person" (as that term is defined and interpreted under the taxation laws of the United States of America) shall ever be an owner or holder of this Note; however, should any "United States Person" (as that term is defined and interpreted under the taxation laws of the United States of America) ever become a holder or owners of this Note, such "United States Person" will be subject to limitation under the income tax laws of the United States of America. Any "United States Person" who holds this Note will be subject to limitation under the United States income tax laws, including the limitation provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.

The owner of this Note must certify to the Maker (or any distributor) of this Note that the owner is not a "United States Person" (as that term is defined and interpreted under the taxation laws of the United States of America.)

IN WITNESS WHEREOF, the undersigned has executed this Note effective as of the date and year first above written.

SECURITY CAPITAL, LTD.,
A Cayman Islands Exempted Company

By: _____

Name: _____

Title: _____

5474

AGREED:

The undersigned acknowledges and agrees to all terms and conditions of this Note. The undersigned certifies to the Maker that the undersigned is not a "United States Person" (as that term is defined under the taxation laws of the United States of America).

GORSEMOOR LIMITED

By: _____

Name: _____

Title: _____

Dated Effective as of October 1, 2002

272058

- 4 -

Confidential
SEC_ED00013470

SEC_ED00013470

5475

		LAST_TRADE	HIGH	LOW	VOLUME	CHG_NET_1D
CA	CA EQUITY	#REF!	#REF!	#REF!	#REF!	#REF!
MIK	MIK EQUITY	#REF!	#REF!	#REF!	#REF!	#REF!
SCT	SCT EQUITY	#REF!	#REF!	#REF!	#REF!	#REF!
INDU	INDU INDEX	#REF!	#REF!	#REF!	#REF!	#REF!
CCMP	CCMP INDEX	#REF!	#REF!	#REF!	#REF!	#REF!
SPX	SPX INDEX	#REF!	#REF!	#REF!	#REF!	#REF!
RELX	RELX INDEX	#REF!	#REF!	#REF!	#REF!	#REF!
MSH	MSH INDEX	#REF!	#REF!	#REF!	#REF!	#REF!
		PX_LAST		YLD_YTM_BID		
CB3	CB3 GOVT	#REF!		#REF!		
CB1	CB1 GOVT	#REF!		#REF!		
CT10	CT10 GOVT	#REF!		#REF!		
CT30	CT30 GOVT	#REF!		#REF!		
MIKE 9.25	MIKE 9.25 CORP	#REF!		#REF!		
PRIME	PRIME INDEX	#REF!				
FDFD	FDFD INDEX	#REF!				
BLR	BLR INDEX	#REF!				
US0001M	US0001M INDEX	#REF!				

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1327

Confidential
SEC_ED00027422

DO NOT REPRODUCE

— = Redacted by the Permanent
Subcommittee on Investigations

From: Keeley Hennington
Sent: Tuesday, February 04, 2003 6:14 AM
To: "Michelle Boucher" [REDACTED]
Subject: Re: gorsemoor / sec cap

Yes -- this one is fine

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

"Michelle Boucher" <[REDACTED]>
02/03/03 06:50 PM
To: <khennington@[REDACTED]>
cc:
Subject: gorsemoor / sec cap

Just want to make sure we are okay on this loan too? \$6M October 1st, 1994 trust.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1327

Confidential
SEC_ED00011718

— = Redacted by the Permanent
Subcommittee on Investigations

Charles J. Wyly, Jr.
Cash Flow Summary- Domestic
Year ended December 31, 2002

YTD 2002		
Cash and Agencies at 1/01/02		\$ 1,281,367
Inflows:		
Interest and Dividends	49,922	
Annuity Income	15,029	
Director Fees	487,500	
Sale of Rolis Royce	44,000	
Borrow - Security Capital	6,000,000	
Borrow - Stargate	7,170,000	
Borrow - Chip Trust	4,235,000	
Total Inflow		18,001,451
Outflows:		
Investments:		
Contribution to Lambda	255,000	
Contribution to C&S Aviation	2,460,750	
Loan - HS	80,000	
Deloache - Conservatory	946,577	
955 Construction	2,690,393	
Furniture	69,325	
Art - Anderson Ranch	55,696	
Jewelry	101,879	
Total Investments		6,659,620
Expenses:		
Medical expense		
Property Tax (Deloache and Jourdan Way)	163,895	
Mortgage - Jourdan Way	274,526	
Charity	85,610	
Legal	96,242	
Domestic	9,600	
Taxes - Federal	1,388,757	
Gifts - Non Charitable	76,690	
Personal withdraws (Aspen account)	84,529	
Political (note 1)	20,950	
Insurance	112,793	
Rent (office and Aspen)	399,501	
Household	713,629	
Telephone	4,595	
Subscriptions/Dues	11,298	
Travel/Entertainment	998,970	
Trainer	6,950	
Miscellaneous (mostly photography)	396,046	
Credit Cards	604,030	

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1327

Confidential
SEC_ED00063802

SEC_ED00063802

5479

09/29/2003 10:41 FAX

001

*** TX REPORT ***

TRANSMISSION OK

TX/RX NO	1412	
CONNECTION TEL		9p2145596317
CONNECTION ID	BANK OF AMERICA	
ST. TIME	09/29 10:41	
USAGE T	00'17	
PGS. SENT	1	
RESULT	OK	

— = Redacted by the Permanent
Subcommittee on Investigations

September 29, 2003

Marta Engram
Bank of America
901 Main Street, 19th Floor
Dallas, Texas 75202

Dear Marta:

Please wire funds as follows:

Amount: \$294,000.00

From: Charles J. Wyly, Jr. - Community Property
47 7076 6926

To: Bank: Bank of New York,
1 Wall Street,
New York 10286.
ABA No.: 021-000-018
Swift Id.: IRVTUS3N
A/C # : [REDACTED]
A/c Name: Bank of Butterfield International (Cayman) Ltd.
Swift Id.: BNTBKYYK
Final credit: Queensgate Bank & Trust Company Ltd.
A/c # : [REDACTED]

REF: Security Capital, [REDACTED]

Reference #: 0309 93

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1329

CONFIDENTIAL
HST_PSI009336
[REDACTED]

5480

Keeley Hennington/htst
09/23/2003 10:49 AM

To: Andrea Westbrook
cc:
bcc:
Subject: Fw: Security Capital Interest Payment

This is what we were discussing yesterday

— = Redacted by the Permanent
Subcommittee on Investigations

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

----- Forwarded by Keeley Hennington/htst on 09/23/03 10:55 AM -----



"Margot MacInnis"

09/23/03 10 18 AM

To: "Khennington (E-mail)"
cc: "Michelle Boucher"
Subject: Security Capital Interest Payment

The interest payment from CW to Security Capital is due on October 1 with regard to the \$6million promissory note. The interest payment is \$294,000 [interest rate of 4.9%]

Security Capital's wiring instructions are attached. If it's possible please wire the funds for value September 30th so that Security Capital can in turn meet it's interest obligation.

<<WIRING INSTRUCTIONS_SECCAP.doc>>
Margot MacInnis
Compliance Manager

(345) (tel)
(345) (fax)
The Irish Trust Company
P.O. Box 10658 APO
5th Floor Harbour Place
Grand Cayman, Cayman Islands



WIRING INSTRUCTIONS_SECCAP.doc

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1329

CONFIDENTIAL
SEC100026385
PS100038252

5481

**Bank of America**

CHARLES J WYLY JR COMMUNITY PROPERTY
 RENA ALEXANDER JANA FREDERICK
 KEELY HENNINGTON OR DONNIE MILLER

Page 3 of 4
 Statement Period
 09-01-04 through 09-30-04
 Number of checks enclosed: 73
 E 00 0 C P 24 0000087
 Account Number: 0047 7976 6826

Interest Checking Additions and Subtractions

Date Posted	Amount(\$)	Resulting Balance(\$)	Transaction
09-21	840.00 ✓	58,955.21	
09-21	526.57 ✓	58,428.64	
09-22	600,000.00 + ✓	658,428.64	
09-22	510,000.00 ✓	148,428.64	
09-22	51,183.72 ✓	97,244.92	
09-22	15,034.36 ✓	82,210.56	
09-22	12,845.71 ✓	69,364.85	
09-22	1,066.03 ✓	68,298.82	
09-22	866.25 ✓	67,432.57	
09-22	750.00 ✓	66,682.57	
09-22	126.82 ✓	66,555.75	
09-23	11,025.00 ✓	55,530.75	
09-23	7,262.50 ✓	48,268.25	
09-23	5,900.00 ✓	41,368.25	
09-23	5,000.00 ✓	36,368.25	
09-23	1,010.00 ✓	35,358.25	
09-23	72.00 ✓	35,286.25	
09-24	1,500,000.00 + ✓	1,535,286.25	
09-24	146,869.85 ✓	1,388,416.40	
09-24	25,000.00 ✓	1,363,416.40	
09-24	20,526.03 ✓	1,342,890.37	
09-24	12,093.75 ✓	1,330,796.62	
09-24	547.61 ✓	1,330,249.01	
09-24	473.62 ✓	1,329,775.39	
09-27	78,006.35 ✓	1,251,769.04	
09-27	11,004.21 ✓	1,240,764.83	
09-27	1,000.00 ✓	1,239,764.83	
09-27	1,000.00 ✓	1,238,764.83	
09-27	48.89 ✓	1,238,715.94	
09-27	23.50 ✓	1,238,692.44	
09-27	4.51 ✓	1,238,687.93	
09-28	1,549.31 + ✓	1,240,237.24	
09-28	46,000.00 ✓	1,200,237.24	
09-28	108,795.12 ✓	1,091,442.12	
09-28	10,000.00 ✓	1,081,442.12	
09-28	319.00 ✓	1,081,123.12	
09-29	19,507.26 ✓	1,061,615.86	
09-29	13,041.24 ✓	1,048,574.62	
09-29	9,170.00 ✓	1,039,404.62	
09-29	76.00 ✓	1,039,328.62	
09-30	294,000.00 ✓	745,328.62	
09-30	122.32 ✓	745,206.30	
09-30	26.49 ✓	745,179.81	
09-30	20.00 ✓	745,159.81	
09-30	27.17 + ✓	745,186.98	

Redacted by the Permanent
 Subcommittee on Investigations

Wire Type: Wire Out Date: 093004 Time: 1404 Ct
 Trn: 040930067676 Fdref/Seq: 040930067676/002566
 Bnf: Queenagate Bank Trust Co ID: 0009067457 Bnf Bk:
 Webster Bank, N.A. ID: 211170101 Pmt Det: 0104093000
 4860Nnref: Security Capital Ltd, A/C 2122

Redacted by the Permanent
 Subcommittee on Investigations

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1329

Recycled Paper

CONFIDENTIAL
 NOT FOR RELEASE

5482

September 30, 2004

Marta Engram
Bank of America
901 Main Street, 19th Floor
Dallas, Texas 75202

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Dear Marta:

Please wire funds as follows:


Amount: \$294,000.00
From: Charles J. Wyly, Jr. - Community Property
47 7076 6926
To: Webster Bank
10 Main Street
Bristol, CT 06010
Hartford, CT
ABA No.: 211-170-101
Credit: Queensgate Bank & Trust Company Ltd.
A/C #: [REDACTED]

REF: Security Capital Ltd., A/C [REDACTED]

Reference #: 0409_88

Please call me at 214/[REDACTED] if you have any questions.

Sincerely,


Keeley Hennington


Jana Frederick

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1329

CONFIDENTIAL
HST_PSI011040
101

5483

Bank of America



WIRE TRANSFER ADVICE PAGE 1 OF 1
BANK OF AMERICA, N.A.
WIRE TRANSFER DEPT CA4-706-08-21
CONCORD, CA 94520

CHARLES J MYLY JR COMMUNITY PROPERTY
RENA ALEXANDER, JANA FREDERICK,
300 CRESCENT CT STE 1000
DALLAS TX 75201-7852

DATE: 09/30/04
DIRECT INQUIRIES TO THE CUSTOMER
SERVICE NUMBER LISTED ON YOUR
BANK STATEMENT
ACCOUNT: TX [REDACTED]

THE FOLLOWING WIRE HAS DEBITED TODAY:

USD AMOUNT \$294,000.00

TRANSACTION REF:	040930067676	FEDREF/SEQ:	040930067676 /002566
RELATED REF:	01040930004860NN	IMAD:	20040930L1LFBF8C002566
ORIGINATOR:	CHARLES J MYLY JR COMMUNITY PROPERTY	ID:	004770766926
INSTRUCTING BANK:	BANK OF AMERICA	ID:	BFTA
BENEFICIARY:	QUEENSGATE BANK TRUST COMPANY LTD	ID:	[REDACTED]
BENEFICIARY'S BANK:	WEBSTER BANK, N.A.	ID:	[REDACTED]
PAYMENT DETAIL:	REF: SECURITY CAPITAL LTD, A/C [REDACTED]		

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

CONFIDENTIAL
LIST DSIC41044

— = Redacted by the Permanent
Subcommittee on Investigations

From: Keeley Hennington
Sent: Monday, September 20, 2004 7:43 AM
To: Andrea Westbrook
Cc: mboucher@ [REDACTED]; mmacinnis@ [REDACTED]
Subject: CJW/Security Capital

There is an interest payment due Sept. 30 on the \$6M loan between CJW and SC. Andrea - can you pull what we did last time and calculate the amount and then we will get with Michelle and Margot to see how best to handle.

Thanks

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1329

Confidential
SEC_ED00015095

PSI ED00015095

— = Redacted by the Permanent
Subcommittee on Investigations

From: Keeley Hennington
Sent: Monday, September 20, 2004 10:30 AM
To: Andrea Westbrook
Subject: Re: CJW/Security Capital
Attachments: Doc Link.htm

We should have a file in the file room and if you will bring it in along with the number from last time we will try to figure out what they did. Thanks

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

Andrea Westbrook/htst
09/20/04 11:17 AM

To
Keeley Hennington/htst@htst
cc

Subject
Re: CJW/Security Capital

The last payment we made, they sent me the payment amount. I do not have any back up on how that was calculated, but if you could point me in the right direction, I will be happy to look into it.

Thanks!

Keeley Hennington/htst
09/20/2004 08:43 AM

To
Andrea Westbrook
cc
mbouchere [REDACTED] mmacinnis [REDACTED]
Subject

Confidential
SEC_ED00015096

PSI ED00015096

5486

CJW/Security Capital

There is an interest payment due Sept. 30 on the \$6M loan between CJW and SC. Andrea - can you pull what we did last time and calculate the amount and then we will get with Michelle and Margot to see how best to handle.

Thanks

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.



Doc Link.htm (205
B)

Confidential
SEC_ED00015097

PSI ED00015097

5487

Keeley Hennington

Confidential
SEC_ED00015098

PSI ED00015098

— = Redacted by the Permanent
Subcommittee on Investigations

.

From: Keeley Hennington
Sent: Tuesday, September 21, 2004 6:45 AM
To: Andrea Westbrook
Subject: Re: CJW/Security Capital
Attachments: Doc Link.htm

That's great - we will just wait for them to tell us when to send. Thanks

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

Andrea Westbrook/htst
09/20/04 03:08 PM

To
Keeley Hennington [REDACTED]
cc

Subject
Re: CJW/Security Capital

I found the file. I was thinking about the \$25mil loan not the \$6mil. The interest on the \$6mil is \$294,000. I talked to Michelle and she said to wait closer to the 30th to pay. Queensgate Bank was setting up in the Bahamas, I think she said, and she will let me know when it is ok to send. Let me know if there is more that needs to be done with this. Thanks! Andrea

Keeley Hennington/htst
09/20/2004 11:30 AM

To
Andrea Westbrook/[REDACTED]
cc

Subject
Re: CJW/Security Capital

Confidential
SEC_ED00015099

PSI_ED00015099

— Redacted by the Permanent
Subcommittee on Investigations

We should have a file in the file room and if you will bring it in along with the number from last time we will try to figure out what they did. Thanks

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

Andrea Westbrook/htst
09/20/04 11:17 AM

To
Keeley Hennington/htst@htst
cc

Subject
Re: CJW/Security Capital

The last payment we made, they sent me the payment amount. I do not have any back up on how that was calculated, but if you could point me in the right direction, I will be happy to look into it.

Thanks!

Keeley Hennington/htst
09/20/2004 08:43 AM

To
Andrea Westbrook
cc
mboucher@ [REDACTED], mmacinnis@ [REDACTED]
Subject
CJW/Security Capital

Confidential
SEC_ED00015100

DSI ED00015100

5490

There is an interest payment due Sept. 30 on the \$6M loan between CJW and SC. Andrea - can you pull what we did last time and calculate the amount and then we will get with Michelle and Margot to see how best to handle.

Thanks

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.



Doc Link.htm (205
B)

Confidential
SEC_ED00015101

Doc ED00015101

— = Redacted by the Permanent
Subcommittee on Investigations

From: Andrea Westbrook
Sent: Thursday, September 30, 2004 12:11 PM
To: "Margot MacInnis"
Subject: RE: CJW/Security Capital

I faxed the wire a little earlier so it should be there later today.

Thanks!

"Margot MacInnis"
09/30/2004 12:28 PM

To: <khennington> <awestbrook>
cc: <mboucher>
Subject: RE: CJW/Security Capital

I confirm that CW should wire \$294,000 to Security Capital for value September 30th. The wiring instructions are attached.

Bank Name: Webster Bank
10 Main Street
Bristol, CT 06010
Hartford, CT
ABA #: 211-170-101
Credit: Queensgate Bank & Trust Company Ltd.
A/C #:
Ref: Security Capital Ltd, A/C

Let me know if you need anything else.

Margot

-----Original Message-----
From: khennington
Sent: Monday, September 20, 2004 7:44 AM
To: awestbrook
Cc: mboucher; mmacinnis
Subject: CJW/Security Capital

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1329

Confidential
SEC_ED00008911

PSI_ED00008911

5492

There is an interest payment due Sept. 30 on the \$6M loan between CJW and SC. Andrea - can you pull what we did last time and calculate the amount and then we will get with Michelle and Margot to see how best to handle.

Thanks

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

Confidential
SEC_ED00008912

— = Redacted by the Permanent
Subcommittee on Investigations

From: Keeley Hennington
Sent: Thursday, July 13, 2000 3:52 PM
To: Evan Wylly
Cc: mboucher@
Subject: Cottonwood property

Evan -

I just wanted to make you aware of the project I am working on with Kelly with regard to the Paragon building in Aspen. We have been negotiating over the past few months and are now getting close to agreeing on terms and I wanted to make sure you and Sam were aware of where we are heading. I thought if you get a chance you might mention to Sam tomorrow.

The purchase price is \$7,775,000. We are buying first floor retail space (to be used as the gallery) and the second floor of the building. In the short term, half of the second floor will be built out for personal office space for family. The other half will be left alone and could be sold, rented or built out in the future.

We are using a structure very similar to the Two Mile Ranch structure. New grantor trusts will be formed owned by a new foreign corporation and the individuals who will be using the property (1%) each. Of the total cost, 98% will be funded from offshore. The management trust will contribute the money to a new Colorado LLC which will purchase the property.

The seller still has substantial repairs to the property some of which he is doing now and some which will be done later. For those that will be done later, funds equal to 150% of the estimated cost will be set aside at closing under our escrow agreement.

This property is unusual because it is zoned as a condominium. Since this is the case, we have to become part of a condo association. We are in the process of doing these documents now. Kelly has agreed to allow the seller to control the association. However, we will have approval of design of the common areas and no repairs/improvements over \$25,000 can be made by the condo association without our approval.

I have made Kelly aware of what I feel the risks are with this property, mainly that the seller could take advantage of his control of the association to make excessive or unnecessary repairs. It is very hard since I am not there to talk with the seller, etc. to know if these concerns are valid. Kelly did say that she trusts the seller and the contractor doing the work and she was willing to let the seller control in order to close the deal.

Currently the purchase is set to close on August 15th and we are working on setting all the necessary legal entities. I know Kelly and Kristin are there watching over construction, etc. and I do not want to step on any toes. I just wanted to make sure everyone knew this was going on. Hope that's okay. Please call me if you have any questions.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1331

Confidential
 SEC_ED00004735

PSI_ED00004735

Cottonwood Ventures - First Floor			
December 31, 2004	Shs/Face	Book	FMV
ASSETS			
Cash		9,888	9,888
Real Estate		2,796,091	2,796,091
Art Inventory		240,000	240,000
TOTAL ASSETS		3,045,979	3,045,979
LIABILITIES			
		0	0
TOTAL LIABILITIES		0	0
CAPITAL			
Cottonwood Gallery, Inc.	88%		2,671,550
Wyly Works	12%		374,429
TOTAL CAPITAL		3,045,979	3,045,979
TOTAL LIABILITIES & CAPITAL		3,045,979	3,045,979

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1332

CONFIDENTIAL
HST PSI007034

Cottonwood II Limited - Bessie, Orange, Pops, Flo Flo, Bubba, Balch, Katy (SW,EW,LW,LM,KE,AW,CW)			
Foreign Grantor - 1994		Shares or	Market
Priced at 12/31/04		Face Value	Value
		Book	FMV
Cash			
Bank of Bermuda		9,605	9,605
Total Cash		9,605	9,605
Loans & Advances Receivable			
Intertrust advances		-	-
Total Loans & Advances Receivable		-	-
Investments in Real Estate Trusts			
Cottonwood Ventures II Management Trust		10,379,000	9,378,263
Total Investments in Real Estate Trusts		10,379,000	9,378,263
Total Investments		10,379,000	9,378,263
TOTAL ASSETS		10,388,605	9,387,868
Loans & Advances Payable			
Due to Greenbriar		5,504,000	5,504,000
Due to Audubon		267,702	267,702
Due to Bessie Trust		-	-
Due to Yurta Faf		2,564,804	2,564,804
Due to Orange, LLC		347,355	347,355
Due to Pops, LLC		347,355	347,355
Due to Flo Flo, LLC		347,354	347,354
Due to Bubba, LLC		347,355	347,355
Due to Balch, LLC		347,353	347,353
Due to Katy, LLC		347,353	347,353
Total Loans & Advances Payable		10,420,634	10,420,634
TOTAL LIABILITIES		10,420,634	10,420,634
NET EQUITY		(32,028)	(1,032,765)
TOTAL LIABILITIES & EQUITY		10,388,605	9,387,868

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1332

CONFIDENTIAL
SECT00014730
PSI00026597

— = Redacted by the Permanent
Subcommittee on Investigations

From: Keesley Hennington
Sent: Wednesday, April 19, 2000 8:41 AM
To: "Michelle Boucher" [REDACTED]
Subject: Re: cottonwood

No, I think this money would be fine as long as it is reimbursed by the entity eventually buying the property (treat as short-term loan). Let me know if you need me to do anything else on this right now. I am assuming since you talked to Rodney yesterday that he will call either you or I today. I do not know if he talked to Kelly yesterday or not, but I will follow up. Thanks

"Michelle Boucher:" [REDACTED] on 04/19/2000 01:35:09 PM
To: <khennington@ [REDACTED]>
cc:
Subject: cottonwood

Kristin called me today, apparently they are waiting on Rodney's comments on the offer documents before submitting it. I thought they knew they were okay to submit the offer, and that we would sort out the structure etc... before closing. But I guess I wasn't clear enough. Anyway, I called Rodney, and, with respect to the structure - they are still working on it - 'as we speak' (<- I'm sure!); but he promised to call Kelly immediately and clear them to put the offer in. :-)

Rena has cash available in the Two Mile Ranch Management Trust account. I think it would be okay to use this for the earnest - I can't see any reason not to- can you?

Michelle

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1333

PSI-WYBR.00577

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

From: Keeley Hennington
Sent: Tuesday, May 02, 2000 7:14 AM
To: "Michelle Boucher" [REDACTED]
Subject: Re: cottonwood capital

Michelle - I am back in the office and I do not see any memo from Rodney. Do you need me to follow up or have you heard anything?

"Michelle Boucher" [REDACTED] on 04/26/2000 36:45:15 PM
To: "Michelle Boucher" [REDACTED], <khennington@
<evan_wyly@>, <irishtst@>
<shari_robertson@>
cc:

Subject: Re: cottonwood capital

Rodney advised me this evening that he and Charles Pulman have put together a structure they are comfortable with - we should receive their memo very shortly.

Michelle

-----Original Message-----

From: Michelle Boucher [REDACTED]
To: khennington@ [REDACTED], ralexander [REDACTED]
[REDACTED]; evan_wyly [REDACTED],
[REDACTED]; irishtst [REDACTED],
shari_robertson [REDACTED],
rowens [REDACTED]
Date: Wednesday, April 26, 2000 7:22 PM
Subject: cottonwood capital

Kristin Yeary called me this afternoon, apparently terms were agreed upon today for the new Aspen property.

The purchase price will be \$7,775,000
Earnest money remains \$600,000

The offer was presented by Wy-works, Inc. DBA Cottonwood Capital. Kristin will arrange for a copy of the contract to be faxed to me tomorrow. She wasn't sure what the closing date was.

Rena - I will fax you wire instructions tonight, we need to arrange for the \$600K wire at your earliest convenience. Please let me know when it goes.

Rodney - Keeley is back on Monday, we need to push ahead to determine how to structure the acquisition, can we schedule a call to discuss early next week? I will let you know closing dates asap.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1333

PSI-WYBR 00578

— = Redacted by the Permanent
Subcommittee on Investigations



"Michelle Boucher" [REDACTED]

05/05/2000 08:35 AM

To: khennington [REDACTED]
cc: Shari Robertson/Maverick@maverickcap
Subject: Re: Cottonwood memo comments

Thanks Keeley - I haven't gotten to this yet, but appreciate your comments.
We'll touch base next week!

-----Original Message-----

From: khennington [REDACTED]
To: mboucher [REDACTED]
Date: Friday, May 05, 2000 12:43 PM
Subject: Cottonwood memo comments

>Michelle -
>
>Here are my comments. I will get with Alan on some of them and some I do
>not think we can answer, just wanted to throw them out.
>
>Since we already have a contract, do we have to go back and re-do it?
>
>How do we allocate the sales price between the two floors? What
>documentation do we need? Since atleast one of the properties will exceed
>\$3MM, is there any advantage to having a higher valuation on one versus the
>other.
>
>Will we need to insure the two floors differently?
>
>Who will need to be co-grantors? If Kelly and Jason both want offices, do
>they both need to be 1% grantors or will Kelly cover this? (same with Sam
>and Cheryl). Any consequences if Kristin and/or Jay need an office?
>
>I thought the LLC used in the Personal structure was considered a single
>member LLC and therefore did not have a 1065 filing requirement.
>
>Who files the BE-13, etc.?
>
>How do we value the art business? Documentation? Is there any advantage
>to a high or low valuation? The inventory is currently boxed for shipping
>to Aspen - timing? Does Kristin have an inventory list that might help us?
>What about items held on consignment?
>
>Is there a possibility that any of the first floor will be personal use?
>Kristin could have an office here since she helps run the gallery.
>
>Do we want to make Kristin a manager of the LLC's so she can sign, etc.?
>
>Michelle, we can discuss when you get back - I'm sure there are several
>things I am not thinking about. Ya'll have a good time in IOM.
>

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1333

Confidential
SEC_ED00048162

PSI FN00048162

5499

— = Redacted by the Permanent
Subcommittee on Investigations

From: Keeley Hennington
Sent: Wednesday, June 14, 2000 2:43 PM
To: mboucher@ [REDACTED] evan_wyly@ [REDACTED]
Subject: Re: Fw: cottonwood capital

When I talked to Kelly originally, she did not care about names. I would suggest maybe Cottonwood Ventures and we could put I and II if we think that makes it easier. Also, I am not sure if there have been any decisions with regard to the second floor, so we might need a III.

evan_wyly [REDACTED]
06/14/00 03:02 PM

To: "Michelle Boucher" [REDACTED]
cc: lwlyl [REDACTED] khennington@ [REDACTED]
Subject: Re: Fw: cottonwood capital

Kelly's new Colorado phone # 970- [REDACTED]

"Michelle
Boucher" [REDACTED]
[REDACTED]
[REDACTED]
To: evan wyly, [REDACTED]
cc: khennington@ [REDACTED]
Subject: Fw: cottonwood capital

06/14/00
12:17 PM

Please see below regarding the names for the Aspen property. I don't know how to reach Kelly, so am wondering if either Evan or Lisa have any suggestions? This is only an issue for the IOM entities, unless Keeley has other information I don't think there will be a problem with the US structures using Capital in the name. Maybe we could just use Cottonwood I Limited, Cottonwood II Limited etc.... for the IOM end of things.....

Michelle

-----Original Message-----

From: Kenneth Jones < [REDACTED] >
To: "Michelle Boucher" [REDACTED]
Date: Tuesday, June 13, 2000 9:35 AM
Subject: RE: cottonwood capital

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1334

Confidential
SEC_ED00000376

DEL ED00000376

— = Redacted by the Permanent
Subcommittee on Investigations

>Thanks for your e-mail.
>
>We have checked with the Companies Registry and the word "Cottonwood"
>appears to be OK but the use of the word "Capital" has been questioned
>as
it
>may be considered the word infers a licensable activity.
>
>We can pursue the matter but it may take a little while to get a decision.
>
>Is the word "Capital" essential or is there an alternative which might
>be acceptable e.g. something like Cottonwood Properties I ?
>
>Regards,
>
>Ken
>
>> -----
>> From: Michelle Boucher[REDACTED]
>> Sent: 06 June 2000 20:30
>> To: kennethj[REDACTED]
>> Subject: cottonwood capital
>>
>> In anticipation of a future structure necessary for the acquisition
>> of additional colorado real estate, please confirm availability of
>> the following names in the Isle of Man:
>>
>> Cottonwood Capital I Limited
>> Cottonwood Capital II Limited
>> Cottonwood Capital III Limited.
>>
>>
>>
>>
>

Confidential
SEC_ED00000377

REF ID: A55555

COTTONWOOD VENTURES I, LLC
PARTNERS ALLOCATIONS
12/31/03

	Profit Percentage	Beginning Capital	Contributions	Book Income	Ending Capital
BOOK					
Capital - Wily Works	10.70%	405,064	(75,000)	(241,489)	88,575
Capital - Cottonwood Gallery	89.30%	2,639,652	190,000	(100,572)	2,729,080
	100.00%	3,044,716	115,000	(342,062)	2,817,654

	Profit Percentage	Beginning Capital	Contributions	Book Income	Ending Capital
TAX					
Capital - Wily Works	10.70%	205,412	(75,000)	(241,489)	(111,077)
Capital - Cottonwood Gallery	89.30%	2,639,652	190,000	(100,572)	2,729,080
	100.00%	2,845,064	115,000	(342,062)	2,618,002

	Wily Works	Cottonwood Gallery	Effective %
Gallery Income (Loss)	(229,757.92)		70.56815%
Building Depreciation/Insurance	(112,303.69)	(100,572)	29.40185%

p:\tax\cottonwood\FILE\Tax Allocation

Confidential
SEC_ED00056008

PSI_ED00056008

Net Income (Loss)	<u>(342,061.61)</u>	<u>(241,489)</u>	<u>(100,572)</u>	<u>100.000000%</u>
-------------------	---------------------	------------------	------------------	--------------------

NOTE 1/ Per the partnership agreement, all income and loss should be allocated based on contributed property. Wyly Works contributed the art and Cottonwood Gallery Inc contributed the building. Since the art gallery uses the building, we allocate the ownership percentage of building expenses. Ownership percentages are calculated based on beginning capital plus contributions for each partner.

NOTE 2/ Kelly is the sole shareholder of Wyly Works, so when she contributes money it's the same as Wyly Works contributing.

p:\tax\cottonwood\FTL E\Tax Allocation

Confidential
SEC_ED00056009

PSI_ED00056009

Cottonwood Ventures - Second Floor			
December 31, 2004	Shs/Face	Book	FMV
ASSETS			
Cash		7,418	7,418
Real Estate		9,099,450	9,099,450
Furniture and Fixtures		427,058	427,058
TOTAL ASSETS		9,533,926	9,533,926
LIABILITIES			
		0	0
TOTAL LIABILITIES		0	0
CAPITAL			
Cottonwood Ventures II Management Trust	100%		9,533,926
TOTAL CAPITAL		9,533,926	9,533,926
TOTAL LIABILITIES & CAPITAL		9,533,926	9,533,926

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1337

CONFIDENTIAL
 LIST 08/007022

COTTONWOOD LIMITED		
as of 12-31-12		
Investment in Cottonwood Gallery, Inc.	COST	FMV
	2,815,000	2,801,520
Cottonwood Ventures I, LLC		
Assets:		
Cash		10,223
Real Estate		2,570,550
Art Inventory		220,748
Total Assets:		2,801,520
• No Liabilities		

(Cottonwood Gallery, Inc. is owned 100% by Cottonwood I Limited. Cottonwood Ventures I, LLC is owned 92% by Cottonwood Gallery, Inc.)

COTTONWOOD LIMITED			US \$: 12/31/02
Cottonwood II Limited Investment in Cottonwood Ventures II Mgmt Trust:			
	COST		FMV
	10,129,000		9,397,253
Cottonwood Ventures II, LLC			
Assets:			
Cash			49,649
Real Estate & Fixtures			9,347,604
Total Assets:			9,397,253
* No Liabilities			

(Cottonwood Ventures II Management Trust is owned 99% by Cottonwood II Limited. Cottonwood Ventures II, LLC is owned 100% by Cottonwood Ventures II Management Trust.

0.98

50,967.00
9,526,508.00
9,577,075.00

31.00

Cottonwood Gallery Inc			
July 31, 2001			
	Shs/Face	Book	FMV
ASSETS			
Cash		9,587	9,587
Cottonwood Venture I		2,805,000	2,793,500
TOTAL ASSETS		2,814,587	2,803,087
LIABILITIES			
		0	0
TOTAL LIABILITIES		0	0
CAPITAL			
Cottonwood I Limited	100%		2,803,087
TOTAL CAPITAL		2,814,587	2,803,087
TOTAL LIABILITIES & CAPITAL		2,814,587	2,803,087

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1337

CONFIDENTIAL
SEC100032803
DOT00044270

5507

— = Redacted by the Permanent
Subcommittee on Investigations

From: Keeley Hennington
Sent: Monday, November 27, 2000 7:36 AM
To: Rena Alexander
Cc: MBoucher@ [REDACTED]
Subject: Re: Cottonwood I Ltd (IOM)

100,000 shares at .01 par value. Total investment \$1,000. Thanks

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

Rena Alexander
11/27/00 08:49 AM

To: Keeley Hennington/htst [REDACTED]
cc:
Subject: Cottonwood I Ltd (IOM)

Michelle Boucher wants to know how many shares the IOM entity gets of Cottonwood Gallery. I'm unable to find anything in the files. I also looked on the top of Lesley's desk. Do you have them, or know where they might be?

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1337

Confidential
SEC_ED00007683

PSI ED00007683

5508

— = Redacted by the Permanent
Subcommittee on Investigations

From: Keeley Hennington
Sent: Thursday, August 24, 2000 9:02 AM
To: "Irish Trust" [REDACTED]
Subject: Re: cottonwood

1,000 shares were issued. Let me know if there is anything else.

"Irish Trust" [REDACTED]
08/24/00 09:16 AM

To: <khennington@[REDACTED]>
cc:
Subject: cottonwood

Keeley,

Can you let me know how many shares Cottonwood I purchased of Cottonwood Galleries?

Thanks
Lara

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1337

Confidential
SEC_ED00004935

PSI ED00004935

5509



"Michelle Boucher"

[Redacted]

[Redacted]

07/17/00 08:47 AM

To: <khennington@ [Redacted]>

cc:

Subject: Fw: NEW COMPANIES

[Redacted] = Redacted by the Permanent
Subcommittee on Investigations

confirmation of incorporation of IOM entities for cottonwood structure

-----Original Message-----

From: Kenneth Jones [Redacted]

To: 'mboucher@ [Redacted]'

Date: Monday, July 17, 2000 3:49 AM

Subject: FW: NEW COMPANIES

>
>
> -----
>> From: Melanie Quayle
>> Sent: 17 July 2000 09:29
>> Subject: NEW COMPANIES
>>
>> mboucher@ [Redacted]
>>
>> Dear Michelle
>>
>> Please be advised that the following companies have been incorporated and
>> their statutory details are listed below.
>>
>> Cottonwood I Limited - Company Number : 100462C
>> Cottonwood II Limited - Company Number: 100463C
>>
>> They were incorporated on 14th July 2000
>>
>> Directors: Katharine Harding
>> Niamh Goddard
>>
>> Secretary: John Watterson
>>
>> Authorised
>> Share Capital: \$2000
>>
>> Issued Shares: 1 Aundyr Enmyn Limited
>> 1 IPG International (Nominees) Limited
>>
>> Regards,
>>
>> Melanie Quayle
>> Administrator
>>
>> Tel No: +44 1624 [Redacted] (direct)
>> Tel No: +44 1624 [Redacted] (switchboard)
>> Fax No: +44 1624 [Redacted]
>> E-mail: melanieq@ [Redacted]
>>
>

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1338

CONFIDENTIAL
SEC100028143
PSI00040010

Sam and Evan Wyly
List of Entities

Sam Wyly

Bulldog - 92	Bessie - 94	LaFouche - 95
<i>Morehouse</i>	<i>Audubon</i>	<i>Devotion</i>
<i>Richland</i>	<i>Yurta Faf</i>	Relish
<i>Tensas</i>	Newgale	
<i>West Carroll</i>	Cottonwood	
<i>East Carroll</i>	Spitting Lion	
<i>East Baton Rouge</i>	MiCasa	
<i>Locke</i>	Rosemary's Ranch	
<i>Moberly</i>	LLC's	
<i>Sarnia</i>		
<i>Greenbriar</i>		

Evan Wyly

Ginger - 94
<i>Dortmund</i>
<i>Atlantis</i>

Note: Italicized companies have Private Annuities
Bold Companies are subject of an IDR

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1338

Confidential
SEC_ED00024963

PSI ED00024963

12114

Bubba LLC - KE Foreign Sub-Fund Balance Sheet				
6/30/01				
	Shares	Fair Market Value	Market Value	% Assets
Assets				
Cash			1,653,165	16.31%
Michael's Store	28,800	41,000	1,098,800	10.84%
Maverick Levered Fund	257,4521	2,049,794	627,724	5.21%
Ranger Offshore Fund I Ltd	2,028.6842	990,229	2,008,842	19.82%
Greenmountain	196,463	5,090	999,997	9.87%
Real Estate				
Spitting Lion			254,001	2.51%
Two Mile Ranch			548,315	5.41%
Cottonwood I			2,815,162	27.78%
Cottonwood II			229,335	2.26%
Total real estate			3,846,803	37.96%
Total Assets			10,135,331	100.00%
Liabilities				
Intertrust loans			9,996,926	98.63%
Total Liabilities			9,996,926	98.63%
Equity			138,405	1.37%
Total Liabilities and Equity			10,135,331	100.00%

Bubba, LLC - Bessie Trust (KE)			Bubba, LLC		% assets
Foreign Grantor - 1994	Shares or	Market	Book	FMV	
Priced at 12/31/01	Face Value	Value			
Cash					
Bank of Bermuda			3,235	3,235	0.0%
Lehman Brothers			1,651,892	1,651,892	15.0%
Total Cash			1,655,127	1,655,127	15.0%
Loans & Advances Receivable					
Spitting Lion Limited			254,000	254,000	2.3%
Cottonwood I Limited			2,821,085	2,821,085	25.5%
Cottonwood II Limited			279,514	279,514	2.5%
Two Mile Ranch Limited			735,066	735,066	6.7%
Intertrust advances			-	-	0.0%
Total Loans & Advances Receivable			4,089,665	4,089,665	37.0%
Investments in Funds					
Maverick Levered Fund	257.4521	2066.559	500,000	532,040	4.8%
Ranger Fund	2,028.6642	987.011	2,000,000	2,002,314	18.1%
Total Investment in Funds			2,500,000	2,534,354	22.9%
Investment in Public Companies					
Michael's Stores	53,600	32.95	996,960	1,766,120	16.0%
Total Investments in Public Companies			996,960	1,766,120	16.0%
Investments in Private Companies					
Greenmountain Stock	196,463	5.09	999,997	999,997	9.1%
Total Investments in Private Companies			999,997	999,997	9.1%
Investments in Real Estate Companies					
Spitting Lion Limited	1		1	1	0.0%
Cottonwood I Limited	2		2	2	0.0%
Cottonwood II Limited	1		1	1	0.0%
Two Mile Ranch Limited	1		1	1	0.0%
Total Investments in Real Estate Companies			5	5	0.0%
Total Investments			4,496,962	5,300,475	48.0%
TOTAL ASSETS			10,241,754	11,045,268	100.0%
Loans & Advances Payable					
Intercompany Advances			742,215	742,215	6.7%
Due to Security Capital			9,498,445	9,498,445	86.0%
Interest on Security Capital Loan			310,546	310,546	2.8%
Total Loans & Advances Payable			10,551,206	10,551,206	95.5%
TOTAL LIABILITIES			10,551,206	10,551,206	95.5%
NET EQUITY			(309,452)	494,062	4.5%
TOTAL LIABILITIES & EQUITY			10,241,754	11,045,268	100.0%

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1338

CONFIDENTIAL
SEC100067095
PSI00078962

Bubba, LLC - Bessie Trust (KE)			Bubba, LLC		% assets
Foreign Grantor - 1994 Priced at 12/31/04	Shares or Face Value	Market Value	Book	FMV	
Cash					
Bank of Bermuda			29,986	29,986	0.2%
Bank of America Securities			-	-	0.0%
Total Cash			29,986	29,986	0.2%
US Government Agency Bonds					
			-	-	0.0%
Total Cash & Agency Bonds			29,986	29,986	0.0%
Loans & Advances Receivable					
Spitting Lion Limited			283,000	283,000	1.8%
Cottonwood I Limited			3,076,860	3,076,860	19.4%
Cottonwood II Limited			347,355	347,355	2.2%
Rosemary's Circle R Ranch Limited			8,392,088	8,392,088	52.8%
Intertrust advances			-	-	0.0%
Total Loans & Advances Receivable			12,099,303	12,099,303	76.2%
Investments in Funds					
Maverick Levered Fund	260.5086	2731.536	499,144	711,589	4.5%
Ranger Multi Strategy-Enhanced	500.0000	1180.098	500,000	590,049	3.7%
Total Investment in Funds			999,144	1,301,638	8.2%
Investment in Public Companies					
Michael's Stores	59,000	29.97	548,700	1,768,230	11.1%
Total Investments in Public Companies			548,700	1,768,230	11.1%
Investments in Private Companies					
Greenmountain Stock	196,463	3.5	999,997	687,621	4.3%
Total Investments in Private Companies			999,997	687,621	4.3%
Investments in Real Estate Companies					
Spitting Lion Limited	1		1	1	0.0%
Cottonwood I Limited	2		2	2	0.0%
Cottonwood II Limited	1		1	1	0.0%
Rosemary's Circle R Ranch Limi	1		1	1	0.0%
Total Investments in Real Estate Companies			5	5	0.0%
Total Investments			2,547,845	3,757,493	23.7%
TOTAL ASSETS			14,677,134	15,886,782	100.0%
Loans & Advances Payable					
BAS Margin Interest			-	-	0.0%
Intercompany Advances			2,564,699	2,564,699	16.1%
Loan Payable - BEB & BEK			1,525,986	1,525,986	9.6%
Due to Security Capital			11,155,060	11,155,060	70.2%
Loan Payable - Yurta Faf			498,480	498,480	3.1%
Interest on Security Capital Loan			359,712	359,712	2.3%
Total Loans & Advances Payable			16,103,937	16,103,937	101.4%
TOTAL LIABILITIES			16,103,937	16,103,937	101.4%
NET EQUITY			(1,426,803)	(217,155)	-1.4%
TOTAL LIABILITIES & EQUITY			14,677,134	15,886,782	100.0%

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1338

CONFIDENTIAL
HST_PSI006916
ID1

Cottonwood Gallery Inc			
January 31, 2001			
	Shs/Face	Book	FMV
ASSETS			
Cash		9,791	9,791
Cottonwood Venture I		2,690,000	2,680,769
TOTAL ASSETS		2,699,791	2,690,560
LIABILITIES			
		0	0
TOTAL LIABILITIES		0	0
CAPITAL			
Cottonwood I Limited	100%		2,690,560
TOTAL CAPITAL			2,690,560
TOTAL LIABILITIES & CAPITAL			2,690,560

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1339

CONFIDENTIAL
 SECT00031918
 PSI00043785

Cottonwood Ventures - First Floor			
November 30, 2001			
	Shs/Face	Book	FMV
ASSETS			
Cash		24,226	24,226
Real Estate		2,772,628	2,772,628
Art Inventory		240,000	240,000
TOTAL ASSETS		3,036,854	3,036,854
LIABILITIES			
		0	0
TOTAL LIABILITIES		0	0
CAPITAL			
Cottonwood Gallery, Inc.	92%		2,793,247
Wyly Works	8%		243,607
TOTAL CAPITAL		3,036,854	3,036,854
TOTAL LIABILITIES & CAPITAL		3,036,854	3,036,854

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1339

CONFIDENTIAL
 SECT00033338
 DCT00042702

Cottonwood Ventures - First Floor			
September 30, 2002	Shs/Face	Book	FMV
ASSETS			
Cash		9,313	9,313
Real Estate		2,787,291	2,787,291
Art Inventory		240,000	240,000
TOTAL ASSETS		3,036,604	3,036,604
LIABILITIES			
		0	0
TOTAL LIABILITIES		0	0
CAPITAL			
Cottonwood Gallery, Inc.	92%		2,793,017
Wyly Works	8%		243,587
TOTAL CAPITAL		3,036,604	3,036,604
TOTAL LIABILITIES & CAPITAL		3,036,604	3,036,604

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1339

CONFIDENTIAL
 SECT00039256
 0000000000

COTTONWOOD VENTURES I, LLC
PARTNERS ALLOCATIONS
12/31/03

	Profit Percentage	Beginning Capital	Contributions	Book Income	Ending Capital
BOOK					
Capital - Wylly Works	10.70%	405,064	(75,000)	(241,489)	88,575
Capital - Cottonwood Gallery	89.30%	2,639,652	190,000	(100,572)	2,729,080
	100.00%	3,044,716	115,000	(342,062)	2,817,654

	Profit Percentage	Beginning Capital	Contributions	Book Income	Ending Capital
TAX					
Capital - Wylly Works	10.70%	205,412	(75,000)	(241,489)	(111,077)
Capital - Cottonwood Gallery	89.30%	2,639,652	190,000	(100,572)	2,729,080
	100.00%	2,845,064	115,000	(342,062)	2,618,002

		Wylly Works	Cottonwood Gallery	Effective %
Gallery Income (Loss)	(229,757.92)			70.59815%
Building Depreciation/Insurance	(112,303.69)	(229,758) (11,731)	(100,572)	29.40185%

p:\tax\cottonwood\FILE\Tax Allocation

Confidential
SEC_ED00056008

PS_ED00056008

Net Income (Loss)	(342,061.61)	(241,489)	(100,572)	100.000000%
-------------------	--------------	-----------	-----------	-------------

NOTE 1/ Per the partnership agreement, all income and loss should be allocated based on contributed property. Wyly Works contributed the art and Cottonwood Gallery Inc contributed the building. Since the art gallery uses the building, we allocate the ownership percentage of building expenses. Ownership percentages are calculated based on beginning capital plus contributions for each partner.

NOTE 2/ Kelly is the sole shareholder of Wyly Works, so when she contributes money it's the same as Wyly Works contributing.

Cottonwood Ventures - First Floor			
December 31, 2004	Shs/Face	Book	FMV
ASSETS			
Cash		9,888	9,888
Real Estate		2,796,091	2,796,091
Art Inventory		240,000	240,000
TOTAL ASSETS		3,045,979	3,045,979
LIABILITIES			
		0	0
TOTAL LIABILITIES		0	0
CAPITAL			
Cottonwood Gallery, Inc.	88%		2,671,550
Wyly Works	12%		374,429
TOTAL CAPITAL		3,045,979	3,045,979
TOTAL LIABILITIES & CAPITAL		3,045,979	3,045,979

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1339

CONFIDENTIAL
HST PS1007034

5520

THE
COTTONWOOD VENTURES II
MANAGEMENT TRUST

The following firm assisted in the planning and drafting of this instrument and should be consulted regarding any changes or questions:

Meadows, Owens, Collier, Reed, Cousins & Blau, L.L.P.

901 Main Street, Suite 3700
Dallas, Texas 75202-3792
(214) 744-3700
(800) 451-0093

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1340

Confidential Treatment Requested

BA 16341

TABLE OF CONTENTS

	Page
ARTICLE I	1
ESTABLISHMENT OF TRUST	1
1.1. Name of Trust	1
1.2. Initial Assets of Trust	1
1.3. Special Definitions for Agreement	1
(a) "Corporation"	1
(b) "Estate"	1
(c) "Grantors"	2
(d) "Kelly"	2
(e) "Property"	2
(f) "Sam"	2
(g) "Trust Estate"	2
(h) "Trust Share"	2
(i) "Use" or "Usage"	2
1.4. Intent to Qualify as a U.S. Trust	2
1.5. Appointment of Trustees	3
(a) Removal or Appointment of Additional and/or Successor Trustees	3
(b) Co-Administration of Trust	3
1.6. Admission of Additional Grantors	4
1.7. Expulsion of Grantors	4
1.8. Amendment of Trust	5
ARTICLE II	5
MANAGEMENT, USE AND DISPOSITION OF TRUST ESTATE	5
2.1. Acquisition of Property	5
2.2. Exclusion from the Provisions of Subchapter K of the Code	5
2.3. Use of Property By Grantors	6
2.4. Capital Improvements, Maintenance Expense And Operating Costs	6
2.5. Trust Distributions	7
2.6. Grantor Power of Proportionate Revocation	7
2.7. Disposition of a Deceased Grantor's Interest	8
(a) Individual Grantor's Testamentary Power of Appointment	8
(b) Alternative Transfer to Descendants	8
ARTICLE III	8
TRUST TERMINATION PROVISIONS	8
3.1. Termination Date	8
3.2. Compliance With U.S. Laws	8
ARTICLE IV	9
GENERAL TRUSTEE PROVISIONS	9
4.1. Elimination of Bond Requirement	9

4.2.	Trustee Fees and Expenses.....	9
(a)	Additional Fees for Active Business Investments	9
(b)	Fees for Co-Trustees	9
(c)	Trustee Expenses	9
4.3.	Provisions Applicable to Additional and/or Successor Trustees	9
(a)	Suspension of Powers of Previous or Resigning Trustee	9
(b)	Acceptance of Assets by Successor Trustee	10
(c)	Liability for Predecessor Fiduciaries	10
(d)	Successor Trustee's Powers and Liabilities	10
(e)	No Duty of Investigation by Additional or Successor Trustees	10
4.4.	Trustee's Right to Resign	10
(a)	Notice of Resignation or Renouncement	10
(b)	Duties of Resigning Trustee	11
4.5.	Appointment of Ancillary Trustees	11
4.6.	Special Trustee Co-Administration Provisions	11
(a)	Custody of Trust Assets	11
(b)	Agreement Among Co-Trustees	11
(c)	Delegation of Duties by a Trustee.....	11
(d)	Disclaimer of Powers, Duties and Responsibilities	12
ARTICLE V.....		12
GENERAL TRUST PROVISIONS.....		12
5.1.	Location and Transfer of Location of Trust	12
5.2.	Construction and Interpretation	12
5.3.	Additional Assets of Trust	13
5.4.	Maximum Duration of Trust	13
5.5.	Special Postponement Provision	14
5.6.	Provisions Relating to Powers of Appointment	14
(a)	Exercise of Powers of Appointment	14
(b)	Effective Date of Exercise of Power	14
ARTICLE VI.....		15
TRUSTEE'S POWERS AND RESTRICTIONS.....		15
6.1.	Trustee Powers Over Partitions, Divisions and Distributions.....	15
6.2.	Trustee Investment Powers.....	15
(a)	General Investment and Management Guidelines.....	15
(b)	Power to Retain Any Property Transferred to the Trust.....	16
(c)	Real Estate Powers.....	16
(d)	Nominee Investments.....	16
(e)	Power to Sell Assets.....	16
(f)	Power to Designate Representatives.....	16
6.3.	Protection of Third Parties Transacting Business or Dealing with the Trust.....	17
6.4.	Special Trustee Self-Dealing Provisions	17
6.5.	Special Business Powers of Trustee	17
6.6.	Formation of Business Entities.....	19
6.7.	Protection of Trustee for Acts of Agents.....	19
6.8.	Liability of Trustee	19
(a)	Acts by Trustee.....	19

(b) Limitation of Personal Liability of Trustee.....	19
6.9. Accounting Responsibilities of Trustee.....	19
6.10. Ultimate Termination of Trustee's Responsibilities and Duties.....	20
6.11. General Borrowing and Lending Powers of Trustee.....	20
ARTICLE VII.....	20
DEFINITIONS AND MISCELLANEOUS TRUST PROVISIONS.....	20
7.1. Powers Cumulative.....	20
7.2. Definitions for Descendants	21
(a) Descendants.....	21
(b) Descendant In Being	21
(c) Births Out of Wedlock	21
(d) Adopted Descendants.....	21
(e) Persons of the Half-Blood.....	21
7.3. Definition of Per Stirpes.....	21
7.4. Interpretation of Trust Agreement.....	22
7.5. Definition of "Code"	22
7.6. Execution in Counterparts	22
SIGNATURES	22
EXHIBIT "A"	

**THE COTTONWOOD VENTURES II
MANAGEMENT TRUST AGREEMENT**

This AGREEMENT OF TRUST (the "Trust Agreement") is executed by and among COTTONWOOD II LIMITED, an Isle of Man corporation, SAM WYLY and KELLY WYLY ELLIOTT (referred to herein as the initial Co-Grantors or Grantors) and HIGHLAND TRUST COMPANY (the initial Trustee) in order to create this management Trust on the terms, conditions and provisions as set forth below in this Trust Agreement.

ARTICLE I.

ESTABLISHMENT OF TRUST

1.1. Name of Trust. The name of the Trust shall be THE COTTONWOOD VENTURES II MANAGEMENT TRUST and will, for convenience, be referred to at times in this Agreement as the "Trust" unless a more specific trust is indicated.

1.2. Initial Assets of Trust. The initial assets of the Trust consist of those assets described on the attached Exhibit "A", which is hereby incorporated by reference for all purposes of this Trust Agreement, and which are conveyed hereto by each indicated Grantor to be held and administered by the Trustee.

1.3. Special Definitions for Agreement. The following defined terms shall have the indicated meaning for purposes of this Trust:

(a) **"Corporation":** References to the "Corporation" shall mean COTTONWOOD II LIMITED, an Isle of Man corporation, acting by and through its authorized representatives, as well as any successor in interest to said Corporation.

(b) **"Estate":** References to an "Estate" shall mean the estate of a deceased Grantor hereof.

(c) **"Grantors"**: References to "Grantors" shall mean SAM, KELLY, and the Corporation, as well as any additional person or entity which makes contributions to this Trust in consideration of becoming an additional Grantor hereof. References to a "Grantor" shall mean any person or entity whom at such time is a Co-Grantor of this Trust.

(d) **"Kelly"**: Reference to "KELLY" shall mean KELLY WYLY ELLIOTT.

(e) **"Property"**: References to "Property" shall mean all of the real and personal property owned by this Trust or by any corporation, limited liability company and/or partnership owned in whole or in part by the Trust.

(f) **"Sam"**: Reference to "SAM" shall mean SAM WYLY.

(g) **"Trust Estate"**: References to Trust Estate shall mean all of the assets, properties, debts and liabilities of the Trust, whether real, personal, or mixed, tangible, intangible, or inchoate in nature, and shall include the Property and the initial Trust Estate as well as any and all additions received or acquired by the Trustee to be administered hereunder.

(h) **"Trust Share"**: References to "Trust Share" shall mean the respective interest of each Grantor of the Trust in the Trust Estate determined by multiplying the total net fair market value of the Trust Estate by a fraction, the numerator of which equals the net fair market value of property(s) contributed by the respective Grantor to the Trust, and the denominator of which is the total net fair market value of all property(s) contributed by all of the Co-Grantors to the Trust.

The net fair market value of all contributions to the Trust by the Grantors shall, for these computational purposes, be the respective values as of the date of such contributions.

(i) **"Use" or "Usage"**: References to "Use" or "Usage" shall mean the unrestricted right of each Grantor of the Trust to use, occupy and enjoy all or any part of the Trust Estate and the real property [including any improvements thereon] which is owned directly by the Trust or indirectly from the ownership by the Trust of equity interests in the stock, member interests and/or partnership interests of any corporation, limited liability company and/or partnership owned in whole or in part by the Trust.

1.4. **Intent to Qualify as a U.S. Trust**. Grantors hereby agree that their intent herein is to establish a management Trust which pursuant to Code §§ 7701(a)(30)(E) and (31)(B)

is a U.S. trust for all purposes. Accordingly, Grantors hereby direct that this Trust shall in all events be managed and administered in strict accordance with the following directives: (i) a court(s) within the State of Texas will have and exercise primary jurisdiction over the supervision of the administration of the Trust, and (ii) all Trustees hereof must be U.S. residents for federal tax purposes.

1.5. Appointment of Trustees. The initial Trustee shall be HIGHLAND TRUST COMPANY.

(a) Removal or Appointment of Additional and/or Successor Trustees: Any Trustee may be removed, and additional Co-Trustees and/or successor Trustees [whether one or more] may be appointed, at any time, and from time to time, by the following individual(s) and entity(s) in the order specified: [1] by SAM and/or KELLY if either is living and competent, and the Corporation; or [2] by the Corporation and a majority of the then living and competent children of KELLY.

The removal of a Trustee or the appointment of additional and/or successor Trustees may be completed by the delivery to the then serving Trustee(s) [if any] by the respective powerholders of any written and signed instrument or letter wherein such appointments are formalized and, in the case of additional or successor appointments, agreed to by the appointed fiduciary. The respective powerholders shall have the continuing right and power to eliminate, remove and/or change any designated successor Trustee at any time or from time to time.

(b) Co-Administration of Trust: Grantors hereby direct that any then serving Co-Trustee may exercise all of the fiduciary powers conferred upon the Trustees hereunder with or without the participation of any other then serving Trustees. Each Trustee may therefore act for and on behalf of the Trust, and its assets, with or without the joint participation and execution of any documents of the other Trustees. All actions, decisions, sales, lease agreements, or any other matters whatsoever pertaining to the Trust and its assets and liabilities may therefore be undertaken, negotiated and consummated solely through the representation and participation of any Trustee.

All third parties dealing with or transacting any matter with the Trust shall therefore be entitled to rely exclusively upon the actions of any then serving Trustee, and shall have no liability whatsoever for such matters by dealing with less than all of the then serving Trustees. This provision shall be construed

as fully exonerating such third parties from any duty, liability or responsibility whatsoever for dealing with less than all then serving Trustees.

1.6. Admission of Additional Grantors. Additional Co-Grantors of the Trust may be admitted at any time, and from time to time, with the consent of all Grantors by (i) the contribution of additional property to the Trust in an amount acceptable to the Grantors, (ii) the agreement of the then current Grantors and the additional Grantor of the respective Trust Share to be thereafter allocated to the new Grantor, and (iii) the written agreement of the current Grantors and the additional Grantor wherein such additional Grantor agrees to be bound by and subject to the terms, provisions and conditions of this Trust Agreement.

1.7. Expulsion of Grantors. Any additional Grantors of the Trust (thereby specifically excluding SAM, KELLY and the Corporation) may be expelled from the Trust at any time and have its respective Trust Share interest herein (and all rights to Use the Trust Estate and any of its indirectly owned real property interests) terminated by (i) the written notice of a majority in interest of the remaining Grantors delivered to such Grantor of its termination herein, and (ii) the return by the Trust to such expelled Grantor of an amount of the Trust Estate equal in value to such expelled Grantor's aggregate (net) contributions to the Trust, valued as of the date contributed, which such returned property interest may be satisfied in the sole discretion of the Trustee in the form of cash, equity interests in any corporation, limited liability company and/or partnership owned in whole or in part by the Trust, or by the delivery of an interest (whether undivided or otherwise) in any Property owned indirectly by the Trust.

The decisions and actions of such acting Grantors and the Trustee shall be final, conclusive and binding on the expelled Grantor and all interested parties therein.

1.8. Amendment of Trust. The Grantors may at any time, or from time to time, amend this Trust in whole or in part upon their unanimous consent.

ARTICLE II.

MANAGEMENT, USE AND DISPOSITION OF TRUST ESTATE

2.1. Acquisition of Property. Grantors hereby direct the Trustee, acting by and through the limited liability company to be formed which will be part of this Trust Estate, to utilize all or any portion of the Trust Estate to acquire for and on behalf of the Trust all of that certain condominium units located in Aspen, Colorado which is, or will be, held by the limited liability company owned by the Trust. Grantors hereby stipulate that the acquisitions through such limited liability company is to be completed solely to satisfy certain applicable laws of the State of Colorado and that, therefore, such specific real property (and any and all such property and property rights associated therein) shall be deemed to be part of the Trust Estate for Use by the Grantors of this Trust. This Trust is expressly designed to be a Grantor Trust, for purposes of Sections 671 through 679 of the Code, and as such will be ignored for Federal income tax purposes as an entity separate from its Grantors. Therefore, the Trust Estate will be deemed to be owned by Grantors as tenants in common, each owning an undivided interest in the Trust Estate, with each Grantor separately reporting its share of income and expenses of the Trust Estate on its separate return.

2.2. Exclusion from the Provisions of Subchapter K of the Code. Grantors intend that the limited liability company owned by the Trust be excluded from Subchapter K of the Code. Grantors, therefore, agree to be treated for Federal income tax purposes as tenants in

common of the Property. Grantors further agree to report on their respective tax returns their respective shares of the items of income, deductions and credits of the limited liability company owned by the Trust in a manner consistent with the exclusion of such limited liability company from the partnership tax rules under Subchapter K of the Code and that such action be treated as a deemed election out of Subchapter K of the Code under Treas. Reg. §1.761-2(b)(ii).

2.3. Use of Property By Grantors. Grantors hereby direct that each Grantor hereof (and the authorized guests of each Grantor hereof) shall have the right to Use all or any part of the assets comprising the Trust Estate, including without limitation any Property (and improvements thereon) owned directly by the Trust and/or indirectly as an asset of a corporation, limited liability company or partnership of which an equity interest therein is part of the Trust Estate. With respect to the equal rights of the Grantors hereof to have full and complete Usage of such Property, the Trustee shall not have any responsibilities whatsoever to monitor the said Usage by the Grantors, nor to supervise their respective Use thereof. However, the Trustee shall, in its sole discretion, resolve any Usage conflicts that may arise between the Grantors in a way which the Trustee deems reasonable, just and fair to all of the Grantors.

The Usage rights of the Grantors shall be personal and shall not be subject to alienation, sale, hypothecation or transfer except as specifically provided herein for the interests of a deceased individual Grantor.

2.4. Capital Improvements, Maintenance Expense And Operating Costs. Each Grantor shall be individually and personally liable for such Grantor's respective proportionate Trust Share of all funds applied towards or paid by the Trust (either directly or through any business entity owned in whole or in part by the Trust) for (i) improvements and repairs made to the property of the Trust Estate (including all Property hereof), (ii) all costs and

expenses incurred to maintain the Trust Estate (and all Property hereof), and (iii) any and all other expenses incurred by the Trustee to administer said Trust Estate.

The Trustee may at appropriate times, and from time to time, require each Grantor hereof to make additional contributions to the Trust for such purposes. A Grantor who fails to make such Grantor's *pro rata* additional contribution(s) shall be personally liable to the Trust and the remaining Grantors for such liability(s), and such defaulting Grantor's Trust Share shall be subject to a *pro rata* charge for such liability(s).

2.5. Trust Distributions. The Trustee may distribute so much or all of any net income, principal and/or other cash flow of the Trust to the respective Grantors in proportion to their respective Trust Shares.

2.6. Grantor Power of Proportionate Revocation. Each Grantor shall have the right and power to revoke its proportionate contributions to the Trust and thereupon revert in itself such Grantor's respective Trust Share of the Trust Estate as determined at such time of revocation in relationship to the net fair market value of the Trust Estate. Incident to the exercise of such proportionate revocation, the respective Grantor may elect to withdraw from the Trust Estate an amount equal in value to its respective Trust Share any property hereof, including an undivided interest in the Property, subject to all terms and obligations related thereto.

The Trustee shall notify all other Grantors of the exercise of such retained power of proportionate revocation by an electing Grantor, and shall take all reasonable actions to comply with such withdrawal. Grantors hereby specifically agree that the determination of all valuations for these purposes shall be made exclusively by the Trustee and further that such good faith determinations shall be binding and conclusive on all Grantors and any successors thereof in interest.

2.7. Disposition of a Deceased Grantor's Interest. The interest in the Trust Share of a deceased individual Grantor hereof shall be distributed in accordance with the following applicable provisions as of the Grantor's date of death:

(a) **Individual Grantor's Testamentary Power of Appointment:** Each individual Grantor hereof has the general power exercisable at his or her death to appoint his or her Trust Share interest to or for the benefit of his or her Estate, his or her spouse, and/or his or her descendants.

(b) **Alternative Transfer to Descendants:** The interest in the Trust Share of a deceased Grantor shall pass to his or her descendants on a *per stirpes* basis if such Grantor fails to exercise his or her general testamentary power of appointment, whereupon such descendants shall become substituted Grantors hereof for all purposes.

ARTICLE III.

TRUST TERMINATION PROVISIONS

3.1. Termination Date. The Trust shall terminate upon the first to occur of the following events: (i) the revocation of the Trust by all Grantors, or (ii) the sale of all Property hereof, either directly or from the disposition of all equity interests owned by the Trust in any corporations, limited liability companies and/or partnerships hereof, or (iii) the distributions by the Trustee of all Trust Share interests to each respective Grantor of all of the Trust Estate hereof.

3.2. Compliance With U.S. Laws. The Trustee shall comply with all applicable U.S. laws with respect to the distribution(s) of the Trust Estate to or for the benefit of the Grantors hereof, including any withholding obligations and the preparation and filing of any required U.S. governmental forms.

ARTICLE IV.

GENERAL TRUSTEE PROVISIONS

4.1. Elimination of Bond Requirement. No bond or other security shall be required of any Trustee or any successor Trustee of any Trust or Trusts in any jurisdiction.

4.2. Trustee Fees and Expenses. All Trustees shall be entitled to fees commensurate with their duties and responsibilities, taking into account the value and nature of the Trust Estate and the time and work involved.

(a) Additional Fees for Active Business Investments: In the event any active business interest becomes a part of the Trust Estate, the Trustee's fees may be increased because of any additional time, effort and responsibility involved in its performance of services for this business. This compensation for services rendered to the business, including any expenses, may be paid by the business.

(b) Fees for Co-Trustees: The compensation of Co-Trustees shall not be reduced because Co-Trustees are serving, nor shall it be reduced by any statutory law which otherwise establishes or limits the compensation of Trustees.

(c) Trustee Expenses: All Trustees shall be entitled to advancement of or reimbursement for expenses incurred pursuant to their duties under this Trust Agreement, including fiduciary liability insurance. They are also entitled, at the expense of the Trust, to retain and hire employees, accountants, attorneys, investment advisors, or other persons incident to the management of the Trust, the Trust Estate, or any other matter which might arise during the administration of this Trust.

4.3. Provisions Applicable to Additional and/or Successor Trustees. The following provisions shall be applicable with respect to all additional and/or successor Trustees appointed as fiduciaries of the Trust:

(a) Suspension of Powers of Previous or Resigning Trustee: The previous or resigning Trustee shall be relieved of all further liabilities, responsibilities, and duties under this Trust Agreement upon [1] the appointment, qualification, and acceptance of the position by a successor Trustee if any is required, and [2] the delivery of all assets of that respective Trustee then in its possession either to its respective successor Trustee or to any other then serving Trustee.

(b) **Acceptance of Assets by Successor Trustee:** Grantors have provided that upon the appointment of a successor Trustee the previous or resigning Trustee, or its representatives, shall deliver all assets of the Trust then in its possession to its respective successor or to any other then serving Trustee. The respective successor Trustee or any other then serving Trustee is authorized, but not directed, to accept such assets [if any] based upon the accounting and/or other written instrumentation as given by that previous or resigning Trustee or its representatives.

(c) **Liability for Predecessor Fiduciaries:** In no event shall any Trustee, whether original or successor, be liable for the actions, inactions, or default of any existing or prior Trustee, Co-Trustee, legal representative, executor, or administrator from whom distributions may be received [any of such fiduciaries being referred to as "Prior Fiduciaries"] or for failure to contest the accounting as rendered by such Prior Fiduciaries.

(d) **Successor Trustee's Powers and Liabilities:** The successor Trustee shall succeed to all of the powers, duties, and responsibilities of the previous or resigning Trustee upon the effective resignation, termination, or removal of such prior Trustee and the written acceptance of the position, as a Trustee, by the respective successor Trustee.

(e) **No Duty of Investigation by Additional or Successor Trustees:** In no event shall the terms and provisions of this Trust Agreement be interpreted or construed to require any additional or successor Trustee to investigate the prior acts or omissions of any Prior Fiduciaries, except to the extent that the additional or successor Trustee has actual notice or knowledge of any act or omission of the Prior Fiduciaries contrary to the terms of this Trust Agreement. Grantors are incorporating this provision into the Trust Agreement in hopes of reducing the expenses and delays of any change in Trustees. Accordingly, the additional or successor Trustee is not required to go beyond the facts and representations as known to it in succeeding to the position of Trustee, subject, of course, to the provisions regarding known irregularities or violations.

4.4. Trustee's Right to Resign. Any Trustee, whether originally named, designated, or subsequently appointed, shall have the right to resign or renounce its position by and according to the following provisions:

(a) **Notice of Resignation or Renouncement:** The resigning or renouncing Trustee, or its representatives, shall deliver an appropriate written notice of resignation or renouncement to one of the following applicable persons or entities, in the order given: [1] SAM and/or KELLY, while either is living and competent,

and the Corporation, or, if not; [2] any other then serving Trustee, if any, or, if none; [3] such resigning or renouncing Trustee's named or designated successor, if any, or, if not; [4] to all Grantors.

(b) **Duties of Resigning Trustee:** A Trustee's resignation shall become effective upon [1] the complete delivery of all assets then in its possession to its respective successor Trustee or to any other then serving Trustee, [2] the appointment, qualification, and acceptance of a respective successor Trustee [if a successor is required], and [3] the execution of an appropriate written instrument evidencing the effectiveness of such Trustee's resignation by all then serving Trustees including the required successor.

4.5. Appointment of Ancillary Trustees. The Trustees shall have the power to appoint ancillary trustees for the Trust(s) in accordance with Section 113.023 of the Texas Trust Code, as amended, if required or advisable as to assets located in a jurisdiction in which the Trustees are not authorized or qualified to act.

4.6. Special Trustee Co-Administration Provisions. The following special provisions shall apply in the event Co-Trustees are serving for the Trust:

(a) **Custody of Trust Assets:** Any Trustee shall have the right to maintain sole custody and possession of any and all Trust assets capable of being reduced to custody and possession and, to the extent this right of custody is exercised by a Trustee, the remaining Trustees shall be under no obligation to maintain custody and possession with respect to these assets.

(b) **Agreement Among Co-Trustees:** No action may be taken unless a majority of the then serving Co-Trustees are in agreement.

However, this paragraph (c) shall not be construed as in any way limiting the third party reliance provisions outlined above in this Trust Agreement with respect to transacting any business with a single Trustee.

(c) **Delegation of Duties by a Trustee:** Any Trustee may, with the written consent of the remaining Trustees, be relieved of any or all powers, authority, duties, and discretion vested in or imposed upon that Trustee by this Trust Agreement by delivering to the remaining then serving Trustees a written statement delegating these powers, authority, duties, and discretion to them. Any act performed according to such written statement shall be binding upon all persons interested in this Trust.

(d) **Disclaimer of Powers, Duties and Responsibilities:** Any Trustee may disclaim, in whole or in part, any specific or general power, duty, or responsibility imposed by law or by the terms of this Trust Agreement. Thereafter, the remaining Co-Trustees shall exercise sole power, duty, or responsibility over such disclaimed powers, duties, or responsibilities. Such disclaimer shall not, however, affect the remaining non-disclaimed powers, duties, and responsibilities of such Trustee.

ARTICLE V.

GENERAL TRUST PROVISIONS

5.1. Location and Transfer of Location of Trust. The general location of this Trust shall be the State of Texas, and its administration shall be conducted within the State of Texas. Accordingly, the laws of the State of Texas shall apply in construing the terms of the Trust and the rights and duties of the Trustee, unless the provisions of this Trust Agreement override such laws, or unless the laws of another jurisdiction become applicable and the provisions of this Trust Agreement cannot override them.

If, in the opinion of the Trustee, it becomes advisable to change the location of the Trust, whether in Texas or to another state (but in no events outside of the United States), for the purposes of economy, tax savings, or other benefits to the Trust or to the Grantors of the Trust, the Trustee may change the location of this Trust by giving notice of the proposed transfer to the Grantors.

5.2. Construction and Interpretation. It is the intention of the Grantors to avoid as much as possible any suits for construction, interpretation, or instructions involving this Trust. Accordingly, if a question or problem arises about the proper construction, interpretation, or operation of this Agreement, about any matter involving the administration of any Trust created by this Agreement, about the rights of any Grantor hereof, or about the application, interpretation, or

construction of the Texas Trust Code, as from time to time amended, the Trustee is authorized to resolve these questions or problems in a manner it deems equitable and proper in accordance with the tax and non-tax objectives of Grantors. All such decisions and actions of the Trustee shall be conclusive on all persons ever interested in this Trust.

5.3. Additional Assets of Trust. The Trustee is expressly authorized to accept additional assets, including any assets subject to liens, from any person, entity, representative, executor, or administrator by any means of transfer or conveyance. For all purposes, the Trustee is also authorized to accept and is fully protected in accepting any additional assets, including any assets subject to liens, on behalf of any person by the action of such person's appointed or acting agent, representative, custodian, or guardian, without the necessity of court intervention or action, and based solely upon the written representations of authority by the respective transferor (as, for example only, under any form of a power of attorney).

5.4. Maximum Duration of Trust. Because of a particular rule of law, commonly referred to as the "Rule Against Perpetuities," Grantors must expressly provide for the maximum duration of the Trust. However, Grantors hereby direct that this Trust Agreement shall be construed and interpreted under another related doctrine referred to as the "Wait and See" rule in ascertaining whether or not this Trust or any separate Trusts violate the specified rule of law. If it is ultimately determined that any Trust violates such rule of law, then, for such purposes, that Trust and this Trust Agreement shall not be construed as void, but be deemed vested in the respective Grantors as of such time.

All Trusts created by this Trust Agreement shall in all events terminate not later than TWENTY-ONE (21) years from and after the death of the survivor of the following persons: SAM and KELLY and their descendants living on the date the Trust is effectively or deemed created.

Should any Trust terminate according to the provisions of this Section (only), the remaining assets and properties of that Trust shall be delivered and distributed unto those persons, or such persons' representatives, who, at the deemed termination date, constitute the Grantors of the Trust in proportion to their respective Shares.

5.5. Special Postponement Provision. The Trustee is authorized, but not directed, to postpone for a reasonable time any part or all of a final or interim distribution from the Trust for as long as the Trustee, in its reasonable discretion, may determine necessary because of tax audits, lawsuits, disputed claims, or similar unresolved matters.

5.6. Provisions Relating to Powers of Appointment. The following provisions shall govern the exercise of all powers of appointments vested in each individual Grantor hereof under this Trust Agreement:

(a) **Exercise of Powers of Appointment:** Each individual Grantor may exercise his or her general power pursuant to a written memorandum delivered to the Trustee during the individual Grantor's lifetime. Such memorandum shall be dated and signed by the individual Grantor and shall be witnessed by two (2) unrelated witnesses. The individual Grantor can amend or revoke such memorandum at any time by delivering an additional written memorandum to the Trustee which is signed, dated and witnessed. If any general power is not exercised pursuant to a lifetime written memorandum, then such power must be exercised pursuant to a clause in the individual Grantor's duly probated Last Will and Testament.

The individual Grantor must exercise a general power by making specific reference in either the memorandum or Last Will and Testament as to which section of the Trust Agreement the power is being exercised under, and must further designate the appointees, their shares, proportions and amounts that each shall be entitled to, and whether such appointments are in trust for or directly to such appointees.

(b) **Effective Date of Exercise of Power:** Any general power shall take effect at the individual Grantor's death.

ARTICLE VI.

TRUSTEE'S POWERS AND RESTRICTIONS**6.1. Trustee Powers Over Partitions, Divisions and Distributions.** The

Trustee shall have the powers to make all partitions, divisions, and distributions contemplated by this Trust Agreement, and its decisions and actions shall be binding and conclusive upon all interested parties. The Trustee may, in its discretion, make these partitions, divisions, or distributions by proportionately allocating assets and properties in kind (including undivided interests in properties), or partly in money and partly in kind. The amount of a distribution in kind shall be deemed to be the value of the property on the date or dates distributed. A distribution to any distributee may be composed of property similar to or different from that transferred to any other distributee.

6.2. Trustee Investment Powers. The Trustee shall have the following

investment powers:

(a) **General Investment and Management Guidelines:** The Trustee shall manage the Trust Estate as directed by a majority in interest of the Grantors [as determined by their respective Trust shares]. In the absence of specific directions, the Trustee shall manage the Trust Estate for and on behalf of the Grantors in accordance with their discretion. The Trustee shall not, however, be limited to nor bound by the provisions of the Texas Trust Code [or any successor statute], or by any other statutes or regulations respecting investments by fiduciaries except to the extent that such statutes or regulations cannot be waived for any corporate Trustee and there are no individual Trustees then serving. Investments need not be diversified, may be of a wasting nature, and may be made or retained with solely a view towards a possible increase in value. The Trustee is expressly authorized to retain or invest in non-income producing property if, in its discretion, the best interests of the Grantors will be better served by that investment.

The Trustee is expressly authorized to invest in high-income producing property, non-growth or marginally-appreciating property if, in its discretion, it determines that such investments are advisable for the Trust. To this end, Grantors hereby expressly relieve the Trustee from any and all duties, obligations, or responsibilities to invest any part of the Trust Estate in growth-type

assets for the Trust or any current or future Grantors. The Trustee shall not, therefore, be liable for any operating losses of the Trust, nor for any depreciation or decline in the value of the Trust Estate.

(b) **Power to Retain Any Property Transferred to the Trust:** Any property transferred to the Trust shall be deemed a proper investment. The Trustee is expressly authorized to retain all such property with no duty or obligation to dispose of or convert any of these properties.

(c) **Real Estate Powers:** The Trustee shall have the following non-exclusive powers relating to any real estate assets or investments [broadly construed] owned directly or indirectly by the Trust [including all Property hereof]: to sell, exchange, develop, partition, transfer, abandon, or otherwise dispose of any property, at public or private sale, with or without covenants, warranties, or guarantees, for any purposes, and upon any terms, including sales on credit [with or without security], in any manner and at any prices; to grant options on the same; to lease any property, for any term or terms, upon any conditions and rentals, and in any manner, irrespective of whether the term of such lease exceeds the period permitted by law or the probable period of administration of any Trust; to renew or modify any lease; to grant options to renew or modify any lease; to raise or erect any structure; to make repairs, replacements, and improvements, whether structural or otherwise, for any property; to improve real property; to subdivide or plat real estate; to dedicate streets, alleys, and ways; and to donate sites for public, charitable, or educational facilities.

(d) **Nominee Investments:** The Trustee is authorized to maintain any investment [or other action] in the name of a nominee, whether itself or another individual, business, or entity, with or without a power of attorney, in the name of one or more Trustees without disclosing fiduciary capacity, or to retain or make any investment in a form permitting transferability by delivery. At all times, however, the books and records of the Trust shall reflect all such investments as investments of the Trust and further reflect in whose name, custody, and possession such assets are placed.

(e) **Power to Sell Assets:** The Trustee shall have the specific power and authority to sell all or any part of the assets of the Trust [including without limitation the Property] upon such terms and conditions as the Trustee, in its discretion, shall determine. This power of sale shall be broadly construed in favor of the Trustee.

(f) **Power to Designate Representatives:** The Trustee shall have the power to designate one or more individuals as representative agents of the Trust to transact any business for or on behalf of the Trust or the Trustee.

6.3. Protection of Third Parties Transacting Business or Dealing with the Trust. No purchaser at any sale made by the Trustee or persons dealing with the Trustees under this Trust Agreement shall be obligated or allowed to attend to the application or use of any money or property paid or delivered to the Trustees, or to inquire into the expediency or propriety of any transaction entered into and consummated upon the terms as the Trustee, in its discretion, deems advisable. All individuals, entities, businesses, and other third parties dealing with the Trust or any Trustee shall be fully protected from all liabilities in transacting any business with the Trust.

6.4. Special Trustee Self-Dealing Provisions. Grantors are aware of the potential problems that may arise in the administration of this Trust if a Trustee, in its discretion, should find it advisable to transact business with itself, whether individually or as a fiduciary under any other trust agreement. Grantors expressly relieve any and all Trustees and fiduciaries from any self-dealing restrictions and limitations, except for those prohibitions which cannot be waived.

Accordingly, Grantors hereby specifically waive such rules and prohibitions regarding self-dealing, conflict of interest, or any other rule or regulation regarding the transaction of business between a particular trust or fiduciary and such trustee or fiduciary. For example, the Trustee may freely transact any business between this Trust and any other trust, or between the Trustee, in its individual capacity, and this Trust.

6.5. Special Business Powers of Trustee. In addition to any and all powers granted to the Trustee by this Trust Agreement, the Trustee has the following additional powers with respect to any business interest which is or becomes a part of the Trust Estate, whether it be a sole proprietorship, joint venture, partnership, limited liability company or corporation:

- (i) to hold, retain, and continue to operate such business solely at the risk of the Trust Estate and without liability on the part of the Trustee for any losses resulting from operation of the business;

(ii) to enlarge, diminish, or change the scope or the nature of the activities of any business;

(iii) to use the general assets of the Trust for the purposes of the business; to invest additional capital in or make loans to such business, regardless of the non-productivity of such investment or loan, or the diversification of investments;

(iv) to endorse or guarantee on behalf of the Trust any loan or loans made to the business and to secure the loan or loans by pledge or mortgage not only of the Trust's property interest in any such business but also by any other property of the Trust Estate that the Trustee may deem proper;

(v) to make or concur in the decision to accumulate surplus in the business or to pay dividends or otherwise distribute the profits of the business, as the Trustee, in its discretion, may deem advisable;

(vi) to accept as correct financial or other statements rendered by the business from time to time about its conditions and operations except where the Trustee has actual notice of inaccurate information contained therein;

(vii) to regard the business as an entity separate from the Trust with no duty to account to any court about its business or operation;

(viii) to dissolve, liquidate, or sell any business interest at such time [and from time to time] and upon such terms as the Trustee may deem advisable;

(ix) to incorporate any business and hold the stock as an asset of the Trust;

(x) to satisfy any liabilities arising out of the business, whether contractual or tortious in nature, first out of the business, and secondly out of the Trust Estate. However, in no event shall the Trustee be individually or personally liable for any business activities or decisions, and if the Trustee is held liable, it shall be entitled to indemnification from the business, the Trust Estate and the Grantors in the order named;

(xi) to authorize and participate in any mergers, reorganizations, consolidations, exchanges, sales, private or commercial annuities, or any other form of business transactions involving ownership changes;

(xii) to employ such officers, managers, employees, or agents as it deems advisable and to pay such persons reasonable compensation for their

services without regard to any fiduciary fees and expenses payable to the Trustee;
and,

(xiii) to exercise all other actions or powers which an individual, competent adult would possess in operating such business.

6.6. Formation of Business Entities. The Trustee is authorized to invest all or any portion of the Trust Estate in one or more joint ventures, partnerships, limited liability companies or corporations, the outstanding equity interests of which are owned in whole or in part by the Trust.

6.7. Protection of Trustee for Acts of Agents. The Trustee shall not be held liable or otherwise responsible for any neglect, omission, or wrongdoing of any agent employed by the Trustee on behalf of the Trust provided the Trustee uses reasonable care in the employment of the agent.

6.8. Liability of Trustee. The Trustee's liability shall be limited pursuant to the following provisions:

(a) **Acts by Trustee:** No Trustee shall at any time be held liable to the Trust or any Grantor for any action or default of the Trustee or of any other person in connection with the administration of the Trust unless caused by the Trustee's gross negligence, bad faith, or willful commission of an act in breach of trust.

(b) **Limitation of Personal Liability of Trustee:** The Trustee shall not incur any personal liability to anyone dealing with the Trustee in the administration of the Trust Estate. The Trustee shall be entitled to reimbursement from the Trust Estate and the Grantors for any liability, whether in contract or in tort, incurred in the administration of the Trust. The Trustee may contract in such form as to exempt the Trustee from personal liability and to cause such liability to be limited to the Trust Estate. No successor Trustee shall have any duty, responsibility, obligation, or liability whatsoever for failure to rectify the acts or omissions of any predecessor Trustee.

6.9. Accounting Responsibilities of Trustee. The Trustee shall maintain proper books and records reflecting the assets, liabilities, investments, income, disbursements, principal,

and transactions of each Trust. The Trustee is not required to conform to the provisions of the Uniform Trustee's Accounting Act or any similar act. The Trustees shall be free of any court accounting or supervision of any Trust.

6.10. Ultimate Termination of Trustee's Responsibilities and Duties. The Trustee's responsibilities and duties under this Trust Agreement shall cease upon final distribution of all of the income and principal of the Trust and the completion of any miscellaneous work connected with the termination of the Trust and the distribution of its remaining assets.

6.11. General Borrowing and Lending Powers of Trustee. The Trustee is specifically authorized to borrow and/or lend any amount of funds from time to time and at any time from or to any individual, business, or entity (whether or not a Grantor of the Trust) when it determines such action necessary or advisable and to pledge all or any portion of the assets of this Trust as collateral. The terms of any indebtedness or loan shall be those that the Trustee, in its reasonable discretion, may deem advisable, even if the expected period of the loan extends beyond the term of any Trust.

ARTICLE VII.

DEFINITIONS AND MISCELLANEOUS TRUST PROVISIONS

7.1. Powers Cumulative. The Trustee shall have all of the rights, powers and privileges as set forth in the Texas Trust Code (or its successor statute) governing the powers and responsibilities of Trustees. In the event, however, that any provisions of such Code in any way conflict or otherwise do not conform to the terms of this Trust Agreement, then the provisions of this Trust Agreement shall in all events control the administration of the Trust to the maximum extent permitted by law.

7.2. Definitions for Descendants. The following definitions of "descendants"

shall be utilized in interpreting this Trust Agreement unless a contrary intent is clearly stated or shown by its context:

(a) **Descendants:** The term "descendants" or "descendant" shall mean all those persons who are in a direct line of descent of a person specifically named or indicated by the context of the Trust Agreement. These descendants must be lawfully related to such persons by consanguinity or adoption [as provided below].

(b) **Descendant In Being:** A descendant [who is later born alive] shall be treated as a descendant during the actual period of gestation for the purposes of determining [1] whether any person has died without surviving descendants, and [2] whether a person is entitled to share in a distribution of principal.

All other rights for purposes of such descendant shall begin at the date of birth, provided such descendant in gestation is born alive.

(c) **Births Out of Wedlock:** Any descendant who is born to persons out of wedlock shall not be considered as a "descendant" of such persons for purposes of this Trust Agreement except for the following: [1] any descendant who is born to persons openly living together as husband and wife after the performance of a marriage ceremony between them shall be considered as a "descendant," even if a purported divorce of one or both of such persons with reference to a prior marriage is invalid; and [2] any descendant who would otherwise be excluded from benefiting as a "descendant" by operation of this Section shall be treated for all purposes as a "descendant" if, and only if, his or her natural parents become husband and wife through the performance of a marriage ceremony between them after that child's birth [or during gestation], or if any child or descendant adopts such child or descendant, as provided below.

(d) **Adopted Descendants:** The term "descendants" shall include for all purposes any person legally adopted prior to his or her attainment of the age of TWENTY-ONE (21) years.

(e) **Persons of the Half-Blood:** Persons of the half-blood shall be treated as persons of the whole-blood unless otherwise specifically provided by this Trust Agreement.

7.3. Definition of Per Stirpes. When the Trust Agreement directs that any

portion of the Trust Estate is to be divided among a decedent's descendants on a "*per stirpes*" basis, the division into *stirpes* shall begin at the generation nearest the decedent.

7.4. Interpretation of Trust Agreement. The singular shall be interpreted as the plural, or vice versa, if such treatment is necessary to interpret this Trust Agreement in accordance with Grantor's manifest intentions. If the feminine, masculine, or neuter gender should be one of the other genders, it shall be so construed. This Trust Agreement has been divided into articles, sections, paragraphs, and subparagraphs. The interpretation of this Trust Agreement shall be determined from this Agreement in its entirety without regard to its divisions and headings.

7.5. Definition of "Code". The term "Code" shall mean the Internal Revenue Code of 1986, as amended.

7.6. Execution in Counterparts. This Trust Agreement may be executed in a number of counterparts, each of which will be deemed an original. A copy of the executed Trust Agreement, whether conformed or photocopied, may be used for any purpose without the necessity of producing the original counterpart.

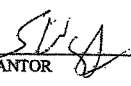
This TRUST AGREEMENT shall extend to and be binding upon all heirs, executors, administrators, legal representatives, and successors, respectively, of the parties to this Agreement, and shall be effective as of August 1, 2000.

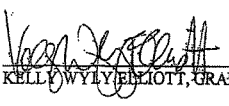
DATES

August 10, 2000

August 10, 2000

SIGNATURES


SAM WYLY, GRANTOR


KELLY WYLY ELLIOTT, GRANTOR

5546

COTTONWOOD II LIMITED, GRANTOR

August __, 2000

By: _____
Authorized Officer

HIGHLAND TRUST COMPANY, TRUSTEE

August __, 2000

By: _____
Authorized Officer

229275

5547

08/10/00 09:13 FAX

10/08 '00 08:43 FAX 01524 624459

002

003

COTTONWOOD II LIMITED, GRANTOR

August 10, 2000

By: K.G. Harding
K.G. HARDING -- DIRECTOR

HIGHLAND TRUST COMPANY, TRUSTEE

August 10, 2000

By: _____
Authorized Officer

25275

23

Confidential Treatment Requested

BA 163443

5548

EXHIBIT "A"
INITIAL ASSETS OF
THE COTTONWOOD VENTURES II
MANAGEMENT TRUST

CONTRIBUTING GRANTOR AND PROPERTY DESCRIPTIONS	AGREED VALUE	TRUST SHARE
A. <u>SAM WYLY</u>		
Cash.	\$60,000	1.00%
B. <u>KELLY WYLY ELLIOTT</u>		
Cash.	\$60,000	1.00%
C. <u>COTTONWOOD II LIMITED</u>		
Cash.	\$5,880,000	98.00%
D. <u>TOTALS.</u>	\$6,000,000	100.00%

229275

COTTONWOOD II LIMITED			as of 12-31-02
Cottonwood II Limited Investment in Cottonwood Ventures II Mgmt Trust:			
	COST	FMV	
	9,530,000	9,457,165	
Cottonwood Ventures II, LLC			
Assets:			
Cash		131,265	
Real Estate		9,325,900	
Total Assets:		9,457,165	
* No Liabilities			

(Cottonwood Ventures II Management Trust is owned 98% by Cottonwood II Limited. Cottonwood Ventures II, LLC is owned 100% by Cottonwood Ventures II Management Trust.)

0.98

44,887.00
89,051.00
9,515,896.00
9,560,743.00

5550



"Michelle Boucher"

07/17/00 08:47 AM

To: <khennington@>
cc:
Subject: Fw: NEW COMPANIES

Redacted by the Permanent
Subcommittee on Investigations

confirmation of incorporation of IOW entities for cottonwood structure

-----Original Message-----

From: Kenneth Jones <>
To: mboucher@>
Date: Monday, July 17, 2000 3:49 AM
Subject: FW: NEW COMPANIES

>
>
> -----
> From: Melanie Quayle
> Sent: 17 July 2000 09:29
> Subject: NEW COMPANIES
>
> mboucher@>
>
> Dear Michelle
>
> Please be advised that the following companies have been incorporated and
> their statutory details are listed below.
>
>
> Cottonwood I Limited - Company Number : 100462C
> Cottonwood II Limited - Company Number: 100463C
>
> They were incorporated on 14th July 2000
>
> Directors: Katharine Harding
> Niamh Goddard
>
> Secretary: John Watterson
>
> Authorised
> Share Capital: \$2000
>
> Issued Shares: 1 Aundyr Enmyn Limited
> 1 IPG International (Nominees) Limited
>
> Regards,
>
> Melanie Quayle
> Administrator
>
> Tel No: +44 1624 > (direct)
> Tel No: +44 1624 > (switchboard)
> Fax No: +44 1624 >
> E-mail: melanieq@>
>
>

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1341

CONFIDENTIAL
SEC100028143
PSI00040010

Sam and Evan Wyly
List of Entities

Sam Wyly

Bulldog - 92	Bessie - 94	LaFouche - 95
<i>Morehouse</i>	<i>Audubon</i>	<i>Devotion</i>
<i>Richland</i>	<i>Yurta Faf</i>	Relish
<i>Tensas</i>	Newgale	
<i>West Carroll</i>	Cottonwood	
<i>East Carroll</i>	Spitting Lion	
<i>East Baton Rouge</i>	MiCasa	
<i>Locke</i>	Rosemary's Ranch	
<i>Moberly</i>	LLC's	
<i>Sarnia</i>		
<i>Greenbriar</i>		

Evan Wyly

Ginger - 94
<i>Dortmund</i>
<i>Atlantis</i>

Note: Italicized companies have Private Annuities
Bold Companies are subject of an IDR

Orange LLC - EW Foreign Sub-Fund Balance Sheet				
6/30/01				
Assets	Shares	Fair Market Value	Market Value	% Assets
Cash			468,317	4.62%
Michael's Store	26,800	41,000	1,098,800	10.84%
Maverick Levered Fund	257,4521	2,049,784	527,724	5.21%
Ranger Offshore Fund I Ltd	2,028,6642	990,229	2,008,842	19.82%
Greenmountain	982,318	5,090	4,999,999	49.33%
Real Estate				
Spitting Lion			254,001	2.51%
Two Mile Ranch			548,315	5.41%
Cottonwood II			229,334	2.26%
Total real estate			1,031,650	10.18%
Total Assets			10,135,332	100.00%
Liabilities				
Intertrust loans			9,996,926	98.63%
Total Liabilities			9,996,926	98.63%
Equity			138,406	1.37%
Total Liabilities and Equity			10,135,332	100.00%

5,090,558

6,592,800

3166,344

21,092,841

12,999,987

9,497,054

58,639,584 ✓

Pops LLC - LW Foreign Sub-Fund Balance Sheet				
6/30/01				
Assets	Shares	Fair Market Value	Market Value	% Assets
Cash			468,317	4.61%
Michael's Store	26,800	41,000	1,098,800	10.83%
Maverick Levered Fund	257,4521	2,049,794	527,724	5.20%
Ranger Offshore Fund I Ltd	5,071.6604	990,229	6,022,105	49.49%
Greenmountain	392,927	5,090	1,999,998	19.71%
Real Estate				
Spitting Lion			254,001	2.50%
Two Mile Ranch			548,315	5.40%
Cottonwood II			229,334	2.26%
Total real estate			1,031,650	10.17%
Total Assets			10,148,594	100.00%
Liabilities				
Intertrust loans			9,996,925	98.51%
Total Liabilities			9,996,925	98.51%
Equity			151,669	1.49%
Total Liabilities and Equity			10,148,594	100.00%

5554

Laure

Flo Flo LLC - LM Foreign Sub-Fund Balance Sheet				
6/30/01				
Assets	Shares	Fair Market Value	Market Value	% Assets
Cash			1,256,123	14.01%
Michael's Store	26,800	41,000	1,098,800	12.25%
Maverick Levered Fund	257,4521	2,049,794	527,724	5.88%
Ranger Offshore Fund I Ltd	2,028,6642	990,229	2,008,842	22.40%
Greenmountain	196,483	5,090	899,997	11.15%
Loan Rec - Greenbriar (GAV)			950,000	10.59%
Interest on loan			95,000	1.06%
Total loan rec			1,045,000	11.65%
Real Estate				
Spitting Lion			254,001	2.83%
Two Mile Ranch			548,315	6.11%
Cottonwood II			228,335	2.56%
Mi Casa Ltd			1,000,002	11.15%
Total real estate			2,031,653	22.65%
Total Assets			8,968,139	100.00%
Liabilities				
Intertrust loans			8,821,925	98.37%
Total Liabilities			8,821,925	98.37%
Equity			146,213	1.63%
Total Liabilities and Equity			8,968,139	100.00%

7.8.
#1125,000 shown in General

12/11/11

Bubba LLC - KE Foreign Sub-Fund Balance Sheet				
6/30/01				
Assets	Shares	Fair Market Value	Market Value	% Assets
Cash			1,653,165	16.31%
Michael's Store	26,800	41,000	1,098,800	10.84%
Maverick Levered Fund	257,4521	2,049,794	527,724	5.21%
Ranger Offshore Fund I Ltd	2,028,6642	990,229	2,009,842	19.82%
Greenmountain	196,463	5,090	999,997	9.87%
Real Estate				
Spitting Lion			254,001	2.51%
Two Mile Ranch			548,315	5.41%
Cottonwood I			2,815,162	27.78%
Cottonwood II			229,335	2.26%
Total real estate			3,846,803	37.96%
Total Assets			10,135,331	100.00%
Liabilities				
Intertrust loans			9,996,926	98.63%
Total Liabilities			9,996,926	98.63%
Equity			138,405	1.37%
Total Liabilities and Equity			10,135,331	100.00%

Andrew

Balch LLC - AW Foreign Sub-Fund Balance Sheet				
6/30/01				
		Fair Market	Market	%
Assets	Shares	Value	Value	Assets
Cash			722,318	7.12%
Michael's Store	28,800	41,000	1,098,800	10.83%
Maverick Levered Fund	257,4521	2,049,794	527,724	5.20%
Ranger Offshore Fund I Ltd	5,071.8604	990,229	5,022,105	49.49%
Greenmountain	392,927	5,090	1,999,998	19.71%
Real Estate				
Two Mile Ranch			548,315	5.40%
Cottonwood II			228,334	2.28%
Total real estate			777,649	7.68%
Total Assets			10,148,594	100.00%
Liabilities				
Intertrust loans			9,996,925	98.51%
Total Liabilities			9,996,925	98.51%
Equity			151,669	1.49%
Total Liabilities and Equity			10,148,594	100.00%

5557

Christiana

Katy LLC - CW Foreign Sub-Fund Balance Sheet				
6/30/01				
		Fair Market	Market	%
Assets	Shares	Value	Value	Assets
Cash			722,318	7.12%
Michael's Store	26,800	41,000	1,098,800	10.83%
Maverick Levered Fund	257,452	2,049,794	527,724	5.20%
Ranger Offshore Fund I Ltd	5,071,660	990,229	5,022,105	49.49%
Greenmountain	392,927	5,090	1,999,998	19.71%
Real Estate				
Two Mile Ranch			548,315	5.40%
Cottonwood II			229,334	2.26%
Total real estate			777,649	7.66%
Total Assets			10,148,594	100.00%
Liabilities				
Intertrust loans			9,996,925	98.51%
Total Liabilities			9,996,925	98.51%
Equity			151,669	1.49%
Total Liabilities and Equity			10,148,594	100.00%

CONFIDENTIAL
SEC100027667
PST00039534

Orange, LLC - Bessie Trust (EW)			Orange LLC		% assets
Foreign Grantor - 1994 Priced at 12/31/01	Shares or Face Value	Market Value	Book	FMV	
Cash					
Bank of Bermuda			2,900	2,900	0.0%
Lehman Brothers			460,842	460,842	4.2%
Total Cash			463,742	463,742	4.2%
Loans & Advances Receivable					
Spitting Lion Limited			254,000	254,000	2.3%
Cottonwood II Limited			279,513	279,513	2.5%
Two Mile Ranch Limited			735,062	735,062	
Intertrust advances				-	0.0%
Total Loans & Advances Receivable			1,268,575	1,268,575	11.5%
Investments in Funds					
Maverick Levered Fund	257,4521	2066.559	500,000	532,040	4.8%
Ranger Fund	2,028.6642	987.011	2,000,000	2,002,314	18.1%
Total Investment in Funds			2,500,000	2,534,354	23.0%
Investment in Public Companies					
Michael's Stores	53,600	32.95	996,960	1,766,120	16.0%
Total Investments in Public Companies			996,960	1,766,120	16.0%
Investments in Private Companies					
Greenmountain stock	982,318	5.09	4,999,999	4,999,999	45.3%
Investments in Real Estate Companies					
Spitting Lion Limited	1		1	1	0.0%
Cottonwood II Limited	1		1	1	0.0%
Two Mile Ranch Limited	1		1	1	0.0%
Total Investments in Real Estate Companies			3	3	0.0%
Total Investments			8,496,962	9,300,475	84.3%
TOTAL ASSETS			10,229,279	11,032,792	100.0%
Loans & Advances Payable					
Intercompany Advances			735,409	735,409	6.7%
Due to Security Capital			9,498,446	9,498,446	86.1%
Interest on Security Capital Loan			310,546	310,546	2.8%
Total Loans & Advances Payable			10,544,401	10,544,401	95.6%
TOTAL LIABILITIES			10,544,401	10,544,401	95.6%
NET EQUITY			(315,122)	488,391	4.4%
TOTAL LIABILITIES & EQUITY			10,229,279	11,032,792	100.0%

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1341

CONFIDENTIAL
SEC100067092
PS100078959

Pops, LLC - Bessie Trust (LW)			Pops LLC		% assets
Foreign Grantor - 1994 Priced at 12/31/01	Shares or Face Value	Market Value	Book	FMV	
Cash					
Bank of Bermuda			3,131	3,131	0.0%
Lehman Brothers			460,842	460,842	4.2%
Total Cash			463,972	463,972	4.2%
Loans & Advances Receivable					
Spitting Lion Limited			254,000	254,000	2.3%
Cottonwood II Limited			279,513	279,513	2.5%
Two Mile Ranch Limited			735,062	735,062	6.7%
Intertrust advances			-	-	0.0%
Total Loans & Advances Receivable			1,268,575	1,268,575	11.5%
Investments in Funds					
Maverick Levered Fund	257.4521	2066.559	500,000	532,040	4.8%
Ranger Fund	5,071.6604	987.011	5,000,000	5,005,785	45.4%
Total Investment in Funds			5,500,000	5,537,824	50.2%
Investment in Public Companies					
Michael's Stores	53,600	32.95	996,960	1,766,120	16.0%
Total Investments in Public Companies			996,960	1,766,120	16.0%
Investments in Private Companies					
Greenmountain Stock	392,927	5.09	1,999,998	1,999,998	18.1%
Investments in Real Estate Companies					
Spitting Lion Limited	1		1	1	0.0%
Cottonwood II Limited	1		1	1	0.0%
Two Mile Ranch Limited	1		1	1	0.0%
Total Investments in Real Estate Companies			3	3	0.0%
Total Investments			8,496,961	9,303,946	84.3%
TOTAL ASSETS			10,229,509	11,036,493	100.0%
Loans & Advances Payable					
Intercompany Advances			735,409	735,409	6.7%
Due to Security Capital			9,498,446	9,498,446	86.1%
Interest on Security Capital Loan			310,546	310,546	2.8%
Total Loans & Advances Payable			10,544,401	10,544,401	95.5%
TOTAL LIABILITIES			10,544,401	10,544,401	95.5%
NET EQUITY			(314,892)	492,092	4.5%
TOTAL LIABILITIES & EQUITY			10,229,509	11,036,493	100.0%

CONFIDENTIAL
SEC100067093
PS100078960

Flo Flo, LLC - Bessie Trust (LM)			Flo Flo, LLC		% assets
Foreign Grantor - 1994 Priced at 12/31/01	Shares or Face Value	Market Value	Book	FMV	
Cash					
Bank of Bermuda			3,390	3,390	0.0%
Lehman Brothers			1,252,749	1,252,749	13.4%
Total Cash			1,256,139	1,256,139	13.5%
Loans & Advances Receivable					
Spitting Lion Limited			254,000	254,000	2.7%
Cottonwood II Limited			279,514	279,514	3.0%
Two Mile Ranch Limited			735,063	735,063	7.9%
Mi Casa Limited			1,500,000	1,500,000	16.1%
Intertrust advances			-	-	0.0%
Total Loans & Advances Receivable			2,768,577	2,768,577	29.7%
Investments in Funds					
Maverick Levered Fund	257,4521	2066.659	500,000	532,040	5.7%
Ranger Fund	2,028.6642	987.011	2,000,000	2,002,314	21.5%
Total Investment in Funds			2,500,000	2,534,354	27.2%
Investment in Public Companies					
Michael's Stores	53,600	32.95	996,960	1,766,120	18.9%
Total Investments in Public Companies			996,960	1,766,120	18.9%
Investments in Private Companies					
Greenmountain Stock	196,463	5.09	999,997	999,997	10.7%
Global Audio Visual Loan	-		-	-	0.0%
Total investments in Private Companies			999,997	999,997	10.7%
Investments in Real Estate Companies					
Mi Casa Limited	2		2	2	0.0%
Spitting Lion Limited	1		1	1	0.0%
Cottonwood II Limited	1		1	1	0.0%
Two Mile Ranch Limited	1		1	1	0.0%
Total Investments in Real Estate Companies			5	5	0.0%
Total Investments			4,496,962	5,300,475	56.8%
TOTAL ASSETS			8,521,677	9,325,191	100.0%
Loans & Advances Payable					
Intercompany Advances			1,235,409	1,235,409	13.2%
Due to Security Capital			8,323,445	8,323,445	89.3%
Interest on Security Capital Loan			272,130	272,130	2.9%
Total Loans & Advances Payable			9,830,985	9,830,985	105.4%
TOTAL LIABILITIES			9,830,985	9,830,985	105.4%
NET EQUITY			(1,309,307)	(505,794)	-5.4%
TOTAL LIABILITIES & EQUITY			8,521,677	9,325,191	100.0%

CONFIDENTIAL
SEC100067094
PSI00078961

Bubba, LLC - Bessie Trust (KE)			Bubba, LLC		% assets
Foreign Grantor - 1994 Priced at 12/31/01	Shares or Face Value	Market Value	Book	FMV	
Cash					
Bank of Bermuda			3,235	3,235	0.0%
Lehman Brothers			1,651,892	1,651,892	15.0%
Total Cash			1,655,127	1,655,127	15.0%
Loans & Advances Receivable					
Spitting Lion Limited			254,000	254,000	2.3%
Cottonwood I Limited			2,821,085	2,821,085	25.5%
Cottonwood II Limited			279,514	279,514	2.5%
Two Mile Ranch Limited			735,066	735,066	6.7%
Intertrust advances			-	-	0.0%
Total Loans & Advances Receivable			4,089,665	4,089,665	37.0%
Investments in Funds					
Maverick Levered Fund	257.4521	2066.559	500,000	532,040	4.8%
Ranger Fund	2,028.6642	987.011	2,000,000	2,002,314	18.1%
Total Investment in Funds			2,500,000	2,534,354	22.9%
Investment in Public Companies					
Michael's Stores	53,600	32.95	996,960	1,766,120	16.0%
Total Investments in Public Companies			996,960	1,766,120	16.0%
Investments in Private Companies					
Greenmountain Stock	196,463	5.09	999,997	999,997	9.1%
Total Investments in Private Companies			999,997	999,997	9.1%
Investments in Real Estate Companies					
Spitting Lion Limited	1		1	1	0.0%
Cottonwood I Limited	2		2	2	0.0%
Cottonwood II Limited	1		1	1	0.0%
Two Mile Ranch Limited	1		1	1	0.0%
Total Investments in Real Estate Companies			5	5	0.0%
Total Investments			4,496,962	5,300,475	48.0%
TOTAL ASSETS			10,241,754	11,045,268	100.0%
Loans & Advances Payable					
Intercompany Advances			742,215	742,215	6.7%
Due to Security Capital			9,498,445	9,498,445	86.0%
Interest on Security Capital Loan			310,546	310,546	2.8%
Total Loans & Advances Payable			10,551,206	10,551,206	95.5%
TOTAL LIABILITIES			10,551,206	10,551,206	95.5%
NET EQUITY			(309,452)	494,062	4.5%
TOTAL LIABILITIES & EQUITY			10,241,754	11,045,268	100.0%

CONFIDENTIAL
SEC100067095
PS100078962

Baich, LLC - Bessie Trust (AW)			Baich, LLC		% assets
Foreign Grantor - 1994 Priced at 12/31/01	Shares or Face Value	Market Value	Book	FMV	
Cash					
Bank of Bermuda			3,139	3,139	0.0%
Lehman Brothers			716,117	716,117	6.5%
Total Cash			719,257	719,257	6.5%
Loans & Advances Receivable					
Cottonwood II			279,513	279,513	2.5%
Two Mile Ranch			735,063	735,063	6.7%
Intertrust advances			-	-	0.0%
Total Loans & Advances Receivable			1,014,576	1,014,576	9.2%
Investments in Funds					
Maverick Levered Fund	257,4521	2066.559	500,000	532,040	4.8%
Ranger Fund	5,071.6604	987.011	5,000,000	5,005,785	45.4%
Total Investment in Funds			5,500,000	5,537,824	50.2%
Investment in Public Companies					
Michael's Stores	53,600	32.95	996,960	1,766,120	16.0%
Total Investments in Public Companies			996,960	1,766,120	16.0%
Investments in Private Companies					
Greenmountain Stock	392,927	5.09	1,999,998	1,999,998	18.1%
Total Investments in Private Companies			1,999,998	1,999,998	18.1%
Investments in Real Estate Companies					
Cottonwood II	1		1	1	0.0%
Two Mile Ranch	1		1	1	0.0%
Total Investments in Real Estate Companies			2	2	0.0%
Total Investments			8,496,960	9,303,945	84.3%
TOTAL ASSETS			10,230,793	11,037,777	100.0%
Loans & Advances Payable					
Intercompany Advances			735,410	735,410	6.7%
Due to Security Capital			9,498,445	9,498,445	86.1%
Interest on Security Capital Loan			310,546	310,546	2.8%
Total Loans & Advances Payable			10,544,402	10,544,402	95.5%
TOTAL LIABILITIES			10,544,402	10,544,402	95.5%
NET EQUITY			(313,609)	493,375	4.5%
TOTAL LIABILITIES & EQUITY			10,230,793	11,037,777	100.0%

CONFIDENTIAL
SEC100067096
PS100078963

Katy, LLC - Bessie Trust (CW)			Katy, LLC		% assets
Foreign Grantor - 1994 Priced at 12/31/01	Shares or Face Value	Market Value	Book	FMV	
Cash					
Bank of Bermuda			3,093	3,093	0.0%
Lehman Brothers			716,117	716,117	6.5%
Total Cash			719,210	719,210	6.5%
Loans & Advances Receivable					
Cottonwood II			279,513	279,513	2.5%
Two Mile Ranch			735,063	735,063	6.7%
Intertrust advances			-	-	0.0%
Total Loans & Advances Receivable			1,014,576	1,014,576	9.2%
Investments in Funds					
Maverick Levered Fund	257.4521	2066.559	500,000	532,040	4.8%
Ranger Fund	5,071.6604	987.011	5,000,000	5,005,785	45.4%
Total Investment in Funds			5,500,000	5,537,824	50.2%
Investment in Public Companies					
Michael's Stores	53,600	32.95	996,960	1,766,120	16.0%
Total Investments in Public Companies			996,960	1,766,120	16.0%
Investments in Private Companies					
Greenmountain Stock	392,927	5.09	1,999,998	1,999,998	18.1%
Total Investments in Private Companies			1,999,998	1,999,998	18.1%
Investments in Real Estate Companies					
Cottonwood II	1		1	1	0.0%
Two Mile Ranch	1		1	1	0.0%
Total Investments in Real Estate Companies			2	2	0.0%
Total Investments			8,496,960	9,303,945	84.3%
TOTAL ASSETS			10,230,747	11,037,731	100.0%
Loans & Advances Payable					
Intercompany Advances			735,410	735,410	6.7%
Due to Security Capital			9,498,445	9,498,445	86.1%
Interest on Security Capital Loan			310,546	310,546	2.8%
Total Loans & Advances Payable			10,544,402	10,544,402	95.5%
TOTAL LIABILITIES			10,544,402	10,544,402	95.5%
NET EQUITY			(313,655)	493,329	4.5%
TOTAL LIABILITIES & EQUITY			10,230,747	11,037,731	100.0%

CONFIDENTIAL
SEC100067097
PST00078964

Cottonwood Management Trust			
January 31, 2001			
	Shs/Face	Book	FMV
ASSETS			
Cash		10,000	10,000
Cottonwood Venture II		5,990,000	5,981,187
TOTAL ASSETS		6,000,000	5,991,187
LIABILITIES			
		0	0
TOTAL LIABILITIES		0	0
CAPITAL			
Sam Wyly	1%		59,912
Kelly Elliott	1%		59,912
Cottonwood II Limited	98%		5,871,363
TOTAL CAPITAL			5,991,187
TOTAL LIABILITIES & CAPITAL			5,991,187

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1343

CONFIDENTIAL
SECI00031917
PST00043784

Cottonwood Management Trust			
July 31, 2001	Shs/Face	Book	FMV
ASSETS			
Cash		30,000	30,000
Cottonwood Venture II		6,990,000	6,978,406
TOTAL ASSETS		7,020,000	7,008,406
LIABILITIES			
		0	0
TOTAL LIABILITIES		0	0
CAPITAL			
Sam Wylie	1%		69,884
Kelly Elliott	1%		69,884
Cottonwood II Limited	98%		6,868,638
TOTAL CAPITAL		7,020,000	7,008,406
TOTAL LIABILITIES & CAPITAL		7,020,000	7,008,406

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1343

CONFIDENTIAL
 SEC100032802
 PSI00044669

Page: 1 Document Name: Lehman

— = Redacted by the Permanent
Subcommittee on Investigations

08/10/00 10:32 CHECK WRITING SYSTEM
ACCT: [REDACTED] RR: 222 NAME: GREENBRIAR, LTD
111000025 BANK OF AMERICA N.A.
DALLAS TX
TD BALANCE SD BALANCE
TP1 3,970,381.94-
TP2
TP3 COTTONWOOD GALLERY INC
OTH /- COTTONWOOD I LIMITED
NET 3,970,381.94-
MONEY FUNDS 4,010,338.67

=====

TEFRA 5			
AMT	2,000,000.00	TYPE 1 CAT W	
TRLR			TRLR

* THIS IS A THIRD PARTY INSTRUCTION *

TOTAL REQUESTED \$0.00

PFFKEYS: 1-BAL 2-HIS 3-POS 7-ACTIVITY 8-MONEY LINE 11-MENU 14-RESET

Handwritten mark

Date: 8/10/00 Time: 09:32:59 AM

Handwritten signature

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1344

CC 021662

5567

Page: 1 Document Name: Lehman

Redacted by the Permanent
Subcommittee on Investigations

TIME: 10:45:08 CHECK PRE-APPROVAL SYSTEM DATE: 08/10/00
ACCT: [REDACTED] RR: 222 NAME: GREENBRIAR, LTD
* *
TP1 TD BALANCE SD BALANCE 111000025
3,970,381.94- BANK OF AMERICA N.A.
TP2 DALLAS TX
TP3 [REDACTED]
OTH COTTONWOOD VENTURES II MNGMT TRUST
NET 3,970,381.94- /- COTTONWOOD II LIMITED
MONEY FUNDS 4,010,338.67

TEFRA 5
AMOUNT: 5,880,000.00 ACCT TYPE: 1 CATEGORY: W DEL: N PASSWORD:
TRLR: TRLR: 3RD PARTY INSTRUCTION

TOTAL REQUESTED \$: 7,880,000.00
*** UNAPPROVED CHECK BEING DISPLAYED, APPROVE OR DELETE ***
PF1-BAL PF2-HIS PF3-POS PF4-N/A PF5-SCR PF7-MIMA PF8-CHK

74

[Handwritten signature]

Date: 08/10/2000 Time: 09:45:16 AM

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1344

CC 021665

5568

10/08 '00 14:58 FAX 01624 624469

001/002

GREENBRIAR LIMITED

(Incorporated in the Isle of Man No. 60403)

Directors:

K.G. Harding
N. Goddard (Irish)
J.M. Watterson

Registered Office:

International House,
Carle Hill
Victoria Road,
Douglas,
Isle of Man.

Tel: (01624) 630600
Fax: (01624) 624469

***** FACSIMILE TRANSMISSION *****

The information contained in this fax is confidential and/or privileged. This fax is intended to be read only by the person named below. If the reader of this fax is not the intended recipient or a representative of the intended recipient you are hereby notified that any review, dissemination or copying of this fax is prohibited. If you have not received all the pages or have received this fax in error, please notify the sender by telephone and return this fax to the sender at the above address.

Page 1 of 2 (Total Sent)

Date: 10th August, 2000.

Time Sent:

Fax No: 001 214 720 9464
Operator Ref: INST 1 DISB

TO: LEHMAN BROTHERS INC.
ATTENTION: MICHELE CRITTENDEN / LOU SCHAUFLE

FROM: KATHARINE HARDING

REF: KH/SLD/GREENB-F 2

Redacted by the Permanent
Subcommittee on Investigations

RE: ACCOUNT NO: [REDACTED]

Please attend to the following Telegraphic Transfers of funds, for value today:-

- Amount: US\$2,000,000 (Two Million US Dollars)
Payee: Bank of America, Dallas, Texas, USA
ABA No: 111000025
Account No: [REDACTED]
Account Name: Cottonwood Gallery, Inc.
Reference: Cottonwood I Limited
- Amount: US\$5,880,000 (Five Million, Eight Hundred and Eighty Thousand US Dollars)
Payee: Bank of America, Dallas, Texas, USA
ABA No: 111000025
Account No: [REDACTED]
Account Name: Cottonwood Ventures II Management Trust
Reference: Cottonwood II Limited

These instructions comprise of two pages and are not valid unless both pages are signed.

K.G. Harding
Director - Authorised Signatory.

N. Goddard
Director - Authorised Signatory

Confidential Treatment Requested

CC 021666

5569

10/03 09:14:58 FAX 01624 624489

002/002

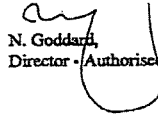
We trust that this is in order. If you have any queries, please do not hesitate to contact our office.

We look forward to receiving your confirmation that funds have been transferred by return facsimile.

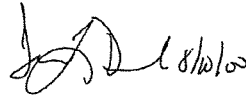
Yours faithfully,



K.G. Harding,
Director - Authorised Signatory.



N. Goddard,
Director - Authorised Signatory.



Confidential Treatment Requested

CC 021667

5570

Bank of America

Bank of America, N.A.
P.O. Box 831547
Dallas, TX 75283-1547

Account Reference Information
Account Number: [REDACTED]
Tax ID Number: [REDACTED]
E O C Enclosures 0
Statement Period
08/08/00 through 08/31/00

H

COTTONWOOD GALLERY, INC.
300 CRESCENT CT STE 1000
DALLAS TX 75201-7852

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Customer Service:
Bank of America, N.A.
P.O. Box 831547
Dallas, TX 75283-1547
Toll Free 1.888.BUSINESS(1.888.287.4637)

Page 1 of 2

Business Economy Checking

Account Summary Information

Statement Period	08/08/00 through 08/31/00	Statement Beginning Balance	0.00
Number of Deposits/Credits	1	Amount of Deposits/Credits	2,000,000.00
Number of Withdrawals/Debits	1	Amount of Withdrawals/Debits	1,990,000.00
Number of Deposited Items	0	Statement Ending Balance	10,000.00
Number of Enclosures	0	Average Ledger Balance	92,083.33
Number of Days in Cycle	24	Service Charge	0.00

Deposits and Credits

Date Posted	Amount	Description	Bank Reference
08/10	2,000,000.00	Wire Type: Fed IN Date: 080810 Time: 1524 Fed Ref: 004536 Seq: 000010016539 Orig: Greenbriar Ltd Opba Pmt Det: Cottonwood I Limi Tad Rfbmswf Of 00 08 10 I Sending Bank: Chase NYC	904008109616539

Withdrawals and Debits

Other Debits

Date Posted	Amount	Description	Bank Reference
08/11	1,990,000.00	Funds Transfer Debit Fdes Ntx 0061145 N8K0VW8	945008111450001

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1344

Recycled Paper

Confidential Treatment Requested

BA 135176

5571

Bank of America



Bank of America, N.A.
300 CRESCENT CT STE 1000
P.O. Box 851547
Dallas, TX 75283-1547

Account Reference Information
Account Number: [REDACTED]
Tax ID Number: [REDACTED]
E O O C Enclosures: 4
Statement Period
08/08/00 through 08/31/00

H

COTTONWOOD VENTURES II MANAGEMENT TRUST
300 CRESCENT CT STE 1000
DALLAS TX 75201-7852

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Customer Service:
Bank of America, N.A.
P.O. Box 851547
Dallas, TX 75283-1547
Toll Free 1.888.BUSINESS(1.888.287.4637)

Page 1 of 2

Business Economy Checking

Account Summary Information

Statement Period	08/08/00 through 08/31/00	Statement Beginning Balance	0.00
Number of Deposits/Credits	3	Amount of Deposits/Credits	6,000,000.00
Number of Withdrawals/Debits	1	Amount of Withdrawals/Debits	5,990,000.00
Number of Deposited Items	0	Statement Ending Balance	10,000.00
Number of Enclosures	0	Average Ledger Balance	263,750.00
Number of Days in Cycle	24	Service Charge	0.00

Deposits and Credits

Date Posted	Amount	Description	Bank Reference
08/09	60,000.00	Funds Transfer Credit Fdes Ntx 0001145 NBKQVW8	945008091450081
08/09	60,000.00	Funds Transfer Credit Fdes Ntx 0001145 NBKQVW8	945008091450085
08/10	5,880,000.00	Wire Type:Fed IN Date:080810 Time:1511 Fed Ref:004429 Seq:000810816064 Orig:Greenbriar Ltd Ogb= Pmt Det:Cottonwood II Lim Ited Rfb=swf Of 00 08 10 Sending Bank:Chase Nyc	904008109016064

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1344

Recycled Paper

Confidential Treatment Requested

BA 13525

5572

Bank of America, N.A.
P.O. Box 831547
Dallas, TX 75283-1547

H
Account Reference Information
Account Number: [REDACTED]
Tax ID Number: [REDACTED]
E.O. 12812 Enclosures 0 50
Statement Period 02/01/00
(01/01/00) through 02/28/00

01999 001 SCH999 1 4
COTTONWOOD VENTURES I, LLC
300 CRESCENT CT STE 1000
DALLAS TX 75201-7852

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Customer Service:
Bank of America, N.A.
P.O. Box 831547
Dallas, TX 75283-1547
Toll Free 1.888.BUSINESS(1.888.287.4637)

Page 1 of 2

Business Economy Checking

Account Summary Information

Statement Period	09/08/00 through 09/31/00	Statement Beginning Balance	0.00
Number of Deposits/Credits	1	Amount of Deposits/Credits	1,990,000.00
Number of Withdrawals/Debits	2	Amount of Withdrawals/Debits	1,990,261.04
Number of Deposited Items	0	Statement Ending Balance	169,738.96
Number of Enclosures	0	Average Ledger Balance	376,063.50
Number of Days in Cycle	24	Service Charge	0.00

Deposits and Credits

Date Posted	Amount	Description	Bank Reference
08/11	1,990,000.00	Funds Transfer Credit Fdes Ntr 0001145 NEKOVW8	945008111450002

Withdrawals and Debits

Date Posted	Amount	Description	Bank Reference
08/14	15.00	Wire Transfer Fee	904008140015761
09/14	1,820,246.04	Wire Type:Fed Out Date:000814 Time:1535 Fed Ref:002475 Seq:000814017187 Bnf:Pitkin County Title Pmt Det:Pitkin County Titl E Inc Ac [REDACTED] RFB= 0 Bnf Bk:Comm Bk Colorado	904008145017187

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1345

Confidential Treatment Requested

BA 15017

H

Bank of America, N.A.
P.O. Box 831567
Dallas, TX 75283-1547

Account Reference Information
Account Number: [REDACTED]
Tax ID Number: [REDACTED]
E.O. 12812 Enclosures 0
Statement Period
08/08/90 through 08/31/90

COTTONWOOD VENTURES II MANAGEMENT TRUST

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Page 2 of 2

Business Economy Checking

Withdrawals and Debits

Other Debits

Date Posted	Amount	Description	Bank Reference
08/11	5,990,000.00	Funds Transfer Debit Fdes Ntx 0001145 N8KOVW8	945008111450003

Daily Ledger Balances

Date	Balance	Date	Balance	Date	Balance
08/09	120,000.00	08/10	6,000,000.00	08/11	10,000.00

Message Center

Your Business Check Card is free - A part of your Business Checking Account. And, it works like a check only better! No bulky checkbooks to carry. No checks to write. No I.D. to show. Best of all your Business Check Card is accepted at over 15 million Visa merchant locations worldwide. For more information call 1.888.600.4000.

Thank you for banking with Bank of America.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1345

Confidential Treatment Requested

BA 135260

5574

Bank of America, N.A.
P.O. Box 831547
Dallas, TX 75283-1547

H
Account Reference Information
Account Number: [REDACTED]
Tax ID Number: [REDACTED]
E O C Enclosures 0 50
Statement Period 02/09/00 through 09/31/00 0294678

01099 601 SCH999 1 4
COTTONWOOD VENTURES II, LLC
300 CRESCENT CT STE 1000
DALLAS TX 75201-7852

[REDACTED] = Redacted by the Permanent Subcommittee on Investigations

Customer Service:
Bank of America, N.A.
P.O. Box 831547
Dallas, TX 75283-1547
Toll Free 1.888.BUSINESS(1.888.287.4637)

Page 1 of 2

Business Economy Checking

Account Summary Information

Statement Period	08/08/00 through 08/31/00	Statement Beginning Balance	0.00
Number of Deposits/Credits	1	Amount of Deposits/Credits	5,990,000.00
Number of Withdrawals/Debits	2	Amount of Withdrawals/Debits	5,461,625.17
Number of Deposited Items	0	Statement Ending Balance	628,374.83
Number of Enclosures	0	Average Ledger Balance	1,145,030.60
Number of Days in Cycle	24	Service Charge	0.00

Deposits and Credits

Date Posted	Amount	Description	Bank Reference
08/11	5,990,000.00	Funds Transfer Credit Fdes Ntx 0001145 NBRQVW8	945008111450004

Withdrawals and Debits

Date Posted	Amount	Description	Bank Reference
08/14	15.00	Wire Transfer Fee	904008140015763
08/14	5,461,610.17	Wire Type:Fed Out Date:000814 Time:1535 Fed Ref:002476 Seq:000814017188 Bnf:Pitkins County Title Pmt Det:Pitkins County TI Tle Inc Ac- [REDACTED] Rfb= Bnf Bk:Comm Bk Colorado	904008149017188

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1345

Confidential Treatment Requested

BA 150101

5575

From: Keeley Hennington on 08/07/2000 02:26 PM

To: MBoucher@
cc: Rena Alexander, Jana Frederick

— = Redacted by the Permanent
Subcommittee on Investigations

Subject: Cottonwood

Michelle-

Here is what I know:

The closing is set for Monday the 14th. We are sending a package to Aspen overnight Tuesday with all the bank account info and the legal documents to set up the entities. We should have this back on Wednesday signed by Kelly and Kristin. We should have accounts ready to go by Wednesday and we can fund then or Thursday morning. We will need to send funds from LLC's to title company on Friday. We are allocating sales price 25% first floor and 75% second based on square footage. We are funding total of \$8,000,000 to cover closing and legal fees. So \$6M will go to LLC II and \$2M to LLC I. I have received the list of Wyly Work assets from Kristin for their contribution on 1st floor (it will be approx 10%). Off-shore will contribute \$2M for first floor. On second floor, Kelly and Sam will each need to contribute \$60,000 and off-shore \$5,880,000.

I know I am probably leaving some stuff out, so let me know. I should know more tomorrow once I get all the final documents from Charles. Thanks

*Into Trust
Co Trustees
Kelly & Sam*

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1345

CONFIDENTIAL
SEC100106311
PSI00134658
PSI00134658

= Redacted by the Permanent
Subcommittee on Investigations

From: Keeley Hennington
Sent: Monday, August 07, 2000 2:11 PM
To: Rena Alexander
Cc: Jana Frederick
Subject: Re: Cottonwood

Attachments: Doc Link.htm

Rena-

Kristin is keeping the books in the same manner as Two Mile. Yes, we should set up the account like two mile. Let's sit down tomorrow and I will walk you through the structure. We had to do it a little differently because they will be operating the gallery. It probably makes sense for Jana to sit in on that also since Kelly will be very involved.

Rena Alexander
 08/07/00 03:09 PM

To: Keeley Hennington/htst
 cc:
 Subject: Re: Cottonwood

Is Kristin keeping the books? Should I setup the account like Two Mile Ranch? How does Cottonwood Gallery, Inc. fit in?

From: Keeley Hennington on 08/07/2000 02:26 PM
 To: MBouchere
 cc: Rena Alexander, Jana Frederick
 Subject: Cottonwood

Michelle-

Here is what I know:

The closing is set for Monday the 14th. We are sending a package to Aspen overnight Tuesday with all the bank account info and the legal documents to set up the entities. We should have this back on Wednesday signed by Kelly and Kristin. We should have accounts ready to go by Wednesday and we can fund then or Thursday morning. We will need to send funds from LLC's to title company on Friday. We are allocating sales price 25% first floor and 75% second based on square footage. We are funding total of \$8,000,000 to cover closing and legal fees. So \$6M will go to LLC II and \$2M to LLC I. I have received the list of Wylie Work assets from Kristin for their contribution on 1st floor (it will be approx 10%). Off-shore will contribute \$2M for first floor. On second floor, Kelly and Sam will each need to contribute \$60,000 and off-shore \$5,880,000.

I know I am probably leaving some stuff out, so let me know. I should know more tomorrow once I get all the final documents from Charles. Thanks

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1345

Confidential
 SEC_ED00004874

PSI_ED00004874

5577

.

From: Keeley Hennington
Sent: Wednesday, August 09, 2000 9:29 AM
To: "Michelle Boucher" [REDACTED]
Cc: Rena Alexander
Subject: Re: cottonwood

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Great - I will let you know we should have all the accounts set up when we get info back from Kristin tomorrow.

"Michelle Boucher" <[REDACTED]>
08/09/00 08:51 AM
To: <khennington@[REDACTED]>
cc:
Subject: cottonwood

they are ready to move money from IOM, so send me wire instructions as soon as you have them for the new accounts

thanks!

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1345

Confidential
SEC_ED00004898

PSI_ED00004898

5578

From: Keeley Hennington
Sent: Wednesday, August 09, 2000 1:06 PM
To: MBoucher@ [REDACTED]
Subject: Cottonwood

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

We have accounts open now:

Bank of America
Dallas, Texas
ABA 111000025
Account # : [REDACTED]
Account name: Cottonwood Gallery, Inc.

(Cottonwood I Limited needs to transfer \$2,000,000 to this account)

Bank of America
Dallas, Texas
ABA 111000025
Account # : [REDACTED]
Account name: Cottonwood Ventures II Management Trust

(Cottonwood II Limited needs to transfer \$5,880,000 to this account)

Let me know if there is anything else. I will get on Greenmountain stuff tomorrow. I am
up to me elbows in trying to figure out Highland Stargate allocation and what in the h---
Elaine did.

Talk to you soon.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1345

Confidential
SEC_ED00004902

PSI_ED00004902

— = Redacted by the Permanent
Subcommittee on Investigations

From: Keeley Hennington
Sent: Tuesday, May 02, 2000 7:14 AM
To: "Michelle Boucher" <[REDACTED]>
Subject: Re: cottonwood capital

Michelle - I am back in the office and I do not see any memo from Rodney. Do you need me to follow up or have you heard anything?

"Michelle Boucher" <[REDACTED]> on 04/26/2000 06:45:15 PM
To: "Michelle Boucher" <[REDACTED]> <khennington@[REDACTED]>
<evan_wy@[REDACTED]> <irishtst@[REDACTED]>, <shari_robertson@[REDACTED]>
cc:

Subject: Re: cottonwood capital

Rodney advised me this evening that he and Charles Pilman have put together a structure they are comfortable with - we should receive their memo very shortly.

Michelle

-----Original Message-----

From: Michelle Boucher <[REDACTED]>
To: khennington@[REDACTED] <khennington@[REDACTED]>, alexander@[REDACTED] <alexander@[REDACTED]>, evan_wy@[REDACTED] <evan_wy@[REDACTED]>, irishtst@[REDACTED] <irishtst@[REDACTED]>, cspang@[REDACTED] <cspang@[REDACTED]>, shari_robertson@[REDACTED] <shari_robertson@[REDACTED]>, rowense@[REDACTED] <rowense@[REDACTED]>
Date: Wednesday, April 26, 2000 7:22 PM
Subject: cottonwood capital

Kristin Yeary called me this afternoon, apparently terms were agreed upon today for the new Aspen property.

The purchase price will be \$7,775,000
Earnest money remains \$600,000

The offer was presented by Wy.yworks, Inc. DEA Cottonwood Capital. Kristin will arrange for a copy of the contract to be faxed to me tomorrow. She wasn't sure what the closing date was.

Rena - I will fax you wire instructions tonight, we need to arrange for the \$600K wire at your earliest convenience. Please let me know when it goes.

Rodney - Keeley is back on Monday, we need to push ahead to determine how to structure the acquisition, can we schedule a call to discuss early next week? I will let you know closing dates asap.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1346

PSI-WYBR 00578

5580

— = Redacted by the Permanent
Subcommittee on Investigations

From: Keeley Hennington
Sent: Monday, August 14, 2000 10:09 AM
To: "Michelle Boucher" [REDACTED]
Subject: Re: cottonwood

I do not think we have received any legal bills yet, but I do expect they will be high. The only amounts Kelly has paid have been for a few construction items (she said total was about \$5-7,000). The total needed to fund closing is \$7.2, with repayment of earnest \$7.8. This leaves us 200,000 which it was thought would hold us for a little while, but it sounds like that is not the case. Let me get with Rena and we will get back to you. I should also be talking with Krisitn sometime today. Thanks

"Michelle Boucher" <[REDACTED]>
08/14/00 09:11 AM

To: <khennington@[REDACTED]> <calexander@[REDACTED]>
cc:
Subject: cottonwood

I copied you on my email to Kristin, which you likely have already received.... but I'm not sure how they have any money left? \$7,775K for the property and about \$8M was funded last week - this should have left about \$225K. If I recall correctly, Kristin and Kelly indicated that Kelly and/or the gallery had paid for a few bills (legal I think) on behalf of the property - which we need to reimburse.

Can you take a look - but I suspect the earnest money wasn't repaid with part of the proceeds raised from the foreign system. I think that should be done asap.

Also, we need to get similar type cash flow information for the Two Mile Ranch project. I think that will be a slower moving project and having quarterly projections for the next two years might be reasonable at this point. Any thoughts on this?

Michelle

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1346

Confidential
SEC_ED00004908

PSI_ED00004908

Redacted by the Permanent
Subcommittee on Investigations



"Michelle Boucher"

08/14/00 09:05 AM

To: <JayYeary@>
cc: <khennington@> <ralexander@>
Subject: cottonwood

Hi Kristin,

I understand that Rena is making arrangements to transfer \$400,000 into Cottonwood operating accounts tomorrow. As these are the last liquid funds we have available, we will need cash projections put together to know when funds will be needed and in what amounts. Rena suggested that I contact you to let you know what kind of information we will need.

Basically, if you could put together a traditional cash flow analysis - by month, with opening cash balance (being what we funded) and then detailing projected cash outflows by major category. Such as: legal, architect, construction, furniture & equip, utilities, taxes etc..... The contractor and/or architect should be able to give you an estimated construction schedule and corresponding cost based on whatever budgets you have given them.

I think you should put this together monthly, for the first 6 - 12 months (or whatever the construction period will be). Since the structure is fairly complicated, and we need to move the money through various companies, I expect it could take up to 5 business days to get money into the Colorado Companies from the date funds are requested. I'll confirm with Keeley, but I think we will probably make arrangements to advance funds at the beginning of each month, based on your cash flows. The cash flows will need to be updated to actual, and adjusted as the project moves forward and better estimates become available through experience.

We will need two projections put together - one for Cottonwood I (first floor) and one for Cottonwood II (second floor). The first month/period, you'll need to include outflows to repay the gallery and/or Kelly for any funds that have been spent on behalf of the project. I'll check with Rena/Keeley, but the \$600,000, yes - who advanced?

Based on what little I know of what has been spent/advanced already, I expect that you will need additional funds very shortly. I hope this, and if you need any assistance, please contact me, Keeley or Rena. Why work

Hope you all are settling in up there!
Michelle

\$ 8M →

7,990,000.

Kristin@elliottyeary.com.

Kelly@

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1346

CONFIDENTIAL
SEC100028140
PS100040007

01-24-02 09:53
PCN 3 4 M

WYLY FAMILY
MONTH-END PORTFOLIO VALUATION
DATE: 11-30-01
Sum Wily Separate Property
ENTITY: 105

PAGE: 3

INVESTMENT DESCRIPTION	VT	LAST QTY	QUOTE DATE	QUANTITY UN	CURRENT VALUE	COST BASIS	BOOK BASIS UNREALIZED --+	INCOME	DIVIDEND/ INTEREST PAYMENT	ANNUAL ACCHL OPEN ACCRD	INCOME DAYS	INT PAID	QUANTITY	SETTLEMENT DATE	INT PAID	MISO P
------------------------	----	-------------	---------------	-------------	---------------	------------	---------------------------	--------	-------------------------------	-------------------------	-------------	----------	----------	-----------------	----------	--------

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1346

5582

CUTWOMOOD CUTWOMOOD CAPITAL GRANTS 8%	C			600,000 PAR	600,000.00	600,000.00	5,700.00	6,000	INT	36,000	57		600,000			
---------------------------------------	---	--	--	-------------	------------	------------	----------	-------	-----	--------	----	--	---------	--	--	--

Redacted
by
Permanent Subcommittee
on Investigations

CONFIDENTIAL
SEC100026872
PSI00038739

5583

Gallery Expenditures

	Sep-00	Oct-00	Nov-00
Architect	16,667	16,667	16,667
Construction	166,667	166,667	166,667
Total	183,333	183,333	183,333
Total Expenditures Cottonwood I			\$550,000

Only 3 month projection because the construction is only a 10 - 12 week project

Office Expenditures

	Sep-00	Oct-00	Nov-00	Dec-00	Jan-01	Mar-01	Apr-01	May-01	Jun-01	
Architect	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	0	
Construction	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	0	
Total	148,500	148,500	148,500	148,500	148,500	148,500	148,500	148,500	0	1,188,000

Architect Fees are based on 10% of total construction costs

Construction costs are based on \$400 per square foot.

Office is projected to be a 6 - 8 month project. These costs are based on an 8 month project

Apartment Expenditures

	Sep-00	Oct-00	Nov-00	Dec-00	Jan-01	Mar-01	Apr-01	May-01	Jun-01	Jul-01	
Architect	5,750	5,750	5,750	5,750	5,750	5,750	5,750	5,750	5,750	5,750	
Construction	57,500	57,500	57,500	57,500	57,500	57,500	57,500	57,500	57,500	57,500	
Total	63,250	63,250	63,250	63,250	63,250	63,250	63,250	63,250	63,250	63,250	632,500

Architect Fees are based on 10% of total construction costs

Construction costs are based on \$250 per square foot

Apartment is projected to be an 8 - 10 month project. These costs are based on a 10 month project

Total Expenditures Cottonwood II 1,820,500

5585

— = Redacted by the Permanent
Subcommittee on Investigations

Evan Wyly
09/07/2000 09:01 PM

To: "Kristin" [REDACTED]
cc: Sam_Wyly@ [REDACTED], mboucher@ [REDACTED]
ralexander@ [REDACTED]
Subject: Re: Cash Flow Projections [REDACTED]

Kristin,
The projections look good. I just had a few questions.

In summary: Gallery \$550,000, Apartment \$630,000, Office \$1,200,000, Two Mile Ranch \$2,870,000 (9 months).

Nine Month Total: \$5,250,000

All but Two Mile Ranch show the expected cost for the completed project. Can you estimate that?

Construction cost of \$400/s.f. seems high for the office. Are there a couple of major factors that drive the cost higher than the \$250/s.f. for the other projects?

Will there be other significant costs? For example, are furniture & equipment included in the construction numbers or will they be extra?

Thanks!
Evan

"Kristin" [REDACTED]



- CashflowProj.xls

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1347

Confidential
SEC_ED00043805

PSI_ED00043805

5586

— = Redacted by the Permanent
Subcommittee on Investigations



"Kristin"

09/08/2000 07:17 AM

To: evan wylly
Cc:
Subject: Re: Cash Flow Projections

Evan,
I did not do a total on the ranch because I needed to speak with Todd and Dennis further on what exactly is being done. I should have that by early next week and will include it in the projections.
For the office, Dennis is the one that quoted me \$400 per sq.ft. He said this is due to a lot of sliding partitions. I am under the impression this included a lot of built-ins as well. I will talk with him some more to get more details.
The office and the gallery are closer to \$250 per sq.ft. because the lay out is very simple and the finishes are cheaper.
By next week I should have a lot more detail to answer your questions better. I will send you an updated projection.

Kristin

----- Original Message -----

From: <evan_wylly@...>
To: Kristin <...>
Cc: <Sam_Wylly@...> ; <mboucher@...>
<ralexander@...>
Sent: Thursday, September 07, 2000 10:01 PM
Subject: Re: Cash Flow Projections

>
> Kristin,
> The projections look good. I just had a few questions.
>
> In summary: Gallery \$550,000, Apartment \$630,000, Office \$1,200,000, Two
> Mile Ranch \$2,870,000 (9 months).
> Nine Month Total: \$5,250,000
> All but Two Mile Ranch show the expected cost for the completed project.
> Can you estimate that?
>
> Construction cost of \$400/s.f. seems high for the office. Are there a
> couple of major factors that drive the cost higher than the \$250/s.f. for
> the other projects?
>
> Will there be other significant costs? For example, are furniture &
> equipment included in the construction numbers or will they be extra?
>
> Thanks!
> Evan
>
>
>

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1347

Confidential
SEC_ED00043815

PSI_ED00043815

—= Redacted by the Permanent
Subcommittee on Investigations

From: Michelle Boucher <[REDACTED]>
Sent: Thursday, September 06, 2001 9:14 AM
To: jfrederick@[REDACTED]
Cc: Lara Haskins <[REDACTED]>; khennington@[REDACTED]
Subject: FW: Projections

Jana, we have requested \$3.6M for Two Mile Ranch and \$1.5M for Cottonwood. I expect the trustees will have it to move to you Tuesday or Wednesday next week. Lara will advise you as soon as we are notified of the value date of the transfer.

Also, I will need a breakdown of how the money is being spent on TMR. We need to break costs out by overall property development vs. individual house construction. Keeley and I spoke about this earlier in the year and I think you were going to set up sub a/cs in Total Return to track it. We need to touch base on this again. Let me know what you guys are doing, so we can make sure we get the right reporting to allocate it in our system.

Michelle

-----Original Message-----

From: Michelle Boucher <[REDACTED]>
Sent: Monday, September 03, 2001 11:24 AM
To: evan_wyly@[REDACTED]; swyly@[REDACTED]; khennington@[REDACTED]
Cc: Lara Haskins; davidh@[REDACTED]; annab@[REDACTED]
Subject: Fw: Projections

FYI, an update on near term cash flow needs for the Aspen properties.

Michelle

-----Original Message-----

From: Kristin <[REDACTED]>
To: jfrederick@[REDACTED]; Michelle Boucher <[REDACTED]>
Date: Monday, September 03, 2001 12:13 PM
Subject: Projections

I just received a three month projection of expenditures from Fenton Construction. For the ranch, they are projecting \$3 million over the next three months. I'm expecting approximately \$200k per month for the ranch in other expenditures (i.e. architects, design, engineers, etc.). So for the ranch, let's plan on 1.2m per month through November.

For Cottonwood II, Fenton Construction plans on \$1.2m in expenditures over the next 3 months. Let's say \$500k per month for Cottonwood II until November.

If you have any questions, please feel free to email or call me. Thanks.

Kristin

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1348

Confidential
 SEC_ED00014220

PSI_ED0001422C

5588

Bank of America

Bank of America, N.A.
P.O. Box 798
Wichita, KS 67201

Account Reference Information
Account Number: [REDACTED]
Tax ID Number: [REDACTED]
E 0 0 C Enclosures 0
Statement Period
11/01/00 through 11/30/00

COTTONWOOD GALLERY, INC.
300 CRESCENT CT STE 1000
DALLAS TX 75201-7652

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Customer Service:
Bank of America, N.A.
P.O. Box 798
Wichita, KS 67201
Toll Free 1.888.BUSINESS(1.888.287.4637)

Page 1 of 2

Business Economy Checking

Account Summary Information

Statement Period	11/01/00 through 11/30/00	Statement Beginning Balance	9,908.00
Number of Deposits/Credits	1	Amount of Deposits/Credits	400,000.00
Number of Withdrawals/Debits	3	Amount of Withdrawals/Debits	400,012.00
Number of Deposited Items	0	Statement Ending Balance	9,896.00
Number of Enclosures	0	Average Ledger Balance	23,228.93
Number of Days in Cycle	30	Service Charge	0.00

Deposits and Credits

Date Posted	Amount	Description	Bank Reference
11/20	400,000.00	Wire Type:Fed IN Date:001120 Time:0714 Fed Ref:001478 Seq:001120001646 Orig:Aud:Don Asset Limit Pat Det:Cottonwood Galler Y Inc AL WFB#0013290000894 Obj:cottonwoo D I Limited INS#036022287 Sending Bank:Citibank Na	904011209001646

Withdrawals and Debits

Other Debits

Date Posted	Amount	Description	Bank Reference
11/20	10.00	Wire Transfer Fee	904011200001550
11/20	2.00	Wire Transfer Fee	904011200001551
11/21	400,000.00	Funds Transfer Debit Fdes Ntx 0001145 NBRKOVW8	945011211450028

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1349

Recycled Paper

BA 1351

5589

Bank of America, N.A.
P.O. Box 798
Wichita, KS 67201

Account Reference Information
Account Number: [REDACTED]
Tax ID Number: [REDACTED]
E O C Enclosures 2 50
Statement Period 03/01/92
11/01/00 through 11/30/00

01099 001 SCH999 1 4 0
COTTONWOOD VENTURES I, LLC
300 CRESCENT CT STE 100D
DALLAS TX 75201-7852

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Customer Service:
Bank of America, N.A.
P.O. Box 798
Wichita, KS 67201
Toll Free 1.888.BUSINESS(1.888.287.4637)

Page 1 of 2

Business Economy Checking

Account Summary Information

Statement Period	11/01/00 through 11/30/00	Statement Beginning Balance	95,117.60
Number of Deposits/Credits	1	Amount of Deposits/Credits	400,000.00
Number of Withdrawals/Debits	2	Amount of Withdrawals/Debits	184,257.84
Number of Deposited Items	0	Statement Ending Balance	310,859.76
Number of Enclosures	2	Average Ledger Balance	213,528.30
Number of Days in Cycle	30	Service Charge	0.00

Deposits and Credits

Date Posted	Amount	Description	Bank Reference
11/21	400,000.00	Funds Transfer Credit Fdes Nbr 0001145 NBKOVW8	945011211450029

Withdrawals and Debits

Checks

Check Number	Amount	Date Posted	Bank Reference	Check Number	Amount	Date Posted	Bank Reference
	171,715.07	11/30	813008130210899	1008	12,542.77	11/09	813009030173563

Daily Ledger Balances

Date	Balance	Date	Balance
11/01	95,117.60	11/21	492,574.83
11/09	82,574.83	11/30	310,859.76

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1349

BA 1501/

5590

GREENBRIAR LIMITED

(Incorporated in the Isle of Man No:60403)

Directors:

K.G. Harding
N. Goddard (Irish)

Registered Office:

International House,
Castle Hill
Victoria Road,
Douglas,
Isle of Man.

Tel: (01624) 630600
Fax: (01624) 624469

ORIGINAL

* * * U R G E N T * * *

Ref: MQ/KW/GREEN18L.3

18th April, 2001.

— = Redacted by the Permanent
Subcommittee on Investigations

BY COURIER

Michele Crittenden
Lehman Brothers Inc.
Texas Commerce Tower,
Suite 2500,
2200 Ross Avenue,
Dallas,
Texas 75201,
United States of America.

To be transmitted by Fax and Post

Fax No: 001 214 [REDACTED]

Dear Michele,

RE: AGENCY BONDS

Further to our previous instruction, please immediately liquidate sufficient Agency Bonds to realise US\$1,000,000 (One million United States Dollars only) and make the following transfer from the realised funds:-

Amount:	US\$1,000,000 (One Million US Dollars)
Bank:	Citibank N.A. 111 Wall Street, New York City.
ABA No:	021000089
Swift Address:	CITI US33
Account:	Bank of Bermuda (Isle of Man) Limited
Account No:	[REDACTED]
Swift Address:	BBDAIMDX
For further credit to:	Cottonwood II Limited
Account No:	[REDACTED]
Reference:	Greenbriar Limited

Thanking you in advance for your assistance in this matter and confirming that the original instruction will be forwarded to you by Courier this evening.

Yours faithfully,

K.G. Harding,
Authorised Signatory.

N. Goddard,
Authorised Signatory.

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1350

CC 021722

18/04 01 14:04 FAX 01624 624609

LEHMAN BROTHERS 0001/001

GREENBRIAR LIMITED

(Incorporated in the Isle of Man No: 60403)

Directors:K.G. Harding
N. Goddard (Irish)**Registered Office:**International House,
Castle Hill
Victoria Road,
Douglas,
Isle of Man.Tel: (01624) 630600
Fax: (01624) 624469

* * * U R G E N T * * *

Ref: MQ/KW/GREEN18L.3

18th April, 2001.**BY COURIER**Michele Crittenden
Lehman Brothers Inc.
Texas Commerce Tower,
Suite 2500,
2200 Ross Avenue,
Dallas,
Texas 75201,
United States of America.= Redacted by the Permanent
Subcommittee on Investigations**To be transmitted by Fax and Post**

Fax No: 001 214 [REDACTED]

Dear Michele,

RE: AGENCY BONDS

Further to our previous instruction, please immediately liquidate sufficient Agency Bonds to realise US\$1,000,000 (One million United States Dollars only) and make the following transfer from the realised funds:-

Amount:	US\$1,000,000 (One Million US Dollars)
Bank:	Citibank N.A. 111 Wall Street, New York City.
ABA No:	021000089
Swift Address:	CITI US33
Account:	Bank of Bermuda (Isle of Man) Limited
Account No:	[REDACTED]
Swift Address:	BBDAIMDX
For further credit to:	Cottonwood II Limited
Account No:	[REDACTED]
Reference:	Greenbriar Limited

Thanking you in advance for your assistance in this matter and confirming that the original instruction will be forwarded to you by Courier this evening.

Yours faithfully,

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1350

CC 027046

5592

LEHMAN BROTHERS

MEMORANDUM

TO: Andrew Wallis
FROM: Rebecca Ordinario
DATE: 03/31/98
SUBJECT: Sterling Software, Inc.

Please let this memo serve as confirmation that we sold the following amount of the above mentioned security today:

~~10,000~~ shares Sterling Software Inc. at 56.2516 Proceeds: \$1,084,461.62

This finishes your order to sell 100,000 for Quayle. Please feel free to call if you should have any questions or request. Thank you.

5593

Bank of America, N.A.
P.O. Box 798
Wichita, KS 67201

Account Reference Information
Account Number: [REDACTED]
Tax ID Number: [REDACTED]
E n c l o s u r e s 5 50
Statement Period 03/48/99
04/01/01 through 04/26/01

01099 001 SCH999 1 3 0
COTTONWOOD VENTURES II, LLC
300 CRESCENT CT STE 1000
DALLAS TX 75201-7852

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Customer Service:
Bank of America, N.A.
P.O. Box 798
Wichita, KS 67201
Toll Free 1.888.BUSINESS(1.888.287.4637)

Page 1 of 2

Business Economy Checking

Account Summary Information

Statement Period	04/01/01 through 04/30/01	Statement Beginning Balance	279,261.10
Number of Deposits/Credits	1	Amount of Deposits/Credits	1,000,000.00
Number of Withdrawals/Debits	7	Amount of Withdrawals/Debits	167,417.42
Number of Deposited Items	0	Statement Ending Balance	1,111,843.68
Number of Enclosures	5	Average Ledger Balance	536,961.16
Number of Days in Cycle	30	Service Charge	0.00

Deposits and Credits

Date Posted	Amount	Description	Bank Reference
04/19	1,000,000.00	Wire Type:Fed IN Date:010419 Time:1057 Fed Ref:002802 Seq:010419006058 Orig:Cottonwood II Limit Pmt Det:Cottonwood Ventur Es II Management Trust Ac [REDACTED] Obi= cottonwoo D II Limited INS= D3602228 Sending Bank:Citibank Na	904004199006058

Withdrawals and Debits

Checks

Check Number	Amount	Date Posted	Bank Reference	Check Number	Amount	Date Posted	Bank Reference
1020	582.28	04/03	813009030533520	1025	37,996.93	04/12	813009030373173
1023 *	108,239.00	04/02	813009030693405	1026	3,663.00	04/12	813009030373176
1024	16,574.21	04/12	813009030373172				

* Preceding check (or checks) is outstanding, is included in summary listing, or has been included in a previous statement.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1350

06/09 '01 18:46 FAX 01624 624469

SARNIA INVESTMENTS LIMITED

(Incorporated in the Isle of Man No: 52403)

Directors:*K.G. Harding
N. Goddard (Irish)***Registered Office:***International House,
Castle Hill
Victoria Road,
Douglas,
Isle of Man.**Tel: (01624) 630600
Fax: (01624) 624469*

Ref: AB/SLD/SARNIA-L2.1

6th September, 2001.

= Redacted by the Permanent
Subcommittee on Investigations

BY COURIER

Michele Crittenden
Lehman Brothers Inc.
Texas Commerce Tower,
Suite 2500,
2200 Ross Avenue,
Dallas,
Texas 75201,
United States of America.

To be transmitted by Fax and Post**Fax No: 001 214** [REDACTED]

Dear Michele,

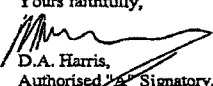
RE: CASH TRANSFER

From cash realised from recent stock sales please effect the following wire transfer:-

Amount:	US\$1,500,000 (One Million, Five Hundred Thousand US Dollars)
Bank:	Citibank N.A., 111 Wall street, New York City.
ABA No:	021000089
Swift Address:	CITI US33
Account:	Bank of Bermuda (Isle of Man) Limited
Account No:	[REDACTED]
Swift Address:	BBDALMDX
For further credit to:	Cottonwood II Limited
Account No:	[REDACTED]
Reference:	Sarnia Investments Limited

Thanking you in advance for your assistance in this matter and confirming that the original instruction will be forwarded to you by Courier.

Yours faithfully,


D.A. Harris,
Authorised "A" Signatory.
K.G. Harding,
Authorised "A" Signatory

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1351

CC 027321

5595



Albert K. Hoover
Vice President and
Assistant General Counsel

September 1, 1995

Lehman Brothers
2200 Ross Avenue, Suite 2500
Dallas, Texas 75201

Dear Sirs:

Please be advised that as soon as Sterling Software, Inc. receives good funds in the amount of \$18,875,000.00 for the benefit of Sarnia, Ltd., Quayle, Ltd., and Greenbriar, Ltd., we will issue common stock certificates without restrictive legends in the name of Lehman Brothers, Inc. in the following denominations:

167,000 (for the benefit of Sarnia, Ltd.)
333,000 (for the benefit of Quayle, Ltd.)
500,000 (for the benefit of Greenbriar, Ltd.)

The certificates will be delivered to the following:

NSCC Window
55 Water Street
Plaza Level
New York, NY 10041-0082
For the Account of LEHMAN BROTHERS

Please call me if you have any questions. Thank you.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Albert K. Hoover', written over a horizontal line.
Albert K. Hoover
Vice President

AKH:msh
lv01

8080 North Central Expressway • Suite 1100 • Dallas, TX 75206-1895 • 214/891-8600 • Fax 214/750-0905

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1351

CC 024191

H

Bank of America, N.A.
P.O. Box 798
Wichita, KS 67201

Account Reference Information
Account Number: [REDACTED]
Tax ID Number: [REDACTED]
E O O C Enclosures 6 50
Statement Period 028643
09/01/01 through 09/30/01

01099 001 SCH999 1 2 0

COTTONWOOD VENTURES II, LLC
300 CRESCENT CT STE 1000
DALLAS TX 75201-7852

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Customer Service:
Bank of America, N.A.
P.O. Box 798
Wichita, KS 67201
Toll Free 1.888.BUSINESS(1.888.287.4637)

Page 1 of 2

Business Economy Checking

Account Summary Information

Statement Period	09/01/01 through 09/30/01	Statement Beginning Balance	254,317.43
Number of Deposits/Credits	2	Amount of Deposits/Credits	1,850,000.00
Number of Withdrawals/Debits	9	Amount of Withdrawals/Debits	1,788,473.02
Number of Deposited Items	0	Statement Ending Balance	315,844.41
Number of Enclosures	6	Average Ledger Balance	508,230.96
Number of Days in Cycle	30	Service Charge	0.00

Deposits and Credits

Date Posted	Amount	Description	Bank Reference
09/11	1,500,000.00	Wire Type:Fed IN Date:010911 Time:0846 Fed Ref:001538 Seq:010911001900 Orig:Cottonwood II Limit Pmt Det:Cottonwood Ventur Es II Management Trust Ac [REDACTED] Obis: cottonwoo D II Limited INS= D3602228 Sending Bank:Citibank Na	904009119001900
09/14	350,000.00	Funds Transfer Credit Fdes Ntx 0001145 NBKA6Y3	945009141460100

Withdrawals and Debits

Checks

Check Number	Amount	Date Posted	Bank Reference	Check Number	Amount	Date Posted	Bank Reference
	1,788.80	09/19	813008230307546	1056 *	156,974.38	09/19	813008230307547
1003	1,919.71	09/04	813008830183966	1057	54,286.15	09/19	813008230307548
1004	718.87	09/17	813009330758357	1059 *	72,773.11	09/26	813008230371129

* Preceding check (or checks) is outstanding, is included in summary listing, or has been included in a previous statement.

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1351

Cottonwood II Limited - Bessie, Orange, Pops, Flo Flo, Bubba, Balch, Katy (SW,EW,LW,LM,KE,AW,CW)				
Foreign Grantor - 1994		Shares or	Market	
Priced at 12/31/01	Face Value	Value	Book	FMV
Cash				
Bank of Bermuda			937	937
Total Cash			937	937
Loans & Advances Receivable				
Intertrust advances			-	-
Total Loans & Advances Receivable			-	-
Investments in Real Estate Trusts				
Cottonwood Ventures II Management Trust			8,380,000	8,363,358
Total Investments in Real Estate Trusts			8,380,000	8,363,358
Total Investments			8,380,000	8,363,358
TOTAL ASSETS			8,380,937	8,364,295
Loans & Advances Payable				
Due to Greenbriar			5,504,000	5,504,000
Due to Bessie Trust			1,000	1,000
Due to Yurta Faf			1,204,926	1,204,926
Due to Orange, LLC			279,513	279,513
Due to Pops, LLC			279,513	279,513
Due to Flo Flo, LLC			279,514	279,514
Due to Bubba, LLC			279,514	279,514
Due to Balch, LLC			279,513	279,513
Due to Katy, LLC			279,513	279,513
Total Loans & Advances Payable			8,387,006	8,387,006
TOTAL LIABILITIES			8,387,006	8,387,006
NET EQUITY			(6,068)	(22,710)
TOTAL LIABILITIES & EQUITY			8,380,937	8,364,295

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1352

CONFIDENTIAL
SEC100067100

Cottonwood II Limited - Bessie, Orange, Pops, Flo Flo, Bubba, Balch, Katy (SW,EW,LW,LM,KE,AW,CW)			
Foreign Grantor - 1994	Shares or	Market	
Priced at 12/31/04	Face Value	Value	
		Book	FMV
Cash			
Bank of Bermuda		9,605	9,605
Total Cash		9,605	9,605
Loans & Advances Receivable			
Intertrust advances		-	-
Total Loans & Advances Receivable		-	-
Investments in Real Estate Trusts			
Cottonwood Ventures II Management Trust		10,379,000	9,378,263
Total Investments in Real Estate Trusts		10,379,000	9,378,263
Total Investments		10,379,000	9,378,263
TOTAL ASSETS		10,388,605	9,387,868
Loans & Advances Payable			
Due to Greenbriar		5,504,000	5,504,000
Due to Audubon		267,702	267,702
Due to Bessie Trust		-	-
Due to Yurta Faf		2,564,804	2,564,804
Due to Orange, LLC		347,355	347,355
Due to Pops, LLC		347,355	347,355
Due to Flo Flo, LLC		347,354	347,354
Due to Bubba, LLC		347,355	347,355
Due to Balch, LLC		347,353	347,353
Due to Katy, LLC		347,353	347,353
Total Loans & Advances Payable		10,420,634	10,420,634
TOTAL LIABILITIES		10,420,634	10,420,634
NET EQUITY		(32,028)	(1,032,765)
TOTAL LIABILITIES & EQUITY		10,388,605	9,387,868

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1352

CONFIDENTIAL
SEC100014730

COTTONWOOD VENTURES I, LLC
WORKING TRIAL BALANCE
12/31/03

ACCOUNT	BALANCE @ 11/2003	CURRENT YEAR ACTIVITY DEBIT	CREDIT	BALANCE @ 12/31/03	DEBIT	CREDIT	ADJUSTED BALANCE @ 12/31/03	
Cash - Bank of America	1,289.20	160.28		1,449.48			1,449.48	1
Cash - Wells Fargo	94,785.32		239,082.26	48,276.32			48,276.32	2
Furniture & Fixtures	48,276.32			48,276.32			61,822.86	2
Equipment	12,143.43			12,143.43	13,546.34	7	12,143.43	2
Accumulated Depreciation	698,495.09			698,495.09			18,298.00	9
Real Estate	2,810,235.37	1,356.02	1	2,861,591.39			(44,791.00)	3
Accumulated Depreciation	(164,637.09)	150,000.00	14	(164,637.09)			2,961,591.39	2
Art Inventory	178,387.92			178,387.92			75,774.00	8
							62,679.00	11
							300.00	13
Total Assets	3,108,875.46	151,515.30	232,082.26	3,156,393.50	13,546.34	157,148.00	2,862,708.84	
AP - Highland Surgate	(82,159.62)			(82,159.62)		2,892.99	(85,052.61)	4
AP - Sales Tax			5,721.30	(5,721.30)	5,721.30	3		
Capital	(3,044,715.84)		40,000.00	(3,034,715.84)	75,000.00	8	(3,159,715.84)	
			130,000.00					
Total Liab & Cap	(3,108,875.46)	186,721.30	186,721.30	(3,302,596.76)	80,721.30	2,892.99	(3,224,768.45)	
Net	-	151,515.30	427,803.56	(276,203.26)	94,267.64	160,041.99	(342,051.61)	
1 - Cash	19,023.44							
2 - Fixed Assets	3,035,537.46							
3 - Accumulated Depreciation	(698,495.09)							
4 - Accounts Payable	(85,052.61)							

P:\trial cottonwood\FILE1708

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1354

5599

Confidential
SEC_ED00055991

PSI_ED00055991

5602

COTTONWOOD VENTURES I, LLC
ADJUSTING JOURNAL ENTRIES
12/31/03

DESCRIPTION	DEBIT	CREDIT
(1)		
Investment Interest	33,000.00	
Consultants - Accountant	550.00	
Consultants - Legal	4,753.70	
Bank Charges	180.00	
Misc. Business Expense		
Real Estate	1,356.02	
Capital		40,000.00
Cash - Bank of America	160.28	
(to record Cottonwood Ventures I activity - WP C)		
(2)		
Checking Account		232,082.26
Real Estate Improvements		
Gifts Received	75,000.00	
Consulting Fee		14,911.35
Sales Tax Payable		5,721.30
Sales		926,700.60
Salary Expense	96,837.71	
Med/Dental/Vision	3,250.97	
Pension Expense	4,661.23	
Administration Fees	5,897.76	
Advertising	48,728.46	
Art, Jewelry	88,178.50	
Art Work	645,626.09	
Audubon Expense	1,628.47	
Auto		
Bank Charge	4,444.92	
Books	280.67	
Catering	2,713.43	
Cellular	997.10	
Charity	12,048.31	
Christmas Decorations	1,121.25	
Cleaning	3,877.20	
Clothing	118.69	
Commission	1,929.11	
Computer	5,680.57	

p:/tax/cottonwood/[FILE]/AJE

Confidential
SEC_ED00055994

PSI_ED00055994

5603

Construction	2,499.81
Contract Labor	
Credit Card	150.00
Credit Card Discount	1,993.27
Dining	1,270.72
Dry Cleaning	12.90
Dues & Subscriptions	
Meals & Entertainment	21.70
Flowers	345.95
Framing	6,958.17
Furniture	13,546.34
Garbage	619.82
Gifts Given	1,896.06
Groceries	2,431.70
Healthclub	5,561.64
Household	2,732.18
Insurance - Business	36,529.69
Insurance - Employee	13,869.92
Internet	1,380.00
Legal/Professional Fees	14,600.00
Liquor	620.87
Long Distance	2,133.60
Maintenance	100.00
Miscellaneous	100.00
Office Expense	230.41
Parking	798.00
Photographs	6,829.58
Printing	4,793.01
Repairs	400.00
Security	5,323.25
Shipping	14,992.43
Ski Passes	4,326.00
Subscriptions	571.00
Supplies, Art	731.81
Supplies, Business	1,457.69
Property Tax	154.96
Payroll Tax	5,995.01
Sales Tax	5,634.67
Telephone	5,195.29
Travel	1,104.73
Utilities	4,411.58
Wages	994.76
Web Page	2,624.55
Windows	452.00

p:/tax/cottonwood/(FILE)/AJE

Confidential
SEC_ED00055995

PSI ED00055995

5604

(to record gallery activity for year - WP D)

(3)		
Sales Tax	5,721.30	
Tax, Sales		5,634.67
Non Deductible		86.63
(to reclass sales tax paid - WP K12)		
(4)		
Travel	1,628.47	
Audubon Expense		1,628.47
(to reclass travel expenses - WP K14)		
(5)		
Commissions	128,537.50	
Art, Jewelry		88,178.50
Artwork		40,359.00
(to reclass commissions to correct account - WP K14)		
(6)		
Non Deductible	4,019.42	
Bank Charge		4,019.42
(to reclass Visa charges - WP K15)		

p:/tax/cottonwood/FILE/AJE

Confidential
SEC_ED00055996

PSI ED00055996

5605

(7)		
Furniture	13,546.34	
Furniture		13,546.34
(to reclass assets to correct accounts - WP K18)		
(8)		
Gifts		75,000.00
Capital	75,000.00	-
(to reclass capital contribution - WP K10)		
(9)		
Depreciation Expense	94,070.00	
Accumulated Depreciation - F&F		18,296.00
Accumulated Depreciation - Real Estate		75,774.00
(to record current year depreciation - WP F)		
(10)		
Non Deductible	2,892.99	
A/P - Highland Stargate		2,892.99
(to adjust account to actual - WP E)		
(11)		
Costs of Goods Sold	668,146.09	
Purchases		605,267.09
Inventory		62,879.00
(to adjust purchases, sales and inventory)		
(12)		
Non Deductible	900.00	
Charitable Contributions		900.00
(to reclass fmV of items received per letter - WP H2)		
(13)		
Charitable Donations	200.00	
Inventory		200.00
(to remove KWE161 donated to charity		

p:/tax/cottonwood/[FILE]/AJE

Confidential
SEC_ED00055997

DSI ED00055997

5606

WP H-7; asset on books was contributed
at FMV of \$900, but real cost is \$200)

(14)		
Real Estate	150,000.00	
Prior year adj/Capital		150,000.00
(to record earnest money paid by Sam in 2000 for purchase of gallery; should have been a debit to real estate and credit to notes payable; entry was never recorded, but note was paid off in 2003 - WP J)		

<u>2,364,077.62</u>	<u>2,364,077.62</u>
---------------------	---------------------

p:/tax/cottonwood/(FILE)/AJE

Confidential
SEC_ED00055998

PSI ED00055998

5607

Prior Year Adjustment	366,200.12	
Inventory (acct 195070)		126,691.08
Cash - Colorado	17,643.96	
Furniture & Fixtures	61,822.66	
Equipment	12,143.43	
Accumulated Depreciation		44,791.00
Real Estate	15,500.52	
Accumulated Depreciation		236,776.00
Accounts Payable		65,052.61
(to adjust CVI's books to combine Gallery books and CVI's books - not for tax return)		
	<u>2,837,388.31</u>	<u>2,837,388.31</u>

p:/tax/cottonwood/FILE/AJE

Confidential
SEC_ED00055999

PSI FD00055999

5608

COTTONWOOD VENTURES I, LLC
RECONCILIATION
12/31/03

ACCOUNT	PER GALLERY BOOKS	PER HS BOOKS	TOTAL
Cash - BOA		1,449.48	1,449.48
Cash - Colorado	17,643.96		17,643.96
Furniture & Fixtures	61,822.66		61,822.66
Equipment	12,143.43		12,143.43
Accumulated Depreciation	(44,791.00)		(44,791.00)
Real Estate	11,211.32	2,950,380.07	2,961,591.39
Accumulated Depreciation		(240,462.00)	(240,462.00)
Art Inventory	62,237.38	51,071.54	113,308.92
			-
Total Assets	120,267.75	2,762,439.09	2,882,706.84
A/P - Highland Stargate	(65,052.61)	-	(65,052.61)
A/P - Credit Cards	-	-	-
Capital	(252,290.36)	(2,835,276.96)	(3,087,567.32)
Prior Year Adj		(41,419.82)	(41,419.82)
			-
Total Liab & Cap	(317,342.97)	(2,876,696.78)	(3,194,039.75)
Net	(197,075.22)	(114,257.69)	(311,332.91)
Bonus	-		-
Consulting Fee	(14,911.35)		(14,911.35)
Gift Income	-		-
Sales	(926,700.60)		(926,700.60)
Jewelry	-		-
Sales Tax	-		-
Cost fo Goods Sold	637,617.40		637,617.40
Capital Gain/Loss	-		-
			-
	(303,994.55)	-	(303,994.55)

p:\tax\cottonwood\FILE\Reconciliation

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1354

Confidential
SEC_ED00056005

PSI ED00056005

5609

Interest Expense		33,000.00	33,000.00
Legal & Professional		5,303.70	5,303.70
Depreciation Expense	18,296.00	75,774.00	94,070.00
Salary Expense	96,837.71		96,837.71
Med/Dental/Vision	3,250.97		3,250.97
Pension Expense	4,661.23		4,661.23
Administration Fees	5,897.76		5,897.76
Advertising	48,728.46		48,728.46
Art, Jewelry	-		-
Art Work	(200.00)		(200.00)
Audubon Expense	-		-
Auto	-		-
Bank Charge	4,444.92	(3,839.42)	605.50
Books	280.67		280.67
Catering	2,713.43		2,713.43
Cellular	997.10		997.10
Charity	11,348.31		11,348.31
Christmas Decorations	1,121.25		1,121.25
Cleaning	3,877.20		3,877.20
Clothing	118.69		118.69
Commission	130,466.61		130,466.61
Computer	5,680.57		5,680.57
Construction	2,499.81		2,499.81
Contract Labor	-		-
Credit Card	150.00		150.00
Credit Card Discount	1,993.27		1,993.27
Dining	1,270.72		1,270.72
Dry Cleaning	12.90		12.90
Dues & Subscriptions	-		-
Meals & Entertainment	21.70		21.70
Flowers	345.95		345.95
Framing	6,958.17		6,958.17
Furniture	-		-
Garbage	619.82		619.82
Gifts Given	1,896.06		1,896.06
Groceries	2,431.70		2,431.70
Healthclub	5,561.64		5,561.64
Household	2,732.18		2,732.18
Insurance - Business	36,529.69		36,529.69
Insurance - Employee	13,869.92		13,869.92
Internet	1,380.00		1,380.00
Legal/Professional Fees	14,600.00		14,600.00
Liquor	620.87		620.87
Long Distance	2,133.60		2,133.60
Maintenance	100.00		100.00
Miscellaneous	100.00		100.00
Office Expense	230.41		230.41
Parking	798.00		798.00

p:\tax\cottonwood\FILE\Reconciliation

Confidential
SEC_ED00056006

PSI ED00056006

5610

Photographs	6,829.58		6,829.58
Printing	4,793.01		4,793.01
Repairs	400.00		400.00
Security	5,323.25		5,323.25
Shipping	14,992.43		14,992.43
Ski Passes	4,326.00		4,326.00
Subscriptions	571.00		571.00
Supplies, Art	731.81		731.81
Supplies, Business	1,457.69		1,457.69
Property Tax	154.96		154.96
Payroll Tax	5,995.01		5,995.01
Sales Tax	-		-
Telephone	5,195.29		5,195.29
Travel	2,733.20		2,733.20
Utilities	4,411.58		4,411.58
Wages	994.76		994.76
Web Page	2,624.55		2,624.55
Windows	452.00		452.00
Non Deductible	3,706.36	4,019.41	7,725.77

501,069.77	114,257.69	615,327.46
197,075.22	114,257.69	311,332.91
(0.00)	0.00	-

p:\tax\cottonwood\FILE\Reconciliation

Confidential
SEC_ED00056007

PSI_ED00056007

COTTONWOOD VENTURES I, LLC
PARTNERS ALLOCATIONS
12/31/03

<u>BOOK</u>		Profit Percentage	Beginning Capital	Contributions	Book Income	Ending Capital
Capital - Wily Works	10.70%		405,064	(75,000)	(241,489)	88,575
	89.30%		2,639,652	190,000	(100,572)	2,729,080
Capital - Cottonwood Gallery						
100.00%			3,044,716	115,000	(342,062)	2,817,654

<u>TAX</u>		Profit Percentage	Beginning Capital	Contributions	Book Income	Ending Capital
Capital - Wily Works	10.70%		205,412	(75,000)	(241,489)	(111,077)
	89.30%		2,639,652	190,000	(100,572)	2,729,080
Capital - Cottonwood Gallery						
100.00%			2,845,064	115,000	(342,062)	2,618,002

	Wily Works	Cottonwood Gallery	Effective %
Gallery Income (Loss)	(229,757.92)	(229,758)	70.59815%
Building Depreciation/Insurance	(112,303.69)	(11,731)	29.40185%

p:\tax\cottonwood\FI\ETax Allocation

Confidential
SEC_ED00056008

PSI_ED00056008

Net income (Loss)	(342,061.61)	(241,489)	(100,572)	100.000000%
-------------------	--------------	-----------	-----------	-------------

NOTE 1/ Per the partnership agreement, all income and loss should be allocated based on contributed property. Wyly Works contributed the art and Cottonwood Gallery Inc contributed the building. Since the art gallery uses the building, we allocate the ownership percentage of building expenses. Ownership percentages are calculated based on beginning capital plus contributions for each partner.

NOTE 2/ Kelly is the sole shareholder of Wyly Works, so when she contributes money it's the same as Wyly Works contributing.

p:\tax\cottonwood\FILE\Tax Allocation

Confidential
SEC_ED00056009

PSI_ED00056009

5613

**COTTONWOOD VENTURES I, LLC
DEPRICIATION ALLOCATION
12/31/03**

Building:	<u>Cost</u>	<u>Depr Exp</u>
Original	2,344,459.91	
Additions	445,937.99	5,241
Total Cost to Date	<u>2,790,397.90</u>	<u>5,241</u>

Depreciation Allocation:

Capital - Wyly Works	10.70%	5,241
Capital - Cottonwood Gallery	89.30%	-
	<u>100.00%</u>	<u>5,241</u>

p:\tax\cottonwood\FILE\Depr Alloc

Confidential
SEC_ED00056010

PSI FD00056010

COTTONWOOD VENTURES I, LLC
INVENTORY
12/31/03

<u>Year</u>	<u>Purchase</u>	<u>Sold PY</u>	<u>Sold CY</u>	<u>Remaining at 12/31/03</u>
1998	123,352.34	60,876.52	30,567.19	31,908.63
1999	8,154.62	4,161.83	12.96	3,979.83
2000	62,673.42	54,047.50	2,350.00	6,275.92
2001	154,872.00	136,450.00		18,422.00
2002	6,455,990.00	6,454,415.00		1,575.00
Balance 12/31/02	6,805,042.38	6,709,950.85	32,930.15	62,161.38
2003	76.00			76.00
Agrees to Kristin's Inventory List	6,805,118.38	6,709,950.85	32,930.15	62,237.38

NOTE: When Wylly Works contributed their art inventory to Cottonwood Ventures I, it was at FMV, not cost. Therefore, the following is the ending inventory recorded on the books.

<u>Year</u>	<u>Purchase</u>	<u>Sold PY</u>	<u>Sold CY</u>	<u>Remaining at 12/31/03</u>
Original Contrib.	240,000.00	92,235.00	60,805.00	86,960.00
2000	62,673.42	54,047.50	2,350.00	6,275.92
2001	154,872.00	136,450.00	-	18,422.00
2002	6,455,990.00	6,454,415.00		1,575.00
2003	76.00	-	-	76.00
	6,913,611.42	6,737,147.50	63,155.00	113,308.92

NOTE/ There were two assets on the ending inventory list year this year that were not on the list last year. They are Item KWE1071 for \$303.84 purchased in 1998 and Time CV102 for \$200 purchased in 1999. These were added to the Purchases for these years.

*The retail values of the art work change each year on their valuations. I'm using the list I started with at WP 1-2.

Confidential
SEC_ED00056011

PSI_ED00056011

5615

,

/

Confidential
SEC_ED00056012

PSI_ED00056012

5616

COTTONWOOD VENTURES I, LLC
INVENTORY
12/31/03

<u>Year</u>	<u>Gallery Value</u>	<u>CVI Value</u>	<u>Diff</u>	<u>Cumulative Difference</u>
2000				40,348.29
2001	152,684.82	240,958.42	(88,273.60)	128,621.89
2002	94,587.69	176,387.92	(81,800.23)	(6,473.37)
2003	62,237.38	113,308.92	(51,071.54)	44,598.17

Confidential
SEC_ED00056013

PSI ED00056013

5617

Redacted by the Permanent
Subcommittee on Investigations

From: Keeley Hennington
Sent: Tuesday, November 11, 2003 3:00 PM
To: "Margot MacInnis"; [REDACTED]
Subject: RE: two things

I think Cottonwood Limited could make contribution to the trust and the trust would pay Sam - this will probably carry through the end of the year depending on Ranger's needs and Christmas (which could wipe it out on its own)

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

"Margot MacInnis" [REDACTED]
11/11/03 09:49 AM

To: <khennington@[REDACTED]>, "Michelle Boucher" [REDACTED]
cc:
Subject:
RE: two things

If there is a way for the Bessie entities to invest additional funds into Cottonwood this might be the easiest solution. Keeley - can you confirm the amount \$600,000 - and whether or not this will be sufficient to carry SW through to year end.

-----Original Message-----

From: khennington [REDACTED]
Sent: Monday, November 10, 2003 10:34 AM
To: Michelle Boucher; Margot MacInnis
Subject: two things

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1355

Confidential
SEC_ED00003443

5618

The flowcharts look great!!! I am going to study them this week.

Sam is in need of \$ - I think we have advanced the entire \$10m - thoughts we need to carry him thru end of year - his Maverick deferral should pay in Jan. The \$1.5 we send Ranger last week wiped him out.
We still show a 600,000 receivable from Cottonwood on the start up - maybe we could pay that? Any thoughts?

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information.
It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

Confidential
SEC_ED00003444

5619

From: Keeley Hennington
Sent: Tuesday, November 18, 2003 11:01 AM
To: "Margot MacInnis" [REDACTED]
Subject: RE: cash

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Yes - Jay is just driving me crazy - they need \$200,000 to set up some Apsen account for Ranger that has to be in Jason's name so Sam has to loan him the money - normal stuff - thanks we will look for it Thursday or Friday.

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

"Margot MacInnis" [REDACTED]
11/18/03 01:07 PM

To
<khennington [REDACTED]>
cc

Subject
RE: cash

I just saw the instructions from Anna this morning so the funds should be moving from the LLC's etc today/tomorrow and I would imagine Cottonwood Gallery will see it by Thursday at the latest.

Is this ok? We didn't get the recommendations off to IOM until late Friday evening.

-----Original Message-----

From: khennington [REDACTED]
Sent: Tuesday, November 18, 2003 1:41 PM
To: Margot MacInnis
Subject: cash

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1355

Confidential
SEC_ED00003461

PSI ED00003461

5620

Do you know when the \$600k is going to hit for Sam?

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

Confidential
SEC_ED00003462

PSI_ED00003462

**Redacted
by
Permanent Subcommittee
on Investigations**

11/20/2003	10,000.00	4774472193	Coltonwood Ventures II, Mgmt Trust	4774472229	Coltonwood Ventures II, LL	031162	X
11/20/2003	549,000.00	4774472193	Coltonwood Ventures II, Mgmt Trust	4770767310	Sam Wyly SP	031163	X
11/20/2003	183,000.00	4774472116	Coltonwood Gallery, Inc.	4770767310	Sam Wyly SP	031164	X

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1356

**Redacted
by
Permanent Subcommittee
on Investigations**

CONFIDENTIAL
SECT00000112
PSI00011979


Bank of America

Bank of America, N.A.
P.O. Box 25118
Tampa, FL 33622-5118
1.800.432.1000
www.bankofamerica.com



Page 1 of 2
Account Number: [REDACTED]
EO P OC Enclosures 0 50
Statement Period
11/01/03 through 11/30/03 0300960

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

|||||

01099 001 SCH999 I12 0

COTTONWOOD VENTURES II MANAGEMENT TRUST
300 CRESCENT CT STE 1000
DALLAS TX 75201-7852

Our free Online Banking service allows you to check account balances,
transfer funds, pay bills and more. Enroll at www.bankofamerica.com.

Business Economy Checking
Account Summary Information

Statement Period	11/01/03 through 11/30/03	Statement Beginning Balance	19,051.25
Number of Deposits/Credits	2	Amount of Deposits/Credits	554,060.50
Number of Withdrawals/Debits	3	Amount of Withdrawals/Debits	559,010.00
Number of Deposited Items	0	Statement Ending Balance	14,091.75
Number of Enclosures	0	Average Ledger Balance	17,232.76
Number of Days in Cycle	30	Service Charge	0.00

Deposits and Credits

Date Posted	Amount	Description	Bank Reference
11/20	549,000.00	Wire Type:Wire IN Date: 112003 Time:0737 Ct Trn:031120010168 Fdref/Seq:80733241798301/001862 Orig:Cottonwood II Limited Snd Bk:Citibank Na ID:0 Pmt Det:002296001577 Cottonwood II Ltd	903711200010168
11/20	5,050.50	Funds Transfer Credit Fdes Ntx 0001145 Nbka6Y3	945011201450049

Withdrawals and Debits
Other Debits

Date Posted	Amount	Description	Bank Reference
11/20	549,000.00	Funds Transfer Debit Fdes Ntx 0001145 Nbka6Y3	945011201450052
11/20	10,000.00	Funds Transfer Debit Fdes Ntx 0001145 Nbka6Y3	945011201450024
11/20	10.00	Wire Transfer Fee	903711200040371

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1356

Confidential Treatment Requested

Recycled Paper

BA 13530

5623

11/20/2003 10:34 FAX

001

*** TX REPORT ***

TRANSMISSION OK

TX/RX NO	1738
CONNECTION TEL	9p21 [REDACTED]
CONNECTION ID	BANK OF AMERICA
ST. TIME	11/20 10:33
USAGE T	00'15
PGS. SENT	1
RESULT	OK

[REDACTED] - Redacted by the Permanent
Subcommittee on Investigations

November 20, 2003

Kelly Roark
Bank of America
5500 Preston Rd., 2nd Floor
Dallas, Texas 75205

Dear Kelly:

Please complete the following transfer today:

Amount: \$549,000.00
From: Cottonwood Ventures II Mgmt Trust
[REDACTED]
To: Sam Wyly, SP
[REDACTED]
Reference #: 0211-63

Please call me at 214-[REDACTED] if you have any questions.

Sincerely,


Jana Frederick



Rhya Alexander

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1356

CONFIDENTIAL
HST_PSI009506
[D]

5624

— = Redacted by the Permanent
Subcommittee on Investigations

Bank of America 

FSC11001 ADVICE OF CREDIT REFERENCE #: NBKA41450053

AMOUNT: \$ 549,000.00 DATE: 11/20/03
ACCOUNT NUMBER: [REDACTED]
TRANSFER FROM COTTONWOOD VENTURES II MGMT TRUST

PREPARED BY: NBKA6Y3
CO NO: 0099 COST CENTER: 0001145

THIS IS YOUR ONLY COPY. PLEASE RETAIN THIS INFORMATION FOR USE IN RECONCILING YOUR ACCOUNT.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1356

CONFIDENTIAL
HST_PSI010235
[D]



Bank of America

Bank of America, N.A.
P.O. Box 25118
Tampa, FL 33622-5118
1.800.432.1000
www.bankofamerica.com



Page 1 of 2
Account Number: [REDACTED]
BO P OC Enclosure 0 50
Statement Period
11/01/03 through 11/30/03 0300963



01699 001 SCH999 112 0

COTTONWOOD GALLERY, INC.
300 CRESCENT CT STE 1000
DALLAS TX 75201-7852

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Our free Online Banking service allows you to check account balances,
transfer funds, pay bills and more. Enroll at www.bankofamerica.com.

Business Economy Checking

Account Summary Information

Statement Period	11/01/03 through 11/30/03	Statement Beginning Balance	6,645.34
Number of Deposits/Credits	1	Amount of Deposits/Credits	183,000.00
Number of Withdrawals/Debits	2	Amount of Withdrawals/Debits	183,010.00
Number of Deposited Items	0	Statement Ending Balance	6,635.34
Number of Enclosures	0	Average Ledger Balance	6,641.67
Number of Days in Cycle	30	Service Charge	0.00

Deposits and Credits

Date Posted	Amount	Description	Bank Reference
11/20	183,000.00	Wire Type:Wire IN Date: 112003 Time:0737 Ct Trn:031120010167 Fdref/Seq:S0733241794701/001673 Orig:Cottonwood I Limited Snd Bk:Citibank Na ID:02 Pmt Det:002296001673 Cottonwood I Ltd	903711200010167

Withdrawals and Debits

Other Debits

Date Posted	Amount	Description	Bank Reference
11/20	183,000.00	Funds Transfer Debit Fdes Ntx 0001145 Nbnk6Y3	945011201450050
11/20	10.00	Wire Transfer Fee	903711200040369

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1356

Confidential Treatment Requested

BA 13523

5626

11/20/2003 10:34 FAX

001

*** TX REPORT ***

TRANSMISSION OK

TX/RX NO	1739
CONNECTION TEL	9p21 [REDACTED]
CONNECTION ID	BANK OF AMERICA
ST. TIME	11/20 10:34
USAGE T	00'15
PGS. SENT	1
RESULT	OK

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

November 20, 2003

Kelly Roark
Bank of America
5500 Preston Rd., 2nd Floor
Dallas, Texas 75205


Dear Kelly:

Please complete the following transfer today:

Amount: \$183,000.00
From: Cottonwood Gallery Inc.
[REDACTED]
To: Sam Wyly, SP
[REDACTED]
Reference #: 0311 64

Please call me at 214 [REDACTED] if you have any questions.

Sincerely,



Jana Frederick


Rena Alexander

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1356

CONFIDENTIAL
HST_PSI009505
[D]

— = Redacted by the Permanent
Subcommittee on Investigations

Bank of America 

FSC11001 ADVICE OF CREDIT REFERENCE #: NBKA41450051

AMOUNT: \$ 183,000.00 DATE: 11/20/03

ACCOUNT NUMBER: [REDACTED]

TRANSFER FROM COTTONWOOD GALLERY INC

CO NO: 0099 COST CENTER: 0001145 PREPARED BY: NBKA6Y3

THIS IS YOUR ONLY COPY. PLEASE RETAIN THIS INFORMATION FOR USE IN RECONCILING YOUR ACCOUNT.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1356

CONFIDENTIAL
HST_PSI010248
[D]

12/31/03

\$ [REDACTED]

<div data-bbox="493 592 615 623" data-label="Text"> <p>[REDACTED]</p> </div> <div data-bbox="493 625 615 651" data-label="Text"> <p>[REDACTED]</p> </div> <div data-bbox="493 653 615 680" data-label="Text"> <p>[REDACTED]</p> </div>	<div data-bbox="628 592 750 623" data-label="Text"> <p>[REDACTED]</p> </div> <div data-bbox="628 625 750 651" data-label="Text"> <p>[REDACTED]</p> </div> <div data-bbox="628 653 750 680" data-label="Text"> <p>[REDACTED]</p> </div>	<div data-bbox="763 592 885 623" data-label="Text"> <p>[REDACTED]</p> </div> <div data-bbox="763 625 885 651" data-label="Text"> <p>[REDACTED]</p> </div> <div data-bbox="763 653 885 680" data-label="Text"> <p>[REDACTED]</p> </div>
<div data-bbox="493 682 615 707" data-label="Text"> <p>[REDACTED]</p> </div> <div data-bbox="493 709 615 737" data-label="Text"> <p>[REDACTED]</p> </div>	<div data-bbox="628 682 750 707" data-label="Text"> <p>[REDACTED]</p> </div> <div data-bbox="628 709 750 737" data-label="Text"> <p>[REDACTED]</p> </div>	<div data-bbox="763 682 885 707" data-label="Text"> <p>[REDACTED]</p> </div> <div data-bbox="763 709 885 737" data-label="Text"> <p>[REDACTED]</p> </div>
<div data-bbox="493 739 615 764" data-label="Text"> <p>[REDACTED]</p> </div>	<div data-bbox="628 739 750 764" data-label="Text"> <p>[REDACTED]</p> </div>	<div data-bbox="763 739 885 764" data-label="Text"> <p>[REDACTED]</p> </div>
<div data-bbox="493 766 615 783" data-label="Text"> <p>Payment on Cottonwood Note with Interest</p> </div>		<div data-bbox="763 766 885 783" data-label="Text"> <p>732,000</p> </div>

[illegible]

PSI_ED00061526

— = Redacted by the Permanent
Subcommittee on Investigations

[REDACTED]

[REDACTED]

[REDACTED]

—

[REDACTED]

[REDACTED]

Cash at 12/31/03

[REDACTED]

Confidential
SEC_ED00061527

PSI_ED00061527



Denton Central Appraisal District

WORK IN PROGRESS

Data on this website may represent working values, and may change at any time.

Property Detail Sheet (R236125)

Links

- Home
- General Information
- News
- FAQ
- Taxing Units
- Reports
- Resources and Forms
- Supplements
- Employment
- Online Maps/GIS
- Appraisal Analysis
- GIS Help
- 2005 Tax Rates

Searches

- Property ID Search
- Account Search
- Owner Search
- Address Search

Property Data

- Detail Sheet
- History
- Datasheet

History



Datasheet



View Map

Owner Information

Owner ID: O461163
 Owner Name: STARGATE SPORT HORSES LP
 Owner Address: 300 CRESCENT CT #1000
 DALLAS, TX 75201
 Property Address: 2700 HWY 407

Parcel Information

Legal Description: A0736A A. R. LOVING, TRACT 5A(1) & 6, ACRES 82.8224
 Acreage: 82.8224
 Cross Reference: A0736A-000-0005-00A1
 Undivided Interest:
Exemption Codes: AG (Agriculture Use)
 Entity Codes: G01 (Denton County)
 S05 (Denton ISD)
 C31 (Town of Bartonville)
 Deed Type: General WD
 Deed Book:
 Deed Page: 01-4091
 Map Page:

Values Breakdown 2006 (Work in Progress)

Land HS: \$270,560 +
 Land NHS: \$0 +
 Improvement HS: \$279,427 +
 Improvement NHS: \$3,143,921 +
 Ag Market: \$1,800,000
 Ag Use: \$7,920 +
 Timber Market: \$0
 Timber Use: \$0 +
 Assessed: \$3,701,828 =

Improvements

ID	Type	SPTB	Segt	Value
Imp1	R (Residential)	E1 (E1 - Farm & Ranch Improver	4	\$ 279,427
Imp2	C (C)	E1 (E1 - Farm & Ranch Improver	7	\$ 1,031,771
Imp3	C (C)	E1 (E1 - Farm & Ranch Improver	3	\$ 674,120
Imp4	C (C)	E1 (E1 - Farm & Ranch Improver	4	\$ 21,186
Imp5	C (C)	E1 (E1 - Farm & Ranch Improver	3	\$ 306,578
Imp6	I (Misc. Improvement)	E1 (E1 - Farm & Ranch Improver	2	\$ 130,660
Imp7	I (Misc. Improvement)	E1 (E1 - Farm & Ranch Improver	1	\$ 458,438
Imp8	I (Misc. Improvement)	E1 (E1 - Farm & Ranch Improver	1	\$ 343,125
Imp9	C (C)	E1 (E1 - Farm & Ranch Improver	1	\$ 49,680
Imp10	I (Misc. Improvement)	E1 (E1 - Farm & Ranch Improver	1	\$ 78,363

Permanent Subcommittee on Investigations

http://www.dentoncad.com/Appraisal

EXHIBIT #66 - FN 1359

ropertyID=314... 11/18/2005

5631

Page 2 of 2

Imp11	I (Misc. Improvement)	E1 (E1 - Farm & Ranch Improver			\$ 50,000
	Land				
ID	Type	SPTB	Acre	Market	
Land1	PI (Improved Pasture)	D1 (D1 - Acreage Ranch Land)	72.0		\$ 1,800,000
Land2	1 (Homesite)	E1 (E1 - Farm & Ranch Improver	10.8		\$ 270,560

5632

Page 1 of 1



Denton Central Appraisal District

WORK IN PROGRESS

Data on this website may represent working values, and may change at any time.

Links

- Home
- General Information
- News

Assessment History (R236125)

Owner Information
STARGATE SPORT HORSES
300 CRESCENT CT #1000
DALLAS, TX 75201

XRef ID
A0736A-000-0005-00A1

Situs Address
2700 HWY 407

		2005	2004	2003	2002
• FAQ					
• Taxing Units					
• Reports	Improvement HS	\$279,427	\$204,626	\$201,371	\$201,431
• Resources and Forms					
• Supplements	Improvement NHS	\$3,143,921	\$530,333	\$446,505	\$0
• Employment					
• Online Maps/GIS	Land HS	\$270,560	\$9,663	\$9,663	\$9,663
• Appraisal Analysis	Land NHS	\$0	\$963,500	\$963,500	\$963,500
• GIS Help					
• 2005 Tax Rates	Agricultural Mkt	\$1,800,000	\$0	\$0	\$0
Searches					
• Property ID Search	Agricultural Use	\$7,920	\$0	\$0	\$0
• Account Search					
• Owner Search	Timber Market	\$0	\$0	\$0	\$0
• Address Search					
Property Data	Timber Use	\$0	\$0	\$0	\$0
• Detail Sheet	Appraised	\$5,493,908	\$1,708,122	\$1,621,039	\$1,174,594
• History					
• Datasheet	Homestead Limit				
	Assessed	\$3,701,828	\$1,708,122	\$1,621,039	\$1,174,594
	Exemptions	AG			

Memo

To: Shari Robertson, Mike French
 Cc: Keeley Hennington, Donnie Miller
 Re: Charles Wyly Family meetings – week of 10/09/00
 Date: October 16, 2000
 From: Michelle Boucher

Keeley & I met with Charles & Donnie on 10/11/00, here is an update on recent developments:

First Dallas International:

Charles has a planned investment in a new Peter Ackerman venture called "Fresh Direct". It is a web based consolidator of fresh foods. You can order off their website and they will ship anywhere in the NY area. They have made significant progress on their warehouse facilities and distribution center in Long Island, and they hope to be up and running in about 1 year's time. The planned cost of this is \$45Million, and Charles would like to commit \$1Million through First Dallas International for an October 31st closing. Jim Lincoln will forward documents once received, but we expect the investment to be made into a tranche of preferred stock.

First Dallas Ventures:

This is the venture cap fund that Donnie and Jim are managing. Charles has authorised investments up to \$10Million at this time. They are contemplating further investment in Cool Partners Inc., as well as other predominantly web-based ventures. Jim and Donnie both appear to be really enjoying this venture.

Ranger/Precept:

It does not appear that Charles and Sam have been able to get together to work out details of Charles' involvement with Ranger/Precept and the Ranger Management company. We had ordered tentative redemptions from Maverick for November 1st, which we'll roll to December 1st if details have not been worked out beforehand.

Sport Horses:

Charles is looking at establishing a breeding and equestrian training facility with Emily's involvement. A business plan has been presented, involving the acquisition of approximately 140 acres of land just north of DFW airport. Only 50 acres will be used for the business venture, and it is likely that the remaining land will be subsequently sold. Keeley and I are consulting Rodney to see if we can use a structure similar to that which was used for the gallery in Aspen, thus utilizing foreign assets for the cash injection and contributing Emily's horses in the same way Kelly contributed the gallery's inventory stocks. We would likely try to sub-divide the property and buy the land held for resale domestically, through another structure. I have not seen it yet, but understand the business plan indicates the business will not likely cash flow for the first few years, and will need ongoing capital. The anticipated initial commitment will be a minimum of \$3Million.

Little Woody Creek Ranch:

This is the house that Emily and Jennifer use. We put together all documentation to sell this property to an IOM company last November/December. Charles has asked us to proceed once again and effect the sale. All domestic and IOM structures and funds are in place. Keeley will pull the documents and we'll touch base with Charles again next week and proceed.

Lambda Properties:

Nothing was directly discussed regarding construction activities on Charles and Dee's house in Aspen. If they decide to proceed, we will recommend that an IOM company acquire the property, to provide funds for the construction project. It is likely that this will not be underway until well into next year, with construction commencing in 2002. As with the Little Woody Creek Ranch property mentioned above, there are some issues regarding ownership of the existing properties which will need to be properly

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1360

MAV008220

considered and dealt with in the new structures, especially within the context of creating sub-funds of the IOM trusts (see below).

Sub-funds:

Charles is aware that Sam is looking at creating sub-funds with the IOM assets, and is contemplating the same. We discussed the idea of creating them by using certain real estate transactions as the initiating transaction. This would include the new Sport Horses venture for Emily, and selling some of the Colorado properties which involves all the children to the foreign system. Charles also discussed making specific \$20Million allocations to each of Martha, Emily and Jennifer, indicating that he thought Chip was well taken care of domestically.

MAV008221

From \rightarrow Charles-

➤ We are in the process of closing down Gemini. The only thing still on the books is the loan ^{from} to the trust. If we do nothing, there will be tax implications from the forgiveness of the debt. I would like to distribute the money (\$738,500) from the trust to Jennifer and Jim's community property and have them contribute it to Gemini which can then pay off the trust. This will avoid any bad tax consequences and the trust will be in the same place. I do not think in talking to Jim that there is any other source of funds for Gemini to draw on.

*loss flow
req. by trust*

OK

*Bank Acct
#.*

9/12/00

Cal

9/12/00

Entity	Current Cash	Outstanding Margin	Taxes Due 4/15/01
Stargate, Ltd.	\$12,000,000 (w/cjw)	\$3,070,000	\$8,000,000 (cjw)
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	29		131

- Have a great holiday weekend and I will talk to you soon.

To → Kuley

CONFIDENTIAL
HST_PSI030962
[D]

Meeting with Trident Trust
David Bester & Francis Webb
Monday, November 6th, 2000 3:00pm
Agenda Items

1. Status of Trust Documentation
 - have all documents been executed – anything outstanding?
2. Potential Creation of sub-funds (CW Family under Tyler Trust – still in planning phase)
 - outline proposed structure & number of sub-funds
 - suggested documentation
 - discuss possible lending of assets/funds across trusts (will likely be across Trustee too)
3. Discuss planning for use of variable life policies, including split dollar arrangements across trusts
4. Status of protector company formation and discussion of parties to be involved
5. Audits of IOM companies
6. Planned CW real estate transactions
 - Little Woody Creek Road
 - Jourdan Way
 - Sport Horses Venture
 - Possible additional development in Aspen (12-18 mths out)
7. Investment update
 - Ranger Group
 - Precept
 - First Dallas International
 - Red River Ventures
 - Greenmountain
 - Art/Collectibles
 - Chapparral
 - Michaels
 - Computer Associates
 - Scottish Annuity & Life Holdings
8. Review of trustee fees

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1360

Confidential
SEC_ED00046460

PSI ED00046460

— = Redacted by the Permanent
Subcommittee on Investigations

From: Keeley Hennington
Sent: Friday, January 26, 2001 1:05 PM
To: "Michelle Boucher" [REDACTED]
Subject: Re: stargate properties

Here the basic structure:

Stargate Sport Horses, LP bought the property and will be the operating company. It was funded with \$2,490,000 of cash from Stargate Horse Properties, Inc. and \$240,000 worth of horses from Stargate Sport Horses Management LLC (SSHM is a single member LLC owned by Emily). Stargate Horse Properties, Inc. is 100% owned by Stargate Limited. It currently has assets of \$10,000 cash.

The documents show Stargate Farms Limited receiving 100,000 shares for their contribution - Is this the right name or is it Stargate Limited? Let me know and I will have them fix if necessary.

 The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

"Michelle Boucher" [REDACTED]
 01/26/01 10:35 AM

To: <khennington@ [REDACTED]>
 cc:
 Subject: stargate properties

I have very little details on the transaction and structure. What did the IOM company buy when it invested in Stargate Horse Properties Inc. for \$2.5M

I assume we'll eventually get a transaction binder.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1361

Confidential
 SEC_ED00005215

DCI FRODO05116

5638

From: Keeley Hennington
Sent: Wednesday, February 28, 2001 7:55 AM
To: MBoucher
Subject: FYI-disregard first e-mail

- Redacted by the Permanent
Subcommittee on Investigations

Don't know what I did - but finished below

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

----- Forwarded by Keeley Hennington/htst on 02/28/01 09:55 AM -----

Keeley Hennington
02/28/01 09:52 AM

To: MBoucher
cc:
Subject: FYI

I was talking to Charles yesterday and he was kind of thinking out loud on some stuff. He was talking about use of off-shore cash and was using the following for planning - thought I would pass it along even though he was just thinking.

First Dallas - \$10.5 future commitments (Brazos, FDV, ?)
Little Woody - \$10.2 (Charles and Dee home in Aspen)
Little Woody - \$4.5 (next week deal)
Sport Horses - \$3.0 (capital improvements)
Jennifer and Jim - \$4.0 (new house)
Charity - ???

He mentioned that he plans to make a pledge some time this summer of about \$10M payable \$2/yr. for 5 years that could possibly be funded off-shore. He was saying that these things would use about half of his current available cash off-shore. He also talked about the Lambda properties being sold off-shore and I told him I would look into this and what the tax implications are - this one is messy.

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1362

Confidential
SEC_ED00005370

PSI F000005370

5639

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

From: "Michelle Boucher" [REDACTED]
Sent: Thursday, May 03, 2001 8:03 AM
To: <khennington@ [REDACTED]>
Subject: Re: couple of things

call me as soon as you can - I have a couple of other tidbits for you :)

I don't like to pay direct to the domestic entity from offshore, but we have a company here called Michelangelo LDC that we can use as an intermediary to refund the deposit. We can assign or sell the commissioned work to Michelangelo and then assign it onto Soulieana Limited

[REDACTED] I will be coming up for the meeting on the 15th, but it will be my last trip. [REDACTED]
[REDACTED] Dawn will be making the trip with me also.

----- Original Message -----

From: <khennington@ [REDACTED]>
To: <MBoucher@ [REDACTED]>
Sent: Thursday, May 03, 2001 8:18 AM
Subject: couple of things

> [REDACTED] Are you
> planning to come for the meeting on the 15th - [REDACTED]
> [REDACTED]
>
> We met on Stargate Sport Horses yesterday - this thing is getting out
> of hand and just growing and growing. We went through all of the
> budgeted numbers with the builder, etc. and are now estimating total
> cost at close to \$6.5M (but that could still go up). I will send you
> the spreadsheet Andrea is working up with all the budgeted numbers on
> it once we finalize it.
>
> Charles sent me an invoice for a painting he commissioned for \$30,000
> with a note as to whether Souliana should pay. Someone put down a
> \$15,000 deposit - I am trying to find out from Andrea who - Is it a
> problem to pay \$15,000 to a domestic entity and the rest to the
> gallery? Just let me know.
> [REDACTED]
>
>
>

>
> The preceding e-mail message (including any attachments) contains
> information that may be confidential, or constitute non-public
information.
> It is intended to be conveyed only to the designated recipient(s). If
> you are not an intended recipient of this message, please notify the

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1362

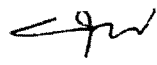
Confidential
SEC_ED00012663

DST ED00012663

STARGATE SPORT HORSES

MEMORANDUM

To: **Lisa and Jackie Blackmon** cc: **Emily, Donnie, Keeley**

From: **Charles Wyly** 

Date: **October 16, 2001**

Re: **Stargate Sport Horses Monthly Reporting**

Lisa and Jackie,

It is important to begin receiving a regular monthly letter on the status of the business from you. It should include activities and challenges for the coming month with financial results and progress for the month just ended.

At least quarterly the budget and the forecast for the year should be reported.

Please begin this soon; the content can be developed over time to fully express the status of the business.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1362


CONFIDENTIAL
HST_PSI084396

5641

STARGATE SPORT HORSES

MEMORANDUM

To: **Doug Forney** cc: **Emily, Donnie, Keeley**

From: **Charles Wyly** 

Date: **October 16, 2001**

Re: **Stargate Sport Horses Monthly Reporting**

Doug,

On your monthly billing report please add the following columns:

1. Scheduled completion date.
2. Forecast completion date (as of each current month).
3. Forecast completion costs compared to allowed or budgeted.

Please focus on finish-outs that will save on maintenance costs over time.

CONFIDENTIAL
HST_PSI084397

— = Redacted by the Permanent
Subcommittee on Investigations

From: Andrea Westbrook
Sent: Friday, May 03, 2002 11:03 AM
To: Keeley Hennington
Subject: Re: Stargate Sport Horses
Attachments: Doc Link.htm

Yes, everything is looking really nice. It looks like it may all come together after all.
:o) They have mainly the finish-out work and landscaping, but there is a lot of both of those to do.

Keeley Hennington
05/03/02 11:58 AM

To: Andrea Westbrook [REDACTED]
cc:
Subject: Re: Stargate Sport Horses

so they must be getting pretty close?

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

Andrea Westbrook
05/03/02 11:57 AM

To: Keeley Hennington/[REDACTED]
cc:
Subject: Re: Stargate Sport Horses

I think that it is in July, but they have told Doug that it is in June. I believe they are shooting for the middle of June.

Keeley Hennington
05/03/02 11:55 AM

To: Andrea Westbrook
cc:
Subject: Stargate Sport Horses

Do they have a grand opening day set yet?

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1362

Confidential
SEC_ED00004864

DET ED00004864

5643

— = Redacted by the Permanent
Subcommittee on Investigations

From: Keeley Hennington
Sent: Thursday, August 22, 2002 10:58 AM
To: "Michelle Boucher" [REDACTED]
Subject: Re: Fw: CA for you

Attachments: CONFID AGMT - DB.DOC

I do not agree that there is little not already known to Maverick, but at the same time I do not think it is a requirement that Joe sign one either (it would just be nice). To avoid a big problem, I would probably let it go and keep John's e-mail in the file. What do you think?

[REDACTED] I got everything off to Sam so hopefully that will keep him busy for a while. I will have my cell if needed.

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

"Michelle Boucher" [REDACTED]
08/22/02 10:20 AM

To: <khennington@ [REDACTED]>, <AnnaB@ [REDACTED]>
cc:
Subject: Fw: CA for you

what do you think?

----- Original Message -----

From: <John_McCafferty@ [REDACTED]>
To: <mboucher@ [REDACTED]>
Sent: Thursday, August 22, 2002 9:59 AM
Subject: CA for you

> Michelle, I'm not sure who is supposed to sign this. Joe is already
> subject to stringent confidentiality policies as part of his
> employment here and I suspect that there is little involved not known
> to someone at Maverick. Moreover there is no "Transaction" with
> either Joe or Maverick which raises an issue legal effectiveness in
> the absence of consideration (to say nothing of a need to rewrite the document).
>
> I received you comments on the DB & BofA agmts. Just to clarify--I
> don't disagree, but it's a question of resource allocation and time
> for you to negotiate them. If you can, have at it, but if you can't,
> your mostly covered.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1362

Confidential
SEC_ED00013262

DEL ED00013262

5644

To: Charles Wylly
Emily Lopez
Don Miller
Jim Lincoln ✓

From: Keeley Hennington

Date: September 9, 2003

I am forwarding the September report from Stargate Sport Horses. Included with this is a detail of all horses on the property. I have indicated which are Stargate versus boarding horses. Also attached is a second quarter budget analysis. I met with Lisa a few weeks ago to review this information and her report on the budget variances is also included. The budget used for this purpose is the budget I completed taking into account additional acreage and number of horses. It is not the original proposal presented by Lisa and Jackie in 2000.

Please let me know if you have any questions or would like me to address any other issues.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1362

CONFIDENTIAL
HST PSI036524

MEMORANDUM

TO: Stargate Sport Horses File
Keeley Hennington
Don Miller
Jim Lincoln

— = Redacted by the Permanent
Subcommittee on Investigations

FROM: Allan Duncan

DATE: March 17, 2005

SUBJECT: SSH - Status Report and Recommendations

I met with [REDACTED] and [REDACTED] on March 15. Following are the highlights of those discussions and my recommendations.

Jutta's Resignation

- [REDACTED] submitted her resignation on 3/9 and I conducted an "exit interview" on 3/15.
- She committed to honor her lesson schedule for the next 30 days and to attend an event with boarders in College Station this weekend.
- I pressed her on this point and specifically asked if she felt it was appropriate to bill for training during the next 30 days. I indicated we could not bill for this service if she did not honor the training schedule. [REDACTED] confirmed her commitment to do so.
- She committed that she and [REDACTED] will vacate the premises on 4/4
- She provided me with dates when she will be in Florida (vacation - 3/22-3/25)
- She inquired about commissions due on Balakov and Sjoque (sp?) She received \$3900 (10% of selling price) on Balakov's sale but now wants 60% of the net profit on Balakov (which is the amount specified in her employment agreement)]. She received 0- on the sale of Sjoque(sp?), believes she is entitled to 10% - . (Note: this was Emily's horse and in my view was not a "Stargate" horse covered by her employment agreement.)
- She indicated she has no other issues related to her exit.
- I asked her opinion about animal health issues, facility issues, boarder issues, etc. She said there were no open issues in her opinion.
- I confirmed we had paid her on 3/15 and confirmed she would be paid for the 30 day period subject to her honoring her commitments to boarders and the facility.

Comments:

- On 3/16/05, [REDACTED] advised that [REDACTED]'s last day will be 3/31 and that she will vacate SSH by 4/4 but that she expects to be paid through 4/9, as vacation pay.
- [REDACTED] provided me with additional information about [REDACTED] absences (copy attached) which indicates she has several health and other absences since 1/1/05.

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1362

CONFIDENTIAL
HST_PSI036490

— = Redacted by the Permanent
Subcommittee on Investigations

- On 3/15/05, [REDACTED] communicated her intentions and schedule to the boarders (copy attached). No one connected with SSH (Keeley, me, [REDACTED]) were copied on same.
- On 3/16/05, several boarders notified SSH that they will move their horses immediately and requested refunds on training (because [REDACTED] was not honoring lesson times) and refunds on board, arguing that since SSH did not give them 30 days notice of [REDACTED] departure, they should be free to go.
- One boarder, [REDACTED] issued a stop payment on her March training and board checks and removed her horses on 3/11 or 3/12.

Recommendations:

1. Pay [REDACTED] the commission specified in her employment letter for Balakov. The estimate is \$7.5K. (\$39K-\$15K (cost) -\$5K (shipping estimate) = \$19K *.6 = \$11.4K - 3.9K (previous amount) = \$7.5K
2. Do not pay [REDACTED] any commission on Sjoque because it belonged to Emily and is not covered by her employment letter.
3. Despite the fact 3/31 will be her last day and despite the fact she has had several absences this year, pay [REDACTED] through 4/9 in exchange for getting a full release from her related to all issues. This treatment is consistent with her employment letter and the cost of payment through 4/9 (vs. 3/31) is estimated to be \$1750. [REDACTED] should draft the release language.
4. [REDACTED] should not ride any SSH horses for the remainder of the time she is on property in order to protect SSH assets.
5. Do not take any action to recover lost board fees from [REDACTED]

Alternatives for Sale of SSH Horses

We have several options, but frankly none of them seem like "good outcomes", so I am still searching for better options.

The current choices are:

- Respond to inquiry from [REDACTED] (sp?) 717-[REDACTED] who I understand bought the horses with the [REDACTED] May be "fronting" for the [REDACTED] but who knows.
- [REDACTED] - a trainer in Houston, who currently is working Mr. [REDACTED]. The plan would be to send 3 horses (Royal Star, Onyx, Oncorde) to [REDACTED] under a train/sale arrangement. Under this arrangement, [REDACTED] would receive \$1000 for the first month's training and board. Thereafter, she would continue to train and show the horses and would receive a 10% commission when so. SSH would incur no costs beyond the \$1000 per horse and these costs would not be recouped by [REDACTED] from proceeds. Currently, these horses are ridden by [REDACTED] and [REDACTED] has never spent much time with them because she felt they were lower level prospects.
- Leave most (or all) SSH horses on property and rely on [REDACTED] to train and show them for sale. The outbound sales effort (which has not produced any success to date) would be administered by [REDACTED]. See discussion of [REDACTED] compensation requirements below.

CONFIDENTIAL
HST_PSI036491

- Request assistance from [REDACTED] (Las Colinas).

Comments:

- I contacted [REDACTED] today and asked that he and [REDACTED] consider providing assistance to us as follows: (1) oversee the sales and training efforts or help find us suitable resources to do this; (2) oversee the clinics and charitable functions at SSH, bring some of their events to SSH to help publicize the property and assist our marketing efforts. He indicated they would get back to us by this weekend.
- [REDACTED] asked to purchase P'Tula for \$15K. [REDACTED] priced P'Tula at \$20-25K]

Recommendations:

- Obtain [REDACTED] and [REDACTED] response and evaluate it.
- If [REDACTED] is hired to manage the sales process, take action as appropriate. If not, contact [REDACTED] and solicit offers from him.
- Defer acting on [REDACTED] offer for another week. See if better solution occurs.
- Defer acting on [REDACTED]'s offer at this time.

Alternatives for Training of SSH Horses

Our goal for "training" of SSH horses is to improve their value during the period they are offered for sale. To accomplish this goal, we have the following options.

- [REDACTED] (see attached offer to master lease the mare barn – discussed with Donnie/declined)
- [REDACTED] (Houston) (see attached offer) [Previously summarized - \$1K/10% deal]
- [REDACTED] – interviewed for Asst Trainer role last weekend. (resume attached)
 On 3/17, I discussed her interest in moving on property and training SSH inventory and assisting with sales efforts. She is more highly trained than [REDACTED] or [REDACTED] our current grooms/options. [REDACTED] currently makes \$33.8K + expenses as a rider on the Lipizzaner show circuit. She is willing to make a move to SSH for the same pay + living quarters on the property. [Either the apartment above the Show Barn or the Trainer's residence on property.] I will confer with [REDACTED] and Keeley before calling her back. The budget provided \$31.2K (as contract labor – no benefits) for the assistant trainer position, so hiring [REDACTED] on salary (\$43.3K including benefits) is probably out of our range. If benefits can be eliminated, she may be a viable candidate.
- [REDACTED] – [REDACTED] husband. Both [REDACTED] and [REDACTED] have proposed him as a contract rider for the younger/rougher horses. [REDACTED] is willing to help and is an experienced Western rider. This is being proposed primarily as a safety issue. [REDACTED] only compensation would be on a "per ride" basis. This is a temporary solution in my view.

Recommendations:

— = Redacted by the Permanent Subcommittee on Investigations

- Defer taking action pending input from [REDACTED] and [REDACTED]

Issues related to the Sale of the Property

- We are committed to spend about \$5K on landscaping. I pressed [REDACTED] to get the contracts signed and the work completed.
- [REDACTED] and I discussed the need for her house to be accessible to [REDACTED] upon reasonable notice. She indicated it would not be a problem and that she would coordinate with [REDACTED]
- We have two 30 day carve outs in the agreement with [REDACTED] any boarder and [REDACTED]. I have discussed the opportunity with [REDACTED] a couple of times and he has a strong interest in working on a JV with us, but he can't move quickly. Given that the carve out expires in 30 days, I don't feel like there is a deal with [REDACTED]

Issues related to the Boarders

Over the past several months, management has done a good job in expanding the number of Boarders at SSH. Only 6 stalls are vacant out of the 40 which are available. (Note that some of the stalls are occupied by SSH horses and do not generate rent.) As of 3/05, SSH was generating approximately \$24,000 per month in training and board income from boarders. Unfortunately, the labor, feed, hay and shavings to provide these services cost \$37,000 per month, so SSH suffers a loss of \$13,000 per month [\$156K loss per year.] This loss can be eliminated by giving notice to the boarders.

Comments:

- Despite [REDACTED] assurances that she will meet the training schedule, I am concerned that we will not meet boarder's expectations for training in March. This fear is already being realized as several have complained about missed lessons and are moving their horses to other facilities.
- The boarders provided a significant volunteer staff for the recent [REDACTED] clinic and I know they are frustrated by recent events.
- The boarders do not want to pay board if they move their horses out prior to the end of the 30 day period since we can not provide the service we contracted to provide them.

Recommendation: (Discussed with Donnie and advised to take the following actions.)

- Notify Boarder's today that they must vacate within 30 days
- Refund all training fees for March
- Advise Boarders that effective March 1, Board costs will be prorated on a per day basis and that they will not be charged board after they vacate. Excess Board will be refunded.

CONFIDENTIAL
HST PSI036493

— = Redacted by the Permanent
Subcommittee on Investigations

- One new client prepaid \$10,000 for training and board. Refund all except for the daily per diem for board in March.

Issues related to Oversight of SSH Events

- SSH is currently slated to host 4-5 charitable events and dressage clinics over the next 9 months. My current understanding is that SSH would honor those commitments, so long as the charity bore all costs of the event. [REDACTED] believes these events are beneficial to our efforts to sell the property and encouraged us to maintain this schedule. Please confirm SSH is willing to honor these commitments.
- [REDACTED] has expressed interest in using the facility for events formerly hosted at Las Colinas. I believe these activities could further enhance SSH visibility and help the marketing efforts. I have asked [REDACTED] to consider running all events at SSH and for us to have a contractual arrangement related to that. He agreed to consider it.
- [REDACTED] asked that she be considered as an Event Coordinator. She proposed that she do that without cost in exchange for SSH giving her a mare, P" Tula. [Cost = \$46K including foal, Ursella]. I recommend we not pursue this offer. I would prefer that we make an arrangement with [REDACTED], if possible.

AHD

CONFIDENTIAL
HST_PSI036494

5650

CERTIFICATE OF LIMITED PARTNERSHIP

OF

STARGATE SPORT HORSES, L. P.

FILED
in the Office of the
Secretary of State of Texas

DEC 19 2000

The undersigned, being the sole general partner of Stargate Sport Horses, L.P., does hereby file this Certificate of Limited Partnership for said partnership pursuant to the provisions of Section 2.01 of the Texas Revised Limited Partnership Act (the "Act"), and the undersigned does hereby certify as follows:

1. The name of the partnership is "Stargate Sport Horses, L.P."
2. The registered office of the partnership is located at 300 Crescent Court, Suite 1000, Dallas, Texas 75201, and the registered agent of the partnership at that address for service of process is Keeley Hennington.
3. The principal office in the United States where records of the partnership are kept and will be made available is 300 Crescent Court, Suite 1000, Dallas, Texas 75201.
4. The sole general partner of the partnership and the mailing and street address of the sole general partner are:

Stargate Sport Horses Management, LLC
300 Crescent Court
Suite 1000
Dallas, Texas 75201

EXECUTED on the 19th day of December, 2000.

GENERAL PARTNER:

Stargate Sport Horses Management, LLC
a Texas limited liability company

By: 
Name: Donald R. Miller
Title: Manager

23694.1

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1364

Confidential Treatment Requested

BA 12124

**AGREEMENT OF LIMITED PARTNERSHIP
OF
STARGATE SPORT HORSES, L.P.**

THIS AGREEMENT OF LIMITED PARTNERSHIP OF STARGATE SPORT HORSES, L.P. (this "Agreement") is made and entered into effective as of December 19, 2000 by and among Stargate Sport Horses Management, LLC, a Texas limited liability company (the "Company"), as the General Partner, and Stargate Horse Properties, Inc., a Nevada corporation ("SHP"), as the Limited Partner, collectively, the "Partners".

FOR AND IN CONSIDERATION OF the mutual covenants, rights, and obligations set forth in this Agreement, the benefits to be derived therefrom, and other good and valuable consideration, the receipt and the sufficiency of which each Partner acknowledges and confesses, the Partners agree as follows:

**ARTICLE I
DEFINITIONS**

1.01 *Certain Definitions.* As used in this Agreement, the following terms have the following meanings:

"*Act*" means the Texas Revised Limited Partnership Act and any successor statute, as amended from time to time.

"*Adjusted Capital Account*" means, with respect to a Partner, such Partner's Capital Account after (i) crediting to such Capital Account any amount which such Partner is deemed to be obligated to restore pursuant to the penultimate sentence of Treasury Regulation Sections 1.704-2(g)(1) and 1.704-2(i)(5); (ii) crediting to such Capital Account any amount such Partner is unconditionally obligated to contribute to the Partnership under Section 4.07 of this Agreement or applicable law; and (iii) debiting to such Capital Account the items described in Treasury Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5), and (6). This definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and 1.704-2, and will be interpreted consistently with those provisions.

"*Adjusted Capital Account Deficit*" means, with respect to a Partner, the deficit balance, if any, in that Partner's Adjusted Capital Account.

"*Affiliate*" means, with respect to any Person, any other Person controlling, controlled by, or under common control with that first Person. as used in this definition, the term "control" means (a) with respect to any corporation or other entity having voting shares or the equivalent and elected directors, managers, or Persons performing similar functions, the ownership or power to vote more than 50% of shares or the equivalent having the power to vote in the election of directors,

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1364

Confidential Treatment Requested

BA 121246

From: Keeley Hennington
 Sent: Friday, January 26, 2001 1:05 PM
 To: "Michelle Boucher" [REDACTED]
 Subject: Re: stargate properties

[REDACTED] = Redacted by the Permanent
 Subcommittee on Investigations

Here the basic structure:

Stargate Sport Horses, LP bought the property and will be the operating company. It was funded with \$2,490,000 of cash from Stargate Horse Properties, Inc. and \$240,000 worth of horses from Stargate Sport Horses Management LLC (SSHM is a single member LLC owned by Emily). Stargate Horse Properties, Inc. is 100% owned by Stargate Limited. It currently has assets of \$10,000 cash.

The documents show Stargate Farms Limited receiving 100,000 shares for their contribution - Is this the right name or is it Stargate Limited? Let me know and I will have them fix if necessary.

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

"Michelle Boucher" [REDACTED]
 01/26/01 10:35 AM

To: <khennington [REDACTED]>
 cc:
 Subject: stargate properties

I have very little details on the transaction and structure. What did the IOM company buy when it invested in Stargate Horse Properties Inc. for \$2.5M

I assume we'll eventually get a transaction binder.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1365

Confidential
 SEC_ED00005215

5653

— = Redacted by the Permanent
Subcommittee on Investigations

From: Keeley Hennington
Sent: Friday, January 26, 2001 1:15 PM
To: "Michelle Boucher" [REDACTED]
Subject: Re: stargate properties

great - I have the stock certificate here and will get Jim to sign as secretary. Then you can take it back with you next week if you want to.

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

"Michelle Boucher" <[REDACTED]>
01/26/01 04:10 PM

To: <khennington [REDACTED]>
cc:
Subject: Re: stargate properties

Thanks, it is Stargate Farms Limited

----- Original Message -----
From: <khennington [REDACTED]>
To: "Michelle Boucher" [REDACTED]
Sent: Friday, January 26, 2001 3:05 PM
Subject: Re: stargate properties

>
> Here the basic structure:
>
> Stargate Sport Horses, LP bought the property and will be the
> operating company. It was funded with \$2,490,000 of cash from
> Stargate Horse Properties, Inc. and \$240,000 worth of horses from
> Stargate Sport Horses Management LLC (SSHM is a single member LLC
> owned by Emily). Stargate Horse Properties, Inc. is 100% owned by
> Stargate Limited. It currently
has
> assets of \$10,000 cash.
>
> The documents show Stargate Farms Limited receiving 100,000 shares for
> their contribution - Is this the right name or is it Stargate Limited?
Let
> me know and I will have them fix if necessary.
>

Confidential
SEC_ED00005216

PSI ED00005216

ARTICLES OF ORGANIZATION
OF
STARGATE SPORT HORSES MANAGEMENT, LLC

FILED
IN THE OFFICE OF THE
CLERK OF THE
JUDICIAL DISTRICT OF TEXAS
DEC 16 2000

The undersigned, acting as organizers of a limited liability company under the Texas Limited Liability Company Act (the "Act"), hereby adopt the following Articles of Organization for such limited liability company (the "Limited Liability Company"):

ARTICLE I.

The Limited Liability Company shall have a period of duration of FIFTY (50) years.

ARTICLE II.

The name of the Limited Liability Company is: STARGATE SPORT HORSES MANAGEMENT, LLC.

ARTICLE III.

The purpose for which the Limited Liability Company is organized is to engage in the transaction of any or all lawful business for which a limited liability company may be organized and engage under the Act.

ARTICLE IV.

The address of the principal place of business in Texas, and of the initial registered office of this Limited Liability Company, is 300 Crescent Court, Suite 1000, Dallas, Texas 75201; and the name of the initial registered agent of the Limited Liability Company at such address is KEELEY HENNINGTON.

ARTICLE V.

The Limited Liability Company is to be managed by Managers. The number of initial Managers shall be FOUR (4). The number of Managers shall be fixed and established hereafter in the manner provided in the Regulations of the Limited Liability Company, as from time

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1366

to time amended. The names and addresses of the initial managers, who shall serve as the managers until successors are duly elected and qualified, are as follows:

Name of Manager	Address
EMILY W. LINDSEY	300 Crescent Court, Suite 1000, Dallas, Texas 75201
DONALD R. MILLER, JR.	300 Crescent Court, Suite 1000, Dallas, Texas 75201
JIM LINCOLN	300 Crescent Court, Suite 1000, Dallas, Texas 75201
KEELEY HENNINGTON	300 Crescent Court, Suite 1000, Dallas, Texas 75201

ARTICLE VI.

Managers of the Limited Liability Company shall not be liable to the Limited Liability Company or its member for monetary damages for an act or omission in the manager's capacity as a manager except as specifically provided by the Texas Limited Liability Company Act. Further, the Limited Liability Company shall have the power to indemnify managers, officers, employees, and agents of the Limited Liability Company and to purchase liability insurance for those persons as, and to the extent, permitted by the Texas Limited Liability Company Act.

ARTICLE VII.

Any action required by the Act or the Texas Business Corporation Act to be taken at any annual or special meeting of the member, or any action which may be taken at any annual or special meeting of the member, may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holder or holders of membership interests having not less than the minimum number of votes that

5656

would be necessary to take such action at a meeting at which the holders of all membership interests entitled to vote on the action were present and voted.

ARTICLE VIII.

No member shall have a preemptive right to acquire any membership interests or securities of any class that may at any time be issued, sold or offered for sale by the Company.


ARTICLE IX.

The right of the member to cumulative voting in the election of managers is expressly prohibited.

ARTICLE X.

The name and address of the organizers are: CHARLES D. FULMAN of 901 Main Street, Suite 3700, Dallas, Texas 75202 and ALAN L. STROUD of 901 Main Street, Suite 3700, Dallas, Texas 75202.

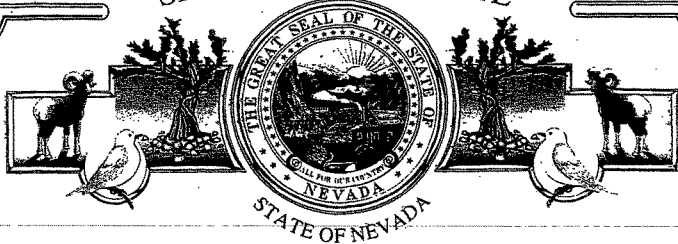
EXECUTED this 19 day of December, 2000.


CHARLES D. FULMAN, Organizer


ALAN L. STROUD, Organizer

236941

SECRETARY OF STATE



STATE OF NEVADA

CORPORATE CHARTER

I, DEAN HELLER, the duly elected and qualified Nevada Secretary of State, do hereby certify that **STARGATE HORSE PROPERTIES, INC.** did on **December 19, 2000** file in this office the original Articles of Incorporation; that said Articles are now on file and of record in the office of the Secretary of State of the State of Nevada, and further, that said Articles contain all the provisions required by the law of said State of Nevada.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office, in Carson City, Nevada, on **December 20, 2000.**

Dean Heller
Secretary of State

By *Angela Clark*
Certification Clerk

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1367

5658

DEC-19-2008 14:27

CT CORPORATION

214 754 0522 P.02/03

DEAN HELLER
Secretary of State101 North Carson Street, Suite 3
Carson City, Nevada 89701-4766
(775) 884 5786

Important: Read attached instructions before completing form.

1. Name of Corporation:	Sargate Horse Properties, Inc.		
2. Resident Agent Name and Street Address (This section must be completed even if the agent is the corporation itself.)	The Corporation Trust Company of Nevada Name 6100 Nell Road, Suite 500 Street Address Reno, NEVADA 89511 City State Zip Code		
3. Shares:	Number of shares with par value: 100,000 Par value: \$0.01 Number of shares without par value: 0		
4. Names, Addresses, Number of Board of Directors/Trustees:	The First Board of Directors/Trustees shall consist of 3 members whose names and addresses are as follows: 1. Emily W. Lindsey Name 300 Crescent Court, Suite 1000 Street Address Dallas, Texas 75201 City State Zip Code 2. Donald R. Miller, Jr. Name 300 Crescent Court, Suite 1000 Street Address Dallas, Texas 75201 City State Zip Code 3. Jim Lincoln Name 300 Crescent Court, Suite 1000 Street Address Dallas, Texas 75201 City State Zip Code 4. _____ Name Street Address City State Zip Code		
5. Purpose (See instructions)	The purpose of this Corporation shall be: All Lawful Activity		
6. Other Matters (See instructions)	Number of additional pages attached: 0		
7. Names, Addresses and Signatures of Incorporators (This section must be completed even if the incorporator is the corporation itself.)	Charles D. Fulmer Name 901 Main St., Suite 3700 Address Dallas, Texas 75202 City State Zip Code Alan L. Stroud Name 901 Main St., Suite 3700 Address Dallas, Texas 75202 City State Zip Code		
8. Certificate of Acceptance of Appointment of Resident Agent	I, The Corporation Trust Company of Nevada, hereby accept appointment as Resident Agent for the above named corporation. Signature of Resident Agent: Michael E. Jones Assistant Secretary Date: 12/17/08		

This form must be accompanied by appropriate fees. See attached fee schedule.

Nevada Secretary of State Form CS-CORP-001 (Rev. 01/08)

DEC-19-2008 13:55

3147442999

91%

P.02
TOTAL P.02
 Permanent Subcommittee on Investigations
 EXHIBIT #66 - FN 1367

Confidential Treatment Requested

BA 121291

5659

DEC-19-2003 14:27

T CORPORATION

214 754 0922 P.02/03



DEAN HELLER
Secretary of State
101 North Carson Street, Suite 3
Carson City, Nevada 89701-4786
(775) 684 5708



Office Use Only:

Important: Read attached instructions before completing form.

1. Name of Corporation:	Stargate Horse Properties, Inc.		
2. Resident Agent Name and Street Address: <small>(Agent for a Nevada corporation whose principal office is located in Nevada)</small>	The Corporation Trust Company of Nevada		
	Name 6100 Neil Road, Suite 500	City NEVADA	Zip Code 89511
	Street Address		
3. Shares: <small>(Number of shares authorized to issue)</small>	Number of shares with par value: 100,000 Par value: \$0.01 Number of shares without par value: -0-		
4. Names, Addresses, Number of Board of Directors/Trustees:	The First Board of Directors/Trustees shall consist of 3 members whose names and addresses are as follows:		
	1. Emily W. Lindsey		
	Name 300 Crescent Court, Suite 1000	City Dallas	State Texas
	Street Address City State Zip Code		
	2. Donald R. Miller, Jr.		
	Name 300 Crescent Court, Suite 1000	City Dallas	State Texas
	Street Address City State Zip Code		
	3. Jim Lincoln		
	Name 300 Crescent Court, Suite 1000	City Dallas	State Texas
	Street Address City State Zip Code		
	4. _____		
	Name City State Zip Code		
5. Purpose: <small>(Additional see instructions)</small>	The purpose of this Corporation shall be: All Lawful Activity		
6. Other Matters: <small>(See instructions)</small>	Number of additional pages attached: -0-		
7. Names, Addresses and Signatures of Incorporators: <small>(Attach and sign each page if there are more than 2 incorporators)</small>	Charles D. Pulman		
	Name 901 Main St., Suite 3700	Signature Charles D. Pulman	City Dallas
	Address City State Zip Code		
	Alan L. Stroud		
	Name 901 Main St., Suite 3700	Signature Alan L. Stroud	City Dallas
	Address City State Zip Code		
8. Certificate of Acceptance of Appointment of Resident Agent:	I, _____ hereby accept appointment as Resident Agent for the above named corporation.		
	Signature of Resident Agent Michael E. Jones	Date 12/19/03	
	Assistant Secretary		

This form must be accompanied by appropriate fees. See attached fee schedule.

Nevada Secretary of State Form 100 (REV. 11/99) Provided by eSOS411

NV031 - 7/17/00 CT System Online

Confidential Treatment Requested

BA 121295

How much like magnified

RP 143

Date		1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428</
------	--	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	--------

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1368

[illegible]

ות

5663

MAY 08 2002 12:39 FR BANC OF AMERICA SEC R 2143032980 TO MARGIN P.02/07



SPAD

TRIDENT TRUST COMPANY (I.O.M.) LTD

P.O. Box 175
33-34 North Road
Douglas IM99 1TT
Isle of Man
British Isles
Tel: +44-1624-666700
Fax: +44-1624-402588
lcm@tridenttrust.com
www.tridenttrust.com

Our Ref: fw/rch-05/1304-0011.
Your Ref:
8 May 2002

573-11938

Bank of America Securities LLC
2001 Ross Avenue
Suite 3100
Dallas
Texas 75201
USA

Transmitted by fax/mile
To: +1 - 214 - 3032980
Original follows by post

Attention: Michele Crittenden

TELEGRAPHIC TRANSFER/INTERBANK PAYMENT

Dear Sirs

ELYSIUM LIMITED - BROKERAGE ACCOUNT NUMBER [REDACTED]

We refer to our telephone conversation (Webb/Crittenden) of 7 May 2002 and the above numbered Brokerage Account.

Please arrange to realise the amount of US \$1,000,000 (one million US Dollars) from the Short Term Government Agency Notes and make the following remittance as soon as possible:-

AMOUNT	US \$1,000,000 (One million Dollars)
PAYEE	Bank of America Dallas, Texas, USA
ABA NUMBER	111000025
FOR CREDIT OF ACCOUNT	Stargate Horse Properties Inc
ACCOUNT NUMBER	[REDACTED]
BY ORDER OF	Elysium / Stargate Farms Limited
REFERENCE	Loan

[REDACTED] = Redacted by the Permanent Subcommittee on Investigations

This remittance represents an urgent tranche of funding to support continuing construction costs of an equine centre in Texas. This represents an investment being made by a sister company to Elysium Limited on behalf of which Elysium Limited is to make this payment as a matter of urgency.

Please do not hesitate to contact this office should you require any further information in this connection. We look forward to receiving your Contract Note and payment confirmation in due course.

Yours faithfully
TRIDENT TRUST COMPANY (I.O.M.) LIMITED

Per:

[Signature]
WFBF
Authorised Signatory

APPROVED

MAY 08 2002

CINDY L. KELLEN
SALES SUPERVISOR

A P PLOWMAN
Authorised Signatory

A MEMBER OF THE TRIDENT GROUP
BAHAMAS • BAHAMAS • BRITISH VIRGIN ISLANDS • CAYMAN ISLANDS • CYPRIUS • JERSEY • KONG KONG
ISLE OF MAN • JERSEY • MAURITIUS • SWITZERLAND • UNITED KINGDOM • UNITED STATES • U.S. VIRGIN ISLANDS

Directors: D.M. Butler (C.O. & A.V.I. W.F. Merriam (U.S.A.) E.J. Murphy (U.S.A.) & John (U.S.A.)
VAT Registration No. FR 8719 32 • Registered Office: 33-34 North Road, Douglas, Isle of Man • Registered in the Isle of Man No. 22071
LTD-100 IN THE ISLE OF MAN • FINANCIAL SUPERVISOR: COMMISSIONER OF THE ISLE OF MAN • FINANCIAL SUPERVISOR

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1368

MAY 08 2002 05:01

PAGE 01

Confidential Treatment Requested

BA 003219

5664

MAR 22 2002 11:20 FR BANC OF AMERICA SEC R 2143232960 TO MARGIN P.01/02



LOA 5/3- [redacted] 1/4
Established by the Isle of Man Financial Supervisors
Commission as a Corporate Service Provider

TRIDENT TRUST COMPANY (I.O.M.) LTD

Our Ref: fwl/b-03/1305-006L

Your Ref:

22 March 2002

Bank of America Securities LLC
2001 Rose Avenue
Suite 3100
Dallas
Texas 75201
USA

P.O. Box 125
12-14 Finch Road
Douglas IM99 1TT
Isle of Man
British Isles
Tel: +44-1624-646700
Fax: +44-1624-620158
Email: info@tridenttrust.com
Web: www.tridenttrust.com

Transmitted by facsimile
To: +1 - 214 - 3032980
Original follows by post

Attention: Michele Crittenden

[redacted] = Redacted by the Permanent
Subcommittee on Investigations

Dear Sirs

SOULEIANA LIMITED - BROKERAGE ACCOUNT NUMBER [redacted]

We refer to our telephone conversation (Webb/Crittenden) of 21 March 2002 and the above numbered Brokerage Account which you have confirmed has been opened on behalf of Souleiana Limited and which is expected to receive by 26 March 2002 the Assets presently held in Lehman Brothers Inc Account No. [redacted]

For your reference we attach a copy of the Lehman Brothers Inc Monthly Report for February 2002.

Please receive this letter as your instruction and authority to realise the amount of \$1,000,000 from the Federal National Mortgage Association Discount Notes held by Souleiana Limited as soon as you are able, and to make the following two remittances by Wire Transfer for the soonest possible value:-

1. AMOUNT : US \$1,000,000
(One million Dollars)
PAYEE : Bank of America
Dallas, Texas, USA
ABA NUMBER : 111000025
FOR CREDIT OF ACCOUNT : Sargate Horse Properties Inc
ACCOUNT NUMBER : [redacted]
BY ORDER OF : Souleiana / Sargate Farms Limited
REFERENCE : Loan

APPROVED
MAR 22 2002
CINDY L. KELLEN
SALES SUPERVISOR

A MEMBER OF THE TRIDENT TRUST GROUP

PANAMA - BARBADOS - BRITISH VIRGIN ISLANDS - CAYMAN ISLANDS - CYPRUS - GUERNSEY - HONG KONG
ISLE OF MAN - JERSEY - MAURITIUS - SWITZERLAND - UNITED KINGDOM - UNITED STATES - U.S. VIRGIN ISLANDS

REGISTRATION NO. 006 8116 13 - [redacted] IN THE ISLE OF MAN REGISTRY

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1368

MAR 22 2002 07:05

PAGE 01

Confidential Treatment Requested

BA 00502

*operating entity in US, 3rd party
parent co. - 2 structure
involving US Dauland
operation / constructive
in TX
Consolidated
time is 1/2 of
expense, this
direct part to
SHP.*

WYLY PARTNERSHIPS		Stargate Sport Horses, LP	
December 31, 2004	Shs/Face	Book	FMV
ASSETS			
Cash/Money Market		109,363	109,363
Investments:			
Real Estate		8,092,456	8,092,456
Accumulated Depreciation		(564,297)	(564,297)
Horses		881,228	881,228
Auto/ Farm Equipment/Other		420,784	420,784
TOTAL ASSETS		8,939,534	8,939,534
LIABILITIES			
Advance Payable		0	0
TOTAL LIABILITIES		0	0
CAPITAL			
Stargate Horse Properties, Inc.	98.41%		8,797,727
Stargate Sport Horses Management, LLC (Emily)	1.59%		141,807
TOTAL CAPITAL		4	8,939,534
TOTAL LIABILITIES & CAPITAL		4	8,939,534

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1370

CONFIDENTIAL
HST DS1007052

WYLY PARTNERSHIPS		Stargate Sport Horses, LP	
February 28, 2001		Shs/Face	Book
ASSETS			FMV
Cash/Money Market		205,437	205,437
Investments:			
Real Estate		2,255,004	2,255,004
Improvements			0
Horses		240,000	240,000
TOTAL ASSETS		2,700,441	2,700,441
LIABILITIES			
TOTAL LIABILITIES		0	0
CAPITAL			
Stargate Horse Properties, Inc.	91.21%		2,463,039
Stargate Sport Horses Management, LLC (Emily)	8.79%		237,402
TOTAL CAPITAL		100.00%	2,700,441
TOTAL LIABILITIES & CAPITAL			2,700,441

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1370

CONFIDENTIAL
 SEC100032100
 DC1000012067

WYLY PARTNERSHIPS		Stargate Sport Horses, LP	
July 31, 2001	Shs/Face	Book	FMV
ASSETS			
Cash/Money Market		184,651	184,651
Investments:			
Real Estate		2,617,675	2,617,675
Improvements		0	0
Horses		220,000	220,000
Auto/ Farm Equipment		179,176	179,176
TOTAL ASSETS		3,201,502	3,201,502
LIABILITIES			
		0	0
TOTAL LIABILITIES		0	0
CAPITAL			
Stargate Horse Properties, Inc.	93.14%		2,981,735
Stargate Sport Horses Management, LLC (Entity)	6.86%		219,767
TOTAL CAPITAL	100.00%	3,201,502	3,201,502
TOTAL LIABILITIES & CAPITAL		3,201,502	3,201,502

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1370

CONFIDENTIAL
 SEC100032816
 DCY00014602

WYLY PARTNERSHIPS		Stargate Sport Horses, LP	
November 30, 2001	Shs/Face	Book	FMV
ASSETS			
Cash/Money Market		612,457	612,457
Investments:			
Real Estate		3,462,164	3,462,164
Improvements			0
Horses		546,250	546,250
Auto/ Farm Equipment		217,926	217,926
TOTAL ASSETS		4,838,797	4,838,797
LIABILITIES			
Advance Payable		200,000	200,000
TOTAL LIABILITIES		200,000	200,000
CAPITAL			
Stargate Horse Properties, Inc.	95.56%		4,432,823
Stargate Sport Horses Management, LLC (Emily)	4.44%		205,974
TOTAL CAPITAL	100.00%	4,638,797	4,638,797
TOTAL LIABILITIES & CAPITAL		4,838,797	4,838,797

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1370

CONFIDENTIAL
SEC100033352
7/27/2004 15:51:10

WYLY PARTNERSHIPS		Stargate Sport Horses, LP	
February 28, 2002		Sha/Face	Book FMV
ASSETS			
Cash/Money Market		197,537	197,537
Investments:			
Real Estate		4,531,555	4,531,555
Improvements			0
Horses		546,250	546,250
Auto/ Farm Equipment		217,926	217,926
TOTAL ASSETS		5,493,268	5,493,268
LIABILITIES			
Advance Payable			0
TOTAL LIABILITIES		0	0
CAPITAL			
Stargate Horse Properties, Inc.	96.36%		5,293,189
Stargate Sport Horses Management, LLC (Emily)	3.64%		200,079
TOTAL CAPITAL	100.00%	5,493,268	5,493,268
TOTAL LIABILITIES & CAPITAL		5,493,268	5,493,268

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1370

CONFIDENTIAL
 SEC100038396
 10/20/2002

WYLY PARTNERSHIPS		Stargate Sport Horses, LP	
June 30, 2002	Shs/Face	Book	FMV
ASSETS			
Cash/Money Market		698,662	698,662
Investments:			
Real Estate		6,248,946	6,248,946
Improvements			0
Horses		623,250	623,250
Auto/ Farm Equipment		217,926	217,926
TOTAL ASSETS		7,788,784	7,788,784
LIABILITIES			
Advance Payable			0
TOTAL LIABILITIES		0	0
CAPITAL			
Stargate Horse Properties, Inc.	97.68%		7,608,387
Stargate Sport Horses Management, LLC (Emily)	2.32%		180,397
TOTAL CAPITAL	100.00%	7,788,784	7,788,784
TOTAL LIABILITIES & CAPITAL		7,788,784	7,788,784

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1370

CONFIDENTIAL
SEC100038831
PSI00050698

WYLY PARTNERSHIPS		Stargate Sport Horses, LP	
August 31, 2002	Shs/Face	Book	FMV
ASSETS			
Cash/Money Market		547,185	547,185
Investments:			
Real Estate		7,363,874	7,363,874
Improvements			0
Horses		623,250	623,250
Auto/ Farm Equipment		333,221	333,221
TOTAL ASSETS		8,867,530	8,867,530
LIABILITIES			
Advance Payable		80,000	80,000
TOTAL LIABILITIES		80,000	80,000
CAPITAL			
Stargate Horse Properties, Inc.	97.90%		8,602,785
Stargate Sport Horses Management, LLC (Emily)	2.10%		184,745
TOTAL CAPITAL	100.00%	8,787,530	8,787,530
TOTAL LIABILITIES & CAPITAL		8,867,530	8,867,530

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1370

CONFIDENTIAL
 SEC100039123
 PSI00050990

WYLY PARTNERSHIPS		Stargate Sport Horses, LP	
September 30, 2002		Shs/Face	Book FMV
ASSETS			
Cash/Money Market		370,190	370,190
Investments:			
Real Estate		7,370,694	7,370,694
Improvements			0
Horses		587,700	587,700
Auto/ Farm Equipment		356,224	356,224
TOTAL ASSETS		8,684,808	8,684,808
LIABILITIES			
Advance Payable			0
TOTAL LIABILITIES		0	0
CAPITAL			
Stargate Horse Properties, Inc.	97.90%		8,502,223
Stargate Sport Horses Management, LLC (Emily)	2.10%		182,585
TOTAL CAPITAL	100.00%	8,684,808	8,684,808
TOTAL LIABILITIES & CAPITAL		8,684,808	8,684,808

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1370

CONFIDENTIAL
 SEC100039270
 000000000000

5673

Bank of America, N.A.
P.O. Box 798
Wichita, KS 67201

Account Reference Information
Account Number [REDACTED]
Tax ID Number [REDACTED]
P.O. Box Enclosure 0
Statement Period
01/03/01 through 01/31/01

STARDATE HORSE PROPERTIES, INC.
300 CRESCENT CT STE 1000
DALLAS TX 75201-7852

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Customer Service:
Bank of America, N.A.
P.O. Box 798
Wichita, KS 67201
Toll Free 1.888.BUSINESS(1.888.287.4637)

Page 1 of 2

Business Economy Checking

Account Summary Information

Statement Period	01/03/01 through 01/31/01	Statement Beginning Balance	0.00
Number of Deposits/Credits	1	Amount of Deposits/Credits	2,500,000.00
Number of Withdrawals/Debits	1	Amount of Withdrawals/Debits	2,490,000.00
Number of Deposited Items	0	Statement Ending Balance	10,000.00
Number of Enclosures	0	Average Ledger Balance	95,862.06
Number of Days in Cycle	29	Service Charge	0.00

Deposits and Credits

Date Posted	Amount	Description	Bank Reference
01/03	2,500,000.00	Wire Type:Fed IN Date:010103 Time:1138 Fed Ref:002445 Seq:010103007484 Orig:Elvelum Limited Int Pte Deb:Elysium Limited A [REDACTED] 001-stargate Farms Limited INR-D36022 287 Bank Of Bermuda (Isle Sending Bank:Citibank Na	904001039007484

Withdrawals and Debits

Other Debits

Date Posted	Amount	Description	Bank Reference
01/04	2,490,000.00	Funds Transfer Debit Fdes NLx 0001145 NKGA6Y3	945001041450132

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1372

Confidential Treatment Requested

BA 06357

5674

Bank of America, N.A.
P.O. Box 798
Wichita, KS 67201

Account Reference Information
Account Number: [REDACTED]
Tax ID Number: [REDACTED]
E O O C Enclosures 1
Statement Period
01/03/01 through 01/31/01

STARGATE SPORT HORSES, L.P.
300 CRESCENT CT STE 1000
DALLAS TX 75201-7852

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Customer Service:
Bank of America, N.A.
P.O. Box 798
Wichita, KS 67201
Toll Free 1.888.BUSINESS(1.888.287.4637)

Page 1 of 2

Business Economy Checking

Account Summary Information

Statement Period	01/03/01 through 01/31/01	Statement Beginning Balance	0.00
Number of Deposits/Credits	1	Amount of Deposits/Credits	2,490,000.00
Number of Withdrawals/Debits	4	Amount of Withdrawals/Debits	2,230,421.43
Number of Deposited Items	0	Statement Ending Balance	259,578.57
Number of Enclosures	1	Average Ledger Balance	327,894.06
Number of Days in Cycle	29	Service Charge	0.00

Deposits and Credits

Date Posted	Amount	Description	Bank Reference
01/04	2,490,000.00	Funds Transfer Credit Fdes Mtx 0001145 HBKA6Y3	945001041450133

Withdrawals and Debits

Check Number	Date	Bank	Amount	Posted Reference
1001	01/31	813009130134319	397.00	

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1372

Confidential Treatment Requested

BA 11966

5675

Bank of America, N.A.
P.O. Box 798
Wichita, KS 67201

Account Reference Information
Account Number: [REDACTED]
Tax ID Number: [REDACTED]
E.O. 12812 Enclosures 1
Statement Period
01/03/01 through 01/31/01

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

STARGATE SPORT HORSES, L.P.

Page 2 of 2

Business Economy Checking

Withdrawals and Debits - Continued

Other Debits

Date Posted	Amount	Description	Bank Reference
01/05	2,229,987.43	Wire Type: Fed Out Date: 010105 Time: 1424 Fed Ref: 002075 Seq: 010105015094 Buf: Allegiance Title Com Pmt Det: Allegiance Title Company Ac [REDACTED] Wf Bnf Bk: Chase Texas	904001059015094
01/05	35.00	Wire Transfer Fee	904001050014475
01/05	2.00	Wire Transfer Fee	904001050014476

Daily Ledger Balances

Date	Balance	Date	Balance	Date	Balance
01/04	2,490,000.00	01/05	259,975.57	01/31	259,578.57

Message Center

Make your deposits at the ATM from January 2 through March 3 and you could win triple the amount of your deposit. The larger your deposit, the more you could win. For details and official rules call 1-800-999-6415. No deposit necessary to enter.

Your Business Check Card is free of monthly or annual fees - A part of your Business Checking Account. And, it works like a check only better. No bulky checkbooks to carry. No checks to write. Best of all your Business Check Card is accepted at over 19 million Visa merchant locations worldwide. For more information call 1-888-600-4000.

Thank you for banking with Bank of America.

0

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1372

Confidential Treatment Requested

BA 119668

5676

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

From: Keeley Hennington
Sent: Tuesday, January 02, 2001 10:24 AM
To: "Michelle Boucher" [REDACTED]
Subject: Re: Stargate Farms closing

I am waiting on account numbers from bank should have this afternoon and will send wire instructions. You will be funding into Stargate Horse Properties, Inc. The property will be purchased by Stargate Sport Horses, LP. Thanks

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

"Michelle Boucher" [REDACTED]
01/02/01 11:32 AM

To: <khennington@ [REDACTED]>
cc:
Subject: Stargate Farms closing

Keeley,
Can you send me the wire instructions for the domestic entity we are sending funds to? I haven't pulled the structure, but I think it is Stargate Farms, LLC <- right? and then isn't the property actually owned by an Ltd.

I want them to move the money from IOM on at least Thursday (and maybe Wednesday if they can get it organised for that date) so you have it within good time to be able to confirm value dates to the seller on Friday.

Hope you had a good New Year!

Michelle

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1372

Confidential
SEC_ED00005060

5677

— = Redacted by the Permanent
Subcommittee on Investigations

From: Keeley Hennington
Sent: Wednesday, January 03, 2001 6:13 AM
To: "Michelle Boucher" [REDACTED]
Subject: Re: Stargate Farms closing

Let's wire \$2,500,000 (which should cover us for closing and a little while). The wire should go to:

Bank of America
Dallas, Texas
ABA 111000025
Account: Stargate Horse Properties, Inc.
Acct No: 4791440263

Let me know when you have sent since I will need to move to the LP before Friday closing.
Thanks

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

"Michelle Boucher" [REDACTED]
01/02/01 11:32 AM

To: <khennington@ [REDACTED]>
cc:
Subject: Stargate Farms closing

Keeley,
Can you send me the wire instructions for the domestic entity we are sending funds to? I haven't pulled the structure, but I think it is Stargate Farms, LLC <- right? and then isn't the property actually owned by an Ltd.

I want them to move the money from IOM on at least Thursday (and maybe Wednesday if they can get it organised for that date) so you have it within good time to be able to confirm value dates to the sellor on Friday.

Hope you had a good New Year!

Michelle

Confidential
SEC_ED00005061

5678

— = Redacted by the Permanent
Subcommittee on Investigations

From: Keeley Hennington
Sent: Monday, January 08, 2001 6:46 AM
To: "Michelle Boucher" [REDACTED]
Subject: Re: [REDACTED]

[REDACTED]

We are planning to have consolidate financials done by Thursday and I will send them to you

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

"Michelle Boucher" <mboucher@candw.ky>
01/08/01 09:34 AM

To: <khennington@htst.com>
cc:
Subject: Re: [REDACTED]

----- Original Message -----
From: <khennington@htst.com>
To: <MBoucher@candw.ky>
Sent: Friday, January 05, 2001 3:35 PM

> Just wanted to let you know that the Horse Farm property closed this
> afternoon. It was a push, but we were able to get all the paperwork
> completed. [REDACTED]
> [REDACTED]
> [REDACTED]
> [REDACTED]

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1372

Confidential
SEC_ED00005087

DET 0100000007

= Redacted by the Permanent
Subcommittee on Investigations

From: Keeley Hennington
Sent: Friday, January 26, 2001 1:15 PM
To: "Michelle Boucher" [REDACTED]
Subject: Re: stargate properties

great - I have the stock certificate here and will get Jim to sign as secretary. Then you can take it back with you next week if you want to.

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

"Michelle Boucher" [REDACTED]
01/26/01 04:10 PM

To: <khennington@stargateproperties.com>
cc:
Subject: Re: stargate properties

Thanks, it is Stargate Farms Limited

----- Original Message -----

From: <khennington@stargateproperties.com>
To: "Michelle Boucher" [REDACTED]
Sent: Friday, January 26, 2001 3:05 PM
Subject: Re: stargate properties

>
> Here the basic structure:
>
> Stargate Sport Horses, LP bought the property and will be the
> operating company. It was funded with \$2,490,000 of cash from
> Stargate Horse Properties, Inc. and \$240,000 worth of horses from
> Stargate Sport Horses Management LLC (SSHM is a single member LLC
> owned by Emily). Stargate Horse Properties, Inc. is 100% owned by
> Stargate Limited. It currently
> has
> assets of \$10,000 cash.
>
> The documents show Stargate Farms Limited receiving 100,000 shares for
> their contribution - Is this the right name or is it Stargate Limited?
> Let
> me know and I will have them fix if necessary.
>

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1372

Confidential
SEC_ED00005216

DOI ED00005216

5680

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

From: Andrea Westbrook
Sent: Monday, January 28, 2002 8:35 AM
To: "Michelle Boucher" <[REDACTED]>
Subject: Re: Funding for Stargate Sport Horses

...Thank you!

"Michelle Boucher" <[REDACTED]>
01/28/02 11:35 AM

To: <awestbrook@[REDACTED]>
cc: <khennington@[REDACTED]>
Subject: Re: Funding for Stargate Sport Horses

okay, will advise when funds will be available - hopefully we can get them to you by the end of the week.

Thanks

----- Original Message -----

From: <awestbrook@[REDACTED]>
To: <mboucher@[REDACTED]>
Cc: <khennington@[REDACTED]>
Sent: Monday, January 28, 2002 10:20 AM
Subject: Funding for Stargate Sport Horses

> Hello!
>
> I am in need of more funding for Sport Horses. I am getting
> construction draws about every two weeks or so and they average around
> \$200,000 + each draw. If I could possibly get around \$1 million, that
> should last a
> couple
> of months. Please let me know your thoughts.
>
> Thank you! Andrea
>
>

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1373

Confidential
SEC_ED00004559

DOI ED00004559

— = Redacted by the Permanent
Subcommittee on Investigations

From: Andrea Westbrook
Sent: Thursday, March 21, 2002 6:29 AM
To: "Michelle Boucher" <[REDACTED]>
Cc: khennington@[REDACTED]
Subject: Re: Funding for Sport Horses

Thanks. Sorry about copying Dawn. I did not know what all she worked on.
Andrea

"Michelle Boucher" <[REDACTED]>
03/20/02 06:15 PM

To: <awestbrook@[REDACTED]>
cc: <khennington@[REDACTED]>
Subject: Re: Funding for Sport Horses

Andrea,

Not a big deal, but going forward please don't copy Dawn on items like this - she doesn't deal with anything 'Wyly' other than the accounting and administration matters for First Dallas International including the investments it makes directly or through FDV.

I will let you know how quickly we can get the funds, we might be tied up until next Wednesday due to the BofA / Lehman transfer. We'll see what we can do - I might be able to get you \$500K very fast with \$500K following in a week or so.

Thanks!
Michelle

----- Original Message -----

From: <awestbrook@[REDACTED]>
To: <mboucher@[REDACTED]> <dcummings@[REDACTED]>
Cc: <khennington@[REDACTED]>
Sent: Wednesday, March 20, 2002 6:00 PM
Subject: Funding for Sport Horses

> I need further funding for Stargate Sport Horses. Lisa Blackmon
> called me today to give me a heads up on a \$576k draw that Doug Forney
> is going to send over. I only have about \$100k left. Can you please
> send \$1,000,000 at your earliest convenience? If you have any
> questions or concerns, please give me a call.
>
> Thanks!
>
> Andrea
>
>

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1373

Confidential
SEC_ED00004712

PSI ED00004712

— = Redacted by the Permanent
Subcommittee on Investigations

From: Andrea Westbrook
Sent: Friday, May 03, 2002 11:16 AM
To: "Michelle Boucher" [REDACTED]
Subject: Re: Stargate Sport Horses

Thanks!

"Michelle Boucher" [REDACTED]
05/03/02 12:17 PM

To: <awestbrook@ [REDACTED]>
cc:
Subject: Re: Stargate Sport Horses

will take care of it
Michelle

----- Original Message -----

From: <awestbrook@ [REDACTED]>
To: <mboucher@ [REDACTED]>
Cc: <khennington@ [REDACTED]>
Sent: Friday, May 03, 2002 11:48 AM
Subject: Stargate Sport Horses

> I am in need of funding again. Doug Forney's bills seem to be getting
> larger
> each time. Can you please transfer another \$1,000,000.00 at your
> earliest convenience? This should finish out the construction and
> give a little extra for operating costs. Please let me know if you have any questions.
>
> Thanks! Andrea
>
>

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1373

Confidential
SEC_ED00004866

— = Redacted by the Permanent
Subcommittee on Investigations

From: Keeley Hennington
Sent: Wednesday, August 07, 2002 12:10 PM
To: "Michelle Boucher" [REDACTED]
Subject: Re: Fw: Stargate Sport Horses

You must be reading my mind - let me look in more detail as to where the money has gone and I will come back to you. I don't think it sounds out of line with everything they are doing out there, but let me check

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

"Michelle Boucher" <[REDACTED]>
08/07/02 10:10 AM

To: <khennington@[REDACTED]>
cc:
Subject: Fw: Stargate Sport Horses

? are you okay with this? I am starting to get worried after our conversation yesterday :-)

----- Original Message -----

From: <awestbrook@[REDACTED]>
To: <khennington@[REDACTED]> <mboucher@[REDACTED]>
Sent: Wednesday, August 07, 2002 10:16 AM
Subject: Stargate Sport Horses

> Michelle-
>
> I am in need of funding for Stargate Sport Horses. There have been a
> few more expenses that were not planned for and we have gone through
> the \$1 million that was sent the first part of May. From Doug's
> latest report,
> it
> looks like another \$300k is needed to complete the project. If you
> could send at least \$750k, I would hope that would carry us for a few months.
> Please let me know your thoughts.
>
> Thanks!
>
> Andrea
>

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1373

Confidential
SEC_ED00013159

DET ED00013150

— = Redacted by the Permanent
Subcommittee on Investigations

From: Keeley Hennington
Sent: Tuesday, November 12, 2002 2:24 PM
To: MBoucher@ [REDACTED]
Subject: Stargate Sport Horses funding
Attachments: 2002 activity.xls

Here it is - it was while you were traveling.

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

----- Forwarded by Keeley Hennington/htst on 11/12/02 04:28 PM -----

Keeley Hennington
11/05/02 04:09 PM

To: MBoucher [REDACTED]
cc:
Subject: Stargate Sport Horses funding

Attached is my spreadsheet on SSH. I looked through everything this year and pulled selected invoices to review. I have also put an estimate of monthly costs. There was a horse they bought that was \$150,000 and some furniture we did not have in any estimates. So, I think at the current burn rate \$500,000 is not out of line. Let me know what you think. Also, if they do the big opening like they are talking about I would expect that to run in the \$200-250 range. Let me know what you think.

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

----- Forwarded by Keeley Hennington/htst on 11/05/02 04:10 PM -----

Andrea Westbrook
10/31/02 11:27 AM

To: mboucher [REDACTED]
cc: Keeley Hennington/htst@htst
Subject: Stargate Sport Horses funding

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1373

Confidential
SEC_ED00011166

DST ETW0011166

5685

Hello!

I am in need of additional funding for Stargate Sport Horses. Construction is pretty much complete except for a couple of round pens and a few odds and ends such as furnishings and I believe a few landscape items. I am estimating that \$500,000 should last for a few months. Please let me know your thoughts and timing on the funding.

Thanks!

Andrea



2002 activity.xls (16
KB)

Confidential
SEC_ED00011167

DST ED00011167

5686

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

From: Keeley Hennington
Sent: Monday, February 24, 2003 12:11 PM
To: "Michelle Boucher" [REDACTED] >
Subject: Re: Fw: Funding for Stargate Sport Horses(SSHLP)

Didn't get mine off in time

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

"Michelle Boucher" [REDACTED] <[REDACTED]@[REDACTED].ky>
02/24/03 02:04 PM
Please respond to "Michelle Boucher"

To: <khennington@[REDACTED]>
cc:
Subject: Fw: Funding for Stargate Sport Horses(SSHLP)

this is more than I thought we'd be looking at.... I figured on \$50 - to a max of \$75 per month, I'll send what she's asked for but we need to follow up with Lisa for budgets - when is she back?

----- Original Message -----
From: <awestbrook@[REDACTED]>
To: <mboucher@[REDACTED]>
Cc: <khennington@[REDACTED]>
Sent: Monday, February 24, 2003 2:53 PM
Subject: Funding for Stargate Sport Horses(SSHLP)

> We are in need of additional funds for SSHLP. I have reviewed the
> monthly expenses and it looks like they are about \$100,000 with some
> cushion built in. We are requesting \$300,000 which should last for 3+
> months. Please advise on the availability of funds.
>
> Thank you!
> Andrea
>

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1373

Confidential
SEC_ED00013570

PSI_ED00013570

— = Redacted by the Permanent
Subcommittee on Investigations

From: Andrea Westbrook
Sent: Thursday, June 26, 2003 1:47 PM
To: mboucher@
Cc: Keeley Hennington
Subject: Fw: Sport Horse

Hello! I just wanted to follow-up on this.

Thanks! Andrea

----- Forwarded by Andrea Westbrook/htst on 06/26/2003 02:50 PM -----

Andrea Westbrook/htst
06/20/2003 09:48 AM

To
Michelle Boucher
cc
Keeley Hennington/htst
Subject
Sport Horse

We are definitely in need of some funding for Stargate Sport Horses. I believe I have the final construction bill on my desk so I am hoping that the expenses will decrease. If we could get at least \$300,000 that should get us through 3 months +.

Please advise when funds will be sent.

Thanks!
Andrea

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1373

Confidential
SEC_ED00005830

PSI_ED00005830

K0054 Pa034 S0005
301120AP01 LGIMP001

ELYSIUM LIMITED

Account number

Cash and money funds balance

	This period	This year
Opening balance	\$ 830.48	
Securities bought and other additions	4,489,835.89	
Securities sold and other deductions	5,239,483.54	
Deposits	0.00	2,840,000.00
Withdrawals	(750,000.00)	(750,000.00)
Money funds amount credited	2.17	
Closing balance	\$ 316.60	

= Redacted by the Permanent Subcommittee on Investigations

Portfolio details

This section shows the holdings in your account. It reflects values as of the close of business on 04/23/01.

Money funds

Description	No. of shares	Market value	Comment
US MONEY MARKET FID INV III	358.60	\$ 358.60	
Total value of money funds		\$ 358.60	

Bonds

Some prices provided by outside pricing services may be inaccurate. They are provided only as a guide to determine portfolio value. For more specific values, please refer to your investment statement. Call fees are not included in the regularly scheduled call data and prices. Your holdings may be subject to other redemptions features including sinking funds or extraordinary calls.

Government and

Federal Agency Bonds

Description	Amount	Interest rate	Maturity date	Price	Adjusted income (annualized)	Market value	Comment
FEDERAL NATIONAL MTG ASSN DISC NOTE	\$ 2,873,000.00	0.06%	05/01/01	99.63		\$ 2,862,399.80	In each account in cash
FEDERAL NATIONAL MTG ASSN DISC NOTE	8,730,000.00	0.00	05/21/01	99.38		8,675,874.00	In each account in cash
							Factor: 1.00000
							In paid at maturity

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1374

CC 009340

Account number [REDACTED]

Description
WITHDRAWAL
FUNDS WIRED TO
BANK OF AMERICA N.A.
STAR GATE HORSE PROPE
REF ID:A405B1QGCS05C003332

Withdrawals

Money funds		Operating money funds balance		All transactions are traded at 1.00 USD (\$) per share.			
Date	Activity	Description	Amount	Date	Activity	Description	Amount
04/08/01	Redemption	***US MONEY MARKET FID NV II	-538.48	04/18/01	Redemption	***US MONEY MARKET FID NV III	-407.30
04/10/01	Redemption	***US MONEY MARKET FID NV II	-294.02	04/20/01	Investment	***US MONEY MARKET FID NV III	.81
04/11/01	Investment	***US MONEY MARKET FID NV III	757.29			DIVIDEND REINVESTED	
						Closing balance	\$ 336.60

The taxable and non-taxable designations provided below refer to the US income tax treatment of distributions from your securities. The designations are accurate to the best of our knowledge. Clients should consult with a tax advisor regarding the tax treatment of their investments.

Date	Description	Converted	Totals	Net Assets	Amount
04/19/01	*****US MONEY MARKET FUND III		\$1.58		\$1.58
04/20/01	*****US MONEY MARKET FUND III		.61		.61
Total earnings from money funds					
			\$2.17	\$0.00	\$2.17

██████████ = Redacted by the Permanent Subcommittee on Investigations



TRIDENT TRUST
ISLE OF MAN

— Redacted by the Permanent
Subcommittee on Investigations

Our Ref: fw/sh-04/1304-001L
Your Ref:
5 April 2001

TRIDENT TRUST COMPANY (I.O.M.) LTD

P.O. Box 175
12-14 Finch Road
Douglas IM99 111
Isle of Man
British Isles
Tel +44-1624-644700
Fax +44-1624-630588
Email ion@tridenttrust.com
Web www.tridenttrust.com

Lehman Bros. Inc
2200 Ross Avenue
Suite 2500
Chase Tower
Dallas 75201
Texas
UNITED STATES OF AMERICA

Transmitted by facsimile
Tel: +1-214- [REDACTED]
Original follows by post

TELEGRAPHIC TRANSFER/OUTWARD PAYMENT

Dear Sir/Madam

ELYSIUM LIMITED - BROKERAGE ACCOUNT NUMBER [REDACTED] USD)

We refer to this company's investment in \$4,577,000 Federal Home Loan Mortgage Corporation Discount Note maturing 10 April 2001; please realise immediately the amount of \$750,000 from this investment and make the following remittance as soon as possible:-

<u>AMOUNT</u>	:	US\$750,000 (Seven hundred and fifty thousand Dollars)
<u>PAYEE</u>	:	Bank of America Dallas, Texas, USA
<u>ABA NUMBER</u>	:	111000025
<u>FOR CREDIT OF ACCOUNT</u>	:	Stargate Horse Properties Inc
<u>ACCOUNT NUMBER</u>	:	[REDACTED]
<u>BY ORDER OF</u>	:	Elysium Limited
<u>REFERENCE</u>	:	Stargate Farms Limited

On maturity of the remaining balance of FHMLC Discount Notes on 10 April, please utilise the proceeds to purchase further US Government Loan Notes with a similar short maturity period.

We look forward to receiving your confirmation of the above remittance and contract note in due course.

Yours faithfully
TRIDENT TRUST COMPANY (I.O.M.) LIMITED
Per:

F WEBB
Authorised Signatory

P J JEMPSON
Authorised Signatory

A MEMBER OF THE TRIDENT TRUST GROUP

BAHAMAS • BARBADOS • BRITISH VIRGIN ISLANDS • CAYMAN ISLANDS • CYPRUS • GUERNSEY • HONG KONG
ISLE OF MAN • JERSEY • MAURITIUS • NETHERLANDS • ST. HELENA • U.S. VIRGIN ISLANDS

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1374

CC 020819

5691

Bank of America, N.A.
P.O. Box 798
Wichita, KS 67201

H
Account Reference Information
Account Number: [REDACTED]
Tax ID Number: [REDACTED]
E O U C Enclosures 0 50
Statement Period 03/2004
04/01/01 through 04/30/01

1101099 001 SCH999 1 3 0
STARGATE HORSE PROPERTIES, INC.
300 CRESCENT CT STE 1000
DALLAS TX 75201-7852

[REDACTED] = Redacted by the Permanent Subcommittee on Investigations

Customer Service:
Bank of America, N.A.
P.O. Box 798
Wichita, KS 67201
Toll Free 1.888.BUSINESS(1.888.287.4637)

Page 1 of 2

Business Economy Checking

Account Summary Information

Statement Period	04/01/01 through 04/30/01	Statement Beginning Balance	10,000.00
Number of Deposits/Credits	1	Amount of Deposits/Credits	750,000.00
Number of Withdrawals/Debits	2	Amount of Withdrawals/Debits	12.00
Number of Deposited Items	0	Statement Ending Balance	759,988.00
Number of Enclosures	0	Average Ledger Balance	659,989.60
Number of Days in Cycle	30	Service Charge	0.00

Deposits and Credits

Date Posted	Amount	Description	Bank Reference
04/05	750,000.00	Wire Type:Fed IN Date:010405 Time:1315 Fed Ref:003332 Seq:010405011690 Orig:Rlysium Limited C O Fmt Det:Stargate Horse PR Operties Inc Ac [REDACTED] Rth= swt Of 01 04 05 Ins = D000066027977 Lehman Bro Sending Bank:Chase Nyc	904004069011690

Withdrawals and Debits

Other Debits

Date Posted	Amount	Description	Bank Reference
04/05	10.00	Wire Transfer Fee	904004060010471
04/05	2.00	Wire Transfer Fee	904004060010472

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1374

Confidential Treatment Requested

BA 063556

5692

Bank of America, N.A.
P.O. Box 798
Wichita, KS 67201

H
Account Reference Information
Account Number: [REDACTED]
Tax ID Number: [REDACTED]
E O O C Enclosures 0 01
Statement Period 02/01/01 through 05/31/01 0205009

01099 001 SCH999 11 0
STARGATE HORSE PROPERTIES, INC.
300 CRESCENT CT STE 1000
DALLAS TX 75201-7852

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Customer Service:
Bank of America, N.A.
P.O. Box 798
Wichita, KS 67201
Toll Free 1.888.BUSINESS(1.888.287.4637)

Page 1 of 1

Business Economy Checking

Account Summary Information

Statement Period	05/01/01 through 05/31/01	Statement Beginning Balance	759,988.00
Number of Deposits/Credits	0	Amount of Deposits/Credits	0.00
Number of Withdrawals/Debits	1	Amount of Withdrawals/Debits	750,000.00
Number of Deposited Items	0	Statement Ending Balance	9,988.00
Number of Enclosures	0	Average Ledger Balance	566,439.61
Number of Days in Cycle	31	Service Charge	0.00

Withdrawals and Debits

Other Debits

Date Posted	Amount	Description	Bank Reference
05/24	750,000.00	Funds Transfer Debit Fdes Ntx 0001146 NBKA6Y3	945005241450013

Daily Ledger Balances

Date	Balance	Date	Balance
05/01	759,988.00	05/24	9,988.00

Message Center

Good news. Starting next month, you'll see improvements to your statement. We've made it easier to balance your business statement by organizing your company's check card and ATM card transactions by each cardholder's card number. Look for more information in your next statement. Thank you for banking with Bank of America.

Thank you for banking with Bank of America.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1374

Confidential Treatment Requested

BA 06356

5693

H

Bank of America, N.A.
P.O. Box 798
Wichita, KS 67201

Account Reference Information
Account Number: [REDACTED]
Tax ID Number: [REDACTED]
E O C Enclosure 18 50
Statement Period 05/01/01 through 05/31/01 0524072

01999 801 SCH999 11

STARGATE SPORT HORSES, L.P.
300 CRESCENT CT STE 1000
DALLAS TX 75201-7852

= Redacted by the Permanent
Subcommittee on Investigations

Customer Service:
Bank of America, N.A.
P.O. Box 798
Wichita, KS 67201
Toll Free 1.888.BUSINESS(1.888.287.4637)

Page 1 of 2

Business Economy Checking

Account Summary Information

Statement Period	05/01/01 through 05/31/01	Statement Beginning Balance	54,204.07
Number of Deposits/Credits	2	Amount of Deposits/Credits	758,350.00
Number of Withdrawals/Debits	22	Amount of Withdrawals/Debits	119,651.50
Number of Deposited Items	3	Statement Ending Balance	692,902.57
Number of Enclosures	18	Average Ledger Balance	219,612.54
Number of Days in Cycle	31	Service Charge	0.00

Deposits and Credits

Date Posted	Amount	Description	Bank Reference
05/09	8,350.00	Counter Credit	813008230413608
05/24	750,000.00	Funds Transfer Credit Fdes Ntx 0001145 NBKA6Y3	945003241450014

Withdrawals and Debits

Checks

Check Number	Amount	Date Posted	Bank Reference	Check Number	Amount	Date Posted	Bank Reference
1019	400.00	05/08	813008730730958	1080 *	400.00	05/24	813009631436161
1020	884.78	05/10	813009631847547	1081	1,180.56	05/31	813008730830128
1021	3,500.00	05/30	813009631647729	1082	4,150.00	05/23	8130082307700786
1022	420.00	05/30	813009030094450	1083	4,435.54	05/29	813009631561864
1023	22,300.00	05/15	813005030661444	1084	314.74	05/29	813008230130267
1024	400.00	05/15	813008730161716	1085	335.00	05/30	813009230800949
1025	8,850.54	05/21	813008330919453	1086	300.00	05/31	813000100491500
1026	16,952.72	05/16	813008730487020	1087	49,124.04	05/29	813009330040953
1028 *	3,592.08	05/21	813008330919452	1088	400.00	05/29	813009631561863

* Preceding check (or checks) is outstanding, is included in summary listing, or has been included in a previous statement.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1374

Confidential Treatment Requested

BA 11967

5694

Bank of America, N.A.
P.O. Box 798
Wichita, KS 67201
Toll Free 1 800 831 8888 (1 800 287 4837)

Page 1 of 2
Account Number: [REDACTED]
E.O. 12812 Enclosures 0
Statement Period
10/01/01 through 10/31/01

STARGATE HORSE PROPERTIES, INC.
300 CRESCENT CT STE 1000
DALLAS TX 75201-7852

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Business Economy Checking

Account Summary Information

Statement Period	10/01/01 through 10/31/01	Statement Beginning Balance	9,976.00
Number of Deposits/Credits	1	Amount of Deposits/Credits	1,000,000.00
Number of Withdrawals/Debits	2	Amount of Withdrawals/Debits	12.00
Number of Deposited Items	0	Statement Ending Balance	1,009,964.00
Number of Enclosures	0	Average Ledger Balance	268,037.41
Number of Days in Cycle	31	Service Charge	0.00

Deposits and Credits

Date Posted	Amount	Description	Bank Reference
10/24	1,000,000.00	Wire Type: Fed IN Date: 011024 Time: 1147 Fed Ref: 002756 Seq: 011024006693 Orig: Stargate Farms Limi Pmt Det: Stargate Horse PR Operties Inc Ac [REDACTED] Obj: b O Stargate Farms Limited Ref Loan INS= D360 Sending Bank: Citibank Na	904010249006693

Withdrawals and Debits

Other Debits

Date Posted	Amount	Description	Bank Reference
10/24	10.00	Wire Transfer Fee	904010240004162
10/24	2.00	Wire Transfer Fee	904010240004163

Daily Ledger Balances

Date	Balance	Date	Balance
10/01	9,976.00	10/24	1,009,964.00

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1375

Confidential Treatment Requested

BA 06356'

5695

Bank of America, N.A.
P.O. Box 708
Wichita, KS 67201
Toll Free 1.800.445.1234

Page 1 of 1
Account Number
E O C Enclosures B
Statement Period
11/01/01 through 11/30/01

STARGATE HORSE PROPERTIES, INC.
300 CRESCENT CT STE 1000
DALLAS TX 75201-7852

Redacted by the Permanent
Subcommittee on Investigations

Business Economy Checking

Account Summary Information

Statement Period	11/01/01 through 11/30/01	Statement Beginning Balance	1,009,964.00
Number of Deposits/Credits	0	Amount of Deposits/Credits	0.00
Number of Withdrawals/Debits	1	Amount of Withdrawals/Debits	1,000,000.00
Number of Deposited Items	0	Statement Ending Balance	9,964.00
Number of Enclosures	0	Average Ledger Balance	509,964.00
Number of Days in Cycle	30	Service Charge	0.00

Withdrawals and Debits

Other Debits

Date Posted	Amount	Description	Bank Reference
11/16	1,000,000.00	Funds Transfer Debit Fdes Ntx 0001145 NBKA6Y3	945011161450022

Daily Ledger Balances

Date	Balance	Date	Balance
11/01	1,009,964.00	11/16	9,964.00

Message Center

Please notice your statement's new look. Some of our customers told us that blank spaces at the top of statement pages resulted in generation of an additional page. Thanks to this feedback, we are now printing statement information in those spaces, reducing the length of your statement and saving paper.

See Olympic Gold Medal Figure Skating Champions performing in the Bank of America Celebration of Gold, Monday, December 3rd, 7:00 p.m. at the American Airlines Center in Dallas, TX. For discount tickets, call Ticketmaster at 214.373.8000 or 972.647.5700 and give code BOA GOLD. Or tune in to the FOX TV Network at 4:30 p.m. on Sunday, December 9th.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1375

Confidential Treatment Requested

BA 063561

5696

Bank of America, N.A.
P.O. Box 798
Wichita, KS 67201
Toll Free 1.888.BUSINESS(1.888.287.4637)

Page 1 of 2
Account Number
E O C Enclosure 15 50
Statement Period
11/01/01 through 11/30/01

STARGATE SPORT HORSES, L.P.
300 CRESCENT CT STE 1000
DALLAS TX 75201-7852

Redacted by the Permanent
Subcommittee on Investigations

Business Economy Checking

Account Summary Information

Statement Period	11/01/01 through 11/30/01	Statement Beginning Balance	85,265.13
Number of Deposits/Credits	3	Amount of Deposits/Credits	1,001,230.00
Number of Withdrawals/Debits	20	Amount of Withdrawals/Debits	469,731.76
Number of Deposited Items	6	Statement Ending Balance	616,763.37
Number of Enclosures	16	Average Ledger Balance	335,697.91
Number of Days in Cycle	30	Service Charge	0.00

Deposits and Credits

Date Posted	Amount	Description	Bank Reference
11/07	260.00	Deposit	813009230888832
11/07	970.00	Non-Cash Deposit Correction	813009230888833
11/16	1,000,000.00	Funds Transfer Credit Fdes Ntx 0001145 NBKA6Y3	945011161450023

Withdrawals and Debits

Check Number	Amount	Date Posted	Bank Reference	Check Number	Amount	Date Posted	Bank Reference
1120	797.00	11/14	813009080343694	1135	257.35	11/09	813009030798906
1128 *	102.85	11/05	813009330679180	1136	386,721.43	11/15	81300930141405
1129	2,687.75	11/07	81300930615928	1137	280.57	11/15	813009130584088
1130	819.31	11/08	813009230189427	1138	272.00	11/29	813009430349039
1131	27,850.44	11/05	813009230253010	1139	5,338.75	11/20	813009300565619
1132	198.15	11/09	813009230575781	1140	356.73	11/23	813008730100146
1133	1,400.00	11/29	813105830198165	1141	101.37	11/27	813009230024679
1134	532.50	11/23	813009130962336	1142	3,936.93	11/26	813009531696570

* Preceding check (or checks) is outstanding, is included in summary listing, or has been included in a previous statement.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1375

Confidential Treatment Requested

BA 11968

5697

MAR 22 2002 11:20 FR BANC OF AMERICA SEC R 2143032980 TO MARGIN

P.01/02



Licensed by the Isle of Man Financial Supervision Commission as a Corporate Service Provider

LOA 5/3- [redacted] 1/4

Our Ref: fw/kib-03/1305-006L

Your Ref:

22 March 2002

Bank of America Securities LLC
2001 Ross Avenue
Suite 3100
Dallas
Texas 75201
USA

TRIDENT TRUST COMPANY (I.O.M.) LTD

P.O. Box 175
12-14 Finch Road
Douglas IM99 1TT
Isle of Man
British Isles
Tel: +44-1624-646700
Fax: +44-1624-620758
Email: info@tridenttrust.com
Web: www.tridenttrust.com

Transmitted by facsimile
To: +1 - 214 - 3032980
Original follows by post

Attention: Michele Crittenden

[redacted] = Redacted by the Permanent Subcommittee on Investigations

Dear Sirs

SOULEIANA LIMITED - BROKERAGE ACCOUNT NUMBER [redacted]

We refer to our telephone conversation (Webb/Crittenden) of 21 March 2002 and the above numbered Brokerage Account which you have confirmed has been opened on behalf of Souleiana Limited and which is expected to receive by 26 March 2002 the Assets presently held in Lehman Brothers Inc Account No. [redacted]

For your reference we attach a copy of the Lehman Brothers Inc Monthly Report for February 2002.

Please receive this letter as your instruction and authority to realise the amount of \$1,000,000 from the Federal National Mortgage Association Discount Notes held by Souleiana Limited as soon as you are able, and to make the following two remittances by Wire Transfer for the soonest possible value:-

1. AMOUNT	:	US \$1,000,000 (One million Dollars)
PAYEE	:	Bank of America Dallas, Texas, USA
ABA NUMBER	:	111000025
FOR CREDIT OF ACCOUNT	:	StarGate Horse Properties Inc
ACCOUNT NUMBER	:	[redacted]
BY ORDER OF	:	Souleiana / StarGate Farms Limited
REFERENCE	:	Loan

operating entity in US, Texas
3rd party
parent co. of structure
working w/ Souleiana
operation / construction
Construction Co.
in TX
time w/d th
expense, this
direct part to
SHP.

APPROVED
MAR 22 2002
CINDY L KELLEN
SALES SUPERVISOR

A MEMBER OF THE TRIDENT TRUST GROUP

BAHAMAS - BARBADOS - BRITISH VIRGIN ISLANDS - CAYMAN ISLANDS - CYPRUS - GUERNSEY - HONG KONG
ISLE OF MAN - JERSEY - MAURITIUS - SWITZERLAND - UNITED KINGDOM - UNITED STATES - U.S. VIRGIN ISLANDS

QUALIFIED U.K. ENTITY (U.K. & P.A.) W.P. MEMBER (U.S. & I.) MEMBER (J.E. & R.) MEMBER (U.K.)
VAT REGISTRATION NO. 008 8112 10

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1376

MAR 22 2002 07:05

PAGE 01

Confidential Treatment Requested

BA 00502

Client Statement
03/01/2002 to 03/31/2002

Account Number

Banc of America Securities LLC
Private Client Services
600 Montgomery Street
Sixth Floor
New York, NY 10111
415.627.2000
www.bofasecurities.com
A Bank of America Company

Banc of America Securities



Redacted by the Permanent
Subcommittee on Investigations

Page 5 of 8

Security Transaction Activity

Description	Date	Transaction	Type	Quantity	Price	(Debit)/Credit
FEDERAL NATIONAL MTG ASSN DISC NOTE DUE 09/01/2002 MOODY RATG AA&B+ RATG YIELD 1.853 % TO MATURITY CUSIP: 313599WF6	03/26/2002	Sell	Cash	1,200,000	\$ 99.515	\$ 1,197,790.00
Total Security Transaction Activity						\$ 1,197,790.00

Money Market Activity

Description	Date	Transaction	Type	Quantity	Price	(Debit)/Credit
DREYFUS OFFSHORE US TREASURY FUND CL A	03/26/2002	Fund	Cash	99,033.62	\$ 0.00	\$ (99,033.62)
Total Money Market Activity						\$ (99,033.62)

Income and Expense Activity

Description	Date	Transaction	Type	Tax Withheld	Reportable	Non-Reportable	Total Income
PREPAY INT 4 DAYS 11000000 513-11359	03/26/2002	Cash		\$ 0.00	\$ (485.89)	\$ 0.00	\$ (485.89)
Total Income and Expense Activity						\$ 0.00	\$ (485.89)

Contribution and
Withdrawal Activity

Description	Date	Transaction	Type	Quantity	Price	Market Value	(Debit)/Credit
FUNDS WIRED ABAM11000025 REF # 4764 STARGATE HORSE PROPERTIES I	03/22/2002	Cash		0	\$ 0.00		\$ (1,000,000.00)

03/28/02

Redacted by the Permanent Subcommittee on Investigations

BA 050925

5699

Bank of America, N.A.
P.O. Box 20118
Tampa, FL 33622-5118
Toll Free 1.888.BUSINESS.1.888.287.4637

Page 1 of 2
Account Number: [REDACTED]
E O O C Enclosures 0
Statement Period
03/01/02 through 03/31/02

01099 001 SCH999 1 3 0
STARGATE HORSE PROPERTIES, INC.
300 CRESCENT CT STE 1000
DALLAS TX 75201-7852

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Business Economy Checking

Account Summary Information

Statement Period	03/01/02 through 03/31/02	Statement Beginning Balance	9,952.00
Number of Deposits/Credits	1	Amount of Deposits/Credits	1,000,000.00
Number of Withdrawals/Debits	2	Amount of Withdrawals/Debits	12.00
Number of Deposited Items	0	Statement Ending Balance	1,009,940.00
Number of Enclosures	0	Average Ledger Balance	332,528.77
Number of Days in Cycle	31	Service Charge	0.00

Deposits and Credits

Date	Amount	Description	Bank Reference
03/22	1,000,000.00	Wire Type:Wire IN Date: 032202 Time:1247 Ct Trn:020322034673 Fdref/Seq:Ft0203221025322/004764 Orig:5131193913.Soulieana Limit Orig Bk:Bank Of Ame Rica Securities LI ID: [REDACTED]	9037032200034673

Withdrawals and Debits

Other Debits

Date	Amount	Description	Bank Reference
03/22	10.00	Wire Transfer Fee	903703220006356
03/22	2.00	Wire Transfer Fee	903703220006357

Daily Ledger Balances

Date	Balance	Date	Balance
03/01	9,952.00	03/22	1,009,940.00

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1376

Confidential Treatment Requested

BA 09354

5700

Bank of America, N.A.
P.O. Box 25118
Tampa, FL 33622-0118
Toll Free 1.800.BUSINESS 1.800.287.4637

Page 1 of 2
Account Number: [REDACTED]
E O O C Enclosures 0
Statement Period
04/01/02 through 04/30/02

01099 001 SCR999 1 34 0
STARGATE HORSE PROPERTIES, INC.
300 CRESCENT CT STE 1000
DALLAS TX 75201-7852

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Business Economy Checking

Account Summary Information

Statement Period	04/01/02 through 04/30/02	Statement Beginning Balance	1,009,940.00
Number of Deposits/Credits	0	Amount of Deposits/Credits	0.00
Number of Withdrawals/Debits	1	Amount of Withdrawals/Debits	1,000,000.00
Number of Deposited Items	0	Statement Ending Balance	9,940.00
Number of Enclosures	0	Average Ledger Balance	9,940.00
Number of Days in Cycle	30	Service Charge	0.00

Withdrawals and Debits

Other Debits

Date	Amount	Description	Account Number
04/01	1,000,000.00	Funds Transfer Debit Fdes Ntx 0001145 Nbkas6Y3	945004011450088

Daily Ledger Balances

Date	Balance
04/01	9,940.00

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1376

Confidential Treatment Requested

BA 09354

5701

Bank of America, N.A.
P.O. Box 26118
Tampa, FL 33622-0118
Toll Free 1.888.BUSINESS (1.888.287.4637)

Page 1 of 2
Account Number: [REDACTED]
8 0 0 C Enclosures 18 50
Statement Period
04/01/02 through 04/30/02

STARGATE SPORT HORSES, L.P.
300 CRESCENT CT STE 1000
DALLAS TX 75201-7852

= Redacted by the Permanent
Subcommittee on Investigations

Business Economy Checking

Account Summary Information

Statement Period	04/01/02 through 04/30/02	Statement Beginning Balance	472,296.06
Number of Deposits/Credits	2	Amount of Deposits/Credits	1,007,759.54
Number of Withdrawals/Debits	20	Amount of Withdrawals/Debits	474,762.17
Number of Deposited Items	15	Statement Ending Balance	60,701.31
Number of Enclosures	18	Average Ledger Balance	394,393.06
Number of Days in Cycle	30	Service Charge	0.00

Deposits and Credits

Date	Amount	Description	Check Number
04/01	1,000,000.00	Funds Transfer Credit	945004011450089
04/26	7,759.54	Fdes Ntr 0001146 Nbk6Y3 Deposit	813008230036782

Withdrawals and Debits

Check Number	Amount	Date	Description	Check Number	Amount	Date	Description
1198	2,408.00	04/11	813106230035059	1214	1,601.40	04/16	813105930588352
1200 *	1,788.00	04/11	813106230035060	1215	258.65	04/26	813008230036860
1207 *	15,000.00	04/04	813008330364369	1216	498.31	04/22	813007130469074
1208	154.82	04/12	813008300493330	1218 *	97.77	04/25	813008303653257
1209	261.40	04/10	813009230731523	1219	350,000.00	04/23	813009430199181
1210	1,796.84	04/15	813008330032907	1220	1,200.00	04/29	813008330271625
1211	1,377.17	04/11	813008730319648	1221	1,548.61	04/29	813008330353179
1212	16,104.00	04/17	813008330301187	1223 *	13,500.00	04/29	813008730417541
1213	7,960.00	04/15	813009030347904	1225 *	38,881.20	04/30	813008830349740

* Preceding check (or checks) is outstanding, is included in summary listing, or has been included in a previous statement.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1376

Confidential Treatment Requested

BA 11959

5702

Stargate Sport Horses
2002 Activity

Contributions

Jan-02	1,000,000
Mar-02	1,000,000
May-02	1,000,000
May-02	1,000,000
Aug-02	750,000
	<u>4,750,000</u>

Cost 1/1 - 8/31

Construction	3,012,839
Landscape, Water well, etc.	754,981
New Tractor	34,219
Furniture	94,837
3 Horses	77,000
New Horse- Bergmon	150,000
Charity	10,500
Utilities	28,152
Horse Expense	126,331
Salary	240,883
Lease - old space	34,000
Telephone	9,131
Adv/ Dues	12,697
Travel	23,113
Computer Expense	15,567
Marketing	8,689
Ranch Expense (Road, sprinkler, landscape)	204,950
Farm Expense	45,100
Lawn expense	10,038
Horse Supplies	29,956
Hay	42,698
	<u>4,965,681</u>

Total cost of Facilities	7,424,693
Income to date	113,658

Monthly estimate:

Utilities	2,000
Horse (vet, horse travel)	10,000
Salary	24,473
Lease	4,500
Telephone	1,000
Ranch expense (water, misc)	5,000
Farm expense	10,000
Lawn costs	2,500
Groom / show	5,000
Hay	4,000
Estimated monthly	<u>68,473</u>

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1378

Confidential
SEC_ED00011168

PSI_ED00011168

5703

Stargate Sport Horses, LP
Statement of Cash Flows
As of December 31, 2004

	2003 Year-to-Date	Prior Month	Current Month	2004 Year-to-Date
Cash - Beginning of Period	314,352	232,141	154,667	257,122
Cash Flows In				
Interest Income	-	-	-	-
Dividend Income	-	-	-	-
Partnership Contribution	-	-	-	950,000
Sale of Horses	-	-	-	64,000
Boarding Income	12,260	8,408	18,882	129,479
Training Income	4,130	7,270	12,232	56,145
Lesson Income	1,650	475	1,350	21,185
Other Income - Sport Horses	933	675	5,792	17,149
Stallion Income	-	-	-	9,730
Mare Income	-	-	-	-
Sales Commission - Horses	6,000	-	-	-
Clinic/Event Participant Income	(17,429)	445	800	(2,206)
A/R and Deposits	563	1,804	-	17,555
Internal Notes	-	-	-	-
Notes Receivable	-	-	-	-
Misc Income	-	-	-	-
Total Cash Flows In	8,156	19,077	39,056	1,263,038
Cash Flows Out				
Interest Expense	-	-	-	-
Commitment Fees	-	-	-	-
Investments:				
Real Estate	-	-	-	(15,654)
Real Estate - Improvements	-	-	-	(25,471)
Equipment	-	-	-	(1,131)
Horses	-	-	-	-
Furnishings & Fixtures	-	-	-	-
Capital Distribution	-	-	-	-
Consultants - Other	-	-	-	(12,656)
Legal and Accounting Fees	-	(514)	(8,115)	(102,513)
Property Tax	-	(43,895)	-	(43,895)
Tax Payments	-	-	-	-
Insurance	(1,355)	(7,304)	-	(18,343)
Charitable Contribution - Cash	-	-	-	(220)
Non-Charitable Gift	-	-	-	(170)
Salaries/Payroll Taxes, Ins., Mgmt Fees, Etc.	(23,116)	-	(25,917)	(420,660)
Rent Expense	-	(699)	-	(699)
Farm Maintenance	(350)	(4,476)	(5,767)	(45,017)
Horse Expense	(2,796)	(664)	(370)	(36,072)
Horse Show Expense	-	-	-	(3,811)
Operational Expense	(1,741)	(2,422)	(5,394)	(150,167)
Ranch Expense	(4,766)	(124)	(149)	(36,816)
Advertising	(2,340)	(3,135)	(2,070)	(45,015)
Travel/Lodging/Meals	(2,383)	(3,962)	-	(7,048)
Computer Expense	-	(3,870)	-	(4,397)
Supplies-Groom/Tack/Show	(5,871)	(1,310)	(327)	(49,945)
Shoeing/Hay/Shavings	(10,221)	(5,782)	(9,662)	(57,565)
Sponsorship/Hospitality	-	-	(564)	(4,090)
Clinic/Event Expenses	-	(304)	(3,039)	(4,487)
Trainer	-	-	-	(1,750)
Veterinary	30	66	166	(18,902)
Contract Labor	(3,961)	(13,591)	(14,772)	(156,655)
Commissions Paid	-	-	-	(14,400)
Notes Payable - Internal	-	-	-	(75,000)
A/R - Clients & O/S Deposits	-	(1,459)	(4,725)	(21,493)
Misc Expense	-	(3,086)	(3,655)	(36,957)
Total Cash Flow Out	(75,441)	(96,552)	(84,361)	(1,410,798)
Net Cash - End of Period	257,122	154,667	109,362	109,362

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1379

CONFIDENTIAL
HST PS1007053

5704


GENERAL WARRANTY DEED

THE STATE OF CALIFORNIA §
 § KNOW ALL MEN BY THESE PRESENTS
COUNTY OF LOS ANGELES §

THAT SAM WYLY ("Grantor"), for and in consideration of the sum of Ten Dollars (\$10) cash and other good and valuable consideration paid by Tallulah, Ltd., a Texas limited partnership ("Grantee"), the receipt and sufficiency of which is hereby acknowledged and confessed, has GRANTED, SOLD and CONVEYED, and by these presents does GRANT, SELL and CONVEY, unto Grantee, all that real property situated in Los Angeles County, State of California as described on Exhibit A attached hereto and incorporated herein by reference for all purposes, together with all and singular the improvements thereon, and all rights and appurtenances thereto in anywise belonging (the "Property").

TO HAVE AND TO HOLD the Property unto Grantee, its successors, legal representatives and assigns forever, and Grantor does hereby bind himself, his heirs, devisees, personal representatives and assigns, to WARRANT and FOREVER DEFEND all and singular the Property unto Grantee, its successors, legal representatives and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof.

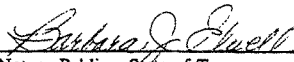
EXECUTED effective as of the 30th day of April, 1993.



SAM WYLY

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

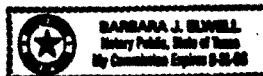
This instrument was acknowledged before me on May 13, 1993 by SAM WYLY.



Notary Public - State of Texas

My commission expires: _____

271866/D



Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1382

CONFIDENTIAL
SEC100080757
PC1000097674

5705

Exhibit A

A Parcel of land being a part of Rancho Topanga Malibu Seluit, as per map recorded in Book 1 Pages 414 to 416 inclusive of Patents, in the office of the County Recorder of said County, described as follows:

Commencing at Engineer's centerline station 944 Plus 81.47 in a tangent bearing South 83° 09' 30" West of the 80 foot strip of land as described in the Final Order of Condemnation in Superior Court, Case No. 135650, a certified copy of said Final Order being recorded in Book 9434 Page 338, Official Records of said County, said centerline station being South 0° 40' 42" East 4183.75 feet from a 12" x 12" sandstone monument marked TM 4 in the root of a 54" sycamore at a North boundary corner of said Rancho, described on County Surveyor's Map 9207, Records of said County; thence South 0° 40' 42" East 821.22 feet to a point marked with a 2 1/2" pipe; thence North 76° 25' 30" West, 1330.00 feet to a point marked with a 2 1/4" pipe; thence North 84° 35' 30" West 60.00 feet to a point; thence South 5° 24' 30" West 254 feet; more or less, to a point in the ordinary high tide line of the Pacific Ocean; thence Easterly along said ordinary high tide, 60 feet more or less, to the intersection of said tide line and that line which bears South 5° 24' 30" West from said point of beginning; thence North 5° 24' 30" East 256 feet, more or less, to said point of beginning.

EXCEPTING any portion of said land, which at any time was tide land, which was not formed by the deposit of alluvion from natural causes and by imperceptible decrees.

254702/D

CONFIDENTIAL
SEC100080758
PSI00092625

WILLY FAMILY
HOLDINGS REPORT AS OF 03-28-01
ALL POSITIONS
Sam Willy Malibu Trust
ENTITY: 10M

— = Redacted by the Permanent
Subcommittee on Investigations

INVESTMENT DESCRIPTION	STRATEGY	QUANTITY	AVG COST	COST BASIS	QUOTE	MARKET VALUE	UNREALIZED GL
136 Malibu		2.00		342,521.87		342,521.87	0.00
141 Real Estate		2.00		342,521.87		342,521.87	0.00

141 Estate - Improvements
Malibu
141 Real Estate - Improvements

141 Real Estate - Improvements
Malibu
141 Real Estate - Improvements

141 Real Estate - Improvements

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1382

appraisal - May 99. \$ 7,250,000
basis
2,600,000
4,650,000
X 20%
930,000.
+ any caly tax on

Ruling - 101
S. Calif.
W. Grant
just.

TRIAL BALANCE REPORT
ACTIVITY FROM 01-01-00 THRU 12-31-00
LEDGER: BOOK
ENTITY: 10TM Sam Wily Malibu Trust.

— = Redacted by the Permanent Subcommittee on Investigations

ACCOUNT DESCRIPTION	01-01-00	BEG BALANCE	ACTIVITY	12-31-00	END BALANCE	
	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT
2.0						
new member						

INCOME

510040 Interest Income-Checking Accts
510045 Interest Income-MMA Accts.
530120 Rental Income
605000 Unrealized Interest Expense

TOTAL INCOME

EXPENSES

602020	Real Estate Tax
603010	Mortgage Interest Expense
607010	Consultants - Accounting
607020	Consultants - Legal
660025	Insurance - Personal
660040	Auto Expense
660050	Household Expense
660060	Utilities
660110	Household Maint.& Repair
740030	Bank Charges

TOTAL EXPENSES

ASSETS

101040	Cash-Nations Bank of Texas-NMA			
101100	Cash-Bank of America			
161000	Real Estate	342,521.87		342,521.87
161005	Malibu Accum Depreciation		2,705.64	2,705.64
161015	Real Estate - Improvements			
163200	Furnishings & Fixtures			
163202	Malibu Furniture Accum Depr.			

TOTAL ASSETS

LIABILITIES

```

310500 Accrued Interest Pay-Investments
320150 Mortgages Payable

```

TOTAL LIABILITIES

CAPITAL

470030	Retained Earnings	5,572,783.36	5,572,783.36
--------	-------------------	--------------	--------------

CONFIDENTIAL
SECI00027489
PSI00039356

5708

01-20-01 09:43am
GL4.2

TRIAL BALANCE REPORT
ACTIVITY FROM 01-01-00 THRU 12-31-00
LEDGER: BOOK
ENTITY: 107M San Wyly Malibu Trust

Redacted by the Permanent
Subcommittee on Investigations

ACCOUNT DESCRIPTION	01-01-00 BSG BALANCE		ACTIVITY		12-31-00 END BALANCE	
	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT
TOTAL CAPITAL						
TOTAL DEBITS						
TOTAL CREDITS						

CONFIDENTIAL
SEC100027490
PC100027490

SAM WYLY		31-Dec-92		Shs	FMV	Individual Book	FMV	Malibu Tr Book	Total 1,000'S
ASSETS									
Cash									
Marketable Securities									
Mich Option @ 20.625 Exp 8/96									
Privately Held Companies									
Cafes GP, Inc.									
Photomatrix Corp.									
C&S Aviation Company									
Partnerships									
First Dallas Limited GP									
Tallulah, Ltd. GP									
Greek Isles Ltd. GP, LP									
Miscellaneous									
Accounts Receivable									
Quayle/Sarnia/Greenbrier									
Other									
Real Estate									
Malibu Colony, Malibu, Calif.					FMV	441,426	5,068,255	431,745	5,500

— = Redacted by the Permanent Subcommittee on Investigations

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1382

CONFIDENTIAL
SEC100035682

April 21, 1993

— = Redacted by the Permanent
Subcommittee on Investigations

Memo to: Jim Ryan
CC: Mike French
From: Shari Robertson
Re: Additional Contributions to Tallulah Ltd by Sam Wyly

Sam plans to contribute the following assets to Tallulah. Will you please prepare an assignment document. Those items with a * will require an appraisal before pricing at market. Per our discussion, it would greatly simplify for tax purposes if the contribution could be effective for income allocation at a month end.

	Book	MV
Notes Receivable		
Quayle Limited	43,263.00	
Greenbriar Ltd.		
Sarnia Limited		
Greek Isles		
Companies		
Greek Isles, Ltd. (Ltd Interest of 49%)		*
C & S Aviation (LLC interest of 49%)		*
Property		
Malibu Colony, Malibu, Ca.	484,724.21	2,750,000.00 *
Texas Stadium		
Michaels Options (\$600,000 @ 20.625)		*
Note Payable		
Tallulah		
Trust		
Trust		
Trust fbo		
Southland Corporation		
Wells Fargo		
Sterling Software		
Net Book		

shari

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1382

CONFIDENTIAL
SECID00080742
PSI00092609

AGREEMENT FOR THE RESIGNATION
OF TRUSTEE AND
APPOINTMENT OF SUCCESSOR TRUSTEE

The following individual assisted in the planning and drafting of this instrument and should be consulted regarding any changes or questions: Rodney J. Owens, Esq.

Meadows, Owens, Collier, Reed, Cousins & Blau, L.L.P.

3700 NationsBank Plaza, 901 Main Street
Dallas, Texas 75202-3792
(214) 744-3700
(800) 451-0000

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1383

**AGREEMENT FOR THE
RESIGNATION OF TRUSTEE
AND APPOINTMENT OF SUCCESSOR TRUSTEE**

This Agreement for the Resignation of Trustee and Appointment of Successor Trustee ("Agreement") is executed by SAM WYLY ("Trustor"), in order for SHARYL ROBERTSON to resign as Trustee of the Trust, specified below, and for Trustor to appoint LISA L. WYLY as Trustee of the Trust, specified below, on the terms and provisions as contained in this Agreement.

1. **Prior Creation of Trust.** Trustor established and created the SAM WYLY 1978 MALIBU REVOCABLE TRUST ("Malibu Trust") pursuant to a written Trust Agreement dated May 15, 1978, between Trustor and ELDON R. VAUGHAN, appointed by Settlor as the initial Trustee of the Trust.

2. **Trustee's Right to Resign.** Any Trustee has the right to resign pursuant to Section 3.4 of the Malibu Trust.

3. **Resignation of Trustee.** SHARYL ROBERTSON hereby resigns as Trustee of the Malibu Trust. The resigning Trustee shall deliver to the Successor Trustee, LISA L. WYLY, all assets in the resigning Trustee's possession.

4. **Acceptance of Resignation.** Trustor and the Successor Trustee hereby acknowledge the resigning Trustee's resignation and agree to such resignation. Trustor and the Successor Trustee hereby agree that the resigning Trustee shall have no further liabilities, duties and responsibilities towards the Malibu Trust.

5. **Power to Appoint Successor Trustees.** Trustor retained the power to appoint successor Trustees of the Trust pursuant to Section 2.3 of the Malibu Trust.

6. **Trustor's Appointment of Successor Trustee.** Trustor appoints LISA L. WYLY as the Trustee of the Malibu Trust. LISA L. WYLY hereby acknowledges Trustor's appointment of her as the Trustee of the Malibu Trust and, by her signature below, agrees to such appointment.

5713

This Agreement shall be binding upon Trustor, the Successor Trustee, the Malibu Trust and its Beneficiaries, and the heirs, executors, administrators, legal representatives and successors of these individuals and entities.

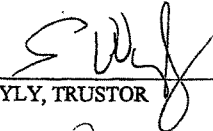
DATES

March 2, 1999


Feb. 26, 1999

March 8, 1999

SIGNATURES



SAM WYLY, TRUSTOR



SHARYL ROBERTSON, RESIGNING
TRUSTEE



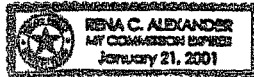
LISA L. WYLY, SUCCESSOR TRUSTEE

5714

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on March 2, 1999 by SAM WYLY, Trustor.

(SEAL)



Rena C. Alexander
Notary Public, State of Texas

My Commission Expires:

January 21, 2001

Printed or Stamped Name:

Rena C. Alexander

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on March 2, 1999 by SHARYL ROBERTSON, Resigning Trustee.

(SEAL)



Rena C. Alexander
Notary Public, State of Texas

My Commission Expires:

January 21, 2001

Printed or Stamped Name:

Rena C. Alexander

5715

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on MARCH 8th, 1999 by LISA L. WYLY, Successor Trustee.

(SEAL)

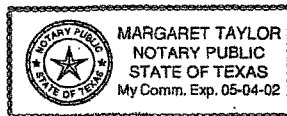
Margaret Taylor
Notary Public, State of Texas

My Commission Expires:

Printed or Stamped Name:

MARGARET TAYLOR

204308



5716

Records for this property are kept at the West District Office

Property Information

Assessor's Id. Number 4458-005-023
Site Address [REDACTED] MALIBU
MALIBU CA 90265
Property Type Single Family Residence
Region / Cluster 07 / 07184
Tax Rate Area (TRA) 10865

[Click Here to View Assessor's Map](#)

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Recent Sale Information

Latest Sale Date
Indicated Sale Price

[Click Here for Recent Sales](#)

2005 Roll Values

Recording Date 09/27/2002
Land \$7,789,707
Improvements \$635,894
Personal Property \$0
Fixtures \$0
Homeowners' Exemption \$0
Real Estate Exemption \$0
Personal Property Exemption \$0
Fixture Exemption \$0

[Click Here for 2005 Annual Report](#)

[Click Here for Supplemental Information](#)

Legal Description

LAND OF MATTHEW KELLER IN THE RANCHO TOPANGA MALIBU
SEQUIT LOT COM S 821.22 FT AND N 76°25'30" W 1330 FT AND S
84° 35'30" W 155 FT FROM ENGR STA 944 + ... SEE MAPBOOK
FOR MISSING PORTION ... LOT 3

Building Description(s)

Improvement 1

Square Footage 5,127
Year Built / Effective Year Built 1930 / 1980
Bedrooms / Bathrooms 6 / 6
Units 1

[Click Here for Another View](#)

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1384

1/12/2006

5717

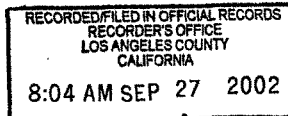
= Redacted by the Permanent
Subcommittee on Investigations

TYPE= LD ASSR ID NO= 4458 005 023 SEN NO =
FILE NO= 52 UPDATE= 01/15/06 DATE= 01/20/06
ASSR ID NO VC REC DT TRF PRICE # DOC NO OC1 OC2 DT INT DRC
4458 005 023 1 CURRENT: 1 020927-50 1 2280694 3 7 B 00%-0 U
SALE 1: K 020213-50 7950000 0345875 3 5 Y 00%-0 A
SALE 2: 1 730629-50 9
REG CC USE
07 07184 0100
PARCEL STATUS TS TY SCP TRA HOX KEY HOX AMT CLAIM TYPE REX AMOUNT
ACTIVE 0 10865 N INACTIVE
NAME PCL CRT DT
FOX,ALAN C TR ALAN C FOX TRUST
SPECIAL NAME: C/O ACF PROPERTY MGMT INC PCL DEL DT
SITUS ADDRESS
MALIBU MALIBU CA
MAIL ADDRESS 90265 4637
12411 VENTURA BLVD STUDIO CITY CA
91604-2407
.. L E G A L D E S C R I P T I O N ...
LAND OF MATTHEW KELLER IN THE RANCHO NUMBER OF
TOPANGA MALIBU SEQUIT LOT COM S 821.22 LEGAL DESCRIPTION LINES 10
IF YOU WANT MORE DESCRIPTION,ENTER "Y".
PF1 = INQ SEL; 6 = NEWS; 9 = ACCUM TXN; 10 = MENU; 11 = EXIT

5718



02-2280694



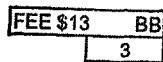
SPACE ABOVE THIS LINE FOR RECORDERS USE

TITLE(S)

Deed

FEE

D.T.T.



CODE
20

CODE
19

CODE
9

SURVEY, MONUMENT FEE \$10. CODE 9 *2*

Assessor's Identification Number (AIN)

To Be Completed By Examiner OR Title Company In Black Ink

Number of Parcels Shown

4458

005

023

001

THIS FORM IS NOT TO BE DUPLICATED

5719

02-2280694

2

RECORDING REQUESTED BY, AND WHEN
RECORDED MAIL TO:

Greenberg Glusker et al. LLP
1900 Avenue of the Stars, #2100
Los Angeles, CA 90067
Attn: Jon J. Gallo, Esq.

MAIL TAX STATEMENTS TO:

Alan C. Fox, Trustee
c/o ACF Property Management
13440 Ventura Blvd., #200
Sherman Oaks, CA 91423

— = Redacted by the Permanent
Subcommittee on Investigations

TRUST TRANSFER DEED

THE UNDERSIGNED GRANTOR declares: Documentary transfer tax is NONE.
See Note #1 below.

FOR NO MONETARY CONSIDERATION, ALAN C. FOX, a married man as his sole and separate property,

HEREBY GRANTS TO: ALAN C. FOX, Trustee of The Alan C. Fox Revocable Trust, dated December 2, 1999, the following described real property in the County of Los Angeles, State of California:

See Legal Description attached hereto as Exhibit "A" and incorporated herein by this reference.

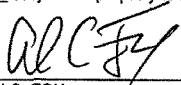
(Commonly known as [REDACTED] Malibu [REDACTED], Malibu, CA 90265)

APN: 4458-005-023

NOTE #1: This conveyance transfers an interest into or out of a living trust which is not pursuant to a sale and is exempt pursuant to R&T Section 11930.

NOTE #2: This conveyance is to a revocable trust and, pursuant to R&T Section 62(d)(2), does not constitute a change in ownership and does not subject the property to reassessment.

Dated: Sept. 24, 2002


ALAN C. FOX

5720

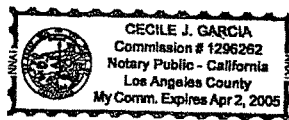
02 2280694 3

NOTARIAL ACKNOWLEDGMENTS

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On September 24, 2002, before me, Cecile J. Garcia, Notary Public, personally appeared ALAN C. FOX, ☒ personally known to me ~~OR I proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.~~

WITNESS my hand and official seal.



Cecile J. Garcia
Notary Public

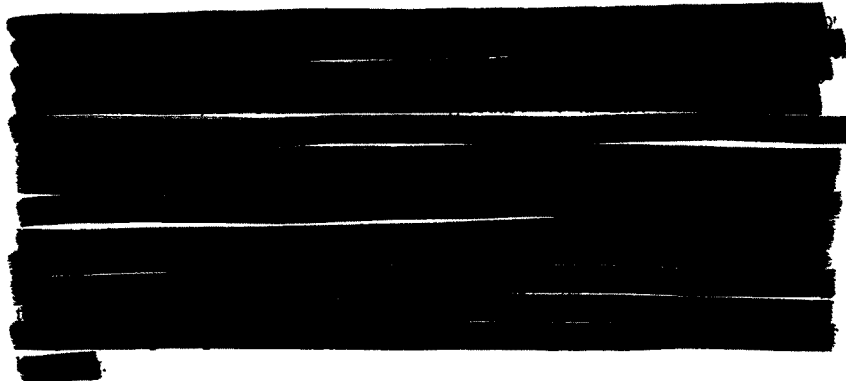
5721

— = Redacted by the Permanent
Subcommittee on Investigations

02 2280694

EXHIBIT "A"

02 2280694
A Parcel of land being a part of Rancho Topanga Malibu Sequit, in the City of Malibu, County of
Los Angeles, State of California, as per map recorded in Book 1 Page(s) 414 to 416 inclusive of
Patents, in the office of the County Recorder of said County, described as follows:



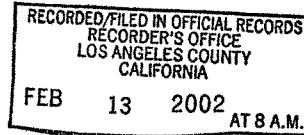
Except any portion of said land, which at any time was tide land, which was not formed by the
deposit of alluvion from natural causes and by imperceptible degrees.

Also except therefrom, all minerals, oil, petroleum, asphaltum, gas, coal and other hydrocarbon
substances, surface deposits or sub-surface deposits of every nature, as reserved by Marblehead
Land Company, by deed recorded in Book 16079 Page 254. Official Records.

5722



02-0345875



SPACE ABOVE THIS LINE FOR RECORDERS USE

TITLE(S)

DEED

FEE
FEE \$10 B
2

TRANSFER TAX
NOT A PUBLIC RECORD

D.T.T.

CODE
20
CODE
19
CODE
9

SURVEY, MONUMENT FEE \$10. CODE 9

NOTIFICATION SENT \$4 ©

Assessor's Identification Number (AIN)

To Be Completed By Examiner OR Title Company In Black Ink

Number of Parcels Shown

4458

005

073

001

THIS FORM IS NOT TO BE DUPLICATED

5723

— = Redacted by the Permanent
Subcommittee on Investigations

2

RECORDING REQUESTED BY:
Fidelity National Title

WHEN RECORDED MAIL TO:
Alan C. Fox
[REDACTED] Malibu [REDACTED] Drive
Malibu, CA 90265

02 0345875

Assessors Parcel No.: 4458-005-023 Title Order No.: 19104868 Escrow No.: 29920-A

GRANT DEED

THE UNDERSIGNED GRANTOR(S) DECLARE(S) - DOCUMENTARY TRANSFER TAX: \$ CITY TAX: \$ *NOT APPLICABLE*
[] Computed on full value of property conveyed; or
[] Computed on full value of property conveyed less value of liens or encumbrances remaining at time of sale.
[] Unincorporated area; [X] City of Malibu.

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,
Sam Wyly

TRANSFER TAX
NOT A PUBLIC RECORD

HEREBY GRANT(S) TO:

Alan C. Fox, a married man as his sole and separate property

The following described real property in the City of Malibu, County of Los Angeles, State of California:

A Parcel of land being a part of Rancho Topanga Malibu Sequit, in the City of Malibu, as per Map recorded in Book 1, Pages 414 to 416 Inclusive of Patents, in the Office of the County Recorder of Los Angeles County, State of California. Complete legal description is attached hereto as Exhibit "One" and is made a part hereof

Sam Wyly

Date: December 27, 2001

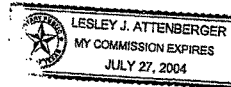
STATE OF Texas)
COUNTY OF Dallas)
On Dec. 27, 2001 before me, Lesley J. Attenberger
personally appeared Sam Wyly

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

This area for official notarial seal.

Signature



5724

Order No. 19104868

3

EXHIBIT "ONE"

A Parcel of land being a part of Rancho Topanga Malibu Sequit, in the City of Malibu, County of Los Angeles, State of California, as per map recorded in Book 1 Page(s) 414 to 416 inclusive of Patents, in the office of the County Recorder of said County, described as follows:

Redacted By
Permanent Subcommittee
on Investigations

Except any portion of said land, which at any time was tide land, which was not formed by the deposit of alluvion from natural causes and by imperceptible degrees.

Also except therefrom, all minerals, oil, petroleum, asphaltum, gas, coal and other hydrocarbon substances, surface deposits or sub-surface deposits of every nature, as reserved by Marblehead Land Company, by deed recorded in Book 16079 Page 254, Official Records.

Assessor's Parcel No: 4458-005-023

02 0345875

5725

RECORDING REQUESTED BY
ERVIN, COHEN & JESSUP

AND WHEN RECORDED MAIL TO

Ervin, Cohen & Jessup (WEJ)
 9401 Wilshire Boulevard
 9th Floor
 Beverly Hills, CA 90212

MAIL TAX STATEMENTS TO

Mr. Sam Wily
 c/o Executive Records, Inc.
 1600 Two Turtle Creek Village
 Dallas, Texas 75219

78- 447318

RECORDED IN OFFICIAL RECORDS
 OF LOS ANGELES COUNTY, CA
 27 MIN.
 PAST 4 P.M. APR 27 1978
 Recorder's Office

FEE
 \$4
 2N

Individual Quitclaim Deed

TO 1925 CA (1.73) THIS FORM FURNISHED BY TIGOR TITLE INSURERS A. P. N.

The undersigned grantor(s) declare(s):
 Documentary transfer tax is \$ -0- Transfer without consideration.
 () computed on full value of property conveyed, or
 () computed on full value less value of liens and encumbrances remaining at time of sale.
 (X) Unincorporated area: () City of (Rancho Topanga Malibu), and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

ROSEMARY WYLY

hereby REMISE(S), RELEASE(S) AND FOREVER QUITCLAIM(S) to

SAM WYLY

the following described real property in the Unincorporated Area County of Los Angeles
 State of California:

AS PER LEGAL DESCRIPTION ATTACHED HERETO AND FORMING PART HEREOF WHICH
BEGINS AS FOLLOWS:

"A parcel of land being a part of Rancho Topanga Malibu Sec't, in the
 county of Los Angeles, state of California, as per map recorded in. . ."

Dated April 19, 1978

Rosemary Wily
 Rosemary Wily

STATE OF ~~CALIFORNIA~~ TEXAS } ss.
 COUNTY OF Dallas
 On April 19, 1978 before me, the under-
 signed, a Notary Public in and for said State, personally appeared
Rosemary Wily

known to me
 to be the person whose name is subscribed to the within
 instrument and acknowledged that she executed the same.
 WITNESS my hand and official seal.

Signature Betty P. Bussie
 My Comm. Exp. June 1, 1979

(This area for official notarial seal)

Title Order No. Escrow or Loan No.

MAIL TAX STATEMENTS AS DIRECTED ABOVE

5726

2

INDIVIDUAL QUITCLAIM DEED from ROSEMARY WYLY to SAM WYLY

A parcel of land being a part of Rancho Topanga Malibu Sequit, in the county of Los Angeles, state of California, as per map recorded in book 1 pages 414 to 416 inclusive of Patents, in the office of the county recorder of said county, described as follows:

Redacted By
Permanent Subcommittee
on Investigations

Excepting any portion of said land, which at any time was tide land, which was not formed by the deposit of alluvion from natural causes and by imperceptible degrees.

78- 447318

5727

Records for this property are kept at the West District Office

Property Information

Assessor's Id. Number 4458-005-022
Site Address [REDACTED] MALIBU [REDACTED] RD
MALIBU CA 90265
Property Type Single Family Residence
Region / Cluster 07 / 07184
Tax Rate Area (TRA) 10865

[Click Here to View Assessor's Map](#)

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Recent Sale Information

Latest Sale Date
Indicated Sale Price

[Click Here for Recent Sales](#)

2005 Roll Values

Recording Date	02/03/2003
Land	\$2,048,568
Improvements	\$361,508
Personal Property	\$0
Fixtures	\$0
Homeowners' Exemption	\$0
Real Estate Exemption	\$0
Personal Property Exemption	\$0
Fixture Exemption	\$0

[Click Here for 2005 Annual Roll](#)

[Click Here for Supplemental Roll](#)

Legal Description

LAND OF MATTHEW KELLER IN THE RANCHO TOPANGA MALIBU
SEQUIT LOT COM S 821.22 FT AND N 76°25'30" W 1330 FT AND S
84° 35'30" W 215 FT FROM ENGR STA 944 + ... SEE MAPBOOK
FOR MISSING PORTION ... LOT 3

Building Description(s)

Improvement 1

Square Footage	3,558
Year Built / Effective Year Built	1927 / 1955
Bedrooms / Bathrooms	4 / 3
Units	1

[Click Here for Another Building](#)

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1385

5728

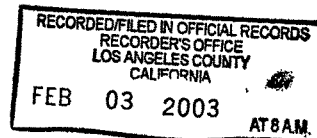
TYPE= LD ASSR ID NO= 4458 005 022 SBN NO =
FILE NO= 52 UPDATE= 01/15/06 DATE= 01/20/06
ASSR ID NO VC REC DT TRF PRICE # DOC NO OC1 OC2 DT INT DRC
4458 005 022 2 CURRENT: 1 030203-50 9 1 0322519 3 7 V 00%-0 S
SALE 1: K 941019-50 2000000 1893820 3 5 Y 00%-0 A
SALE 2: K 860930-50 2600000 1309417 3 5 Y 00%-0 A
REG CC USE
07 07184 0100
PARCEL STATUS TS TY SCP TRA HOX KEY HOX AMT CLAIM TYPE REX AMOUNT
ACTIVE 0 10865 Y INACTIVE
NAME PCL CRT DT
STEELE, TORIE
SPECIAL NAME: NO SPECIAL NAME ON FILE PCL DEL DT
SITUS ADDRESS
MALIBU MALIBU CA
MAIL ADDRESS 90265 4637
.. L E G A L D E S C R I P T I O N ...
LAND OF MATTHEW KELLER IN THE RANCHO NUMBER OF
TOPANGA MALIBU SEQUIT LOT COM S 821.22 LEGAL DESCRIPTION LINES 10
IF YOU WANT MORE DESCRIPTION, ENTER "Y".
PF1 = INQ SEL; 6 = NEWS; 9 = ACCUM TXN; 10 = MENU; 11 = EXIT

— = Redacted by the Permanent
Subcommittee on Investigations

5729

This page is part of your document - DO NOT DISCARD

03-0322519



TITLE(S) : DEED



FEE

FEE \$33	FF
A.F.N.F. 94	3

D.T.T.
[Signature]

NOTIFICATION SENT \$4.00

CODE
20

CODE
19

CODE
9

SURVEY, MONUMENT FEE \$10. CODE 9 9

Assessor's Identification Number (AIN)

To be completed by Examiner OR Title Company in black ink.

Number of Parcels Shown

4458 - 005 - 022

801

THIS FORM NOT TO BE DUPLICATED

5730

FIDELITY-TARZANA

RECORDING REQUESTED BY:
VALENSI, ROSE & MAGARAM, PLC

03 0322519

2

AND WHEN RECORDED MAIL TO:

Valensi, Rose & Magaram, PLC
2029 Century Park East, Suite 2050
Los Angeles, California 90067-3031
Attention: Paul Levinson
(310) 277-8011

Redacted by the Permanent
Subcommittee on Investigations

Space above this line for Recorder

1922743

GRANT DEED
APN: 4458-005-022

DEED (EXCLUDED FROM REAPPRAISAL UNDER PROPOSITION 13, I.E., CALIF. CONST. ART. 13A §1 ET. SEQ.)

The undersigned Grantor declares under penalty of perjury that the following is true and correct:

THERE IS NO CONSIDERATION FOR THIS TRANSFER.
DOCUMENTARY TRANSFER TAX IS -0-.

- X This is a bona fide gift and Grantor received nothing in return.
(R&T 11911).
- X City of Malibu

GRANTOR: PAUL M. BUXBAUM, an unmarried man,


hereby GRANTS to TORIE STEELE, an unmarried woman,

the following described real property in the City of Malibu, County of Los Angeles, State of California:

SEE EXHIBIT "A" ATTACHED

Commonly known as: [REDACTED] Malibu [REDACTED] Malibu, California 90265

DATED: APRIL 24, 2001



PAUL M. BUXBAUM

Mail Tax Statements to

Torie Steele
23684 Malibu Colony Road
Malibu, CA 90265

5731

3

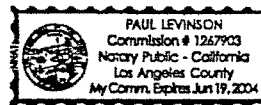
STATE OF CALIFORNIA, COUNTY OF LOS ANGELES, ss:

On April 24, 2001, before me PAUL LEVINSON, the undersigned, a Notary Public in and for said State, personally appeared PAUL M. BUXBAUM, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Paul Levinson

(SEAL)



03 0322519

5732

EXHIBIT "A"

4

A PARCEL OF LAND SITUATE IN LOS ANGELES COUNTY, STATE OF CALIFORNIA, BEING A PART OF RANCHO TOPANGA MALIBU SEQUIT, AS PER MAP RECORDED IN BOOK 1 PAGES 414 TO 416 OF PATENTS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, PARTICULARLY DESCRIBED AS FOLLOWS:

Redacted By
Permanent Subcommittee
on Investigations

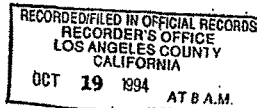
EXCEPTING THEREFROM ALL MINERALS, OILS, PETROLEUM, ASPHALTUM, GAS, COAL, AND ALL OTHER HYDROCARBON SUBSTANCES CONTAINED IN, ON, WITHIN AND UNDER SAID LAND, BUT WITHOUT THE RIGHT OF ENTRY, AS RESERVED IN THE DEED FROM MARBLEHEAD LAND COMPANY, RECORDED MAY 24, 1941 AS INSTRUMENT NO. 659 IN BOOK 18378 PAGE 305, OFFICIAL RECORDS.

03 0322519

94 1893820

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

STERLING SOFTWARE, INC.
8080 North Central Expressway
Suite 1100
Dallas, TX 75206-1895
Attn: Al Hoover, Esq.



(Space Above Line For Recorder's Use Only)

SURVEY MONUMENT FEE \$10.00 CODE 99

GRANT DEED

FEE \$13	P
	3

FOR A VALUABLE CONSIDERATION, receipt of which is hereby
acknowledged, STERLING SOFTWARE, INC., a Delaware corporation ("Grantor"),
hereby GRANTS TO PAUL M. BUXBAUM ("Grantee"), the following described real
property in the City of Malibu, County of Los Angeles, State of California: **AN UNMARRIED MAN

SEE EXHIBIT "A" ATTACHED HERETO AND INCORPORATED
HEREIN BY THIS REFERENCE

SUBJECT TO:

1. Current taxes and assessments.
2. All other Covenants, Conditions, Restrictions, Reservations, Rights,
Rights-of-Way and Easements of Record or Apparent.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed to be
effective as of the date hereof.

DATED: 7-12-94, 1994.

"GRANTOR"

STERLING SOFTWARE, INC.
a Delaware corporation

By: Albert K. Hoover
Name: ALBERT K. HOOPER
Title: V.P.

By: Jeannette F. Meier
Name: Jeannette F. Meier
Title: EX. V.P.

NOTIFICATION SENT-77 ©

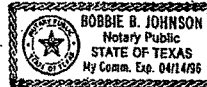
9345397-9/10

STATE OF TEXAS }
COUNTY OF Dallas } ss.:

On 7-12-94, before me, Bobbie B. Johnson, a Notary Public in and for said State, personally appeared Alfred Hoover and Jeanette P. Meier, personally known to be (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), executed the instrument.

WITNESS my hand and official seal.

Bobbie B. Johnson



STATE OF }
COUNTY OF } ss.:

On _____, before me, _____, a Notary Public in and for said State, personally appeared _____ and _____, personally known to be (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), executed the instrument.

WITNESS my hand and official seal.

EXHIBIT A

DESCRIPTION:

A PARCEL OF LAND SITUATE IN LOS ANGELES COUNTY, STATE OF CALIFORNIA, BEING A PART OF RANCHO TOPANGA MALIBU SEQUIT, AS PER MAP RECORDED IN BOOK L OF PATENTS, PAGES 414 TO 416 RECORDS OF SAID COUNTY, PARTICULARLY DESCRIBED AS FOLLOWS:

Redacted By
Permanent Subcommittee on Investigations

EXCEPTING THEREFROM ALL MINERALS, OILS, PETROLEUM, ASPHALTUM, GAS, COAL, AND ALL OTHER HYDROCARBON SUBSTANCES CONTAINED IN, ON, WITHIN AND UNDER SAID LAND, BUT WITHOUT THE RIGHT OF ENTRY, AS RESERVED IN THE DEED FROM MARBLEHEAD LAND COMPANY, RECORDED MAY 24, 1941 AS INSTRUMENT NO. 659 IN BOOK 18378 PAGE 305, OFFICIAL RECORDS

81540

86-1309417

RECORDING REQUESTED BY		66 1303417 RECORDED IN OFFICIAL RECORDS RECORDER'S OFFICE LOS ANGELES COUNTY CALIFORNIA 1 MIN. 2 PM. SEP 30 1986 PAST.	
AND WHEN RECORDED MAIL TO		FEE \$7 N 2 SURVEY MONUMENT FEE \$10. CODE 50	
Name: Neal S. Millard, Esq. Street Address: JONES, DAY, REAVIS & POGUE Suite 3000 City & State: Los Angeles, CA 90071		MAIL TAX STATEMENTS TO Name: Attn: George Ellis Senior Vice President-Finance Street Address: STERLING SOFTWARE, INC. Suite 1100 City & State: 8080 N. Central Expressway Dallas, Texas 75206	
CAT. NO. NN60562 TO 1923 CA (2-83) Individual Grant Deed THIS FORM FURNISHED BY TICOR TITLE INSURERS			
The undersigned grantor(s) declare(s): Documentary transfer tax is \$ <u>2860.00</u> (<input checked="" type="checkbox"/>) computed on full value of property conveyed, or (<input type="checkbox"/>) computed on full value less value of liens and encumbrances remaining at time of sale. (<input checked="" type="checkbox"/>) Unincorporated area; (<input type="checkbox"/>) City of _____ and _____			
FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, B. B. TULEY, as Trustee of the SAM WYLY MALIBU TRUST, Dated 1978 hereby GRANT(S) to STERLING SOFTWARE, INC., a Delaware corporation, the following described real property in the _____ State of California: County of Los Angeles That real property described in Exhibit A which is attached hereto and made a part hereof.			
Dated: September 29, 1986 STATE OF KENTUCKY <u>TEXAS</u> COUNTY OF <u>Adkins</u> On <u>September 29, 1986</u> before me, the undersigned, a Notary Public in and for said State, personally appeared <u>B. B. Tuley, Trustee</u> <u>of the Sam Wyly Malibu Trust, Dated 1978</u> personally known to me or proved to me on the basis of sat- isfactory evidence to be the person whose name subscribed to the within instrument and acknowledged that <u>he</u> executed the same. WITNESS my hand and official seal.		B. B. TULEY, as Trustee of the SAM WYLY MALIBU TRUST, Dated 1978 By: <u>B. B. Tuley</u> B. B. Tuley, Trustee of the Sam Wyly Malibu Trust, Dated 1978	
Signature: <u>B. B. Tuley</u> <u>My Commission expires 4-3-89</u>		(This area for official notarial seal)	
Title Order No. <u>8315312 RETURN</u>		Escrow or Loan No. <u>8315312 T. Gervasi</u>	
MAIL TAX STATEMENTS AS DIRECTED ABOVE			

EXHIBIT A

DESCRIPTION:

A PARCEL OF LAND SITUATE IN LOS ANGELES COUNTY, STATE OF CALIFORNIA, BEING A PART OF RANCHO TOPANGA MALIBU SEQUIT, AS PER MAP RECORDED IN BOOK L OF PATENTS, PAGES 414 TO 416 RECORDS OF SAID COUNTY, PARTICULARLY DESCRIBED AS FOLLOWS:

Redacted By
Permanent Subcommittee on Investigations

EXCEPTING THEREFROM ALL MINERALS, OILS, PETROLEUM, ASPHALTUM, GAS, COAL, AND ALL OTHER HYDROCARBON SUBSTANCES CONTAINED IN, ON, WITHIN AND UNDER SAID LAND, BUT WITHOUT THE RIGHT OF ENTRY, AS RESERVED IN THE DEED FROM MARBLEHEAD LAND COMPANY, RECORDED MAY 24, 1941 AS INSTRUMENT NO. 659 IN BOOK 18378 PAGE 305, OFFICIAL RECORDS

81540

86-1309417

5738

Friday, September 07, 2001

— = Redacted by the Permanent
Subcommittee on Investigations

Paul Buxbaum has a couple of questions.
310/ [REDACTED] home
310/ [REDACTED] cell

The car will arrive 9 am Sunday morning to take you to the airport.

Marcus is faxing the offer on #36 to your room this evening. Please call with questions, he is available this weekend except Sunday afternoon. 310/ [REDACTED] cell

Michael Milken is in Tahoe on a retreat through this weekend. I have e-mailed suggested dates for setting up meetings (per his assistant) but have not heard back yet.

Eric Andrus called asking if you have had a chance to sign their contract?

CONFIDENTIAL
SECI00098559
PSI00110426

5739

— = Redacted by the Permanent
Subcommittee on Investigations

PAUL BUXBAUM
Buxbaum, Ginsber & Associates

Phone: (818) [REDACTED]

Fax: (818) [REDACTED]
Main:
e-mail:
Webpage:

Business Address:
17337 Ventura Blvd., Ste. 101
Encino, CA 91316

Home: (818) [REDACTED]
Home (2):
Fax: (818) [REDACTED]
Other Fax:
Assist:
Assist #:
Mobile:
Pager: 1-800 [REDACTED] [REDACTED]
Spouse:

Home Address:
[REDACTED]
Encino, CA 91316

CONFIDENTIAL
SEC100067664
PSI00079531

5740



S

KEY LAB

P

P.O. Box 53227, Harlingen, TX 78553-2227 • Phone: 956-423-2154 • Fax: 800-289-7829 PLE

 = Redacted by the Permanent
Subcommittee on Investigations

Listed below are recipients and items sent before. (Items marked with an asterisk are not offered this year. Please choose another item.) Use the space below to change or add to your order for this year. If you need more spaces, please use the back side - or the order form in the middle of your catalog. Citrus season begins about mid-November. Please make sure all information is complete and accurate.

SEND ORDER NO.	PAGE NO.	(✓) SEND SAME ITEM	(✓) DON'T SEND THIS ITEM	DELIVERED PRICE	SHIP TO THE PERSONS LISTED BELOW
ARDOZEN RR	4	()	()	15.25	005 Recipient's Daytime Phone Number: (____) PAUL BUXBAUM BRANSON & J P [REDACTED] ENCINO CA Zip 91316 Greetings From: _____ Ship to arrive before: Thanksgiving () As soon as available () Christmas () Other Date: ____/____/____
ARDOZEN RR	4	()	()	15.25	007 Recipient's Daytime Phone Number: (____) DOUG & REBECCA SULLIVAN [REDACTED] DALLAS TX Zip 75225 Greetings From: _____ Ship to arrive before: Thanksgiving () As soon as available () Christmas () Other Date: ____/____/____
AR ... DOZEN RR	4	()	()	15.25	008 Recipient's Daytime Phone Number: (____) CHIP WYLY [REDACTED] DALLAS TX Zip 75219 Greetings From: _____ Ship to arrive before: Thanksgiving () As soon as available () Christmas () Other Date: ____/____/____
ARDOZEN RR	4	()	()	15.25	009 Recipient's Daytime Phone Number: (____) M/M BOB ALPERT [REDACTED] DALLAS TX Zip 75209 Greetings From: _____ Ship to arrive before: Thanksgiving () As soon as available () Christmas () Other Date: ____/____/____
ARDOZEN RR	4	()	()	15.25	010 Recipient's Daytime Phone Number: (____) CHRIS & SUNG ANDERSEN [REDACTED] KINNELON NJ Zip 07405 Greetings From: _____ Ship to arrive before: Thanksgiving () As soon as available () Christmas () Other Date: ____/____/____

METHOD OF PAYMENT

☐ MY CHECK OR MONEY ORDER ENCLOSED ☐ BILL ME (0% Interest)
☐ VISA ☐ AMERICAN EXPRESS ☐ MASTERCARD ☐ DISCOVER
 13 or 16 digits 15 digits 16 digits 16 digits

 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17
 CREDIT CARD ACCOUNT NUMBER
 AUTHORIZED SIGNATURE

ORDERED BY

If information below is incorrect - Please Change.

 #BYNDWLR
 # 02202001 9#
 SAM WYLY
 ATTN JUANELL/STERLING SOFTWARE
 300 CRESCENT CT STE 1200
 DALLAS TX 75201-7853
 |||||

PAGE 2

 CONFIDENTIAL
 SEC100102000
 PSI00113867



management team

Paul Buxbaum

David Ellis
Jim Siebersma
Stevan Buxbaum
Richard Ellis
David Buxbaum
Kenneth G. Leddon
Joe Seigo
Arnold M. Rubenstein
John Trowbridge
Joseph Kofsky

Paul M. Buxbaum, Principal

Paul Buxbaum, Chairman and CEO of Buxbaum Group, has been a partner in Bux Group and its successor companies for 25 years. Through his family and successor companies, Mr. Buxbaum is a veteran of the insolvency industry and literally grew the liquidation business.

Mr. Buxbaum originally joined Buxbaum & Associates in 1977. He departed in 1980 to become the operating partner of Clothing Clearance Centers, a successful chain of price men's apparel stores in the Los Angeles area. He sold the business and returned the newly named Buxbaum Ginsberg & Associates full-time in 1983. Mr. Buxbaum obtained majority interest in the company in 1995 and has since acquired the remaining interest from the minority partner in 1997 to become sole owner and CEO. He changed the name of the company to Buxbaum Group in 1997.

Mr. Buxbaum has served on the Board of various public and private companies. This includes having been appointed Chairman of the board from 1993 to 1998 of Ames Department Stores, a 400-plus store chain with sales in excess of \$4 billion annually. Buxbaum also served as CEO of Global Health Sciences, Orange, CA, a manufacturer and packager of nutritional supplements and herbal-based products with \$250 million revenues. Mr. Buxbaum is also a former Board member (1990-1996) of Herbalife International, Los Angeles, CA (HERBA; NASDAQ), a \$1 billion sales organization of nutritional supplements and herbal-based products. He was advisor to the Chairman/President; and past chairman of the Audit, Compensation, Finance and Business Development committees. Past Board appointments included Richman-Gordman "Half-Price" Stores, (1994-1997) headquartered in Omaha, NE with 32 retail outlets; Lamont's Apparel (1994-1998), Kirkland, WA, a family apparel and home accessories retail chain with 38 locations, and Jay Jacobs (Chairman and Director 1998), Seattle, WA, a former apparel specialty store with 135 locations. Mr. Buxbaum attended California State University at Northridge.



HOME	STRATEGY ONE	OUR SERVICES	MANAGEMENT TEAM	NEWS	EMPLOYMENT
------	--------------	--------------	-----------------	------	------------

ASSET RECOVERY	ASSET APPRAISAL	TURNAROUND MANAGEMENT
----------------	-----------------	-----------------------

OUR SERVICES



ASSET RECOVERY

For over three decades, Buxbaum Group has been one of the foremost liquidators in North America, specializing in the disposition of consumer products through "going-out-of-business" or similarly promoted sales, auctions, and closeouts of excess inventory manufacturers, retailers and wholesale distributors. The Asset Recovery group also conducts partial liquidations as part of a company's strategic downsizing or restructuring. This may include the disposition of slow moving inventory or unprofitable locations, dispersal of real estate and fixtures, renegotiation of leases, or other activities that enable companies to redirect equity from under-performing resources into more profitable merchandise, divisions, or locations.

Together with affiliate Buxbaum/Century, the Asset Recovery group conducts liquidation of industrial plants, heavy machinery, and a wide range of equipment types, including warehouse/distribution, office and food service. Buxbaum Group and Buxbaum/Century have collectively achieved liquidation returns in excess of client expectations in a broad range of categories including apparel, furniture, consumer electronics, building materials, automotive parts, mining, distilling, construction, transportation, and oil & gas, just to name a few.

ASSET APPRAISAL

Buxbaum Asset Appraisal, benefiting from the knowledge and experience of the Asset Recovery group, provides prompt and accurate appraisals of consumer product inventories, along with ongoing collateral monitoring services. The Asset Appraisal group has performed hundreds of appraisals for leading financial institutions including Bank of America, CIT Group, Citibank, Congress Financial, GE Capital, HSBC, PNC Business Credit, Wells Fargo and Foothill Capital, appraising billions of dollars of inventory annually. Types of products appraised include jewelry, apparel, furniture, footwear, recorded music & video, non-perishable foods, health and beauty aids, consumer electronics, and automotive parts & accessories, to name just a few.

Together with affiliate Buxbaum/Century, the group provides appraisals of industrial plants, heavy machinery, and a wide range of equipment types, including warehouse/distribution, office, food service, mining, petrochemicals, distilling, printing and many others. Clients include financial institutions, public and private companies, bankruptcy/insolvency professionals throughout North America.

TURNAROUND MANAGEMENT

Pathway Strategic Partners, LLC, a Buxbaum Group company, provides practical and successful turnaround and restructuring strategies to troubled or under-performing companies. As a result of extensive experience in day-to-day operations, asset valuation and business divestitures, the Pathway Strategic Partners, LLC team, led by the founders and managing partners of Buxbaum Group, has achieved an impressive track record of developing innovative and successful strategies for guiding companies through critical situations.

These strategies may include providing an interim team of turnaround and management experts to counsel and assist in such areas as manufacturing, marketing, distribution, securing new lines of financing. In cases when the business cannot be saved, the team may oversee the entire recovery process in order to maximize return of equity to both secured and unsecured creditors and investors. Over the years, the Pathway Strategic Partners, LLC management team has provided strategic consulting and turnaround management services for such prominent retailers, manufacturers and wholesalers Richman-Gordman, Rampage, and Ames Department Stores.

— = Redacted by the Permanent
Subcommittee on Investigations

Sam Wyly (After 12/31/89)
Malibu After 12/31/89
For the Seven Months Ending July 31, 1998

	Current Period	Year-to-Date	Beginning of Year	YTD Inar <Dec>
ASSETS				
CASH AND EQUIVALENTS				
101039 Nations Bank				
Total Cash and Equivalents				
Total Current Assets				
LAND/BUILDINGS/EQUIPMENT				
161007 Malibu		267,521.87	267,521.87	
161008 Malibu (Land)		75,000.00	75,000.00	
161012 Malibu (Depreciation)		(2,703.64)	(2,703.64)	
161013 Malibu (Remodeling)		148,227.20	141,349.07	6,878.13
161014 Malibu (Sewer Project)		1,156.67	1,156.67	
162043 Furnishings- Malibu		585.62	585.62	
162055 Malibu Furniture (Depreciation)		(53,564.56)	(53,564.56)	
Total Land/Buildings/Equipment		436,221.16	429,343.03	6,878.13
Nations T-Bill				
TOTAL ASSETS				
LIABILITIES AND EQUITY				
OTHER CURRENT LIABILITIES				
231006 Sam Wyly				
Total Other Current Liabilities				
Total Current Liabilities				
LONG TERM DEBT				
251008 Wells Fargo (#36)				
Total Long Term Debt				
Total Liabilities				
EQUITY				
275100 -RETAINED EARNINGS CURRENT				
275200 -RETAINED EARNINGS PRIOR YEA				
Total Equity				
TOTAL LIABILITIES AND EQUITY				
INCOME AND EXPENSE				
INCOME				
INTEREST INCOME				
320075 Nations Bank				
Total Interest Income				
MISCELLANEOUS INCOME				
330028 Rent-Sam Wyly Operating				
Total Miscellaneous Income				
Total Income				
TAX DEDUCTIBLE EXPENSES				
MORTGAGE INTEREST EXPENSE				
604007 Wells Fargo (#36 Malibu)				
Total Mortgage Interest Expense				
Total Tax Deductible Expenses				

8/3/98
11:24am

10

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1386

CONFIDENTIAL
SECI00100067
PSI00111934

	Current Period	Year-to-Date	Beginning of Year	YTD Inc < Dec>
Income Less Tax Deductible Expenses				
PERSONAL EXPENSES				
OTHER PERSONAL EXPENSE				
Insurance				
Total Other Personal Expense				
Total Personal Expense				
NET INCOME BEFORE TAX				

— = Redacted by the Permanent
Subcommittee on Investigations

XSCRIBE BOARD MEETING

Sunday, August 4

Dallas to San Diego to Malibu *Lawrie David*

Private Plane: passengers: Evan, Barbe, Lucy, Mitchell & McCary Wylly

Departing Dallas: 1 p.m.

Arriving San Diego:

Flying Into:

Need a rental car waiting at the airport (1 week - Sun., 8/4 - Sat., 8/10 - Need to drop off in Malibu)

Staying at *La Jolla* ~~La Borge~~ - need 2 adjoining rooms (3 nights - Sun., 8/4 - ~~Tues, 8/6~~ *mon 8/5* *Acacia Suite*)

Wednesday, August 7.

*San Diego to Malibu**Dallas (private plane)* *Wed 8/7*

Driving to Malibu. Staying at house.

Saturday, August 10

Malibu to Dallas

Private Plane

Passengers: same

Departing Malibu: 1 p.m.

Arriving Dallas:

*Cindy Peterson**10/19*

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1386

CONFIDENTIAL
SEC100089435
DS100101307

5747

Shade birds

AUDUBON

Plate No.	Image Name	Value	Cost	Favorites	Book Cost	Mint Cost	Relative Cost
211	Great Blue Heron	150,000	450		570000	1297800	\$65,880.72
217	Louisiana Heron	90,000	450	Sam and Cheryl	570000	1297800	\$39,528.43
226	Whooping Crane	78,000	450	Endangered species	570000	1297800	\$34,257.98
256	Purple Heron and Reddish Egret	65,000	450	(extract?) (chart?)	570000	1297800	\$28,548.31
66	Ivory-Billed Woodpecker	58000	600	Jason and Kelly Elliott	570000	1297800	\$25,473.88
21	Mockingbird	32,000	350	S. & C., TX, TN, Ark, FL, MS	570000	1297800	\$14,054.55
171	Barn Owl	29,000	250		570000	1297800	\$12,736.94
31	White-Headed Eagle	28,000	350	Amer. National bird	570000	1297800	\$12,297.73
77	Belted Kingfisher	28,000	350	Sam & Cheryl / Jason & Kelly	570000	1297800	\$12,297.73
191	Willow Grouse	27,000	600	Alaska state bird	570000	1297800	\$11,858.53
47	Ruby Throated Hummingbird	26,000	250		570000	1297800	\$11,419.33
227	Pin Tailed Duck	25,000	600		570000	1297800	\$10,980.12
286	White Fronted Goose	25,000	250		570000	1297800	\$10,980.12
12	Baltimore Oriole	22,000	450	Sam & Cheryl, MD	570000	1297800	\$9,662.51
181	Golden Eagle	22,000	350	Sam and Cheryl	570000	1297800	\$9,662.51
182	Ground Dove	19,000	600		570000	1297800	\$8,344.89
229	Scaup Duck	19,000	450	Lisa Wyly	570000	1297800	\$8,344.89
72	Swallow-Tailed Hawk	18,000	250	Jason and Kelly Elliott	570000	1297800	\$7,905.69
91	Broad-Winged Hawk	18,000	350		570000	1297800	\$7,905.69
247	Velvet Duck	18,000	350		570000	1297800	\$7,905.69
252	Florida Cormorant	18,000	600	Jason and Kelly Elliott	570000	1297800	\$7,905.69
16	Great Footed Hawk	15,000	450		570000	1297800	\$6,588.07
184	Mangrove Hummingbird	15,000	250	Jason and Kelly Elliott	570000	1297800	\$6,588.07
83	House Wren	13,000	450	Jason and Kelly Elliott	570000	1297800	\$5,709.66
213	Puffin	13,000	450	David and Laurie Matthews	570000	1297800	\$5,709.66
22	Purple Martin	12,000	350	Rosemary Acton	570000	1297800	\$5,270.46
53	Painted Finch	12,000	250	David and Laurie Matthews	570000	1297800	\$5,270.46
237	Great Esquimaux Curlew	12,000	450		570000	1297800	\$5,270.46
292	Crested Grebe	12,000	850		570000	1297800	\$5,270.46
43	Cedar Bird	11,000	250	Lisa Wyly	570000	1297800	\$4,831.25
44	Summer Red Bird	11,000	250		570000	1297800	\$4,831.25
54	Rice Bird	11,000	250		570000	1297800	\$4,831.25
151	Turkey Buzzard	11,000	600	Jason and Kelly Elliott	570000	1297800	\$4,831.25
244	Common Gallinule	11,000	250		570000	1297800	\$4,831.25
257	Double-Crested Cormorant	11,000	450	Jason and Kelly Elliott	570000	1297800	\$4,831.25
293	Large Billed Puffin	11,000	350	David and Laurie Matthews	570000	1297800	\$4,831.25
33	American Goldfinch	9,500	350	David & Laurie- NJ, WA	570000	1297800	\$4,172.45
132	Three-toed Woodpecker	9,500	250	David and Laurie Matthews	570000	1297800	\$4,172.45
298	Red Necked Grebe	9,500	850		570000	1297800	\$4,172.45
190	Yellow-Bellied Woodpecker	9,000	850	David and Laurie Matthews	570000	1297800	\$3,952.84
266	Common Cormorant	9,000	600	Jason and Kelly Elliott	570000	1297800	\$3,952.84
239	American Coot	8,500	250	Lisa Wyly	570000	1297800	\$3,733.24
173	Barn Swallow	8,000	250	Lisa Wyly	570000	1297800	\$3,513.64
214	Razor-Billed Auk	7,500	600		570000	1297800	\$3,294.04
55	Cuvier's Wren	6,500	350		570000	1297800	\$2,854.83
259	Horned Grebe	6,500	450		570000	1297800	\$2,854.83
8	White Throated Sparrow	5,800	350		570000	1297800	\$2,547.39
89	Nashville Warbler	5,800	350		570000	1297800	\$2,547.39
114	White-Crowned Sparrow	5,800	600	Rosemary Acton	570000	1297800	\$2,547.39
160	Carolina Titmouse	5,800	600		570000	1297800	\$2,547.39

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1386

CONFIDENTIAL
SECI00090604

165	Bachman's Finch	5,800	450	570000	1297800	\$2,547.39
169	Mangrove Cuckoo	5,800	350	570000	1297800	\$2,547.39
174	Olive-Sided Flycatcher	5,800	350	570000	1297800	\$2,547.39
175	Nuttall's Lesser Marsh Wren	5,800	350	570000	1297800	\$2,547.39
178	Orange-Crowned Warbler	5,800	450	570000	1297800	\$2,547.39
179	Wood Wren	5,800	600	570000	1297800	\$2,547.39
263	Pigmy Cuckoo	5,800	850	570000	1297800	\$2,547.39
265	Buff Breasted Sandpiper	5,800	850	570000	1297800	\$2,547.39
149	Sharp Tailed Finch	5,700	600	570000	1297800	\$2,503.47
10	Brown Lark	4,800	850	570000	1297800	\$2,108.18
13	Snow Bird	4,800	600	570000	1297800	\$2,108.18
14	Prairie Warbler	4,800	350	570000	1297800	\$2,108.18
15	Blue Yellow Back Warbler	4,800	850	570000	1297800	\$2,108.18
18	Bewick's Wren	4,800	250	570000	1297800	\$2,108.18
25	Song Sparrow	4,800	850	570000	1297800	\$2,108.18
35	Children's Warbler	4,800	350	570000	1297800	\$2,108.18
39	Crested Titmouse	4,800	250	570000	1297800	\$2,108.18
45	Trail's Flycatcher	4,800	250	570000	1297800	\$2,108.18
50	Black and Yellow Warbler	4,800	850	570000	1297800	\$2,108.18
58	Hermit Thrush	4,800	250	570000	1297800	\$2,108.18
59	Chestnut-Sided Warbler	4,800	250	570000	1297800	\$2,108.18
64	Swamp Sparrow	4,800	250	570000	1297800	\$2,108.18
68	Republican Cliff Swallow	4,800	350	570000	1297800	\$2,108.18
98	White-Bellied Swallow	4,800	250	570000	1297800	\$2,108.18
99	Cowpen Bird	4,800	850	570000	1297800	\$2,108.18
104	Chipping Sparrow	4,800	350	570000	1297800	\$2,108.18
105	Red-Breasted Nuthatch	4,800	850	570000	1297800	\$2,108.18
120	Pewee or Pewit Flycatcher	4,800	850	570000	1297800	\$2,108.18
125	Brown-Headed Nuthatch	4,800	850	570000	1297800	\$2,108.18
134	Hemlock Warbler	4,800	250	570000	1297800	\$2,108.18
150	Red-Eyed Vireo	4,800	450	570000	1297800	\$2,108.18
158	American Swift	4,800	450	570000	1297800	\$2,108.18
183	American Golden-Crested Wren	4,800	450	570000	1297800	\$2,108.18
194	Canadian Titmouse	4,800	250	570000	1297800	\$2,108.18
200	Shore Lark	4,800	850	570000	1297800	\$2,108.18
235	Sooty Tern	4,800	600	570000	1297800	\$2,108.18
270	Stormy Petrel	4,800	850	570000	1297800	\$2,108.18
284	Purple Sandpiper	4,800	600	570000	1297800	\$2,108.18
294	Pectoral Sandpiper	4,800	850	570000	1297800	\$2,108.18
295	Manks Shearwater	4,800	850	570000	1297800	\$2,108.18

5749

WHILE YOU WERE AWAY

FOR Jim DATE 6-1 TIME 11:45 A.M.
M Even
OF You need to
PHONE Point the gun on
MESSAGE Malibu House. (Liz coming
& the word may set.)
SIGNED _____

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1386

CONFIDENTIAL
SEC100068055
PSI00079922

5750

— = Redacted by the Permanent
Subcommittee on Investigations

PASS LIST FOR [REDACTED] MALIBU [REDACTED]

*Sam and Cheryl Wyly
Lisa Wyly
Laurie and David Matthews
Kelly and Jason Elliott
Evan and Barbe Wyly
Andrew Wyly
Christiana Wyly
Ana Farias
Juanell Lance
Carole and David Huens
Lewis and Kari Johnson*

*Bill and Justine Beattie
Paul and Rita Matthews
Mark and Cherie Elliott
Zoe Athans
Janice Williams
Steve Catalano
Lulu Gramillo
Sterling Williams
Lewis and Dorothy Johnson
Lisa and Del Dunham*

April 7, 1997

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1386

Confidential
SEC_ED00036419

PSI ED00036419

5751

— = Redacted by the Permanent
Subcommittee on Investigations

**MALIBU ITINERARY
DECEMBER 26, 1999 – JANUARY 2, 2000
FALCON 200WY**

Sunday, December 26th

TXI to Van Nuys Avitat-Peterson
Depart: 2:00 pm
Arrive: 3:19 pm
Catering: Fruit and Cheese tray
Passengers: Evan, Barbe, Lucy, Mitchell, McCary, Loren, Steven and Anna
Transportation: Van (Melinda) and driver will take you to ● Malibu ●

Sunday, January 2nd

8:00 am Van and driver to pick you up and take you to the airport
Avitat-Peterson to TXI
Depart: 8:30 am
Arrive: 1:13 pm
Catering: Bagel boxed breakfast

IMPORTANT NUMBERS

TXI Aviation	972-●	Stacey
Pilots	972-●	
Malibu House	310-●	
	310-●	fax
Guard House (Jerry Smith)	310-●	
Van Nuys Avitat-Peterson FBO	800-●	
Stacy	972-●	
	214-●	

Directions to TXI:
See attached sheet. TXI is located on the right side of the street.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1386

Confidential
SEC_ED00065566

PSI ED00065566

5752

— = Redacted by the Permanent
Subcommittee on Investigations

Evan Wylie
12/24/1999 07:08 AM
To: Stacy Bryant/[REDACTED]
cc:
Subject: Re: Malibu [REDACTED]

Anna knows about this week.
I'm not sure if Lisa or Juanell has the Malibu calendar. Ask Lisa if she wants to have it or if she wants Juanell to have it. Whoever has it should probably notify Anna a week or so before arrival and on departure.

Stacy Bryant

Stacy Bryant
12/24/99 07:14 AM
To: Evan Wylie/[REDACTED]
cc:
Subject: Re: Malibu [REDACTED]

Good Morning,
Do I need to notify Anna in the future or is that something that Lisa should do?

Do we need to get in touch with her before your family arrives on Sunday?

Let me know so I can get this rolling.

Evan Wylie

Evan Wylie
12/23/99 07:51 PM
To: Stacy Bryant/[REDACTED]
cc:
Subject: Re: Malibu [REDACTED]

Yes, Anna should be notified on coming/going. She can have her friend go clean the house. Sam liked the woman that helped her this week, but I don't know her name. I don't know what you mean when you say "who should this be?"

Stacy Bryant

Stacy Bryant
12/23/99 04:07 PM
To: Evan Wylie/Maverick/[REDACTED]
cc:
Subject: Re: Malibu [REDACTED]

1 & 2 Lisa said that sounds good to her.

Does Anna need to be notified of when anyone is coming or going and who should this be?

Evan Wylie

Evan Wylie
12/16/99 03:22 PM
To: Lisa Wylie/[REDACTED]
cc: Stacy Bryant/Maverick/[REDACTED]
Subject: Malibu

I spoke with Sam yesterday. He said that he, Cheryl and Lisa were trying to figure out two things

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1386

Confidential
SEC_ED00069996

PSI ED00069996

5753

1. Who to clean house. (Dusty when they arrived and will need cleaning after they leave) He suggested that Anna supervise her sisters during the 5 days a month she is in CA. Is this a good solution?

2. Who to make sure things work. (Cable TV, Bloomberg and internet not set-up.) He suggested Anna supervise during the 5 days a month she is in CA.

Stacy: please call Jay Yeary and see what's happening on the internet connection. Lisa said the DSL line was delayed from the phone company. If someone needs to be there, you know our dates)

Confidential
SEC_ED00069997

PSI_ED00069997

5754

MEMORY TRANSMISSION REPORT

TIME : DEC 15 '99 11:04
TEL NUMBER : 214-[REDACTED]
NAME : CHARLES WYLY

NBR	FILE	DATE	TIME	DURATION	PGS	TO	DEPT NBR	MODE	STATUS
387	36	DEC. 15	11:03	00/24	1	214 [REDACTED]		EC M	OK

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Wednesday, December 15, 1999

✓ FYI - [REDACTED] said [REDACTED] will be calling a telephonic Board meeting by the end of the year so Broadview can present their fairness opinion re MSD. They will give us as much notice as possible. I told her our offices are closed Christmas to Jan 3rd and gave her my home number and your Woody Creek number.

✓ Sam plans to depart Malibu at 11am for Dallas on December 21st.

✓ When [REDACTED] breaks from a meeting Sharon will confirm 2pm meeting.

✓ [REDACTED] would like for you to call him at 214 [REDACTED]

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1386

CONFIDENTIAL
HST PSI001433

5755

MEMORY TRANSMISSION REPORT

TIME : DEC 13 '99 11:39
TEL NUMBER : 214-
NAME : CHARLES WYLY

NBR	FILE	DATE	TIME	DURATION	PGS	TO	DEPT	NBR	MODE	STATUS
383	31	DEC. 13	11:38	00:24	1	214			EC	M OK

Monday, December 13, 1999

— = Redacted by the Permanent
Subcommittee on Investigations

talked [REDACTED]
talked [REDACTED] would like for you to call
him. He will be at this number until 11:30. \$5,000 from Jim's father
for Bush for Pres.
2 min Sam would like to use the plane Dec. 21st Malibu-DAL.

[REDACTED] brought you a copy of "Red-Hot and Righteous" by Diane
Winston. He has about 25 copies of her DMN article if you think some of the
Board members missed it he will be glad to bring them to the meeting
tomorrow.

up to notes

Part for CS group

8/24

Summer Lecture 7
writers Cong.
Ennis

from Susan
posted
Kathleen Albeck
Sarah Miller
Arick
discovery

OK
Doug Sullivan 8 tickets Jan 2nd

Dec. Sat.

Michael-on

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1386

CONFIDENTIAL
HST_PS1001436



From: Keeley Hennington
Sent: Monday, March 19, 2001 1:54 PM
To: "Michelle Boucher" [REDACTED]
Subject: Re: Malibu

[REDACTED] = Redacted by the Permanent
 Subcommittee on Investigations

I will put something together tomorrow. I was talking to Rena about it this morning and she said Sam had told the kids that the house was theirs, so that may have been why they seemed so surprised at the meeting. The other thing I thought I might propose is for Wrangler trust to buy the house -and assume debt. This would put the ongoing upkeep in the kids hands (or funded from their money) and not Sam's. I will send you a copy of what I give him.

Thanks

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

"Michelle Boucher" [REDACTED]
 03/19/01 04:41 PM

To: <khennington [REDACTED]>
 cc:
 Subject: Malibu

As per our figures Malibu trust owes \$7,831,380.12 after the March 15th payment. Are you able to mock something up for Sam before you go? I can't recall what the valuation we had done 2yrs ago came out at, but I think it was close to if not slightly under what we set the original loan at which was \$8M. (Rena should have it). Since I expect it will take some time to get an appraisal from the realtors, and depending on what the last valuation was, I suggest running two scenarios for him, one at \$8M, one at \$9M to give him a sense of what he would net (or owe) if the property was sold. I think he should have a 'ballpark' figure asap before he gets farther into his idea of selling. ...I think the valuation was under \$8M and we pushed it with the trustees a little with chattels and some other reasoning which I can't recall without pulling the file...:-)

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1386

Confidential
 SEC_ED00005464

DSI ED00005464

5757

Sam Wyly (After 12/31/89)
Trial Balance
For the Period Ended 08/31/1995
Sam Wyly Separate Property

— = Redacted by the Permanent
 Subcommittee on Investigations

08-95-121
 Date 08/01/95 03:42pm

Page 1

	<u>Current Period</u>	<u>Year-to-Date</u>	<u>Y-T-D Change</u>	<u>Shares</u>
ASSETS				
101001 Bank One Dallas (Operating)				
101008 Comerica Bank/NorthPark				
101010 Comerica/Northpark Repurchase				
101025 Compass Bank/Household				
101039 Nations Bank				
101046 Compass Bank/Personal				
101053 Vanguard Shrt Trm US Treasury				
101056 Compass Bank/ Household #2				
101059 Cash(Maverick Entrep FundAgent				
TOTAL CASH				
113007 Photomatrix Corp.				
113045 Greenbriar Ltd.				
113047 Quayle Limited				
113048 Samia Limited				
113052 Samia Investment Ltd.				
113066 Rosemary Acton				
113103 Evan Acton Wyly				
113118 First Boston Corporation				
113140 Sam Wyly Malibu Trust	0.00	81,972.55	0.00	0
113153 Ralph Davis				
113301 Greek Isles Ltd.				
116001 Sam Wyly S.P.agreement 5/11/94				
TOTAL RECEIVABLES				
TOTAL CURRENT ASSETS				
LAND/BUILDINGS/EQUIPMENT				
161001 Beverly Drive				
161002 Beverly Drive Remodelling				
161006 Lots, Lake Providence, La.				
161013 Malibu (Remodelling)	0.00	6,876.10	0.00	0
161030 415 W. North St. Aspen Furnish				
161031 Beverly Dr. Landscaping				
162001 Autos				
162002 Furnishings- Beverly Drive				
162003 Furnishings- Malibu	0.00	130,239.78	0.00	0
162004 Jewelry				
162005 Art & Paintings				
162006 Inheritance-Personal Property				
162007 Dallas Country Club Membership				
162008 Texas Stadium Box Furnishings				
162010 Fidelity IRA-TEAM Rollover				
162013 Federal Tax Withheld 1994				
162019 Office Equipment				
162071 Fidelity IRA (Keogh Rollover)				
162079 Miscellaneous Divorce				

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1387

CONFIDENTIAL
 SEC100093344
 PSI00105211

**Sam Wyly (After 12/31/89)
Trial Balance
For the Period Ended 08/31/1995
Sam Wyly Sperate Propert**

— = Redacted by the Permanent
Subcommittee on Investigations

08-85-121
Date 08/01/95 03:42pm

Page 2

	<u>Current Period</u>	<u>Year-to-Date</u>	<u>Y-T-D Change</u>	<u>Shares</u>
162080 Sterling Sitw 401K Defered Sal				
162086 Fidelity IRA (Cafes Rollover)				
162093 Arnold & Porter Retainer				
162094 Rocky Mountain Gas DEPOSIT				
163004 United Fidelity Life Insurance				
TOTAL LAND/BUILDINGS/EQUIPMENT				
OTHER ASSETS				
192027 Pizza Inn				
194002 Texas Stadium (New)				
195003 Xscribe Corporation				
195006 Photomatrix B.V.I., Ltd.				
195007 C & S Aviation Ltd.				
195029 Xscribe (Go Public)				
195042 Sterling Software Options				
195047 Cafes General Partner, Inc.				
195050 Michaels Stores Options				
196001 Arlington Stoneridge				
196007 Maverick Capital, Ltd.				
196025 USACafes L.P.				
196028 Maverick Entrepreneurs FundInc				
196033 Tallulah, Ltd.				
196035 Greek Isles, G.P.				
197001 Jonathan				
198001 Sam Wyly Malibu Trust	0.00	434,549.78	0.00	0
TOTAL ASSETS				
LIABILITIES & OWNER'S EQUITY				
CURRENT LIABILITIES				
205000 -ACCOUNTS PAYABLE-				
TOTAL SHORT TERM PAYABLES				
OTHER CURRENT LIABILITIES				
231001 Rosemary Acton McKee				
231002 Communities Foundation Texas				
231003 Priscilla(Assign. Pat) Rogers				
231012 Tallulah Ltd.				
231018 Laurie Wyly Trust				
231019 Lisa Wyly Trust				
231020 Trust (1965) fbo Kelly				
231022 Kelly Wyly Elliott Trust				
231059 Tallulah Ltd.				
231063 Andrew Wyly Trust				
231064 Christiana Wyly Trust				
231084 Domestic Federal Taxes W/H				
231092 Maverick Capital, Ltd.				
TOTAL OTHER CURRENT LIABILITIES				

CONFIDENTIAL
SEC100093345
PS100105212

5759

Sam Wyly (After 12/31/89)
Trial Balance
For the Period Ended 08/31/1995
Sam Wyly Sperate Propert

08-95-121
Date 09/01/95 03:42pm

Page 3

Current Period Year-to-Date Y-T-D Change Shares

TOTAL CURRENT LIABILITIES

LONG TERM DEBT

252011 Executive Life

TOTAL LONG TERM DEBT

TOTAL LIABILITIES

SHAREHOLDER EQUITY

275100 -RETAINED EARNINGS CURRENT YR-

275200 -RETAINED EARNINGS PRIOR YEAR-

TOTAL SHAREHOLDERS EQUITY

TOTAL LIABILITY/OWNER EQUITY

INCOME STATEMENT

DIRECTOR'S/CONSULTING FEES

300003 Michaels Stores, Inc.

SALARY

DIVIDENDS

310121 Comerica Bank - Dreyfus Fund

310124 Nations Bank MMA

INTEREST INCOME

320001 Bank One Dallas

320075 Nations Bank

320078 Photomatrix Corp.

320121 Comerica NorthPark Bank

SHORT TERM GAIN (LOSS)

LONG TERM GAIN (LOSS)

380010 Photomatrix BVI

MISCELLANEOUS INCOME (LOSS)

330031 Arlington Stoneridge

330096 Aurora Life Insurane

NON-TAXABLE INCOME

Redacted By
Permanent Subcommittee on Investigations

CONFIDENTIAL
SEC100093346

5760

Sam Wyly (After 12/31/89)
Trial Balance
For the Period Ended 08/31/1995
Sam Wyly Seperate Property

06-95-121
Date 09/01/95 03:42pm

Page 4

Current Period Year-to-Date Y-T-D Change Shares

TOTAL INCOME

TAX DEDUCTIBLE EXPENSES
OTHER INTEREST

602010 Rosemary McKee
602028 Laurie Louise Wyly Trust
602029 Lisa Lynn Wyly Trust
602031 Andrew Wyly Trust
602032 Christiana Wyly Trust
602033 Kelly Wyly Elliott Trust

MORTGAGE INTEREST

CHARITY

701001 Miscellaneous

TAXES

702001 Real Estate Tax
702002 Sales Tax
702003 Personal Property Tax

BUSINESS & CONSULTING

703001 Miscellaneous
703059 Sterling Software, Inc.
703061 DO NOT USE
703070 Bank Charges
704006 Jackson & Walker
704079 Gary A Case CPA
704103 Maria Fisher

TOTAL TAXABLE DEDUCTIONS

TOTAL INCOME LESS TAX
DEDUCTIONS

PERSONAL EXPENSES

PERSONAL EQUITY

NON-CHARITABLE GIFTS

904007 Mr. & Mrs. Arthur Guenard
904021 Evan & Barbara Wyly
904070 Rosemary Acton

Redacted By
Permanent Subcommittee on Investigations

CONFIDENTIAL
SECI00093347
PSI00105214

5761

**Sam Wyly (After 12/31/89)
Trial Balance
For the Period Ended 08/31/1995
Sam Wyly Separate Property**

— Redacted by the Permanent
Subcommittee on Investigations

08-05-121
Date 09/01/95 03:42pm

Page 5

	Current Period	Year-to-Date	Y-T-D Change	Shares
904071 Laurie & David Matthews				
OTHER PERSONAL EXPENSE				
902003 Political				
902006 Rent - S Wyly Malibu Trust	18,100.00	116,426.00	(116,426.00)	0
902007 Insurance				
902024 Children				
902031 Exterminators-Malibu	0.00	26.00	(26.00)	0
902035 Gifts				
902036 Kelly Wyly's Wedding Expenses				
902037 Household Expense-Aspen	0.00	277.50	(277.50)	0
902038 Household Expense-Malibu	290.00	8,372.12	(8,372.12)	0
902039 Household Expense-Dallas				
902050 Medical Expense				
902059 Repairs/Major-Malibu	0.00	35,088.50	(35,088.50)	0
902060 Repairs/Major-Dallas				
902063 Subscriptions/Dues/Memberships				
902066 Telephone Expense-Malibu				
902067 Telephone Expense-Dallas				
902070 Utilities-Malibu	125.00	564.83	(564.83)	0
902071 Utilities-Dallas				
902072				
902074 Travel/Entertainment-Personal				
902083				
902085				
PERSONAL WITHDRAWALS				
903001 Sam Wyly Cash				
903002 Sam Wyly Special-Cornerstone				
DOMESTIC PAYROLL				
905011 Maria M. Merlo				
905012 Lulu Gramillo				
CREDIT CARDS				
906001 American Express				
906002 MasterCard				
906003 VISA				
FOREIGN TRUSTS				
TOTAL OTHER EXPENSE				
NET INCOME BEFORE TAX				

CONFIDENTIAL
SEC100093348
PSI00105215

03-20-01 09:43am
GLA.2

TRIAL BALANCE REPORT
 ACTIVITY FROM 01-01-00 THRU 12-31-00
 LEDGER: BOOK
 ENTITY: 107M Sam Wyly Malibu Trust

Redacted by the Permanent
 Subcommittee on Investigations

ACCOUNT DESCRIPTION | 01-01-00 | BEG BALANCE | ACTIVITY | 12-31-00 | END BALANCE |
 DEBIT CREDIT DEBIT CREDIT DEBIT CREDIT

INCOME

510040 Interest Income-Checking Accts
 510045 Interest Income-MMA Accts.
 530120 Rental Income
 605000 Unrealized Interest Expense

TOTAL INCOME

EXPENSES

602020 Real Estate Tax
 603010 Mortgage Interest Expense
 607010 Consultants - Accounting
 607020 Consultants - Legal
 660025 Insurance - Personal
 660040 Auto Expense
 660050 Household Expense
 660060 Utilities
 660110 Household Maint. & Repair
 740030 Bank Charges

TOTAL EXPENSES

ASSETS

101040 Cash-Nations Bank of Texas-MMA
 101100 Cash-Bank of America
 161000 Real Estate
 161005 Malibu Accum Depreciation
 161015 Real Estate - Improvements
 163200 Furnishings & Fixtures
 163202 Malibu Furniture Accum Depr.

TOTAL ASSETS

LIABILITIES

310500 Accrued Interest Pay-Investments
 320150 Mortgages Payable

TOTAL LIABILITIES

CAPITAL

470030 Retained Earnings

Permanent Subcommittee on Investigations
 EXHIBIT #66 - FN 1387

CONFIDENTIAL
 SEC100027489
 PSI00039356

~ 900,000 - 1,000,000
 per year in
 malibu house
 expenses

5763

03-20-01 09:43am
01A.2

TRIAL BALANCE REPORT
ACTIVITY FROM 01-01-00 THRU 12-31-00
LEDGER: BOOK
ENTITY: 10TM Sam Wyly Malibu Trust

— = Redacted by the Permanent
Subcommittee on Investigations

ACCOUNT DESCRIPTION	01-01-00	BEG BALANCE	DEBIT	CREDIT	ACTIVITY	DEBIT	CREDIT	12-31-00	END BALANCE
TOTAL CAPITAL									
TOTAL DEBITS									
TOTAL CREDITS									

CONFIDENTIAL
SECI00027490

05/03/99 12:04 PM

Subject: Sam & Malibu Trust

مجلس

Forwarded by Elaine Spengler on 05/03/99 12:06 PM

To: Elaine Spang/btst@

Subject: Sam & Malibu Trust

Starting in January 99 Sam had to place money into the Malibu Trust in order to pay the RJW Builders remodeling fees. Monthly Sam places money into the Trust to pay the mortgage +. We have always treated this as rental expinc.

Questions 1) Should we treat the money transferred to pay for improvements as rental expense?
2) Should the Malibu Trust return the money to Sam for the total amount received for improvements in 99?

? nabe
f10

put
back
to Sam

→ H_2 (2nd set)

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1387

CONFIDENTIAL
HST_PSI005494



5765

Request Number: DAL20050104000388

Item 80 of 382

Account Number: [REDACTED]

Post Date: 11/28/2000

Amount: \$ 12,100.00

Sequence Number: 9130221750

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

SAM WYLY SEPARATE PROPERTY BANK OF AMERICA
SUITE 1000 DALLAS, TX 75201-7902 322-1110 008730
11/25/2000

Sam Wyly Malibu Trust
Twelve Thousand One Hundred and 00/100 DOLLARS
Sam Wyly Malibu Trust

Reyna (Wyly) Jones
Kyle Jones

\$12,100.00
⑈0001210000⑈

11/28/2000
DALLAS, TX

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1387

BA 06542

5766

Request Number: DAL20050104000388

Item 106 of 382

Account Number: [REDACTED]

Post Date: 12/18/2000

Amount: \$ 12,100.00

Sequence Number: 8230452277

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

SAM WYLY SEPARATE PROPERTY
300 CRESCENT COURT
SUITE 1000
DALLAS, TX 75201-7652

BANK OF AMERICA
DALLAS, TX
22-2-1110

008758
12/11/2000

Pay to the
Order of Sam Wyly Malibu Trust

Twelve Thousand One Hundred and 00/100 DOLLARS

Sam Wyly Malibu Trust

\$12,100.00

Signature: [REDACTED]
Berna (Liliana)

PER DEPOSIT ONLY TO
THE ACCOUNT OF THE
WITHIN NAMED PAYEE

BA 06545

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1387

Confidential Treatment Requested

BA 06545

5767

Amount: \$12,100.00
Account: [REDACTED]
Bank Number: 11100002
Check Number: 0
Sequence Number: 8230283795
Capture Date: 5/17/01

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

DEPOSIT TICKET

SAM WYLY MALIBU TRUST 05-99
300 CRESCENT CT., SUITE 1000
DALLAS, TX 75201-7852

DATE 05-17-01

DEPOSITS MAY NOT BE AVAILABLE FOR AN IMMEDIATE WITHDRAWAL

SURE WHEN V CASH RECEIVED FROM DEPOSIT

Bank of America

CASH 105 12100.00

TOTAL 12100.00

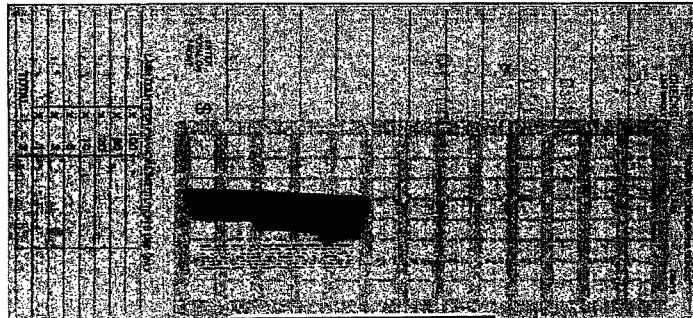
SUBTOTAL 12100.00

LESS CASH

NET DEPOSIT \$ 12100.00

005 021131 51701#039 \$12100.00 0

[REDACTED] 12100000



Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1387

Confidential Treatment Requested

BA 089951

5768

Amount: \$12,100.00
Account: XXXXXXXXXX
Bank Number: 11100002
Check Number: 9005
Sequence Number: 8230283796
Capture Date: 5/17/01

— = Redacted by the Permanent Subcommittee on Investigations

SAM WYLY SEPARATE PROPERTY

300 CRESCENT COURT
SUITE 1000
DALLAS, TX 75201-7852

BANK OF AMERICA
DALLAS, TX

32-2-1110

090905

5/14/2001

Pay to the Order of Sam Wyly Malibu Trust

\$12,100.00

Twelve Thousand One Hundred and 00/100***** DOLLARS

Sam Wyly Malibu Trust

Kathy Pyle

Rena Alexander

Memo:

[REDACTED]

⑈0001210000⑈

[illegible]

5769

Amount: \$12,100.00
Account: [REDACTED]
Bank Number: 11100002
Check Number: 0
Sequence Number: 8230094649
Capture Date: 6/22/01

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

DEPOSIT TICKET

SAM WYLY MALIBU TRUST 09-99
300 CRESCENT CT., SUITE 1000
DALLAS, TX 75201-7832

DATE 06-22-01

Bank of America.

NET DEPOSIT \$12100.00 D

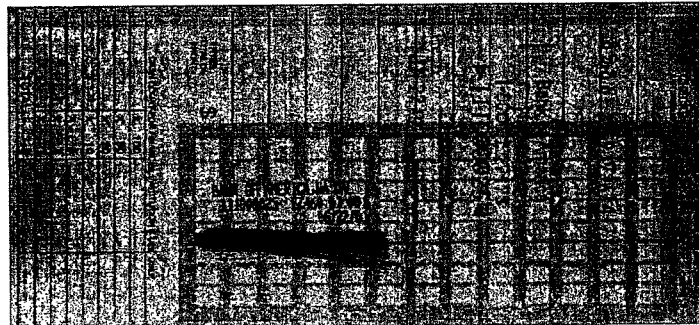
004 119 242 62201#183

12100000

12100.00

12100.00

12100.00

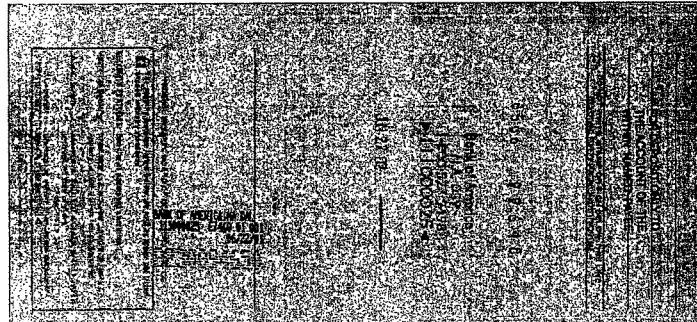


5770

Amount: \$12,100.00
Account: [REDACTED]
Bank Number: 11100002
Check Number: 9058
Sequence Number: 8230094650
Capture Date: 6/22/01

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

SAM WYLY SEPARATE PROPERTY 300 CRESCENT COURT SUITE 1000 DALLAS, TX 75201-7882		BANK OF AMERICA DALLAS, TX 32-3-1110	009058 6/19/2001
Pay to the Order of	Sam Wyly Malibu Trust	\$12,100.00	
Twelve Thousand One Hundred and 00/100***** DOLLARS			
Sam Wyly Malibu Trust		<i>Rena Alexander</i> <i>Sam Wyly</i>	
Memo:		[REDACTED] #0004210000	



5771

Amount: \$12,100.00
Account: [REDACTED]
Bank Number: 11100002
Check Number: 0
Sequence Number: 9230666259
Capture Date: 7/26/01

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

DEPOSIT TICKET

SAM WYLY MALIBU TRUST 08-99
300 CRESCENT CT., SUITE 1000
DALLAS, TX 75201-7852

DATE 07-26-01

Bank of America.

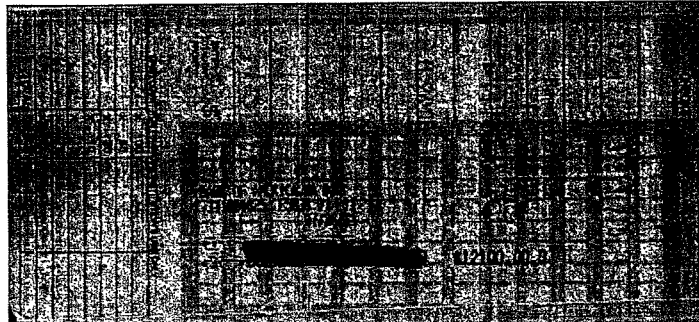
CASH 12100.00

TOTAL SUBTOTAL 12100.00

LESS CASH 0.00

NET DEPOSIT \$ 12100.00

7170001210000

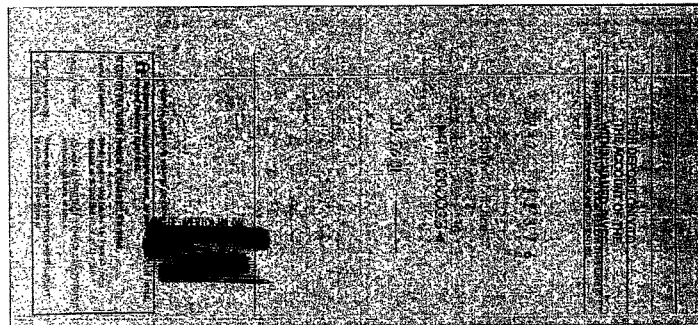


5772

Amount: \$12,100.00
Account: [REDACTED]
Bank Number: 11100002
Check Number: 9090
Sequence Number: 9230666260
Capture Date: 7/26/01

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

SAM WYLY SEPARATE PROPERTY 300 CRESCENT COURT SUITE 1000 DALLAS, TX 75201-7862		BANK OF AMERICA DALLAS, TX 32-2-1110	009090 7/23/2001
Pay to the Order of	Sam Wyly Malibu Trust	\$12,100.00	
Twelve Thousand One Hundred and 00/100***** DOLLARS			
Sam Wyly Malibu Trust		<i>[Signature]</i> <i>[Signature]</i>	
Memo:		[REDACTED] 0001210000	



5773

Amount: \$12,100.00
Account: [REDACTED]
Bank Number: 11100002
Check Number: 0
Sequence Number: 9230505420
Capture Date: 8/23/01

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

DEPOSIT TICKET

SAM WYLY MALIBU TRUST 09-99
300 CRESCENT CT., SUITE 1000
DALLAS, TX 75201-7852

DATE 08-24-01

REPORTS MAY NOT BE APPROVED FOR IMMEDIATE WITHDRAWAL

Bank of America

CASH 105 \$ 12100.00

WALK IN/DEPOSIT NO.

TOTAL DOLLARS SUBTOTAL 12100.00

LESS CASH

NET DEPOSIT \$ 12100.00

001 119 142 82301#059 \$12100.00 0

[REDACTED] 71100012100001



5774

Amount: \$12,100.00
Account: XXXXXXXXXX
Bank Number: 11100002
Check Number: 9132
Sequence Number: 9230505421
Capture Date: 8/23/01

= Redacted by the Permanent Subcommittee on Investigations

SAM WYLY SEPARATE PROPERTY
300 CRESCENT COURT
SUITE 1000
DALLAS, TX 75201-7852

BANK OF AMERICA
DALLAS, TX
32-2-1110

009132
8/22/2001

Pay to the
Order of Sam Wyly Malibu Trust


Twelve Thousand One Hundred and 00/100***** DOLLARS

Sam Wyly Malibu Trust

Kyley D. Alexander
Bena Alexander

Memo:

000 120000

<p>  UNITED STATES DEPARTMENT OF JUSTICE FEDERAL BUREAU OF INVESTIGATION WASHINGTON, D. C. 20535 </p> <p> TO : DIRECTOR, FBI FROM : SAC, NEW YORK (100-100000) SUBJECT: [REDACTED] </p>	<p> DATE: 10/15/74 TIME: 10:00 AM BY: [REDACTED] </p>	<p> TO : DIRECTOR, FBI FROM : SAC, NEW YORK (100-100000) SUBJECT: [REDACTED] </p>	<p> TO : DIRECTOR, FBI FROM : SAC, NEW YORK (100-100000) SUBJECT: [REDACTED] </p>
--	--	--	--

5775

Amount: \$12,100.00
Account: [REDACTED]
Bank Number: 11100002
Check Number: 0
Sequence Number: 8230192028
Capture Date: 9/25/01

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

DEPOSIT TICKET		CASH
SAM WYLY MALIBU TRUST 300 CRESCENT CT., SUITE 1000 DALLAS, TX 75201-7852		09-99
DATE 09-25-01		105 12100.00
DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL		
SIGN HERE IF CASH RECEIVED FROM DEPOSIT		
Bank of America		
TOTAL		SUBTOTAL 12100.00
		LESS CASH
NET DEPOSIT		\$ 12100.00
[REDACTED]		71100012100000

DEPOSIT TICKET		CASH
SAM WYLY MALIBU TRUST 300 CRESCENT CT., SUITE 1000 DALLAS, TX 75201-7852		09-99
DATE 09-25-01		105 12100.00
DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL		
SIGN HERE IF CASH RECEIVED FROM DEPOSIT		
Bank of America		
TOTAL		SUBTOTAL 12100.00
		LESS CASH
NET DEPOSIT		\$ 12100.00
[REDACTED]		71100012100000

5776

Amount: \$12,100.00
Account: [REDACTED]
Bank Number: 11100002
Check Number: 9166
Sequence Number: 8230192029
Capture Date: 9/25/01

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

SAM WYLY SEPARATE PROPERTY 300 CRESCENT COURT SUITE 1000 DALLAS, TX 75201-7852		BANK OF AMERICA DALLAS, TX 32-2-1110	009166 9/24/2001
Pay to the Order of	Sam Wyly Malibu Trust	\$12,100.00	
Twelve Thousand One Hundred and 00/100***** DOLLARS			
Sam Wyly Malibu Trust		<i>[Signature]</i> <i>[Signature]</i>	
Memo:		[REDACTED] 0001210000	

Check Number: 9166
Amount: \$12,100.00
Date: 9/24/2001
Pay to the Order of: Sam Wyly Malibu Trust
Bank: Bank of America
Branch: Dallas, TX
Account: [REDACTED]
Signature: [REDACTED]
Endorsement: [REDACTED]

5777

Amount: \$12,100.00
Account: [REDACTED]
Bank Number: 11100002
Check Number: 0
Sequence Number: 9130323903
Capture Date: 10/24/01

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

DEPOSIT TICKET

SAM WYLY MALIBU TRUST
300 CRESCENT CT., SUITE 1000
DALLAS, TX 75201-7852

DATE 10-24-01

REPORTS MAY NOT BE APPROVED FOR IMMEDIATE WITHDRAWAL.

Bank of America

09-99

CASH

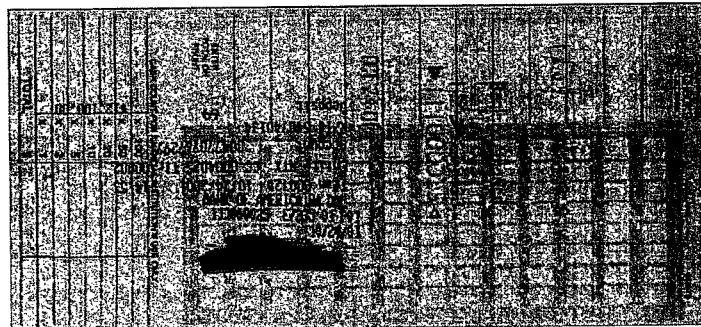
105 1210000

TOTAL SUBTOTAL 1210000

LESS CASH

NET DEPOSIT \$ 12100.00

711000 1210000



5778

Amount: \$12,100.00
Account: [REDACTED]
Bank Number: 11100002
Check Number: 9194
Sequence Number: 9130323904
Capture Date: 10/24/01

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

SAM WYLY SEPARATE PROPERTY 300 CRESCENT COURT SUITE 1000 DALLAS, TX 75201-7852		BANK OF AMERICA DALLAS, TX 32-2-1110	009194 10/22/2001
Pay to the Order of	Sam Wyly Malibu Trust	\$12,100.00	
Twelve Thousand One Hundred and 00/100***** DOLLARS			
Sam Wyly Malibu Trust		<i>[Signature]</i> <i>[Signature]</i>	
Memo:		[REDACTED]	
		⑈00012⑈0000⑈	

[REDACTED]

5779

Amount: \$12,100.00
Account: [REDACTED]
Bank Number: 11100002
Check Number: 0
Sequence Number: 8730855032
Capture Date: 11/28/01

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

DEPOSIT TICKET

SAM WYLY MALIBU TRUST 09-99
300 CRESCENT CT., SUITE 1000
DALLAS, TX 75201-7832

DATE 11-28-01

DEPOSIT MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL

Bank of America.

CASH

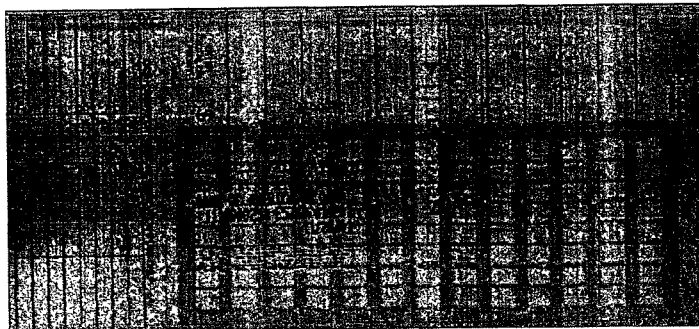
105 12100.00

TOTAL SUBTOTAL 12100.00

LESS CASH

NET DEPOSIT \$ 12100.00

7110001210000

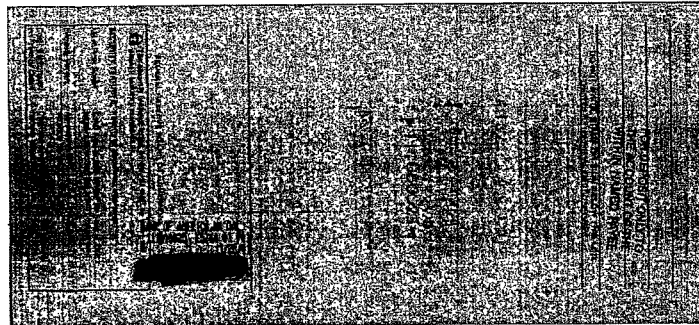


5780

Amount: \$12,100.00
Account: [REDACTED]
Bank Number: 11100002
Check Number: 9228
Sequence Number: 8730855033
Capture Date: 11/28/01

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

SAM WYLY SEPARATE PROPERTY 300 CRESCENT COURT SUITE 1000 DALLAS, TX 75201-7852		BANK OF AMERICA DALLAS, TX 32-2-1110	009228 11/28/2001
Pay to the Order of	Sam Wyly Malibu Trust	\$12,100.00	
Twelve Thousand One Hundred and 00/100***** DOLLARS			
Sam Wyly Malibu Trust		<i>[Signature]</i> <i>[Signature]</i>	
Memo:	[REDACTED] 0001210000		



5781

Amount: \$12,100.00
Account: [REDACTED]
Bank Number: 11100002
Check Number: 0
Sequence Number: 9230334707
Capture Date: 12/19/01

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

DEPOSIT TICKET

SAN WYLY MALIBU TRUST
300 CRESCENT CT. SUITE 1000
DALLAS, TX 75201-7852

DATE 12-19-01

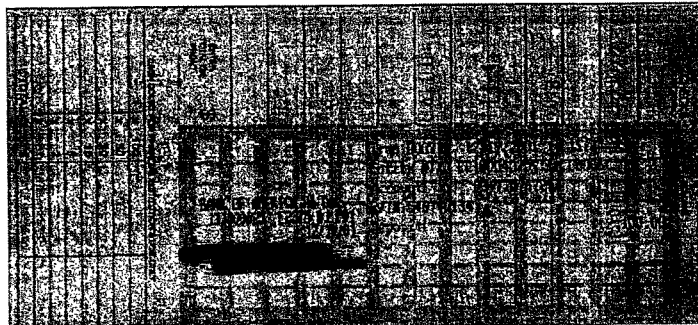
Bank of America

CASH 105 12100.00

TOTAL 12100.00

NET DEPOSIT \$ 12100.00

71,000,121,000

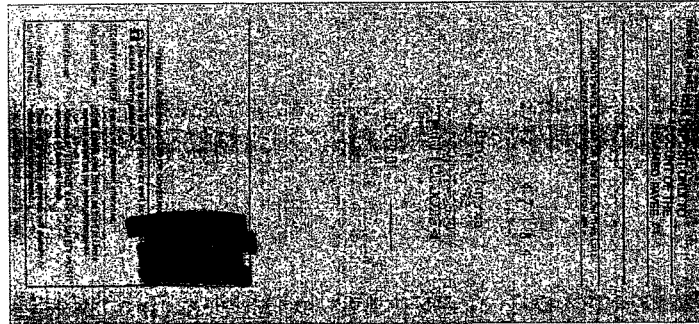


5782

Amount: \$12,100.00
Account: [REDACTED]
Bank Number: 11100002
Check Number: 9249
Sequence Number: 9230334708
Capture Date: 12/19/01

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

SAM WYLY SEPARATE PROPERTY 300 CRESCENT COURT SUITE 1000 DALLAS, TX 75201-7852		BANK OF AMERICA DALLAS, TX 32-2-1110	009249 12/10/2001
Pay to the Order of	Sam Wyly Malibu Trust	\$12,100.00	
Twelve Thousand One Hundred and 00/100 DOLLARS			
Sam Wyly Malibu Trust		<i>[Signature]</i> <i>[Signature]</i>	
Memo:		[REDACTED] 000000000000	



5783

Amount: \$12,100.00
Account: [REDACTED]
Bank Number: 11100002
Check Number: 0
Sequence Number: 9230764214
Capture Date: 1/24/02

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

DEPOSIT TICKET

SAM WYLY MALIBU TRUST
300 CRESCENT CT., SUITE 1000
DALLAS, TX 75201-7852

09-99

DATE 01-24-02

DEPOSITS MAY NOT BE AVAILABLE FOR BALANCE WITHDRAWAL

Bank of America

CASH 105 12100.00

SUBTOTAL 12100.00

LESS CASH

NET DEPOSIT \$ 12100.00

71100012100000

DEPOSIT TICKET

SAM WYLY MALIBU TRUST
300 CRESCENT CT., SUITE 1000
DALLAS, TX 75201-7852

09-99

DATE 01-24-02

DEPOSITS MAY NOT BE AVAILABLE FOR BALANCE WITHDRAWAL

Bank of America

CASH 105 12100.00

SUBTOTAL 12100.00

LESS CASH

NET DEPOSIT \$ 12100.00

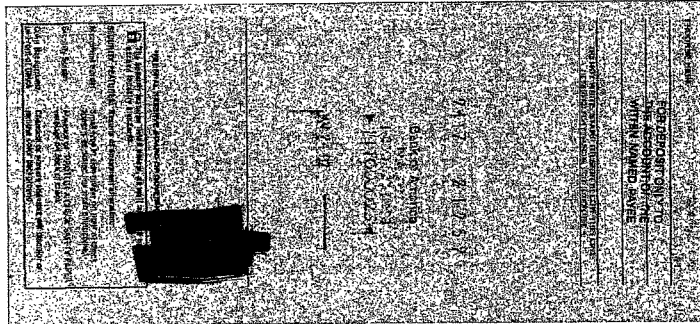
71100012100000

5784

Amount: \$12,100.00
Account: [REDACTED]
Bank Number: 11100002
Check Number: 9289
Sequence Number: 9230764215
Capture Date: 1/24/02

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

SAM WYLY SEPARATE PROPERTY 300 CRESCENT COURT SUITE 1000 DALLAS, TX 75201-7852		BANK OF AMERICA DALLAS, TX 32-24110	009289 1/23/2002
Pay to the Order of	Sam Wyly Malibu Trust	\$12,100.00	
Twelve Thousand One Hundred and 00/100***** DOLLARS			
Sam Wyly Malibu Trust			
Memo:		[REDACTED] ⑈0001210000⑈	



5785

PROMISSORY NOTE

\$8,000,000.00

April 14, 1999

FOR VALUE RECEIVED, the undersigned ("Maker") promises to pay to the order of SECURITY CAPITAL, LTD., a Cayman Islands Exempted Company ("Payee"), the principal sum of EIGHT MILLION and NO/100 DOLLARS (\$8,000,000.00), together with interest on the unpaid principal sum from time to time outstanding at the rate of six and 75/100 percent (6.75%) per annum from the date hereof until paid. All principal and interest payable hereunder shall be due and payable in lawful money of the United States of America.

Principal and interest on this Note shall be payable in three hundred sixty (360) monthly installments, commencing thirty (30) days from the date hereof, and payable each succeeding month thereafter. Each installment shall be in the amount of \$51,887.85. All unpaid principal, together with any accrued, but unpaid interest, shall be payable in full on the thirtieth (30th) anniversary hereof, April 14, 2029.

The payment of this Note is secured by a deed of trust (the "Deed of Trust"), from Maker to Payee, which grants Payee a deed of trust lien against certain real property. The property described in the Deed of Trust is hereinafter referred to as (the "Property")

The entire unpaid principal balance of, and all accrued interest on, this Note shall immediately become due and payable at the option of the Payee upon the occurrence of any one or more of the following events of default (the "Events of Default"):

- (a) Failure by Maker to pay the principal and interest hereon as and when the same becomes due and payable in accordance with the terms hereof and the continuation of said failure for a period of ten (10) days after Payee has provided Maker with written notice of such failure; or
- (b) Failure by Maker to perform any term, condition, or covenant contained in the Deed of Trust and the continuation of such failure for a period of thirty (30) days after Payee has provided Maker with written notice thereof or, if such failure on the part of Maker is not susceptible of being cured within said thirty (30) day period, the failure of Maker to commence curing such failure within said thirty (30) day period or, having commenced to cure the failure within said thirty (30) day period, the failure of Maker to prosecute or complete the curing of such failure with due diligence and dispatch.

In the event any one or more of the Events of Default specified hereinabove shall occur, Payee may proceed to protect and enforce its rights either by suit in equity and/or by action at law, or by other appropriate proceedings, including, but not limited to, foreclosure under the Deed of Trust. No delay on the part of the holder of this Note in the exercise of any power or right under this Note, under the Deed of Trust, or under any other instrument executed pursuant thereto shall operate as a waiver thereof, nor shall a single or partial exercise of any other power or right preclude further exercise

- 1 -

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1388

CONFIDENTIAL
HST_PSI089322

5786

PROMISSORY NOTE

\$8,000,000.00

April 14, 1999

FOR VALUE RECEIVED, the undersigned ("Maker") promises to pay to the order of SECURITY CAPITAL, LTD., a Cayman Islands Exempted Company ("Payee"), the principal sum of EIGHT MILLION and NO/100 DOLLARS (\$8,000,000.00), together with interest on the unpaid principal sum from time to time outstanding at the rate of six and 75/100 percent (6.75%) per annum from the date hereof until paid. All principal and interest payable hereunder shall be due and payable in lawful money of the United States of America.

Principal and interest on this Note shall be payable in three hundred sixty (360) monthly installments, commencing thirty (30) days from the date hereof, and payable each succeeding month thereafter. Each installment shall be in the amount of \$51,887.85. All unpaid principal, together with any accrued, but unpaid interest, shall be payable in full on the thirtieth (30th) anniversary hereof, April 14, 2029.

The payment of this Note is secured by a deed of trust (the "Deed of Trust"), from Maker to Payee, which grants Payee a deed of trust lien against certain real property. The property described in the Deed of Trust is hereinafter referred to as (the "Property")

The entire unpaid principal balance of, and all accrued interest on, this Note shall immediately become due and payable at the option of the Payee upon the occurrence of any one or more of the following events of default (the "Events of Default"):

- (a) Failure by Maker to pay the principal and interest hereon as and when the same becomes due and payable in accordance with the terms hereof and the continuation of said failure for a period of ten (10) days after Payee has provided Maker with written notice of such failure; or
- (b) Failure by Maker to perform any term, condition, or covenant contained in the Deed of Trust and the continuation of such failure for a period of thirty (30) days after Payee has provided Maker with written notice thereof or, if such failure on the part of Maker is not susceptible of being cured within said thirty (30) day period, the failure of Maker to commence curing such failure within said thirty (30) day period or, having commenced to cure the failure within said thirty (30) day period, the failure of Maker to prosecute or complete the curing of such failure with due diligence and dispatch.

In the event any one or more of the Events of Default specified hereinabove shall occur, Payee may proceed to protect and enforce its rights either by suit in equity and/or by action at law, or by other appropriate proceedings, including, but not limited to, foreclosure under the Deed of Trust. No delay on the part of the holder of this Note in the exercise of any power or right under this Note, under the Deed of Trust, or under any other instrument executed pursuant thereto shall operate as a waiver thereof, nor shall a single or partial exercise of any other power or right preclude further exercise

thereof. Enforcement by the holder of this Note of any security for the payment hereof shall not constitute any election by it of remedy so as to preclude the exercise of any other remedy available to it.

Except as expressly otherwise provided herein, Maker waives demand, presentment, protest, notice of nonpayment, notice of protest, notice of intent to accelerate, notice of acceleration, and any and all lack of diligence or delay in collection or the filing of suit hereon which may occur.

If this Note is not paid at maturity, howsoever such maturity may be brought about, and the same is placed in the hands of an attorney for collection, or if this Note is collected by suit or through bankruptcy, probate, or other legal proceedings, Maker agrees to pay the costs of collection and attorneys' fees, in addition to the principal and interest.

This Note may be delivered by telefacsimile or similar facsimile transmission and, in such case, shall be deemed delivered upon Payee's receipt of such facsimile transmission.

All notices or demands required or permitted hereunder shall be in writing and delivered to the person to whom the notice is directed, either in person, by facsimile transmission, or by United States Mail, as a registered or certified item, return receipt requested. Notices delivered by mail shall be deemed given three (3) days after deposit of same in a regularly maintained receptacle for the United States Mail, with proper postage prepaid, and addressed as follows:

If to Maker: Sam Wyly 1978 Malibu Revocable Trust
300 Crescent Court, Suite 1000
Dallas, Texas 75201

If to Payee: Security Capital, Ltd.
P. O. Box 30868 SMB
Ugland House
Georgetown, Grand Cayman

This Note has been executed and delivered, and is to be performed, in the State of California, and the laws of such state shall govern the validity, construction, enforcement, and interpretation of this Note.

All agreements between Maker and Payee are expressly limited so that in no contingency or event whatsoever, whether by reason of advancement of the payment hereof, acceleration of maturity of the unpaid principal balance hereof, or otherwise, shall the amount paid or agreed to be paid to the holder hereof for the use, forbearance, or detention of the money to be advanced hereunder exceed the highest rate permissible under the laws of the State of California. If, from any circumstance whatsoever, fulfillment of any provision hereof or of the Deed of Trust securing this Note or any other agreement referred to herein shall, at the time fulfillment of such provision be due, involve transcending the limit of validity prescribed by law which a court of competent jurisdiction may deem applicable hereto, then inso facto, the obligation to be fulfilled shall be reduced to the limit of such validity, and if from any circumstance the holder hereof shall ever receive as interest an amount which would be

excessive, such amount shall (i) be applied to the reduction of the unpaid principal balance due hereunder or (ii) be refunded to Maker and not applied to the payment of interest. This provision shall control every other provision of all agreements between Maker and the holder hereof.

Maker shall have the right to prepay the indebtedness evidenced by this Note, in whole or in part, at any time, without premium or penalty of any kind whatsoever, and interest shall immediately cease to accrue on any part of this Note so prepaid.

Upon payment in full of this Note, whether in accordance with its terms or as a result of prepayment by Maker, this Note shall be canceled and returned to Maker, together with an executed release of the lien created by the Deed of Trust.

This Note is an unregistered bearer debt instrument issued by a foreign lender to a United States of America obligor.

This Note cannot be offered or sold (or resold in connection with its original issuance) to any individual or entity who is a "United States Person" as that term is defined and interpreted under the laws of taxation of the United States of America. With respect to any assignee who is not a "United States Person," Payee may assign the Note and Deed of Trust without the consent of Maker and any such assignment shall not relieve the Maker of its obligations hereunder, except that Maker shall make all payments to and give any notices at the address of such assignee as provided to Maker by Payee.

This Note is intended to constitute and qualify as "portfolio debt investment" as that term is defined and interpreted under the taxation laws of the United States of America. The parties to this Note specifically intend that the interest payable hereunder shall not be subject to income or excise taxation, including the imposition of any withholding taxes thereon, under the laws of the United States of America or any state or municipality thereof.

The principal and interest payable per the terms and condition of this Note shall be payable only outside the United States of America and its possessions.

It is specifically understood and intended that no "United States Person" (as that term is defined and interpreted under the taxation laws of the United States of America) shall ever be an owner or holder of this Note; however, should any "United States Person" (as that term is defined and interpreted under the taxation laws of the United States of America) ever become a holder or owners of this Note, such "United States Person" will be subject to limitation under the income tax laws of the United States of America. Any "United States Person" who holds this Note will be subject to limitation under the United States income tax laws, including the limitation provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.

The owner of this Note must certify to the Maker (or any distributor) of this Note that the owner is not a "United States Person" (as that term is defined and interpreted under the taxation laws of the United States of America.)

5789

IN WITNESS WHEREOF, the undersigned has executed this Note effective as of the date and year first above written.

Lisa L. Wily
LISA L. WYLY, TRUSTEE OF THE SAM
WYLY 1978 MALIBU REVOCABLE TRUST,
CREATED BY WRITTEN TRUST
AGREEMENT DATED MAY 15, 1978.

- 4 -

CONFIDENTIAL
HST PSI089325

5790

AGREED:

The undersigned acknowledges and agrees to all terms and conditions of this Note. The undersigned certifies to the Maker that the undersigned is not a "United States Person" (as that term is defined under the taxation laws of the United States of America).

SECURITY CAPITAL, LTD.,
A Cayman Islands Exempted Company

By: _____

Name: _____

Title: _____

Dated Effective as of April 14, 1999

203972.v4

5791

05/14/99 10:04 FAX

→ MAVCAP ACCTNG 001/002

— = Redacted by the Permanent
Subcommittee on Investigations

FACSIMILE COVER PAGE

TO: Rena Alexander From: Michelle Boucher
FAX: 1-214-8 [REDACTED] Fax: 345- [REDACTED]
DATE: May 14th, 1999 Tel: 345-9 [REDACTED]

We are transmitting 2 page(s). Please contact the undersigned if there is a problem with the transmission.

Dear Rena,

Here is a copy of the amortization schedule. If you have any questions, please call.

Thanks for your help.

Michelle
Michelle

FAXED

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1388

CONFIDENTIAL
HST_PSI089333

Mortgage Amortization

Key Figures

Annual Loan Payments	\$622,854.20
Monthly Payments	\$51,887.85
Interest In First Calendar Year	\$403,586.75
Interest Over Term of Loan	\$10,879,526.00
Sum of All Payments	\$18,679,526.00

Inputs

Loan Principal Amount	\$8,000,000.00
Annual Interest Rate	6.75%
Loan Period in Years	30
Base Year of Loan	1999
Base Month of Loan	April

Payments in First 12 Months

Year	Month	Beginning Balance	Payments	Principal	Interest	Cumulative Principal	Cumulative Interest	Ending Balance
	Apr	\$8,000,000.00	\$51,887.85	\$6,887.85	\$45,000.00	\$6,887.85	\$45,000.00	\$7,993,112.15
	May	7,993,112.15	51,887.85	6,926.59	44,961.26	13,814.44	89,961.26	7,986,186.56
	Jun	7,986,186.56	51,887.85	6,965.56	44,922.29	20,780.00	134,883.55	7,979,220.00
	Jul	7,979,220.00	51,887.85	7,004.74	44,883.11	27,784.74	179,766.66	7,972,215.26
	Aug	7,972,215.26	51,887.85	7,044.14	44,843.71	34,828.88	224,610.37	7,965,171.12
	Sep	7,965,171.12	51,887.85	7,083.78	44,804.09	41,912.64	269,414.46	7,958,087.34
	Oct	7,958,087.34	51,887.85	7,123.61	44,764.24	49,036.25	314,178.70	7,950,964.73
	Nov	7,950,964.73	51,887.85	7,163.88	44,724.17	56,199.53	358,902.87	7,943,800.85
	Dec	7,943,800.85	51,887.85	7,203.97	44,683.68	63,403.90	403,586.75	7,936,596.88
2000	Jan	7,936,596.88	51,887.85	7,244.50	44,643.35	70,646.40	448,230.10	7,929,352.38
	Feb	7,929,352.38	51,887.85	7,285.25	44,602.60	77,933.65	492,832.70	7,922,067.13
	Mar	7,922,067.13	51,887.85	7,326.23	44,561.62	85,259.98	537,394.32	7,914,740.90

Yearly Schedule of Balances and Payments

Year	Beginning Balance	Payments	Principal	Interest	Cumulative Principal	Cumulative Interest	Ending Balance
2000	\$7,936,596.10	\$622,854.20	\$85,874	532,980	\$153,078.06	\$36,566.75	\$7,848,522.14
2001	7,848,521.94	622,854.20	95,918	526,736	248,996.44	1,463,302.61	7,751,004.04
2002	7,751,003.58	622,854.20	102,597	520,057	351,593.43	1,983,359.82	7,648,407.17
2003	7,648,406.57	622,854.20	109,741	512,914	461,334.02	2,496,273.43	7,538,666.15
2004	7,538,665.98	622,854.20	117,382	505,273	578,715.63	3,001,546.02	7,421,284.17
2005	7,421,284.37	622,854.20	125,555	497,100	704,270.28	3,498,645.57	7,295,730.12
2006	7,295,729.72	622,854.20	134,297	488,357	838,567.04	3,987,003.01	7,161,433.15
2007	7,161,432.96	622,854.20	143,848	479,007	982,214.60	4,466,009.65	7,017,785.57
2008	7,017,785.40	622,854.20	153,848	469,006	1,135,864.05	4,935,014.40	6,864,136.59
2009	6,864,135.96	622,854.20	164,348	458,306	1,300,211.79	5,393,320.88	6,699,788.39
2010	6,699,788.21	622,854.20	175,791	446,883	1,476,002.73	5,840,164.12	6,523,987.19
2011	6,523,987.27	622,854.20	188,031	434,623	1,664,033.63	6,274,807.42	6,335,956.66
2012	6,335,966.37	622,854.20	201,123	421,531	1,865,158.73	6,696,338.52	6,134,843.14
2013	6,134,843.27	622,854.20	215,127	407,627	2,080,283.62	7,103,865.83	5,919,716.91
2014	5,919,716.38	622,854.20	230,106	392,548	2,310,389.34	7,498,414.31	5,689,611.11
2015	5,689,610.65	622,854.20	246,128	376,527	2,556,516.86	7,872,940.99	5,443,483.91
2016	5,443,483.14	622,854.20	263,265	359,389	2,819,781.73	8,232,330.32	5,180,218.66
2017	5,180,218.27	622,854.20	281,595	341,059	3,101,377.18	8,573,389.07	4,898,623.47
2018	4,898,622.52	622,854.20	301,202	321,452	3,402,579.55	8,894,840.90	4,597,420.57
2019	4,597,420.45	622,854.20	322,174	300,480	3,724,754.01	9,195,320.64	4,275,246.37
2020	4,275,245.99	622,854.20	344,607	278,047	4,069,360.82	9,473,369.03	3,930,639.17
2021	3,930,639.18	622,854.20	368,601	254,053	4,437,961.89	9,727,421.16	3,582,038.97
2022	3,582,038.11	622,854.20	394,266	228,388	4,832,227.89	9,955,809.36	3,167,772.71
2023	3,167,772.11	622,854.20	421,718	200,936	5,253,945.82	10,156,745.63	2,746,054.51
2024	2,746,054.18	622,854.20	451,081	171,573	5,705,027.10	10,328,318.55	2,294,973.10
2025	2,294,972.90	622,854.20	482,489	140,185	6,187,516.24	10,488,483.61	1,812,484.61
2026	1,812,483.76	622,854.20	516,084	108,570	6,703,600.10	10,575,053.95	1,296,400.52
2027	1,296,399.90	622,854.20	552,018	70,636	7,255,617.82	10,645,690.43	744,382.33
2028	744,382.18	622,854.20	590,454	32,201	7,846,071.38	10,677,891.07	153,929.80
2029	153,926.62	155,683.55	153,929	1,735	8,000,000.00	10,679,526.00	0

CONFIDENTIAL
HST_PSI089334

5793

LOCKE LIMITED

(Incorporated in the Isle of Man No: 77573C)

Directors:

N.J. Carter
N. Field-Corbett (Irish)

Registered Office:

International House,
Castle Hill,
Victoria Road,
Douglas,
Isle of Man,
IM2 4RB.

CONFIRMATION OF FACSIMILE

Tel: (01624) 630600
Fax: (01624) 624469

*** FACSIMILE TRANSMISSION ***

The information contained in this fax is confidential and/or privileged. This fax is intended to be read only by the person named below. If the reader of this fax is not the intended recipient or a representative of the intended recipient you are hereby notified that any review, dissemination or copying of this fax is prohibited. If you have not received all the pages or have received this fax in error, please notify the sender by telephone and return this fax to the sender at the above address.

Page 1 of 1 (Total Sent)

Date: 12th April, 1999.

Time Sent:

Fax No: 001 [REDACTED]

Operator Ref: INST 1 DISB 1064

TO: ATTN: CINDY MURDOCK / MICHELLE CRITTENDEN
LEHMAN BROTHERS INC.

FROM: LOCKE LIMITED

REF: KJ/SLD/LOCKE-F.2

ORIGINAL

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

RE: ACCOUNT NO: [REDACTED]

Further to our fax of 9th April 1999, will you please now arrange for the transfer of the sum of US\$3,000,000 (Three Million US Dollars only) realised from the account to be transferred as soon as possible to the following:-

Bank: IBJ Schroder Bank & Trust Company, New York.
ABA No: 026007825
Chips: 782
In favour of: Queensgate Bank & Trust Company Limited
Account No: [REDACTED]
For further credit to: Security Capital Limited
Sub Account: [REDACTED]
By order of: Locke Limited

We look forward to receiving confirmation when the transfer has been made as requested. However, should there be any difficulties in complying with these instructions, or if additional information is required will you please contact us on the above telephone or fax number as soon as possible.

It is confirmed that the original of these instructions will be forwarded to you by courier.

Yours faithfully,

N.J. Carter,
Director.

CONFIRMATION OF FACSIMILE

N. Field-Corbett,
Director.

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1391

CC 022578

5794

MOBERLY LIMITED

(Incorporated in the Isle of Man No. 77466)

Directors:

N.J. Carter
N. Field-Corbett

Registered Office:

International House,
Castle Hill,
Victoria Road,
Douglas,
Isle of Man.

Tel: (01624) 626931
Fax: (01624) 624469

CONFIRMATION OF FACSIMILE

*** FACSIMILE TRANSMISSION ***

The information contained in this fax is confidential and/or privileged. This fax is intended to be read only by the person named below. If the reader of this fax is not the intended recipient or a representative of the intended recipient you are hereby notified that any review, dissemination or copying of this fax is prohibited. If you have not received all the pages or have received this fax in error, please notify the sender by telephone and return this fax to the sender at the above address.

Page 1 of 1 (Total Sent)

Date: 12th April, 1999.

Time Sent:

Fax No: 001 [REDACTED]
Operator Ref: INST 1 DISB

TO: MICHELLE CITTENDEN / CINDY MURDOCK
LEHMAN BROTHERS INC.

FROM: MOBERLY LIMITED

REF: KJ/SLD/MOBER-F.2

ORIGINAL

RE: ACCOUNT NO: [REDACTED]

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Further to our fax of 9th April 1999, will you please now arrange for the transfer of the sum of US\$5,000,000 (Five Million US Dollars only) realised from the account to be transferred as soon as possible to the following:-

Bank: IBJ Schroder Bank & Trust Company, New York.
ABA No: 026007825
Chips: 782
In favour of: Queensgate Bank & Trust Company Limited
Account No: [REDACTED]
For further credit to: Security Capital Limited
Sub Account: [REDACTED]
By order of: Moberly Limited

We look forward to receiving confirmation when the transfer has been made as requested. However, should there be any difficulties in complying with these instructions, or if additional information is required will you please contact us on the above telephone or fax number as soon as possible.

It is confirmed that the original of these instructions will be forwarded to you by courier.

Yours faithfully,

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1391

CC 023636

Bank of America, N.A.
P.O. Box 831547
Dallas, TX 75283-1547

Page 2 of 3
Statement Period
04-15-99 through 05-14-99
Number of checks enclosed: 1
B 10 0 C

Account Number: [REDACTED]

SAH WYLY MALIBU TRUST
LB 31

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Interest Checking Additions		
Deposits and Other Additions - Continued	Date Posted	Amount(\$)
Wire Type: Fed IN Date: 990507 Time: 1137 Fed Ref: 000995 Seq: 990507007945 Orig: First Data Investor Pmt Det: The Sah Wily Mall Bu Trust Ac [REDACTED] RFB: 5000049501 Sending Bank	05-07	200,000.00
Wire Type: Fed IN Date: 990507 Time: 1449 Fed Ref: 002343 Seq: 990507014656 Orig: First Data Investor Pmt Det: The Sah Wily Mall Bu Trust Ac [REDACTED] RFB: 5000049501 Sending Bank	05-07	200,000.00
Wire Type: Fed IN Date: 990507 Time: 1449 Fed Ref: 002343 Seq: 990507014656 Orig: First Data Investor Pmt Det: The Sah Wily Mall Bu Trust Ac [REDACTED] RFB: 5000049501 Sending Bank	05-14	75.33
Interest Earned		
Total Deposits and Other Additions		\$612,175.33
Interest Checking Subtractions		
Checks Posted	Date Posted	Amount(\$)
Check Number Posted Amount(\$)		
70404 05-05 10,983.03		
Total Checks Posted		\$10,983.03
Service Charges and Other Fees		
	Date Posted	Amount(\$)
Wire Transfer Fee	04-16	30.00
Wire Transfer Fee	05-07	15.00
Wire Transfer Fee	05-14	15.00
Total Service Charges and Other Fees		\$60.00
Other Subtractions		
	Date Posted	Amount(\$)
Funds Transfer Debit		
Fdp Ntx 0001145 NBKA6Y2	04-15	5,000,000.00
Wire Type: Fed Out Date: 990416 Time: 1020 Fed Ref: 001660 Seq: 990416004669 BNF: R.W. BUILDERS AC-502 PMT DET: R.W. BUILDERS AC- [REDACTED] RFB: 0009900169900 Bnf Bk: Vectra Bk Denver	04-16	191,889.48
Wire Type: Fed Out Date: 990416 Time: 1419 Fed Ref: 004655 Seq: 990416014226 BNF: R.W. BUILDERS AC-1668 PMT DET: R.W. BUILDERS AC-1 [REDACTED] RFB: 0009900169900 Bnf Bk: Vectra Bk Denver	04-16	3,000,000.00
Wire Type: Fed Out Date: 990507 Time: 1354 Fed Ref: 001546 Seq: 990507012401 BNF: R.W. BUILDERS AC-474 PMT DET: R.W. BUILDERS [REDACTED] RFB: 0009900169900 Bnf Bk: Vectra Bk Denver	05-07	182,160.68

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1393

5796

Bank of America, N.A.
P.O. Box 831547
Dallas, TX 75283-1547

Page 1 of 3
Statement Period
04-08-99 through 05-07-99
Number of checks enclosed: 21
R 05 0 C 05
Account Number [REDACTED]

Private Client

SAM WYLY/SEPARATE PROPERTY
RENA ALEXANDER, AMY BROWNING, LISA WYLY
KEELEY HENNINGTON OR ELAINE SPANG
380 CRESCENT CT SUITE 1000
DALLAS, TX 75201-7852

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

See Back for Change of Address

Customer Service Information

For additional information or service, you may call:
1-800-247-6262 Express Service/Customer Service
1-800-332-3977 Hearing Impaired Customer Service

Or you may write to:
Bank of America, N.A.
P.O. Box 831547
Dallas, TX 75283-1547

Interest Checking

SAM WYLY/SEPARATE PROPERTY RENA ALEXANDER, AMY BROWNING, LISA WYLY
KEELEY HENNINGTON OR ELAINE SPANG

Your Account at a Glance

Account Number	[REDACTED]	Annual Percentage Yield Earned this Statement
Beginning Balance on 04-08-99	\$ 148,030.25	Period: 0.50%
Deposits and Other Additions	+ 5,400,983.87	Interest Paid Year to Date: \$1,290.09
Checks Posted	- 4,311,808.62	
Service Charges and Other Fees	- 23.50	
Other Subtractions	- 1,108,200.00	
Ending Balance on 05-07-99	\$ 130,041.00	

Y2K UPDATE: We are on target to be Y2K Ready in accordance with federal guidelines by 6/30/99 and are committed to ongoing quality reviews throughout the year. Please visit www.bankofamerica.com for more information.

Thank you for banking with Bank of America.

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1393

Confidential Treatment Requested

BA 093058

5797

Bank of America, N.A.
P.O. Box 831947
Dallas, TX 75283-1947

Page 2 of 3
Statement Period
04-06-99 through 05-07-99
Number of checks enclosed: 21
B OF A C US
Account Number [REDACTED]

SAM WYLY/SEPARATE PROPERTY
RENA ALEXANDER, AMY BROWNING, LISA WYLY
KEELEY HENNINGTON OR ELAINE SPANG

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Interest Checking Additions

Deposits and Other Additions	Date Posted	Amount(\$)
Funds Transfer Credit	04-15	5,000,000.00
Fdes Ntx 0001145 NBKA6Y3		
Funds Transfer Credit	05-03	400,000.00
Fdes Ntx 0001145 NBKA6Y3		
Interest Earned	05-07	993.87
Total Deposits and Other Additions		\$5,400,993.87

Interest Checking Subtractions

Checks Posted								
Check Number	Date Posted	Amount(\$)	Check Number	Date Posted	Amount(\$)	Check Number	Date Posted	Amount(\$)
	04-30	58,411.53	8281	04-27	4,200,000.00	8289	04-22	6.79
8237	04-27	22,127.54	8282	04-21	290.00	8290	04-19	53.20
8269*	04-19	5,000.00	8283	04-16	58.86	8291	04-20	915.08
8276*	04-08	170.00	8284	04-15	29.14	8292	04-30	12,100.00
8278*	04-08	5,399.97	8286*	04-16	13.52	8293	05-07	5,000.00
8279	04-12	1,413.01	8287	04-16	600.00	8297*	05-04	30.06
8280	04-12	76.00	8288	04-20	22.92	8302*	05-07	92.00
Total Checks Posted								\$4,311,809.62

*The asterisk shows a break in the check number order. Your check may have been in a previous statement or may still be outstanding.

Service Charges and Other Fees	Date Posted	Amount(\$)
Wire Transfer Fee	04-26	8.50
Wire Transfer Fee	05-06	15.00
Total Service Charges and Other Fees		\$23.50

Other Subtractions	Date Posted	Amount(\$)
Wire Type:Book Out Date:990426 Time:1007 Bnf:Rosemary Acton Seq:990426004530 Pmt Det:Rosemary Acton Bnf= roseam Any Acton B O RFB= 0009904269900065 Obi= principal Interest Bnf Bk:NationsBank Texas	04-26	8,300.00

5798

Bank of America, N.A.
P.O. Box 831547
Dallas, TX 75283-1547

Page 3 of 3
Statement Period
04-08-89 through 05-07-89
Number of checks enclosed: 21
R 05 D 0 C 05
Account Number: [REDACTED]

SAM WYLY/SEPARATE PROPERTY
RENA ALEXANDER, AMY BROWNING, LISA WYLY
KEELEY HENNINGTON OR ELAINE SPANG

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Interest Checking Subtractions

Other Subtractions - Continued	Date Posted	Amount(\$)
Wire Type: Fed Out Date: 990506 Time: 1212 Fed Ref: 001010 Seq: 990506008888 Bnf Nationsfunds Ac-1542 Pmt Det: Nationsfunds Ac-1 RFB= 0009050699003 Bnf Bk: Boston Safe Dep T	05-06	1,100,000.00
Total Other Subtractions		\$1,108,200.00

Daily Balance Summary

Date	Balance	Date	Balance	Date	Balance
Beginning	148,090.25	04-20	5,135,338.55	05-03	1,234,194.19
04-06	143,520.28	04-21	5,135,048.55	05-04	1,234,164.13
04-12	142,031.27	04-22	5,135,041.76	05-06	134,149.13
04-15	5,142,031.27	04-26	5,126,883.26	05-07	130,041.00
04-16	5,141,358.89	04-27	904,705.72		
04-19	5,136,276.55	04-30	834,194.19		

5799

H

Bank of America, N.A.
P.O. Box 631547
Dallas, TX 75263-1547

Page 2 of 2
Statement Period
11-27-99 through 12-24-99
Number of checks enclosed: 2
B 18 6 C
Account Number: [REDACTED]

CHARLES J WYLY, JR CURATOR
OF THE INTERDICT,
KATIE WYLY BELSER/OR ANY BROWNING OR

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Interest Checking Additions			Interest Checking Subtractions		
Deposits and Other Additions	Date Posted	Amount(\$)	Checks Posted		
Counter Credit	12-01	381.70	Check Number	Date	Amount(\$)
US Treasury Sls ;Des=soc Sec ;ID=[REDACTED] SSA	12-03	254.00	19779	12-16	2,319.52
Eff Date: 991203;Indn:Charles J Wyly Jr			19780	12-20	67.23
Ext Info:NI:sgdcharles J Wyly Jr					
Holder					
Counter Credit	12-03	130.00			
Counter Credit	12-16	88.00			
Interest Earned	12-24	12.64			
Total Deposits and Other Additions		\$866.34	Total Checks Posted		\$2,386.75

Daily Balance Summary					
Date	Balance	Date	Balance	Date	Balance
Beginning	41,377.50	12-03	42,143.20	12-20	39,844.45
12-01	41,759.20	12-16	39,911.68	12-24	39,857.09

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1394

bb 14764

5800

Investments For A Lifetime™

P.O. BOX 14602
CHARLOTTE, NC 28154-3584

DEALER: 002000
BRANCH: 0091800
REP. NO: 1JJ
ALPHA: JONES-JOHN
NAME: JOHN JONES

STATEMENT DATE 04/16/99

CONSOLIDATED STATEMENT

NATIONSBANK INVESTMENTS INC
DALLAS TX1-492-22-01
901 MAIN ST
DALLAS TX 75202

LISA WYLY TRUSTEE
THE SAM WYLY MALIBU TRUST
ATTN RENA ALEXANDER
300 CRESCENT COURT STE 1000
DALLAS TX 75201

INVESTMENT AMOUNT: \$
ACCOUNT NUMBER:
SSN/TAX ID NUMBER:
FUND NAME:

DETACH HERE

= Redacted by the Permanent
Subcommittee on Investigations

USE THE ABOVE REMITTANCE SLIP WITH YOUR NEXT INVESTMENT. DETACH HERE.

ACCOUNT NUMBER SS OR TAX ID NUMBER

POST DATE	TRADE DATE	TYPE OF TRANSACTION	TRANSACTION AMOUNT	SHARE PRICE	TRANSACTION SHARES	TOTAL SHARES
04/16/99	04/16/99	NEW ACCOUNT INVESTMENT	3,000,000.00	\$1.00	3,000,000.000	3,000,000.000

REFERENCE NO.	MEDIA	MSG	DATE	TIME	ACCOUNT NO.	DR/CR	AMOUNT
4685	FW	01422604	04/16/99	14:19		DEBIT	\$3,000,000.00

NATIONSBANK TEXAS /ORG=SAM WYLY MALIBU TRUST
BOSTON SAFE DEP TR/CTR/BBK=UNKNOWN BNF=NATIONSFUNDS /AC- RFB=0009904169900
867 OBI-REF SAM WYLY MALIBU TRUST 1

SAM WYLY MALIBU TRUST
LB 31
300 CRESCENT CT SUITE 1000
DALLAS, TX 75201-7852

NationsBank
P.O. Box 83000-7154, Dallas, Texas 75283
FUNDS TRANSFER ADVICE

*IF ASSISTANCE ON THIS TRANSACTION IS NEEDED, PLEASE CONTACT OUR RESEARCH DEPARTMENT AT 1-800-577-9473.



SH CPT 000 002000

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1394

PAGE 01

CONFIDENTIAL
SECT00025317
PSI00037184

5801

— = Redacted by the Permanent
Subcommittee on Investigations

From: Keeley Hennington
Sent: Tuesday, March 20, 2001 8:25 AM
To: mboucher@ [REDACTED]
Subject: malibu
Attachments: SALEPROJ.doc

Here is what I sent to Sam -

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.



SALEPROJ.doc (30
KB)

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1395

Confidential
SEC_ED00005492

Memo

To: Mr. Sam Wyly
From: Keeley Hennington, Michelle Boucher
Date: [DATE]
Re: Malibu sale

Sam-

Michelle and I thought you might want to look at some numbers on Malibu before you moved forward in the process. I have based the projections on the last appraisal, done in April 1999, of \$7,250,000 realizing this is probably a worst case scenario as there may have been significant appreciation since that date. Some things to point out are you have a very low basis in the house and two mortgages currently outstanding. Here is a breakdown of a hypothetical sale at \$7,250,000.

Sales Price	\$7,250,000
First Mortgage Payoff	(1,133,903)
Second Mortgage Payoff	(7,831,380)
Tax at 20%	(930,000) - Sales Price less basis of \$2,600,000
California transfer tax	(240,000) - estimated at 4%
Net Cash Due at Closing	(2,885,283)

The property would need to appraise at around \$10,000,000 to break even. One alternative may be to sell the house to Wrangler Trust subject to all or some of the debt. This would put the true ownership and costs associated with the house in the hands of the beneficiaries. Since it is a sale to a grantor trust of which you are treated as the owner, the sale would be disregarded for tax purposes and no gain would be triggered. The yearly cost for mortgage payments, taxes, insurance and upkeep is approximately \$1,000,000 per year. However, I think the property tax could increase significantly from the sale under Proposition 101 since it has an extremely low value currently. All these costs could be funded by Wrangler Trust.

Let us know your thoughts and what you find out after your discussion with the real estate agents.

5803

Rena Alexander
04/14/99 10:56 AM

Redacted by the Permanent
Subcommittee on Investigations

To: Elaine Spang/ht
cc:

Subject: Malibu Trust

With Malibu Trust giving money to Sam. Do I treat this as a distribution from the trust? We have never distributed money from the trust before. There is a payable on the books to Malibu Trust from Sam. We could get rid of that first, then either loan or distribute the other.

*deal. Payable
Remaining distribution*

300 CRESC

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1395

IS 75201-7852

CONFIDENTIAL
HST DS10R0321

5804

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

From: Keeley Hennington
Sent: Monday, March 19, 2001 1:54 PM
To: "Michelle Boucher" [REDACTED]
Subject: Re: Malibu

I will put something together tomorrow. I was talking to Rena about it this morning and she said Sam had told the kids that the house was theirs, so that may have been why they seemed so suprised at the meeting. The other thing I thought I might propose is for Wrangler trust to buy the house -and assume debt. This would put the ongoing upkeep in the kids hands (or funded from their money) and not Sam's. I will send you a copy of what I give him.

Thanks

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

"Michelle Boucher" [REDACTED]
03/19/01 04:41 PM

To: <khenningt [REDACTED]>
cc:
Subject: Malibu

As per our figures Malibu trust owes \$7,831,380.12 after the March 15th payment. Are you able to mock something up for Sam before you go? I can't recall what the valuation we had done 2yrs ago came out at, but I think it was close to if not slightly under what we set the original loan at which was \$8M. (Rena should have it). Since I expect it will take some time to get an appraisal from the realtors, and depending on what the last valuation was, I suggest running two scenarios for him, one at \$8M, one at \$9M to give him a sense of what he would net (or owe) if the property was sold. I think he should have a 'ballpark' figure asap before he gets farther into his idea of selling. ...I think the valuation was under \$8M and we pushed it with the trustees a little with chattels and some other reasoning which I can't recall without pulling the file...:-)

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1397

Confidential
SEC_ED00005464

5805

— = Redacted by the Permanent
Subcommittee on Investigations

From: Keeley Hennington
Sent: Monday, April 23, 2001 7:17 AM
To: Rena Alexander
Subject: Re: Colorado Duplex & Malibu House

Do we know what the duplex is for? Also, keep in mind on the Malibu house - he will have to come up with some money to close and pay off all the debts. Did I give you a copy of the memo I put together for Sam on that??

Keeley

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

Rena Alexander
04/20/01 04:00 PM

To: Keeley Hennington/htst [REDACTED] mboucher [REDACTED]
cc:
Subject: Colorado Duplex & Malibu House

Sam has okayed the Colorado duplex purchase from Wrangler. He has also signed a counter offer to sell Malibu at \$8,650,000 including furniture but not artwork. If accepted- it should close in 45 days if not sooner.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1397

Confidential
SEC_ED00005856

5806

= Redacted by the Permanent
Subcommittee on Investigations

From: "Michelle Boucher" [REDACTED]
Sent: Tuesday, September 11, 2001 11:43 AM
To: <khennington@ [REDACTED]>
Subject: Re: Malibu

It's a good price, but the shortfall from taxes will be tough to cover - where do we stand on Beverly Drive?

----- Original Message -----

From: <khennington@ [REDACTED]>
To: <mboucher@ [REDACTED]>
Sent: Monday, September 10, 2001 12:32 PM
Subject: Malibu

> FYI
>
>

>
> The preceding e-mail message (including any attachments) contains
> information that may be confidential, or constitute non-public
> information.
> It is intended to be conveyed only to the designated recipient(s). If
> you are not an intended recipient of this message, please notify the
> sender by replying to this message and then delete it from your
> system. Use, dissemination, distribution, or reproduction of this
> message by unintended recipients is not authorized and may be unlawful.
>

> ----- Forwarded by Keeley Hennington/htst on 09/10/01 12:38 PM -----

>
>
> Rena
> Alexander To: Keeley
> Hennington/htst@htst cc:
> 09/10/01 Subject: Malibu
> 10:25 AM
>
>
>
>

> CeCe, just brought me a copy of an agreement to purchase Malibu for
> 8.1 Million cash. Thought you should know, because now we have to
> come up
with
> the balance owed to Security Capital.
>
>

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1398

Confidential
SEC_ED00014240

NOT FOR RELEASE

5807

— = Redacted by the Permanent
Subcommittee on Investigations

From: Keeley Hennington
Sent: Tuesday, January 15, 2002 12:47 PM
To: Evan Wyly; sam@
Cc: Stacy Huebner
Subject: meeting

Sam and Evan-

I would like to set up a short meeting (30 minutes) to go over some funding issues with regard to Wrangler and Malibu. The times that work for Michelle and I are as follows:

Wednesday - after 2:30
> Thursday - before 1:00
> Friday - after 2:30

Will you let me know how this works with your schedule. Thanks

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1398

Confidential
SEC_ED00009008

DST ED00009008

5808

Redacted by the Permanent
Subcommittee on Investigations

From: Keeley Hennington
Sent: Wednesday, January 16, 2002 9:32 AM
To: Stacy Huebner
Subject: Re: meeting

Everyone is set for meeting 9:00 thursday

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

----- Forwarded by Keeley Hennington/hkst on 01/16/02 11:40 AM -----

"Michelle Boucher" <mboucher@redacted>
01/16/02 11:09 AM

To: <evan_wyly@redacted>, <khennington@redacted>
cc:
Subject: Re: meeting

looks good - speak to you then

----- Original Message -----

From: <khennington@redacted>
To: <evan_wyly@redacted>
Cc: <mboucher@redacted>
Sent: Tuesday, January 15, 2002 4:24 PM
Subject: Re: meeting

>
> works for me . Michelle, will this work for you?
>
>

>
> The preceding e-mail message (including any attachments) contains
> information that may be confidential, or constitute non-public
> information.
> It is intended to be conveyed only to the designated recipient(s). If
> you are not an intended recipient of this message, please notify the
> sender by replying to this message and then delete it from your
> system. Use, dissemination, distribution, or reproduction of this
> message by unintended recipients is not authorized and may be unlawful.
>

>

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1398

Confidential
SEC_ED00009018

PSI_ED00009018

— = Redacted by the Permanent Subcommittee on Investigations

> Sam and I can do Thursday at 9:00 a.m.

> Sam and Evan-

> Will you let me know how this works with your schedule. Thanks

Confidential
SEC_ED00009019

PSI_ED00009019

— = Redacted by the Permanent
Subcommittee on Investigations

From: Keeley Hennington
Sent: Thursday, February 07, 2002 6:17 AM
To: "Michelle Boucher" [REDACTED]
Subject: Re: Fw: Payoff

Just talked to the lady I have been working iwth - Rick Stine is the Title Advisory with Fidelity who is closing the Malibu house - he is the supervisor above the title officer - should be okay to send him the info

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

"Michelle Boucher" [REDACTED]
02/05/02 05:12 PM

To: <khennington@ [REDACTED]>
CC:
Subject: Fw: Payoff

Is this guy familiar to you on the Malibu transaction - all his references to Security Capital are correct below and he had Suzanne at Queensgate's contact info..... I think its okay, but just checking before Suzanne goes back to him.

----- Original Message -----
From: "Suzanne Jensen" [REDACTED]
To: "Michelle Boucher (E-mail)" [REDACTED]
Sent: Tuesday, February 05, 2002 4:09 PM
Subject: FW: Payoff

> Are we ok to send this information- I don't recognise the name of this guy!!

>
> -----Original Message-----
> From: Stine, Rick [REDACTED]
> Sent: Tuesday, February 05, 2002 4:36 PM
> To: Suzanne Jensen
> Subject: Payoff

>
>
> We have been asked to pay off a loan wherein the Beneficiary (Lender)
> is Security Capital Ltd. on February 13, 2002.
>
> The Loan No. is 2122-1000

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1399

Confidential
SEC_ED00009191

PSI_ED00009191

5811

> The Borrower is Sam Wylly
>
> In an effort to effectuate this request, please reply with the Wiring
> Instructions for Security Capital Ltd. and your cutt-off time.
>
> Are you two or three hours ahead of California, US?--
>
>
>

> This e-mail and any files transmitted with it are confidential and
intended
> solely for the use of the individual or entity to whom they are addressed.
> They may also be subject to legal privilege. If you have received this
> e-mail in error, please notify us and delete it from your system. You
> should not print, copy or forward it or disclose its contents to any
> other person.
> Internet communications are not secure and are subject to possible
> data corruption, either accidentally or on purpose, and may contain
> viruses. We will treat a request via e-mail as authority to reply by e-mail.
>

Confidential
SEC_ED000009192

DEL ED00000100

SW Family Offshore Cash Flow Analysis			
Cash and Agencies from above	31,336,385		
Offshore known cash outflows			
Gmtn 9/30/01 & 6/30/02	(5,000,000)		
Win/Thay commitment	(407,714)		
Red River Commitment	(4,900,000)		
Brazos (Evan)	(8,400,000)		
Mi Casa (Laune)	(1,500,000)		
Two Mile Ranch	(5,000,000)		
Cottonwood II	(1,000,000)		
Loan re: Beverly	(7,800,000)		
Ranger Fund (worst case)	(30,800,000)		
PBS Documentary	(1,200,000)		
Reserve cash needed	(15,000,000)		
Offshore known cash inflows			
Malibu loans repaid	7,800,000		
Proforma cash balance	(41,671,319)		
For Discussion			
Sources of cash inflow Offshore			
Sale of SCOT stock	8,156,024		
Sale of MIKE stock	39,124,582		
Sale of Maverick in SAC policy	54,724,324		
Sale of Maverick (held for Ranger)	37,687,793		
Sale of Maverick Levered	6,040,253		
Sale of Precept	5,000,000		
Intelecon settlement	1,800,000		
Total sources of cash	152,532,976		
Amitties payable to SW	(165,159,788)		
* \$10Million withdrawal from SAC policy pending for October 1st, 2001			

— = Redacted by the Permanent
Subcommittee on Investigations

SW Family Domestic Cash Flow Analysis			
Cash from above	—		
Domestic known cash outflows			
Malibu payoff	(2,286,000)		
Ranger Gov Invoices	—		
Light Green Advisors	—		
Precept (worst case)	—		
Quantlab LLC	—		
C&S Aviation	—		
Ranger Fund (worst case)	—		
Reserve cash needed	—		
Domestic known cash inflows			
Loan against Beverly from Offshore	7,800,000		
Proforma cash balance	—		
For Discussion			
Sources of cash inflow Domestic			
Liquidate Maverick USA	—		
Sale MIKE Options	—	net of tax	
Sale CA Options	—	net of tax	
Sale MIKE stock	—	net of tax	
Total sources of cash	—		
Annuities rec'd to SW	—	net of tax	
Total sources of cash incl annuity	—		

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1399

Confidential
SEC_ED00014307

DET ED00014307

MICHAEL GARY CHATZKY

A LAW CORPORATION
762 EL PASEO DE SARATOGA
SAN JOSE, CALIFORNIA 95130
(408) 379-4611
FAX NO. (408) 379-4687

April 10, 1992

Mr. David Tedder, Esq.
The Sands Hotel
3355 Las Vegas Blvd. South
Las Vegas, Nevada 89109

Mr. Michael French, Esq.
Jackson & Walker
901 Main Street
Suite 6000
Dallas, Texas 75202

Dear Mr. Tedder:

Enclosed please find a copy of each of the following documents.

I.) Section 83 TAX OPINIONS addressed to:

- a. EAST BATON ROUGE LIMITED
- b. RICHLAND LIMITED
- c. TENSAS LIMITED
- d. MOREHOUSE LIMITED
- e. WEST CARROLL LIMITED
- f. ROARING FORK LIMITED
- g. ROARING CREEK LIMITED

II.) Private Annuity Agreements:

- a. PRIVATE ANNUITY ISSUED FROM EAST BATON ROUGE LIMITED TO SAM WYLY
- b. PRIVATE ANNUITY ISSUED FROM TENSAS LIMITED TO SAM WYLY
- c. PRIVATE ANNUITY ISSUED FROM RICHLAND LIMITED TO SAM WYLY
- d. PRIVATE ANNUITY ISSUED FROM WEST CARROLL LIMITED TO SAM WYLY
- e. PRIVATE ANNUITY ISSUED FROM ROARING CREEK LIMITED TO CHARLES WYLY
- f. PRIVATE ANNUITY ISSUED FROM ROARING FORK LIMITED TO CHARLES WYLY
- g. PRIVATE ANNUITY ISSUED FROM MOREHOUSE LIMITED TO SAM WYLY
- h. PRIVATE ANNUITY ISSUED FROM ROARING CREEK LIMITED TO CAROLINE WYLY
- i. PRIVATE ANNUITY ISSUED FROM ROARING FORK LIMITED TO CAROLINE WYLY

III.) OTHER

- a. MODEL ASSUMPTION AGREEMENT
- b. TWO LETTERS FROM DAVID TEDDER
 - 1. TO MICHAELS STORES INC.
 - 2. TO STERLING SOFTWARE (Regarding the Section 83 Tax Opinion)



Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1402

PSI-WYBR 00270

5815

JACKSON & WALKER, L.L.P.
ATTORNEYS AND COUNSELORS
901 MAIN STREET
SUITE 6000
DALLAS, TEXAS 75202-3797
(214) 953-6000

CABLE: JWWAL
TELEX: 73-3485
TELECOPIER: (214) 953-6022

James S. Ryan, III
(214) 953-5801

OTHER LOCATIONS
HOUSTON
FORT WORTH
SAN ANTONIO

May 7, 1992

VIA COURIER

Mr. Mark V. Beasley
Michaels Stores, Inc.
5931 Campus Circle Drive
Las Colinas Business Park
Irving, Texas 75063

Dear Mark:

This letter shall confirm that the entities listed below are the lawful owners of the options and warrants ("derivative securities") listed opposite their respective names and that Lorne House Trust Limited has full power and authority to provide notice of exercise of the derivative securities:

Name of Entity

Derivative Securities Owned

Rugosa
Limited

Non-Statutory Stock Option to purchase 50,000 shares of the Common Stock, \$0.10 par value per share, of Michaels Stores, Inc., issued pursuant to Non-Statutory Stock Option Agreement dated February 2, 1988, amended August 8, 1989 and October 24, 1990.

Non-Statutory Stock Option to purchase 50,000 shares of the Common Stock, \$0.10 par value per share, of Michaels Stores, Inc., issued pursuant to Non-Statutory Stock Option Agreement dated August 4, 1986, amended December 11, 1987, August 8, 1989 and October 24, 1990.

Non-Statutory Stock Option to purchase 62,500 shares of the Common Stock, \$0.10 par value per share, of Michaels Stores, Inc., issued pursuant to Non-Statutory Stock Option Agreement dated August 22, 1990, amended October 24, 1990.

Option to purchase 25,000 shares of the Warrant to purchase 150,000 shares of the Common Stock, \$0.10 par value per share, of Michaels Stores, Inc., issued pursuant to Purchase Warrant dated November 20, 1984, amended October 24, 1990.

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1404

PSI-WYBR 00274

Mr. Mark V. Beasley
May 7, 1992
Page 2

Roaring Creek Limited Non-Statutory Stock Option to purchase 50,000 shares of the Common Stock, \$0.10 par value per share, of Michaels Stores, Inc., issued pursuant to Non-Statutory Stock Option Agreement dated February 2, 1988, amended August 8, 1989 and October 24, 1990.

Non-Statutory Stock Option to purchase 50,000 shares of the Common Stock, \$0.10 par value per share, of Michaels Stores, Inc., issued pursuant to Non-Statutory Stock Option Agreement dated August 4, 1986, amended December 11, 1987, August 8, 1989 and October 24, 1990.

Non-Statutory Stock Option to purchase 62,500 shares of the Common Stock, \$0.10 par value per share, of Michaels Stores, Inc., issued pursuant to Non-Statutory Stock Option Agreement dated August 22, 1990, amended October 24, 1990.

Option to purchase 25,000 shares of Common Stock of Michaels Stores, Inc. pursuant to the terms of that certain Purchase Warrant to purchase 150,000 shares of the Common Stock of Michaels Stores, Inc., dated November 20, 1984, amended October 24, 1990 originally issued to Sam Wylly.

Tensas Limited Warrant to purchase 150,000 shares of the Common Stock, \$0.10 par value per share, of Michaels Stores, Inc., issued pursuant to Purchase Warrant dated November 20, 1984, amended October 24, 1990, subject to options to purchase 25,000 shares of the Warrant held by Roaring Creek Limited, a Nevada corporation, and options to purchase 25,000 shares of the Warrant held by Maroon Limited, a Nevada corporation.

Non-Statutory Stock Option to purchase 110,000 shares of the Common Stock, \$0.10 par value per share, of Michaels Stores, Inc., issued pursuant to Non-Statutory Stock Option Agreement dated August 4, 1986, amended December 11, 1987, August 8, 1989 and October 24, 1990.

5817

Mr. Mark V. Beasley
May 7, 1992
Page 3

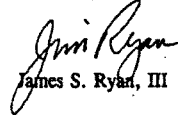
East Baton Rouge Limited Non-Statutory Stock Option to purchase 200,000 shares of the Common Stock, \$0.10 par value per share, of Michaels Stores, Inc., issued pursuant to Non-Statutory Stock Option Agreement dated February 2, 1988, amended August 8, 1989 and October 24, 1990.

Non-Statutory Stock Option to purchase 175,000 shares of the Common Stock, \$0.10 par value per share, of Michaels Stores, Inc., issued pursuant to Non-Statutory Stock Option Agreement dated August 22, 1990, amended October 24, 1990.

I have enclosed for your records photocopies of documents related to transfers of the derivative securities that occurred April 13, 1992.

If you have any questions or comments concerning this matter, please do not hesitate to call me.

Very truly yours,


James S. Ryan, III

JSR:jbm

Enclosures

PSI-WYBR 00276

M E M O R A N D U M

TO: Lorne House Trust Limited/Ronnie Buchanan

FROM: Jackson & Walker, L.L.P.

DATE: April 22, 1992

RE: The Bulldog Non-Grantor Trust and The Pitkin Non-Grantor Trust; Filing Requirements under the Securities Exchange Act of 1934

Lorne House Trust Limited ("Lorne House"), the Bulldog Non-Grantor Trust ("Bulldog") and the Pitkin Non-Grantor Trust ("Pitkin") will be required to make certain filings with the Securities and Exchange Commission (the "SEC") related to the holdings of Bulldog and Pitkin of securities of Sterling Software, Inc. ("Sterling") and Michaels Stores, Inc. ("Michaels").

Set forth below is a summary of some of the circumstances under which these filings will be made. These legal requirements can be very complex. Please feel free to call us with any questions you may have from time to time.

1. Form 4. For so long as Bulldog owns securities representing in excess of 10% of the outstanding shares of Sterling common stock, Bulldog will be required to file with the SEC Form 4's reporting purchases and sales by Bulldog of Sterling's Common Stock. These reports must be filed with the SEC on or before the 10th day of the month following the month in which the reported transactions took place. Under certain circumstances, profits from a "purchase" and "sale" made within six months of one another must be disgorged. You should consult with Sharyl Robertson or us prior to effecting transactions in Sterling's securities to ensure compliance with Securities Exchange Act rules.

2. Schedule 13D's.

a. Sterling. Lorne House, Bulldog and Pitkin must file an amendment to Schedule 13D when the aggregate holdings of Bulldog and Pitkin in Sterling's securities fluctuate by more than 1% of Sterling's outstanding common stock (currently approximately 90,000 shares). This filing must be made promptly after the transaction occurs.

b. Michaels. Lorne House must file an amendment to Schedule 13D when the aggregate holdings of Bulldog and Pitkin in Michaels securities fluctuate by more than 1% of Michael's outstanding common stock (currently approximately 120,000 shares). This filing must be made promptly after the transaction occurs.

5819

We can assist you in preparing these filings. In order for us to do so on a timely basis, it is imperative that you keep Sharyl Robertson informed on a timely basis of all transactions effected in Sterling and Michaels securities.

207815/D

cc: Sharyl Robertson

5820

2143518245 9

04 27 92 09:48

001

April 27, 1992

Mr. Russell Collister
Lorne House Trust Limited
Lorne House, Castletown
Isle of Man
British Isles

Dear Mr. Collister,

I had a short discussion with Ronnie Friday regarding your transmittal of April 24. I wanted to make sure you were clear on the reporting/volume selling requirements of these securities. The securities owned by Little Woody Limited (166,500 options), Roaring Fork Limited (166,500 options) and East Carroll Limited (\$67,000 options) will be registered securities of Sterling Software when exercised. Michael French's firm can provide Lorne House and the banks with which you are having discussions, a legal opinion stating that these securities are not subject to any Securities and Exchange Commission Form 144 volume Rules and that the securities in no way need to be aggregated with the Settlers of the Trusts - Charles and Sam Wyly.

From my discussion with Ronnie I gather the banks are showing concern that the eventual beneficiaries - the children of Charles Wyly and Sam Wyly are shareholders (they are not directors or officers at this time). Again, these shares would not be aggregated for volume rule selling purposes with the other shares owned by the children. The only requirement for reporting to the Security Exchange Commission is to file Form 13D which just states that Lorne House beneficially controls votes more than 5% of the outstanding stock of Sterling Software.

Let me know if you require any further information regarding these securities. I have a contact with Credit Suisse I will pursue. If it looks good I will get back to you and make an introduction.

Regards,

Sharyl Robertson
Sharyl Robertson
8080 N. Central Expressway
Suite 1100 LB-31
Dallas, Texas 75206

01-1 214 841 8301

Page

cc: Michael French

0000 - PRCM

L LIME 00004

REMARKS PAGE

BULLDOG

L 0001 00000

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1406

CONFIDENTIAL
PSI00126713

— = Redacted by the Permanent
Subcommittee on Investigations

From: "Michelle Boucher" [REDACTED]
Sent: Wednesday, September 05, 2001 7:13 PM
To: <khennington@ [REDACTED]>
Subject: Fw: London

FYI, Chuck is a partner at Morgan, Lewis and Bockius in London. He is a long term friend of Mike French's and has been involved with the original structuring of the trusts. I don't think Shari ever actually met him - I just met him for drinks with Mike once. Shari felt like Mike protected his relationship with Chuck and was reluctant to let anyone else establish a relationship with him..... I'm not sure what I think about it all. I think they were in school together at some point. Anyway.... it could be a start to looking for a Rodney alternative.

I assume you are coming to London - right?

Michelle
-----Original Message-----
From: Michelle Boucher [REDACTED]
To: evan_wyly [REDACTED]
Date: Wednesday, September 05, 2001 8:38 PM
Subject: Re: London

>I think this is a good idea :-)
>I met him once, informally with Mike. If you want me to, I will try to
>contact him in the next few weeks.
>
>re: the meetings... all the trustees are aware of the Maverick meeting,
>location and date, but I haven't firmed up any meeting schedules yet.
>Do you have an idean of how/when you want to travel so I can start
>fixing some times?
>
>Michelle
>
>-----Original Message-----
>From: evan_wyly [REDACTED]
>To: mboucher@ [REDACTED]
>Date: Wednesday, September 05, 2001 3:05 PM
>Subject: London
>
>
>>Shari suggested that we meet with Chuck Lubar when we're in London for
>>the Maverick and Trustee meetings. What do you think?
>>
>

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1407

Confidential
SEC_ED00014217

DST ED00014217

(2)
MORGAN, LEWIS & BOCKIUS

MEMORANDUM

TO: Michael French DATE: February 15, 1994
 FROM: Charles G. Lubar *CHL*
 SUBJECT: Tax Consequences of Grantor Trust

You have asked me to prepare a memorandum regarding the U.S. federal income tax treatment of U.S. citizen beneficiaries (the "Taxpayers") of foreign (i.e., non-U.S.) "grantor trusts" (the "Trusts") established by an individual (the "Grantor") who is a nonresident alien of the United States. For purposes of this memorandum, you told me to assume the following facts:

FACTS AND ASSUMPTIONS

1. The Grantor, although not related to the Taxpayers, has known the Taxpayers for a considerable period of time and will establish the Trusts for the Taxpayers' benefit as an entirely gratuitous act. All moneys contributed to the Trusts, now or in the future, will belong to the Grantor, and he has not previously and will not in the future receive any consideration, reimbursement, or other benefit for, or in respect of, this act, directly or indirectly. Further, the Taxpayers have not previously made gifts to the Grantor exceeding US\$10,000 in any taxable year.

2. The Trusts have been established in the Isle of Man as typical discretionary trusts. Under their terms, the trustee (the "Trustee") has been given broad powers to manage and dispose of the Trusts' principal and income, subject, in most cases, to the consent of a protector (the "Protector"). Neither the Trustee nor the Protector is a beneficiary of the respective Trusts.^{1/} The Trusts are irrevocable but may be modified by the Trustee in certain respects; including the naming of additional beneficiaries.

3. The Trusts will acquire a majority share interest in a non-U.S. corporation ("Newco") organized to engage in, inter alia, the insurance business, exclusively outside the United States. Neither the Taxpayers nor any persons related to the Taxpayers, directly, indirectly or constructively, will transfer

1/ It is noted that if a party is a Protector, it would be for a Trust for which he is not a beneficiary.

Q:\PUBL\IC\LUBA0033\19080.1

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1408

CONFIDENTIAL
PSI00117520

any money or other property to Newco except on an "arm's length" basis,^{2/} and if the Taxpayers provide services to Newco as employees, independent contractors or otherwise, directly or indirectly, they will be compensated solely on an arm's length basis.

DISCUSSION

1. Consequences During Grantor's Lifetime

Because of the broad discretionary powers afforded to the Trustee and the fact that the Grantor is also a beneficiary of the Trusts, the Trusts will be "grantor trusts" for all U.S. federal income tax purposes pursuant to the provisions of sections 671 et seq. for so long as the Grantor lives. As a consequence, the Grantor will be considered to be the owner of the portion of the Trusts (including the shares of Newco) attributable to the property that he transfers to the Trusts, and all items of income, deduction or credit attributable to such portion will be included in computing the Grantor's taxable income and credits for U.S. federal income tax purposes.

However, because the Grantor is a nonresident alien as to the United States and neither the Trusts nor Newco will have any income from U.S. sources or effectively connected with the conduct of a U.S. trade or business, the Grantor will have no actual U.S. tax liability or obligation to file a U.S. income tax or information return.

In the assumed circumstances, the Grantor will be the sole transferor of property to the Trusts and will, accordingly, be treated as owner of all the interests in the Trusts. Thus, all income of the Trusts will be notionally taxed to the Grantor for U.S. federal income tax purposes, and the Taxpayers, U.S. citizen beneficiaries of the Trusts, will not be subject to U.S. tax on any distributions received from the Trusts that are attributable to income realized by the Trusts during the Grantor's lifetime. Rev. Rul. 69-70, 1969-1 C.B. 182. Further, because the Grantor will be treated as owner of the shares of Newco held by the Trusts, the Taxpayers will not be considered to own any shares thereof for purposes of the provisions applicable to "controlled foreign corporations" ("CFC")^{3/} or "foreign

^{2/} For this purpose, a transfer is considered to be "arm's length" if undertaken on terms, including financial terms, that would be made between wholly unrelated persons in comparable circumstances.

^{3/} PLR 670419560A (April 19, 1967). See Code §§ 318(a)(2)(B)(ii), 958(b); Reg. § 1.958-2(c)(1)(ii).

personal holding companies" ("FPHC")^{4/} and likely will not be considered to own any shares of Newco for purposes of the "passive foreign investment company" ("PFIC") provisions.^{5/} Thus, the Taxpayers should not have any current U.S. tax liability or reporting obligations in respect of income realized by Newco during the Grantor's lifetime (other than compensation that the Taxpayers may receive from Newco, directly or indirectly, for services performed on its behalf).

2. Consequences Following Grantor's Death

Following the death of the Grantor, the Trusts will no longer be grantor trusts for U.S. federal income tax purposes, and the Taxpayers, as beneficiaries of the Trusts, will become subject to the normal rules regarding the taxation of income received through interests in foreign trusts and certain foreign corporations.

(a) Income from Foreign Trust

Income and gains accumulated by the Trusts prior to the death of the Grantor may be distributed to the Taxpayers following the Grantor's death free of U.S. tax, since such income already will have been notionally taxed to the Grantor. However, income and gains realized by the Trusts following the Grantor's death will be taxable to the Taxpayers when distributed to them.^{6/}

^{4/} Rev. Rul. 79-116, 1979-1 C.B. 213.

^{5/} At the present time, Prop. Reg. § 1.1291-1(b)(8)(i)(C) provides that beneficiaries of a trust (other than a tax-exempt employees' trust) are considered to own a proportionate amount of stock of a PFIC owned by the trust, directly or indirectly. However, similar language pertaining to CFCs and FPHCs has been interpreted not to apply to stock held through a grantor trust. See authorities cited at footnotes 3 and 4, *supra*. Further, the instructions to Form 8621, the annual return for direct and indirect shareholders of a PFIC, indicate that the grantor of a grantor trust, and not the trust itself, is treated as the owner of PFIC stock held by a grantor trust. This implies that other beneficiaries of such a trust would not be treated as indirect owners of the PFIC. Moreover, the IRS, in a notice of proposed amendments to the PFIC regulations, issued April 1, 1992, solicited comment from taxpayers on whether different attribution rules should be adopted.

^{6/} Because the Trusts generally will keep their books on a receipts basis, it will be beneficial for the Taxpayers if Newco distributes its profits to the Trusts by way of dividend currently. Dividends received by the Trusts during the Grantor's

If distributed in the year realized by the Trust, such income and gains will retain their character and be taxed to the Taxpayers at the current rates applicable to ordinary income and capital gains, respectively. However, if the Trusts accumulate income and gains following the Grantor's death, this will result in several adverse consequences to the Taxpayers. First, under a complex set of rules contained in section 667, the amount received by the Taxpayers as an accumulation distribution effectively will be "thrown back" to the years when such income was earned by the Trusts and taxed at the Taxpayers' highest marginal rate for such years.^{1/} Second, the character of capital gains realized by the Trusts will be lost when distributed to the Taxpayers, and they will be subject to tax on such gains at current rates applicable to ordinary income, which generally are higher than rates applicable to capital gains. Finally, under section 668, a nondeductible interest charge of six percent per annum will be imposed on the deferred taxes attributable to the accumulation distribution (adjusted for any foreign tax credits available to the Taxpayers).^{2/} Thus, unless the economic benefits of tax deferral outweigh the section 668 interest charge, it normally would be recommended that the Trusts make current distributions of income and gains to the Taxpayers following the death of the Grantor.

(b) Income from Newco

A U.S. person owning shares, directly or indirectly (including, e.g., through a beneficial interest in a foreign trust), in a foreign corporation that is a CFC or FPFC may be subject to U.S. income tax currently on certain income realized

lifetime will be taxed to him and not to the Taxpayers, who may later receive distributions incorporating such dividends on a tax-free basis. By comparison, dividends received by the Trusts from Newco following the Grantor's death will eventually be taxable to the Taxpayers notwithstanding that the profits from which such dividends are paid were earned by Newco prior to the Grantor's death.

^{1/} The amount of the actual distribution will be grossed up for any foreign taxes which such income has borne in the hands of the Trusts, and the Taxpayers will be entitled to a limited foreign tax credit for such taxes in computing their U.S. tax liability on the accumulation distribution. However, in the envisioned circumstances, it is unlikely that the Trusts will pay any foreign taxes.

^{2/} The total of the interest charge plus the tax incurred may not exceed the amount of the actual distribution. Although the section 668 interest charge is itself nondeductible, it is subject to a further interest charge in case of late payment.

by the corporation, whether or not such income is received by the U.S. person. Similarly, a U.S. person owning or considered as owning shares in a foreign corporation which is a PFIC may suffer adverse U.S. tax consequences on the receipt of certain excess distributions from the corporation or proceeds from the sale of its stock.

Following the death of the Grantor, Newco will likely be a CFC and, depending on the mix of assets or income, may also meet the definition of a FPHC or a PFIC. Discussion of the consequences of Newco becoming a CFC, a FPHC or a PFIC is beyond the scope of this Memorandum. In general, however, it should be noted that to the extent Newco earns active business income it may be able to avoid the adverse tax consequences of being a CFC or a FPHC. Avoiding the consequences of being a PFIC, however, will depend not only on the active level of business income but on the percentage of assets deemed to be in this active business.

(c) Reporting of Interests in Newco

A U.S. person who (i) "acquires" five percent or more in value of the stock of a foreign corporation, (ii) acquires an additional five percent of such stock, (iii) owns five percent or more of the stock of a foreign corporation when such corporation is reorganized, or (iv) disposes of sufficient shares to reduce his interest to less than five percent of the foreign corporation is required to report his interest in the foreign corporation on Form 5471. The relevant statutory provision, section 6046, indicates that stock owned directly or indirectly must be reported. In implementing this provision the regulations state that persons owning shares directly or indirectly through a foreign corporation or foreign partnership must report their proportionate interest of a foreign corporation's shares held by such corporation or partnership. Reg. § 1.6046-1(h)(1). On the death of the Grantor it is likely that the beneficiaries of the respective Trusts will be deemed to "acquire" the requisite five percent or more interest, thus requiring the filing of information returns on Form 5471. Further, since Newco will likely be a CFC and may be a FPHC, then in either case there would be significant additional information required on Form 5471 beyond the minimal information required for a five percent or more shareholder.

A U.S. person holding a direct or indirect interest in a PFIC, including an interest held through a beneficial interest in a trust, must file an annual information return on Form 8621. Thus, if Newco were to become a PFIC following the Grantor's death, the Taxpayers would be required to file such a return.

MGP:CGL:mc1w

Q:\PUBLIC\LU840031\19080 1

5827

2 GRESHAM STREET
LONDON
EC2V 7PE
TELEPHONE: 020-7710 5500
FAX: 020-7710 5600
DX: 42603 CHEAPSIDE 1
VAT REG NO. GB340 5345 83

Morgan Lewis

REGISTERED FOREIGN LAWYERS & SOLICITORS

COPY

Redacted by the Permanent
Subcommittee on Investigations

September 30, 2003

Invoice No. 577203
Account No. [REDACTED]

Charles J. Wyly, Jr
c/o Michelle Boucher, trustee
The Irish Trust Company (Cayman) Limited
P.O. Box 10658 APO
Grand Cayman, Cayman Islands BWI

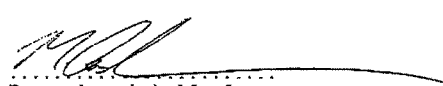
Exchange Rate: £1.00 = \$1.6667

FOR PROFESSIONAL SERVICES RENDERED September
2003 in connection with analysis of foreign
trust for US tax purposes and private annuity
transactions arising therefrom.

RE: Personal Tax Matters

Fees	(£ 1,070.59)	\$1,784.35
Disbursements Not Subject to V.A.T.	(£ 532.62)	887.71

TOTAL AMOUNT DUE	(£ 1,603.21)	\$2,672.06


For and on behalf of
Morgan, Lewis & Bockius

U.K.£ equivalents for VAT purposes only. Please pay in U.S. dollars.

MORGAN LEWIS & BOCKIUS LLP
BRUSSELS FRANKFURT HAMBURG IRVINE LOS ANGELES MIAMI NEW YORK NORTHERN VIRGINIA PALM BEACH PHILADELPHIA PITTSBURGH PRINCETON SAN FRANCISCO TOKYO WASHINGTON DC

THOMAS D. ANASTASIO Solicitor - England Michael A. CASHMAN Solicitor - England Martin F. CONNELL Attorney - New York Charles E. ENGLISH, Jr. Attorney - New York
ROBERT A. GOLDSPIRK Solicitor - England JAMES E. HARRISON Solicitor - England Charles G. LEBAR Attorney - Washington DC ALAN J. NEUMUTH Attorney - New York
PETER J. WALLACE Attorney - New York & California ANTHONY WATTS Solicitor - England

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1409

CONFIDENTIAL
SEC100026481
DCT000020740

5828

2 GRESHAM STREET
LONDON
EC2V 7PE
TELEPHONE: 020-7710 5500
FAX: 020-7710 5600
DX: 42605 CHEAPSIDE 1
VAT REG NO. GB340 5345 83

Morgan Lewis

REGISTERED FOREIGN LAWYERS & SOLICITORS

May 16, 2003

Invoice No. 540351
Account No. [REDACTED]

Sam Wylly
c/o Michelle Boucher
The Irish Trust Company (Cayman) Ltd
P O Box 10658 APO
Grand Cayman
Cayman Islands, BWI

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Exchange Rate: £1.00 = \$1.6095

FOR PROFESSIONAL SERVICES RENDERED April 2003
in connection with analysis of foreign trust
for US tax purposes and private annuity
transactions arising therefrom.

\$50,253.71

LESS courtesy write off

\$10,253.70

Fees (£ 24,852.44)

\$40,000.00

Disbursements Not Subject to V.A.T.
(£ 2,062.82)

3,320.11

TOTAL AMOUNT DUE (£ 26,915.26)

\$43,320.11

CLP
For and on behalf of
Morgan, Lewis & Bockius

deduct
retainer of (7,500.00)
actual due \$ 35,820.11 *SW*

U.K.f equivalents for VAT purposes only. Please pay in U.S. dollars *OK*

Wire (see next)

LOS ANGELES NEW YORK PHOENIX SAN FRANCISCO WASHINGTON DC
BOSTON CHICAGO DALLAS DENVER HOUSTON LOS ANGELES MIAMI NEW YORK NORTHERN VIRGINIA PHOENIX PITTSBURGH PRINCETON SAN FRANCISCO SEATTLE WASHINGTON DC

Zoe J. Ashcroft Solicitor - England Trevor D. Anderson Solicitor - England Thomas J. Bantz Attorney - New York Michael A. Cushman Solicitor - England Martin E. Conniff Attorney - New York
Charles E. Engoron, Jr. Attorney - New York Robert A. Goldspink Solicitor - England Jamie R. Huxford Solicitor - England Charles G. Lohr Attorney - Washington DC
Alan J. Neundorfer Attorney - New York Peter D. Wallace Attorney - New York O. Gifford Attorney - Washington DC

Morgan Lewis & Bockius is a multinational partnership regulated by the Financial Services Authority

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1409

CONFIDENTIAL
SEC100026488
PS100032345

5829

FROM : (800)949-2519

PHONE NO. :

Feb. 18 1996 11:19AM P:

FACSIMILE COVER PAGE

TO: Ronnie Buchanan From: Michelle Boucher
FAX: 011-44-1624-822-952 Fax: 809-
DATE: February 18th 1996 Tel: 809-

We are transmitting 1 page(s). Please contact the undersigned if there is a problem with the transmission.

Dear Ronnie,

Redacted by the Permanent
Subcommittee on Investigations

Re: Woody International Trust

The following transaction is expected to be executed as soon as the appropriate documentation is completed by U.S. tax counsel.

The Woody International Trust (the "Trust") will transfer to the newly formed subsidiary of The Tyler Trust (the "Transferee") the options currently held by the Trust to purchase the following shares:

100,000 shares of Michaels Stores Inc. at \$17.00 per share
300,000 shares of Sterling Software, Inc. at \$29 per share

The Options will be transferred in exchange for a private annuity issued by the Transferee that will provide for payments commencing at a future date and continuing over the life of the grantor of the Trust. A legal opinion to the effect that this transaction is not taxable under U.S. tax law will be obtained from the attorneys preparing the documentation.

The final documentation is expected to be completed during the week of February 19, and we expect that the transactions will be completed no later than the week of February 26.

It is likely that the Sterling Software, Inc. options will be required to be exercised soon, in which case it is expected that all of the underlying shares will be sold. Accordingly, please ensure that the Transferee has an appropriate brokerage account to allow it to effect the sale of these shares.

As soon as more details are available you will be notified.

Sincerely,

Michelle Boucher
Michelle Boucher

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1410

PSI-WYBR 00314

5830

JONES, DAY, REAVIS & POGUE

ATLANTA
BRUSSELS
CHICAGO
CLEVELAND
COLUMBUS
FRANKFURT
GENEVA
HONG KONG
IRVINE
LONDON

LOS ANGELES
NEW DELHI
NEW YORK
PARIS
PITTSBURGH
RIYADH
TAIPEI
TOKYO
WASHINGTON

2300 TRAMMELL CROW CENTER
2001 ROSS AVENUE
DALLAS, TEXAS 75201

MAILING ADDRESS
P O BOX 660623
DALLAS TEXAS 75266
TELEPHONE 214-220-3939
TELEX 730852
CABLE ATTORNEYS DALLAS
FACSIMILE 214-969 5100
DIRECT DIAL NUMBER

9663:ank
961228-031-005

(214) 969-3763

March 28, 1996

VIA FEDERAL EXPRESS
and TELCOPY

Lorne House Trust Limited
Lorne House
Castletown, Isle of Man
British Isles
Attention: Ronald Buchanan
Barbara Rhodes

Re: Fugue Limited

Gentlemen/Ladies:

Enclosed is the final Stock Purchase Agreement regarding Fugue Limited's purchase of 433,333 shares of Common Stock from Michaels Stores, Inc. Copies of the agreement are also being sent to you by courier. For purposes of signing the agreement on Friday, please return by fax the signature page signed by Fugue Limited. Likewise, once Michaels has signed the agreement, a copy of its signature page will be sent to you by fax. In addition, when you receive the hard copies, please sign them and return them to us. We will arrange for Michaels to sign the agreements and we will return a signed original to you.

If you have any questions regarding the enclosed, please contact us.

Very truly yours,

Mark V. Minton
Mark V. Minton

Enclosure

cc: Mr. Michael C. French
Robert L. Estep, Esq.
Christine A. Hathaway, Esq.

DLMAM02 Doc: 214995_1

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1412

CONFIDENTIAL
PSI00136301

5831

JONES, DAY, REAVIS & POGUE

262193:TLT
961228 031 005
2/12/98

To: Ms. Amy Browning

MICHAELS STORES, INC.

Re: Amendments

Please find enclosed the originally executed Amendments to the Forms 13-D/A filed by Sam Wyly and Charles Wyly, Jr. with regard to their beneficial ownership of common stock of Sterling Software, Inc. and Michaels Stores, Inc. These Forms 13-D/A will need to be retained for five (5) years. Should you have any questions, please telephone me at the number below listed.

Terry L. Traveland
(214) 969-5097
5-5097

February 12, 1998

Enclosures

cc: Robert L. Estep (w/enclosures)

DLMAIN02: 304842_1.WPD
Printed: 02/12/98 04:59PM

MSNY 014682

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1413

5832

AUG-01-87 11:18 From: JONES, DAY DALLAS

2148685100

T-150 P 03 Job-538

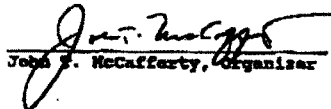
**CERTIFICATE OF FORMATION
OF
GREEN FUNDING I, L.L.C.**

This Certificate of Formation of Green Funding I, L.L.C. is made pursuant to Sections 18-201 and 18-204 of the Delaware Limited Liability Company Act (the "Act") and is hereby filed with the Secretary of State of the State of Delaware pursuant to Section 18-206 of the Act.

1. The name of the limited liability company is Green Funding I, L.L.C.

2. The address of the registered office of the limited liability company is The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801. The name of the limited liability company's registered agent at such address is The Corporation Trust Company.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation as of July 12, 1997.


John S. McCafferty, Organizer

FROM CORPORATION TRUST-DOVER DE 3026748340 (THU) 7:31:16:16:20/NO.4260103820 P 3

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1414

PSI-WYBR 00469

— = Redacted by the Permanent
Subcommittee on Investigations



"Michelle Boucher"

To: <Shari_Roberts@

cc: <khennington@

Subject: split dollar life insurance in foreign trusts

11/02/2000 11:35 AM

Just a quick outline of how it works, and how Rodney thinks we can use it to effectively freeze growth in the 1992's

The 1994 trust buys a policy and the 1992 trust pays the premiums, upon death, the policy benefit is split between the 1992 trust and the 1994 trust. However, the 1992 trust only received a portion equal to the actual amount of premium originally paid - the 1994 trust gets the balance. There is no mandatory interest or return that is required to be paid to the 1992 trust on the 'use' of this cash. Apparently this true because it is a 'private' split dollar policy.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1416

[D]

PSI-WYBR 00603

— = Redacted by the Permanent
Subcommittee on Investigations

From: "Michelle Boucher" [REDACTED]
Sent: Thursday, May 31, 2001 4:08 PM
To: <DavidH@ [REDACTED]>
Cc: <khennington@ [REDACTED]> <lhaskins@ [REDACTED]>
Subject: update on sub-fund llc creation

We have an 'approved' single member LLC document which QST is using to do the initial incorporation work. One share of each LLC will be issued to Dennis Hunter on incorporation and transferred to Aundyr Trust Company Limited as nominee for The Bessie Trust.

David - please confirm how this share should be registered - is 'Aundyr Trust Company Limited' okay or do you typically make reference to the nominee arrangement when you set these up in ICM. I have a notation from our May 2nd discussion indicating 'Aundyr Trust Company Limited a/c BRS' - is that your preferred registration?

The initial directors for incorporation purposes will be QST representatives, and we'll transfer this over to Kathy, Niamh and David immediately.

The six Bessie related entities are as follows, and I've indicated the various children's names next to them.

Orange, L.L.C. - Evan
Pops, L.L.C. - Lisa
Flo Flo, L.L.C. - Laurie
Bubba, L.L.C. - Kelly
Salch, L.L.C. - Andrew
Katy, L.L.C. - Christiana

I will forward copies of all the documentation to IOM once certified and returned by the registrar of companies.

We'll need IOM signatures on a few documents over the next couple of days to effect the share transfer and change in directors.

David - did you get my fax on the initial allocations?

Also, Keeley and I are also looking at a structure that Rodney Owens outlined to us, which builds on the partnership concept you introduced in January. It is a 'frozen LLC', whereby the 1992 trust would put up 95% of the funds, for a fixed return preference interest in the LLC, and the 1994 trust would put up 5% for a 'common' interest in the LLC. In order to give us time to evaluate Rodney's proposal, we recommend entering into short term promissory note arrangements that will either convert into equity of the LLC if we go ahead with the 'frozen LLC' idea, or will be converted to long term (20 yr) fixed obligations. (At this point, Rodney is recommending a long term interest rate around 5.5% (we'll use actual AFR) and that we need to actually make annual payments, and provide for planned principal repayment commencing in 6 yrs)

The Cayman LLC's will be live effective June 1st, so we will be able to effect the transfer of various investments for that date. Documentation regarding the loans, also effective June 1st will follow next week. I just wanted to give you an update on the status and advise you of the alternatives we were looking at for proposal to the trustees.

Michelle

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1416

PSI-WYBR 00640

5835

05/08/01 11:48 FAX

• KEELEY

001/001

Redacted by the Permanent
Subcommittee on Investigations

The Irish Trust Company (Cayman) Ltd

FACSIMILE COVER PAGE

TO: Sam Wyly From: Michelle Boucher
FAX: 1-214- [REDACTED] Fax: 345- [REDACTED]
CC: Keeley Hennington Tel: 345- [REDACTED]
DATE: May 8th, 2001

We are transmitting 3 page(s). Please contact the undersigned if there is a problem with the transmission.

Sam,

I've attached a schedule of allocations for the 6 sub-funds to the offshore trusts. We are in the process of setting up the subsidiary holding companies and hope to be able to move assets starting on June 1st. The IOM Trustees have agreed a structure that we are comfortable with and Rodney Owens is approving the final documentation. The sub-funds will be Cayman LLC's as subsidiaries of the IOM Trusts. They will not be formal appointments out of the overall trust and will be revocable. They exist, as a sub-fund via an informal understanding with the trustees whereby we account for these entities separately and liaise with particular family members regarding the underlying assets.

- Laurie has been specifically allocated Global Audio Visual and the Mi Casa real estate investment.
- Kelly has been specifically allocated the Cottonwood Galleries investment.
- Evan, Lisa, Laurie & Kelly have equally been allocated the Spitting Lion investment (Rosemary's home in Dallas)
- Two Mile Ranch and Cottonwood Ventures II (the 2nd floor of the Paragon building) have had 20% of the cost today allocated equally across all 6 children.

I then split out investments in Michaels, Ranger, Maverick Levered and Greennountain to each child, and balanced the overall allocation to \$10M each with an allocation of cash and agencies.

Note that Laurie and Kelly both end up with relatively low liquidity. On a fairly short term basis Kelly will need liquidity to fund construction costs of their home on Two Mile Ranch. Laurie also, will need near term liquidity for renovation/reconstruction of the Mi Casa property in Dallas. I suggest either reducing or eliminating allocations of particular investments to them now, or leaving the allocations as is, requiring Laurie and Kelly to decide what to sell when the liquidity needs arise. I don't see a problem with them selling assets back to the overall trust, or in the market when the need arises.

I have not allocated CA options, SCOT stock and warrants or the loans relating to the Malibu property as it is possible that these investments may be liquidated in the near term. Instead of allocating the GMER loans, I've doubled up on the allocation of GMTN common stock. Maverick and Precept were not allocated as they are included under the Ranger portfolio, and some Maverick Levered was allocated. Artwork can be specifically allocated at a later date

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1417

CONFIDENTIAL
SECID0066424
PSI00078291

5836

05/08/01 11:49 FAX

+ KEELEY

002/003

when we have completed the identification process and entered into possession agreements. The remaining misc investments were not allocated due to their size.

I will be in Dallas next week for the family meeting, hopefully we can schedule some time to look at this. If we can agree a 'final' allocation we can move forward for June 1st transfers.

Kind regards,


Michelle Boucher

CONFIDENTIAL
SEC100066425
PSI00078292

5837

From: Shari Robertson
Sent: Tuesday, September 21, 1999 9:32 AM
To: mboucher@ [REDACTED]
Cc: ralexander
Subject: Purchase of Co. real estate

Will you please start pushing on the SW Colorado real estate purchase. I believe Francis and David have the contract and they are in contact with "Bob" in Colorado. If you need to know more about Bob talk to Rena. The transaction will work as follows:

Devotion, Ltd. -->

Contribute 99% purchase price back to LaFourche -->

LaFourche to form to subtrust called Rocky Mountain Trust (Rodney has supposedly been in contact with Michael Fullerlove to form trust, make David B. aware and see if Michael has this done, Shonda has Michael's phone number if you don't)-->

LaFourche to contribute purchase price to Rocky Mountain Trust -->

Rocky Mountain Trust (IOM) to form subtrust Rocky Mountain Trust (Texas), Rodney is forming (I don't know who the trustee of this will be)-->

Rocky Mountain Trust (IOM) to contribute purchase price to Rocky Mountain Trust (Texas) -->

Rocky Mountain Trust (Texas) to be 99% owner of Rocky Mountain Serenity 1, LLC and Rocky Mountain Serenity 2, LLC (these entities are formed - attorney is Leonard Oates in Co.)-->

Rocky Mountain Serenity 1, LLC and Rocky Mountain Serenity 2, LLC to purchase the four lots on Oct 7th.

The 1% owner of the two LLC's will be Sam Wyly.

You and Rena need to talk about who is going to do the accounting records for these entities and set up bank accounts to transfer the money thru. The two LLC's will be building houses. There will be architectural fees starting quickly. There will be significant legal bills to get the approval of the buildings. You should plan to move an additional \$500,000 fairly quickly before or after closing.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1418

MAV007688

5838

Amy has asked me to confirm what the withdrawal from Maverick will be at 10/1.

Will you please review and advise her how much. I think I left it at \$10 million, just in case.

You should plan cash in Elegance to be loaned to Stargate of another \$5 million.

You should plan cash to purchase Colorado (CW) properties of about \$10 million in the next 30 days.

SW and CW trusts will probably purchase the SE domestic options in the next 30-60 days. These can be expected to be turned into cash 6/30 of next year. Keeley is doing Black Scholes estimates today and I will let you know what the expected sales price will be.

Give me an update on the "Rocky Mtn" entities.

MAV007689

5839

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations



Sheri Robertson
08/19/1999 07:29 AM

To: Michelle Boucher [REDACTED]
cc:
Subject: Re: fs [REDACTED]

Are we talking about July? I did do Juna. Hope we're not duplicating efforts.

There's a lot going on (why does it always work this way?), keeps life interesting.

CW is selling two properties in Co. to Quayle. I think where we're getting is that Quayle will form 2 subsidiaries which are U.S. Corps. Should know later today. We've talked with Bond and he's okay with the Castecreek purchasing properties that will be used by the "potential" beneficiaries of the trust. This is a non-reportable item by the Trusts and the U.S. parties. Rodney is doing the legal work. I sent to your office and Bond copies of the appraisals and selling prices. Hope to close this next week.

Sam still has a contract pending on one property. It is up to him to determine whether he wants to counter. I'm not sure what he's going to do. He seemed to be getting a little worried about the markets and wasn't too sure he should be spending \$10 - \$14 million to purchase the property and then spending money on building houses.

D. Harris has been raising hell about the money going into Green Mountain. It's not that I don't think he should be, just adds one more stress level. Currently he has agreed to fund through Sept. I've had that discussion with both Sam and Evan. Surprisingly, Sam did not explode, but it actually seemed to cause him to step back and re-think the money is spending. We'll see what happens. Anyway, I do think we need to give notice to FUND to redeem \$10 million for the SW entities to fund Green. Do you have time to give me a recommendation on needs to get redemption notices in before 9/1?

There's been some new trust regulations and ugly case law recently. From several lawyers Mike and I have been strongly recommended that we no longer serve as "U.S. citizens", as protectors. We're thinking about forming a Channel Island corp. that is the protector. The owners would be Mike and I < 50% (stay out of the CFC rules) and you, David Harris, David Bester, Daughtery and Fullertove the other owners. Mike is particularly concerned about all the bad press about Cayman lately. That's why he's picking the Channel Islands. We're thinking it might be good for the administrative fee from the trusts to be paid to this new corp and then hire ITC as an administrator. We're still exploring....I'll keep you informed as we get further along.

Michelle Boucher <mboucher@candw.ky> on 08/18/99 04:27:46 PM



Michelle Boucher [REDACTED] on 08/18/99 04:27:46 PM

To: Sheri Robertson [REDACTED]
cc:

Subject: fs

I finished the consolidation, and did a reasonableness check at the CW and SW and domestic consolidation levels. I had some questions for Elaine re: Brush Creek's holdings and valuations of SSW, SE and MIKE. Also, her summary sheets did not show the correct MV per share, but had the right extended total market value since they were pulled up from sub-sheets.

Hopefully she'll respond first thing tomorrow and I can get the file sent to you tomorrow afternoon or night. If I can't get in the office tomorrow, Lara will pick it up from me tomorrow night and upload it to you Friday.

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1419

PSI-WYBR 00529

5840

From: Michelle Boucher <[REDACTED]>
Sent: Thursday, December 9, 1999 3:59 PM
To: Shari Robertson
Subject: financials

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

I am so so close to having October done, but I'm not going to make it for today. :([REDACTED]

I went back to Rodney again yesterday on the Devotion/La Fourche/Little Woody Creek Ranch Funding, and await an answer, but maybe you have an idea:

He said to book the movements from Devotion to La Fourche to Little Woody Creek Ranch as return of capital and then investment. The initial capital that La Fourche put into Devotion was approx \$4.9M, and the money we moved was approx \$12M, and we'll need to move future funds for construction/maintenance etc.... ongoing costs. My first problem is how to reflect the excess over the paid in capital - dividend/loan?, and secondly what's the best approach to handle ongoing funding.

I also asked him to confirm how we handled the Souleiana/Tyler/Gorsemoor/Stargate Loan Funding transaction. The Trustees have booked it all through as intercompany/intertrust advances - no investments, no refunds of paid in capital. I want to be sure we're okay taxwise showing it that way.

I'll let you know what he comes back with, and if you have any ideas on the La Fourche transaction let me know.

Petra is going to continue on putting November together in my absence. I expect we'll have no trouble having November's available by the end of the month. Elaine hopes to have November completed by December 22nd. If she does, this will allow us to have the consolidation by month end.

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1421

MAV007788

5841

— = Redacted by the Permanent
Subcommittee on Investigations —

From: Schaufele, Louis J
Sent: Monday, October 08, 2001 12:40 PM
To: 'khennington@ [REDACTED]
Subject: RE: affiliate

I think we are very close to being ready to go and I am looking to see if there is a better way to accomplish the same thing.

-----Original Message-----

From: khennington@htst.com [SMTP:khennington@htst.com]
Sent: Monday, October 08, 2001 8:46 AM
To: Schaufele, Louis J
Subject: Re: affiliate

Lou - did we ever get a good answer on this or is Rodney still thinking?
Sorry about all the stuff last week with Evan, I think there was some miscommunication between Michelle and I also - just one of those things. I still say something is better than nothing

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

"Schaufele,
Louis J" To: "'keely hennington'" [REDACTED]
Cc: [REDACTED]
Subject: affiliate

10/04/01
10:52 AM

I need to get an email or letter from your stateside attorney that Devotion LTD is not an affiliate.

>

> -----

> This message is for informational purposes only and is intended only for
> the designated recipient. It should not be relied upon or regarded as an
> offer to sell or as a solicitation of an offer to buy any product, as an
> official confirmation, or statement of Lehman Brothers or its affiliates.
> With respect to indicative values, no representation is made that any
> transaction can be effected at the values provided and the values
provided

1
Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1423

CC 012927

12/28/98 11:33:84

MEADOWS->

2148824852 Right FAX

Page 882

MEADOWS, OWENS, COLLIER, REED, COUSINS & BLAU, L.L.P.

ATTORNEYS AT LAW
 3700 NATIONS BANK PLAZA
 901 MAIN STREET
 DALLAS, TEXAS 75202
 (214) 744-3700

RODNEY L. OWENS, P.C.
 Partner

FAX (214) 744-3733
 WATS (800) 611-0093
 rowens@meadowsowens.com

PERSONAL AND CONFIDENTIAL
MEMORANDUM

VIA FACSIMILE # (61624) 630600

TO: Mr. David A. Harris, Director, Anddyr Trust Company, Ltd.
FROM: Rodney J. Owens
DATE: December 28, 1998
RE: Plaquemines, Bulldog and Pitkin Trust Matters.

Dear David -

With respect to the matters addressed in your letter of November 6, 1998, we would like to respectfully respond to the pending issues with respect to the above-referenced Trusts.

1. **Plaquemines Reappointment Matters.** We concur that the Trustee should immediately proceed to take whatever steps are necessary in order to reappoint the properties of Plaquemines Trust to The Bulldog Non-Grantor Trust. We will sincerely appreciate your sending us copies of the reappointment documents when completed for our files.

2. **Remedial RAP Trust Matters.** As you are aware, it is most important for U.S. tax purposes that the integrity of The Bulldog and Pitkin Trusts be preserved from their inception. Indeed, we share your concerns with respect to a possible holding by the Court to the effect that both Trusts should be *void ab initio* based upon the violation of the RAP. We must, therefore, proceed to remediate both Trust arrangements as per your recommendations. In this regard, however, would it not be possible to request of the Court an "interpretation" to the effect that references to "all Beneficiaries" be limited to the specified individuals as opposed to an "amendment" of the Trust Agreements? I must, of course, defer to local counsel in this regard.

We are therefore in full agreement that such remedial proceedings should be pursued and completed as promptly as possible.

600 ②

LSN&L NSI&I *

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1425

209088912 IVJ 91:60 0002/20/01

3. Beneficiary "Notification" Matters. After due consideration, we concur with your assessment that the consent of the beneficiaries should be unnecessary and indeed inappropriate for these purposes. Their respective beneficial interests therein and therefrom are not affected whatsoever by these proposed procedures. And while we must again defer to your judgment regarding local judicial procedures, we would, in fact, prefer that notice of such procedures be limited to only the Trust Protectors if at all possible.

In summary, therefore, we are in agreement that some type of judicial reformation should be obtained to protect the integrity of the Trusts. We look forward to successfully completing these matters as promptly as possible.

Respectfully Presented,

RODNEY J. OWENS
Meadows, Owens, Collier, Reed,
Cousins & Blau, L.L.P.

RJO:cib

cc: Mr. Mike French
Mrs. Shari Robertson

200977

Redacted by the Permanent
Subcommittee on Investigations

From: Schaufele, Louis J. [REDACTED]
Sent: Wednesday, May 26, 2004 7:24 PM
To: 'cpulman@' [REDACTED]
Subject: Fw: IOM

Charles thanks for the call, I have attached an email from Phil Wertz and would appreciate any comments you might have. I think bottom line is the IF scenario we spoke of. You can see Phil seems pretty adamant on it.

Thanks
Michele is my asst. And fwd phil's email.

Sent from my BlackBerry Wireless Handheld

-----Original Message-----
From: Crittenden, Michele M. [REDACTED]
To: Schaufele, Louis J. [REDACTED]
Sent: Wed May 26 17:27:55 2004
Subject: IOM

cpulman@ [REDACTED]

Set forth below is the relevant text of Section 312 of Patriot Act. As the proposed regulations are not yet final, the interim rules state that we must apply with the statutory language itself. Section 3(A) is pretty clear about the need to identify beneficial owners. The proposed rules (which will eventually be finalized) would clarify some of the scope of the rules. For example, it provided that you need to identify the holders of beneficial ownership interests if they have a right to at least \$1MM or 5% of the value of the account (therefore setting a de minimus threshold).

All of these rules are subject to interpretation and therefore it is difficult to say it is black and white, however, I don't think this is as gray as their counsel argues it is. They argued that it is not technically a "private banking account". They argued that it is not necessarily a non-US customer if you drill down to the beneficial owners. They argued that the family may not technically have "beneficial ownership interests" depending on how that term is defined. As pointed out to their counsel, the issue we face is that the Banking Regulators and Congress are interpreting the Patriot Act rules with a mindset that expects banks to not split hairs on technicalities and to go beyond the letter of the rules. When the final rules are published, I think they will be relatively consistent with the proposed rules. This was also the basis of our Corporate Policy. I would not feel comfortable advising the bank that our policy should eliminate the need for this information in all cases, so I believe you must argue that you have done enough to warrant an exception to the general rule.

If the decision is made to keep the account open, we will take the position that we have sufficient information in the file and know enough overall to satisfy this legal obligation. Without the names themselves, I think there is a risk that we will be deemed to have not met that obligation under Section 312. Without the names themselves, there is also a risk that we are criticized because we are unable to screen these people against OFAC and other terrorist lists that are issued from time to time. None of those are guarantees of a legal violation or a regulatory sanction and therefore must be weighed by the business unit.

I must admit that I have not heard any persuasive arguments from the client

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1427

SAYLES | WERBNER

July 14, 2006

VIA FEDERAL EXPRESS

Robert Roach
 Counsel and Chief Investigator
 Senate Permanent Subcommittee on Investigations
 c/o Mary Robertson
 8617 Groveland Dr.
 Springfield, VA 22153

— = Redacted by the Permanent
 Subcommittee on Investigations

Mark Nelson
 Leland B. Erickson
 Counsel
 Senate Permanent Subcommittee on Investigations
 c/o Mary Robertson
 8617 Groveland Dr.
 Springfield, VA 22153

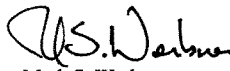
Dear Mr. Roach, Mr. Nelson and Mr. Erickson:

[REDACTED]

I am also providing you with a Privilege Log which identifies communications with the Trustees that are being withheld on the basis of Attorney Work Product. These documents were created or received as part of the Firm's representation during the tax audit. One document included on the Log is being withheld as attorney client privilege [REDACTED].

I am continuing to work on the matters we discussed when we met on July 7th.

Sincerely,


 Mark S. Werbner
mwerbner@swtriallaw.com
 (214) 939-8711



Encl.
 MSW/jlk

118495.v1


4400 Renaissance Tower | 1201 Elm St

Permanent Subcommittee on Investigations
EXHIBIT #66 - FN 1428

x 214 939 8787 | swtriallaw.com

Attorneys — A Professional Corporation

Communications with Trustees Being Withheld by Meadow Owens as Attorney Work Product					
DocId	Date	Author	Recip	Cc	Summary
1	10/05/1999	Boehne, Cheryl	Owens, Rodney J.		Email re: Foreign Trust Planning
2	05/02/2001	Boucher, Michelle	Harris, David A. Owens, Rodney J.		Email re: Irish Trust
3	12/30/2002	Wyly, Samuel	Baker, D. Blair		Letter re: Precept Funds
4	05/12/2003	Pulman, Charles D.	Harris, David		Email re: Trustee Bio
5	01/13/2004	MacInnis, Margot	Pulman, Charles D		Letter re: Foreign Entity Information
6	01/13/2004	MacInnis, Margot	Pulman, Charles D		Letter re: Foreign Entity Information
7	01/13/2004	MacInnis, Margot	Pulman, Charles D.		Fax re: Revised Index of Foreign Entities
8	01/26/2004	Harris, David	Pulman, Charles D		Email re: Foreign Trust Planning
9	01/27/2004	Pulman, Charles D.	Harris, David		Email re: Bulldog Trust
10	02/04/2004	Fitzpatrick, Pat	Pulman, Charles D.	Boucher, Michelle	Email re: Bulldog Trust
11	02/10/2004	Pulman, Charles D.	Harris, David		Email re: Bulldog Trust
12	02/13/2004	Pulman, Charles D.	Harris, David A.	Hemington, Keeley Boucher, Michelle	Email re: Trust Indemnity

 = Redacted by the Permanent Subcommittee on Investigations

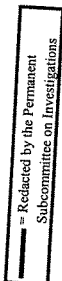
Communications with Trustees Being Withheld by Meadow Owens as Attorney Work Product						
	Docid	Docdate	Author	Recip	Cc	Summary
13	[REDACTED]	02/13/2004	Pulman, Charles D.	Harris, David A.	Hemmington, Keeley Boucher, Michelle	Email re: Trust Indemnity
14	[REDACTED]	02/14/2004	Pulman, Charles D.	Harris, David		Email re: Trust Protector Indemnity
15	[REDACTED]	02/14/2004	Harris, Davis	Benbatoul, Anna		Email re: Trust Indemnity
16	[REDACTED]	02/18/2004	Webb, Francis	Pulman, Charles D.		Fax re: Foreign Trust Planning
17	[REDACTED]	03/19/2004	Pulman, Charles D.	Harris, David		Email re: Foreign Trust Planning
18	[REDACTED]	03/20/2004	Pulman, Charles D.	Harris, David		Email re: Foreign Trust Planning
19	[REDACTED]	03/22/2004	Pulman, Charles D.	Harris, David	Pulman, Charles D	Email re: Fax Trouble
20	[REDACTED]	03/22/2004	Fitzpatrick, Pat	Pulman, Charles D		Email re: Foreign Trust Planning
21	[REDACTED]	03/24/2004	Pulman, Charles D.	Pulman, Charles D. MacInnis, Margot	Boucher, Michelle	Email re: Tax Information
22	[REDACTED]	03/24/2004	MacInnis, Margot	Pulman, Charles D.		Email re: Tax Information
23	[REDACTED]	03/24/2004	MacInnis, Margot	Pulman, Charles D.	Boucher, Michelle	Email re: Tax Information
24	[REDACTED]	03/24/2004	Pulman, Charles D.	Webb, Francis		Email re: Foreign Trust Planning

[REDACTED] = Redacted by the Permanent Subcommittee on Investigations

Communications with Trustees Being Withheld by Meadow Owens as Attorney Work Product					
DocId	Docdate	Author	Recip	Cc	Summary
25		Webb, Francis	Pulman, Charles D.		Email re: Foreign Trust Planning
26		Webb, Francis	Pulman, Charles D.		Email re: Foreign Trust Planning
27		Pulman, Charles D.	Harris, David		Email re: Foreign Trust Planning
28		Pulman, Charles D.	Stuart, Wendy Pulman, Charles D. Harris, David	Dougherty, Paul Boucher, Michelle	Email re: Bulldog Trust
29		Stuart, Wendy	Harris, David Pulman, Charles D.	Dougherty, Paul	Email re: Attorney Opinion Letter
30		Dougherty, Paul	Pulman, Charles D.		Email re: scheduling
31		Pulman, Charles D.	Stuart, Wendy	Dougherty, Paul	Email re: Trustee Meeting
32		Stuart, Wendy	Pulman, Charles D.	Dougherty, Paul	Email re: Trustee Meeting
33		Earp, Barbara	Pulman, Charles D.		Email re: Trustee Hotel Information
34		Boucher, Michelle	Pulman, Charles D.		Email re: Bulldog Trust
35		Boucher, Michelle	Stuart, Wendy Pulman, Charles D.	Dougherty, Paul	Email re: Bulldog Trust
36		Pulman, Charles	Fitzpatrick, Pat	Boucher, Michelle Harris, David Benbatoul, Anna	Email re: Foreign Trust

— = Redacted by the Permanent Subcommittee on Investigations

Communications with Trustees Being Withheld by Meadow Owens as Attorney Work Product					
DocId	Date	Author	Recip	Cc	Summary
37	07/15/2004	Fitzpatrick, Pat	Pulman, Charles	Boucher, Michelle Harris, David Benbatoul, Anna	Email re: Foreign Trust
38	07/16/2004	Pulman, Charles	Dougherty, Paul	Stewart, Wendy Boucher, Michelle Harris, David Bester, David Webb, Francis	Email re: Deed Agreements
39	07/27/2004	MacInnis, Margot	Kniffin, David Pulman, Charles D	Boucher, Michelle	Email re: Maroon Creek Documents
40	07/27/2004	MacInnis, Margot	Kniffin, David Pulman, Charles D	Boucher, Michelle	Email re: Trust Deed
41	07/29/2004	Pulman, Charles	Dougherty, Paul	Boucher, Michelle	Email re: Bulldog
42	07/30/2004	MacInnis, Margot	Kniffin, David Pulman, Charles D	Boucher, Michelle	Email re: Trust Documents
43	07/30/2004	Webb, Francis	Pulman, Charles	Dougherty, Paul Boucher, Michelle	Email re: Trust Documents
44	08/02/2004	Dougherty, Paul	Pulman, Charles		Email re: Bulldog
45	08/03/2004	Dougherty, Paul	Pulman, Charles D	Boucher, Michelle	Email re: Attorney Opinion Letter
46	08/03/2004	Dougherty, Paul	Harris, David Bester, David		Attachment re: Attorney Opinion Letter
47	08/04/2004	Dougherty, Paul	Pulman, Charles		Fax re: Tax Research
48	08/04/2004	Dougherty, Paul	Harris, David Bester, David		Attachment re: Attorney Opinion Letter


 = Redacted by the Permanent Subcommittee on Investigations

Communications with Trustees Being Withheld by Meadow Owens as Attorney Work Product						
	DocId	Docdate	Author	Recip	Cc	Summary
49	[REDACTED]	08/04/2004	Dougherty, Paul	Pulman, Charles D.		Email re: Attorney Opinion Letter
50	[REDACTED]	08/05/2004	Dougherty, Paul	Pulman, Charles		Email re: Attorney Opinion Letter
51	[REDACTED]	08/05/2004	Hemington, Keeley	Pulman, Charles D. Kniffen, David	Boucher, Michelle	Email re: IDRs
52	[REDACTED]	08/06/2004	Hemington, Keeley	Pulman, Charles	Boucher, Michelle	Email re: Attorney Opinion Letter
53	[REDACTED]	08/06/2004	Webb, Francis	Dougherty, Paul	Pulman, Charles D Boucher, Michelle Harris, David Bester, David	Email re: Foreign Trust Planning
54	[REDACTED]	08/06/2004	Dougherty, Paul	Harris, David Bester, David		Attachment re: Bulldog Opinion Letter
55	[REDACTED]	08/06/2004	Dougherty, Paul	Pulman, Charles D.		Email re: Attorney Opinion Letter
56	[REDACTED]	08/06/2004	Dougherty, Paul	Harris, David Bester, David		Attachment re: Attorney Opinion Letter
57	[REDACTED]	08/10/2004	Harris, David	Pulman, Charles	Benbatoul, Anna	Email re: Foreign Trust Planning
58	[REDACTED]	08/10/2004	Stuart, Wendy	Pulman, Charles D Bester, David Harris, David	Dougherty, Paul	Email re: Foreign Trust Planning

[REDACTED] = Redacted by the Permanent Subcommittee on Investigations

Communications with Trustees Being Withheld by Meadow Owens as Attorney Work Product					
DocId	Docdate	Author	Recip	Cc	Summary
59	08/10/2004	[REDACTED]	Dougherty, Paul	Harris, David Bester, David	Attachment re: Attorney Opinion Letter
60	08/10/2004	[REDACTED]	Dougherty, Paul		Attachment re: Deed of Agreement for Castle Creek
61	08/10/2004	[REDACTED]	Dougherty, Paul		Attachment re: Deed of Agreement for Castle Creek
62	08/10/2004	[REDACTED]	Harris, David	Pulman, Charles D Boucher, Michelle	Email re: Foreign Trust Planning
63	08/10/2004	[REDACTED]	Dougherty, Paul		Attachment re: Attorney Opinion Letter
64	08/10/2004	[REDACTED]	Dougherty, Paul		Attachment re: Deed of Agreement for Castle Creek
65	08/10/2004	[REDACTED]	Dougherty, Paul		Attachment re: Deed of Agreement for Castle Creek
66	08/16/2004	[REDACTED]	Stuart, Wendy	Dougherty, Paul	Email re: Foreign Trust Planning
67	08/16/2004	[REDACTED]	Dougherty, Paul		Attachment re: Attorney Opinion Letter
68	08/16/2004	[REDACTED]	Dougherty, Paul		Attachment re: Attorney Opinion Letter

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Communications with Trustees Being Withheld by Meadow Owens as Attorney Work Product					
DocId	Date	Author	Recip	Cc	Summary
69	08/16/2004	[REDACTED]	Dougherty, Paul		Attachment re: Deed of Agreement for Castle Creek
70	08/16/2004	[REDACTED]	Dougherty, Paul		Attachment re: Attorney Opinion Letter
71	08/16/2004	[REDACTED]	Dougherty, Paul		Attachment re: Attorney Opinion Letter
72	08/19/2004	[REDACTED]	Dougherty, Paul		Attachment re:
73	08/19/2004	[REDACTED]	Dougherty, Paul	Pulman, Charles D	Email re: Foreign Trust Planning
74	08/19/2004	[REDACTED]	Dougherty, Paul		Attachment re:
75	08/19/2004	[REDACTED]	Dougherty, Paul		Attachment re:
76	08/19/2004	[REDACTED]	Dougherty, Paul		Attachment re:
77	08/20/2004	[REDACTED]	Dougherty, Paul		Attachment re:
78	08/20/2004	[REDACTED]	Dougherty, Paul		Attachment re:
79	08/20/2004	[REDACTED]	Dougherty, Paul		Attachment re:
80	08/20/2004	[REDACTED]	Dougherty, Paul		Attachment re:
81	08/20/2004	[REDACTED]	Stuart, Wendy	Pulman, Charles D	Email re: Foreign Trust Planning
82	08/20/2004	[REDACTED]	Dougherty, Paul		Attachment re:
83	08/20/2004	[REDACTED]	Dougherty, Paul		Attachment re:

Communications with Trustees Being Withheld by Meadow Owens as Attorney Work Product						
	Docid	Docdate	Author	Recip	Cc	Summary
84	[REDACTED]	08/20/2004	Dougherty, Paul			Attachment re:
85	[REDACTED]	08/20/2004	Dougherty, Paul			Attachment re:
86	[REDACTED]	08/20/2004	Dougherty, Paul			Attachment re:
87	[REDACTED]	08/20/2004	Dougherty, Paul			Attachment re:
88	[REDACTED]	08/20/2004	Dougherty, Paul			Attachment re:
89	[REDACTED]	08/20/2004	Dougherty, Paul			Attachment re:
90	[REDACTED]	08/20/2004	Dougherty, Paul			Attachment re:
91	[REDACTED]	08/20/2004	Dougherty, Paul			Attachment re:
92	[REDACTED]	08/20/2004	Dougherty, Paul			Attachment re:
93	[REDACTED]	08/23/2004	Stuart, Wendy	Pulman, Charles D	Dougherty, Paul	Email re: Foreign Trust Planning
94	[REDACTED]	08/23/2004	Webb, Francis	Dougherty, Paul		
95	[REDACTED]	08/25/2004	Dougherty, Paul			Attachment re:
96	[REDACTED]	08/31/2004	Dougherty, Paul	Pulman, Charles D		Email re: Foreign Trust Planning
97	[REDACTED]	08/31/2004	Dougherty, Paul			Attachment re:
98	[REDACTED]	08/31/2004	Dougherty, Paul			Attachment re:
99	[REDACTED]	08/31/2004	Dougherty, Paul			Attachment re:
100	[REDACTED]	08/31/2004	Dougherty, Paul			Attachment re:

[REDACTED] = Redacted by the Permanent Subcommittee on Investigations

Communications with Trustees Being Withheld by Meadow Owens as Attorney Work Product						
	Docid	Docdate	Author	Recip	Cc	Summary
101	[REDACTED]	08/31/2004	Dougherty, Paul			Attachment re:
102	[REDACTED]	09/02/2004	Webb, Francis	Dougherty, Paul	Pulman, Charles D Boucher, Michelle Harris, David	Email re: Foreign Trust Planning
103	[REDACTED]	09/06/2004	Fitzpatrick, Pat	Pulman, Charles Boucher, Michelle		Email re: Foreign Trust Planning
104	[REDACTED]	09/07/2004	Dougherty, Paul	Boucher, Michelle	Pulman, Charles D	Email re: Foreign Trust Planning
105	[REDACTED]	09/07/2004	Kent, Heather	Pulman, Charles		Email re: Foreign Trust Planning
106	[REDACTED]	09/07/2004	Dougherty, Paul	Harris, David	Pulman, Charles D Boucher, Michelle	Email re: Foreign Trust Planning
107	[REDACTED]	09/10/2004	Dougherty, Paul	Pulman, Charles	Pulman, Charles D Bester, David Boucher, Michelle	Email re: Foreign Trust Planning
108	[REDACTED]	09/26/2004	Harris, David	Pulman, Charles	Benbatoul, Anna	Email re: Attorney Opinions
109	[REDACTED]	10/21/2004	Fitzpatrick, Pat	Boucher, Michelle	Pulman, Charles D Dougherty, Paul Benbatoul, Anna Harris, David	Email re: Draft Minutes
110	[REDACTED]	11/06/2004	Macinnis, Margot	Pulman, Charles D	Boucher, Michelle	Email re: Red Mountain

Communications with Trustees Being Withheld by Meadow Owens as Attorney Work Product					
DocId	Date	Author	Recip	Cc	Summary
111	11/10/2004	MacInnis, Margot	Kniffin, David	Boucher, Michelle	Email re: Tyler Trust
112	11/19/2004	MacInnis, Margot	Kniffin, David	Boucher, Michelle	Email re: Trustee Contact Information
113	11/19/2004	Kniffen, David	MacInnis, Margot		Email re: Trustee Contact Information
114	12/03/2004	MacInnis, Margot	Kniffin, David	Boucher, Michelle	Email re: Trustee Contact Information
115	12/20/2004	Benbatoul, Anna	Pulman, Charles D.		Email re: Foreign Trust Planning
116	01/11/2005	Benbatoul, Anna	Pulman, Charles	Boucher, Michelle Harris, David	Email re: Foreign Trust Planning
117	01/26/2005	Harris, David	Brenner, Joseph	Pulman, Charles D	Email re: Investigation
118	03/07/2005	Webb, Francis	Pulman, Charles D	Boucher, Michelle	Email re: Trust Planning
119	03/17/2005	Benbatoul, Anna	Pulman, Charles D.		Email re: Foreign Trust Planning
120	03/17/2005	Webb, Francis	Pulman, Charles D		Email re: Foreign Trust Planning
121	03/17/2005	Benbatoul, Anna	Pulman, Charles D.		Email re: Foreign Trust Planning
122	03/22/2005	Pat Fitzpatrick	Pulman, Charles D	Hennington, Keeley Harris, David	Email re: Sam Wyly
123	03/22/2005	Webb, Francis	Pulman, Charles D	Boucher, Michelle	Email re: Foreign Trust Planning

— = Redacted by the Permanent Subcommittee on Investigations

Communications with Trustees Being Withheld by Meadow Owens as Attorney Work Product					
DocId	Docdate	Author	Recip	Cc	Summary
124			Pulman, Charles D	Harris, David	Email re: IRS Form 2039
125			Pulman, Charles D	Harris, David	Email re: Foreign Trust Planning
126			Webb, Francis		Letter
127			Pulman, Charles D		Email re: Foreign Trust Planning

[Redacted] = Redacted by the Permanent
 Subcommittee on Investigations

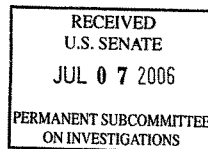
5857

SAYLES | WERBNER

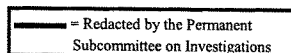
July 7, 2006

VIA HAND-DELIVERY

Robert Roach
Counsel and Chief Investigator
Senate Permanent Subcommittee
on Investigations
199 Russell Senate Office Building
Washington, D.C. 20510



Mark Nelson
Leland B. Erickson
Counsel
Senate Permanent Subcommittee on Investigations
199 Russell Senate Office Building
Washington, D.C. 20510



Dear Mr. Roach, Mr. Nelson and Mr. Erickson:



I am also providing you with a Privilege Log. This is not complete by any means, but it lists documents that were responsive to the PSI subpoena and which we had been able to determine are privileged based on the Privilege Log we prepared for the Federal Grand Jury subpoena. I am continuing to review the Firm's documents in an effort to comply with the PSI subpoena. I hope we will discuss these efforts and our difficulties when we meet today.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mark S. Werbner".

Mark S. Werbner
mwerbner@swtriallaw.com
(214) 939-8711

Encl.
MSW/jlk

118299.v1

4400 Renaissance Tower | 1201 Elm

Permanent Subcommittee on Investigations

EXHIBIT #66 - FN 1428

fax 214 939 8787 | swtriallaw.com

Meadows Owens Confidential Privilege Log (not Complete) Provided Pursuant to Senate PSI Subpoena dated April 13, 2006

DocId	Docdate	Author	Recip	Cc	Summary
1	12/03/1997	Robertson, Shari	Owens, Rodney J.		Memo re Sam Wyly with Handwritten Notes
2	06/20/1998	Owens, Rodney J.	Wyly, Sam E.	Robertson, Shari Hennington, Keith	Memo re: Asset Planning Matters
3	07/21/1998	Owens, Rodney J.	Wyly, Sam E.	Robertson, Shari Hennington, Keith	Memo re: Asset Preservation Planning Matters
4	11/30/1998	Owens, Rodney J.	Wyly, Charles	Robertson, Shari Hennington, Keith	Memo re: Estate Planning
5	02/04/1999	Owens, Rodney J.	Robertson, Shari	Stroud, Alan L.	Memo re: Irish Trust
6	02/05/1999	Owens, Rodney J.	Robertson, Shari		Memo re: Irish Trusts
7	02/12/1999	Owens, Rodney J.	Wyly Family		Memo re: Trust Planning
8	02/12/1999	Owens, Rodney J.	Wyly Family		Memo re: Trust Planning (Handwritten Notes)
9	02/16/1999	Owens, Rodney J.	Wyly Family		Memo re: Asset Protection
10	05/06/1999	Hineman, Thomas G.	Hennington, Keeley	Owens, Rodney J. Korell, Bradley G.	Email re: Brush Creek Planning
11	05/06/1999	Hineman, Thomas	Hennington, Keeley	Owens, Rodney J. Korell, Bradley G.	Email re: Brush Creek Planning
12	05/20/1999	Owens, Rodney J.	Spang, Elaine Hennington, Keeley	Hineman, Thomas G. Korell, Bradley G.	Memo re: Asset Preservation Planning
13	06/29/1999	Owens, Rodney J.	Hennington, Keeley	Hineman, Thomas G.	Email re: Estate Planning

— = Redacted by the Permanent Subcommittee on Investigations

Meadows Owens Confidential Privilege Log (not Complete) Provided Pursuant to Senate PSI Subpoena dated April 13, 2006

	DocId	Docdate	Author	Recip	Cc	Summary
14	[REDACTED]	07/14/1999	Owens, Rodney J.	Wyly Family		Memo re: Trust Planning
15	[REDACTED]	07/14/1999	Owens, Rodney J.	Wyly Family		Memo re: Trust Planning (Handwritten Notes)
16	[REDACTED]	07/15/1999	Owens, Rodney J.	Wyly Family		Memo re: Irish Trust Matters
17	[REDACTED]	08/28/1999	Owens, Rodney J.	Robertson, Shari		Email re: Trust Issues
18	[REDACTED]	09/00/1999	Owens, Rodney J. Pulman, Charles D. Stroud, Alan L.	Wyly Family		Memo re: Trust Planning
19	[REDACTED]	09/01/1999	Robertson, Shari	Owens, Rodney J.		Email re: Planning Objectives (Handwritten Notes)
20	[REDACTED]	09/09/1999	Robertson, Shari	Owens, Rodney J.		Email re: Colorado Property
21	[REDACTED]	09/09/1999	Owens, Rodney J.	Robertson, Shari	Pulman, Charles D. Stroud, Alan L.	Email re: Trust Structure
22	[REDACTED]	09/09/1999	Owens, Rodney J.	'Shari Robertson'	Pulman, Charles D. Stroud, Alan L.	email regarding completing trust transactions
23	[REDACTED]	09/09/1999	Owens, Rodney J.	Robertson, Shari	Pulman, Charles D. Stroud, Alan L.	Email re: Wyly (Handwritten Notes)
24	[REDACTED]	09/09/1999	Owens, Rodney J.	Robertson, Shari		Email re: Wyly
25	[REDACTED]	09/10/1999	Robertson, Shari	Owens, Rodney J.		Email re: Wyly

[REDACTED] = Redacted by the Permanent Subcommittee on Investigations

Meadows Owens Confidential Privilege Log (not Complete) Provided Pursuant to Senate PSI Subpoena dated April 13, 2006

DocId	Docdate	Author	Recip	Cc	Summary
26	09/18/1999	Robertson, Shari	Owens, Rodney J. Stroud, Alan L.		Email re: Loan Agreement
27	09/18/1999	Robertson, Shari	Owens, Rodney J. Stroud, Alan L.		Email re: Loan Agreement to Stargate
28	09/18/1999	Robertson, Shari	Owens, Rodney J. Stroud, Alan L.		Email re: Loan Agreement to Stargate
29	09/20/1999	Owens, Rodney J.	Robertson, Shari	Stroud, Alan L.	Email re: Tyler Trust
30	09/20/1999	Owens, Rodney J.	Robertson, Shari	Stroud, Alan L.	Email re: Trust Note Form
31	09/22/1999	Owens, Rodney J.	Robertson, Shari		Email re: Wyly Family Confidential Conference Outline
32	09/22/1999	Owens, Rodney J.	Robertson, Shari	Pulman, Charles D. Stroud, Alan L.	Email re: Colorado Property
33	09/25/1999	Owens, Rodney J.	Robertson, Shari	Pulman, Charles D. Stroud, Alan L.	Email re: Woody Creek Ranch Trust Name
34	09/25/1999	Owens, Rodney J.	Robertson, Shari	Pulman, Charles D. Stroud, Alan L.	Email re: Trust Issues
35	09/29/1999	Owens, Rodney J. Pulman, Charles D. Stroud, Alan L.	Wyly Family		Memo re: Trust Planning

— = Redacted by the Permanent Subcommittee on Investigations

Meadows Owens Confidential Privilege Log (not Complete) Provided Pursuant to Senate PSI Subpoena dated April 13, 2006

DocId	Docdate	Author	Recip	Cc	Summary
36	09/29/1999	Owens, Rodney J. Pulman, Charles D. Stroud, Alan L.	Wyly Family		Memo re: Trust Planning
37	10/01/1999	Owens, Rodney J.	Robertson, Shari Spang, Elaine	Pulman, Charles D. Stroud, Alan L.	Email re: Texas Trust Matters
38	10/01/1999	Owens, Rodney J.	Robertson, Shari Spang, Elaine	Pulman, Charles D. Stroud, Alan L.	Email re: Trust Matters
39	10/04/1999	Owens, Rodney J.	Robertson, Shari		Email re: Various Trust Matters
40	10/04/1999	Stroud, Alan L.	Hennington, Keeley	Wyly, Sam Wyly, Charles J. French, Mike Robertson, Shari Owens, Rodney J. Pulman, Charles D.	Memo re: Planning for Trust Acquisition of Properties
41	10/05/1999	Hennington, Keeley	Stroud, Alan L.	Owens, Rodney J.	Email re: Real Estate
42	10/05/1999	Hennington, Keeley	Stroud, Alan L.	Owens, Rodney J.	Email re: Transactions (Handwritten Notes)
43	10/07/1999	Owens, Rodney J.	Robertson, Shari	Pulman, Charles D. Stroud, Alan L.	Email re: Trust Acquisitions
44	10/11/1999	Hennington, Keeley	Owens, Rodney J. Stroud, Alan L.	Spang, Elaine Robertson, Shari	Email re: Colorado LLC's

Redacted by the Permanent Subcommittee on Investigations

Meadows Owens Confidential Privilege Log (not Complete) Provided Pursuant to Senate PSI Subpoena dated April 13, 2006

	Docid	Docdate	Author	Recip	Cc	Summary
45	[REDACTED]	10/12/1999	Owens, Rodney J.	Hennington, Keeley	French, Mike Robertson, Shari	Email re: Tax Returns
46	[REDACTED]	10/12/1999	Owens, Rodney J.	Hennington, Keeley	French, Mike Robertson, Shari	Email re: Tax Returns
47	[REDACTED]	10/12/1999	Owens, Rodney J.	Hennington, Keeley	Robertson, Shari French, Mike	Email re: gift taxes
48	[REDACTED]	12/08/1999	Boucher, Michelle	Owens, Rodney J.		Email re: Real Estate Purchase
49	[REDACTED]	12/11/1999	Owens, Rodney J.	Boucher, Michelle		Email re: Real Estate Purchase
50	[REDACTED]	03/06/2000	Owens, Rodney J.	Hennington, Keeley		Memo re: Planning Matters
51	[REDACTED]	03/29/2000	Owens, Rodney J.	Stroud, Alan L.	Boehme, Cheryl	Email re: Woody Creek Management Trust Name Change
52	[REDACTED]	04/25/2000	Owens, Rodney J.	Wyly Family		Memo re: Trust Planning Matters
53	[REDACTED]	04/25/2000	Korell, Bradley G.	Robertson, Shari	Hennington, Keeley Owens, Rodney J.	Email re: Wrangler Trust
54	[REDACTED]	04/26/2000	Owens, Rodney J.	Boucher, Michelle	Pulman, Charles D. Stroud, Alan L. Hennington, Keeley	Email re: Cottonwood Capital
55	[REDACTED]	05/04/2000	Pulman, Charles D.	Hennington, Keeley	Stroud, Alan L. Owens, Rodney J.	Email re: Cottonwood Capital Structure Memo


[REDACTED] = Redacted by the Permanent Subcommittee on Investigations

Meadows Owens Confidential Privilege Log (not Complete) Provided Pursuant to Senate PSI Subpoena dated April 13, 2006

DocId	Date	Author	Recip	Cc	Summary
56	[REDACTED] 05/05/2000	Stroud, Alan L.	Hennington, Keeley	Owens, Rodney J. Pulman, Charles D.	Email re: Cottonwood Capital Investment Structure Memo
57	[REDACTED] 05/16/2000	Boucher, Michelle	Owens, Rodney J. Stroud, Alan L.	Pulman, Charles D. Hennington, Keeley	Email re: Cottonwood Planning
58	[REDACTED] 05/19/2000	Hennington, Keeley	Stroud, Alan L. Pulman, Charles D.	Owens, Rodney J.	Email re: Cottonwood Memo Comments
59	[REDACTED] 05/19/2000	Hennington, Keeley	Stroud, Alan L. Pulman, Charles D.	Owens, Rodney J.	Email re: Cottonwood memo comments
60	[REDACTED] 05/19/2000	Hennington, Keeley	Stroud, Alan L. Pulman, Charles D.	Owens, Rodney J.	Email re: Cottonwood memo comments
61	[REDACTED] 05/20/2000	Owens, Rodney J.	Hennington, Keeley 'Boucher, Michelle'	Pulman, Charles D. Stroud, Alan L.	Email re: Cottonwood Planning
62	[REDACTED] 05/25/2000	French, Michael	Wyly, Charles J. Wyly, Samuel	Owens, Rodney J.	Memo re: Protectors
63	[REDACTED] 07/11/2000	Pulman, Charles D.	Hennington, Keeley	Owens, Rodney J. Stroud, Alan L.	Letter re: Tax Planning
64	[REDACTED] 07/11/2000	Pulman, Charles D.	Hennington, Keeley	Owens, Rodney J. Stroud, Alan L.	Email re: LLC Regulations for Cottonwood Ventures I, LLC
65	[REDACTED] 07/11/2000	Pulman, Charles D.	Hennington, Keeley	Owens, Rodney J. Stroud, Alan L.	Email re: LLC Regulations for Cottonwood Ventures I
66	[REDACTED] 07/11/2000	Pulman, Charles D.	Hennington, Keeley	Owens, Rodney J. Stroud, Alan L.	Letter re: Tax Planning

Meadows Owens Confidential Privilege Log (not Complete) Provided Pursuant to Senate PSI Subpoena dated April 13, 2006

DocId	Docdate	Author	Recip	Cc	Summary
67		Pulman, Charles D.	Hennington, Keeley	Owens, Rodney J. Stroud, Alan L.	Letter re: Cottonwood
68		Pulman, Charles D.	Hennington, Keeley	Owens, Rodney J. Stroud, Alan L.	Email re: Cottonwood Memo
69		Pulman, Charles D.	Hennington, Keeley	Owens, Rodney J. Stroud, Alan L.	Memo re: Cottonwood
70		Pulman, Charles D.	Fredrich, Jana	Hennington, Keeley Owens, Rodney J. Stroud, Alan L.	Letter re: Cottonwood Ventures I, LLC; Cottonwood Ventures II, LLC; Cottonwood Gallery, Inc.
71		Pulman, Charles D.	Hennington, Keeley	Owens, Rodney J. Stroud, Alan L.	Letter re: Cottonwood Gallery, Inc.
72		Stroud, Alan L.	Hennington, Keeley	Pulman, Charles D. Owens, Rodney J.	Email re: Cottonwood Documents
73		Owens, Rodney J.	Wyly Family		Memo re: Trust Planning
74		Owens, Rodney J.	Wyly Family		Memo re: Trust Planning (Handwritten Notes)
75		Pulman, Charles D.	Hennington, Keeley	Owens, Rodney J. Stroud, Alan L.	Letter re: Cottonwood
76		Pulman, Charles D.	Hennington, Keeley	Owens, Rodney J. Stroud, Alan L.	Closing Binders
77		Pulman, Charles D.	Hennington, Keeley	Owens, Rodney J. Stroud, Alan L.	Letter re: Cottonwood

 = Redacted by the Permanent Subcommittee on Investigations

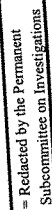
Meadows Owens Confidential Privilege Log (not Complete) Provided Pursuant to Senate PSI Subpoena dated April 13, 2006

DcId	Date	Author	Recip	Cc	Summary
78	10/31/2000	Hennington, Keeley	Stroud, Alan L.	Owens, Rodney J.	Email re: Sargate Farms
79	10/31/2000	Stroud, Alan L.	Hennington, Keeley	Owens, Rodney J.	Email re: Sargate Farms
80	11/14/2000	Stroud, Alan L.	Hennington, Keeley	Owens, Rodney J. Pulman, Charles D.	Email re: Sargate Sport Horses Memo
81	12/16/2000	Pulman, Charles D.	Hennington, Keeley	Owens, Rodney J. Stroud, Alan L.	Email re: Agreement of Limited Partnership for Sargate Sport Horses, LP
82	01/28/2001	Owens, Rodney J.	Hennington, Keeley Boucher, Michelle		Email re: Irish Trust Income Tax Planning Matters
83	01/29/2001	Owens, Rodney J.	Wyly Family Hennington, Keeley Boucher, Michelle		Memo re: Trust Planning
84	01/29/2001	Owens, Rodney J.	Wyly Family Hennington, Keeley Boucher, Michelle		Memo re: Trust Planning (Handwritten Notes)
85	01/29/2001	Owens, Rodney J.	Wyly Family Hennington, Keeley Boucher, Michelle		Memo re: Tax Planning Matters
86	01/29/2001	Owens, Rodney J.	Wyly Family Hennington, Keeley Boucher, Michelle		Memo re: Tax Planning Matters (Handwritten Notes)
87	01/29/2001	Owens, Rodney	Wyly Family Hennington, Keeley Boucher, Michelle		Memo re: General Irish Trust Planning Observations

— Redacted by the Permanent Subcommittee on Investigations


Meadows Owens Confidential Privilege Log (not Complete) Provided Pursuant to Senate PSI Subpoena dated April 13, 2006

DocId	Docdate	Author	Recip	Cc	Summary
88		Owens, Rodney J.	Hennington, Keeley Boucher, Michelle	Stroud, Alan L.	Email re: Irish Trust Income Tax Planning Matters
89		Owens, Rodney J.	Wyly Family Hennington, Keeley Boucher, Michelle		Letter re: Irish Trust Income Tax Planning Matters
90		Owens, Rodney J.	Wyly, Evan A.	Hennington, Keeley Boucher, Michelle	Memo re: Foreign Trust
91		Owens, Rodney J.	Wyly Family		Memo re: Foreign Trust Planning
92		Boucher, Michelle	Harris, David	Owens, Rodney J.	Email re: Ginger Trust
93		Fitpatrick, Patricia	Boucher, Michelle	Robertson, Sharyl Hennington, Keeley Owens, Rodney J.	Email re: Ginger trust
94		Owens, Rodney J.	Boucher, Michelle	Stroud, Alan L. Hennington, Keeley	Email re: Red Mountain Trustee Matters
95		Owens, Rodney J.	Hennington, Keeley Boucher, Michelle		Memo re: Red Mountain Trust
96		Owens, Rodney J.	Boucher, Michelle Hennington, Keeley		Memo re: Red Mountain Trust
97		Owens, Rodney J.	Hennington, Keeley Boucher, Michelle		Memo re: Bessie LLC Planning Matters


 = Redacted by the Permanent Subcommittee on Investigations


Meadows Owens Confidential Privilege Log (not Complete) Provided Pursuant to Senate PSI Subpoena dated April 13, 2006

DocId	Docdate	Author	Recip	Cc	Summary
98	05/24/2001	Boucher, Michelle	Owens, Rodney J. Hennington, Keeley	Stroud, Alan L.	Email re: Red Mountain US Tax Treatment
99	06/16/2001	Owens, Rodney J.	Boucher, Michelle	Hennington, Keeley Stroud, Alan L.	Email re: Bessie LLC Memorandum
100	07/17/2001	Boehme, Cheryl	Owens, Rodney J.		Email re: communication from Keely Hennington
101	07/25/2001	Owens, Rodney J.	Hennington, Keeley		Memo re: Irish Trust - PPVLI Planning Matters
102	07/25/2001	Owens, Rodney J.	Hennington, Keeley		Memo re: Irish Trust - PPVLI Planning Matters
103	08/20/2001	Owens, Rodney J.	Hennington, Keeley		Email re: Grantor Trust Loan Issue
104	08/20/2001	Owens, Rodney J.	Hennington, Keeley		Email re: Two Mile Ranch
105	08/31/2001	French, Mike	Owens, Rodney J.		Email re: Annuity Surrender
106	09/05/2001	Owens, Rodney J.	Hennington, Keeley		Memo re: GSTT Allocations for 1992 Trusts
107	11/17/2001	Owens, Rodney J.	Chambers, Robert L. Boucher, Michelle	Canon, Scott Boucher, Michelle Hennington, Keeley	Email re: Proposed Charitable Planning
108	05/22/2002	Boucher, Michelle	Owens, Rodney J.	Hennington, Keeley	Email re: Wrangler Loan (handwritten notes)
109	05/22/2002	Owens, Rodney J.	Hennington, Keeley Boucher, Michelle	Marchand, Eric Boehm, Cheryl	Email re: Wrangler

 = Redacted by the Permanent
 Subcommittee on Investigations

Meadows Owens Confidential Privilege Log (not Complete) Provided Pursuant to Senate PSI Subpoena dated April 13, 2006

DocId	Docdate	Author	Recip	Cc	Summary
110	06/19/2002	Hennington, Keeley	Stroud, Alan L.	Owens, Rodney J.	Email re: Security Capital Loan
111	06/19/2002	Hennington, Keeley	Owens, Rodney J. Stroud, Alan L.		Email re: Security Capital Loan
112	06/19/2002	Stroud, Alan L.	Hennington, Keeley	Owens, Rodney J.	Email re: Qualified Obligation Note
113	06/19/2002	Stroud, Alan L.	Hennington, Keeley	Owens, Rodney J.	Email re: Qualified Obligation Note
114	06/20/2002	Stroud, Alan L.	Hennington, Keeley	Owens, Rodney J.	Email re: Wrangler Loan
115	06/20/2002	Stroud, Alan L.	Hennington, Keeley	Owens, Rodney J.	Email re: Wrangler Trust Note and Pledge Agreement
116	06/24/2002	Hennington, Keeley	Owens, Rodney J.	Stroud, Alan L.	Email re: Trustees
117	06/28/2002	Stroud, Alan L.	Hennington, Keeley	Owens, Rodney J.	Email re: Wrangler Loan
118	07/01/2002	Stroud, Alan L.	Hennington, Keeley	Owens, Rodney J.	Email re: Two Mile Ranch documents
119	07/01/2002	Stroud, Alan	Hennington, Keeley	Owens, Rodney J.	Email re: Little Woody Documents
120	08/09/2002	Hennington, Keeley	Stroud, Alan L.	Owens, Rodney J.	Email re: Documents
121	08/29/2002	Boehne, Cheryl	Hennington, Keeley	Owens, Rodney J.	Email re: Revised Articles of Association of Heritage Protector, Ltd.
122	09/25/2002	Owens, Rodney J.	Stroud, Alan L.		Email re: Loan

 = Redacted by the Permanent Subcommittee on Investigations


Meadows Owens Confidential Privilege Log (not Complete) Provided Pursuant to Senate PSI Subpoena dated April 13, 2006

DocId	Docdate	Author	Recip	Cc	Summary
123		Owens, Rodney J.	Stroud, Alan L.	Hennington, Keeley Boehme, Cheryl	Email re: Loan
124		Owens, Rodney J.	Stroud, Alan L.	Hennington, Keeley Boehme, Cheryl	Email re: Loan (Handwritten Notes)
125		Stroud, Alan L.	Hennington, Keeley	Owens, Rodney J.	Email re: Sam's Will and Charles' Notes
126		Stroud, Alan L.	Keeley Hennington (E-mail)	Owens, Rodney J.	Sam Wyly's Will
127		Hennington, Keeley	Pulman, Charles D.	Owens, Rodney J.	Email re: First Dallas
128		Hennington, Keeley	Pulman, Charles D.	Owens, Rodney J.	Email re: Entity Planning
129		Hennington, Keeley	Owens, Rodney J.	Boucher, Michelle	Email re: Loan
130		Hennington, Keeley	Pulman, Charles D.	Owens, Rodney J. Boucher, Michelle	Email re: First Dallas
131		Hennington, Keeley	Pulman, Charles D.	Owens, Rodney J. Boucher, Michelle	Email re: Entity Planning
132		Stroud, Alan L.	Hennington, Keeley	Owens, Rodney J.	Email re: Note Drafted as Qualified Obligation
133		Stroud, Alan L.	Hennington, Keeley	Owens, Rodney J.	Email re: Qualified Obligation Note
134		Stroud, Alan L.	Hennington, Keeley	Owens, Rodney J.	Email re: Qualified Obligation Note

— = Redacted by the Permanent Subcommittee on Investigations

Meadows Owens Confidential Privilege Log (not Complete) Provided Pursuant to Senate PSI Subpoena dated April 13, 2006

DocId	Docdate	Author	Recip	Cc	Summary
135		Owens, Rodney J.	Hennington, Keeley	Owens, Rodney J. Stroud, Alan L.	Email re: Loan
136		Hennington, Keeley	Stroud, Alan L.	Owens, Rodney J.	Email re: Loan
137		Stroud, Alan L.	Hennington, Keeley	Owens, Rodney J.	Email re: Security Capital
138		Owens, Rodney J.	Stroud, Alan L.		Email re: Loan
139		Hennington, Keeley	Owens, Rodney J.	Stroud, Alan L.	Email re: Loan
140		Stroud, Alan L - Attorney - MO.	Hennington, Keeley	Owens, Rodney J.	Email re: Promissory Notes, Goresmoor

 = Redacted by the Permanent
Subcommittee on Investigations

Stocks for the remaining duration of SPV's holding period with respect to the Stocks.

After consultation with its investment advisor, Quadra, Investor may cause SPV to dispose of some or all of the shares of the Stocks.¹¹ Such dispositions could be effected through sales on the open market and/or pursuant to exercise of the put or call options comprising the Collar (a "Stock Disposition").¹²

It is anticipated that there will not be in place an election under Sections 743 and 754 of the Code with respect to SPV at the time of the Purchase. The Purchase will result in a constructive termination of SPV pursuant to Section 708 of the Code.

As a result of the Purchase, Investor anticipates earning an annualized pre-tax return on its net purchase price for the SPV membership interests, taking into account interest expense on the Loan and transaction expenses (including any expenses associated with the Collar, the Loan or the Purchase), that is substantial (attributable to the earnings on the Collateral and the upside potential with respect to the Stocks) in relation to the potential U.S. Federal income tax benefits attributable to the built-in loss in the Stocks held by SPV. While Investor is aware of such potential U.S. Federal income tax benefits, one of Investor's purposes in acquiring the SPV membership interests is to earn this attractive pre-tax return.

Discussion

Economic Substance Doctrine. In connection with the Proposed Transaction, you have asked our opinion as to whether common law economic substance and business purpose

¹¹ In the event that Investor causes SPV to dispose of most of the shares of the Stocks, SPV will likely exercise the Call in order to repurchase the Covered Warrants. Alternatively, if the Distribution Agent has not yet placed the Covered Warrants with third party investors, the Distribution Agent could exercise the Put.

¹² In such case, SPV may distribute all or part of the proceeds of any Stock Disposition (after satisfaction of SPV's obligations in respect of administrative fees and unwind costs with respect to the Collar and/or the Covered Warrants) to its members. Investor would generally be required first to apply any such distribution to reduce the outstanding amount of the Loan.

5872

**Permanent Subcommittee on Investigations
EXHIBIT #67a**

**Additional Documents
Regarding
POINT**

Permanent Subcommittee on Investigations EXHIBIT #67a
--



Mary Agnes Pan
Senior Vice President

July 19, 2002

Mr. Chuck Wilk
Quellos Custom Strategies, LLC
601 Union Street – 56th Floor
Seattle, WA 98101

Dear Chuck:

This letter serves to outline the transactions that took place in connection with the purchase of shares by Barnville Limited ("Barnville") and Jackstones Limited ("Jackstones") and the subsequent transfer of those shares to Titanium Trading Partners LLC ("Titanium") in September 2001.

For value September 24, 2001 HSBC Bank USA (the "Bank") erroneously settled securities for Titanium (custody a/c #8846) totaling \$768,958,740.54. Attached is a copy of the Titanium custody account statement for September 2001 (Attachment 1) capturing the security settlements. The Bank, prior to 9/24/01, has received instructions from Barnville and Jackstones to purchase shares on each respective basis and deliver such shares to Titanium in satisfaction of each of Barnville and Jackstone's contractual obligations to Titanium.

The Bank should have settled the securities in the following manner:

On September 24th, \$101,804,163 should have been transferred from the checking account maintained by Barnville (a/c 134713613) to the HSBC Holding Account I ("Holding Account") checking account (a/c 134714156). Also on September 24th, \$667,064,361 should have been transferred from the checking account maintained by Jackstones (a/c 134713605) to the Holding Account checking account (a/c 134714156). The total amount deposited in the Holding Account of \$768,868,524 was to accrue interest during the settlement period of September 24th through September 27th. The total amount of interest that accrued over the three-day period was \$192,233. The settlement cost of the shares purchased by Barnville and Jackstones respectively on September 27th, including commissions, was collectively \$768,958,740.54. Therefore, on September 27th, \$88,689,412 should have been transferred to the Barnville custody account to pay for the settlement cost of their shares. Also on September 27th, \$680,269,328 should have been transferred back to Jackstones custody account to pay for the settlement cost of their shares. Unfortunately, when the transaction was completed, the Bank transferred the funds from the Holding Account directly into the Titanium custody account instead of the respective custody accounts. Upon settlement of the shares in their respective custody accounts, Barnville and Jackstones subsequently should have transferred the shares to the custody account of Titanium (a/c #8846).

HSBC Bank USA
Domestic Private Banking and Investments
452 Fifth Avenue, 26th Floor, New York, NY 10018
Tel: (212) 525-5370 Fax: (212) 525-0296
E-Mail: mary.pan@us.hsbc.com

PSI-QUEL 29690

For the Holding Account the Bank processed the following transactions on 6/27/02 in order to reflect that funds were transferred from the Holding Account to the custody accounts of Barnville and Jackstones:

- Debited Titanium custody account (a/c #8846) and credited the Holding Account (a/c #134714156) \$768,958,740.54 referencing: "to reverse entry of 9/27/01 processed incorrectly".
- Debited the Holding Account (a/c #134714156) \$88,689,412.05 and credited Barnville's custody account (a/c #8855) referencing: "to correct entry of 9/27/01".
- Debited Holding Account (a/c #134714156) \$680,269,328.40 and credited Jackstones custody account (a/c #8654) referencing: "to correct entry of 9/27/01".

In order to reflect the settlements correctly in Barnville custody account, Jackstones custody account, and the Holding Account, the Bank did the following:

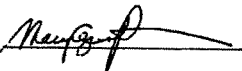
- For the Barnville custody account (a/c #8855), on 11/26/01 with a trade date of 9/24/01 the Bank reflected settlement of securities totaling \$88,689,412.05, and transfer of these securities to the Titanium custody account (a/c #8846).
- On 6/27/02 we debited Barnville's custody account (a/c #8855) \$88,689,412.05 and credited the Holding Account (a/c #134714156) referencing: "for purchase of shares that should have been debited to Barnville's custody account on 9/27/01".
- For the Jackstones custody account (a/c #8654), on 11/26/01 with a trade date of 9/24/01 the Bank reflected settlement of securities totaling \$680,269,328.40, and the transfer of these securities to Titanium custody account (a/c #8846).
- On 6/27/02 we debited Jackstones custody account (a/c #8654) \$680,269,328.40 and credited the Holding Account (a/c #134714156) referencing: "for purchase of shares that should have been debited to Jackstones Custody A/C on 9/27/01".

Attached are transaction journals for Barnville, Jackstones and Titanium custody accounts (Attachment 2 and 3) reflecting these transactions.

If you need any further information regarding these transactions, please don't hesitate to contact me.

Sincerely,

HSBC Bank USA

Authorized Signer: 

PSI-QUEL 29691

ATTACHMENT 1

TITANIUM TRADING PARTNERS LLC A/C 8846						
PORTFOLIO SUMMARY						
Asset Summary *						
	Market Value	% of Portfolio	Cost	Estimated Annual Income	Yield to Market	
Equities	\$756,797,897.98	100.00%	\$768,958,740.55	\$1,195,789.05	0.16%	
Total	\$756,797,897.98	100.00%	\$768,958,740.55	\$1,195,789.05	0.16%	
Cash Summary						
	This Period		Year to Date			
Purchases	(\$98,118,254.38)		(\$98,118,254.38)			
Additions	\$768,958,740.54		\$768,958,740.54			
Withdrawals	(\$670,840,486.16)		(\$670,840,486.16)			
Total	\$0.00		\$0.00		\$0.00	

* All values reported in U.S. dollars

Account: 8846 Month End September 30, 2001

EQUITIES

Summary		Market Value	% of Portfolio	Estimated Annual Income
ADRS		14,085,000.00	1.86%	\$189,900.00
COMMON STOCK		42,712,897.98	98.14%	\$1,005,889.05
Total		756,797,897.98	100.00%	\$1,195,789.05

Holdings*

Description (sorted by type/alphabetical)	Shares	Cost	Market Price/Unit	Market Value	Estimated Annual Yield to Income	Market
ADRS						
NOKIA CORP SPONSORED ADR CUSIP #054902204	900,000.00	\$15,182,864.00	\$15.650	\$14,085,000.00	\$189,900.00	1.35%
COMMON STOCK						
ADOBE SYS INC CUSIP #00724F101	1,728,000.00	\$43,728,119.40	\$23.980	\$41,437,440.00	\$86,400.00	0.21%
AOL TIME WARNER INC CUSIP #00164A105	2,649,485.00	\$86,307,834.68	\$33.100	\$87,697,953.50	\$0.00	0.00%
APPLIED MATLS INC CUSIP #038222105	700,000.00	\$20,726,669.00	\$28.440	\$19,908,000.00	\$0.00	0.00%
AUTOMATIC DATA PROCESSING INC CUSIP #053015103	1,733,000.00	\$80,650,745.20	\$47.040	\$81,520,320.00	\$710,530.00	0.87%
BIOMER INC CUSIP #090971105	953,516.00	\$50,891,032.93	\$55.580	\$52,996,419.28	\$0.00	0.00%
CISCO SYS INC CUSIP #17275R102	2,000,000.00	\$25,108,850.00	\$12.180	\$24,360,000.00	\$0.00	0.00%
CLEAR CHANNEL COMMUNICATIONS INC CUSIP #194502102	973,596.00	\$37,755,978.86	\$39.750	\$38,700,441.00	\$0.00	0.00%
DELL COMPUTER CORP CUSIP #247025109	2,238,000.00	\$41,846,772.80	\$18.530	\$41,470,140.00	\$0.00	0.00%
EBAY INC CUSIP #278642103	3,181,462.00	148,509,452.02	\$45.750	\$145,551,886.50	\$0.00	0.00%

* All values reported in U.S. dollars

Account: 8846	Month End September 30, 2001					
Holdings*						
Description <small>(sorted by type/alphabetical)</small>	Shares	Cost	Market Price/Unit	Market Value	Estimated Annual Yield to Income Market	
COMMON STOCK						
INTEL CORP CUSIP #486140100	1,150,000.00	\$24,710,998.00	\$20.440	\$23,506,000.00	\$92,000.00	0.39%
MICROSOFT CORP CUSIP #259418104	745,500.00	\$38,869,564.05	\$51.170	\$38,147,235.00	\$0.00	0.00%
ORACLE CORP CUSIP #86369X105	900,000.00	\$11,090,634.00	\$12.580	\$11,322,000.00	\$0.00	0.00%
QUALCOMM INC CUSIP #747525103	575,000.00	\$27,143,463.26	\$47.540	\$27,335,500.00	\$0.00	0.00%
QWEST COMMUNICATIONS INTL INC CUSIP #749121109	2,339,181.00	\$46,700,168.35	\$16.700	\$39,064,322.70	\$116,959.05	0.30%
SPRINT CORP PCS GROUP CUSIP #852061596	1,756,000.00	\$44,375,569.00	\$25.290	\$46,165,240.00	\$0.00	0.00%
XILINX INC CUSIP #983919101	1,000,000.00	\$25,760,225.00	\$23.530	\$23,530,000.00	\$0.00	0.00%
Total Equities	768,958,740.55			\$756,797,897.98	\$1,195,789.05	0.16%

* All values reported in U.S.
dollars

Account: 8846
TRANSACTIONS

September 1 - September 30, 2001

Date	Type	Units/Shares	Description	Opening Balance*	Income Cash	Principal Cash
09/26/01	Received	1,507,700.00	RECEIVED 1,507,700 SHARES OF ADOBE SYS INC MARKET VALUE OF \$37,782,882.00 WAS CALCULATED BY SYSTEM		\$0.00	\$0.00
09/26/01	Received	1,512,000.00	RECEIVED 1,512,000 SHARES OF AUTOMATIC DATA PROCESSING INC MARKET VALUE OF \$87,264,000.00 WAS CALCULATED BY SYSTEM			
09/26/01	Received	610,700.00	RECEIVED 610,700 SHARES OF APPLIED MATLS INC MARKET VALUE OF \$18,656,895.00 WAS CALCULATED BY SYSTEM			
09/26/01	Received	2,311,685.00	RECEIVED 2,311,685 SHARES OF ARIUM VENTURES INC MARKET VALUE OF \$75,823,288.00 WAS CALCULATED BY SYSTEM			
09/26/01	Received	831,916.00	RECEIVED 831,916 SHARES OF BIOGEN INC MARKET VALUE OF \$44,981,688.12 WAS CALCULATED BY SYSTEM			
09/26/01	Received	849,496.00	RECEIVED 849,496 SHARES OF CLEVERLY COMMUNICATIONS INC MARKET VALUE OF \$33,476,577.36 WAS CALCULATED BY SYSTEM			
09/26/01	Received	1,745,000.00	RECEIVED 1,745,000 SHARES OF CISCO SYS INC MARKET VALUE OF \$21,887,000.00 WAS CALCULATED BY SYSTEM			
09/26/01	Received	1,952,700.00	RECEIVED 1,952,700 SHARES OF DELL COMPUTER CORP MARKET VALUE OF \$43,732,000.00 WAS CALCULATED BY SYSTEM			
09/26/01	Received	2,775,862.00	RECEIVED 2,775,862 SHARES OF EBAY INC MARKET VALUE OF \$130,160,166.18 WAS CALCULATED BY SYSTEM			

* All values reported in U.S. dollars

Account: 8846		September 1 - September 30, 2001	
Date	Type	Units/Shares Description	Income Cash Principal Cash
09/26/01	Received	1,003,400.00 RECEIVED 1,003,400 SHARES OF INTEL CORP MARKET VALUE OF \$21,753,712.00 WAS CALCULATED BY SYSTEM	
09/26/01	Received	785,200.00 RECEIVED 785,200 SHARES OF NOKIA CORP SPONSORED ADR MARKET VALUE OF \$40,533,882.66 WAS CALCULATED BY SYSTEM	
09/26/01	Received	872,500.00 RECEIVED 872,500 SHARES OF XLINK INC MARKET VALUE OF \$21,716,525.00 WAS CALCULATED BY SYSTEM	
09/26/01	Received	501,725.00 RECEIVED 501,725 SHARES OF QUALCOMM INC MARKET VALUE OF \$24,494,214.50 WAS CALCULATED BY SYSTEM	
09/26/01	Received	2,040,981.00 RECEIVED 2,040,981 SHARES OF QWEST COMMUNICATIONS INTL INC MARKET VALUE OF \$40,533,882.66 WAS CALCULATED BY SYSTEM	
09/26/01	Received	1,532,100.00 RECEIVED 1,532,100 SHARES OF SPRINT CORP PCS SER 1 MARKET VALUE OF \$34,800.00 WAS CALCULATED BY SYSTEM	
09/26/01	Received	785,200.00 RECEIVED 785,200 SHARES OF ORACLE CORP MARKET VALUE OF \$9,616,700.00 WAS CALCULATED BY SYSTEM	
09/26/01	Received	650,600.00 RECEIVED 650,600 SHARES OF MICROSOFT CORP MARKET VALUE OF \$33,275,784.00 WAS CALCULATED BY SYSTEM	
09/27/01	Purchased	223,900.00 PURCHASED 223,900 SHARES OF SPRINT CORP PCS SER 1 223,900 SHARES AT \$25.267	(\$5,663,998.30)
09/27/01	Purchased	405,600.00 PURCHASED 405,600 SHARES OF EBAY INC 405,600 SHARES AT \$46.6758	(\$18,943,872.48)
09/27/01	Purchased	121,600.00 PURCHASED 121,600 SHARES OF TOSHIBA INC 121,600 SHARES AT \$53.1584	(\$6,467,709.44)
09/27/01	Purchased	114,800.00 PURCHASED 114,800 SHARES OF NOKIA CORP SPONSORED ADR 114,800 SHARES AT \$16.8659	(\$1,939,637.84)

* All values reported in U.S. dollars

Account: 8846			September 1 - September 30, 2001	
Date	Type	Units/Shares Description	Income Cash	Principal Cash
09/27/01	Purchased	127,500.00 PURCHASED 127,500 SHARES OF XLINX INC 127,500 SHARES AT \$25.7664		(\$3,287,766.00)
09/27/01	Purchased	221,000.00 PURCHASED 221,000 SHARES OF AUTOMATIC DATA PROCESSING INC 221,000 SHARES AT \$46.5344		(\$10,280,732.40)
09/27/01	Purchased	337,800.00 PURCHASED 337,800 SHARES OF AT&T INTEL INTC 337,800 SHARES AT \$32.5715		(\$11,012,786.70)
09/27/01	Purchased	124,100.00 PURCHASED 124,100 SHARES OF CLEAR CHANNEL COMMUNICATIONS INC 124,100 SHARES AT \$38.7761		(\$4,815,837.01)
09/27/01	Purchased	114,800.00 PURCHASED 114,800 SHARES OF ORACLE CORP 114,800 SHARES AT \$12.3191		(\$1,417,676.68)
09/27/01	Purchased	146,600.00 PURCHASED 146,600 SHARES OF INTEL CORP 146,600 SHARES AT \$21.484		(\$3,153,952.40)
09/27/01	Purchased	220,300.00 PURCHASED 220,300 SHARES OF ADG INC 220,300 SHARES AT \$25.3018		(\$5,560,595.54)
09/27/01	Purchased	73,275.00 PURCHASED 73,275 SHARES OF QUALCOMM INC 73,275 SHARES AT \$47.2022		(\$3,460,939.46)
09/27/01	Purchased	89,300.00 PURCHASED 89,300 SHARES OF APPLIED MATLS INC 89,300 SHARES AT \$29.6057		(\$2,646,468.01)
09/27/01	Purchased	94,900.00 PURCHASED 94,900 SHARES OF MICROSOFT CORP 94,900 SHARES AT \$52.1351		(\$4,950,467.99)
09/27/01	Purchased	298,200.00 PURCHASED 298,200 SHARES OF QUEST COMMS INC 298,200 SHARES AT \$19.8605		(\$5,961,167.10)
09/27/01	Purchased	255,000.00 PURCHASED 255,000 SHARES OF CISCO SYS INC 255,000 SHARES AT \$12.5508		(\$3,208,053.00)
09/27/01	Purchased	285,300.00 PURCHASED 285,300 SHARES OF DELL COMPUTER CORP 285,300 SHARES AT \$18.6051		(\$5,316,594.03)
09/27/01	Cash Disburse	CASH DISBURSEMENT PAID TO HSBC RNYCEDHOG FBI FUSURES BANK OF AMERICA A/C 12339 32118 FFC 118-12940-24		(\$76,840,486.16)

* All values reported in U.S. dollars

Account: 8846		September 1 - September 30, 2001	
Date	Type	Units/Shares Description	Income Cash Principal Cash
09/27/01	Cash Disburse	CASH DISBURSEMENT PAID TO HSBC RNYCEQHDG FED FUNDS WIRE BANK OF AMERICA A/C 12339 32118 FFC 118-12940-24	(\$99,000,000.00)
09/27/01	Cash Receipt	CASH RECEIPT TRANSFER FROM CHECKING TRANSFER FROM A/C 134714156	\$98,118,254.38
09/27/01	Cash Receipt	CASH RECEIPT TRANSFER FROM CHECKING TRANSFER FROM A/C 134714156	\$98,000,000.00
09/27/01	Cash Receipt	CASH RECEIPT TRANSFER FROM CHECKING TRANSFER FROM A/C 134714156	\$97,000,000.00
09/27/01	Cash Receipt	CASH RECEIPT TRANSFER FROM CHECKING TRANSFER FROM A/C 134714156	\$96,000,000.00
09/27/01	Cash Receipt	CASH RECEIPT TRANSFER FROM CHECKING TRANSFER FROM A/C 134714156	\$95,000,000.00
09/27/01	Cash Receipt	CASH RECEIPT TRANSFER FROM CHECKING TRANSFER FROM A/C 134714156	\$94,000,000.00
09/27/01	Cash Receipt	CASH RECEIPT TRANSFER FROM CHECKING TRANSFER FROM A/C 134714156	\$91,840,486.16
09/27/01	Cash Receipt	CASH RECEIPT TRANSFER FROM CHECKING TRANSFER FROM A/C 134714156	\$99,000,000.00
09/28/01	Cash Disburse	CASH DISBURSEMENT PAID TO HSBC RNYCEQHDG FED FUNDS WIRE BANK OF AMERICA A/C 12339 32118 FFC 118-12940-24	(\$99,000,000.00)
09/28/01	Cash Disburse	CASH DISBURSEMENT PAID TO HSBC RNYCEQHDG FED FUNDS WIRE BANK OF AMERICA A/C 12339 32118 FFC 118-12940-24	(\$99,000,000.00)
09/28/01	Cash Disburse	CASH DISBURSEMENT PAID TO HSBC RNYCEQHDG FED FUNDS WIRE BANK OF AMERICA A/C 12339 32118 FFC 118-12940-24	(\$99,000,000.00)

* All values reported in U.S.
dollars

Account: 8846			September 1 - September 30, 2001	
Date	Type	Units/Shares	Description	Principal Cash
09/28/01	Cash Disburse		CASH DISBURSEMENT PAID TO HSBC RNYCEHDG FED. FUNDS WIRE BANK OF AMERICA A/C 12339 32118 F/F/C 118-12940-24	(\$99,000,000.00)
			Closing Balance	\$0.00
				\$0.00

* All values reported in U.S.
dollars

ATTACHMENT 2

DATE	DESCRIPTION	PRIN.	CASH	INCOME	DATE
11/26	TRANSACTIONS FROM 11/26/01 TO 11/26/01 - ALL PORTFOLIO 07/19/02 15.13				11/26
11/26	BALANCES CARRIED FORWARD	21,900,797.00	0.00		11/26
11/26	PURCHASED 1,745,000 SHARES OF				11/26
11/26	INTEL CORP				11/26
11/26	TRADE DATE 9/24/01				11/26
11/26	PURCHASED THROUGH DIRECT				11/26
11/26	PURCHASED ON THE OVER THE COUNTER				11/26
11/26	TO REFLECT PURCHASE OF 9/27/01 INTO ACCOUNT				11/26
11/26	INTEL CORP				11/26
11/26	PURCHASED 1,003,400 SHARES OF				11/26
11/26	INTEL CORP				11/26
11/26	TRADE DATE 9/24/01				11/26
11/26	PURCHASED THROUGH DIRECT				11/26
11/26	PURCHASED ON THE OVER THE COUNTER				11/26
11/26	TO REFLECT PURCHASE OF 9/27/01 INTO ACCOUNT				11/26
11/26	INTEL CORP				11/26
11/26	PURCHASED 146,600 SHARES OF				11/26
11/26	INTEL CORP				11/26
11/26	TRADE DATE 9/24/01				11/26
11/26	PURCHASED THROUGH DIRECT				11/26
11/26	PURCHASED ON THE OVER THE COUNTER				11/26
11/26	TO REFLECT PURCHASE OF 9/27/01 INTO ACCOUNT				11/26
11/26	INTEL CORP				11/26
11/26	PURCHASED 255,000 SHARES OF				11/26
11/26	INTEL CORP				11/26
11/26	TRADE DATE 9/24/01				11/26
11/26	PURCHASED THROUGH DIRECT				11/26
11/26	PURCHASED ON THE OVER THE COUNTER				11/26
11/26	TO REFLECT PURCHASE OF 9/27/01 INTO ACCOUNT				11/26
11/26	INTEL CORP				11/26
11/26	PURCHASED 650,600 SHARES OF				11/26
11/26	INTEL CORP				11/26
11/26	TRADE DATE 9/24/01				11/26
11/26	PURCHASED THROUGH DIRECT				11/26
11/26	PURCHASED ON THE OVER THE COUNTER				11/26
11/26	TO REFLECT PURCHASE OF 9/27/01 INTO ACCOUNT				11/26
11/26	INTEL CORP				11/26
11/26	PURCHASED 94,200 SHARES OF				11/26
11/26	INTEL CORP				11/26
11/26	TRADE DATE 9/24/01				11/26
11/26	PURCHASED THROUGH DIRECT				11/26
11/26	PURCHASED ON THE OVER THE COUNTER				11/26
11/26	TO REFLECT PURCHASE OF 9/27/01 INTO ACCOUNT				11/26
11/26	INTEL CORP				11/26
11/26	SOLD 1,745,000 SHARES OF				11/26
11/26	INTEL CORP				11/26
11/26	TRADE DATE 9/24/01				11/26
11/26	SOLD THROUGH DIRECT				11/26
11/26	SOLD ON THE OVER THE COUNTER				11/26
11/26	DELIVER TO A/C 8886 8/0 11/26/01				11/26

MSBC BANK USA TRANSACTIONS FROM 11/26/01 TO 11/26/01 - ALL PORTFOLIOS ADMIN PG 2
8855 "BARNVILLE LTD. PRIN. CASH INCOME CASH 11/26/01 15.13

11/26 SOLD 1,003,400 SHARES OF
INTEL CORP. 21,557,045.60

TRADE DATE 9/24/01
SOLD THROUGH DIRECT
SOLD ON THE OVER THE COUNTER
1,003,400 SHARES AT 21.484 USD
DELIVER TO A/C #8846 N/O TITANIUM TP AS OF 9/27/01

11/26 SOLD 146,600 SHARES OF
INTEL CORP. 3,153,952.40

TRADE DATE 9/24/01
SOLD THROUGH DIRECT
SOLD ON THE OVER THE COUNTER
146,600 SHARES AT 21.547 USD
DELIVER TO A/C #8846 N/O TITANIUM TP AS OF 9/27/01

11/26 SOLD 255,000 SHARES OF
INTEL CORP. 3,208,053.00

TRADE DATE 9/24/01
SOLD THROUGH DIRECT
SOLD ON THE OVER THE COUNTER
255,000 SHARES AT 12.5806 USD
DELIVER TO A/C #8846 N/O TITANIUM TP AS OF 9/27/01

11/26 SOLD 650,600 SHARES OF
MICROSOFT CORP. 33,919,096.06

TRADE DATE 9/24/01
SOLD THROUGH DIRECT
SOLD ON THE OVER THE COUNTER
650,600 SHARES AT 52.1351 USD
DELIVER TO A/C #8846 N/O TITANIUM TP AS OF 9/27

11/26 SOLD 94,500 SHARES OF
INTEL CORP. 4,950,467.99

TRADE DATE 9/24/01
SOLD THROUGH DIRECT
SOLD ON THE OVER THE COUNTER
94,500 SHARES AT 52.3911 USD
DELIVER TO A/C #8846 N/O TITANIUM TP AS OF 9/27

11/26 ENDING BALANCE - PRINCIPAL PORTFOLIO 0.00

11/26 ENDING BALANCE - INCOME PORTFOLIO 0.00

11/26 ENDING BALANCE - INVESTED INCOME PORTFOLIO 0.00

BALANCE CHECKING COULD NOT BE PERFORMED BASED ON SELECTION CRITERIA SPECIFIED

5885

PSI-QUEL 29702

HSBC BANK USA TRANSACTIONS FROM 11/26/01 TO 11/26/01 ADMIN PG 1
 8654 *JACKSTONES LIMITED PRIN. CASH INCOME CASH

11/25	BALANCES CARRIED FORWARD	0.00	0.00
11/26	PURCHASED 1,507,700 SHARES OF ADBE SYS INC TRADE DATE 9/24/01 PURCHASED THROUGH DIRECT PURCHASED ON THE OVER THE COUNTER MARKET 1,507,700 SHARES AT 23.11 USD TO REFLECT PURCHASE OF 9/27/01 INTO ACCOUNT	38,147,523.86-	
11/26	PURCHASED 1,512,000 SHARES OF AMGEN INC TRADE DATE 9/24/01 PURCHASED THROUGH DIRECT PURCHASED ON THE OVER THE COUNTER MARKET 1,512,000 SHARES AT 46.5344 USD TO REFLECT PURCHASE OF 9/27/01 INTO ACCOUNT	70,360,012.80-	
11/26	PURCHASED 610,700 SHARES OF APPLIED MATLS INC TRADE DATE 9/24/01 PURCHASED THROUGH DIRECT PURCHASED ON THE OVER THE COUNTER MARKET 610,700 SHARES AT 29.6957 USD TO REFLECT PURCHASE OF 9/27/01 INTO ACCOUNT	18,080,200.99-	
11/26	PURCHASED 2,311,685 SHARES OF AMGEN INC TRADE DATE 9/24/01 PURCHASED THROUGH DIRECT PURCHASED ON THE OVER THE COUNTER MARKET 2,311,685 SHARES AT 32.531 USD TO REFLECT PURCHASE OF 9/27/01 INTO ACCOUNT	75,285,047.98-	
11/26	PURCHASED 831,916 SHARES OF BIOGEN INC TRADE DATE 9/24/01 PURCHASED THROUGH DIRECT PURCHASED ON THE OVER THE COUNTER MARKET 831,916 SHARES AT 53.1584 USD TO REFLECT PURCHASE OF 9/27/01 INTO ACCOUNT	44,223,323.49-	
11/26	PURCHASED 849,496 SHARES OF CARR COMMUNICATIONS INC TRADE DATE 9/24/01 PURCHASED THROUGH DIRECT PURCHASED ON THE OVER THE COUNTER MARKET 849,496 SHARES AT 38.6666 USD TO REFLECT PURCHASE OF 9/27/01 INTO ACCOUNT	32,940,141.65-	
11/26	PURCHASED 1,952,700 SHARES OF DELL COMPUTER CORP TRADE DATE 9/24/01 PURCHASED THROUGH DIRECT PURCHASED ON THE OVER THE COUNTER MARKET 1,952,700 SHARES AT 18.6051 USD TO REFLECT PURCHASE OF 9/27/01 INTO ACCOUNT	36,330,178.77-	

HSBC BANK USA TRANSACTIONS FROM 11/26/01 TO 11/26/01 - ALL PORTFOLIO 07/19/02 15:33 ADMIN PG 2
8654 *JACKSTONES LIMITED PRIN. CASH INCOME CASH

11/26 PURCHASED 2,775,862 SHARES OF EBAY INC
TRADE DATE 9/24/01
PURCHASED THROUGH DIRECT
PURCHASED ON THE OVER THE COUNTER
2,775,862 SHARES AT 46,6758 USD
TO REFLECT PURCHASE OF 9/27/01 INTO ACCOUNT 139,565,579.54-

11/26 PURCHASED 785,200 SHARES OF NOKIA CORP SPONSORED ADR
TRADE DATE 9/24/01
PURCHASED THROUGH DIRECT
PURCHASED ON THE OVER THE COUNTER
785,200 SHARES AT 16.95 USD
TO REFLECT PURCHASE OF 9/27/01 INTO ACCOUNT 13,243,026.16-

11/26 PURCHASED 601,725 SHARES OF VERICOM INC
TRADE DATE 9/24/01
PURCHASED THROUGH DIRECT
PURCHASED ON THE OVER THE COUNTER
601,725 SHARES AT 47.2022 USD
TO REFLECT PURCHASE OF 9/27/01 INTO ACCOUNT 23,682,523.80-

11/26 PURCHASED 2,040,981 SHARES OF QWEST COMMUNICATIONS INTL INC
TRADE DATE 9/24/01
PURCHASED THROUGH DIRECT
PURCHASED ON THE OVER THE COUNTER
2,040,981 SHARES AT 19.9058 USD
TO REFLECT PURCHASE OF 9/27/01 INTO ACCOUNT 40,739,001.25-

11/26 PURCHASED 3,522,360 SHARES OF JELCO CORP
TRADE DATE 9/24/01
PURCHASED THROUGH DIRECT
PURCHASED ON THE OVER THE COUNTER
3,522,360 SHARES AT 25.267 USD
TO REFLECT PURCHASE OF 9/27/01 INTO ACCOUNT 38,711,570.70-

11/26 PURCHASED 785,200 SHARES OF ORACLE CORP
TRADE DATE 9/24/01
PURCHASED THROUGH DIRECT
PURCHASED ON THE OVER THE COUNTER
785,200 SHARES AT 12.3191 USD
TO REFLECT PURCHASE OF 9/27/01 INTO ACCOUNT 9,672,957.32-

11/26 PURCHASED 223,900 SHARES OF SPATCO CORP GROUP
TRADE DATE 9/24/01
PURCHASED THROUGH DIRECT
PURCHASED ON THE OVER THE COUNTER
223,900 SHARES AT 25.297 USD
TO REFLECT PURCHASE OF 9/27/01 INTO ACCOUNT 5,663,998.30-

11/26 PURCHASED 405,600 SHARES OF EBAY INC
TRADE DATE 9/24/01
PURCHASED THROUGH DIRECT
PURCHASED ON THE OVER THE COUNTER
405,600 SHARES AT 38.312 USD
TO REFLECT PURCHASE OF 9/27/01 INTO ACCOUNT 16,943,872.48-

8654	HSBC BANK USA ALLIANCE BANK "JACKSTONES LIMITED"	FROM 11/26/01 TO 11/26/01 - ALL PORTFOLIO 07/18/02 15:33	ADMIN	PG	3
		PRIN. CASH	INCOME CASH		
11/26	TRADE DATE 9/24/01 PURCHASED THROUGH DIRECT PURCHASED ON THE OVER THE COUNTER MARKET AT 16.7458 USD TO REFLECT PURCHASE OF 9/27/01 INTO ACCOUNT		6,467,709.44-		
11/26	PURCHASED 121,600 SHARES OF "JACKSTONES LIMITED"				
11/26	TRADE DATE 9/24/01 PURCHASED THROUGH DIRECT PURCHASED ON THE OVER THE COUNTER MARKET AT 16.7458 USD TO REFLECT PURCHASE OF 9/27/01 INTO ACCOUNT		1,939,637.84-		
11/26	PURCHASED 114,800 SHARES OF NOKIA CORP SPONSORED ADR "NOKIA CORP SPONSORED ADR" PURCHASED THROUGH DIRECT PURCHASED ON THE OVER THE COUNTER MARKET AT 16.8958 USD TO REFLECT PURCHASE OF 9/27/01 INTO ACCOUNT		3,287,765.00-		
11/26	PURCHASED 127,500 SHARES OF "JACKSTONES LIMITED"				
11/26	TRADE DATE 9/24/01 PURCHASED THROUGH DIRECT PURCHASED ON THE OVER THE COUNTER MARKET AT 16.7458 USD TO REFLECT PURCHASE OF 9/27/01 INTO ACCOUNT		10,290,732.40-		
11/26	PURCHASED 221,000 SHARES OF AUTOMATIC DATA PROCESSING INC "AUTOMATIC DATA PROCESSING INC" PURCHASED THROUGH DIRECT PURCHASED ON THE OVER THE COUNTER MARKET AT 46.5644 USD TO REFLECT PURCHASE OF 9/27/01 INTO ACCOUNT		11,012,786.70-		
11/26	PURCHASED 337,800 SHARES OF "JACKSTONES LIMITED"				
11/26	TRADE DATE 9/24/01 PURCHASED THROUGH DIRECT PURCHASED ON THE OVER THE COUNTER MARKET AT 16.7458 USD TO REFLECT PURCHASE OF 9/27/01 INTO ACCOUNT		4,815,837.01-		
11/26	PURCHASED 124,100 SHARES OF CLARK CHANNEL COMMUNICATIONS INC "CLARK CHANNEL COMMUNICATIONS INC" PURCHASED THROUGH DIRECT PURCHASED ON THE OVER THE COUNTER MARKET AT 38.8061 USD TO REFLECT PURCHASE OF 9/27/01 INTO ACCOUNT		1,417,676.68-		
11/26	PURCHASED 114,800 SHARES OF ORACLE CORP "ORACLE CORP" PURCHASED THROUGH DIRECT				

8654 TRANSACTIONS FROM 11/26/01 TO 11/26/01 - ALL PORTFOLIO 07/19/02 15:33
*JACKSONS LIMITED PRIN. CASH INCOME CASH

11/26 PURCHASED 220,300 SHARES OF
ADORE SYS INC. 5,580,595.54-
TRADE DATE 9/24/01
PURCHASED THROUGH DIRECT
PURCHASED ON THE OVER THE COUNTER
220,300 SHARES AT 25.318 USD
TO REFLECT PURCHASE OF 9/27/01 INTO ACCOUNT

11/26 PURCHASED 71,275 SHARES OF
QUALCOMM INC 3,460,939.46-
TRADE DATE 9/24/01
PURCHASED THROUGH DIRECT
PURCHASED ON THE OVER THE COUNTER
71,275 SHARES AT 48.552 USD
TO REFLECT PURCHASE OF 9/27/01 INTO ACCOUNT

11/26 PURCHASED 89,300 SHARES OF
APPLIED MATERIALS INC. 2,646,468.01-
TRADE DATE 9/24/01
PURCHASED THROUGH DIRECT
PURCHASED ON THE OVER THE COUNTER
89,300 SHARES AT 29.6357 USD
TO REFLECT PURCHASE OF 9/27/01 INTO ACCOUNT

11/26 PURCHASED 298,200 SHARES OF
QUEST COMMUNICATIONS INTL INC 5,961,167.10-
TRADE DATE 9/24/01
PURCHASED THROUGH DIRECT
PURCHASED ON THE OVER THE COUNTER
298,200 SHARES AT 19.9905 USD
TO REFLECT PURCHASE OF 9/27/01 INTO ACCOUNT

11/26 PURCHASED 285,300 SHARES OF
KODAK CORP 5,316,594.03-
TRADE DATE 9/24/01
PURCHASED THROUGH DIRECT
PURCHASED ON THE OVER THE COUNTER
285,300 SHARES AT 18.6351 USD
TO REFLECT PURCHASE OF 9/27/01 INTO ACCOUNT

11/26 PURCHASED 872,500 SHARES OF
XILINX INC 22,472,459.00-
TRADE DATE 9/24/01
PURCHASED THROUGH DIRECT
PURCHASED ON THE OVER THE COUNTER
872,500 SHARES AT 25.7564 USD
TO REFLECT PURCHASE TO A/C ON 9/27

11/26 SOLD 1,507,700 SHARES OF
NORFOLK SOUTHERN INC 38,147,523.86
TRADE DATE 9/24/01
SOLD THROUGH DIRECT
SOLD ON THE OVER THE COUNTER
1,507,700 SHARES AT 25.3018 USD

ADMIN PG 5

TRANSACTIONS FROM 11/26/01 TO 11/26/01 - ALL PORTFOLIO 07/19/02 15:33
*JACKSONVILLE LIMITED PRIN. CASH INCOME CASH

8654 DELIVER TO A/C #8846 N/O TITANIUM TP AS OF 9/27/01 70.360.012.80
11/26 SOLD 1,512,000 SHARES OF AUTOMATIC DATA PROCESSING INC
TRADE DATE 9/24/01
SOLD THROUGH DIRECT
SOLD ON THE OVER THE COUNTER
1,512,000 SHARES AT 46.5144 USD
DELIVER TO A/C #8846 N/O TITANIUM TP AS OF 9/27/01
11/26 SOLD 610,700 SHARES OF INTEL CORP
TRADE DATE 9/24/01
SOLD THROUGH DIRECT
SOLD ON THE OVER THE COUNTER
610,700 SHARES AT 9.057 USD
DELIVER TO A/C #8846 N/O TITANIUM TP AS OF 9/27/01
11/26 SOLD 2,311,685 SHARES OF AOL TIME WARNER INC
TRADE DATE 9/24/01
SOLD THROUGH DIRECT
SOLD ON THE OVER THE COUNTER
2,311,685 SHARES AT 32.5715 USD
DELIVER TO A/C #8846 N/O TITANIUM TP AS OF 9/27/01
11/26 SOLD 831,916 SHARES OF FORTUNE BRANDS INC
TRADE DATE 9/24/01
SOLD THROUGH DIRECT
SOLD ON THE OVER THE COUNTER
831,916 SHARES AT 53.15 USD
DELIVER TO A/C #8846 N/O TITANIUM TP AS OF 9/27/01
11/26 SOLD 849,496 SHARES OF CLEAR CHANNEL COMMUNICATIONS INC
TRADE DATE 9/24/01
SOLD THROUGH DIRECT
SOLD ON THE OVER THE COUNTER
849,496 SHARES AT 38.7761 USD
DELIVER TO A/C #8846 N/O TITANIUM TP AS OF 9/27/01
11/26 SOLD 1,952,700 SHARES OF MINICORP CORP
TRADE DATE 9/24/01
SOLD THROUGH DIRECT
SOLD ON THE OVER THE COUNTER
1,952,700 SHARES AT 17.608 USD
DELIVER TO A/C #8846 N/O TITANIUM TP AS OF 9/27/01
11/26 SOLD 2,775,862 SHARES OF ERAY INC
TRADE DATE 9/24/01
SOLD THROUGH DIRECT
SOLD ON THE OVER THE COUNTER
2,775,862 SHARES AT 46.6758 USD
DELIVER TO A/C #8846 N/O TITANIUM TP AS OF 9/27/01

HSBC BANK USA
8654
TRANSACTIONS FROM 11/26/01 TO 11/26/01 - ALL PORTFOLIO ACCOUNTS
ADMIN 9/19/02 15:13 PG 6
JACKSTONES LIMITED PRIN. CASH INCOME CASH
11/26 SOLD 785,200 SHARES OF 13,243,026.16
NOKIA CORP SPONSORED ADR
TRADE DATE 9/24/01
SOLD THROUGH DIRECT
SOLD ON THE OVER THE COUNTER
785,200 SHARES AT 16.8658 USD
DELIVER TO A/C #8846 N/O TITANIUM TP AS OF 9/27/01
11/26 SOLD 501,725 SHARES OF 23,682,523.80
UNION PACIFIC CORPORATION
TRADE DATE 9/24/01
SOLD THROUGH DIRECT
SOLD ON THE OVER THE COUNTER
501,725 SHARES AT 47.0000 USD
DELIVER TO A/C #8846 N/O TITANIUM TP AS OF 9/27/01
11/26 SOLD 2,040,981 SHARES OF 40,739,001.25
QUEST COMMUNICATIONS INTL INC
TRADE DATE 9/24/01
SOLD THROUGH DIRECT
SOLD ON THE OVER THE COUNTER
2,040,981 SHARES AT 19.9605 USD
DELIVER TO A/C #8846 N/O TITANIUM TP AS OF 9/27/01
11/26 SOLD 1,532,100 SHARES OF 38,711,570.70
SPRINT CORP PCS GROUP
TRADE DATE 9/24/01
SOLD THROUGH DIRECT
SOLD ON THE OVER THE COUNTER
1,532,100 SHARES AT 25.2973 USD
DELIVER TO A/C #8846 N/O TITANIUM TP AS OF 9/27/01
11/26 SOLD 785,200 SHARES OF 9,672,957.32
ORACLE CORP
TRADE DATE 9/24/01
SOLD THROUGH DIRECT
SOLD ON THE OVER THE COUNTER
785,200 SHARES AT 12.3191 USD
DELIVER TO A/C #8846 N/O TITANIUM TP AS OF 9/27/01
11/26 SOLD 223,900 SHARES OF 5,663,998.30
SPRINT CORP PCS GROUP
TRADE DATE 9/24/01
SOLD THROUGH DIRECT
SOLD ON THE OVER THE COUNTER
223,900 SHARES AT 25.2973 USD
DELIVER TO A/C #8846 N/O TITANIUM TP AS OF 9/27/01
11/26 SOLD 405,600 SHARES OF 18,943,872.48
BIOMERIEUX INC
TRADE DATE 9/24/01
SOLD THROUGH DIRECT
SOLD ON THE OVER THE COUNTER
405,600 SHARES AT 46.7058 USD
DELIVER TO A/C #8846 N/O TITANIUM TP AS OF 9/27/01
11/26 SOLD 121,600 SHARES OF 6,457,709.44
BIOMERIEUX INC

8654 NEW BAW N/A
TRANSACTIONS FROM 11/26/01 TO 11/26/01 - ALL PORTFOLIO 07/19/02 15.33 ADMIN
-JACKSTONES LIMITED PRIN. CASH INCOME CASH

TRADE DATE 9/24/01
SOLD THROUGH DIRECT
SOLD ON THE OVER THE COUNTER
DELIVER TO A/C #8846 N/O TITANIUM TP AS OF 9/27/01 1,939,637.84

11/26 NOKIA CORP SPONSORED RDR
TRADE DATE 9/24/01
SOLD THROUGH DIRECT
SOLD ON THE OVER THE COUNTER
DELIVER TO A/C #8846 N/O TITANIUM TP AS OF 9/27/01 3,287,766.00

11/26 XILINK INC 9/24/01
SOLD THROUGH DIRECT
SOLD ON THE OVER THE COUNTER
DELIVER TO A/C #8846 N/O TITANIUM TP AS OF 9/27/01 10,290,732.40

11/26 SOLID 21,000 SHARES OF
TRADE DATE 9/24/01
SOLD THROUGH DIRECT
SOLD ON THE OVER THE COUNTER
DELIVER TO A/C #8846 N/O TITANIUM TP AS OF 9/27/01 11,012,786.70

11/26 AOL TIME WARNER INC
TRADE DATE 9/24/01
SOLD THROUGH DIRECT
SOLD ON THE OVER THE COUNTER
DELIVER TO A/C #8846 N/O TITANIUM TP AS OF 9/27/01 4,815,837.01

11/26 CUMM CHANG COMMUNICATIONS INC
TRADE DATE 9/24/01
SOLD THROUGH DIRECT
SOLD ON THE OVER THE COUNTER
DELIVER TO A/C #8846 N/O TITANIUM TP AS OF 9/27/01 1,417,676.68

11/26 ORACLE CORP 9/24/01
SOLD THROUGH DIRECT
SOLD ON THE OVER THE COUNTER
DELIVER TO A/C #8846 N/O TITANIUM TP AS OF 9/27/01 5,880,595.54

11/26 SOLID 220,100 SHARES OF
TRADE DATE 9/24/01
SOLD THROUGH DIRECT

8654	TRANSACTIONS FROM 11/26/01 TO 11/26/01 - ALL PORTFOLIO 07/19/02 15:33	ADMIN	PG	8
	USBC BANK USA			
	"JACKSTONES LIMITED			
	SOLD ON THE OVER THE COUNTER			
	220,300 SHARES AT 25.3118 USD			
	DELIVER TO A/C #8846 N/O TITANIUM TP AS OF 9/27/01			
11/26	SOLD 73,275 SHARES OF			
	COMMERCE BANK			
	TRADE DATE 9/24/01			
	SOLD THROUGH DIRECT			
	SOLD ON THE OVER THE COUNTER			
	73,275 SHARES AT 25.3118 USD			
	DELIVER TO A/C #8846 N/O TITANIUM TP AS OF 9/27/01			
11/26	SOLD 89,100 SHARES OF			
	APPLIED MATLS INC			
	TRADE DATE 9/24/01			
	SOLD THROUGH DIRECT			
	SOLD ON THE OVER THE COUNTER			
	89,100 SHARES AT 29.6357 USD			
	DELIVER TO A/C #8846 N/O TITANIUM TP AS OF 9/27/01			
11/26	SOLD 286,200 SHARES OF			
	CELL COMMUNICATIONS INTL INC			
	TRADE DATE 9/24/01			
	SOLD THROUGH DIRECT			
	SOLD ON THE OVER THE COUNTER			
	286,200 SHARES AT 18.6351 USD			
	DELIVER TO A/C #8846 N/O TITANIUM TP AS OF 9/27/01			
11/26	SOLD 285,300 SHARES OF			
	DELL COMPUTER CORP			
	TRADE DATE 9/24/01			
	SOLD THROUGH DIRECT			
	SOLD ON THE OVER THE COUNTER			
	285,300 SHARES AT 18.6351 USD			
	DELIVER TO A/C #8846 N/O TITANIUM TP AS OF 9/27/01			
11/26	SOLD 872,500 SHARES OF			
	XEROX INC			
	TRADE DATE 9/24/01			
	SOLD THROUGH DIRECT			
	SOLD ON THE OVER THE COUNTER			
	872,500 SHARES AT 25.9542 USD			
	DELIVERED TO A/C #8846 TITANIUM TP AS OF 9/27			
11/26	ENDING BALANCE - PRINCIPAL PORTFOLIO	0.00		
11/26	ENDING BALANCE - INCOME PORTFOLIO	0.00		
11/26	ENDING BALANCE - INVESTED INCOME PORTFOLIO	0.00		

BALANCE CHECKING COULD NOT BE PERFORMED BASED ON SELECTION CRITERIA SPECIFIED

ATTACHMENT 3

HSBC BANK USA	TRANSACTIONS FROM 06/20/02 TO 06/28/02 - ALL PORTFOLIO	ADMIN	PG 1
8846	^TITANIUM TRADING PARTNERS, LLC	PRIN. CASH	06/28/02 10:21
06/19	BALANCES CARRIED FORWARD	0.00	0.00
06/27	CASH RECEIPT	768,958,740.54	
	TRANSFER FROM CHECKING		
	134707605-TO CORRECT ENTRY OF 9/27/01		
06/27	CASH DISBURSEMENT	768,958,740.54-	
	PAID TO TITANIUM TRADING PARTNERS, LLC		
	TRANSFER TO CHECKING		
	13471156-		
	DEBIT TO CHECKING ENTRY OF 9/27/01 888469419.08		
	CREDIT TO A/C 8855 848026938.40 FOR CREDIT TO A/C		
	8454 TO COVER SECURITY PURCHASES		

06/28	ENDING BALANCE - PRINCIPAL PORTFOLIO	0.00	
06/28	ENDING BALANCE - INCOME PORTFOLIO		0.00
06/28	ENDING BALANCE - INVESTED INCOME PORTFOLIO		0.00

5895

5895

5896

PSI-QUEL 29713

5897



Note
27 Sep 2001 09:57

From:	Marjorie Flash	Tel:	212-525-6493
Title:	Assistant Vice President	Location:	452 5th Avenue, Floor 27
WorkGroup:	HSBC Custody DPB	Mail Size:	2138

To: Joann Nichilo
cc: Mary Pan, et al

Subject: TRANSFER OF CASH FOR A/C 8846

Joann:

I will be transferring \$768,958,740.54 from the DDA to a/c 8846 (Titanium Trading Partners) to cover purchases of securities. Please advise which DDA account to transfer from.

Thanks.

Strictly Confidential
Not For Circulation
Subcommittee Members & Staff Only

HUI 0000422

SILVERLIGHT ENTERPRISES L.P.
A/C #134713800

Below is a summary of the transactions that took place in the Silverlight Enterprises A/C #134713800 from 8/21/01 - 9/28/01:

DATE	DEBIT	CREDIT	DESCRIPTION	BALANCE
9/21/01		\$800,000,000.00	LOAN PROCEEDS	\$800,000,000.00
9/21/01	\$800,000,000.00		FUNDS INVESTED OVERNIGHT IN EURODOLLAR DEPOSIT	\$0.00
9/24/01		\$800,166,666.67	PROCEEDS FROM EURODOLLAR INVESTMENT	\$800,166,666.67
9/24/01	\$800,000,000.00		TRANSFER TO TITANIUM ACQUISITIONS A/C #134713761	\$166,666.67

5898

Strictly Confidential
Not For Circulation
Subcommittee Members & Staff
Only

HUI 0000027

TITANIUM ACQUISITIONS CORPORATION
A/C #134713761

Below is a summary of transactions that took place on Titanium Acquisitions Corporation A/C #134713761 for the period
9/24/01 - 9/28/01:

DATE	DEBIT	CREDIT	DESCRIPTION	BALANCE
9/24/01		\$800,000,000.00	TRANSFER RECEIVED FROM SILVERLIGHT ENTERPRISES LP A/C #134713800	\$800,000,000.00
9/24/01	\$768,791,627.00		TRANSFER TO BARNVILLE LIMITED A/C #134713613	\$31,208,373.00
9/24/01	\$31,208,373.00		TRANSFER TO TITANIUM TRADING PARTNERS LLC A/C #134715624	\$0.00

5899

Strictly Confidential
Not For Circulation
Subcommittee Members & Staff
Only

HUI 0000028

BARNVILLE LIMITED
A/C #134713613

Below is a summary of transactions for Barnville Limited A/C #134713613 and Barnville Limited Money Market A/C #134714237 for the period 9/24/01 - 9/28/01:

DATE	DEBIT	CREDIT	DESCRIPTION	BALANCE
9/24/01		\$768,791,627.00	TRANSFER RECEIVED FROM TITANIUM ACQUISITIONS CORP. A/C #134713761	\$768,791,627.00
9/24/01	\$667,064,361.00		TRANSFER TO JACKSTONES LIMITED A/C #134713605	\$101,727,266.00
9/24/01	\$101,804,163.00		TRANSFER TO HSBC HOLDING A/C 1 A/C # 134714156	(\$76,897.00)
9/24/01		\$7,688,685.00	TRANSFER RECEIVED FROM EUROPEAN AMERICAN INVESTMENT A/C #134714164	\$7,611,788.00
9/26/01	\$7,611,788.00		INVESTED FUNDS IN MONEY MARKET A/C IN/IO BARNVILLE A/C #134714237	\$0.00
9/28/01		\$7,000,000.00	TRANSFER FROM BARNVILLE LTD. MONEY MARKET A/C #134714237 TO COVER TRANSFER	\$7,000,000.00
9/28/01	\$7,000,000.00		TRANSFER TO CITIBANK, NYC F/C RAIFFEISEN ZENTRALBANK A/C #10920871 FAVOR OF EURAM BANK	\$0.00

5900

Strictly Confidential
Not For Circulation
Subcommittee Members & Staff
Only

HUI 0000029

MARKET			
	\$7,611,788.00	RECEIVED FROM BARNVILLE LIMITED A/C #134713613	\$7,611,788.00
9/01	\$7,000,000.00	TRANSFER TO BARNVILLE LIMITED A/C #134713613	\$611,788.00
9/28/91		\$667.69 INTEREST	\$612,655.69

Strictly Confidential
Not For Circulation
Subcommittee Members & Staff
Only

HUI 0000030

JACKSTONES LIMITED
A/C #134713605

Below is a summary of transactions for the Jackstones Limited A/C #134713605 for the period 9/24/01 - 9/28/01:

DATE	DEBIT	CREDIT	DESCRIPTION	BALANCE
9/24/01		\$667,064,361.00	TRANSFER RECEIVED FROM BARNVILLE LTD. A/C #134713613	\$667,064,361.00
9/24/01	\$667,064,361.00		TRANSFER TO HSBC HOLDING A/C 1 A/C #134714156	\$9.00

Strictly Confidential
 Not For Circulation
 Subcommittee Members & Staff
 Only

HUI 0000031

TITANIUM TRADING PARTNERS LLC
A/C #134715624

Below is a summary of transactions for Titanium Trading Partners LLC A/C #134715624 for the period 9/24/01 - 9/28/01:

DATE	DEBIT	CREDIT	DESCRIPTION	BALANCE
9/24/01		\$31,208,373.00	RECEIVED FROM TITANIUM ACQUISITIONS CORP. A/C #134713761	\$31,208,373.00
9/24/01		\$315,236.00	TRANSFER RECEIVED FROM CHERYL SABAN A/C #134714075	\$31,523,609.00
9/24/01	\$31,523,609.00		FUNDS INVESTED OVERNIGHT IN EURODOLLAR DEPOSIT	\$0.00
9/25/01		\$31,526,235.97	PROCEEDS FROM OVERNIGHT EURODOLLAR INVESTMENT	\$31,526,235.97
9/25/01	\$31,523,305.97		TRANSFER TO HSBC DERIVATIVES DEPT.	\$2,930.00

5903

Strictly Confidential
Not For Circulation
Subcommittee Members & Staff
Only

HUI 0000032

EUROPEAN AMERICAN INVESTMENT CORPORATE SERVICES LIMITED
A/C #134714164

Below is a summary of transactions for the European American Investment Corporate Services Limited
A/C #134714164 for the period 9/24/01 - 9/28/01:

DATE	DEBIT	CREDIT	DESCRIPTION	BALANCE
9/24/01		\$7,765,572.00	TRANSFER FROM CHERYL SABAN A/C A/C #134714075	\$7,765,572.00
9/24/01	\$7,688,685.00		TRANSFER TO BARNVILLE LTD. A/C #134713613	\$76,887.00

Strictly Confidential
Not For Circulation
Subcommittee Members & Staff
Only

HUI 0000033

HSBC HOLDING A/C 1
A/C #134714156

Below is a summary of transactions for HSBC Holding A/C #134714156 for the period 9/24/01 - 9/28/01:

DATE	DEBIT	CREDIT	DESCRIPTION	BALANCE
9/24/01		\$101,804,163.00	TRANSFER RECEIVED FROM BARNVILLE LIMITED A/C #134713613	\$101,804,163.00
9/24/01		\$667,064,361.00	TRANSFER RECEIVED FROM JACKSTONES LIMITED A/C #134713605	\$768,868,524.00
9/24/01	\$768,868,524.00		FUNDS INVESTED IN EURODOLLAR DEPOSIT	\$0.00
9/25/01		\$768,932,596.38	PROCEEDS FROM OVERNIGHT EURODOLLAR INVESTMENT	\$768,932,596.38
9/25/01	\$768,932,596.38		FUNDS INVESTED IN EURODOLLAR DEPOSIT	\$0.00
9/26/01		\$768,996,674.10	PROCEEDS FROM OVERNIGHT EURODOLLAR INVESTMENT	\$768,996,674.10
9/26/01	\$768,996,674.10		FUNDS INVESTED IN EURODOLLAR DEPOSIT	\$768,996,674.10
9/27/01		\$769,060,757.16	PROCEEDS FROM OVERNIGHT EURODOLLAR INVESTMENT	\$769,060,757.16
9/27/01	\$768,958,740.54		TRANSFER TO TITANIUM TRADING PARTNERS CUSTODY A/C #8846	\$102,016.62

Strictly Confidential
Not For Circulation
Subcommittee Members & Staff
Only

HUI 0000034

HSBC BANK USA
CHERYL SABAN
134714075

Below is a summary of the transactions for Cheryl Saban A/C #134714075 for the period 9/24/01 - 9/28/01:

DATE	DEBIT	CREDIT	DESCRIPTION	BALANCE
9/24/01		\$8,111,700.00	LOAN PROCEEDS	\$8,111,700.00
9/24/01	\$7,765,572.00		TRANSFER TO EUROPEAN AMERICAN INVESTMENT CORPORATE SERVICES LTD. A/C #134714164	\$346,128.00
9/24/01	\$315,236.00		TRANSFER TO TITANIUM TRADING PARTNERS LLC A/C #134715624	\$30,892.00
9/26/01	\$30,889.78		WIRE TRANSFER TO UNION BANK OF CALIF. F/O CONEJO VALLEY ESCROW TRUST A/C	2.22
9/27/01		\$11,000,000.00	LOAN PROCEEDS	\$11,000,002.22
9/27/01	\$11,000,000.00		WIRE TRANSFER TO NORTHERN TRUST CO. F/O LOAN SERVICES A/C #5683609570	2.22
9/28/01		\$7,888,300.00	LOAN PROCEEDS	\$7,888,302.22
9/28/01	\$8,000,000.00		WIRE TRANSFER TO NORTHERN TRUST CO. REF: LOAN SERVICES #2000436111	(\$111,697.78)

Strictly Confidential
Not For Circulation
Subcommittee Members & Staff
Only

HUI 0000035

5907

AUG-04-2004 12:58

HSBC- Custody Department

1 212 525 8851 P.08/08

Account Title: TITANIUM TRADING PARTNERS, LLC 114-6646

Account Number: 8348



Tax I.D. Number: 08-0024840

THE FOLLOWING ARE THE DETAILS OF THE SALES REPORTED BY THE BANK TO THE IRS ON THE 2001 FORM 1099-B

Units	Description	Date Acquired	Date Sold	Gross Sales Price	Cost or Other Basis	Short-term Gain/Loss
SHORT-TERM SALES REPORTED ON FORM 1099-B:						
682,371,000	ACI TIME WARNER INC.	08/26/2001	11/13/2001	24,709,182	21,574,417	3,134,765
432,000,000	AUDITE SYS INC	08/26/2001	11/13/2001	12,854,826	10,820,378	2,034,448
175,000,000	APPLIED MATLS INC	08/26/2001	11/13/2001	7,009,430	5,180,998	1,828,432
439,250,000	AUTOMATIC DATA PROCESSING INC	08/26/2001	11/13/2001	23,511,900	20,181,028	3,330,872
284,879,000	BIOGEN INC	08/26/2001	11/13/2001	13,150,307	12,671,846	478,461
500,000,000	CISCO SYS INC	08/26/2001	11/13/2001	9,380,750	8,275,800	1,104,950
243,000,000	CLEAR CHANNEL COMMUNICATIONS INC	08/26/2001	11/13/2001	10,840,785	9,428,064	1,412,721
558,500,000	DELL COMPUTER CORP	08/26/2001	11/13/2001	14,750,120	10,409,555	4,340,565
795,368,000	EBAY INC	08/26/2001	11/13/2001	48,400,083	37,134,344	11,265,739
287,500,000	INTEL CORP	08/26/2001	11/13/2001	8,951,185	6,176,650	2,774,535
186,375,000	MICROSOFT CORP	08/26/2001	11/13/2001	12,448,657	9,716,676	2,731,981
225,000,000	NOVIA CORP	08/26/2001	11/13/2001	5,178,012	3,704,806	1,473,206
225,000,000	ORACLE CORP	08/26/2001	11/13/2001	2,900,075	2,771,708	128,367
142,750,000	QUALCOMM INC	08/26/2001	11/13/2001	8,172,501	6,765,318	1,407,183
584,705,000	QUEST COMMUNICATIONS INTL INC	08/26/2001	11/13/2001	8,829,876	11,672,801	-2,842,925
430,000,000	SPRINT CORP PCS SER 1	08/26/2001	11/13/2001	10,883,018	11,992,212	-1,109,194
250,000,000	TELEPH INC	08/26/2001	11/13/2001	9,547,150	6,489,100	3,058,050
TOTAL SHORT-TERM SALES REPORTED ON 1099-B				224,160,284	182,215,291	41,944,993

08/14/2004

Important Tax Return Document Enclosed

AUG-04-2004 12:45

HSBC-Costody Dep
Strictly Confidential
Not For Circulation
Subcommittee Members & Staff
Only

98%

TOTAL P.08
P.08

HUI 0000022

5908

From: Jeff Greenstein
Sent: Sunday, January 09, 2000 11:54 AM
To: Larry Scheinfeld; Norm Bontje; Chuck Wilk
Subject: [REDACTED]

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

[REDACTED]

Maybe we should take the alternate approach and have KPMG sell POINTS and do 3-4 billion of that? I am sure Woody, [REDACTED] would love to have a bunch of people handing out marketing schematics that show how all the trades are done to every imaginable prospect. I happen to think we get some pretty good mileage out of telling these clients this is very limited trade and they are special. [REDACTED] At least at first glance it doesn't appear that we need them to sell POINTS as we have already done lots without even trying to market the trade. I like what the guy at Aiken Gump said. Another point, I am not sure who wants to execute with the accounting firms any more. I believe Bank of America is of the view that the accelerated charitable trust is dead because of KPMG's aggressive marketing and UBS is still pissed from PWC on BOSS.

In all seriousness why do we need to call them at all at this point? I think we need to be concerned about building our business the right way so that we can attract clients that do tax strategies and give us money to manage [REDACTED] etc.) or are large customized trades such as POINT where we make very attractive revenues. I am much more in favor of doing this than a bunch of \$20 million dollar trades where we get no relationship and lots of aggravation. So maybe we miss out on some upfront fees, if we are looking to build a business with value it will be better achieved in the long run, in my opinion, by getting clients like [REDACTED] Johnson etc to be committed to us for the long haul. This doesn't preclude us from having relationships with people to introduce us to trades because we can still control the trade [REDACTED]

-----Original Message-----
From: Larry Scheinfeld
Sent: Saturday, January 08, 2000 12:42 PM
To: Norm Bontje; Chuck Wilk; Jeff Greenstein

5909



Qeellas Group, LLC

Confidential

Meeting Search

Tuesday, April 11, 2000

■ John Staddon

email

Chris M. Hirata, Chuck H.
Wilk

POINT Documents - John,

Per Chuck's request, on Wednesday please forward to me the complete set of POINT documents including the revisions we discussed. We need to forward them on to Cravath for review as soon as possible.

There are two minor changes that also need to be made prior to sending the documents.

1. The Cayman company should be purchasing the put and selling the call to the Isle of Man company (Jackstones Ltd.)
2. The Annexes to the Securities Lending Agreements are missing the applicable Interest Rate and the Lender's Bank Account Details.

Give me a call if you would like to discuss. Thanks John.

Monday, October 10, 2005

Page 226

BSI QUET 22625

From: Larry Scheinfeld
Sent: October 13, 2000 09:28
To: Andrew J Robbins
Subject: FW: POINT

-----Original Message-----

From: John Staddon [mailto:john.staddon@euraminvest.com]
 Sent: Friday, October 13, 2000 5:54 AM
 To: Chuck Wilk
 Cc: Norm Bonjje; Jeff Greenstein; Larry Scheinfeld
 Subject: RE: POINT

Let's think about this.

The reason for the Barnville promissory note in the first place is because under the terms of the novation agreement (whereby Barnville contributed the stock portfolio to Reka), Reka took on the cash collateral obligation under the stock loans to Jackstones to the extent of the market value of the stock at the date of novation (approx \$103mio). The promissory note given by Barnville effectively compensates Reka for taking on this obligation without receiving a transfer of cash collateral upon novation.

This promissory note is still outstanding because the purchase price due from Woodglen to Reka is still being deferred.

If we were to transfer the promissory note to a third party issuer and cancel the Barnville note (and we need to think as an objective enquiry why a third party would issue such a note), then we of course lose the direct set-off between the deferred consideration and the promissory note repayment obligation. Is this a problem? We'll it might be if you were the third party and Reka came to enforce the promissory note even though it had defaulted on the deferred consideration. If we can eliminate this risk then I think we should be ok. One way of ensuring this is to have language in the promissory note which states that Reka can not redeem the note unless and until and only to the extent that Reka had repaid the deferred consideration. I don't know however whether this still gives us a circularity issue.

The other approach that I have been toying with is for the promissory note issuer to be a thinly capitalised spv such that in practice (though not evident on the face of the documents) it would never have any prospect of satisfying any demand for redemption unless and until Barnville was put "in funds" by the payment of the deferred consideration by Woodglen and Barnville then puts the spv in funds by coming good on its promissory note. To avoid the need for funds to actually move (though this would be possible) this process of putting in funds could be effected simultaneously under a three-way arrangement agreed to by the parties at that point.

In terms of how the promissory note would look like, this would appear regular and would make no reference to the Woodglen/Barnville indebtedness. We could make the maturity of the note as the 2035 date to coincide with the deferred consideration backstop date or have it open-ended and just rely on the reality that any attempt to make an earlier redemption would be defaulted upon.

5912

Finally, and coming back to the issue as to why a third party would be prepared to step in as suggested, we have two choices I think. The first is to have the Barnville note transferred to the third party in consideration of Barnville issuing to the third party a back-to-back note. I suspect that this step would be very susceptible to being disregarded. The other approach is to disregard the Barnville note altogether and treat it as never having been executed and "arrange" for the third party note to be executed as of the date of novation. I would obviously prefer not to go down this route, but unless you can think of any other credible reason for re-juggling the obligations, then I guess we need to think about this.

Let me know how you want to approach this and whether any of the above makes sense.

Cheers,
John

-----Original Message-----

From: Chuck Wilk [mailto:cwilk@quellos.com]
Sent: 12 October 2000 22:18
To: 'John Staddon'
Cc: Norm Bontje; Jeff Greenstein; Larry Scheinfeld
Subject: POINT

John,

In regards to the triangular loans (i.e. loan from Barnville to Woodglenn/ contribution by Woodglenn to Rekka/ purchase by Rekka of debt security from Barnville) is it possible for Rekka to purchase debt security from Euram (or an affiliate)? Ira Axelrod does not like the circular nature of the current structure (and I don't blame him) and wants a proposal that Cravath accepts that will make him more comfortable with the basis and at risk rules (IRC 465). If Euram issues the debt security the next request will probably be that the issuer use a SPV so that there is no chance that Euram defaults on the security but Barnville continues to enforce their note obligation against Woodglenn.

Any thoughts??

Thanks,
Chuck

PSI-QUEL 25007

QUADRA ASSOCIATES, LLC

June 6, 2000

Re: Robert Wood Johnson IV

To whom it may concern:

Per your request we are providing you with this letter of reference for Robert Wood Johnson IV ("RWJIV"). For the last three years Quadra Associates, LLC and its affiliates (hereafter referred to in the aggregate as "Quadra") have provided financial and tax advice for RWJIV both on a periodic and transactional basis (prior to joining Quadra I provided comparable advice while at KPMG).

In addition to the many philanthropic causes that RWJIV champions he presides over The Johnson Company, Inc. (the Johnson heir family office) and more recently the New York Jets subsequent to his recent purchase of the NFL franchise.

RWJIV is a sophisticated investor and derives a substantial portion of his gross income (typically in excess of \$10.0 million from all sources) from interest and dividends primarily from his interest in Johnson & Johnson. He holds diversified financial interests in closely held companies and partnerships either directly or through his beneficial interests in trusts. His net worth is an excess of \$150.0 million.

With respect to his investment in Reka Limited we have provide him and his advisors with general information regarding possible tax consequences associated with making this investment. To this end he has engaged Cravath Swaine & Moore to provide him with a formal legal opinion regarding such tax consequences.

Please contact me if you require any additional background information.

Sincerely,



Larry Schenfeld

5914



QUADRA CAPITAL MANAGEMENT, L.P.

601 Union Street, 56th Floor | Seattle, WA 98101 | (206) 613-6700 | Fax (206) 613-6710

FAX COVER SHEET

CONFIDENTIAL

DATE: June 5, 2000

TIME: 5:49 PM

TO: Mr. John Staddon
European American Investment Advisors

PHONE: (44-207) [REDACTED]
FAX: (44-207) [REDACTED]

FROM: Brian Hanson

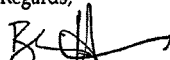
PAGES: 12 w/cover

John,

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

The following materials are in response to Citco's recent due diligence request. Quadra is in the process of drafting a reference letter on behalf of Robert W. Johnson which should be finalized sometime tomorrow afternoon. I will send that to you at that time. For now, here are some materials I found on Lexis Nexus and Bloomberg that may begin to satisfy their needs. I will also follow up with the reference letter and materials for [REDACTED] and [REDACTED] as soon as I have a package ready (should be in the next couple of days). Please let me know if you require additional information.

Regards,


Brian Hanson

The information in this facsimile message is privileged and confidential. It is intended only for the use of the recipient named above (or the employee or agent responsible to deliver it to the intended recipient). If you received this in error, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this message in error please notify us by telephone immediately, and return the original message to us at the above address via postal service. We will reimburse you for such costs. Thank you.

PSI-QUEL 06872

Robert W. Johnson, IV - Reka Limited

Summary as of: May 25, 2000

Company	Ticker	Shares	Basis	Basis	Initial	Purchase	Purchase	Current	Total	Gain (Loss)
			Price	Amount	Gain (Loss)	Price	Amount	FMV	FMV	
Verisign	VRSN	100,000	246.06	24,606,250	(10,997,920)	136.08	13,608,330	122.13	12,212,500	(1,385,830)
Conexant Systems	CNDT	125,000	96.81	12,101,563	(5,697,488)	51.23	6,404,075	34.44	4,304,688	(2,099,388)
Internet Capital Group	ICGE	215,000	200.00	43,000,000	(34,562,927)	39.24	8,427,073	24.13	5,186,875	(3,250,198)
CMGI	CMGI	250,000	163.22	40,805,000	(24,629,750)	64.70	16,175,250	45.44	11,359,375	(4,815,875)
Commerce One	CMRC	230,000	125.00	28,750,000	(15,797,711)	56.31	12,952,289	36.94	8,495,625	(4,456,664)
Yahoo!	YHOO	100,000	237.50	23,750,000	(11,229,860)	125.21	12,520,920	115.00	11,500,000	(1,020,920)
Citrix Systems Inc.	CTDS	300,000	103.06	30,918,750	(17,464,770)	44.85	13,453,980	44.56	13,368,750	(85,230)
AtHome Corp.	ATHM	450,000	40.25	18,112,500	(10,127,565)	17.74	7,984,935	18.50	8,325,000	340,065
DoubleClick	DCLK	200,000	134.00	26,800,000	(14,384,400)	62.03	12,405,600	45.56	9,112,500	(3,293,100)
				<u>248,844,063</u>	<u>(144,901,611)</u>		<u>103,942,452</u>		<u>83,865,313</u>	<u>(20,077,140)</u>

Estimated P&L

Stock sale proceeds	83,865,313	
Trade value	<u>(103,942,452)</u>	
Gain/(loss) on stock		(20,077,140)

Proceeds from sale of put	26,589,030	
Cost of long put	<u>(15,321,117)</u>	
Gain/(loss) on put		11,267,913

Cost of covering call	(3,776,125)	
Proceeds from short call	<u>12,940,835</u>	
Gain/(loss) on call		<u>9,164,710</u>

Total trading gain/(loss)		355,483
Prepaid interest (less SPV premium)		<u>(2,019,718)</u>

Net gain/(loss)		<u>(1,664,235) *</u>
-----------------	--	----------------------

* Excludes both the Quadra Financial Group, LP fees and the premium paid for Reka Limited that was included in prepaid fees and expenses.

5916

FAXED
5/22



QUADRA Custom Strategies, LLC

601 Union Street, 56th Floor | Seattle, WA 98101 | (206) 613-6700 | Fax (206) 613-6710

FAX COVER SHEET

CONFIDENTIAL

DATE: May 22, 2000

TIME: 9:27 AM

TO: Mr. Joel Latman
Johnson Company, Inc.

PHONE: (212) [REDACTED]
FAX: (212) [REDACTED]

FROM: Chris Hirata

PAGES: 1

Joel,

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Detailed below are the wire instructions for the total additional premium required to adjust the call strike level to 110% (from 107%).

\$720,905
NationsBank NA
Charlotte, NC
Equity Derivatives - Bank
DDA# [REDACTED]
ABA# [REDACTED]

Feel free to contact me if you have any questions.

Regards,

Christopher M. Hirata

The information in this facsimile message is privileged and confidential. It is intended only for the use of the recipient named above (or the employee or agent responsible to deliver it to the intended recipient). If you received this in error, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this message in error please notify us by telephone immediately, and return the original message to us at the above address via postal service. We will reimburse you for such costs. Thank you.

PSI-QUEL 06874

5917

Chuck Wilk <cwilk@quellos.com>

09/19/2001 08:41 PM

To Mary Pan/HBUS/HSBC@HSBCAMERICAS, Russell

Schreiber/HBUS/HSBC@HSBCAMERICAS

cc Christopher Hirata <chirata@quellos.com>, Brian Hanson
<bhanson@quellos.com>

bcc

Subject Irrevocable Instructions

This message originated from the Internet. Its originator may or
may not be who they claim to be and the information contained in
the message and any attachments may or may not be accurate.

Mary,

As part of the flow of funds I anticipate the following instructions to
HSBC.

Loan funds into Silverlight Account at HSBC

Silverlight authorizes funds to be transferred to Titanium Acquisition Corp.
(TAC) Account at HSBC.

these seem easy

Then

TAC authorizes transfer of purchase price to Barnville Account at HSBC and
the transfer of cash to Titanium Trading Partners (TTP) LLC for purchase of
collar. Simultaneously, Barnville authorizes the transfer of funds to
Jackstone Account at HSBC and the transfer of some funds directly to HSBC
Brokerage for the purchase of certain shares. Simultaneously, Jackstone
executes a purchase order with HSBC Brokerage for the purchase of certain
shares and remits total purchase proceeds to HSBC (HSBC credits all funds
earned on the transfer of any and all funds to HSBC prior to settlement date
to TTP). As HSBC Brokerage purchases shares (whether for Jackstone or
Barnville) HSBC Derivative puts a collar on all shares. All of these steps
must occur simultaneously.

All these instructions need to be in the hands of HSBC at the same time (and
need to be separate documents for each movement) and all must be duly
executed and enforceable so that HSBC can for no reason not be able to
accomplish all the transfers and purchases. Therefore, the instructions
must be irrevocable.

Will you please work with your internal and external counsel to draft the
appropriate authorizations that the bank will be comfortable with to
effectuate all of the steps. We will then have the correct parties execute
the documents.

Thanks,
Chuck

Strictly Confidential
Not for Circulation
Subcommittee Members and Staff Only

HUI 0004318

5918

From: Jeff Greenstein
Sent: September 11, 2000 05:28
To: 'Andrew J Robbins'; Chuck Wilk
Cc: Larry Scheinfeld
Subject: RE: [REDACTED]

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Andy - let me know how you want to follow up on this. I am in Hawaii this week but will be reachable. Unfortunately there is no way to play the downward move in the portfolio. Additionally even if there was this would contradict the whole business purpose for purchasing the SPV in the first place. I will coordinate with Hirata so we can get the potential companies for their input. Also Norm has a call Monday am with Bank America to keep that process moving

-----Original Message-----

From: Andrew J Robbins
Sent: Tuesday, September 05, 2000 8:28 AM
To: Chuck Wilk; Jeff Greenstein
Cc: Larry Scheinfeld
Subject: [REDACTED]

I spoke with [REDACTED] and [REDACTED] today. [REDACTED] said he was comfortable with what he reviewed and [REDACTED] said that they were basically ready to go. [REDACTED] would like to see some revised pricing on the collar and profitability scenarios given that he knows that the we are not in the same market as we were in April. Do we need to speak with Cravath to be certain as to where to strike the call in order to provide enough economics or do we already know this? They also asked whether they could create some profit potential on the down side of the collar if they wanted to take a bet on the short side - any thoughts? Can we forward them a list of positions to review to perhaps customize their basket?

I reiterated a drop dead date of September 30th although given their present dispensation for getting the deal done this should not present a problem.

5919

From: [REDACTED]
Sent: April 12, 2000 21:37
To: Andrew J Robbins
Cc: [REDACTED]
Subject: RE: POINT

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Don't worry about it. let's just get set up ASAP. We also need to work with Jim O'Shaughnessy at Goldman on being able to write calls within the partnership.

-----Original Message-----

From: Andrew J Robbins [mailto:andrewjr@qcm.com]
Sent: Wednesday, April 12, 2000 3:39 PM
To: [REDACTED]
Cc: [REDACTED]; Larry Scheinfeld; Chuck Wilk
Subject: POINT

[REDACTED] I spoke with [REDACTED] earlier today and I know that you spoke to Larry from the plane. Ideally, the best approach is to sell shares subsequent to putting them into the partnership. Given the documentation may not be ready until sometime during next week this may not accommodate your present wish to sell the shares. While it is not fatal to sell the shares outside the partnership (because you would then just contribute the cash to the partnership) "optically" you would achieve a better result by selling them inside because any gain would wash against any loss as opposed to a capital loss generated inside the partnership available to offset capital gains generated outside the partnership. If you choose to sell shares outside the partnership the critical thing is to keep the cash (or other high basis property that you may have just purchased with the proceeds) available to contribute to the partnership so that you will have enough tax basis to claim the capital losses generated by the partnership.

As an alternative to selling the shares outside the partnership you could consider some form of a short sale that could be assigned to the partnership and then closed out inside the partnership. There could be an incremental transactional cost to this alternative that we would need to way against any "optical" advantage.

I will be speaking with Cravath tonight and will be able to get a handle on the timing of the documents.

If you need to speak with me you can try me at work [REDACTED], on my cell phone [REDACTED] or at home [REDACTED]

Best regards,

Andy.

5920

June 15, 2000

Private and Confidential

[REDACTED]
[REDACTED]
[REDACTED] cc
[REDACTED]
[REDACTED]

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Dear [REDACTED]

As you know [REDACTED] has unwound the collar transaction and sold the securities portfolio. As part of the documentation associated with those transactions I have enclosed a termination agreement (in triplicate) that must be executed by you and [REDACTED] (you once again). I also enclose purchase agreements (in triplicate) that reflect the acquisition of 99% of [REDACTED] by you from Barnville Ltd. and the acquisition of 1% of [REDACTED] in the aggregate by [REDACTED] from Barnville Ltd. and Claycroft Ltd.. All of the purchase agreements are as of April 28, 2000.

Please sign each agreement, where indicated, and return all of the originals to me in the enclosed Federal Express package.

As we have discussed in the past we will be forwarding you a trade book with all the documentation associated with Torens.

Please call me with any questions at 212 849-8135.

Best regards,

Andrew J. Robbins

AJR:mc

Enclosures

cc: Larry Scheinfeld

PSI-QUEL 22706

From: Andrew J Robbins
Sent: Tuesday, September 19, 2000 4:15 PM
To: [REDACTED]
Cc: Christopher Hirata
Subject: FW: Collar Pricing

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

[REDACTED], I am awaiting further info. from Chris. Assuming I confirm my understanding of the info below, i.e., the hypothetical cost of putting the collar on the basket will be the net premium paid multiplied by the notional, we can forward it to [REDACTED] and [REDACTED]. In all cases we should indicate that the cost of the collar is separate from the transaction cost and separate from the cost of the financing. We should also indicate that the actual pricing can vary based upon market conditions that exist at the time the collar is put on the portfolio.

If you could also indicate that we have enclosed (in [REDACTED]'s package) a Personal Financial Statement to be completed (please give [REDACTED] the choice of completing it with [REDACTED] or indicate that we will do it with input from [REDACTED] and [REDACTED] or their designee) and Questionnaire (same as financial statement).

I will call in to let you know how to proceed.

Thanks,

Andy.

-----Original Message-----

From: Christopher Hirata
Sent: Tuesday, September 19, 2000 3:50 PM
To: Andrew J Robbins
Subject: Collar Pricing

Andy,

Here is the pricing Jeff received from BofA for various maturity/strike scenarios:

Maturity Date	Put Strike	Call Strike	Net Premium Paid
12/18/00	100%	110%	3.72%
12/18/00	100%	112%	4.40%
3/1/01	100%	110%	2.47%
3/1/01	100%	112%	3.26%

Chris

From: Brian Hanson
Sent: November 19, 2001 17:29
To: Andrew J Robbins; Chuck Wilk
Cc: Christopher Hirata
Subject: [REDACTED]

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

[REDACTED] just phoned me to talk about profitability. Amongst a few other items, he wanted to let me know that they want out as soon as they're in the black (net of fees). He was a little ahead of himself as although the basket is doing well, we are still quite a ways away from getting into the black. As an exercise, I asked him to go over the profitability matrix with me again. I reminded him that although the matrix should not be relied upon for investment decisions it is a good indicator of where he can expect to be for the given time periods and baskets levels. I told him that as we get closer to a point where they are likely to want to get out that we would all watch the basket very closely and that we should/would consult each other before calling HSBC to sell. He agreed.

He also mentioned wanting to take us all out to dinner (plus Scheinfeld) but that he can't do that unless this trade makes money – time will tell.



November 29, 2000

— = Redacted by the Permanent
Subcommittee on Investigations

Re: Acquisition (the "Acquisition") of [REDACTED] Trading Partners LLC
(the "Company") and the related Loan Transaction (the
"Financing") with HSBC Bank USA (the "Bank"), dated [REDACTED]

Gentlemen:

The undersigned has acted as an introducing party and financial advisor to each of you in connection with the Acquisition, the Financing and related transactions (collectively, the "[REDACTED] Transactions") in consideration of which we are receiving compensation from you and/or the Company. In order to further induce you to enter into and consummate the Platinum Transactions, we make the following additional agreements, warranties, representations, covenants and undertakings with and to each of you.

1. As part of the documents, instruments and agreements by which the [REDACTED] Transactions are being consummated (the "Transaction Documents") one or more of you has agreed to pay certain fees and expenses (i) of the Bank and its counsel as provided in §6.06 of the Loan Agreement of even date herewith constituting one of the Transaction Documents, and (ii) the reasonable fees and expenses of your counsel, [REDACTED] and special Tax Counsel (Cravath, Swaine & Moore or other tax counsel acceptable to [REDACTED] in its sole and reasonable discretion). We acknowledge and agree that the compensation that you are paying for our services in connection with the [REDACTED] Transaction includes consideration for our payment of all of such fees and expenses which we will pay (after receipt from you and/or the Company of our full compensation) promptly upon our receipt of bills or statements therefor.

2. We understand, as well, that you would not enter into or consummate the [REDACTED] Transactions if any liabilities or debts of or lien against any of Barnville Limited and Jackstones Limited or the Company (other than the obligations of Barnville and Jackstones to each other under the Stock Lending Agreement between them, dated December 28, 1999, and the amount (\$1,616.02) owed by Barnville to Keyway Investments Ltd.) attaches to, or becomes a lien or charge against, any of the funds that we will advance or cause to be advanced to consummate the [REDACTED] Transactions prior to the indefeasible receipt by HSBC Bank USA upon full consummation of the [REDACTED] Transactions. Accordingly, we shall indemnify and hold you harmless as provided in paragraph 4 below from the attachment of any such liabilities, debts or claims (other than those obligations listed above) to any of such funds prior to such indefeasible receipt.

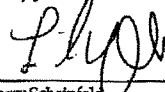


— = Redacted by the Permanent
Subcommittee on Investigations

3. We understand that you would not enter into or consummate the [REDACTED] Transactions without receipt of an opinion regarding certain tax aspects of the transactions from your Special Tax Counsel substantially in the form and to the effect of the draft opinion annexed hereto with such changes therein, if any, as shall be acceptable to your counsel, [REDACTED] in their sole and reasonable judgment. We undertake to cause such an opinion to be delivered to you within 30 days following the Closing of the [REDACTED] Transactions (the "Closing").

4. We agree to indemnify and save you harmless from any loss, liability, damage, claim or expense, including reasonable attorneys' fees, costs, disbursements and expenses, that you sustain or incur by reason of a breach of or failure to perform any of our agreements, warranties, representations, covenants or undertakings herein. Such indemnification shall be limited in amount to the amount of compensation paid to us by you and/or the Company in regards to the [REDACTED] Transactions by reason of tax counsel's unwillingness to furnish the required tax opinion as a result of a change in law or pronouncement of the Internal Revenue Service occurring after the Closing.
















Very truly yours,

By: 
Larry Scheinfeld
Authorized Signer

From: Christopher Hirata
Sent: Friday, April 07, 2000 10:34 AM
To: 'jstaddon@attglobal.net'
Cc: Norm Bontje; Chuck Wilk
Subject: Red line POINT docs

John,

Here are the red line versions I prepared as of last night. Please take a close look at the punctuation, formatting, wording, etc. as some of the changes I made were subtle. Also, most of the revisions we discussed this morning have been made as well, but double-check as I may have missed something. Give me a call if you want to discuss. Thanks.

      
ABstockConfirm_1c 4-6-00.doc ABstockConfirm_1b 4-6-00.doc ABstockConfirm_1a 4-6-00.doc Call Option 4-6-00.doc Contribution 4-6-00.doc IoMsale&purchase 4-6-00.doc Note 4-6-00.doc
      
Novation 4-6-00.doc Put Option 4-6-00.doc Stock Lending Agreement (Maste...Agreement 4-6-00... StockLoan_Trade1a 4-6-00.doc StockLoan_Trade1b 4-6-00.doc StockLoan_Trade1c 4-6-00.doc

Warrant 4-6-00.doc

Regards,

Chris Hirata
Quadra Custom Strategies, LLC
Phone: (206) 613-6700
Fax: (206) 613-6713

This message and any attachments may contain confidential information and is intended only for the individual or individuals named. All electronic mail sent to or from this address will be received by Quadra Financial Group, L.P. or an affiliate's electronic mail system and is subject to retention and review by someone other than the party to whom such mail was addressed. If you are not a named addressee you should not disseminate, distribute or copy this electronic mail. Please notify the sender immediately by electronic mail if you have received this electronic mail by mistake and delete this electronic mail from your system. Electronic mail transmission cannot be guaranteed to be secure or error-free, and may be arrive later than intended, be intercepted, corrupted, or contain viruses. The sender therefore does not accept liability for any errors or omissions in the contents of this message which arise as a result of defects due to transmission. This message is provided for informational purposes only and should not be construed as a solicitation or offer to buy or sell any securities or related financial instruments.

5926

PSI-QUEL 09644

PURCHASE AGREEMENT

THIS AGREEMENT is made on this 10th day of January 2000

BETWEEN:

- (1) Barnville Ltd whose registered office is at 19 Mount Havelock, Douglas Isle of Man, IM1 2QG (the "Purchaser"); and
- (2) Jackstones Ltd whose registered office is at 12-14 Finch Road, Douglas, Isle of Man (the "Vendor"); and

WHEREAS:

The Vendor wishes to sell and the Purchaser wishes to buy the Purchase Shares (as defined below) in accordance with and subject to the terms of this Agreement.

NOW THIS AGREEMENT WITNESSETH AND IT IS HEREBY AGREED AS FOLLOWS:

1. Interpretation

- 1.1 In this Agreement, unless the context otherwise requires, the following words and expressions will have the meanings set opposite them:

"Purchase Shares" means each of the shares specified in the Appendix hereto.

"Trade Date" means 10 January 2000

"Settlement Date" means 13 January 2000.

- 1.2 Clause headings are for ease of reference only and are not intended to affect the interpretation of this Agreement.

2. Sale and Purchase

On the Trade Date, the Vendor shall sell as beneficial owner free from all liens, charges, encumbrances and any other security or quasi security interests (together, "Security Interests") (which the Vendor hereby represents and warrants to be the case) and the Purchaser shall purchase the Purchase Shares.

3. Consideration

The consideration for the sale of the Purchase Shares pursuant to the foregoing shall be USD 1,160,339,562 (the "Purchase Price") and shall be payable by the Purchaser to the

Vendor for value on the Settlement Date. The Purchase Price referable to each parcel of shares ~~is~~ specified in the Appendix hereto.

4. Settlement

On the Settlement Date, the Vendor shall deliver to the Purchaser, or procure delivery to the Purchaser of, all instruments of transfer in respect of the Purchase Shares together with all certificates and any other document which may reasonably be required to give full legal and beneficial title to the Purchase Shares free from all Security Interests or which may be necessary to enable the Purchaser to procure the registration of the same in the name of the Purchaser or its nominee. The Vendor hereby authorises the Purchaser to set off against the Purchase Price any sum payable by the Vendor to the Purchaser on the Settlement Date.

6. Governing Law and Jurisdiction

This Agreement ~~entered into pursuant to this Agreement~~ will be governed by and construed | in accordance with the laws of the Isle of Man.

AS WITNESS this Agreement has been entered into by duly authorised representatives of the Purchaser and by the Vendor on the date first written above.

For and on behalf of
Barnville Ltd

Name:
Title:
Date:

For and on behalf of
Jackstones Ltd

Name:
Title:
Date:

5929

3.

Appendix

Security	RIC Code	Number of Shares	Trade Price in USD	Purchase Price in USD
Ariba Inc	ARBA.O	540,541	194.00	104,864,954
AtHome Inc	ATHM.O	2,484,472	40.25	99,999,998
BEA Systems	BEAS.O	1,307,190	84.00	109,803,960
Broadcom	BRCM.O	340,136	295.56	100,530,596
Exodus Communications	EXDS.O	980,392	104.00	101,960,768
Infospace	INSP.O	881,057	114.50	100,881,027
JDS Uniphase	JDSU.O	510,204	200.37	102,229,575
Juniper Networks	JNPR.O	313,480	108.50	34,012,580
Network Applications	NTAP.O	1,123,596	88.62	99,573,078
PMCS	PMCS.O	619,195	164.50	101,857,578
Veritas Software	VRTS.O	709,220	143.81	101,992,928
Vignette Corporation	VIGN.O	540,541	189.87	102,632,520
		10,350,024		1,160,339,562

PSI-QUEL 09647

5930

PSI-QUEL 09648

PURCHASE AGREEMENT

THIS AGREEMENT is made on this 3rd day of January 2000

BETWEEN:

- (1) Barnville Ltd whose registered office is at 19 Mount Havelock, Douglas Isle of Man, IM1 2QG (the "Purchaser"); and
- (2) Jackstones Ltd whose registered office is at 12-14 Finch Road, Douglas, Isle of Man (the "Vendor"); and

WHEREAS:

The Vendor wishes to sell and the Purchaser wishes to buy the Purchase Shares (as defined below) in accordance with and subject to the terms of this Agreement.

NOW THIS AGREEMENT WITNESSETH AND IT IS HEREBY AGREED AS FOLLOWS:

1. Interpretation

- 1.1 In this Agreement, unless the context otherwise requires, the following words and expressions will have the meanings set opposite them:

"Purchase Shares" means each of the shares specified in the Appendix hereto.

"Trade Date" means 3 January 2000

"Settlement Date" means 6 January 2000.

- 1.2 Clause headings are for ease of reference only and are not intended to affect the interpretation of this Agreement.

2. Sale and Purchase

On the Trade Date, the Vendor shall sell as beneficial owner free from all liens, charges, encumbrances and any other security or quasi security interests (together, "Security Interests") (which the Vendor hereby represents and warrants to be the case) and the Purchaser shall purchase the Purchase Shares.

3. Consideration

The consideration for the sale of the Purchase Shares pursuant to the foregoing shall be USD 1,648,791,354 (the "Purchase Price") and shall be payable by the Purchaser to the

Vendor for value on the Settlement Date. The Purchase Price referable to each parcel of shares ~~is~~ specified in the Appendix hereto.

4. Settlement

On the Settlement Date, the Vendor shall deliver to the Purchaser, or procure delivery to the Purchaser of, all instruments of transfer in respect of the Purchase Shares together with all certificates and any other document which may reasonably be required to give full legal and beneficial title to the Purchase Shares free from all Security Interests or which may be necessary to enable the Purchaser to procure the registration of the same in the name of the Purchaser or its nominee. The Vendor hereby authorises the Purchaser to set off against the Purchase Price any sum payable by the Vendor to the Purchaser on the Settlement Date.

6. Governing Law and Jurisdiction

This Agreement ~~entered into pursuant to this Agreement~~ will be governed by and construed | in accordance with the laws of the Isle of Man.

AS WITNESS this Agreement has been entered into by duly authorised representatives of the Purchaser and by the Vendor on the date first written above.

For and on behalf of
Barnville Ltd

Name:
Title:
Date:

For and on behalf of
Jackstones Ltd

Name:
Title:
Date:

5933

3.

Appendix

Security	RIC Code	Number of Shares	Trade Price in USD	Purchase Price in USD
Amazon.com	AMZN.O	1,136,364	89.37	101,556,851
America On-Line	AOL.N	1,250,000	82.75	103,437,500
Broadvision	BVSN.O	546,448	189.43	103,513,645
Clear Channel	CCUN	1,123,596	87.75	98,595,549
CMGI	CMGI.O	645,161	163.22	105,303,178
DoubleClick	DCLK.O	781,250	134.00	104,687,500
Gateway	GTW.N	1,423,488	69.37	98,747,363
Global Crossing	GBLX.O	2,083,333	49.12	102,333,317
I2 Technologies	ITWO.O	568,182	188.50	107,102,307
InternetCapital Group	ICGE.O	534,759	200.00	106,951,800
Liberty Digital	LDIG.O	1,538,462	70.12	107,876,955
Lucent Technology	LU.N	1,315,789	77.12	101,473,648
Qualcom	QCOM.O	568,182	179.31	101,880,714
QWest Communications	Q.N	2,339,181	42.12	98,526,304
Verisign	VRSN.O	526,316	190.12	100,063,198
Yahoo!	YHOO.O	224,719	475.00	106,741,525
Totals		16,605,230		1,648,791,354

PSI-QUEL 09651

5934

PSI-QUEL 09652

PURCHASE AGREEMENT

THIS AGREEMENT is made on this 28th day of December 1999

BETWEEN:

- (1) Barnville Ltd whose registered office is at 19 Mount Havelock, Douglas Isle of Man, IM1 2QG (the "Purchaser"); and
- (2) Jackstones Ltd whose registered office is at 12-14 Finch Road, Douglas, Isle of Man (the "Vendor"); and

WHEREAS:

The Vendor wishes to sell and the Purchaser wishes to buy the Purchase Shares (as defined below) in accordance with and subject to the terms of this Agreement.

NOW THIS AGREEMENT WITNESSETH AND IT IS HEREBY AGREED AS FOLLOWS:

1. Interpretation

- 1.1 In this Agreement, unless the context otherwise requires, the following words and expressions will have the meanings set opposite them:

"Purchase Shares" means each of the shares specified in the Appendix hereto.

"Trade Date" means 28 December 1999

"Settlement Date" means 3 January 2000.

- 1.2 Clause headings are for ease of reference only and are not intended to affect the interpretation of this Agreement.

2. Sale and Purchase

On the Trade Date, the Vendor shall sell as beneficial owner free from all liens, charges, encumbrances and any other security or quasi security interests (together, "Security Interests") (which the Vendor hereby represents and warrants to be the case) and the Purchaser shall purchase the Purchase Shares.

3. Consideration

The consideration for the sale of the Purchase Shares pursuant to the foregoing shall be USD 397,201,727 (the "Purchase Price") and shall be payable by the Purchaser to the

Vendor for value on the Settlement Date. The Purchase Price referable to each parcel of shares ~~in~~is specified in the Appendix hereto.

4. Settlement

On the Settlement Date, the Vendor shall deliver to the Purchaser, or procure delivery to the Purchaser of, all instruments of transfer in respect of the Purchase Shares together with all certificates and any other document which may reasonably be required to give full legal and beneficial title to the Purchase Shares free from all Security Interests or which may be necessary to enable the Purchaser to procure the registration of the same in the name of the Purchaser or its nominee. The Vendor hereby authorises the Purchaser to set off against the Purchase Price any sum payable by the Vendor to the Purchaser on the Settlement Date.

6. Governing Law and Jurisdiction

This Agreement ~~entered into pursuant to this Agreement~~ will be governed by and construed in accordance with the laws of the Isle of Man.

AS WITNESS this Agreement has been entered into by duly authorised representatives of the Purchaser and by the Vendor on the date first written above.

For and on behalf of
Barnville Ltd

Name:
Title:
Date:

For and on behalf of
Jackstones Ltd

Name:
Title:
Date:

5937

3.

Appendix

Security	RIC Code	Number of Shares	Trade Price in USD	Purchase Price in USD
Commerce One	CMRC.O	357,143	250.0000	89,285,750
Dell Computer	DELL.O	1,923,077	51.5600	99,153,850
eBay	EBAY.O	769,231	139.8700	107,592,340
MCI-Worldcom	WCOM.O	1,886,792	53.6200	101,169,787
Totals		4,936,243		397,201,727

PSI-QUEL 09655

5938

PSI-QUEL 09656

5939

DATED 28 December 1999

SECURITIES LENDING AGREEMENT

PSI-QUEL 09657

THIS AGREEMENT IS MADE THE [28TH] DAY OF DECEMBER 1999

BETWEEN:

- (1) **Jackstones Ltd** a company incorporated under the laws of the Isle of Man (the "Borrower"); and
- (2) **Barnville Ltd** a company incorporated under the laws of the Isle of Man (the "Lender").

WHEREAS:

- (1) From time to time the parties hereto may enter into transactions in which the Lender agrees to lend to the Borrower securities ("Securities") with a simultaneous agreement by the Borrower to transfer to the Lender free of payment securities equivalent to such Securities at a date certain or on demand by the Lender.
- (2) Each such transaction shall be referred to herein as a "Transaction" and shall be governed by the terms of this Agreement.

NOW IT IS HEREBY AGREED AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

(A) In this Agreement:

"Act of Insolvency"

means in relation to either Party:

- (i) its making a general assignment for the benefit of, or entering into a reorganisation, arrangement or composition with creditors; or
- (ii) its admitting in writing that it is unable to pay its debts as they become due; or
- (iii) its seeking, consenting to or acquiescing in the appointment of any trustee, administrator, receiver or liquidator or analogous officer of it or any material part of its property; or
- (iv) the presentation or filing of a petition in respect of it (other than by the other Party to this Agreement in respect of any obligation under this Agreement) in any court or before any agency alleging or for the bankruptcy, winding-up or insolvency of such Party (or any analogous proceeding) or seeking any reorganisation, arrangement, composition, re-adjustment, administration, liquidation, dissolution or similar relief under any present or future statute, law or regulation, such petition (except in the case of a petition for winding-up or any analogous proceeding in respect of which

no such 60 day period shall apply) not having been stayed or dismissed within 60 days of its filing; or

- (v) the appointment of a receiver, administrator, liquidator or trustee or analogous officer of such Party over all or any material part of such Party's property; or
- (vi) the convening of any meeting of its creditors for the purpose of considering a voluntary arrangement (or any analogous proceeding);

and such insolvency is material in the reasonable opinion of the Borrower;

"Business Day"

means a day on which banks and securities markets are open for business generally in London and, in relation to the delivery or redelivery of any Securities or Equivalent Securities, in the place(s) where such securities are to be delivered;

"Cash Collateral Amount"

means, with respect to a Transaction, the amount specified as such in the applicable Confirmation;

"Close of Business"

means the time at which banks close in the business centre in which payment is to be made;

"Confirmation"

shall have the meaning given in Clause 2;

"Delivery Date"

means, with respect to a Transaction, the date specified as such on the Confirmation;

"Defaulting Party"

shall have the meaning given in Clause 13;

"Equivalent Securities"

means securities of an identical type, nominal value, description and amount to the Securities borrowed and such term shall include the certificates and other documents of or evidencing title and transfer in respect of the foregoing (as appropriate). If and to the extent that such Securities have been converted, subdivided, consolidated, redeemed, made the subject of a takeover, capitalisation issue, rights issue or event similar to any of the foregoing, the expression shall have the following meaning:

- (a) in the case of conversion, subdivision or consolidation the securities into which the borrowed Securities have been converted, subdivided or consolidated;
- (b) in the case of redemption, a sum of money equivalent to the proceeds of the redemption;

- (c) in the case of a capitalisation issue, the borrowed Securities TOGETHER WITH the securities allotted by way of a bonus thereon;
- (d) in the case of a rights issue, the borrowed Securities TOGETHER WITH the securities allotted thereon, PROVIDED THAT the Lender has paid to the Borrower all and any sums due in respect thereof;
- (e) in the case of any event similar to any of the foregoing, the borrowed Securities TOGETHER WITH or replaced by a sum of money or securities equivalent to that received in respect of such borrowed Securities resulting from such event;

~~For the purposes of this definition, securities are equivalent to other securities where they are of an identical type, nominal value, description and amount and such term shall include the certificate and other documents of or evidencing title and transfer in respect of the foregoing (as appropriate);~~

"Event of Default"	has the meaning given in Clause 13;
"Income"	means, with respect to any Security at any time, all interest, dividends, coupons or other distributions thereon;
"Income Payment Date"	means, with respect to any Securities, the date on which Income is paid by the issuer in respect to such Securities;
"Interest Rate"	means, with respect to a Transaction, the rate specified as such in the Confirmation;
"Lending Fee"	means, with respect to a Transaction, the amount specified as such in the relevant Confirmation or, in the case of an Open Transaction, the amount determinable in accordance with the manner set out in the Confirmation;
"Nominee"	means an agent or a nominee appointed by either Party to accept delivery of, hold or deliver Securities or Equivalent Securities on its behalf whose appointment has been notified to the other Party;
"Non-Defaulting Party"	shall have the meaning given in Clause 13;
"Open Transaction"	means a Transaction the Redelivery Date of which is unspecified in the Confirmation, but which the termination of which may be triggered in accordance with Clause 2(c) and (ed);

"Parties"	means the Lender and the Borrower and "Party" shall be construed accordingly;
"Securities"	means, with respect to a Transaction, the type and number of securities or financial instruments set out as such in the Confirmation for that Transaction;
"Redelivery Date"	means the date upon which Securities are or are to be transferred to the Borrower-Lender in accordance with this Agreement;

- (B) All headings appear for convenience only and shall not affect the interpretation hereof.
- (C) Notwithstanding the use of expressions such as "Borrower", "Lender", "lend", "redeliver" etc. which are used to reflect terminology used in the market for transactions of the kind provided for in this Agreement, title to Securities "borrowed" or "lent" in accordance with this Agreement shall pass from one Party to another as provided for in this Agreement, the Party obtaining such title being obliged to redeliver Equivalent Securities.

2. INITIATION, CONFIRMATION AND TERMINATION

- (a) A Transaction may be entered into orally or in writing at the initiation of either the Borrower or the Lender provided that the Securities that are to be the subject of the Transaction are acceptable to the Borrower.
- (b) Upon agreeing to enter into a Transaction hereunder the Borrower shall promptly deliver to the Lender written confirmation of such Transaction (a "Confirmation") in the form set out in the Annex hereto specifying the Securities (together with identification numbers and references), the Delivery Date, the Redelivery Date (if not an Open Transaction), the Lending Fee and such other matters or supplemental terms as may be agreed between the Parties with respect to that Transaction.

The Confirmation relating to a Transaction shall, together with this Agreement, constitute prima facie evidence of the terms agreed between the Borrower and the Lender for that Transaction, unless objection is made with respect to the Confirmation promptly after receipt thereof. In event of any conflict between the terms of such Confirmation and this Agreement, the Confirmation shall prevail in respect of that Transaction and those terms only.

- (c) Termination of a Transaction will be effected, in the case of ~~an~~ Open Transactions, on the date specified for termination in the relevant party's written demand for termination, and, in the case of fixed term Transactions, on the Redelivery Date specified in the Confirmation.
- (d) In the case of ~~on-demand~~ Open Transactions, demand for termination shall be made by the Borrower or the Lender, by telephone or otherwise, and shall provide for termination to occur after not less than the minimum period as is customarily required for the settlement or delivery of Equivalent Securities of the relevant kind.

3. LOAN OF SECURITIES

In relation to each Transaction, the Lender will lend the Securities to the Borrower and the Borrower will borrow the Securities from the Lender on the Delivery Date subject to and in accordance with the terms and conditions of this Agreement.

4. DELIVERY OF SECURITIES

On a Delivery Date for a Transaction, the Lender shall deliver the Securities or procure the delivery of the Securities to the Borrower TOGETHER WITH appropriate instruments of transfer duly stamped where necessary and such other instruments as may be requisite to vest title thereto in the Borrower. The Securities shall be deemed to have been delivered by the Lender to the Borrower on delivery to the Borrower or as it shall direct of the relevant instruments of transfer.

5. RIGHTS AND TITLE

The Parties shall execute and deliver all necessary documents and give all necessary instructions to procure that all rights, title and interest in:

- (i) the Securities borrowed pursuant to Clause 2; and
- (ii) the Equivalent Securities redelivered pursuant to Clause 6;

shall pass from one Party to the other subject to the terms and conditions mentioned herein on delivery or redelivery of the same in accordance with this Agreement, free from all liens, charges and encumbrances. In the case of the Securities or Equivalent Securities, title to which is registered in a computer based system which provides for the recording and transfer of title to the same by way of book entries, delivery and transfer of title shall take place in accordance with the rules and procedures of such system as in force from time to time. The Party acquiring such right, title and interest shall have no obligation to return or redeliver any of the assets so acquired but, insofar as the Securities are borrowed, such Party shall be obliged, subject to the terms of this Agreement, to redeliver Equivalent Securities.

6. REDELIVERY OF EQUIVALENT SECURITIES

Subject to the provisions of Clause 9 below, the Borrower undertakes in relation to each Transaction to redeliver Equivalent Securities to the Lender on the Redelivery Date for that Transaction or, if that Transaction is an Open Transaction on the date falling two Business Days immediately following the date on which the Borrower receives from the Lender a written notice requiring the termination of that Transaction. The delivery of such Equivalent Securities shall be effected in the same manner as set out in Clause 3 above.

7. LENDING FEES

On the Redelivery Date for each Transaction, the Borrower shall pay to the Lender the Lending Fee for that Transaction.

COLLATERAL

The Borrower undertakes in relation to each Transaction to pay to the Lender the applicable Cash Collateral Amount on the Delivery Date, which sum shall be held by the Lender until Equivalent Securities (in respect of the Securities borrowed under the relevant Transaction) are redelivered

by the Borrower. Subject to Clause 9 below, the Cash Collateral Amount shall be repaid at the same time as Equivalent Securities in respect of the relevant Securities borrowed are redelivered. If the Borrower fails to comply with its obligation for such redelivery of Equivalent Securities, then the Lender shall have the right to apply the Cash Collateral Amount by way of set-off against the cash equivalent value of such obligation in accordance with Clause 9 below. Interest shall accrue on the Cash Collateral Amount for the term of each Transaction at the applicable Interest Rate (compounded, if applicable, on an annual basis) and shall be due and payable on the Redelivery Date.

9. ACCELERATION DUE TO EVENT OF DEFAULT

If ~~either~~ an Event of Default occurs in relation to either Party, then the Redelivery Date for each Transaction shall be deemed to occur at the time such Event of Default occurs and the performance of any other obligations that the Parties may have under this Agreement at such time shall likewise be accelerated. In such an event and with immediate effect on the relevant date (the "Acceleration Date"), the redelivery obligation of the Borrower shall be replaced with an obligation of the Borrower to pay to the Lender on the Acceleration Date an amount equal to the then prevailing market value of the Equivalent Securities (as determined by reference to the official closing price(s) on such date) in respect of which such redelivery obligation had existed. Such payment obligation may be then set-off against the payment obligation of the ~~Borrower~~ Lender with respect to the return of the Cash Collateral Amount and accrued interest thereon.

10. INCOME PAYMENTS

Unless otherwise agreed, where the term of a particular Transaction extends over an Income Payment Date in respect of any Securities subject to that Transaction, the Borrower shall on the date of such Income is paid by the issuer transfer to or credit to the account of the Lender an amount equal to (and in the same currency as) the amount paid by the issuer, such payment to be made without any withholding or deduction for or on account of any taxes or duties notwithstanding that a payment of such Income may be subject to such a withholding or deduction.

11. LENDER'S WARRANTIES

The Lender hereby warrants and undertakes to the Borrower on a continuing basis to the intent that such warranties shall survive the completion of any transaction contemplated herein that:

- (A) it is duly authorised and empowered to perform its duties and obligations under this Agreement;
- (B) it is not restricted under the terms of its constitution or in any other manner from lending the Securities in accordance with this Agreement or from otherwise performing its obligations hereunder;
- (C) it is absolutely entitled to pass full legal and beneficial ownership of the Securities to the Borrower free from all liens, charges and encumbrances;

12. BORROWER'S WARRANTIES

The Borrower hereby warrants and undertakes to the Lender on a continuing basis to the intent that such warranties shall survive the completion of any transaction contemplated herein that:

- (A) it has all necessary licenses and approvals, and is duly authorised and empowered, to perform its duties and obligations under this Agreement and will do nothing prejudicial to the continuation of such authorisation, licences or approvals;
- (B) it is not restricted under the terms of its constitution or in any other manner from borrowing Securities in accordance with this Agreement or from otherwise performing its obligations hereunder;
- (C) it is acting as principal in respect of this Agreement;

13. EVENTS OF DEFAULT

Each of the following events occurring in relation to either Party (the “Defaulting Party”, the other Party being the “Non-Defaulting Party”) shall be an Event of Default for the purpose of Clause 9:

- (A) the Lender or Borrower failing to comply in any material respect with its obligations under Clauses 2, 3, 4 or 5, and the Non-Defaulting Party serves written notice on the Defaulting Party and the Defaulting party fails to cure its default within the following 5 Business Days;
- (B) an Act of Insolvency occurring with respect to the Lender or the Borrower and (except in the case of an Act of Insolvency which is the presentation of a petition for winding-up or any analogous proceeding or the appointment of a liquidator or analogous officer of the Defaulting Party in which case no such notice shall be required) the Non-Defaulting Party serves written notice on the Defaulting Party;
- (C) any representations or warranties made by the Lender or the Borrower being incorrect or untrue in any material respect when made or repeated or deemed to have been made or repeated, and the Non-Defaulting Party serves written notice on the Defaulting Party;
- (D) the Lender or the Borrower admitting to the other that it is unable to, or it intends not to, perform any of its obligations hereunder and/or in respect of any loan hereunder, and the Non-Defaulting Party serves written notice on the Defaulting Party;
- (E) the Lender (if appropriate) or the Borrower being suspended or expelled from membership of or participation in any securities exchange or association or other self-regulatory organisation, or suspended from dealing in securities by any government agency, and the Non-Defaulting Party serves written notice on the Defaulting Party;
- (F) any of the assets of the Lender or the Borrower or the assets of investors held by or to the order of the Lender or the Borrower being transferred or ordered to be transferred to a trustee by a regulatory authority pursuant to any securities regulating legislation and the Non-Defaulting Party serves written notice on the Defaulting Party; or
- (G) the Lender or the Borrower failing to perform any other of its material obligations hereunder and not remedying such failure within 30 days after the Non-Defaulting Party serves written notice requiring it to remedy such failure, and the Non-Defaulting Party serves a further written notice on the Defaulting Party.

Each Party shall notify the other if an Event of Default occurs in relation to it.

14. ASSIGNMENT

Neither Party may charge, assign or transfer all or any of its rights or obligations hereunder without the prior consent of the other Party.

15. GOVERNING LAW

This Agreement is governed by, and shall be construed in accordance with, the laws of England and each Party irrevocably submits to the exclusive jurisdiction of the English courts.

IN WITNESS WHEREOF this Agreement has been executed on behalf of the Parties hereto the day and year first before written.

Jackstones Ltd

.....
Name:
Title:
Date:

Barnville Ltd

.....
Name:
Title:
Date:

5948

ANNEX

Form of Confirmation

To: _____
From: _____
Date: _____
Subject: Transaction (Reference Number: _____)

Dear Sirs,

The purpose of this [letter]/[facsimile]/[telex] is to set forth the terms and conditions of the above repurchase transaction entered into between us on the Trade Date referred to below.

This Confirmation supplements and forms part of and is subject to the Securities Lending Agreement as entered into between us as of 28 December 1999 as the same may be amended from time to time (the "Agreement"). All provisions contained in the Agreement govern this Confirmation except as expressly modified below. Words and phrases defined in the Agreement and used in this Confirmation shall have the same meaning herein as in the Agreement.

7. Trade Date:
8. Securities:
9. CUSIP, CINS or other identifying number:
10. Borrower:
11. Lender:
12. Delivery Date:
13. Redelivery Date [if not Open Transaction]:
14. Cash Collateral Amount:
15. Interest Rate:
16. Lending Fee:
17. Lender's Bank Account[s] Details:
18. [Additional Terms]:

Yours faithfully,

5950

ANNEX

Form of Confirmation

To: Jackstones Ltd
From: Barnville Ltd
Date: 28 December 1999
Subject: Stock Loan of Technology Share Basket [Tranche 1]

Dear Sirs,

The purpose of this letter is to set forth the terms and conditions of the above repurchase transaction entered into between us on the Trade Date referred to below. This Confirmation supplements and forms part of and is subject to the Securities Lending Agreement as entered into between us as of 28 December 1999 as the same may be amended from time to time (the "Agreement"). All provisions contained in the Agreement govern this Confirmation except as expressly modified below. Words and phrases defined in the Agreement and used in this Confirmation shall have the same meaning herein as in the Agreement.

- | | | |
|-----|-------------------------|--|
| 1. | Trade Date: | 28 December 1999 |
| 2. | Securities: | See attached Schedule A |
| 3. | RIC Code: | See attached Schedule A |
| 4. | Borrower: | Jackstones Ltd |
| 5. | Lender: | Barnville Ltd |
| 6. | Delivery Date: | 3 January 2000 |
| 7. | Redelivery Date: | This transaction will be an "Open Transaction" for the purposes of the Agreement |
| 8. | Lending Fee: | Nil |
| 9. | Cash Collateral Amount: | USD 397,201,727 |
| 10. | Additional Terms: | Notwithstanding Clause clause 9-10 of the Agreement, the Borrower shall not be liable to account to the lender Lender for any income that |

PSI-QUEL 09668

5951

may arise during the term of the Transaction on
any of the Securities.

Yours faithfully,

|

5952

Schedule A

Security	RIC Code	Number of Shares	Market Close 28 Dec 1999	Security Valuation
Commerce One	CMRC.O	357,143	250.0000	89,285,750
Dell Computer	DELL.O	1,923,077	51.5600	99,153,850
eBay	EBAY.O	769,231	139.8700	107,592,340
MCI-Worldcom	WCOM.O	1,886,792	53.6200	101,169,787
		4,936,243		397,201,727

PSI-QUEL 09670

5954

ANNEX

Form of Confirmation

To: Jackstones Ltd
From: Barnville Ltd
Date: 03 January 2000
Subject: Stock Loan of Technology Share Basket [Tranche 2]

Dear Sirs,

The purpose of this letter is to set forth the terms and conditions of the above repurchase transaction entered into between us on the Trade Date referred to below. This Confirmation supplements and forms part of and is subject to the Securities Lending Agreement as entered into between us as of 28 December 1999 as the same may be amended from time to time (the "Agreement"). All provisions contained in the Agreement govern this Confirmation except as expressly modified below. Words and phrases defined in the Agreement and used in this Confirmation shall have the same meaning herein as in the Agreement.

1. Trade Date: 3 January 2000
2. Securities: See attached Schedule A
3. RIC Code: See attached Schedule A
4. Borrower: Jackstones Ltd
5. Lender: Barnville Ltd
6. Delivery Date: 6 January 2000
7. Redelivery Date: This transaction will be an "Open Transaction" for the purposes of the Agreement
8. Lending Fee: Nil
9. Cash Collateral Amount: USD 1,648,791,354
10. Additional Terms: Notwithstanding ~~Clause~~ ~~clause 9-10~~ of the Agreement, the Borrower shall not be liable to account to the lender ~~Lender~~ for any income that

PSI-QUEL 09672

5955

may arise during the term of the Transaction on
any of the Securities.

Yours faithfully,

|

Schedule A

Security	RIC Code	Number of Shares	Market Close 03 Jan 2000	Security Valuation
Amazon.com	AMZN.O	1,136,364	89.37	101,556,851
America On-Line	AOL.N	1,250,000	82.75	103,437,500
Broadvision	BVSN.O	546,448	189.43	103,513,645
Clear Channel	CCU.N	1,123,596	87.75	98,595,549
CMGI	CMGI.O	645,161	163.22	105,303,178
DoubleClick	DCLK.O	781,250	134.00	104,687,500
Gateway	GTW.N	1,423,488	69.37	98,747,363
Global Crossing	GBLX.O	2,083,333	49.12	102,333,317
I2 Technologies	ITWO.O	568,182	188.50	107,102,307
Internet Capital Group	ICGE.O	534,759	200.00	106,951,800
Liberty Digital	LDIG.O	1,538,462	70.12	107,876,955
Lucent Technology	LU.N	1,315,789	77.12	101,473,648
Qualcom	QCOM.O	568,182	179.31	101,880,714
QWest Communications	Q.N	2,339,181	42.12	98,526,304
Verisign	VRSN.O	526,316	190.12	100,063,198
Yahoo!	YHOO.O	224,719	475.00	106,741,525
		16,605,230		1,648,791,354

5957

PSI-QUEL 09675

5958

ANNEX

Form of Confirmation

To: Jackstones Ltd
From: Barnville Ltd
Date: 03-10 January 2000
Subject: Stock Loan of Technology Share Basket [Tranche 3]

Dear Sirs,

The purpose of this letter is to set forth the terms and conditions of the above repurchase transaction entered into between us on the Trade Date referred to below. This Confirmation supplements and forms part of and is subject to the Securities Lending Agreement as entered into between us as of 28 December 1999 as the same may be amended from time to time (the "Agreement"). All provisions contained in the Agreement govern this Confirmation except as expressly modified below. Words and phrases defined in the Agreement and used in this Confirmation shall have the same meaning herein as in the Agreement.

1. Trade Date: 10 January 2000
2. Securities: See attached Schedule A
3. RIC Code: See attached Schedule A
4. Borrower: Jackstones Ltd
5. Lender: Barnville Ltd
6. Delivery Date: 13 January 2000
7. Redelivery Date: This transaction will be an "Open Transaction" for the purposes of the Agreement
8. Lending Fee: Nil
9. Cash Collateral Amount: USD 1,160,339,562
10. Additional Terms: Notwithstanding ~~Clause~~ clause 9-10 of the Agreement, the Borrower shall not be liable to account to the ~~lender~~ Lender for any income that

PSI-QUEL 09676

5959

may arise during the term of the Transaction on
any of the Securities.

Yours faithfully,

|

PSI-QUEL 09677

Schedule A

Security	RIC Code	Number of Shares	Market Close 10 Jan 2000	Security Valuation
Ariba Inc	ARBA.O	540,541	194.00	104,864,954
AtHome Inc	ATHM.O	2,484,472	40.25	99,999,998
BEA Systems	BEAS.O	1,307,190	84.00	109,803,960
Broadcom	BRCM.O	340,136	295.56	100,530,596
Exodus Communications	EXDS.O	980,392	104.00	101,960,768
Infospace	INSP.O	881,057	114.50	100,881,027
JDS Uniphase	JDSU.O	510,204	200.37	102,229,575
Juniper Networks	JNPR.O	313,480	108.50	34,012,580
Network Applications	NTAP.O	1,123,596	88.62	99,573,078
PMCS	PMCS.O	619,195	164.50	101,857,578
Veritas Software	VRTS.O	709,220	143.81	101,992,928
Vignette Corporation	VIGN.O	540,541	189.87	102,632,520
		10,350,024		1,160,339,562

From: Norm Bontje
Sent: Friday, January 07, 2000 1:26 PM
To: Jeff Greenstein; Chuck Wilk
Subject: point - questions for now.

Are A and B related to Euram?

I would assume so if the story is that Euram is selling the warrants to clients. But then putting Euram in the middle re: trade tickets, etc. is not so good anymore since they're related parties.

Stock purchase:

Is there any way to have a custody agent for the stock purchase that will give a statement of the account? This would be absolutely ideal, and think appropriate. Custody agents do hold registered positions.

After A and B do their thing:

A contributes stock position into foreign limited partnership (FLP). Simultaneously, A will lend stock to B.

What will be the form of contribution? My guess is that it is a contribution agreement, and the contribution agreement will reference the stock "being held" somewhere. Additionally, contribution agreement will reference stock loan. Where is the stock held? We need something that is a statement of a stock position somewhere. Is B going to pay A for stock loan? What is A's security for the stock loan - i.e., do people generally lend stock to shell companies w/no recourse?

FLP is the bankruptcy remote vehicle.

Is this type of vehicle usually trusted by a major custodian or something? How are warrant holders sure the stock is in the FLP, or that the 3x stock is in there? Who will serve this function and will they "buy" this contributed stock position.

From: Rajan Puri [rajan.puri@euraminvest.com]
 Sent: Thursday, July 13, 2000 12:06 PM
 To: 'chrish@gcm.com'
 Subject: Update on Docs

— = Redacted by the Permanent
 Subcommittee on Investigations

WglenINCSubscriber.doc BarnvillePromissoryNote.doc RekaPromissoryNote.doc WoodglenPromissoryNote.doc
 Chris

Here goes...

i) Purchase agreement re ECS and Woodglen Inc...here's a 'clean' electronic copy if you need to make any revisions
 <<WglenINCSubscriber.doc>>

We have executed a copy on behalf of ECS Limited...I am about to put it on the fax machine to you, and will send the original by courier to you tomorrow, once you confirm no material changes are required.

ii) \$103.9mio Promissory Note from Barnville to Reka - IoM guys will fax you a copy and courier the original...you will have the faxed version in time for your open tomorrow.

iii) IoM guys will courier you good quality p'copies of the Certificate of Incorporation, Memo & Arts, and first Board Meeting Minutes for [REDACTED] and [REDACTED] tomorrow, for inclusion in your client bibles. (I will request Citco to do the same for Reka Limited this evening). As part of the same package, IoM will send you a signed original of the Barnville / Reka contribution agreement.

iv) Promissory Note structure re additional basis creation...here are the draft notes, as discussed:
 <<BarnvillePromissoryNote.doc>> <<RekaPromissoryNote.doc>>
 <<WoodglenPromissoryNote.doc>>

If the Note does not work for the Woodglen basis 'contribution' to Reka element, let me know what you want in its place, and we will attempt to document the revised game plan.

ok...speak to you later
 Cheers
 Raj

PURCHASE AGREEMENT

THIS AGREEMENT is made on 5th day of May 2000

BETWEEN:

- (1) Woodglen I, Inc. (the "Purchaser"); and
- (2) European American Corporate Services Limited whose registered office is at Walmar House 288-292 Regent Street, London W1R 5HF (the "Vendor").

WHEREAS:

- (A) The Vendor wishes to sell and the Purchaser wishes to buy the Purchase Shares (as defined below) in accordance with and subject to the terms of this Agreement.
- (B) The Purchaser is willing to grant to the Vendor security over the Purchase Shares as assurance for the payment of the Purchase Price (as defined below) on the terms also set out in this Agreement.

NOW THIS AGREEMENT WITNESSETH AND IT IS HEREBY AGREED AS FOLLOWS:

1. Interpretation

- 1.1 In this Agreement, unless the context otherwise requires, the following words and expressions will have the meanings set opposite them:

"Company" means Reka Limited, a Cayman Islands company.

"Final Interest Amount" means, subject to the provisions of clause 5.2, an amount equal to the Purchase Price (as defined in clause 3 below) multiplied by (i) 3.00% and then (ii) a fraction the denominator of which is 360 and the numerator of which is the number of days in the period from the Purchase Date to the Purchase Price Payment Date (both dates inclusive).

"Options" means the put option and call option entered into on the same date hereof between Barnville Limited (an Isle of Man company) and the Company.

"Prepaid Interest Amount" means US\$3,470, representing an amount by way of interest, fees and structuring costs payable by the Purchaser to the Vendor.

"Purchase Date" means 5 May 2000.

"Purchase Price Payment Date" means with respect to payment of the Purchase Price (or any part thereof), the earlier of the Unwind Date or 17 August 2000 (the

2.

“Provisional Payment Date”) or such later date as the Purchaser elects to pay all or part of the Purchase Price in accordance with clause 5.2 of this Agreement.

“Purchase Shares” means 1 ordinary share of the Company.

“Unwind Date” means the date upon which the Options are terminated early by the parties thereto.

- 1.2 Clause headings are for ease of reference only and are not intended to affect the interpretation of this Agreement.

2. Sale and Purchase

On the Purchase Date, the Vendor shall sell as beneficial owner free from all liens, charges, encumbrances and any other security or quasi security interests (together, “Security Interests”) (which the Vendor hereby represents and warrants to be the case) and the Purchaser shall purchase the Purchase Shares.

3. Consideration

The consideration for the sale of the Purchase Shares pursuant to the foregoing shall be USD 103,942 (the “Purchase Price”) and shall be payable by the Purchaser to the Vendor for value on the Purchase Price Payment Date.

4. Interest on Purchase Price

By way of interest on the Purchase Price for the period from the Purchase Date to the Purchase Price Payment Date (both dates inclusive), the Purchaser shall pay to the Vendor:

- (a) on the Purchase Date an amount equal to the Prepaid Interest Amount; and
- (b) on the Purchase Price Payment Date an amount equal to the Final Interest Amount

in each case free of any withholding or deduction for or on account of tax.

5. Settlement

- 5.1 On the Purchase Date, the Vendor shall deliver to the Purchaser, or procure delivery to the Purchaser of, all instruments of transfer in respect of the Purchase Shares together with all certificates and any other document which may reasonably be required to give full legal and beneficial title to the Purchase Shares free from all Security Interests or which may be necessary to enable the Purchaser to procure the registration of the same in the name of the Purchaser or its nominee.
- 5.2 The Purchaser shall pay to the Vendor the Purchase Price for value on the Provisional Payment Date, provided that the Purchaser shall be entitled (subject always to the Purchaser not being subject at the relevant time to any insolvency, bankruptcy or similar proceeding) to continue to defer the payment of all or part of the Purchase Price until such future date or, in the case of instalment payments, dates, such date or dates to be determined at the Purchaser’s discretion but in any event to be no later than

2 May 2035. If the Purchaser elects to defer part of its Purchase Price payment obligation in accordance with the foregoing, then the Final Interest Amount shall be payable in parts and shall be determined with respect to each part payment according to that proportion of the Purchase Price represented by the relevant payment. In lieu of payment by the Purchaser of the Purchase Price (or part thereof) and the Final Interest Amount on the applicable Purchase Price Payment Date, the parties agree that the Vendor may effect a full or partial discharge (as the case may be) of such obligation through the set-off by the Vendor against any payment obligation of the Vendor owed to an affiliate or subsidiary of the Purchaser ("Affiliate") and which is or remains due and payable on the Purchase Price Payment Date. To the extent that the Vendor is able to effect such set-off and the relevant Affiliate consents to such treatment of its claim by the Vendor (which the Purchaser hereby undertakes to procure), then the payment obligation of the Purchaser to the Vendor hereunder shall be discharged accordingly.

6. Pledge

- 6.1 Upon the transfer of the Purchase Shares to the Purchaser pursuant to clause 5.1 above, the Purchaser hereby pledges and assigns to the Vendor, and grants to the Vendor a security interest in and to, all of the Purchaser's right, title and interest in and to, the Purchase Shares (the "Pledged Collateral") and all proceeds of any and all of the foregoing Pledged Collateral (except any distributions (whether in cash or otherwise) made with respect to the foregoing Pledged Collateral, which shall be transmitted promptly to the Purchaser).
- 6.2 Such pledge, assignment and security interest secures the payment of all obligations of the Purchaser now or hereafter existing under this Agreement, whether direct or indirect, absolute or contingent (all such obligations being the "Secured Obligations").
- 6.3 All certificates or instruments representing or evidencing the Pledged Collateral shall be delivered to and held by the Vendor pursuant hereto and shall be in suitable form for transfer by delivery, and shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to the Vendor.
- 6.4 If in the event that the Purchaser shall default in performing any of the Secured Obligations (an "Event of Default") and such Event of Default shall be continuing for a period of more than 10 days after the date on which the Vendor notifies the Purchaser of such Event of Default:
 - (a) The Vendor may exercise in respect of the Pledged Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party on default under the New York UCC as well as exercise its remedies under all applicable law, and the Vendor may also, without notice except as specified below, sell the Pledged Collateral or any part thereof in one or more parcels at public or private sale, at any exchange, broker's board or at any of the Vendor's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Vendor may deem commercially reasonable.

4.

(b) Any cash held by the Vendor as Pledged Collateral and all cash proceeds received by the Vendor in respect of any sale of, collection from, or other realization upon all or any part of the Pledged Collateral may, in the discretion of the Vendor, be held by the Vendor as collateral for, and/or then or at any time thereafter applied in whole or in part by the Vendor against, all or any part of the Secured Obligations in such order as the Vendor shall elect. Any surplus of such cash or cash proceeds held by the Vendor and remaining after payment in full of all the Secured Obligations shall be paid over to the Purchaser or to whomsoever may be lawfully entitled to receive such surplus.

(c) If the Vendor shall determine to exercise its rights to sell all or any of the Pledged Collateral pursuant to this Section, the Purchaser agrees that, upon request of the Vendor, the Purchaser will, at its own expense do or cause to be done all such acts and things as may be necessary to make such sale of the Pledged Collateral or any part thereof valid and binding and in compliance with applicable law.

6.5 This Agreement shall create a continuing security interest in the Pledged Collateral and shall (a) remain in full force and effect until payment in full in cash of the Secured Obligations, (b) be binding upon the Purchaser, its successors and assigns, and (c) inure to the benefit of the Vendor and its successors, transferees and assigns. Without limiting the generality of the foregoing clause (c), the Vendor may, after notifying the Purchaser, assign or otherwise transfer all or any portion of its rights and obligations under the Agreement to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to the Vendor herein.

6.6 On the date on which all Secured Obligations have been paid in full in cash, the Vendor will execute and deliver to the Purchaser a proper instrument or instruments acknowledging the satisfaction and termination of this Agreement, and will duly assign, transfer and deliver to or at the direction of the Purchaser (without recourse and without any representation or warranty) such of the Pledged Collateral as may remain in the possession of the Vendor together with any monies at the time held by the Vendor hereunder.

7. Vendor Warranties

The Vendor hereby warrants and undertakes to the Purchaser on a continuing basis to the intent that such warranties shall survive the completion of sale and purchase of the Purchase Shares that:

- (A) the Vendor is a company duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation;
- (B) the Company has been formed for the sole purpose of holding a portfolio of securities (the "Portfolio") and providing structured investments linked to the Portfolio and has engaged in no other business or activity since its formation;
- (C) the execution, delivery and performance by the Vendor of this Agreement is within the corporate powers of the Vendor and this Agreement has been duly authorised, executed and delivered by the Vendor;

5.

- (D) this Agreement constitutes a valid and binding agreement of the Vendor;
- (E) the execution, delivery and performance of this Agreement by the Vendor requires no action by or in respect of, or filing with, any governmental body, agency or official;
- (F) the execution, delivery and performance of this Agreement by the Vendor does not and will not (i) violate the articles of association of the Vendor (ii) violate any applicable law, rule, judgement, injunction order or decree (iii) require any consent or other action by any person and (iv) constitute a default under any agreement or instrument binding on the Vendor;
- (G) there is no action, suit or proceeding pending against, or to the knowledge of the Vendor threatened against or affecting the Vendor or any of its properties before any court or arbitrator or any governmental body, agency or official;
- (H) the Vendor is not in violation of its articles of association or memorandum of association or in violation of or in default under any provision of applicable law or regulation or of any agreement, judgement, injunction, order, decree or other instrument binding on it, which violation or default (i) would affect the validity of this Agreement or (ii) would impair the ability of the Vendor to perform in any material respect the obligations which it has under this Agreement;
- (I) the Purchase Shares are beneficially owned by the Vendor and are free of any security interest, lien or other encumbrance;
- (J) the Purchase Shares represent the entire ownership of the Vendor in the Company;
- (K) that the Portfolio (as defined in (B) above) is free of any security interests and is unencumbered other than being subject to certain stock loan transactions as specified in the Contribution Agreement (provided that the Vendor makes no other warranty or representation, whether express or implied, as regards the nature or provenance of the securities comprised in the Portfolio).

8. Purchaser Warranties

The Purchaser hereby warrants and undertakes to the Vendor on a continuing basis to the intent that such warranties shall survive the completion of sale and purchase of the Purchase Shares that:

- (A) it is duly authorised and empowered to perform its duties and obligations under this Agreement;
- (B) it is not restricted under the terms of its constitution or in any other manner from purchasing the Purchase Shares in accordance with this Agreement or from otherwise performing its obligations hereunder;
- (C) it is acting as principal in respect of this Agreement.

5968

6.

8. Governing Law and Jurisdiction

This Agreement will be governed by and construed in accordance with the laws of the Cayman Islands.

AS WITNESS this Agreement has been entered into by duly authorised representatives of the Purchaser and by the Vendor on the date first written above.

For and on behalf of
Woodglen I, Inc.

Name:
Title:
Date:

For and on behalf of
European American Corporate Services Limited

Name:
Title:
Date:

PSI-OUEL 09611

5969

7.

Appendix

Security	RIC Code	Number of Shares	Trade Price in USD	Purchase Price in USD
Ariba Inc	ARBA.O	540,541	194.00	104,864,954
AtHome Inc	ATHM.O	2,484,472	40.25	99,999,998
BEA Systems	BEAS.O	1,307,190	84.00	109,803,960
Broadcom	BRCM.O	340,136	295.56	100,530,596
Exodus Communications	EXDS.O	980,392	104.00	101,960,768
Infospace	INSP.O	881,057	114.50	100,881,027
JDS Uniphase	JDSU.O	510,204	200.37	102,229,575
Juniper Networks	JNPR.O	313,480	108.50	34,012,580
Network Applications	NTAP.O	1,123,596	88.62	99,573,078
PMCS	PMCS.O	619,195	164.50	101,857,578
Veritas Software	VRTS.O	709,220	143.81	101,992,928
Vignette Corporation	VIGN.O	540,541	189.87	102,632,520
		10,350,024		1,160,339,562

PSI-QUEL 09612

5970

PROMISSORY NOTE

\$40,000,000

5 May, 2000

FOR VALUE RECEIVED, Barnville Limited, a limited liability company organized and existing under the laws of the Isle of Man (the "Borrower"), hereby promises to pay to the order of Reka Limited (the "Company"), in lawful currency of the United States of America in immediately available funds, the principal sum of \$40,000,000 or, if less, the unpaid principal amount of this Note from time to time, provided that the Company may not seek any such payment under this Note if and to the extent that an amount is outstanding under the Woodglen Note (as defined below) at the relevant time (whether or not such amount is then due and payable).

The Borrower also promises to pay interest on the unpaid principal amount of this Note in like money from the date hereof until paid at a rate of 3.00% on the basis of the actual number of days elapsed and a 360 day year.

For the purposes of the foregoing, the "Woodglen Note" means the promissory note issued by Woodglen I, LLC to the Borrower on the same date hereof.

This Note is not endorsable may only be assigned with the prior written consent of the Borrower.

This Note shall be governed by, and construed in accordance with, the laws of the Isle of Man.

Barnville Limited

By: _____

Name:

Title:

Accepted by:

Reka Limited

By: _____

Name:

Title:

PSI-QUEL 09614

5971

PROMISSORY NOTE

\$40,000,000

5 May, 2000

FOR VALUE RECEIVED, Reka Limited, a limited liability company organized and existing under the laws of the Cayman Islands (the "Borrower"), hereby promises to pay to the order of Woodglen I, LLC (the "Company"), in lawful currency of the United States of America in immediately available funds, the principal sum of \$40,000,000 or, if less, the unpaid principal amount of this Note from time to time, provided that the Company may not seek any such payment under this Note if and to the extent that an amount is outstanding under the Barnville Note (as defined below) at the relevant time (whether or not such amount is then due and payable).

The Borrower also promises to pay interest on the unpaid principal amount of this Note in like money from the date hereof until paid at a rate of 3.00% on the basis of the actual number of days elapsed and a 360 day year.

For the purposes of the foregoing, the "Barnville Note" means the promissory note issued by Barnville Limited to the Borrower on the same date hereof.

This Note is not endorsable may only be assigned with the prior written consent of the Borrower.

This Note shall be governed by, and construed in accordance with, the laws of the Isle of Man.

Woodglen I, LLC

By: _____
Name:
Title:

Accepted by:

Reka Limited

By: _____
Name:
Title:

PSI-QUEL 09616

5972

PROMISSORY NOTE

\$40,000,000

5 May, 2000

FOR VALUE RECEIVED, Woodglen I, LLC a limited liability company organized and existing under the laws of the Delaware (the "Borrower"), hereby promises to pay to the order of Barnville Limited (the "Company"), in lawful currency of the United States of America in immediately available funds, the principal sum of \$40,000,000 or, if less, the unpaid principal amount of this Note from time to time, provided that the Company may not seek any such payment under this Note if and to the extent that an amount is outstanding under the Barnville Note (as defined below) at the relevant time (whether or not such amount is then due and payable).

The Borrower also promises to pay interest on the unpaid principal amount of this Note in like money from the date hereof until paid at a rate of 3.00% on the basis of the actual number of days elapsed and a 360 day year.

For the purposes of the foregoing, the "Reka Note" means the promissory note issued by the Company to Reka Limited, a Cayman Islands company on the same date hereof.

This Note is not endorsable may only be assigned with the prior written consent of the Borrower.

This Note shall be governed by, and construed in accordance with, the laws of the Isle of Man.

Woodglen I, LLC

By: _____
Name: _____
Title: _____

Accepted by:

Barnville Limited

By: _____
Name: _____
Title: _____

PSI-QUEL 09618

Quellos Group, LLC

Confidential

Meeting Search

Tuesday, November 28, 2000

■ John Staddon, Rajan Pari

email

Brian M. Hanson, Chris M.
Hirata

Amendment and Termination Documents - Fellas,

We have made additional changes to the amendments to the purchase agreement and the promissory note. To summarize the promissory note changes, the note was issued by Barnville and purchased by Reka. Also, I added language to reflect that interest payment should be made at year end (for tax purposes). Purchase Agreement changes include language to reflect interest calculations to be made on a year end basis and in accordance with an actual/360 day method. Other changes were cosmetic. I have made the changes for you so please incorporate them into the documents for the other required entities (i.e. Burgundy, Sidehill, Inc., Sidehill LLC Woodglen I, Inc.).

In relation to the termination documents there is one change that needs to be made. The proper name of Woodglen I LLC is Woodglen LLC not Woodglen I, LLC. In other words, please remove any instance of a comma in the name Woodglen I LLC. This is Quellos' final stamp of approval on those documents prior to execution.

I have faxed you copies of the executed file notes. I believe you now have everything you need to go after the Cayman guys with full force (assuming you get the note from Ira first). Let's bundle everything together, ship it down there and make them sign the debenture and the termination agreement and get this shit taken care of forever. Can you sense my discontent with them? I am committed to getting these signed and the assets transferred by no later than Friday (so is Chuck and so is the client).

Please leave me a message with any questions so that I can help you as soon as I get in.

Thanks all,
Brian

From: Christopher Hirata
Sent: Thursday, April 27, 2000 11:14 AM
To: 'John Staddon'
Subject: RE: POINT

John,

Can I get the IOM company names and the year-end date for Reka? Thanks.

Chris

-----Original Message-----

From: John Staddon [mailto:john.staddon@euraminvest.com]
Sent: Thursday, April 27, 2000 3:25 AM
To: chrish@gcm.com
Cc: chuckw@gcm.com; jeffg@gcm.com; Rajan Puri
Subject: POINT

Chris,

Whilst I have no fundamental objection to having "provisional" documents, I think that until we pin down some of the remaining details, the "executed" documents would have too many crucial gaps as not to make them worthwhile. We have some choices I think. The first is along the lines of your suggestion and that is to execute as much as possible at this stage and to have a reconciliation process once all the final details are known (i.e. following the execution of the call spread). However, in order to to this I think we need to insert more details than we have at present. In particular, we need to know (a) the reference portfolio, (b) a conservative estimate what the call spread premium will be, (c) the call spread maturity date and (d) a set date on which the call spreads will be executed and the reference price off which the strikes will be set (e.g closing prices on 27th or 28th).

The other possibility (and frankly my preference) is that we execute just the documents relating to the contribution into the spv and the warrant issue (all that is needed for that is the final portfolio details) and the take care of the SPV share sale and collar transaction as and when the BoA call spread is executed (once we know the strikes of the spread and the reference spot price from which they are derived, we can work out the purchase price for the shares and the associated put/ call option variables). I would have thought that having some time lag between these two events - even a matter of days - would be helpful from a tax standpoint. Can I suggest the following:

- (1) you send over to us the portfolio details; this will allow us to complete many of the documents (Contribution Agmt, Novation Agmt, Promissory Note) and come up with a subscription price for the warrants;
- (2) you confirm the call spread maturity and the date on which BoA will strike their options (e.g market close of 27th or 28th); we can then fill in some of the missing details by reference to this.
- (3) we complete the remaining docs (e.g. collar options) - backdated if necessary - once the call spread is executed.

A few other matters:

- (i) can you send over the latest Steinberg opinion;
- (ii) can you confirm that Woodglen is to purchase the SPV shares on the same day as they are acquired by Barnville pursuant to the contribution;
- (iii) can you confirm how the Euram fee is to be paid and when (I spoke briefly to Jeff about this, but we did not come to a firm conclusion; my preference would be for a direct payment from Woodglen to Euram for structuring and arranging services).

I look forward to going through this with you when you get in.

5975

Thanks,
John

Reply

separator-----
OK, here we go. After discussions with Jeff and Chuck, our thoughts on how to proceed would be to generate initial documents that do not have exact numbers in them but at least provide both parties with some general signed agreements on day one. Once the portfolio has been set and the hedge has been purchased, then all the numbers can be finalized and an addendum for each document can be sent to the various parties detailing the exact numbers.

There are also a few issues I would like to confirm pertaining to Reka. First, who is the other initial owner (besides Barnville) prior to the sale to Woodglen I, Inc. and Woodglen I, LLC? Second, we would prefer that Reka's fiscal year-end is the calendar year-end. Can you confirm whether or not this is the case?

Thanks John. I will look for your response when I get into the office in the morning.

Regards,

Chris Hirata
Quadra Custom Strategies, LLC
Phone: (206) 613-6700
Fax: (206) 613-6713

5976

From: John Staddon [john.staddon@euraminvest.com]
Sent: Friday, April 28, 2000 2:53 PM
To: chuckw@qcm.com
Cc: andrewjr@qcm.com
Subject: Point



Call Option
4-6-00.doc



Contribution
4-6-00.doc



IoMsalepurchase
4-6-00.doc



Note 4-6-00.doc



Novation
4-6-00.doc



Put Option
4-6-00.doc



Subscription
Agreement 4-6-00...



Warrant 4-6-00.doc

Here are the revised docs - pls check the new nos at your end to make sure they match with your calculations. The only unknowns are the premia for the collar and the net premium payment (once you get these off Jeff, you can insert them into the put/call confirmations easily enough). I do not know either what the call spread premium was and therefore what the new prepaid interest amount is. Again, easily amended once the figure is available.

I will aim to re-execute on Tuesday am (with above info included - pls let me have it as well).

Best regards,

John

<<Call Option 4-6-00.doc>> <<Contribution 4-6-00.doc>> <<IoMsalepurchase 4-6-00.doc>> <<Note 4-6-00.doc>> <<Novation 4-6-00.doc>> <<Put Option 4-6-00.doc>> <<Subscription Agreement 4-6-00.doc>> <<Warrant 4-6-00.doc>>

5977

From: John Staddon [john.staddon@euraminvest.com]
Sent: Wednesday, April 26, 2000 7:12 AM
To: Chuckw@qcm.com; chrish@qcm.com
Cc: jeffg@qcm.com; Rajan Pun
Subject: POINT

Importance: High



Closing Agenda.doc

I have produced the attached closing agenda which should serve as a checklist for outstanding items.

My main concern is to take care of the points of detail that now need to be inserted into the documents. Obviously, the identity of the selected stocks is a critical component (Jeff mentioned that this is now ready) and from this we can then determine the purchase price for the Cayman Co shares (which I assume will be a simple look-through to the value of the underlying portfolio) and various option strike prices. We also need to be careful to ensure that various dates within the documents synchronise. In particular, the option settlement dates need to coincide with the payment of the deferred consideration (subject to Woodglen's right to continue the deferral). In the Sale and Purchase Agreement, I have a definition of Provisional Payment Date which is the date that (but for the basis problems) would have been the date on which all of the deferred consideration would have been payable. This date needs to marry up with the date on which the options pay out - both in relation to the collar and the call spread.

On the subject of the call spread, are we sure that BofA are standing by to transact with Barnville Limited? It seems odd that they have not asked for counterparty details.

Finally, I have removed the Bank as the subscriber for the warrants and in its place put in a non-regulated Euram investment vehicle (EA investment Services Limited). This is because the direct holding of the warrants by the Bank would attract a huge capital charge which can not be offset by the deposit. We are therefore having EA Investments appoint the Bank as the placement agent for the warrants, which will demonstrate the efforts to find investors for the warrants. I assume that this does not cause you any difficulty.

Once you have had a chance to review the attached, lets get on a call to go through the closing details.

Regards,
John <<Closing Agenda.doc>>

POINT
Closing Agenda

Step	Action	Document to be executed	Outstanding matters
Contribution of technology stocks to Reka Limited	On 27 th April 2000, Reka Limited issues 1000 new shares to Barnville Limited	(a) Contribution Agreement (b) Novation Agreement (c) Promissory Note	- Specification of novated stock portfolio - Principal amount of note ¹
Issue and subscription of covered warrants	(a) Reka Limited executes Global Warrant (b) Euram purchases the warrants and creates deposit of subscription proceeds	(a) Global Warrant (b) Subscription Agreement	- Portfolio details - Exercise price ² - Number of warrants to be issued - Subscription price
Purchase of Reka Limited shares by Woodglen I, LLC ³	Transfer of 1000 Reka shares by Barnville Limited to Woodglen	Sale and Purchase Agreement	- Prepaid interest amount ⁴ - Provisional payment date ⁵ - Purchase Price ⁶
Collar transaction btw Barnville and Woodglen		(a) Call option confirmation (b) Put option confirmation	-
Purchase of call spread by Barnville	Woodglen pays the prepaid interest amount directly to BofA on Barnville's instructions	BofA trade confirmations	- Account open?

¹ This will be equal to the original basis in the novated shares (i.e. that proportion of the original cash collateral obligation under the stock loans referable to the novated shares)

³ The single subscriber share in Reka shall be transferred to Woodglen I, Inc by the current nominee holder.

















⁴ Equal to the call spread premium payable to BofA.

⁵ This is the date on which all or part of the deferred consideration first becomes due and payable under the sale and purchase agreement (this should coincide with the option settlement dates)

⁶ Market close 27th?

From: Jeff Greenstein
Sent: Wednesday, March 29, 2000 10:45 AM
To: Norm Bontje
Subject: FW: POINT

Importance: Low








 ABstockConfirm_1b.DOC ABstockConfirm_1a.DOC ABstockConfirm_1c.DOC stockloan_master.DOC StockLoan_Trade1a.doc StockLoan_Trade1b.doc StockLoan_Trade1c.doc







 Contribution.doc Contribution.doc NOVATION.DOC NOTE.DOC pointwarrant.doc subagmt.doc IoMsale&purchase.doc


 putoption.doc calloption.doc

-----Original Message-----

From: Chuck Wilk
Sent: Wednesday, March 29, 2000 8:27 AM
To: Jeff Greenstein; Norm Bontje
Subject: FW: POINT
Importance: Low

-----Original Message-----

From: John Staddon [mailto:john.staddon@euraminvest.com]
Sent: Wednesday, March 29, 2000 4:02 AM
To: ChuckW@gcm.com
Cc: Rajan Puri; Chris Donegan
Subject: POINT
Importance: Low

Chuck,

Here is the set of documents in their latest drafts

1. The sale and purchase agreements (x 3 corresponding to the tranches acquired in Dec and Jan) between the two Isle of Man companies and through which the portfolio is brought into existence:

<<ABstockConfirm_1b.DOC>> <<ABstockConfirm_1a.DOC>>
 <<ABstockConfirm_1c.DOC>>

2. The corresponding stock lending transactions. This comprises a master stock lending transaction and three separate confirmations relating to the loan of each tranche:

<<stockloan_master.DOC>> <<StockLoan_Trade1a.doc>>
 <<StockLoan_Trade1b.doc>> <<StockLoan_Trade1c.doc>>

5980

3. The Contribution Agreement which provides for the contribution by IoM Co of the loss bearing stocks (subject to the stock loan) to Cayman Co:

<<Contribution.doc>>

4. The Novation Agreement effecting the transfer of the shares to Cayman Co subject to the stock loans:

<<Contribution.doc>>

5. The promissory note issued by IoM Co to Cayman Co which evidences the indebtedness assumed by IoM Co in exchange for Cayman Co assuming the cash collateral repayment obligation under the stock loans (but only up to the value of the stocks at the date of contribution):

<<NOVATION.DOC>>

6. The covered warrant global instrument issued by Cayman Co and terms and conditions:

<<NOTE.DOC>>

7. The subscription agreement between Euram and Cayman Co under which Euram purchases the warrants (subject to put right if at any time the warrants become uncovered):

<<pointwarrant.doc>>

8. The sale and purchase agreement between IoM Co and Delaware LP under which the shares of Cayman Co are sold on a deferred consideration basis:

<<subagmt.doc>>

9. The confirmations for the collar transaction entered into between IoM Co and Delaware LP (from IoM Co's perspective, short put and long call):

<<IoMsale&purchase.doc>> <<putoption.doc>>

The unwind of the transaction is easily enough documented. There will be a sale and purchase agreement for the sale of the portfolio by Cayman Co to the other IoM Co (substantially similar to 1. above). The simultaneous unwind of the stock loans between Cayman Co and that IoM Co can be accomplished under a simple side letter to that effect. Everything else can be dealt with through appropriate board resolutions as and when required.

I hope that this is sufficient for present purposes. If there is anything else that occurs to you as being needed, then let me know.

Best regards,

John

<<calloption.doc>>

REKA LIMITED*Analysis of Basket Positions*

Stock	Ticker	Execution		Notional
		Shares	Price	
CMGI, Inc.	CMGI	250,000	64.70	\$ 16,175,250
Verisign, Inc.	VRSN	100,000	136.08	13,608,330
Citrix Systems, Inc.	CTXS	300,000	44.85	13,453,980
Commerce One, Inc.	CMRC	230,000	56.31	12,952,289
Yahoo! Inc.	YHOO	100,000	125.21	12,520,920
DoubleClick, Inc.	DCLK	200,000	62.03	12,405,600
Internet Capital Group, Inc.	ICGE	215,000	39.24	8,437,073
Excite @Home	ATHM	450,000	17.74	7,984,935
Conextent Systems, Inc.	CNXT	125,000	51.23	6,404,075
Total basket				<u>\$ 103,942,452</u>

WOODGLEN I, LLC & WOODGLEN I, INC.*Analysis of Hedge Positions*

Strike price of long put	\$ 103,942,452
Strike price of short call	\$ 111,218,424
Maximum downside from current valuation if put is exercised	<u>\$ -</u>
Maximum upside from current valuation if call exercised	<u>\$ 7,275,972</u>

The above analysis relates specifically to the basket of stocks held by Reka Limited and the options purchased by Woodglen I, LLC and Woodglen I, Inc. to hedge the exposure on their investment in Reka Limited.

5982

Investment in Reka

Basis Additions

Purchase price	103,942,452	
Cash wired	6,570,905	
Additional contribution	40,000,000	
Income on Barnville deposit	<u>2,078,849</u>	
		152,592,206

Basis Subtractions

Loss on sale of portfolio	(136,567,820)	
Loss on put unwind	(3,365,342)	
Loss on call unwind	(2,332,013)	
Interest expense on Barnville loan	(2,078,849)	
Fees and expenses	<u>-</u>	
		<u>(144,344,024)</u>
Total		8,248,182

PSI-QUEL 06804

REKA LIMITED*Analysis of Basket Positions*

Stock	Ticker	Shares	Execution Price	Notional	Percent of Portfolio
CMGI, Inc.	CMGI	250,000	64.70	\$ 16,175,250	15.6%
VeriSign, Inc.	VRSN	100,000	136.08	13,608,330	13.1%
Clirix Systems, Inc.	CTXS	300,000	44.85	13,453,980	12.9%
Commerce One, Inc.	CMRC	230,000	56.31	12,952,289	12.5%
Yahoo! Inc.	YHOO	100,000	125.21	12,520,920	12.0%
DoubleClick, Inc.	DCLK	200,000	62.03	12,405,600	11.9%
Internet Capital Group, Inc.	ICGE	215,000	39.24	8,437,073	8.1%
Exite @Home	ATHM	450,000	17.74	7,984,935	7.7%
Conxistent Systems, Inc.	CNXT	125,000	51.23	6,404,075	6.2%
Total basket				<u>\$ 103,942,452</u>	<u>100.0%</u>

WOODGLEN I, LLC & WOODGLEN I, INC.*Profitability Analysis*

	Pre-Adjustment	Post-Adjustment
Notional	\$ 145,000,000	\$ 145,000,000
Basket cost basis	248,844,063	248,844,063
Basket trade price	<u>103,942,452</u>	<u>103,942,452</u>
Approx. initial loss	144,901,611	144,901,611
Total cost (net option premium & prepaid interest)	5,850,000	6,600,000
Call strike	107%	110%
Max gain on basket	<u>7,275,972</u>	<u>10,394,245</u>
Max profit	<u>1,425,972</u>	<u>3,794,245</u>
Max return	24.38%	57.49%

WOODGLEN I, LLC & WOODGLEN I, INC.*Position Analysis & Projected Profit/Loss*

Proceeds from sale of 107% call option	\$ 12,940,835
Purchase price paid for 100% put option	<u>(15,521,117)</u>
Net option debit	(2,580,282)
Loan (Deferred Settlement Amount)	(103,942,452)
Prepaid interest on Loan	(5,469,718)
Net option premium from cover of 107% call and short of 110% call	(750,000)
Scenario I: 10% appreciation	
Proceeds from sale of stock	114,336,697
110% Call option value if exercised	-
Projected profit/(loss) if call option exercised	<u>\$ 3,794,245 *</u>
Return analysis	Periodic 57.49%
	Annual 174.86%
Scenario II: 5% appreciation	
Proceeds from sale of stock	109,139,575
Call option expired	-
Put option expired	-
Projected profit/(loss) if put option exercised	<u>\$ (1,402,877) *</u>
Return analysis	Periodic -21.26%
	Annual -64.65%
Scenario III: price flat	
Proceeds from sale of stock	103,942,452
Put option value if exercised	-
Projected profit/(loss) if put option exercised	<u>\$ (6,600,000) *</u>
Return analysis	Periodic -100.00%
	Annual -100.00%

* Does not include fees paid to Quaden Financial Group, LP by Woody Johnson.

Profitability Scenarios
Robert W. Johnson, IV

Notional	145,000,000
Purchase Price	103,942,452
Basis	248,844,063
Initial Loss	(144,901,611)

Collar Hedge for Delaware LP

		Strike	Cost	Vol
Buy	100 day OTC put	100%	(15,321,117)	0.1474
Sell	100 day OTC call	107%	12,940,835	0.1245
Net Proceeds			(2,380,282)	
Total Option Spread			(2,380,282)	
Net Option Premium from cover of 107% call and short of 110% put			(750,000)	
Additional Costs/Spreads				
Base Upfront Financing & Loan Costs			(2,019,718)	5,197,123
SPV Purchase Premium			(1,450,000)	
Total Prepaid Interest & Structuring Costs			(3,469,718)	
Quadra Structuring Fee			(2,900,000) *	
Total Cash Required Upfront			(6,600,000)	
Cash as a % of initial loss			4.55%	

* By participating in this investment, the client will also enter into an investment advisory/wealth management contract covering assets and financial matters to be determined by both parties.

Scenario I: Stock down 5% - Put exercised **Robert W. Johnson, IV**

Stock		
Buy stock via SPV w / spread	\$ (103,942,452)	
Sale of stock	<u>98,745,329</u>	
Net gain (loss)		\$ (5,197,123)
Collar hedge		
Long put	(15,321,117)	
Proceeds from exercise of put	<u>5,197,123</u>	
Put gain (loss)	(10,123,995)	
Short call	12,190,835	
Call expiration	<u>-</u>	
Call gain (loss)	12,190,835	
Net Collar gain (loss)		2,066,840
Total pre-paid financing & loan fees		(3,469,718)
Total investment advisory fees		<u>*</u>
Net profit		<u>(6,600,000)</u>
Return analysis		
Periodic		-100.00%
Annualized		-100.00%

* By participating in this investment, the client will also enter into an investment advisory/wealth management contract covering assets and financial matters to be determined by both parties.

Scenario H: Stock up 5% - Put & call options out-of-the-money **Robert W. Johnson, IV**

Stock		
Buy stock via SPV w / spread	\$ (103,942,452)	
Sale of stock	<u>109,139,575</u>	
Net gain (loss)		\$ 5,197,123
Collar hedge		
Long put	(15,321,117)	
Put expiration	<u>-</u>	
Put gain (loss)	(15,321,117)	
Short call	12,190,835	
Call expiration	<u>-</u>	
Call gain (loss)	12,190,835	
Net Collar gain (loss)		(3,130,282)
Total pre-paid financing & loan fees		(3,469,718)
Total investment advisory fees		<u>*</u>
Net profit		<u>(1,402,877)</u>
Return analysis		
Periodic		-21.26%
Annualized		-64.65%

* By participating in this investment, the client will also enter into an investment advisory / wealth management contract covering assets and financial matters to be determined by both parties.

Scenario III: Stock up 15% Call exercised **Robert W. Johnson, IV**

Stock		
Buy stock via SPV w/ spread	\$ (103,942,452)	
Sale of stock	119,533,820	
Net gain (loss)		\$ 15,591,368
Collar hedge		
Long put	(15,321,117)	
Put expiration	-	
Put gain (loss)	(15,321,117)	
Short call	12,190,835	
Call exercised	(5,197,123)	
Call gain (loss)	6,993,713	
Net Collar gain (loss)		(8,327,405)
Total pre-paid financing & loan fees		(3,469,718)
Total investment advisory fees		
Net profit		3,794,245
Return analysis		
Periodic		57.49%
Annualized		174.86%

* By participating in this investment, the client will also enter into an investment advisory/wealth management contract covering assets and financial matters to be determined by both parties.

Brian M. Hanson

= Redacted by the Permanent
 Subcommittee on Investigations

From: Andrew J Robbins
Sent: Tuesday, October 30, 2001 3:09 PM
To: 'Olson, Michael V'
Cc: Brian Hanson
Subject: RE: Returning your call

Mike here is the breakdown we discussed:

Wooglen (the amounts are split 99.9% and .1% between LLC and Inc. respectively):

Purchase premium	\$1,450,000
Prepaid interest	\$2,019,718

Sidehill (the amounts are split 99.9% and .1% between LLC and Inc. respectively):

Purchase premium	\$1,820,000
Prepaid interest	\$3,410,441

-----Original Message-----

From: Olson, Michael V [mailto:mvolson@kpmg.com]
Sent: Tuesday, October 30, 2001 4:48 PM
To: 'Andrew J Robbins'
Subject: RE: Returning your call

Andy,

Anything to report? Client is getting a little nervous.

Mike

-----Original Message-----

From: Andrew J Robbins [mailto:arobbins@quellos.com]
Sent: Friday, October 26, 2001 8:05 AM
To: 'Olson, Michael V'
Cc: Brian Hanson
Subject: RE: Returning your call

Mike, sorry I haven't gotten back to you to resolve the matter. Brian reconciled the capital contribution and journal entry we sent Joel. The difference relates to improperly classifying a portion of the journal entry as investment in Reka. There was \$3,469,718 out of a total of \$5,850,000 (combined for both entities) disbursed directly to the counterparty for the collar relating to what was referred to as prepaid fees and interest. This represented a purchase premium and the cost of the hedge the counterparty had to put on related to the collar. I am reviewing how to classify these items for tax purposes and will call or email you later today. The same issue exists for [REDACTED] and [REDACTED]

-----Original Message-----

From: Olson, Michael V [mailto:mvolson@kpmg.com]
Sent: Tuesday, October 23, 2001 12:05 PM
To: 'Andrew J Robbins'
Subject: RE: Returning your call

5989

Andy,

Thanks for the quick reply. I'll wait for a call from Brian Hanson.

Mike

-----Original Message-----

From: Andrew J Robbins [mailto:arobbins@quellos.com]

Sent: Tuesday, October 23, 2001 11:58 AM

To: 'mvolson@kpmg.com'

Subject: Returning your call

Anything we can do by email?

Sent from my BlackBerry Wireless Handheld (www.BlackBerry.net)

Brian M. Hanson

= Redacted by the Permanent
 Subcommittee on Investigations

From: Brian Hanson
Sent: Thursday, October 25, 2001 5:19 PM
To: Andrew J Robbins
Subject: RE: [REDACTED], etc...

I compared the equity related journal entries to the K1s and they tie out. I think this does it. Let me know what Chuck tells you about the ppd fees and interest.


 Woodglen Journal
 Entries1.xls


 Sidehill Journal
 Entries1.xls

-----Original Message-----

From: Brian Hanson
Sent: Thursday, October 25, 2001 4:00 PM
To: Andrew J Robbins
Subject: RE: [REDACTED], etc...

FYI - journal entries based on these calcs. to follow:

Total ppd fees and interest & collar ctrb. =	\$8,800,000
Total call spread paid by BV =	(\$7,000,000)
Euram fee =	(\$1,800,000)
Net	\$ 0

Here's how to break down Sidehill \$5,850,000:

Investment in Burg Ltd for purchase of collar:	\$3,569,559
Cash payment to BV for ppd fees and interest:	<u>\$5,230,441</u>
Total	\$8,800,000

1% Q fee was expensed directly to Burg.
 Addnl 1% Q fee paid in form of outside advisory agmt w/Burg.

-----Original Message-----

From: Andrew J Robbins
Sent: Thursday, October 25, 2001 2:46 PM
To: Brian Hanson
Subject: RE: [REDACTED], etc...

that seems reasonable. i will call in a few minutes

-----Original Message-----

From: Brian Hanson
Sent: Thursday, October 25, 2001 4:49 PM
To: Andrew J Robbins
Subject: [REDACTED], etc...

Andy,

I want to walk you through the profitability model that I've built for [REDACTED] It will help us get a good feel for what to talk to John Barrie about. Hopefully we can get him on the line this afternoon so we can get him comfortable with everything before speaking with [REDACTED]

It's in [REDACTED]

5991

I also think I have a better answer to the journal entry dilemma. Let's try this:

Total ppd fees and interest & collar ctrb. =	\$5,850,000
Total call spread paid by BV =	(\$4,400,000)
Euram fee =	<u>(\$1,450,000)</u>
Net	\$ 0

Here's how to break down Woodglens' \$5,850,000:

Investment in Reka Ltd for purchase of collar:	\$2,380,282
Cash payment to BV for ppd fees and interest:	\$3,469,718

Addn'l 2% Q fee paid in form of advisory agmt w/RWJ for \$2.9.

I'll start to do the same thing for the Sidehills.

Call me when you get out of your meeting x6732.

Brian

From: Chuck Wilk
Sent: Thursday, June 29, 2000 11:42 AM
To: Christopher Hirata
Subject: RE: Triskelion Wires

I am not sure they are questioning fees but to them the math does not match (i.e. they included Woody when we are taking no upfront fee). The reply is that the fees and the fee structure varies with each client based on our relationship and the future services we will provide.

-----Original Message-----

From: Christopher Hirata
Sent: Thursday, June 29, 2000 7:46 AM
To: Chuck Wilk
Cc: Brian Hanson
Subject: FW: Triskelion Wires

It looks like they are questioning our fees based on their assumption that we are only getting 1%. Shall we reply that our fees may exceed 1% based on ongoing advisory services we may provide the client?

-----Original Message-----

From: Rajan Puri
Sent: Thursday, June 29, 2000 2:22 AM
To: 'Brian Hanson'; Rajan Puri
Cc: Christopher Hirata
Subject: RE: Triskelion Wires

Brian

i) Neither John nor I have instructed the IoM guys to sign an Investment Advisory Agreement between [REDACTED] and QCS...is this something you have dealt with directly?

ii) We understand you were extracting fees representing 1% of the initial losses generated...at 1%, the fees per tranche would be:

[REDACTED]	1.218
W Johnson	1.449
[REDACTED]	1.816

totalling USD4.483million. How does this reconcile to the USD4.84million (3.02+1.82) you are requesting?

iii) As I mentioned briefly to you several days back, the Euram 1% fees appear to have been calculated based on the losses the clients were aiming to generate (totalling USD4.45mio), rather than the numbers actually generated (USD4.483mio, as outlined above)...I think therefore that Euram are due another USD33k - does this make sense to you?

Later
 Raj

-----Original Message-----

From: Brian Hanson [mailto:BrianH@qcm.com]
Sent: Wednesday, June 28, 2000 8:28 PM
To: 'Rajan Puri'
Cc: Christopher Hirata
Subject: RE: Triskelion Wires

5993

Redacted by the Permanent
Subcommittee on Investigations

No need to apologize. See below.

-----Original Message-----

From: Rajan Puri [mailto:rajan.puri@euraminvest.com]
Sent: Wednesday, June 28, 2000 10:04 AM
To: 'Brian Hanson'
Subject: RE: Triskelion Wires

Hi Brian

A couple of quick questions for you:

i) Under the Investment Advisory Agreement between Barnville and Quadra, an initial payment of US\$3.02million was wired to Quadra as an initial payment for services; which tranches of the trade does this relate to? 1 and 3

ii) if we wire US\$1.82million from [REDACTED] to Quadra, in line with your request below, am I right in assuming that you will need a corresponding

Investment Advisory Agreement in place between Quadra and [REDACTED]? Is this the fee re [REDACTED]? Yes, it is [REDACTED] fee and an advisory agreement btwn. QCS and [REDACTED] is being signed as we speak.

Apologies for these questions, but I am simply passing on questions from the IoM guys (who need the info for their record keeping, given they are being requested to move cash) that I am currently unable to answer

Cheers
Raj

-----Original Message-----

From: Brian Hanson [mailto:BrianH@qcm.com]
Sent: Friday, June 23, 2000 12:35 AM
To: 'john staddon (euram)'; 'raj puri (euram)'
Cc: Christopher Hirata; Chuck Wilk
Subject: Triskelion Wires

John and Raj,

Since the [REDACTED] proceeds of \$5,414,781 at Barnville should have been moved to an account at Triskelion by now, please make the following wire transfer. The attached document is an invoice for services.

<<Invoice [REDACTED]>>

From: [REDACTED] Triskelion account

To:
Bank of America
ABA #: 125 000 024
Account Name: Quadra Custom Strategies
Account #: 68870815
Amount: \$1,820,000

— = Redacted by the Permanent
Subcommittee on Investigations —

From: Brian Hanson
Sent: Thursday, June 29, 2000 1:33 PM
To: 'Rajan Puri'
Cc: Christopher Hirata; Chuck Wilk
Subject: RE: Triskelion Wires

Raj,

i) The [REDACTED] advisory agreement is to be signed by an individual associated with the client who will be nominated as the director.

ii) In talking with Chuck I can tell you that the fees and the fee structure varies with each client based on our relationship and the future services we will provide. With this in mind, please make arrangements to have the \$1.82 million wired out of Triskelion.

iii) I don't have an answer for this yet. I will talk to Chris and get back to you.

Thanks,
Brian

-----Original Message-----

From: Rajan Puri [mailto:rajan.puri@euraminvest.com]
Sent: Thursday, June 29, 2000 2:22 AM
To: 'Brian Hanson'; Rajan Puri
Cc: Christopher Hirata
Subject: RE: Triskelion Wires

Brian

i) Neither John nor I have instructed the IoM guys to sign an Investment Advisory Agreement between [REDACTED] and QCS...is this something you have dealt with directly?

ii) We understand you were extracting fees representing 1% of the initial losses generated...at 1%, the fees per tranche would be:

[REDACTED]	1.218
W. Johnson	1.449
[REDACTED]	1.816

totalling USD4.483million. How does this reconcile to the USD4.84million (3.02+1.82) you are requesting?

iii) As I mentioned briefly to you several days back, the Euram 1% fees appear to have been calculated based on the losses the clients were aiming to generate (totalling USD4.45mio), rather than the numbers actually generated (USD4.483mio, as outlined above)...I think therefore that Euram are due another USD33k - does this make sense to you?

Later
Raj

-----Original Message-----

From: Brian Hanson [mailto:BrianH@gcm.com]
Sent: Wednesday, June 28, 2000 8:28 PM
To: 'Rajan Puri'
Cc: Christopher Hirata
Subject: RE: Triskelion Wires

—= Redacted by the Permanent
Subcommittee on Investigations

No need to apologize. See below.

-----Original Message-----

From: Rajan Puri [mailto:rajan.puri@euraminvest.com]
Sent: Wednesday, June 28, 2000 10:04 AM
To: 'Brian Hanson'
Subject: RE: Triskellion Wires

Hi Brian

A couple of quick questions for you:

i) Under the Investment Advisory Agreement between Barnville
and Quadra, an initial payment of US\$3.02million was wired to Quadra as an
initial payment for services; which tranches of the trade does this relate
to? 1 and 3

ii) if we wire US\$1.82million from [REDACTED] to Quadra, in
line with your request below, am I right in assuming that you will need a
corresponding Investment Advisory Agreement in place between Quadra and
[REDACTED]? Is this the fee re [REDACTED]? Yes, it is [REDACTED] fee and an
advisory agreement btwn. QCS and [REDACTED] s being signed as we speak.

Apologies for these questions, but I am simply passing on
questions from the IoM guys (who need the info for their record keeping,
given they are being requested to move cash) that I am currently unable to
answer

Cheers
Raj

-----Original Message-----

From: Brian Hanson [mailto:BrianH@qcm.com]
Sent: Friday, June 23, 2000 12:35 AM
To: 'John staddon (euram)'; 'rajan puri (euram)'
Cc: Christopher Hirata; Chuck Wilk
Subject: Triskellion Wires

John and Raj,

Since the [REDACTED] proceeds of \$5,414,781 at Barnville
should have been moved to an account at Triskellion by now, please make the
following wire transfer. The attached document is an invoice for services.

<<Invoice [REDACTED]>>

From: [REDACTED] Triskellion account
To: Bank of America

5996

ABA #: [REDACTED]
Account Name: Quadra Custom Strategies
Account #: [REDACTED]
Amount: \$1,820,000

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

5997

Quadra Custom Strategies, L.L.C.

— = Redacted by the Permanent
Subcommittee on Investigations

INVOICE

June 21, 2000

Barnville Limited
19 Mount Havelock
Douglas, Isle of Man

Billing for services provided as they pertain to hedging and other related
investment strategies for Barnville Limited. \$3,020,000

Please remit via Fedwire to:

Bank of America
ABA #: [REDACTED]
Account Name: Quadra Custom Strategies
Account #: [REDACTED]
Amount: \$600,000

PSI-QUEL 08636

— = Redacted by the Permanent
Subcommittee on Investigations

Extract from Triskelion Trust Company Statement

Client Name: Barnville Limited
Account No: TRISKO-USD1
Book currency: USD

Date	Narrative	ID number	Account Totals		Re [REDACTED]		Re Risk Limited		Re [REDACTED]	
			Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
08-May-00	Private Banking 63rd St	489393	1,449,985.07	0.00			1,449,985.07			
10-May-00	EURAM Bank	489398	0.00	1,449,985.07				1,449,985.07		
11-May-00	Sidhill LLC	489482	1,799,985.23	0.00					1,799,985.23	
15-May-00	EURAM Bank	489487	0.00	1,799,985.23						1,799,985.23
25-May-00	HMS Services	497768	3,117,693.48	0.00	3,117,693.48					
01-Jun-00	Interest	507832	5,224.84	0.00			2,331.10			2,893.74
12-Jun-00	HMS Services	507773	14,792,389.44	0.00			5,737,623.35			9,054,766.09
13-Jun-00	Goldman Sachs & Co	507763	0.00	1,917,658.00		1,917,658.00				
13-Jun-00	Bank Charges	507768	0.00	59.48		59.48				
26-Jun-00	Quanta Custom Strategies	513753	0.00	3,020,000.00		1,200,000.00		1,820,000.00		
26-Jun-00	Bank Charges	513758	0.00	58.83		23.38		35.45		
03-Jul-00	Burgundy Limited	515627	0.00	1,820,059.39						1,820,059.39
03-Jul-00	Interest	522279	51,347.92	0.00	97.38		18,002.23		33,248.31	
27-Jul-00	Quanta Appreciation Fund II LLC		0.00	11,208,769.98			3,937,827.23			7,270,942.75
			0.00	0.00						
			21,216,615.98	21,216,615.98	3,117,780.86	3,117,780.86	7,207,941.75	7,207,941.75	10,890,893.37	10,890,893.37
	Closing Account Balance			0.00		0.00		0.00		0.00

From: John Staddon [john.staddon@euraminvest.com]
Sent: Wednesday, April 26, 2000 12:46 PM
To: bberggren@bofasecurities.com
Cc: jeffg@qcm.com; chuckw@qcm.com
Subject: Call spread trades

Importance: High



ResolBarn.doc

Brad,

I gather that you have been speaking with Jeff Greenstein on the call spread trades that are due to be transacted (hopefully) in the next day or so. I work at European American Investment Group here in London and have been liaising with Jeff and his Quadra team on the structuring of these and associated transactions. We have set up the proposed counterparty to the trades - an Isle of Man company by the name of Barnville limited.

I understand from Jeff that you require certain documents relating to Barnville before you can open an account for trading. Of these:

- (a) I have faxed over to you the copy of the certificate of incorporation for the company;
- (b) I have arranged for a W-8 to be signed and expect it to be returned to me tomorrow (when I will fax it over to you); and
- (c) I have drafted the attached resolution which authorises (i) the proposed transactions and (ii) persons who can commit the company to the trades with BoA (myself and a colleague of mine, Rajan Puri).

I have attached the resolution for your review to make sure that it is in line with your requirements. If you have a preferred form, then by all means send it over to me (my fax is 44 207 665 8685); otherwise I will arrange for the resolution to be passed tomorrow and fax it over to you with the W-8 for your open.

Regards,

John <<ResolBarn.doc>>

— = Redacted by the Permanent
Subcommittee on Investigations

From: Andrew J Robbins
Sent: Wednesday, June 07, 2000 4:11 PM
To: Chuck Wilk
Cc: Larry Scheinfeld
Subject: follow up POINT questions

Chuck,

The guys at Susquehanna raised a number of questions as follows:

- What flexibility do we have with respect to addressing additional issues in the opinion such as the character of the income associated with a liquidation of the partnership a few years down the road and issues related to the Susquehanna entity making the trade as it relates to the application of Sec. 475. If possible would this add anything to the cost?
- Have we made a decision regarding compliance for the trade, i.e., 1065 and 8865 if we use a foreign entity?
- Based upon what they understand about the trade and consistent with what I understand about the trade the counterparty has no economic exposure to the portfolio. They wanted to understand what impact if any this lack of economic risk has on the overall transaction.
- In terms of profit expectations is it fair to say that their entire potential profit relates to any upward movement in the portfolio less transaction cost and less the cost of the collar and prepaid interest. There does not appear to be any real profit potential associated with the sale of the warrants unless they are placed. Given the profit expectation is limited to the portfolio is it fair to say that they could not have replicated this potential return in a market transaction because they would need to put up all the cash to buy the portfolio, incur commissions and be exposed to market moves associated with putting the positions on. This issue somewhat ties to the statement in the opinion on p. 15 regarding, "The return on this investment is attractive to the investor even in the absence of any loss realized on the stock disposition."
- They focused in on the issue of substantiating the basis associated with the loss the partnership will pass through. Would we consider including a copy of the purchase contract that Barnville entered into in the trade book?
- With respect to the 3% fees is there any flexibility in how we get paid in that they would prefer to pay us via an entity that passes through ordinary deductions so they get use of the deduction which they would otherwise lose if they paid it out the entity executing the trade because it would have to be a non-Sec. 475 entity.

With respect to Erricco, Larry and I met with Paul Shim (I know this guy from somewhere but I can't place him) from Clearly Gottlieb who is advising Danny on the transaction from the sale side. Paul did not have any major issues with the transaction. He was a little concerned over whether there was a Reg. T issue with respect to the seller financing. Have we dealt with this issue. I seem to remember something about this.

One other potential problem with the Erricco trade is that they don't have any other money besides the proceeds from the sale. This means that they couldn't come up with the 6% - 8% projected cost unless we could somehow tie the purchase of the SPV into the close of the sale of the stock. The problem is how do get the stock into the SPV to sell it if you can't come with the cash to purchase. Could we use some sort of deferred settlement feature for the acquisition of the SPV and put the collar on and pay the fees subsequent to the close the sale of their stock. Could we temporarily finance the 6% - 8%?

Separately, given that Woody Johnson liquidated a substantial portion of his J&J he will have a big drop in his ordinary income - no dividends. [REDACTED] there are going to be a heck of a lot of unused ordinary losses. Do we have a transaction that could generate ordinary income currently that we could use to capture some of Woody's money under management? Also on Woody, do you know if we agreed to make any interim cash distributions to Woody out of the trading account from his conversion trade. I know we are continuing the trading account activities to support the trade or business argument. Is there any portion that could be distributed at this point? Also, regarding Woody and the point trades - there should be some cash in the partnerships now that we have unwound the trade. In [REDACTED] trade we took our fees already so there is less cash. Can the excess be distributed to [REDACTED] Woody is paying our fees over time so there should be even more cash so same question.

Quellos Custom Strategies, LLC

Point

6001

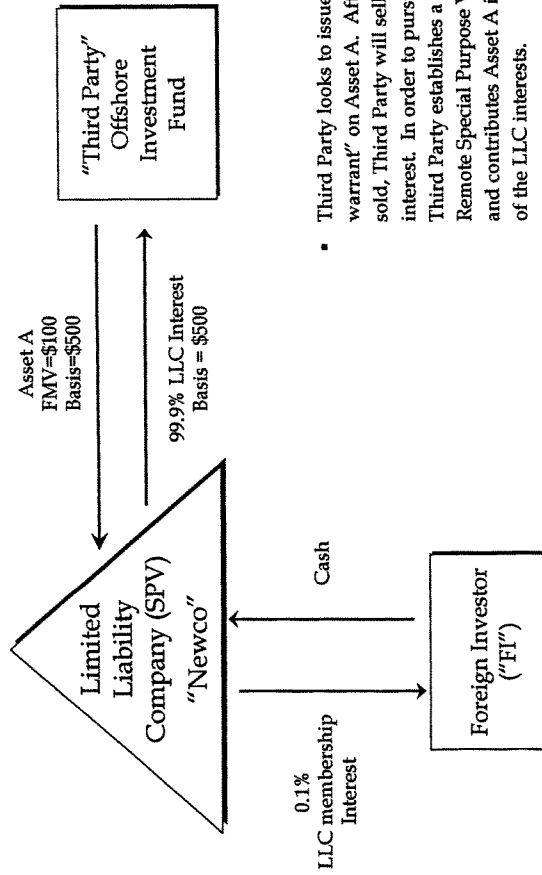
February 2001

PSI-QUEL 00008

Investors are urged to consult a professional adviser regarding the possible economic, tax, legal or other consequences of entering into any investments or transactions described herein. This document is for informational purposes only and does not constitute an offer to sell or a solicitation of an offer to buy any securities or contracts described herein. Any graphs illustrating investment performance should be considered purely hypothetical and should not be construed as an indicator of future performance. This discussion has been prepared solely for the use of persons interested in obtaining detailed information on the investment services offered by Quellos Custom Strategies, LLC.

Point Example

Initial Asset Transfer



- Third Party looks to issue a "covered warrant" on Asset A. After the warrant is sold, Third Party will sell Newco ownership interest. In order to pursue this strategy, Third Party establishes a Bankruptcy Remote Special Purpose Vehicle ("SPV") and contributes Asset A in return for 99.9% of the LLC interests.

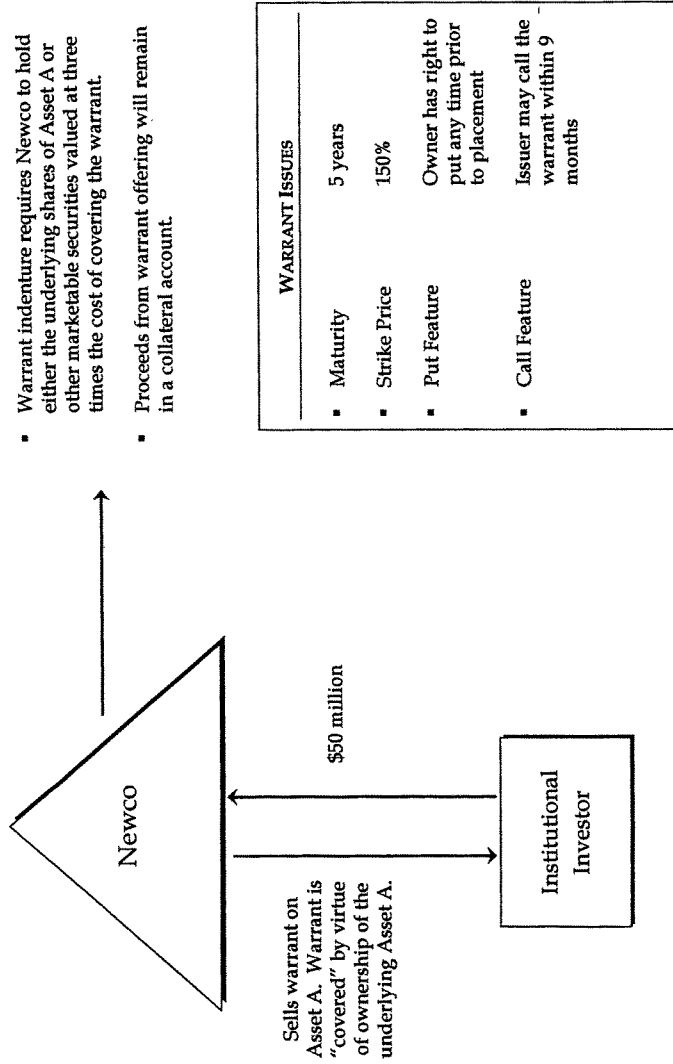
- Third Party and FI form Limited Liability Company ("Newco").
- Third Party contributes Asset A to Newco.
- Third Party receives 99.9% Newco interest with outside tax basis equal to tax basis in Asset A, FI receives 0.1% LLC interest in return for cash contribution.

Confidential

- 1 -

Quellos Custom Strategies, LLC

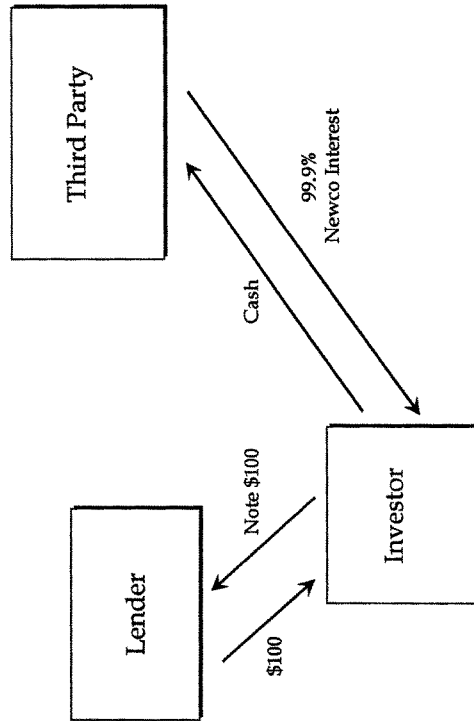
Point Example Issuing a Covered Warrant



- Warrant indenture requires Newco to hold either the underlying shares of Asset A or other marketable securities valued at three times the cost of covering the warrant.
- Proceeds from warrant offering will remain in a collateral account.

6003

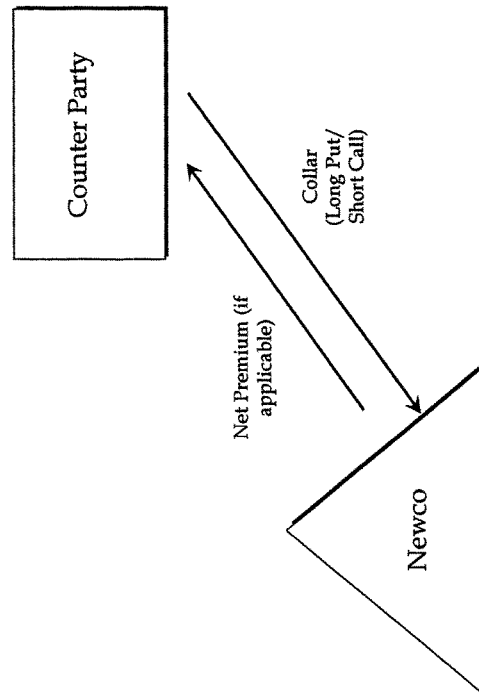
Point Example
Investor Acquires Newco



- Third Party sells 99.9% Newco interest to Investor.

Point Example

Newco Hedges Exposure on Asset A



- Newco purchases a put option to hedge exposure on Asset A.
- To offset cost associated with the purchase of the put option, Newco sells a call option on Asset A.
- Net premium (if applicable) will be contributed to Newco by Investor.

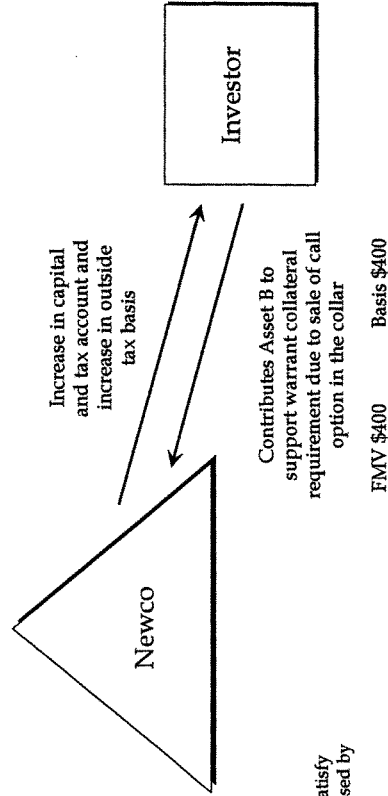
Confidential

- 4 -

Quellos Custom Strategies, LLC

Point Example

Contribution of Asset B to Satisfy Capital Requirements



- Additional assets (Asset B) satisfy collateral requirements imposed by warrant provisions.
- The use of Newco provides for intra-family wealth transfer for estate planning purposes.
- Newco provides creditor protection for future investment activities.
- Investor receives additional outside tax basis equal to tax basis in Asset B contributed to Newco.

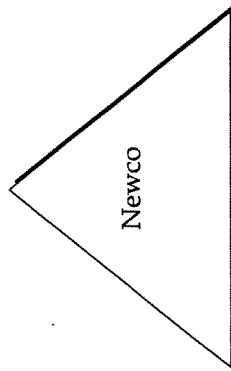
Confidential

- 5 -

Quellos Custom Strategies, LLC

Point Example

Newco Transactions and Adjusted Position Analysis



Long Asset A	FMV \$100	Basis \$500
Long Asset B	FMV \$400	Basis \$400
Short 5 year Warrant Asset A	FMV	\$50
Cash		\$50
Long Put	FMV	\$15
Short Call	FMV	\$12

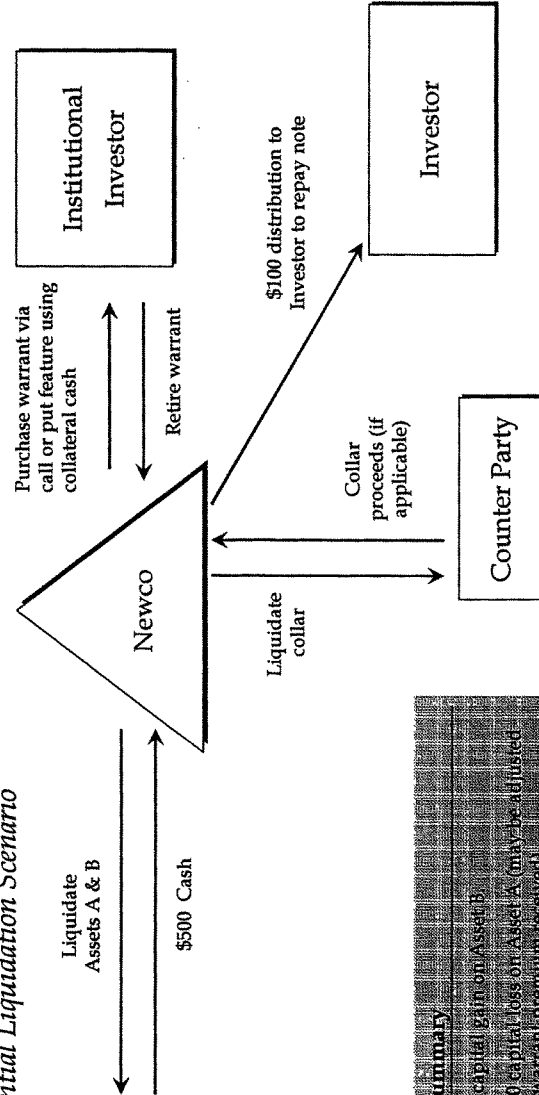
Confidential

- 6 -

Quellos Custom Strategies, LLC

Point Example

Potential Liquidation Scenario

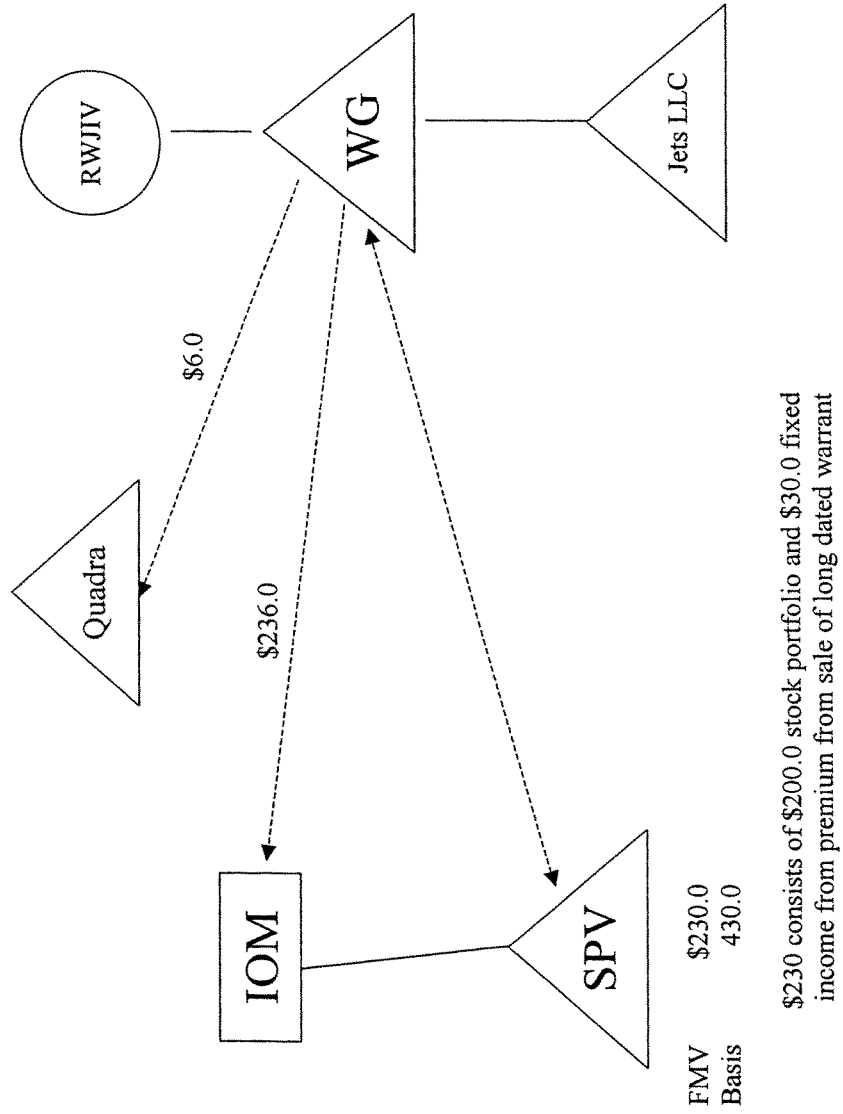


Tax Summary	
•	No capital gain on Asset B.
•	\$400 capital loss on Asset A (may be adjusted for warrant premium received).
•	Any subsequent income of Newco will flow through to Investor.
•	Any cash distributions from Newco in excess of \$100 will be taxable to Investor.

Confidential

- 7 -

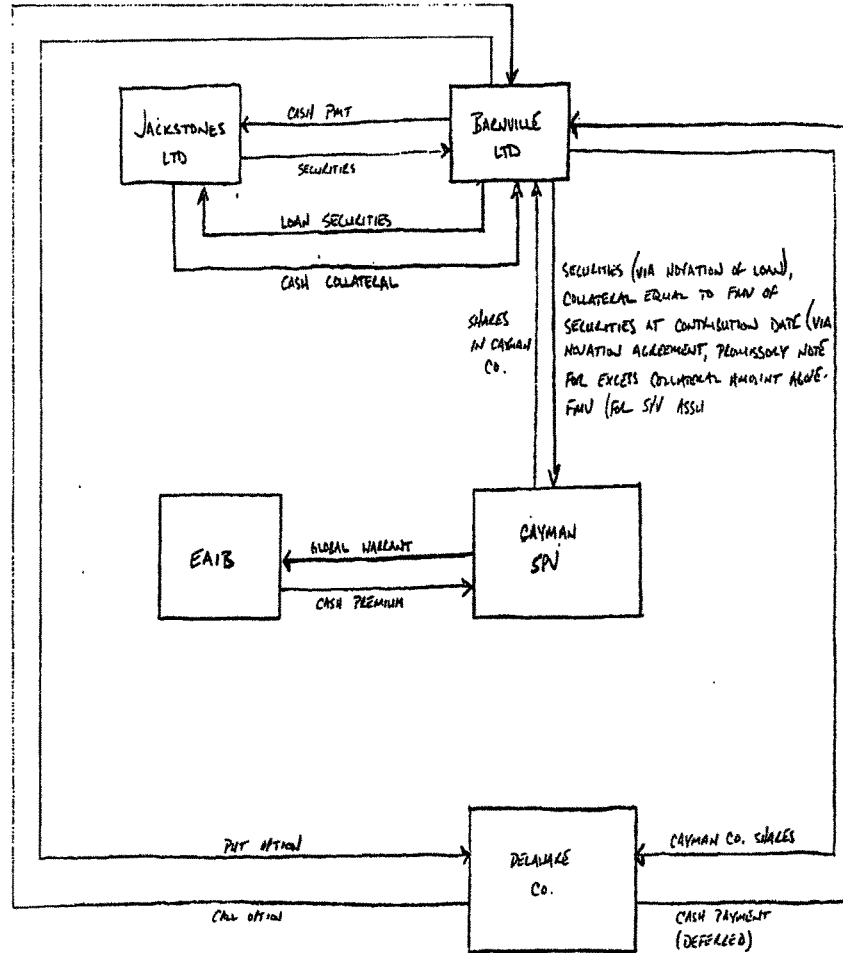
Quellos Custom Strategies, LLC



Transaction Steps

1. WG acquires SPV from IOM for total cost of \$236.0.
 - FMV of SPV \$230.0 plus \$6.0 pre-paid interest
 - \$200.0 FMV of securities
 - \$30.0 premium from sale of long dated warrant
 - \$6.0 cost of call spread (market driven)
2. WG pays Quadra \$6.0 transaction fee.
3. Sale proceeds less pre-paid interest deposited into fixed income account
4. SPV is long stock, long a put and short a call
5. Subsequent to expiration of put feature associated with long dated warrant or if call is exercised underlying assets are sold
6. Cash distribution made to WG (proceeds of sale plus put value plus gain on portfolio) – limited to amount that reduces basis in SPV to target loss (\$200.0)

6011



PSI-QUEL 06766

TRANSACTION SUMMARY

Formation/Constitutional Documents

1. Barnville Limited ("Barnville") was incorporated on 12 February 1998 in the Isle of Man. A copy of Barnville's certificate of incorporation and memorandum and articles of association are attached at Appendix 1.

Background Transactions

2. In or around December 1999, the Board of Directors of Barnville determined that an appropriate investment strategy for Barnville would be to obtain a market exposure to the US technology, internet and telecom sector (the "Technology Sector") through stock purchases. At around this time the Board of Directors of Jackstones Limited ("Jackstones") approached Barnville with an offer to sell a portfolio of Technology Sector stocks (the "Portfolio"). Jackstones is a private limited company incorporated in the Isle of Man.

3. Subsequently, Barnville entered into a number of purchase agreements dated 28 December 1999, 3 January 2000, 10 January 2000, 28 February 2000 and 6 June 2000 with Jackstones (the "Purchase Agreements"). Barnville also entered into a master stock lending agreement dated 28 December 1999 with Jackstones (the "Stock Lending Agreement"). The Stock Lending Agreement covers all the stocks in the Portfolio that are also covered by the Purchase Agreements. Under the Stock Lending Agreement, Barnville agreed to lend the Portfolio to Jackstones for cash collateral in an amount equal to the purchase price of the Portfolio.

4. Following price movements in the stock markets, Barnville purchased further shares in the Technology Sector on 21 September 2001 (the "Additional Shares"). The Additional Shares are not covered by the Purchase Agreements or the Stock Lending Agreement.

Titanium Trading Partners LLC

5. Following the purchase of the Portfolio and the Additional Shares, Barnville contributed some of the shares comprised in the Portfolio and all the Additional Shares to a Delaware incorporated entity - Titanium Trading Partners LLC ("Titanium") in exchange for a 99% interest in Titanium. Subsequently, Barnville was approached by Titanium Acquisition Corporation ("TAC") with an offer to purchase Barnville's interest in Titanium. Barnville accepted this offer. A more detailed summary of Barnville's role in the transactions is outlined below.

The Transactions

6. Barnville contributed a number of shares in the Portfolio and all the Additional Shares to Titanium in exchange for a 99% interest in Titanium. This step involved Barnville executing an operating agreement for Titanium and an assignment of rights agreement (to enable it to assign some of its obligations under the Stock Lending Agreement to Titanium). These agreements are attached at Appendix 2.

7. Barnville sold its interest in Titanium to another Delaware based corporation, TAC. The purchase agreement is at Appendix 3. A stock loan unwind agreement was also entered into as there needed to be an unwind/set off agreement between Barnville, Jackstones and Titanium to record the affects of the sale on the obligations arising under the Stock Lending Agreement. This agreement is also at Appendix 3.

Miscellaneous Documentation

8. The transactions described above, ie the purchase of the Additional Shares, the contribution to Titanium and the sale to TAC were covered by three board resolutions. The board resolutions are attached at Appendix 4.

9. It was also agreed by Barnville and European American Investment Corporate Services Limited ("EAICS") that as EAICS had agreed to act as managing member of Titanium, EAICS would receive a 1% interest in Titanium. The letter outlining this agreement is at Appendix 5. Finally, Barnville currently has a bank account with HSBC in New York. Letters relating to share purchases, the sale of Titanium and the redirection of the purchase monies to HSBC and Jackstones are also at Appendix 5.

6014

From: Christopher Hirata
Sent: Tuesday, September 19, 2000 12:35 AM
To: 'rajan.puri@euraminvest.com'
Cc: Brian Hanson; Eric M. Schuehle
Subject: Portfolio Tracking Sheets

Raj,

To supplement my last email, attached please find two Excel workbooks. The first contains the portfolios as we originally understood them to be (with the corrections). The second contains the portfolios as they stand today (after the first three trades). Please take a look at these and confirm that they are accurate so that we can move forward. Thanks.



Master POINT
Portfolios.xls



Remaining POINT
Portfolio.xls

Regards,

Chris Hirata
Quadra Custom Strategies, LLC
Phone: (206) 613-6700
Fax: (206) 613-6713

This message and any attachments may contain confidential information and is intended only for the individual or individuals named. All electronic mail sent to or from this address will be received by Quadra Financial Group, L.P. or an affiliate's electronic mail system and is subject to retention and review by someone other than the party to whom such mail was addressed. If you are not a named addressee you should not disseminate, distribute or copy this electronic mail. Please notify the sender immediately by electronic mail if you have received this electronic mail by mistake and delete this electronic mail from your system. Electronic mail transmission cannot be guaranteed to be secure or error-free, and may be arrive later than intended, be intercepted, corrupted, or contain viruses. The sender therefore does not accept liability for any errors or omissions in the contents of this message which arise as a result of defects due to transmission. This message is provided for informational purposes only and should not be construed as a solicitation or offer to buy or sell any securities or related financial instruments.

Stock Portfolio
Tranche 1

Symbol	Stock	Business	Trade Date	Shares Traded	Trade Price
1 AMZN	Amazon	Internet - e commerce	03-Jan-00	1,136,364	89.3700
2 AOL	America Online	Internet - portal	03-Jan-00	1,250,000	82.7500
3 ARBA	Ariba Inc	Internet - business solutions	10-Jan-00	540,541	194.0000
4 ATHM	At Home - Inc	Internet - media	10-Jan-00	2,484,472	40.2500
5 BEAS	Bea Systems	Internet - applications	10-Jan-00	1,307,190	84.0000
6 BRCM	Broadcom	Telecom - systems	10-Jan-00	340,136	295.5600
7 BVSX	Broadvision	Internet - applications	03-Jan-00	546,448	189.4300
8 CCU	Clear Channel	Media	03-Jan-00	1,123,596	87.7500
9 CMGI	CMGI	Internet - holding co	03-Jan-00	645,161	326.4400
10 CMRC	Commerce One	Enterprise solutions	28-Dec-99	357,143	250.0000
11 Dell	Dell Computer	Computers	28-Dec-99	1,923,077	51.5600
12 DCLK	DoubleClick	Internet - advertising	03-Jan-00	781,250	268.0000
13 EBAY	EBAY	Internet - auctions	28-Dec-99	769,231	139.8700
14 EXDS	Exodus Comm.	Internet - application software	10-Jan-00	980,392	104.0000
15 GTW	Gateway	Computers	03-Jan-00	1,423,488	69.3700
16 GBLX	Global Crossing	Fiber Optics	03-Jan-00	2,083,333	49.1200
17 ITWO	I2 Technologies	Internet - application software	03-Jan-00	568,182	188.5000
18 INSP	Infospace	Internet - e commerce consultin	10-Jan-00	881,057	114.5000
19 ICGE	Internet Capital Grp	Internet - holding co	03-Jan-00	534,759	200.0000
20 JDSU	JDS Uniphase	Fiber Optics	10-Jan-00	510,204	200.3700
21 JNPR	Juniper Networks	Internet - infrastructure	10-Jan-00	313,480	108.5000
22 LDIG	Liberty Digital	Internet - media	03-Jan-00	1,538,462	70.1200
23 LU	Lucent Tech	Telecom - systems	03-Jan-00	1,315,789	77.1200
24 WCOM	MCI - Worldcom	Telecom - systems	28-Dec-99	1,886,792	80.4300
25 NTAP	Network Application	Network Storage	10-Jan-00	1,123,596	88.6200
26 PMCS	PMCS	Connective technology	10-Jan-00	619,195	164.2500
27 QCOM	Qualcom	Telecom - systems	03-Jan-00	568,182	179.3100
28 Q	QWEST	Fiber Optics	03-Jan-00	2,339,181	42.1200
29 VRSN	Verisign	Internet - application software	03-Jan-00	526,316	190.1200
30 VRTS	Veritas	Internet - application software	10-Jan-00	709,220	143.8100
31 VIGN	Vignette Corp	Internet - application software	10-Jan-00	540,541	189.8700
32 YHOO	Yahoo	Internet - portal	03-Jan-00	224,719	475.0000
				31,891,497	

Market Value	Weighting
101,556,851	2.9%
103,437,500	3.0%
104,864,954	3.0%
99,999,998	2.9%
109,803,960	3.2%
100,530,596	2.9%
103,513,645	3.0%
98,595,549	2.8%
210,606,357	6.1%
89,283,750	2.6%
99,153,850	2.9%
209,375,000	6.0%
107,592,340	3.1%
101,960,768	2.9%
98,747,363	2.8%
102,333,317	3.0%
107,102,307	3.1%
100,881,027	2.9%
106,951,800	3.1%
102,229,575	2.9%
34,012,580	1.0%
107,876,955	3.1%
101,473,648	2.9%
151,754,681	4.4%
99,573,078	2.9%
101,702,779	2.9%
101,880,714	2.9%
98,526,304	2.8%
100,063,198	2.9%
101,992,928	2.9%
102,632,520	3.0%
106,741,525	3.1%
3,466,753,415	100.0%

STOCK PORTFOLIO
Tranche 2

Symbol	Stock	Business	Trade Date
1 AMZN	Amazon	Internet - e commerce	29-Feb-00
2 AOL	America Online	Internet - portal	29-Feb-00
3 ARBA	Ariba Inc	Internet - business solutions	29-Feb-00
4 ATHM	At Home - Inc	Internet - media	29-Feb-00
5 BEAS	Bea Systems	Internet - applications	29-Feb-00
6 BGEN	Biogen Inc	Medical - Biotech	29-Feb-00
7 BRCM	Broadcom	Telecom - systems	29-Feb-00
8 BVSN	Broadvision	Internet - applications	29-Feb-00
9 CNXT	Conexant Systems	Electronic Components	29-Feb-00
10 COMS	3Com Corp	Networking Products	29-Feb-00
11 CSCO	Cisco Systems	Networking Products	29-Feb-00
12 CTXS	Citrix Systems	Applications Software	29-Feb-00
13 EBAY	EBAY	Internet - auctions	29-Feb-00
14 EMC	EMC corp/Mass	Computers - Memory	29-Feb-00
15 ETEK	E-tek Dynamics	Fiber Optics	29-Feb-00
16 EXDS	Exodus Comm.	Internet - application software	29-Feb-00
17 GBLX	Global Crossing	Fiber Optics	29-Feb-00
18 GTW	Gateway	Computers	29-Feb-00
19 IMNX	Immunex	Medical - Biotech	29-Feb-00
20 INSP	Infospace	Internet - e commerce consultin	29-Feb-00
21 ITWO	I2 Technologies	Internet - application software	29-Feb-00
22 JDSU	JDS Uniphase	Fiber Optics	29-Feb-00
23 JNPR	Juniper Networks	Internet - infrastructure	29-Feb-00
24 MFNX	Metromedia Fiber	Fiber Optics	29-Feb-00
25 NTAP	Network Application	Network Storage	29-Feb-00
26 PMCS	PMCS	Connective technology	29-Feb-00
27 Q	QWEST	Fiber Optics	29-Feb-00
28 QCOM	Qualcom	Telecom - systems	29-Feb-00
29 QLGC	Qlogic	Electronic Components	29-Feb-00
30 RNWK	RealNetworks Inc	Internet Software	29-Feb-00
31 VIGN	Vignette Corp	Internet - application software	29-Feb-00
32 VRSN	Verisign	Computer Data Servers/System	29-Feb-00
33 VRTS	Veritas	Internet - application software	29-Feb-00
34 XLNX	Xilinx Inc	Electronic Components	29-Feb-00

Row Count:

6018

Shares Traded	Trade Price	Market Value	Weighting
1,520,913	65.7500	100,000,030	2.9%
1,649,485	60.6250	100,000,028	2.9%
367,309	272.2500	99,999,875	2.9%
2,996,255	33.3750	100,000,011	2.9%
827,301	120.8750	100,000,008	2.9%
953,516	104.8750	99,999,991	2.9%
550,964	181.5000	99,999,966	2.9%
429,069	233.0625	99,999,894	2.9%
1,032,924	96.8125	99,999,955	2.9%
1,264,822	79.0625	99,999,989	2.9%
765,917	130.5625	100,000,038	2.9%
970,285	103.0625	99,999,998	2.9%
689,358	145.0625	99,999,995	2.9%
847,458	118.0000	100,000,044	2.9%
386,100	259.0000	99,999,900	2.9%
747,664	133.7500	100,000,060	2.9%
2,168,022	46.1250	100,000,015	2.9%
1,438,849	69.5000	100,000,006	2.9%
524,246	190.7500	99,999,925	2.9%
458,453	218.1250	100,000,061	2.9%
590,842	169.2500	100,000,009	2.9%
395,257	253.0000	100,000,021	2.9%
436,562	229.0625	99,999,983	2.9%
1,327,801	75.3125	100,000,013	2.9%
543,478	184.0000	99,999,952	2.9%
559,441	178.7500	100,000,079	2.9%
2,173,913	46.0000	99,999,998	2.9%
698,080	143.2500	99,999,960	2.9%
706,090	141.6250	99,999,996	2.9%
1,369,863	73.0000	99,999,999	2.9%
443,828	225.3125	99,999,996	2.9%
406,401	246.0625	100,000,046	2.9%
531,738	188.0625	99,999,978	2.9%
1,423,488	70.2500	100,000,032	2.9%
32,195,692	Total Shares:	3,399,999,848	100.0%

PSI-QUEL 40147

Stock	Name	Shares Outstanding (Millions)	Market Cap (Billions)	06/06/2000 Official close	Shares to be Purchased	Estimated Total Cost
ADBE	ADOBE SYSTEMS INC	119.73	13.10	115.6875	864,000	#####
ADCT	ADC TELECOMMUNICATIONS INC	305.75	19.20	70.5000	1,418,000	99,969,000
AMAT	APPLIED MATERIALS INC	805.88	77.11	89.3125	1,120,000	#####
AMCC	APPLIED MICRO CIRCUITS CORP	108.36	11.05	106.8125	936,000	99,976,500
AUD	AUTOMATIC DATA PROCESSING	627.21	32.61	57.8875	1,733,000	99,972,438
BRCB	BROCADE COMMUNICATIONS SY	108.48	13.45	138.8750	720,000	99,990,000
BRCM	BROADCOM CORP-CL A	117.89	36.59	156.0000	641,000	99,996,000
CSCO	CISCO SYSTEMS INC	6,937.63	435.34	61.3125	1,631,000	#####
DELL	DELL COMPUTER CORP	2,586.75	124.00	44.6875	2,238,000	#####
EBAY	EBAY INC	130.18	16.73	71.8125	1,393,000	#####
EMC	EMC CORP/MASS	1,041.08	138.33	65.0000	1,538,000	99,970,000
ETEK	E-TEK DYNAMICS INC	67.92	12.10	227.1250	440,000	99,935,000
FDC	FIRST DATA CORP	416.63	19.95	54.5625	1,833,000	#####
INSP	INFOSPACE INC	216.58	12.25	49.7500	2,010,000	99,997,500
JDSU	JDS UNIPHASE CORP	500.30	62.94	107.0000	935,000	#####
JNPR	JUNIPER NETWORKS INC	156.50	29.58	201.3750	497,000	#####
MFNX	METROMEDIA FIBER NETWORK-I	472.58	15.41	36.5000	2,740,000	#####
MU	MICRON TECHNOLOGY INC	523.20	32.39	77.0625	1,298,000	#####
NOK	NOKIA CORP -SPON ADR	4,673.09	252.35	55.8250	1,798,000	#####
NTAP	NETWORK APPLIANCE INC	304.57	19.25	73.8750	1,354,000	#####
NXLK	NEXTEL COMMUNICATIONS-A	80.62	11.73	81.1875	1,232,000	#####
ORCL	ORACLE CORPORATION	2,838.41	205.25	77.0625	1,298,000	#####
PCS	SPRINT CORP (PCS GROUP)	913.85	54.37	56.9375	1,756,000	99,982,250
PMCS	PMC - SIERRA INC	139.21	23.32	180.0000	556,000	#####
SDLI	SDL INC	72.75	12.06	255.0000	392,000	99,960,000
SUNW	SUN MICROSYSTEMS INC	1,746.96	149.15	83.8750	1,192,000	99,979,000
TER	TERADYNE INC	172.79	17.53	92.0000	1,087,000	#####
VIGN	VIGNETTE CORPORATION	193.37	10.49	40.2500	2,484,000	99,981,000
VRTS	VERITAS SOFTWARE CORP	393.60	37.29	124.8750	801,000	#####
XLNX	XILINX INC	321.29	20.70	82.8125	1,208,000	#####
				39,143,000	#####	#####

PORTFOLIO 1			PORTFOLIO 2			
Net Loss	Net Shares	Current Loss	Net Loss	Net Shares	Current Loss	
Remaining	Remaining	Percentage	Remaining	Remaining	Percentage	
-	-	0.00%	ADBE	-	0.00%	
-	-	0.00%	ADCT	-	0.00%	
-	-	0.00%	AMAT	-	0.00%	
-	-	0.00%	AMCC	-	0.00%	
(45,860,994)	986,364	-52.03%	AMZN	(34,790,885)	1,520,913	-34.79%
(33,437,500)	1,250,000	-32.33%	AOL	(7,628,868)	1,649,485	-7.63%
60,540,592	1,081,082	57.73%	ARBA	9,865,429	584,618	12.40%
(33,054,269)	1,384,472	-59.32%	ATHM	(50,936,335)	2,996,255	-50.94%
-	-	0.00%	AUD	-	-	0.00%
50,776,162	2,614,380	46.24%	BFAS	1,628,749	1,654,602	1.63%
-	-	0.00%	BGEN	(39,511,319)	953,516	-39.51%
-	-	0.00%	BRCD	-	-	0.00%
52,190,468	680,272	51.92%	BRCM	23,691,452	550,964	23.69%
(47,775,949)	1,639,344	-46.15%	BVSN	(47,497,356)	1,087,207	-56.23%
(26,544,956)	1,123,596	-26.92%	CCU	-	-	0.00%
(79,032,585)	645,322	-75.03%	CMGI	-	-	0.00%
(9,329,479)	184,286	-40.50%	CMRC	-	-	0.00%
-	-	0.00%	CNXT	(32,532,101)	517,924	-64.88%
-	-	0.00%	COMS	(78,972,324)	1,264,822	-78.97%
-	-	0.00%	CSCO	(5,217,810)	1,531,834	-5.22%
-	-	0.00%	CTXS	(5,732,620)	70,285	-79.14%
(103,443,594)	1,032,500	-74.77%	DCLK	-	-	0.00%
(25,716,347)	1,923,077	-25.94%	DELL	-	-	0.00%
(6,534,617)	1,538,462	-6.07%	EBAY	(9,435,588)	1,378,716	-9.44%
-	-	0.00%	EMC	60,169,518	1,694,916	60.17%
17,401,958	1,960,784	17.07%	EXDS	(8,971,968)	1,495,328	-8.97%
-	-	0.00%	FDC	-	-	0.00%
(34,624,994)	2,083,333	-33.84%	GBLX	(29,539,300)	2,168,022	-29.54%
(9,167,263)	1,423,488	-9.28%	GTW	(9,453,238)	1,438,849	-9.45%
(800,107)	4,759	-84.06%	ICGE	-	-	0.00%
-	-	0.00%	IMNX	(31,585,822)	1,572,738	-31.59%
(27,533,031)	1,762,114	-27.29%	INSP	(61,833,848)	916,906	-61.83%
77,911,957	1,136,364	72.75%	ITWO	(3,803,545)	590,842	-3.80%
12,311,223	1,020,408	12.04%	JDSU	(11,264,825)	790,514	-11.26%
83,228,940	626,960	244.70%	JNPR	63,274,205	873,124	63.27%
(70,953,867)	1,538,462	-65.77%	LDIG	-	-	0.00%
(50,733,534)	1,315,789	-50.00%	LU	-	-	0.00%
-	-	0.00%	MFNX	(15,020,749)	2,655,602	-15.02%
-	-	0.00%	MU	-	-	0.00%
-	-	0.00%	NOK	-	-	0.00%
148,882,088	2,247,192	149.52%	NTAP	20,176,621	1,086,956	20.18%
-	-	0.00%	NXLK	-	-	0.00%
-	-	0.00%	ORCL	-	-	0.00%
-	-	0.00%	PCS	-	-	0.00%
159,674,911	1,238,390	157.00%	PMCS	18,076,937	559,441	18.08%
13,315,788	2,339,181	13.51%	Q	3,940,217	2,173,913	3.94%
(50,422,556)	418,182	-67.24%	QCOM	(58,998,668)	698,080	-59.00%

6021

-	-	0.00%	QLGC	(27,956,751)	706,090	-27.96%
-	-	0.00%	RNWK	(27,199,315)	1,169,863	-31.85%
-	-	0.00%	SDLI	-	-	0.00%
-	-	0.00%	SUNW	-	-	0.00%
-	-	0.00%	TER	-	-	0.00%
(53,781,127)	1,621,623	-52.40%	VIGN	(59,889,041)	1,331,484	-59.89%
(11,510,531)	526,316	-11.50%	VRSN	(6,334,015)	81,401	-31.62%
17,887,415	1,063,830	17.54%	VRTS	(10,119,639)	797,607	-10.12%
(65,964,607)	2,830,188	-43.47%	WCOM	-	-	0.00%
-	-	0.00%	XLNX	21,263,352	1,423,488	21.26%
(11,772,277)	89,438	-55.42%	YHOO	-	-	0.00%

PORTFOLIO 3			
	Net Loss	Net Shares	Current Loss
	Remaining	Remaining	Percentage
ADBE	10,692,000	864,000	10.70%
ADCT	(8,242,125)	2,836,000	-8.24%
AMAT	(15,330,000)	1,120,000	-15.33%
AMCC	71,019,000	936,000	71.04%
AMZN	-	-	0.00%
AOL	-	-	0.00%
ARBA	-	-	0.00%
ATHM	-	-	0.00%
AUD	9,098,250	1,733,000	9.10%
BEAS	-	-	0.00%
BGEN	-	-	0.00%
BRCD	53,955,000	720,000	53.96%
BRCM	43,908,500	641,000	43.91%
BVSN	-	-	0.00%
CCU	-	-	0.00%
CMGI	-	-	0.00%
CMRC	-	-	0.00%
CNXT	-	-	0.00%
COMS	-	-	0.00%
CSCO	917,438	1,631,000	0.92%
CTXS	-	-	0.00%
DCLK	-	-	0.00%
DELL	(14,547,000)	2,238,000	-14.55%
EBAY	(8,532,125)	1,393,000	-8.53%
EMC	45,371,000	1,538,000	45.38%
EXDS	-	-	0.00%
FDC	(21,308,625)	1,833,000	-21.31%
GBLX	-	-	0.00%
GTW	-	-	0.00%
ICGE	-	-	0.00%
IMNX	-	-	0.00%
INSP	(16,331,250)	2,010,000	-16.33%
ITWO	-	-	0.00%
JDSU	(50,545,000)	440,000	-50.58%
JNPR	85,794,625	994,000	85.72%
LDIG	-	-	0.00%
LU	-	-	0.00%
MPNX	(12,330,000)	2,740,000	-12.33%
MU	(16,630,625)	1,298,000	-16.63%
NOK	(24,048,250)	1,798,000	-24.04%
NTAP	49,674,875	1,354,000	49.66%
NXLK	(24,871,000)	2,464,000	-24.87%
ORCL	8,437,000	1,298,000	8.43%
PCS	(17,450,250)	1,756,000	-17.45%
PMCS	17,270,750	556,000	17.26%
Q	-	-	0.00%
QCOM	-	-	0.00%

6023

QLGC	-	-	0.00%
RNWK	-	-	0.00%
SDLJ	40,547,500	392,000	40.56%
SUNW	37,846,000	1,192,000	37.85%
TER	(36,550,375)	1,087,000	-36.55%
VIGN	(25,150,500)	2,484,000	-25.16%
VRSN	-	-	0.00%
VRTS	(9,762,188)	801,000	-9.76%
WCOM	-	-	0.00%
XLNX	2,869,000	1,208,000	2.87%
YHOO	-	-	0.00%

PSI-QUEL 40152

6024

From: Christopher Hirata
Sent: Wednesday, April 26, 2000 9:15 AM
To: Dale Ramquist
Subject: POINT Model

Dale,

I have put some bandaids on the model to account for split activity through 4/25/00, but you could probably come up with a better permanent solution via Bloomberg updates. JIG wants to be sure that when we track the portfolio that it is constantly updated for corporate action events.

Also, he wanted to me to pass along that the model should do two things in regards to the transfer of shares from the master portfolios to the individual companies. First, when shares are transferred to a new company, the total number of portfolio shares should be reduced to account for the transfer, and second, there should be some sort of "safety switch" in the model that ensures that when we are transferring stock to one of the new portfolios we cannot over-allocate (i.e. allocate more shares than are left in the master portfolios).

We can talk through this in person when you return, but I wanted to send you a note now before I forgot. Hope you had a good trip.

Chris

Quadra Custom Strategies, LLC
POINT portfolios as of September 19, 2000, filtered for losses greater than -25% and -\$10 million

	Net Loss Remaining	Net Shares Remaining	Basis Price Per Share
Amazon.Com Inc (Lot 1)	(51,162,701)	986,364	\$ 89.37
Amazon.Com Inc (Lot 2)	(42,965,792)	1,520,913	65.75
America Online Inc	(34,765,625)	1,250,000	82.75
At Home Corp -Ser A (Lot 1)	(34,438,741)	1,384,472	40.25
At Home Corp -Ser A (Lot 2)	(53,932,590)	2,996,255	33.38
Biogen Inc	(42,908,220)	953,516	104.88
Broadvision Inc (Lot 1)	(51,157,096)	1,639,344	63.14
Broadvision Inc (Lot 2)	(49,739,720)	1,087,207	77.69
Clear Channel Communications	(31,320,239)	1,123,596	87.75
Commerce One Inc	(10,009,033)	184,286	125.00
3Com Corp	(80,079,043)	1,264,822	79.06
Conevant Systems Inc	(24,860,352)	517,924	96.81
Dell Computer Corp	(24,995,193)	1,923,077	51.56
Douledick Inc	(23,554,688)	251,250	134.00
First Data Corp	(25,318,313)	1,833,000	54.56
Global Crossing Ltd (Lot 1)	(41,005,202)	2,083,333	49.12
Global Crossing Ltd (Lot 2)	(36,178,867)	2,168,022	46.13
Immunex Corp	(28,243,753)	1,572,738	63.58
Infospace Inc (Lot 1)	(39,647,565)	1,762,114	57.25
Infospace Inc (Lot 2)	(68,137,577)	916,906	109.06
Infospace Inc (Lot 3)	(30,150,000)	2,010,000	49.75
Liberty Digital Inc Cl A	(79,800,024)	1,538,462	70.12
Lucent Technologies Inc	(55,092,085)	1,315,789	77.12
Metromedia Fiber Network-A (Lot 1)	(30,124,485)	2,655,602	37.66
Metromedia Fiber Network-A (Lot 2)	(27,913,750)	2,740,000	36.50
Nextlink Communications-A	(37,961,000)	2,464,000	40.59
Qlogic Corp	(31,729,919)	706,090	141.63

PSI-QUEL 22530

Qualcomm Inc (Lot 1)	(43,600,962)	418,182	179.31
Qualcomm Inc (Lot 2)	(47,611,238)	698,080	143.25
Realnetworks Inc	(36,850,685)	1,169,863	73.00
Sprint Corp (Pcs Group)	(42,034,250)	1,756,000	56.94
Teradyne Inc	(46,061,625)	1,087,000	92.00
Vignette Corporation (Lot 1)	(52,058,152)	1,621,623	63.29
Vignette Corporation (Lot 2)	(58,474,339)	1,331,484	75.10
Worldcom Inc	(49,636,781)	1,886,792	53.62
Yahoo! Inc	(11,431,294)	89,438	237.50
#####			50,907,544

Current Loss		09/19/2000
Percentage	Closing Price	
-58.04%	\$	37.50
-42.97%		37.50
-33.61%		54.94
-61.80%		15.38
-53.93%		15.38
-42.91%		59.88
-49.42%		31.94
-58.89%		31.94
-31.77%		59.88
-43.45%		70.69
-80.08%		15.75
-49.58%		48.81
-25.21%		38.56
-69.96%		40.25
-25.32%		40.75
-40.07%		29.44
-36.18%		29.44
-28.24%		45.63
-39.30%		34.75
-68.14%		34.75
-30.15%		34.75
-73.97%		18.25
-54.29%		35.25
-30.12%		26.31
-27.91%		26.31
-37.95%		25.19
-31.73%		96.69

-58.15%	75.05
-47.61%	75.05
-43.15%	41.50
-42.04%	33.00
-46.06%	49.63
-50.72%	31.19
-58.47%	31.19
-49.06%	27.31
-53.82%	109.69

From: Christopher Hirata
Sent: Monday, September 18, 2000 11:42 PM
To: Brian Hanson; Eric M. Schuehle
Subject: FW: New Portfolio



Portfolio_tr3.xls

-----Original Message-----

From: Rajan Puri
Sent: Wednesday, June 07, 2000 4:47 AM
To: Rajan Puri; 'Christopher Hirata'
Subject: RE: New Portfolio

Chris - I attach the Portfolio details, based on 6June market close prices.

This Sale and Purchase and associated Stock Loan Agreements are now being executed by the IoM guys.

Cheers
Raj

-----Original Message-----

From: Rajan Puri
Sent: Wednesday, June 07, 2000 8:25 AM
To: 'Christopher Hirata'
Subject: RE: New Portfolio

Chris - Yep. I will provide them with full share quantity / price info based on last night's (6 June) official close; I will also provide you with a copy of the executed portfolio for your records.

Cheers
Raj

-----Original Message-----

From: Christopher Hirata [mailto:chrish@qcm.com]
Sent: Wednesday, June 07, 2000 1:40 AM
To: 'rajan.puri@euraminvest.com'
Subject: New Portfolio

Raj,

Was the new portfolio picked up by the Isle of Man boys?

Regards,

Chris Hirata
Quadra Custom Strategies, LLC
Phone: (206) 613-6700
Fax: (206) 613-6713

This message and any attachments may contain confidential information and is

6030

intended only for the individual or individuals named. All electronic mail sent to or from this address will be received by Quadra Financial Group, L.P. or an affiliate's electronic mail system and is subject to retention and review by someone other than the party to whom such mail was addressed. If you are not a named addressee you should not disseminate, distribute or copy this electronic mail. Please notify the sender immediately by electronic mail if you have received this electronic mail by mistake and delete this electronic mail from your system. Electronic mail transmission cannot be guaranteed to be secure or error-free, and may be arrive later than intended, be intercepted, corrupted, or contain viruses. The sender therefore does not accept liability for any errors or omissions in the contents of this message which arise as a result of defects due to transmission. This message is provided for informational purposes only and should not be construed as a solicitation or offer to buy or sell any securities or related financial instruments.

6031

Ltd 2000Tax Stmt

	A	B	C	E	G	H
1	Reka Limited					
2	2000 Book-to-Tax Worksheet					
3						
4			Book			
5			<u>May 5, 2000</u>	<u>Dr.</u>	<u>Cr.</u>	
6	Investment Income:					
7	Gain/(loss) on Warrant		(314,515)	-	-	
8	Interest		2,164,589	-	388,771	
9			1,850,074	-	388,771	
10	Investment Expenses:					
11	Miscellaneous bank fees		(121)	-	-	
12	Total Investment Expenses		(121)	-	-	
13						
14	Net Investment Gain/(Loss)		1,849,953	-	388,771	
15						
16	Trading Gains/(Losses)					
17	Gain/(loss) on stock portfolio		8,333,791	144,901,611	-	
18	Gain/(loss) on hedge funds		-	-	654,869	
19	Gain/(loss) on options		(5,697,354)	-	-	
20	Change in partnership interests		731,658	731,658	-	
21	Total Trading Gains/(Losses)		3,368,095	145,633,268	654,869	
22						
23	Net Trading Gains/(Losses)		3,368,095	145,633,268	654,869	
25						
26	Net Income/(Loss)		<u>5,218,048</u>	<u>145,633,268</u>	<u>1,043,641</u>	
32						

PSI-QUEL 12519

6032

Ltd 2000TaxStmt

	I	J
1		
2		
3		
4	Tax	
5	December 31, 2000	
6		
7	(314,515)	
8	2,553,360	
9	2,238,845	
10		
11	(121)	
12	(121)	
13		
14	2,238,724	
15		
16		
17	(136,567,820)	
18	654,869	
19	(5,697,354)	
20	-	
21	(141,610,304)	
22		
23	(141,610,304)	
25		
26	(139,371,580)	
32		

PSI-QUEL 12520

6033

LLC 2000TaxStmnt

	A	B	C	E	G	H	I	J
1	Reka I LLC							
2	2000 Book-to-Tax Worksheet							
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
24								

	Book		Tax	
	November 6, 2000	Dr. Cr.	December 31, 2000	
Investment Income:				
Interest	389,160	- -	389,160	
	389,160	- -	389,160	
Investment Expenses:				
	-	- -	-	
Total Investment Expenses	-	- -	-	
Net Investment Gains/(Losses)	389,160	- -	389,160	
Trading Gains/(Losses)				
Hedge fund gains	343,230	- 312,295	655,525	
Total Trading Gains/(Losses)	343,230	- 312,295	655,525	
Net Trading Gains/(Losses)	343,230	- 312,295	655,525	
Net Income/(Loss)	732,390	- 312,295	1,044,685	

PSI-QUEL 12521

6034

LLC 2000TaxStmt

	K
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	
24	

	A	C
1	Reka Limited	
2	Statement of Changes in Members' Capital	
3	for the period May 5, 2000 to December 31, 2000	
4		
5		
6		Woodglen I LLC
7		Limited
8		Partner
9	Partners' Capital at May 5, 2000	106,216,411
11	Additional Capital Contribution, May 22, 2000	720,184
13	Allocation of Net Income through November 30, 2000	4,481,904
15	Additional Capital Contribution, December 8, 2000	19,980,000
17	Allocation of Net Income for Partnership Interest in Reka I LLC	730,926
19	Partners' Capital at December 31, 2000	<u><u>132,129,426</u></u>
20		
21		
22		
26		

6036

Ltd Cap Stmt

	E	G	I
1			
2			
3			
4			
5			
6	Woodglen I, Inc.		
7	General		
8	Partner	Total	
9	106,323	106,322,734	
10			
11	721	720,905	
12			
13	4,486	4,486,390	
14			
15	20,000	20,000,000	
16			
17	732	731,658	
18			
19	132,262	132,261,687	-
20			
21			
22			
23			
24			
25			
26			

6037

LLC Cap Stmt

	A
1	Reka I LLC
2	Statement of Changes in Members' Capital
3	for the period November 6, 2000 to December 31, 2000
4	
5	
6	
7	
8	
9	Partners' Capital at November 6, 2000
10	
11	General Partner Capital Contribution (11/29/00)
12	
13	Membership Interest, Reka Limited (11/30/00)
14	
15	Capital Contribution via Membership Interest from Limited Partner (12/8/00)
16	
17	Allocation of net income
18	
19	Partners' Capital at December 31, 2000
20	
21	
22	
26	

6038

LLC Cap Stmt

	C	E	G	I
1				
2				
3				
4				
5				
6	Reka Limited Woodglen I, Inc.			
7	Limited	General		
8	Partner	Partner	Total	
9	-	-	-	
11	-	111,615	111,615	
13	111,530,029	-	111,530,029	
15	20,000,000	-	20,000,000	
17	731,658	732	732,390	
19	<u>132,261,687</u>	<u>112,347</u>	<u>132,374,034</u>	-
20				
21				
22				
26				

PSI-QUEL 12526

6039

Ltd Fin

	A	B	D	F
1	Reka Limited			
2	Balance Sheet - December 31, 2000			
3				
4	Assets			
5				
6	Membership interest in Reka I LLC		132,261,687	
7				
8	Total assets		<u>132,261,687</u>	
9				
10	Liabilities and capital			
11				
12	Total liabilities		-	
13				
14				
15	Capital		127,043,639	
16	Retained earnings		5,218,048	
17				
18	Total liabilities and capital		<u>132,261,687</u>	
19				
20				
21				
22				
23				
24				
25	Reka Limited			
26	Statement of Income and Expense - May 5, 2000 through December 31, 2000			
27				
28				
29	Income			
30	Interest income	2,164,589		
31	Gain/(loss) on warrants	(314,515)		
32	Gain/(loss) on stock	8,333,791		
33	Gain/(loss) on options	(5,697,354)		
34	Change in partnership interests	<u>731,658</u>		
35	Total income		5,218,169	
36				
37	Expenses			
38	Miscellaneous bank fees	<u>121</u>		
39	Total expenses		121	
40				
41	Net income		<u>5,218,048</u>	
42				

PSI-QUEL 12527

6040

LLC Fin

	A	B	D
1	Reka I LLC		
2	Balance Sheet - December 31, 2000		
3			
4	Assets		
5			
6	Investments		
7	Cash and cash equivalents	20,232,256	
8	Hedge fund investment	6,120,476	
9	Total investments		26,352,732
10			
11	Note receivable		103,942,452
12	Accrued interest		2,078,849
13			
14	Total assets		132,374,033
15			
16	Liabilities and capital		
17	Total liabilities		-
18			
19	Capital		131,641,644
20	Retained earnings		732,390
21			
22	Total liabilities and capital		132,374,034
29			
30	Reka I LLC		
31	Statement of Income and Expense - November 6, 2000 through December 31, 2000		
33			
34	Income		
35	Interest income & short term money market dividends	120,642	
36	Hedge fund income	343,230	
37	Note receivable interest income	268,518	
38	Total income		732,390
39			
40	Expenses		
41	Total expenses		-
42			
43	Net income		732,390
44			

6041

LLC Fin

	F
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	
29	-
30	
31	
33	
34	
35	
36	
37	
38	
39	
40	
41	
42	
43	
44	

6042

Loan Bal

	A	B	C	E
1	Reka Limited/I LLC			
2	<i>Note Receivable from Barnville Limited</i>			
3				
4	5/5/2000	Note receivable (from Barnville Limited)		103,942,452
5				
6	6/30/2000	Accrued Interest	485,065	104,427,517
7	9/30/2000	Accrued Interest	796,892	105,224,409
8	11/30/2000	Accrued Interest	528,374	105,752,783
9				
10	12/31/2000	Accrued Interest	268,518	106,021,301
11				
12		Total Accrued Interest	<u>2,078,849</u>	
21				

PSI-QUEL 12530

6043

Loan Bal

	F
1	
2	
3	
4	
5	
6	
7	
8	(Asset transfer to Reka I LLC)
9	
10	
11	
12	
21	

6044

Ltd GL

	A	B
1	Reka Limited - General Ledger	
2		
3	Date	Account
5		
6	5/5/2000	Investment (Securities Lending, Agreement)
7	5/5/2000	Capital (Issue 1000 shares)
8		
9	5/5/2000	Note receivable (from Barnville Limited)
10	5/5/2000	Accounts payable (collateral to Jackstones)
11		
12	5/5/2000	Cash
13	5/5/2000	Warrants (short) (should this be called premium payable?)
14		
15	5/5/2000	Cash
16	5/5/2000	Capital
17		
18	5/5/2000	Put option
19	5/5/2000	Cash
20		
21	5/5/2000	Cash
22	5/5/2000	Call option
23		
24	5/22/2000	Cash
25	5/22/2000	Capital
26		
27	6/1/2000	Cash
28	6/1/2000	Interest from Triskellion
29		
30	6/5/2000	Cash
31	6/5/2000	Interest Income (from warrant premium deposit acct)
32		
33	6/5/2000	Warrants (cover short)
34	6/5/2000	Loss on investments
35	6/5/2000	Cash
36		
37	6/5/2000	Accounts payable (Jackstones collateral)
38	6/5/2000	Cash
39		
40	6/5/2000	Cash
41	6/5/2000	Gain on investments
42	6/5/2000	Investments
43		
44	6/5/2000	Cash
45	6/5/2000	Loss on investments
46	6/5/2000	Put option
47		
48	6/5/2000	Call option
49	6/5/2000	Loss on investments

PSI-QUEL 12532

6045

Ltd GL

	C	D	E	F
1				
2				
3	Dr		Cr	
5				
6	103,942,452			
7			103,942,452	
8				
9	103,942,452			
10			103,942,452	
11				
12	50,547,000			
13			50,547,000	
14				
15	2,380,282			
16			2,380,282	
17				
18	15,321,117			
19			15,321,117	
20				
21	12,219,930			
22			12,219,930	
23				
24	720,905			
25			720,905	
26				
27	2,331			
28			2,331	
29				
30	314,515			
31			314,515	
32				
33	50,547,000			
34	314,515			
35			50,861,515	
36				
37	103,942,452			
38			103,942,452	
39				
40	112,276,243			
41			8,333,791	
42			103,942,452	
43				
44	11,955,776			
45	3,365,341			
46			15,321,117	
47				
48	12,219,930			
49	2,332,013			

PSI-QUEL 12533

6046

Ltd GL

G	
1	
2	
3	Notes
5	
6	Contribution of stock (via novation of lending agreement) by Barnville
7	
8	
9	Contribution by Barnville of collateral obligation (via novation) and note to cover this obligation
10	
11	
12	Issue warrants
13	
14	
15	Contribution of cash by Woodglen I LLC and Woodglen I, Inc. to cover cost of collar
16	
17	
18	Purchase of put option to hedge exposure on portfolio
19	
20	
21	Sale of call option to reduce cost of put
22	
23	
24	Contribution of cash by Woodglen I LLC and Woodglen I, Inc. to cover cost of increasing collar to
25	110%
26	
27	
28	
29	
30	Interest received in warrant premium deposit account (assumed a 5% rate)
31	
32	
33	Close out of warrant (via put clause exercised by EA Investment Services
34	
35	
36	
37	Return collateral to Jackstones per lending agreement
38	
39	
40	Call portfolio shares per lending agreement and sell shares to Jackstones
41	
42	
43	
44	Sell put option
45	
46	
47	
48	Cover short call option
49	

PSI-QUEL 12534

6047

Ltd GL

	I	J	L	N	O
1					
2					
3					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18		<u>Woodglen I LLC</u>	<u>Woodglen I, Inc.</u>	<u>Total</u>	
19					
20	Wired to Triskelion on 5/8	1,450,000	-	1,450,000	
21	Wired to B of A on 5/8	4,394,150	5,850	4,400,000	cash flow
22	Total Wired on 5/8	5,844,150	5,850	5,850,000	
23					
24					
25					
26	Wired to B of A on 5/23	720,184	721	720,905	addtnl cash flow
27	Total Wired on 5/23	720,184	721	720,905	
28					
29					
30					
31					
32					
33			G/L option premium	3,101,187	
34			Wire transfer premium	5,120,905	
35			Difference	2,019,718	2,966,721
36					
37					
38					
39					
40		LLC		3,466,248	
41		Inc.		3,470	
42		Total ppd fees & expenses		3,469,718	
43					
44				7,451,187	880,282
45				2,330,282	
46				880,282	
47					
48					
49					

PSI-QUEL 12535

6048

Ltd GL

	P	Q
1		
2		
3		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20	(2,380,282) option	
21	(3,469,718) ppd fees	
22	(5,850,000)	
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43		
44		
45		
46		
47		
48		
49		

6049

Ltd GL

	A	B
50	6/5/2000	Cash
51		
52	6/5/2000	Deferred tax asset
53	6/5/2000	Income tax expense
54		
55	6/26/2000	Misc. bank charge
56	6/26/2000	Cash
57		
58	6/30/2000	Accrued Interest
59	6/30/2000	Interest Income (Barnville Note)
60		
61	7/3/2000	Cash
62	7/3/2000	Interest from Triskellion
63		
64	7/27/2000	Wire fee expense
65	7/27/2000	Cash
66		
67	7/27/2000	Hedge Fund Investment
68	7/27/2000	Cash
69		
70	9/30/2000	Accrued Interest
71	9/30/2000	Interest Income (Barnville Note)
72		
73	9/30/2000	Hedge Fund Investment
74	9/30/2000	Hedge Fund Income
75		
76	10/31/2000	Accrued Interest
77	10/31/2000	Interest Income (Barnville Note)
78		
79	10/31/2000	Hedge Fund Investment
80	10/31/2000	Hedge Fund Income
81		
82	11/30/2000	Accrued Interest
83	11/30/2000	Interest Income (Barnville Note)
84		
85	11/30/2000	Hedge Fund Investment
86	11/30/2000	Hedge Fund Income
87		
88	12/8/2000	Cash
89	12/8/2000	Capital Contribution
90		
91	12/8/2000	Partnership Interest
92	12/8/2000	Cash
93		
94	12/31/2000	Hedge Fund Investment
95	12/31/2000	Hedge Fund Income
96		
97	12/31/2000	Accrued interest

PSI-QUEL 12537

6050

Ltd GL

	C	D	E	F
50			14,551,943	
51				
52	54,080,857			
53			54,080,857	
54				
55	35			
56			35	
57				
58	485,065			
59			485,065	
60				
61	37,414			
62			37,414	
63				
64	86			
65			86	
66				
67	5,777,246			
68			5,777,246	
69				
70	796,892			
71			796,892	
72				
73	174,735			
74			174,735	
75				
76	268,518			
77			268,518	
78				
79	58,053			
80			58,053	
81				
82	259,856			
83			259,856	
84				
85	42,070			
86			42,070	
87				
88	20,000,000			
89			20,000,000	
90				
91	20,000,000			
92			20,000,000	
93				
94	51,358			
95			51,358	
96				
97	268,518			

PSI-QUEL 12538

6051

Ltd GL

	G
50	
51	
52	
53	
54	
55	
56	
57	
58	6/30/00 interest accrual on note from Barnville
59	
60	
61	
62	
63	
64	
65	
66	
67	
68	
69	
70	
71	
72	
73	
74	
75	
76	
77	
78	
79	
80	
81	
82	
83	
84	
85	
86	
87	
88	Capital contribution: Woodglen I, Inc. = \$19,980,000, Woodglen I LLC = \$20,000
89	
90	
91	
92	
93	
94	
95	
96	
97	

6052

Ltd GL

	I	J	L	N	O
50					
51					
52					
53					
54					
55					
56					
57					
58					
59					
60					
61					
62					
63					
64					
65					
66					
67					
68					
69					
70					
71					
72					
73					
74					
75					
76					
77					
78					
79					
80					
81					
82					
83					
84					
85					
86					
87					
88					
89					
90					
91					
92					
93					
94					
95					
96					
97					

6053

Ltd GL

	P	Q
50		
51		
52		
53		
54		
55		
56		
57		
58		
59		
60		
61		
62		
63		
64		
65		
66		
67		
68		
69		
70		
71		
72		
73		
74		
75		
76		
77		
78		
79		
80		
81		
82		
83		
84		
85		
86		
87		
88		
89		
90		
91		
92		
93		
94		
95		
96		
97		

6054

Ltd GL

	A	B
98	12/31/2000	Interest income (Barnville Note)
99		
100	12/31/2000	Hedge Fund Investment
101	12/31/2000	Hedge Fund Income
102		
103		
104		
105		
106		
523		

6055

Ltd GL

	C	D	E	F
98			268,518	
99				
100	17,014			
101			17,014	
102				
103	648,023,154		648,023,154	
104				
105				
106				
523				

6056

Ltd GL

	G
98	
99	
100	
101	
102	
103	
104	
105	
106	
523	

6057

Ltd GL

	I	J	L	N	O
98					
99					
100					
101					
102					
103					
104					
105					
106					
523					

6058

Ltd GL

	P	Q
98		
99		
100		
101		
102		
103		
104		
105		
106		
523		

6059

LLC GL

	A	B
1	Reka I LLC - General Ledger	
2		
3	Date	Account
5		
6	11/29.00	Morgan Stanley money market account
7	11/29.00	Capital
8		
9	11/30/2000	Morgan Stanley interest (cash)
10	11/30/2000	Morgan Stanley dividend and interest income
11		
12	12/8/2000	Morgan Stanley money market account
13	12/8/2000	Capital Contribution via Partnership Interest from Reka Limited
14		
15	12/31/2000	Morgan Stanley interest (cash)
16	12/31/2000	Morgan Stanley dividend and interest income
17		
18	12/31/2000	Accrued interest
19	12/31/2000	Interest income (Barnville Note)
20		
21		
429		

6060

LLC GL

	C	D	E	G
1				
2				
3	Dr		Cr	Notes
5				
6	111,615			Managing member capital contribution by Woodglen I,
7			111,615	Inc.
8				
9	19			
10			19	
11				
12	20,000,000			
13			20,000,000	
14				
15	120,622			
16			120,622	
17				
18	268,518			
19			268,518	
20				
21	20,500,774		20,500,774	
429				

6061

CF Analysis

	A	B	D	E	F	H
1	Woodglen I, Inc. & Woodglen I LLC					
2	<i>Cash Flow Analysis</i>					
4						
5	Needs and Creation					
6	Prepaid Fees and Interest	7,451,187	6,570,905		(2,019,718)	
7	Bank Charges	121	616,718		1,450,000	
8	Cash Balance	232,256	7,187,623		(3,469,718)	
9	QAFII Investment	5,777,246	(1,450,000)			
10	Addtn'l Cap Contrib	20,000,000	5,737,623		263,564	
11	Net Trading Gain	(616,718)	39,745			
12	Int. From Triskelion	(39,745)	5,777,368			
13	Interest From MSDW	(120,641)	(121)			5120905
14		32,683,706	5,777,247			1,651,187
16						
17	Uses of Cash					
18	Buy Put Option	(15,321,117)				
19	Bank Fee	(35)				
20	Bank Fee	(86)				
21	HF Investment	(5,777,246)				
22	Buy Back Call Option	(14,551,943)				
23		(35,650,427)				
24						
25	Cash From Outside Required	(2,966,721)	2,900,000	Q Fee		
26			(66,721)			

PSI-QUEL 12549

6062

Reka Ltd 11-30-00

	A
1	Reka Limited
2	<i>Projected Balance Sheet - November 30, 2000</i>
3	
4	Assets
5	
6	Cash and cash equivalents
7	Investments
8	Hedge fund investment
9	Stock (via lending agreement)
10	Options purchased
11	Total investments
12	
13	Note receivable
14	Accrued interest
15	
16	Total assets
17	
18	Liabilities and capital
19	
20	Accounts payable
21	Warrants issued
22	Options written
23	Loan payable
24	Total liabilities
26	
27	Capital
28	Retained earnings
29	
30	Total liabilities and capital
36	
37	Reka Limited
38	<i>Projected Statement of Income and Expense - May 5, 2000 through November 30, 2000</i>
40	
41	Income
42	
43	Interest income
44	Hedge fund income
45	Miscellaneous income
46	Gain/(loss) on warrants
47	Gain/(loss) on stock
48	Gain/(loss) on options
49	Total income
50	
51	Expenses
52	Total expenses
53	
54	Net income

PSI-QUEL 12550

6063

Reka Ltd 11-30-00

	B	D	E	G
1				
2				
3				
4				
5				
6				
7		-		
8	6,052,104			
9				
10	-			
11		6,052,104		
12				
13		103,942,452		
14		1,810,331		
15				
16		<u>111,804,887</u>		
17				
18				
19				
20	-			
21	-			
22	-			
23	-			
24		-		
26				
27		107,043,639		
28		4,761,248		
29				
30		<u>111,804,887</u>	-	
36				
37				
38				
40				
41				
42				
43	2,164,591			
44	274,858			112261686
45	-			
46	(314,515)			
47	8,333,791			
48	<u>(5,697,354)</u>			
49		4,761,371		
50				
51	(123)			
52		(123)		
53				
54		<u>4,761,248</u>		

PSI-QUEL 12551

6064

Reka Ltd 11-30-00

	A
55	

PSI-QUEL 12552

6065

Reka Ltd 11-30-00

	B	D	E	G
55				

PSI-QUEL 12553

6066

Basis, Etc

	A	B
1	Robert W. Johnson, IV - Reka Limited	
2	Summary as of June 5, 2000 (Execution prices at close-out)	
4		
5		
6	Company	Ticker
7	Verisign	VRSN
8	Conexant Systems	CNXT
9	Internet Capital Group	ICGE
10	CMGI	CMGI
11	Commerce One	CMRC
12	Yahoo!	YHOO
13	Citrix Systems Inc.	CTXS
14	AtHome Corp.	ATHM
15	DoubleClick	DCLK
16		
17		
20		
21		
22	<u>Estimated Consolidated P&L</u>	
23	Stock sale proceeds	
24	Trade value	
25	Gain/(loss) on stock	
26		
27	Proceeds from sale of put	
28	Cost of long put	
29	Gain/(loss) on put	
30		
31	Cost of covering call	
32	Proceeds from short call	
33	Gain/(loss) on call	
34		
35	Total trading gain/(loss)	
36	Prepaid interest	
37	Investment advisory fees	
38	Net gain/(loss)	
39		
40	Net loss as % of initial loss	
41		
42		
43		
44	Call Spread P&L Analysis	
45	6/5/2000	
46		Strike
47	Call	100
48	Call	110

PSI-QUEL 12554

6067

Basis, Etc

	C	D	F	G	H	I
1						
2						
4						
5						
6	Shares	Basis Price	Basis Amount		Initial Gain (Loss)	
7	100,000	246.06	24,606,250		(10,997,920)	
8	125,000	96.81	12,101,563		(5,697,488)	
9	215,000	200.00	43,000,000		(34,562,927)	
10	250,000	163.22	40,805,000		(24,629,750)	
11	230,000	125.00	28,750,000		(15,797,711)	
12	100,000	237.50	23,750,000		(11,229,080)	
13	300,000	103.06	30,918,750		(17,464,770)	
14	450,000	40.25	18,112,500		(10,127,565)	
15	200,000	134.00	26,800,000		(14,394,400)	
16			<u>248,844,063</u>		<u>(144,901,611)</u>	
17						
20						
21						
22						<u>Outside Basis</u>
23		112,276,243				Additions:
24		<u>(103,942,452)</u>				
25			8,333,791			
26						
27		11,955,776				
28		<u>(15,321,117)</u>				
29			(3,365,342)			
30						
31		(14,551,943)				Reductions:
32		<u>12,219,930</u>				
33			<u>(2,332,013)</u>			
34						
35			2,636,436			
36			(3,469,718)			
37			<u>(2,900,000)</u>			
38			<u>(3,733,282)</u>			Net basis in SPV
39						
40			2.58%			Notes:
41						
42						
43						
44						
45						
46	# Contracts	FMV	FMV Amount			
47	1,039,425	19.52	20,289,567			
48	(1,039,425)	14.00	(14,551,943)			

PSI-QUEL 12555

6068

Basis, Etc

	J	L
1		
2		
4		
5	Purchase	Purchase
6	Price	Amount
7	136.08	13,608,330
8	51.23	6,404,075
9	39.24	8,437,073
10	64.70	16,175,250
11	56.31	12,952,289
12	125.21	12,520,920
13	44.85	13,453,980
14	17.74	7,984,935
15	62.03	12,405,600
16		103,942,452
17		155,914
20		
21		
22		
23		
24	Purchase price	
25	Prepaid fees (excludes ppd interest)	
26	Contribution for collar purchase	
27	Interest Income	
28	Additional capital contribution	
29	Total basis additions	
30		
31		
32	Loss on equity portfolio	
33	Loss on put option	
34	Loss on call option	
35	Misc. distribution	
36	Total basis reductions	
37		
38		
39		
40		
41	1. Interest portion of prepaid interest and fees is not included in outside basis.	
42	2. Interest paid on deferred purchase price is not included in outside basis.	
43	3. Any structuring fees can be included in outside basis.	
44		
45		
46		
47		
48		(569,718)

PSI-QUEL 12556

6069

Basis, Etc

	N	O	P	Q	R	T
1						
2						
4						
5	Sale		Total			
6	Price		Proceeds		Gain (Loss)	
7	179.10		17,909,640		4,301,310	
8	49.31		6,163,625		(240,450)	
9	41.25		8,868,750		431,677	
10	60.00		15,000,000		(1,175,250)	
11	54.52		12,538,588		(413,701)	
12	138.07		13,807,030		1,286,110	
13	61.06		18,317,040		4,863,060	
14	20.86		9,389,070		1,404,135	
15	51.41		10,282,500		(2,123,100)	
16			<u>112,276,243</u>		<u>8,333,791</u>	
17						
20						
21	99.90%		0.10%			
22	Woodglen I LLC		Woodglen I, Inc.		Total	
23						
24	103,838,510		103,942		103,942,452	
25	1,448,550		1,450		1,450,000	
26	3,070,175		31,012		3,101,187	
27	2,076,770		2,079		2,078,849	Accrued through:
28	19,980,000		20,000		20,000,000	Will be made on 12/4/00
29	130,414,005	-	158,483		130,572,488	
30						
31						Need to include interest income on BV note?
32	(136,431,252)		(136,568)		(136,567,820)	
33	(3,361,976)		(3,365)		(3,365,342)	
34	(2,329,681)		(2,332)		(2,332,013)	
35	?		?		?	
36	(142,122,909)		(142,265)	-	(142,265,174)	
37						
38	(11,708,904)		16,218		(11,692,686)	
39						
40						
41						
42						
43						
44						
45						
46					(4,919,718)	
47						
48					(368,531)	

PSI-QUEL 12557

6070

Basis, Etc

	U	V	W	Y
1				
2				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
20				
21				
22				
23				
24				
25				
26				
27	12/31/2000 Trade date: 5/5/2000 240.00			
28				
29				
30				
31				
32				
33				
34				
35	4,551,187			
36	5120905			
37	569,718			
38				
39	(368,531)			
40				
41				
42				
43				
44				
45				
46				
47				
48				

6071

-Basis, Etc-

	A	B
49		
50		
51		
52		
53		
54		
55		
56		
57		
58		
59		
60		
61		
62		
63		
64		
66		
67		
	Date	Maturity
59	5/5/2000	8/17/2000
60	5/5/2000	
61	5/5/2000	
62	5/5/2000	
63	5/5/2000	5/5/2005
64	5/5/2000	
66		
67	5/5/2000	9/7/2000

6072

Basis, Etc

	C	D	F	G	H	I
49			5,737,623			
50	Hedge cost		(5,120,905)			
51	Gain (Loss) on Spread		616,718			
52	SPV Premium (EurAm)		(1,450,000)			
53	OTC Put Spread		-			
54	Q Fee		(2,900,000)		(15,376)	
55			(3,733,282)		(632,094)	
56						
57						
58	Party	Description	Shares		Strike	
59	WG LLC	Purchase Agrmt	1000			
60	WG Inc.	Purchase Agrmt				
61	Reka	Contribution Agrmt	1000			
62	Reka	Promissory Note				
63	Reka	Global Call Warrant	1000		150%	
64	Reka	Subscription	1000		48.63%	
66						
67	Option Premium		(4,400,000)	-4400000		

PSI-QUEL 12560

6073

Basis, Etc

	J	L
49		
50		
51		
52		
53		
54		
55		
56		
57		
58		
59	Amount	Notes
60		103,942,452
61		
62		103,942,452 s/b FMV or Purch price
63		155,914
64		50,547
66		
67		

6074

Basis, Etc

	N	O	P	Q	R	T
49						
50						
51					6,067,908	
52					5,451,190	
53					330,285	
54						
55					6,001,187	
56					3,101,187	
57						
58						
59					5120905	
60					880,282	
61						
62						
63						
64						
66						
67						

6075

Basis, Etc

	U	V	W	Y
49				
50				
51				
52				
53				
54				
55				
56				
57				
58				
59				
60				
61				
62				
63				
64				
66				
67				

REKA LIMITED*Analysis of Basket Positions*

Stock	Ticker	Execution		Notional
		Shares	Price	
CMGI, Inc.	CMGI	250,000	64.70	\$ 16,175,250
Verisign, Inc.	VRSN	100,000	136.08	13,608,330
Citrix Systems, Inc.	CTXS	300,000	44.85	13,453,980
Commerce One, Inc.	CMRC	230,000	56.31	12,952,289
Yahoo! Inc.	YHOO	100,000	125.21	12,520,920
DoubleClick, Inc.	DCLK	200,000	62.03	12,405,600
Internet Capital Group, Inc.	ICGE	215,000	39.24	8,437,073
Excite @Home	ATHM	450,000	17.74	7,984,935
Conextent Systems, Inc.	CNXT	125,000	51.23	6,404,075
Total basket				<u>\$ 103,942,452</u>

WOODGLEN I, LLC & WOODGLEN I, INC.*Analysis of Hedge Positions*

Strike price of long put	\$ 103,942,452
Strike price of short call	\$ 111,218,424
Maximum downside from current valuation if put is exercised	<u>\$</u>
Maximum upside from current valuation if call exercised	<u>\$ 7,275,972</u>

The above analysis relates specifically to the basket of stocks held by Reka Limited and the options purchased by Woodglen I, LLC and Woodglen I, Inc. to hedge the exposure on their investment in Reka Limited.

6077

Investment in Reka

Basis Additions

Purchase price	103,942,452	
Cash wired	6,570,905	
Additional contribution	40,000,000	
Income on Barnville deposit	<u>2,078,849</u>	
		152,592,206

Basis Subtractions

Loss on sale of portfolio	(136,567,820)	
Loss on put unwind	(3,365,342)	
Loss on call unwind	(2,332,013)	
Interest expense on Barnville loan	(2,078,849)	
Fees and expenses	<u></u>	
		<u>(144,344,024)</u>
Total		8,248,182

PSI-QUEL 06804

REKA LIMITED*Analysis of Basket Positions*

Stock	Ticker	Shares	Execution Price	Notional	Percent of Portfolio
CMGI, Inc.	CMGI	250,000	64.70	\$ 16,175,250	15.6%
Verisign, Inc.	VRSN	100,000	136.08	13,608,330	13.1%
Citrix Systems, Inc.	CTXS	300,000	44.85	13,453,980	12.9%
Commerce One, Inc.	CMRC	230,000	56.31	12,952,289	12.5%
Yahoo! Inc.	YHOO	100,000	125.21	12,520,920	12.0%
DoubleClick, Inc.	DCLK	200,000	62.03	12,405,600	11.9%
Internet Capital Group, Inc.	ICGE	215,000	39.24	8,437,073	8.1%
Excite @Home	ATHM	450,000	17.74	7,984,935	7.7%
Coretext Systems, Inc.	CNXT	125,000	51.23	6,404,075	6.2%
Total basket				\$ 103,942,452	100.0%

WOODGLEN I, LLC & WOODGLEN I, INC.*Profitability Analysis*

	Pre-Adjustment	Post-Adjustment
Notional	\$ 145,000,000	\$ 145,000,000
Basket cost basis	248,844,063	248,844,063
Basket trade price	<u>103,942,452</u>	<u>103,942,452</u>
Approx. initial loss	144,901,611	144,901,611
 Total cost (net option premium & prepaid interest)	 5,850,000	 6,600,000
 Call strike	 107%	 110%
Max gain on basket	<u>7,275,972</u>	<u>10,394,245</u>
Max profit	<u>1,425,972</u>	<u>3,794,245</u>
Max return	24.38%	57.49%

WOODGLEN I, LLC & WOODGLEN I, INC.*Position Analysis & Projected Profit/Loss*

Proceeds from sale of 107% call option	\$ 12,940,835
Purchase price paid for 100% put option	<u>(15,321,177)</u>
Net option debit	(2,380,282)
Loan (Deferred Settlement Amount)	(103,942,452)
Prepaid interest on Loan	(3,469,718)
Net option premium from cover of 107% call and short of 110% call	<u>(750,000)</u>
 Scenario I: 10% appreciation	
Proceeds from sale of stock	114,336,697
110% Call option value if exercised	-
Projected profit/(loss) if call option exercised	<u>\$ 3,794,245 *</u>
Return analysis	Periodic 57.49%
	Annual 174.86%
 Scenario II: 5% appreciation	
Proceeds from sale of stock	109,139,575
Call option expired	-
Put option expired	-
Projected profit/(loss) if put option exercised	<u>\$ (1,402,877) *</u>
Return analysis	Periodic -21.26%
	Annual -64.65%
 Scenario III: price flat	
Proceeds from sale of stock	103,942,452
Put option value if exercised	-
Projected profit/(loss) if put option exercised	<u>\$ (6,600,000) *</u>
Return analysis	Periodic -100.00%
	Annual -100.00%

* Does not include fees paid to Quadra Financial Group, LP by Woody Johnson.

REKA LIMITED*Analysis of Basket Positions*

Stock	Ticker	Shares	Execution Price	Notional	Percent of Portfolio
CMGI, Inc.	CMGI	250,000	64.70	\$ 16,175,250	15.6%
Verisign, Inc.	VRSN	100,000	136.08	13,608,330	13.1%
Citrix Systems, Inc.	CTXS	300,000	44.85	13,453,980	12.9%
Commerce One, Inc.	CMRC	230,000	56.31	12,952,289	12.5%
Yahoo! Inc.	YHOO	100,000	125.21	12,520,920	12.0%
DoubleClick, Inc.	DCLK	200,000	62.03	12,405,600	11.9%
Internet Capital Group, Inc.	ICGE	215,000	39.24	8,437,073	8.1%
Excite @Home	ATHM	450,000	17.74	7,984,935	7.7%
Conextent Systems, Inc.	CNXT	125,000	51.23	6,404,075	6.2%
Total basket				<u>\$ 103,942,452</u>	<u>100.0%</u>

WOODGLEN I, LLC & WOODGLEN I, INC.*Analysis of Hedge Positions*

Strike price of long put	\$ 103,942,452
Strike price of short call	\$ 111,218,424
Maximum downside from current valuation if put is exercised	<u>\$ -</u>
Maximum upside from current valuation if call exercised	<u>\$ 7,275,972</u>

The above analysis relates specifically to the basket of stocks held by Reka Limited and the options purchased by Woodglen I, LLC and Woodglen I, Inc. to hedge the exposure on their investment in Reka Limited.

6080

Call RWj

	A	B	D	E
1	Robert W. Johnson, IV			
2				
3	Notional	145,000,000		
4	Purchase Price	103,942,452		
5	Basis	248,844,063		
6	Initial Loss	(144,901,611)		
7				
8	Collar Hedge for Delaware LP			
9			Strike	Cost
10	Buy	100 day OTC put	100%	(15,321,117)
11	Sell	100 day OTC call	107%	12,940,835
12	Net Proceeds			(2,380,282)
13				
14	Cover	100 day OTC call	107%	(5,209,368)
15	Sell	100 day OTC call	110%	4,488,463
16				(720,905)
18				
19	Net Option Premium from cover of 107% call and short of 110% call			(720,905)
21				

PSI-QUEL 12844

6081

Call RWJ

	F	G
1		
2		
3		
4		
5		
6		
7		
8		
9		
	% of Notional	Vol
10		0.1474
11		0.1245
12		
13		
14	5.01%	
15	4.32%	
16		
18		
19		
21		

Titanium Trading Partners LLC

Daily Report as of November 13, 2001

Final Consolidated Profitability - 11/13/01¹

Initial Equity Portfolio Value	\$ (768,861,121)
Current Equity Portfolio Value	<u>898,788,205</u>
Estimated Gain/(Loss) on Equity Portfolio	\$ 129,927,084
Initial Collar Cost	(31,523,306)
Estimated Current Collar Value	<u>(85,236,317)</u>
Estimated Gain/(Loss) on Collar	(116,759,623)
Total Investment Gain/(Loss)	<u>13,167,461</u>
Loan Fee ¹	(1,000,000)
Structuring Fee ²	(7,684,611)
Interest Expense ³	<u>(2,651,667)</u>
Estimated Total Net Gain/(Loss)	<u>\$ 1,827,183</u>
Estimated Total Net Gain/(Loss) as a Percentage of Costs ⁴	4.263%
Implied Annualized Return	35.63%

¹ Refers to the \$400 million loan extended to Silverlight Enterprises, L.P. by HSBC Bank U.S.A.² Included in the aggregate purchase price paid by Titanium Acquisition Corp. and C. Sahar for their respective interests in Titanium Trading Partners LLC.³ Loan was paid off as of October 24th, 2001 and interest expense accrued through that date.⁴ Costs include initial collar cost, loan fee, structuring fee, and estimated interest expense.⁵ Based on indicative unwind pricing provided by HSBC Bank U.S.A.

Equity Portfolio Composition

Company	Symbol	Shares	Cost	Current	Gain/(Loss)	Gain/(Loss) %	
Adobe Systems Incorporated	ADBE	1,728,000	25,3018	\$ 43,721,510	29,1018	\$ 50,287,954	6,566,443
Automatic Data Processing, Inc.	ADP	1,733,000	46,5344	80,644,115	54,5109	\$ 94,467,390	13,823,275
Applied Materials, Inc.	AMAT	700,000	29,6057	20,723,990	39,1421	\$ 27,399,470	6,675,480
AOL Time Warner Inc.	AOL	2,649,485	32,5715	86,297,701	36,6564	\$ 97,120,582	10,822,881
Biogen, Inc.	BGEN	953,516	53,1584	50,687,385	54,7850	\$ 52,238,326	1,550,941
Cable Channel Communications, Inc.	CCU	973,596	38,7761	37,752,256	42,9005	\$ 41,767,731	4,015,475
Cisco Systems, Inc.	CSCO	2,000,000	12,5506	25,101,200	19,2940	\$ 38,588,000	13,486,800
Dell Computer Corporation	DELL	2,238,000	18,6051	41,638,214	25,8064	\$ 57,754,779	16,116,565
eBay, Inc.	EBAY	3,181,462	46,6758	148,497,284	57,6830	\$ 183,516,353	35,019,068
Intel Corporation	INTC	1,150,000	21,4840	24,706,600	28,5689	\$ 32,854,206	8,147,606
Microsoft Corporation	MSFT	745,500	52,1351	38,866,717	66,0669	\$ 49,252,837	10,386,120
Nokia Corporation	NOK	900,000	16,8658	15,179,220	22,4935	\$ 20,244,173	5,064,953
Oracle Corporation	ORCL	900,000	12,3191	11,087,190	15,2832	\$ 13,754,858	2,667,668
Sprint PCS Group	PCS	1,756,000	25,2670	44,348,852	24,4889	\$ 43,002,508	(1,346,344)
Qwest Communications International, Inc.	Q	2,339,181	19,9605	46,691,222	11,5568	\$ 27,033,388	(19,657,834)
QUALCOMM Incorporated	QCOM	575,000	47,2022	27,141,265	56,1004	\$ 32,257,701	5,116,436
Xilinx, Inc.	XLNX	1,000,000	25,7564	25,736,400	37,2480	\$ 37,247,950	11,491,550
Total				\$ 768,861,121		\$ 898,788,205	\$ 129,927,084
				Basket Gain/(Loss) Since Inception:		16.90%	

Confidential

Quelco Custom Strategies, LLC

PSI-QUEL 28891

		(C)	(N)	(P)	(T)	(S)	(L)	(G)	(E)	(A)	(I)	(O)	(U)	(M)	(D)	(J)	(F)	(V)	(B)	(H)	(X)	(Y)	(Z)	(AA)	(AB)	(AC)	(AD)	(AE)	(AF)	(AG)	(AH)	(AI)	(AJ)	(AK)	(AL)	(AM)	(AN)	(AO)	(AP)	(AQ)	(AR)	(AS)	(AT)	(AU)	(AV)	(AW)	(AX)	(AY)	(AZ)	(BA)	(BB)	(BC)	(BD)	(BE)	(BF)	(BG)	(BH)	(BI)	(BJ)	(BK)	(BL)	(BM)	(BN)	(BO)	(BP)	(BQ)	(BR)	(BS)	(BT)	(BU)	(BV)	(BW)	(BX)	(BY)	(BZ)	(CA)	(CB)	(CC)	(CD)	(CE)	(CF)	(CG)	(CH)	(CI)	(CJ)	(CK)	(CL)	(CM)	(CN)	(CO)	(CP)	(CQ)	(CR)	(CS)	(CT)	(CU)	(CV)	(CW)	(CX)	(CY)	(CZ)	(DA)	(DB)	(DC)	(DD)	(DE)	(DF)	(DG)	(DH)	(DI)	(DJ)	(DK)	(DL)	(DM)	(DN)	(DO)	(DP)	(DQ)	(DR)	(DS)	(DT)	(DU)	(DV)	(DW)	(DX)	(DY)	(DZ)	(EA)	(EB)	(EC)	(ED)	(EE)	(EF)	(EG)	(EH)	(EI)	(EJ)	(EK)	(EL)	(EM)	(EN)	(EO)	(EP)	(EQ)	(ER)	(ES)	(ET)	(EU)	(EV)	(EW)	(EX)	(EY)	(EZ)	(FA)	(FB)	(FC)	(FD)	(FE)	(FF)	(FG)	(FH)	(FI)	(FJ)	(FK)	(FL)	(FM)	(FN)	(FO)	(FP)	(FQ)	(FR)	(FS)	(FT)	(FU)	(FV)	(FW)	(FX)	(FY)	(FZ)	(GA)	(GB)	(GC)	(GD)	(GE)	(GF)	(GG)	(GH)	(GI)	(GJ)	(GK)	(GL)	(GM)	(GN)	(GO)	(GP)	(GQ)	(GR)	(GS)	(GT)	(GU)	(GV)	(GW)	(GX)	(GY)	(GZ)	(HA)	(HB)	(HC)	(HD)	(HE)	(HF)	(HG)	(HH)	(HI)	(HJ)	(HK)	(HL)	(HM)	(HN)	(HO)	(HP)	(HQ)	(HR)	(HS)	(HT)	(HU)	(HV)	(HW)	(HX)	(HY)	(HZ)	(IA)	(IB)	(IC)	(ID)	(IE)	(IF)	(IG)	(IH)	(II)	(IJ)	(IK)	(IL)	(IM)	(IN)	(IO)	(IP)	(IQ)	(IR)	(IS)	(IT)	(IU)	(IV)	(IW)	(IX)	(IY)	(IZ)	(JA)	(JB)	(JC)	(JD)	(JE)	(JF)	(JG)	(JH)	(JI)	(JJ)	(JK)	(JL)	(JM)	(JN)	(JO)	(JP)	(JQ)	(JR)	(JS)	(JT)	(JU)	(JV)	(JW)	(JX)	(JY)	(JZ)	(KA)	(KB)	(KC)	(KD)	(KE)	(KF)	(KG)	(KH)	(KI)	(KJ)	(KK)	(KL)	(KM)	(KN)	(KO)	(KP)	(KQ)	(KR)	(KS)	(KT)	(KU)	(KV)	(KW)	(KX)	(KY)	(KZ)	(LA)	(LB)	(LC)	(LD)	(LE)	(LF)	(LG)	(LH)	(LI)	(LJ)	(LK)	(LL)	(LM)	(LN)	(LO)	(LP)	(LQ)	(LR)	(LS)	(LT)	(LU)	(LV)	(LW)	(LX)	(LY)	(LZ)	(MA)	(MB)	(MC)	(MD)	(ME)	(MF)	(MG)	(MH)	(MI)	(MJ)	(MK)	(ML)	(MN)	(MO)	(MP)	(MQ)	(MR)	(MS)	(MT)	(MU)	(MV)	(MW)	(MX)	(MY)	(MZ)	(NA)	(NB)	(NC)	(ND)	(NE)	(NF)	(NG)	(NH)	(NI)	(NJ)	(NK)	(NL)	(NM)	(NN)	(NO)	(NP)	(NQ)	(NR)	(NS)	(NT)	(NU)	(NV)	(NW)	(NX)	(NY)	(NZ)	(OA)	(OB)	(OC)	(OD)	(OE)	(OF)	(OG)	(OH)	(OI)	(OJ)	(OK)	(OL)	(OM)	(ON)	(OO)	(OP)	(OQ)	(OR)	(OS)	(OT)	(OU)	(OV)	(OW)	(OX)	(OY)	(OZ)	(PA)	(PB)	(PC)	(PD)	(PE)	(PF)	(PG)	(PH)	(PI)	(PJ)	(PK)	(PL)	(PM)	(PN)	(PO)	(PP)	(PQ)	(PR)	(PS)	(PT)	(PU)	(PV)	(PW)	(PX)	(PY)	(PZ)	(QA)	(QB)	(QC)	(QD)	(QE)	(QF)	(QG)	(QH)	(QI)	(QJ)	(QK)	(QL)	(QM)	(QN)	(QO)	(QP)	(QQ)	(QR)	(QS)	(QT)	(QU)	(QV)	(QW)	(QX)	(QY)	(QZ)	(RA)	(RB)	(RC)	(RD)	(RE)	(RF)	(RG)	(RH)	(RI)	(RJ)	(RK)	(RL)	(RM)	(RN)	(RO)	(RP)	(RQ)	(RR)	(RS)	(RT)	(RU)	(RV)	(RW)	(RX)	(RY)	(RZ)	(SA)	(SB)	(SC)	(SD)	(SE)	(SF)	(SG)	(SH)	(SI)	(SJ)	(SK)	(SL)	(SM)	(SN)	(SO)	(SP)	(SQ)	(SR)	(SS)	(ST)	(SU)	(SV)	(SW)	(SX)	(SY)	(SZ)	(TA)	(TB)	(TC)	(TD)	(TE)	(TF)	(TG)	(TH)	(TI)	(TJ)	(TK)	(TL)	(TM)	(TN)	(TO)	(TP)	(TQ)	(TR)	(TS)	(TT)	(TU)	(TV)	(TW)	(TX)	(TY)	(TZ)	(UA)	(UB)	(UC)	(UD)	(UE)	(UF)	(UG)	(UH)	(UI)	(UJ)	(UK)	(UL)	(UM)	(UN)	(UO)	(UP)	(UQ)	(UR)	(US)	(UT)	(UU)	(UV)	(UW)	(UX)	(UY)	(UZ)	(VA)	(VB)	(VC)	(VD)	(VE)	(VF)	(VG)	(VH)	(VI)	(VJ)	(VK)	(VL)	(VM)	(VN)	(VO)	(VP)	(VQ)	(VR)	(VS)	(VT)	(VU)	(VV)	(VW)	(VX)	(VY)	(VZ)	(WA)	(WB)	(WC)	(WD)	(WE)	(WF)	(WG)	(WH)	(WI)	(WJ)	(WK)	(WL)	(WM)	(WN)	(WO)	(WP)	(WQ)	(WR)	(WS)	(WT)	(WU)	(WV)	(WW)	(WX)	(WY)	(WZ)	(XA)	(XB)	(XC)	(XD)	(XE)	(XF)	(XG)	(XH)	(XI)	(XJ)	(XK)	(XL)	(XM)	(XN)	(XO)	(XP)	(XQ)	(XR)	(XS)	(XT)	(XU)	(XV)	(XW)	(XX)	(XY)	(XZ)	(YA)	(YB)	(YC)	(YD)	(YE)	(YF)	(YG)	(YH)	(YI)	(YJ)	(YK)	(YL)	(YM)	(YN)	(YO)	(YP)	(YQ)	(YR)
--	--	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------

¹ Represents indicative unwind values from partial liquidation on 11/12/03 plus projected values on remaining positions.

Qualias Custom Strategies, LLC

PSI-QUEL 28892

	A
1	Titanium Trading Partners LLC
2	<i>Daily Report as of November 13, 2001</i>
5	
6	Final Consolidated Profitability - 11/13/01⁵
7	
8	Initial Equity Portfolio Value
9	Current Equity Portfolio Value
10	Estimated Gain/(Loss) on Equity Portfolio
11	
12	Initial Collar Cost
13	Estimated Current Collar Value
14	Estimated Gain/(Loss) on Collar
15	Total Investment Gain/(Loss)
16	
17	Loan Fee ¹
18	Structuring Fee ²
19	Interest Expense ³
20	Estimated Total Net Gain/(Loss)
21	
22	Estimated Total Net Gain/(Loss) as a Percentage of Costs⁴
23	Implied Annualized Return
24	
25	¹ Refers to the \$800 million loan extended to Silverlight Enterprises, L.P. by HSBC Bank U.S.A.
26	² Included in the aggregate purchase price paid by Titanium Acquisition Corp. and C. Sahar for their respective interests in Titanium Trading Partners LLC.
27	³ Loan was paid off as of October 24th, 2001 and interest expense accrued through that date.
28	⁴ Costs include initial collar cost, loan fee, structuring fee, and estimated interest expense.
29	⁵ Based on indicative unwind pricing provided by HSBC Bank U.S.A.
30	Equity Portfolio Composition
31	
32	
33	Company
34	Adobe Systems Incorporated
35	Automatic Data Processing, Inc.
36	Applied Materials, Inc.
37	AOL Time Warner Inc.
38	Biogen, Inc.
39	Clear Channel Communications, Inc.

6085

TTP Report

	E	F	H	I	J
1					
2					
5					
6					
7					
8		\$(768,861,121)			
9		898,788,205			
10			\$ 129,927,084		
11					
12		(31,523,306)			
13		(85,236,317)			
14			(116,759,623)		
15			13,167,461		
16					
17			(1,000,000)		
18			(7,688,611)		
19			(2,651,667)		
20			<u>\$ 1,827,183</u>		
21					
22			4.263%		
23			35.63%		
24					
25					
26					
27					
28					
29					
30					
31					
32				last trade	
	Ticker	Shares	Purchase Price	Purchase Amount	Final Price
34	ADBE	1,728,000	25.3018	\$ 43,721,510	29.1018
35	ADP	1,733,000	46.5344	80,644,115	54.5109
36	AMAT	700,000	29.6057	20,723,990	39.1421
37	AOL	2,649,485	32.5715	86,297,701	36.6564
38	BGEN	953,516	53.1584	50,687,385	54.7850
39	CCU	973,596	38.7761	37,752,256	42.9005

PSI-QUEL 28894

6086

TTP Report

	K	L	M	P	Q	R	S	T
1								
2								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32	Final	Final						Portfolio
33	FMV	Gain/(Loss)		Price	Value	shares left	%	Weighting
34	\$ 50,287,954	\$ 6,566,443	ADBE Equity	28.8805	0	1,728,000	100.00%	6.7704%
35	\$ 94,467,390	13,823,275	ADP Equity	54.5147	0	1,733,000	100.00%	6.7900%
36	\$ 27,399,470	6,675,480	AMAT Equity	38.8496	0	700,000	100.00%	2.7427%
37	\$ 97,120,582	10,822,881	AOL Equity	36.4284	0	2,649,485	100.00%	10.3809%
38	\$ 52,238,326	1,550,941	BGEN Equity	54.6455	0	953,516	100.00%	3.7359%
39	\$ 41,767,731	4,015,475	CCU Equity	42.2173	0	973,596	100.00%	3.8146%

PSI-QUEL 28895

6087

FTP Report

	V	W	Y	Z
1				
2				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33	SPX Corr.	CCMP Corr.	Weighted SPX Correlation	Weighted CCMP Correlation
34	1.92	1.17	0.13	0.08
35	0.71	0.45	0.05	0.03
36	1.90	1.18	0.05	0.03
37	1.55	0.87	0.16	0.09
38	1.09	0.65	0.04	0.02
39	1.04	0.66	0.04	0.03

PSI-QUEL 28896

6088

TFP Report

	A
40	Cisco Systems, Inc.
41	Dell Computer Corporation
42	eBay, Inc.
43	Intel Corporation
44	Microsoft Corporation
45	Nokia Corporation
46	Oracle Corporation
47	Sprint PCS Group
48	Qwest Communications International, Inc.
49	QUALCOMM Incorporated
50	Xilinx, Inc.
52	Total
53	
54	
61	
62	
63	
64	
65	
66	
67	
68	
69	
70	
71	
72	
73	
74	
75	
76	
77	
78	
79	
80	
81	

PSI-QUEL 28897

6089

TTP Report

	E	F	H	I	J
40	CSCO	2,000,000	12.5506	25,101,200	19.2940
41	DELL	2,238,000	18.6051	41,638,214	25.8064
42	EBAY	3,181,462	46.6758	148,497,284	57.6830
43	INTC	1,150,000	21.4840	24,706,600	28.5689
44	MSFT	745,500	52.1351	38,866,717	66.0669
45	NOK	900,000	16.8658	15,179,220	22.4935
46	ORCL	900,000	12.3191	11,087,190	15.2832
47	PCS	1,756,000	25.2670	44,368,852	24.4889
48	Q	2,339,181	19.9605	46,691,222	11.5568
49	QCOM	575,000	47.2022	27,141,265	56.1004
50	XLNX	1,000,000	25.7564	25,756,400	37.2480
52		25,522,740		<u>\$ 768,861,121</u>	
53					
54					Basket Gain(Loss) Since Inception:
61					
62					1/2/2001
63		9/25/2000	1/2/2001	9/24/2001	12/31/2001
64		Px_Last			
65	ADBE Equity	73.8125	46.7340	25.3018	-45.8600%
66	ADP Equity	64.3125	62.0630	46.5344	-25.0207%
67	AMAT Equity	67.4375	39.5000	29.6057	-25.0489%
68	AOL Equity	56.4400	32.3900	32.5715	0.5604%
69	BGEN Equity	59.8125	55.7500	53.1584	-4.6486%
70	CCU Equity	59.1875	47.6250	38.7761	-18.5804%
71	CSCO Equity	57.1875	33.3130	12.5506	-62.3252%
72	DELL Equity	34.3125	17.5000	18.6051	6.3149%
73	EBAY Equity	72.3750	30.1880	46.6758	54.6171%
74	INTC Equity	45.3750	31.0630	21.4840	-30.8373%
75	MSFT Equity	61.2500	43.3750	52.1351	20.1962%
76	NOK Equity	41.7500	40.8750	16.8658	-58.7381%
77	ORCL Equity	39.3750	26.3750	12.3191	-53.2925%
78	PCS Equity	31.5625	18.0000	25.2670	40.3722%
79	Q Equity	48.6875	39.6880	19.9605	-49.7065%
80	QCOM Equity	70.0000	70.8750	47.2022	-33.4008%
81	XLNX Equity	77.6875	43.2500	25.7564	-40.4476%

PSI-QUEL 28898

6090

TTP Report

	K	L	M	P	Q	R	S	T
40	\$ 38,588,000	13,486,800	CSCO Equity	19.1515	0	2,000,000	100.00%	7.8361%
41	\$ 57,754,779	16,116,565	DELL Equity	25.6191	0	2,238,000	100.00%	8.7687%
42	\$ 183,516,353	35,019,068	EBAY Equity	57.4647	0	3,181,462	100.00%	12.4652%
43	\$ 32,854,206	8,147,606	INTC Equity	28.4093	0	1,150,000	100.00%	4.5058%
44	\$ 49,252,837	10,386,120	MSFT Equity	65.8246	0	745,500	100.00%	2.9209%
45	\$ 20,244,173	5,064,953	NOK Equity	22.3232	0	900,000	100.00%	3.5263%
46	\$ 13,754,858	2,667,668	ORCL Equity	15.3539	0	900,000	100.00%	3.5263%
47	\$ 43,002,508	(1,366,344)	PCS Equity	24.4271	0	1,756,000	100.00%	6.8801%
48	\$ 27,033,388	(19,657,834)	Q Equity	11.459	0	2,339,181	100.00%	9.1651%
49	\$ 32,257,701	5,116,436	QCOM Equity	55.8509	0	575,000	100.00%	2.2529%
50	\$ 37,247,950	11,491,550	XLNX Equity	36.9344	0	1,000,000	100.00%	3.9181%
52	\$ 898,788,205	\$ 129,927,084			0			100.0000%
53								
54	16.90%							
61								
62	9/25/2000							
63	12/31/2001							
64								
65	-65.7215%							
66	-27.6433%							
67	-56.0991%							
68	-42.2900%							
69	-11.1249%							
70	-34.4860%							
71	-78.0536%							
72	-45.7775%							
73	-35.5084%							
74	-52.6523%							
75	-14.8815%							
76	-59.6029%							
77	-68.7134%							
78	-19.9461%							
79	-59.0028%							
80	-32.5683%							
81	-66.8461%							

PSI-QUEL 28899

6091

TTP Report

	V	W	Y	Z
40	2.09	1.29	0.16	0.10
41	1.81	1.10	0.16	0.10
42	2.36	1.40	0.29	0.17
43	1.73	0.76	0.08	0.03
44	1.35	0.83	0.04	0.02
45	1.78	1.02	0.06	0.04
46	2.04	1.22	0.07	0.04
47	1.47	0.86	0.10	0.06
48	1.22	0.70	0.11	0.06
49	1.98	1.13	0.04	0.03
50	2.01	1.24	0.08	0.05
52	1.65	0.97	1.68	0.99
53				
54				
61				
62				
63				
64				
65				
66				
67				
68				
69				
70				
71				
72				
73				
74				
75				
76				
77				
78				
79				
80				
81				

A	
1	Titanium Trading Partners LLC
2	<i>Daily Report as of</i>
5	
6	Final Consolidated Profitability - 11/13/01
7	
8	Initial Equity Portfolio Value
9	Current Equity Portfolio Value
10	Estimated Gain/(Loss) on Equity Portfolio
11	
12	Initial Collar Cost
13	Estimated Current Collar Value
14	Estimated Gain/(Loss) on Collar
15	Total Investment Gain/(Loss)
16	
17	Loan Fee ¹
18	Structuring Fee ²
19	Interest Expense ³
20	Estimated Total Net Gain/(Loss)
21	
22	Estimated Total Net Gain/(Loss) as a Percentage of Costs⁴
23	Implied Annualized Return
24	
25	¹ Refers to the \$800 million loan extended to Silverlight Enterprises, L.P. by HSBC Bank U.S.A.
26	² Included in the aggregate purchase price paid by Titanium Acquisition Corp. and C. Saban for their respective interests in Titanium Trading Partners LLC.
27	³ Loan was paid off as of October 24th, 2001 and interest expense accrued through that date.
28	⁴ Costs include initial collar cost, loan fee, structuring fee, and estimated interest expense.
29	⁵ Refers to 75% unwind of basket and collar on November 12, 2001. Fees and expenses have been pro-rated accordingly.
30	Equity Portfolio Composition
31	
32	
33	Company
34	Adobe Systems Incorporated
35	Automatic Data Processing, Inc.
36	Applied Materials, Inc.
37	AOL Time Warner Inc.
38	Biogen, Inc.
39	Clear Channel Communications, Inc.

6093

TTP Report

	B	E	F	H	I
1					
2					
5					
6					Partial
7					
8		\$(192,215,290)			(576,645,831)
9		<u>228,169,263</u>			670,618,942
10			\$ 35,953,973		
11					
12		(7,880,826)			(23,642,479)
13		<u>(24,268,523)</u>			(60,967,794)
14			<u>(32,149,349)</u>		
15			3,804,624		
16					
17			(250,000)		
18			(1,922,153)		
19			<u>(662,917)</u>		
20			<u><u>\$ 969,554</u></u>		
21					
22			9.048%		
23			-0.09%		
24					
25					
26					
27					
28					
29					
30					
31					
32			Final	Purchase	Purchase
33			Shares	Price	Amount
34		ADBE	432,000	25.3018	\$ 10,930,378
35		ADP	433,250	46.5344	20,161,029
36		AMAT	175,000	29.6057	5,180,998
37		AOL	662,371	32.5715	21,574,417
38		BGEN	238,379	53.1584	12,671,846
39		CCU	243,399	38.7761	9,438,064

PSI-QUEL 28806

6094

TTP Report

	J	K	L	M	O	P
1						
2						
5						
6	Consolidated Profitability - 11/12/01					
7						
8						
9						
10	\$	93,973,111				
11						
12						
13						
14		(84,610,273)				
15		9,362,828				
16						
17		(750,000)				
18		(5,766,458)				
19		(1,988,750)				
20	\$	857,619				
21						
22		2.668%				
23		21.67%				
24						
25						
26						
27						
28						
29						
30						
31	last trade					
32						
33	Final Price	Final FMV	Final Gain/(Loss)		Unwinds	Price
34	29.7658	\$ 12,858,826	\$ 1,928,448	ADBE Equity	1,296,000	28.8805
35	54.4995	23,611,908	3,450,880	ADP Equity	1,299,750	54.5147
36	40.0196	7,003,430	1,822,433	AMAT Equity	525,000	38.8496
37	37.3404	24,733,198	3,158,781	AOL Equity	1,987,114	36.4284
38	55.2033	13,159,307	487,461	BGEN Equity	715,137	54.6455
39	44.9500	10,940,785	1,502,721	CCU Equity	730,197	42.2173

PSI-QUEL 28807

6095

TTP Report

	Q	R	S
1			
2			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33	<u>Value</u>	<u>shares left</u>	<u>%</u>
34	37,429,128	(864,000)	-200.00%
35	70,855,481	(866,500)	-200.00%
36	20,396,040	(350,000)	-200.00%
37	72,387,384	(1,324,743)	-200.00%
38	39,079,019	(476,758)	-200.00%
39	30,826,946	(486,798)	-200.00%

PSI-QUEL 28808

6096

TTP Report

	A
40	Cisco Systems, Inc.
41	Dell Computer Corporation
42	eBay, Inc.
43	Intel Corporation
44	Microsoft Corporation
45	Nokia Corporation
46	Oracle Corporation
47	Sprint PCS Group
48	Qwest Communications International, Inc.
49	QUALCOMM Incorporated
50	Xilinx, Inc.
52	Total
53	
54	
59	

PSI-QUEL 28809

6097

TTP Report

	B	E	F	H	I
40		CSCO	500,000	12.5506	6,275,300
41		DELL	559,500	18.6051	10,409,553
42		EBAY	795,366	46.6758	37,124,344
43		INTC	287,500	21.4840	6,176,650
44		MSFT	186,375	52.1351	9,716,679
45		NOK	225,000	16.8658	3,794,805
46		ORCL	225,000	12.3191	2,771,798
47		PCS	439,000	25.2670	11,092,213
48		Q	584,795	19.9605	11,672,801
49		QCOM	143,750	47.2022	6,785,316
50		XLNX	250,000	25.7564	6,439,100
52					<u>\$ 192,215,291</u>
53					
54					
59					

6098

TTP Report

	J	K	L	M	O	P
40	19.7215	9,860,750	3,585,450	CSCO Equity	1,500,000	19.1515
41	26.3684	14,753,120	4,343,566	DELL Equity	1,678,500	25.6191
42	58.3380	46,400,062	9,275,717	EBAY Equity	2,386,096	57.4647
43	29.0476	8,351,185	2,174,535	INTC Equity	862,500	28.4093
44	66.7936	12,448,657	2,731,978	MSFT Equity	559,125	65.8246
45	23.0045	5,176,013	1,381,208	NOK Equity	675,000	22.3232
46	15.0710	3,390,975	619,178	ORCL Equity	675,000	15.3539
47	24.6743	10,832,018	(260,195)	PCS Equity	1,317,000	24.4271
48	11.8501	6,929,879	(4,742,921)	Q Equity	1,754,386	11.459
49	56.8487	8,172,001	1,386,684	QCOM Equity	431,250	55.8509
50	38.1886	9,547,150	3,108,050	XLNX Equity	750,000	36.9344
52		\$ 228,169,263	\$ 35,953,973			
53						
54	Basket Gain(Loss) Since Inception:		18.7051%			
59						

PSI-QUEL 28811

TTP Report

	Q	R	S
40	28,727,250	(1,000,000)	-200.00%
41	43,001,659	(1,119,000)	-200.00%
42	137,116,291	(1,590,730)	-200.00%
43	24,503,021	(575,000)	-200.00%
44	36,804,179	(372,750)	-200.00%
45	15,068,160	(450,000)	-200.00%
46	10,363,883	(450,000)	-200.00%
47	32,170,491	(878,000)	-200.00%
48	20,103,509	(1,169,591)	-200.00%
49	24,085,701	(287,500)	-200.00%
50	27,700,800	(500,000)	-200.00%
51			
52	670,618,942		
53			
54			
59			

6100

**Permanent Subcommittee on Investigations
EXHIBIT #67b**

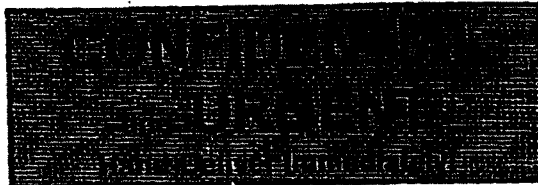
Additional Documents

Regarding

OFFSHORE TRUSTS

Permanent Subcommittee on Investigations
EXHIBIT #67b

6101



FAX TRANSMITTAL

Maverick

001214 891 8350

TO: Ronald Buchanan

FROM: Mike French

COMPANY: Lorne House Trust

PHONE:

PHONE: 44 624 823 579

FAX:

FAX: 44 624 822 952

DATE: July 10, 1995

NUMBER OF PAGES (including cover):

TIME: 2:07 PM

COMMENTS:

NORBA LIMITED
SEAHILL LIMITED
DEWON LIMITED
ELEGANCE LIMITED

Dear Ronnie:

Please dispose of this fax after reading, as there will be ample documentation as needed.

It is expected that a recommendation will be made to Wychwood that the Plaquemines Trust, and another trust settled with Wychwood by Pitkin, should contact Lehman regarding acquiring call options on SSW, probably for about two years at the market. Wychwood would finance the transaction through loans, from Lorne House entities. It is likely that a portion of the price could be financed through Lehman.

It may be that, as an alternative, there will be two new trusts at Wychwood established by Keith that will mirror the Bessie and Tyler trusts. This would require Keith to contribute some funds to the trust, but presumably there is a source for that. If this structure is used, the same financing structure for the calls would be utilized.

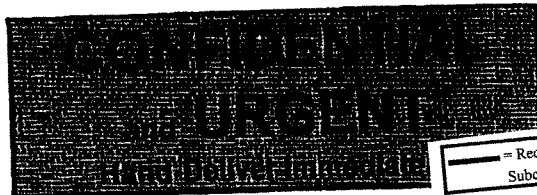
Wychwood would, in either case, be limited to approximately 600,000 to 700,000 calls, in order to stay under 5% of the outstanding shares and avoid SEC reporting.

I am also sending a copy of this fax to Shaun Cairns, with the same request that he read it and then dispose of it. I will be back on this soon, perhaps tonight.

Maverick Capital • 8080 North Central Expressway • Suite 1300 • LB-31 • Dallas, Texas 75206-1895

10 000

CONFIDENTIAL
PSI00136718



— Redacted by the Permanent
Subcommittee on Investigations

FAX TRANSMITTAL

Maverick

TO: **Shaun Cairns** FROM: **Mike French**
 COMPANY: **Wychwood Trust Limited** PHONE: 214 [REDACTED]
 PHONE: **44 1624 [REDACTED]** FAX: **214 [REDACTED]**
 FAX: **44 1624 [REDACTED]** DATE: **July 10, 1995**
 NUMBER OF PAGES (including cover): TIME: **3:50 PM**

COMMENTS:

Dear Shaun:

I recommend that you immediately contact Lehman Brothers (Lou Schaufele 214 [REDACTED]) regarding the acquisition of two year call options to purchase Sterling Software at the market. These would be acquired by the Plaquemines Trust and another trust established by a Trust at Lorne House, or, if Keith is willing to establish two new trusts that parallel the Bessie and Tyler trusts he set up last year with Lorne House, those new trusts could be the acquirer.

In either case, the actual transaction would be done through a corporate subsidiary of the trusts. Lorne House will assist in arranging the financing.

This transaction, if you as trustee believe it is beneficial, would need to be effected very quickly. I will call you when I reach the office in the morning. As with my other fax, I suggest that you dispose of this one as there will be adequate subsequent documentation of any transactions.

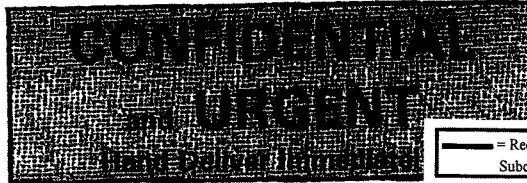
Please show a copy of this to Keith.

Also, I am looking forward to receiving your proposals regarding the Nevis bank.

Maverick Capital • 8080 North Central Expressway • Suite 1300 • LB-31 • Dallas, Texas 75206-1895

CONFIDENTIAL
PSI00136721

6103



— = Redacted by the Permanent
Subcommittee on Investigations

FAX TRANSMITTAL

Maverick

TO: Shaun Cairns FROM: Susan Sims
COMPANY: Wychwood Trust PHONE: 214-
PHONE: 011441 FAX: 214-
FAX: 011441 DATE: July 12, 1995
NUMBER OF PAGES (including cover): 1 TIME: 12:53 PM

COMMENTS:

Dear Shaun:

I spoke with Mike French and he asked me to respond to your request.

The name for the trust having to do with Sam Wyly is: Lafourche
The company name is: Devotion

The name for the trust having to do with Charles Wyly is: Red Mountain
The company name is: Elegance

Please call me should you have any questions.

Maverick Capital • 8080 North Central Expressway • Suite 1300 • LB-31 • Dallas, Texas 75206-1895

CONFIDENTIAL
PSI00136720

6104

11a College Green
Castletown
Isle of Man

Wychwood Trust Limited
3 Castle Street
Castletown
Isle of Man

18th July 1995

Gentlemen,

The Red Mountain and LaFourche Trusts

you asked me for guidance as to my present thoughts on how I would hope that you might exercise your discretion when apportioning assets among the beneficiaries of the above-named trusts, which I settled earlier this week.

I fully appreciate that nothing that I say or do can limit you in any way in the exercise of your discretion.

It is my current thought that the original capital of each trust, \$25,000, be held for my exclusive benefit, together with any accumulations of income thereon. Any further funds introduced, other than by myself, and any accumulations of income thereon should, I suggest, be held for the exclusive benefit of the remaining beneficiaries.

I understand that you intend to invest the original capital of each trust in accordance with what you agree with the committee of Protectors.



Shaun F Cairns

cc: Committee of Protectors

CONFIDENTIAL
PSI00124620

6105

August 15, 1995

PSI00124623 P.01

Memo to: Shawn Cairns, Wychwood Trust
From: Sharyl Robertson, Michael French
Re: Plaquemines Trust, Delhi Trust, La Fourche Trust, Red Mountain Trust

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

As the protectorate committee, we recommend that Wychwood Trust resign as Trustee for the Plaquemines Trust and the Delhi Trust.

After the resignation is in effect, we further recommend that La Fourche Trust purchase 333,334 and Red Mountain Trust purchase 166,666 Sterling call options (American).

If you have any questions, you may reach me early morning at the house (214) [REDACTED] or by fax (214) [REDACTED]. When you start trading, please let me know.

Sharyl Robertson
214 [REDACTED]



for Home.

1

01

10/10/95 10:00 AM

TOTAL P.01

CONFIDENTIAL
PSI00124623

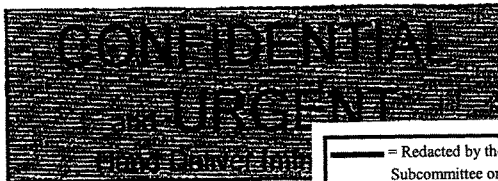
6106

2148918245

18TH FLOOR

F-387 T-644 P-001

OCT 03 '95 10:27



= Redacted by the Permanent
Subcommittee on Investigations

FAX TRANSMITTAL

Maverick

TO: Shaun Cairns

FROM: Michael C. French

COMPANY: Wychwood Trust Limited

PHONE: 214 [REDACTED]

PHONE: 44 1624 [REDACTED]

FAX: 214 [REDACTED]

FAX: 44 1624 [REDACTED]

DATE: October 3, 1995

NUMBER OF PAGES (including cover): 12

TIME: 10:56 AM

COMMENTS:

Shari Robertson and I have reviewed the copies of the two trusts you faxed to us. There are some clerical errors that must be remedied. I assume the documents can be redone to reflect these corrections.

It is essential that these corrections be made. It is my understanding that there is a letter of wishes similar to that given by the settlor of the Tyler and Bessie trusts administered by Lorne House. It was also my understanding from Ronald Buchanan that these trusts were to be funded in the manner set forth in the attachments. He can call me if he needs further advice on this.

Please see to it these corrections are effected as soon as possible. Thank you for your assistance.

Maverick Capital • 8080 North Central Expressway • Suite 1300 • LB-31 • Dallas, Texas 75206-1895

PSI-WYBR 00296

6107

76245

10TH FLOOR

F-357 1-644 P-002

001 03 20 10-20

The Red Mountain Trust

PSI-WYBR 00297
[C]

245

18TH FLOOR

F-387 1-644 1-283

U.I. 03 20 10:00

Amend date →

THIS DEED OF SETTLEMENT is made the 1 day of Jan One thousand nine hundred and ninety-five by Shann F Cairns (hereinafter called the "Settlor") of the one part and Wychwood Trust Limited a company incorporated and existing in the Isle of Man and having its registered office at 1 The Parade, Castletown, Isle of Man, British Isles (hereinafter called the "Original Trustee") of the other part.

WHEREAS:

Twenty five thousand

- A. The settlor has paid or caused to be paid the sum of ~~one hundred~~ dollars in the currency of the United States to the Original Trustee for the purpose of constituting the trusts and subject to the terms and conditions herein contained.
- B. It is anticipated that further monies invested and/or other property may be paid or transferred to or become held by the Trustee (whether by gift inter vivos testamentary disposition or otherwise) upon the said trusts.

NOW THIS DEED WITNESSETH as follows:

1. Definitions

In this Deed of Settlement where the context so admits:

- (1)
 - (a) The singular number includes the plural number and vice versa;
 - (b) The masculine gender includes the feminine gender and vice versa; and
 - (c) The neuter gender includes the masculine gender and the feminine gender and vice versa.
 - (d) "persons" include corporations
 - (e) "Clause" and "Schedule" are references to the Clauses of and Schedules to this Deed of Settlement.
 - (f) Unless otherwise stated "sub-clauses" are references to sub-clauses of the Clause in which the reference appears and "paragraphs" are references in which the reference appears.
- (2) The following expressions shall bear the following respective meanings:
 - (a) "Trustees" means the Original Trustee and/or other trustee or trustees for the time being of this Settlement.
 - (b) "Trust Fund" means the said sum of one hundred U.S. dollars

Page 1

(US \$100.00) so paid to the Original Trustee as aforesaid and all other (if any) capital monies and investments or other property real or personal which may at any time hereafter be paid to or transferred into the names or under the legal control of the Trustees to be held upon the trusts hereof or which may at any time hereafter in any other manner become subject to the trusts hereof and the property from time to time representing the same respectively.

(c) "Trust Period" means the period beginning on the date of this Settlement and ending:

~~(i) the date of the death of the last surviving Trustee hereof~~

(ii) on such earlier date (if any) as the Trustees subject to the prior written consent of the Protector shall by irrevocable instrument in writing declare (not being a date earlier than the date of the execution of such instrument).

(d) "Excepted Person" means and includes Michael C French, Sheryl Robertson and Sam Wyty, anyone resident for the time being in the Isle of Man, and shall also mean and include any person whom the Trustees with the prior written consent of the Protector shall have declared to be a member of the class of Excepted Persons in exercise of the powers conferred on them by sub-clause 3(2).

(e) "Beneficiary" or "Beneficiaries" means and includes the person specified in the Third Schedule hereto and any person or persons and charity and charities whom the Trustees shall within the Trust Period with the prior written consent of the Protector have duly appointed and directed to be included (whether individually or as a member of a class) in the class of Beneficiaries in exercise of the powers conferred on the by Clause 3(1).

PROVIDED ALWAYS that:

(1) In determining whether or not a person is a Beneficiary and for all other purposes of this Deed of Settlement:

(aa) an adopted or legitimated person (whether now or hereafter adopted or legitimated) shall be treated as the child of his adoptive or legitimated parents and of no other person; and

bb) an illegitimate person shall not (unless and until adopted or legitimated) be treated as the child of any person PROVIDED THAT the Trustees shall have power with the prior written consent of the Protector at any time and from time to time by irrevocable instrument in writing executed during the Trust period to appoint and direct that any person being illegitimate who would be a beneficiary if he were the lawful child of his natural parents shall thenceforth be included in the class of Beneficiaries.

Page 2

- (b) "Trust Fund" means the properties listed and described on the Schedule of Assets attached hereto so paid to the original Trustees as aforesaid and all other (if any) capital monies and investments or other property real or personal which may at any time hereafter be paid to or transferred into the names or under the legal control of the Trustees to be held upon the trusts hereof or which may at any time hereafter in any other manner become subject to the trusts hereof and the property from time to time representing the same respectively.
- (c) "Trust Period" means the period beginning on the date of this Settlement and ending:

- (i) on the later of (x) the period commencing on the date hereof and expiring twenty-one (21) years from the death of the last survivor of such of the lineal descendants, male and female, of King George the Sixth of England as are living at the date hereof or (y) such longer period as may be permitted by the laws of the jurisdiction of this Trust; or

- (ii) on such earlier date (if any) as the Trustees subject to the prior written consent of the Protector shall by irrevocable instrument in writing declare (not being a date earlier than the date of the execution of such instrument).

- (d) "Excepted Person" means and includes the Protector set forth in the Fourth Schedule and shall also mean and include any person whom the Trustees with the prior written consent of the Protector shall have declared to be a member of the class of Excepted Persons in exercise of the powers conferred on them by Clause 3(2).

- (e) "Beneficiary" or "Beneficiaries" means and includes the person or persons specified in the Third Schedule hereto and all persons whom the Trustees shall within the Trust Period with the prior written consent of the Protector have duly appointed and directed to be included (whether individually or as members of a class) in the class of Beneficiaries in exercise of the powers conferred on them by Clause 3(1).

PROVIDED ALWAYS that:

- 1) in determining whether or not a person is a Beneficiary and for all other purposes of this Deed of Settlement:

- Martha Wyly Miller*
- Charles B.*
- fr.*
- himself*
- THE FOURTH SCHEDULE**
(The provisions referred to in Clause 23 relating to the Protector)
- (1) *Sam* Michael C French and Sheryl Robertson shall act as the Protectors or, if either of them is not then living or incapable or unwilling to act, the other shall act as the sole Protector or, if neither of them is then living or capable or will to act, *Charles* ~~Charles~~ Wyly shall act as the sole Protector or, if he is not then living or incapable or unwilling to act, *Sam* ~~Sarah~~ Wyly shall have the power to appoint one or more additional or successor Protectors to act hereunder other than himself, his wife or his lineal descendants or, if he is not then living or incapable to act, *her* ~~even Sarah~~ Wyly shall have the power to appoint one or more additional or successor Protectors to act hereunder other than himself, *her* ~~his wife or his lineal~~ descendants or, if *Sam* ~~even Sarah~~ Wyly is not then living or incapable to act, the Protector acting hereunder shall have the power to appoint his own successor to act as Protector hereunder. *Sam*
- (2) Subject to sub-paragraph (a) of paragraph (5) where two persons are appointed to act as Protector of this Deed of Settlement the powers conferred on the Protector by the provisions of this Deed of Settlement shall be exercised by such person jointly only but where more than two persons are appointed to act as Protector such powers may be exercised by a majority without consulting the minority (and so that were the consent of the Protector is required by any provision of this Deed of Settlement it shall be sufficient for the Trustees to consult and to obtain the consent of the majority of the persons occupying such office).
- (3) Any consent required to be given by the Protector may be given generally or for any period of time or subject to such restrictions or limitations as he may think fit and may from time to time be revoked or varied (but so that no such revocation or variation shall affect the validity or propriety of any act done or omission made by the Trustees in reliance upon any such consent before receipt by them of written notice of such revocation or variation).
- (4) A Protector, shall be deemed to be incapable if he is determined to be incapable of managing his own affairs by reason of age mental or physical illness or otherwise by any order decree or declaration of any court tribunal or administrative body having jurisdiction to make such determination or if the Trustees shall determine the Protector to be incapable and the words "incapable" and "incapacity" shall be construed accordingly.
- (5) (a) If at any time when there shall be two or more persons occupying the office of Protector the Trustees shall reasonably consider that one or more (but not all) of such person (such a "person affected") is incapable or is unable of his own free will to exercise his power to give or withhold consent to any act of the Trustees then where the consent of the Protector is required by any provision of this Deed of Settlement it shall be sufficient for the Trustees to consult and to obtain the

Red Mountain 4th Schedule

6112

10TH FLOOR

F-387 T-644 P-007

ULI 03 20 10-20

SCHEDULE OF ASSETS

1. U.S. \$100,000

25,000.00

PSI-WYBR 00302

6113

10245

10TH FLOOR

F-397 T-644 P-008

OCT 03 '95 10:30

The Lafourche Trust

01524824870 P.02

WYCHWOOD TRUST LIMITED

03-OCT-1995 14:53

PSI-WYBR 00503

101

E5

10TH FLOOR

F-387 T-644 P-009

OCT 03 '95 10:30

David Dale

THIS DEED OF SETTLEMENT is made the *24* day of *October* One thousand nine hundred and ninety-five by Shaun F Cairns (hereinafter called the "Settlor") of the one part and Wychwood Trust Limited a company incorporated and existing in the Isle of Man and having its registered office at 1 The Parade, Castletown, Isle of Man, British Isles (hereinafter called the "Original Trustee") of the other part.

WHEREAS:

Twenty four thousand

- A. The settlor has paid or caused to be paid the sum of ~~one hundred~~ dollars in the currency of the United States to the Original Trustee for the purpose of constituting the trusts and subject to the terms and conditions herein contained.
- B. It is anticipated that further monies invested and/or other property may be paid or transferred to or become held by the Trustee (whether by gift inter vivos testamentary disposition or otherwise) upon the said trusts.

NOW THIS DEED WITNESSETH as follows:

I. Definitions

In this Deed of Settlement where the context so admits:

- (1)
 - (a) The singular number includes the plural number and vice versa;
 - (b) The masculine gender includes the feminine gender and vice versa; and
 - (c) The neuter gender includes the masculine gender and the feminine gender and vice versa.
 - (d) "persons" include corporations
 - (e) "Clause" and "Schedule" are references to the Clauses of and Schedules to this Deed of Settlement.
 - (f) Unless otherwise stated "sub-clauses" are references to sub-clauses of the Clause in which the reference appears and "paragraphs" are references in which the reference appears.
- (2) The following expressions shall bear the following respective meanings:
 - (a) "Trustees" means the Original Trustee and/or other trustee or trustees for the time being of this Settlement.
 - (b) "Trust Fund" means the said sum of one hundred U.S dollars

Page 1

01524824878 P.03

WYCHWOOD TRUST LIMITED

03-OCT-1995 14:53

PSI-WYBR 00304

(US \$100.00) so paid to the Original Trustee as aforesaid and all other (if any) capital monies and investments or other property real or personal which may at any time hereafter be paid to or transferred into the names or under the legal control of the Trustees to be held upon the trusts hereof or which may at any time hereafter in any other manner become subject to the trusts hereof and the property from time to time representing the same respectively.

(c) "Trust Period" means the period beginning on the date of this Settlement and ending:

Amended ~~the period of thirty years from the execution hereof~~

(ii) on such earlier date (if any) as the Trustees subject to the prior written consent of the Protector shall by irrevocable instrument in writing declare (not being a date earlier than the date of the execution of such instrument).

(d) "Excepted Person" means and includes Michael C French, Sharyl Robertson and Charles J Wyly, Jr. anyone resident for the time being in the Isle of Man and shall also mean and include any person whom the Trustees with the prior written consent of the Protector shall have declared to be a member of the class of Excepted Persons in exercise of the powers conferred on them by sub-clause 3(2).

(e) "Beneficiary" or "Beneficiaries" means and includes the person specified in the Third Schedule hereto and any person or persons and charity and charities whom the Trustees shall within the Trust Period with the prior written consent of the Protector have duly appointed and directed to be included (whether individually or as a member of a class) in the class of Beneficiaries in exercise of the powers conferred on the by Clause 3(1).

PROVIDED ALWAYS that:

(1) In determining whether or not a person is a Beneficiary and for all other purposes of this Deed of Settlement:

(aa) an adopted or legitimated person (whether now or hereafter adopted or legitimated) shall be treated as the child of his adoptive or legitimated parents and of no other person; and

bb) an illegitimate person shall not (unless and until adopted or legitimated) be treated as the child of any person PROVIDED THAT the Trustees shall have power with the prior written consent of the Protector at any time and from time to time by irrevocable instrument in writing executed during the Trust period to appoint and direct that any person being illegitimate who would be a beneficiary

Page 2

(b) "Trust Fund" means the properties listed and described on the Schedule of Assets attached hereto so paid to the original Trustees as aforesaid and all other (if any) capital monies and investments or other property real or personal which may at any time hereafter be paid to or transferred into the names or under the legal control of the Trustees to be held upon the trusts hereof or which may at any time hereafter in any other manner become subject to the trusts hereof and the property from time to time representing the same respectively.

(c) "Trust Period" means the period beginning on the date of this Settlement and ending:

(i) on the later of (x) the period commencing on the date hereof and expiring twenty-one (21) years from the death of the last survivor of such of the lineal descendants, male and female, of King George the Sixth of England as are living at the date hereof or (y) such longer period as may be permitted by the laws of the jurisdiction of this Trust; or

(ii) on such earlier date (if any) as the Trustees subject to the prior written consent of the Protector shall by irrevocable instrument in writing declare (not being a date earlier than the date of the execution of such instrument).

(d) "Excepted Person" means and includes the Protectors set forth in the Fourth Schedule and shall also mean and include any person whom the Trustees with the prior written consent of the Protector shall have declared to be a member of the class of Excepted Persons in exercise of the powers conferred on them by Clause 3(2).

(e) "Beneficiary" or "Beneficiaries" means and includes the person or persons specified in the Third Schedule hereto and all persons whom the Trustees shall within the Trust Period with the prior written consent of the Protector have duly appointed and directed to be included (whether individually or as members of a class) in the class of Beneficiaries in exercise of the powers conferred on them by Clause 3(1).

PROVIDED ALWAYS that:

1) in determining whether or not a person is a Beneficiary and for all other purposes of this Deed of Settlement:

6117

10TH FLOOR

F-387 T-644 P-012

OCT 03 '95 10:32

SCHEDULE OF ASSETS

1. U.S. \$100,000

25,000.00

PSI-WYBR 00307

6118

— = Redacted by the Permanent
Subcommittee on Investigations

WYCHWOOD TRUST LIMITED

FACSIMILE TRANSMISSION

TO : Maverick Capital DATE: 17 October 1995
FROM : Shaun F Cairns
FAX REF. : WTL 376/95
FAX NO. : 00 1 214 [REDACTED]
ATTENTION : Michael French

NUMBER OF PAGES INCLUDING THIS PAGE : 57

We are transmitting on facsimile number 01624 [REDACTED] (International Code 44 1624). If you do not receive this message completely please contact us on telephone number 0 [REDACTED]

.....

Re:- Lafourche and Red Mountain

Sorry for the delay in sending you the attached. We have made additional changes to the 4th Schedule of Lafourche - see under point 1. The genders were a bit mixed up. Could you please let me have your views before I have them signed up and dated. (Back dated). I have had a chat to Ronnie regarding the reimbursement of the \$50 000 and he has asked me to refer the matter directly to you. Could you please check with Shari whether the breakdown of costs that I gave her were acceptable and thereafter I will send you a fee note.

Kind regards



PSI-WYBR 00366

6119

— = Redacted by the Permanent
Subcommittee on Investigations

Mike French Esq.,
Maverick,
8080 N. Central Expressway,
Dallas,
TX 75206.

2nd fax of November 26th, 1995.

Fax to: 010 1 214 [REDACTED]

thank you for calling earlier today.

Loan notes for the \$24,999s follow. Please fax the
Protectors' authorisation to forgive the notes, as of today.

I note that you wish the original Settlor to remain a
beneficiary, to benefit from a 'grandfathering' provision and that
this is more important than speed. We will therefore persist down
the Shaun Cairns/Pannell Kerr Forster/Assessor of Income Tax route
and we will not exclude Manx beneficiaries from benefitting under
the trusts.

We will debit \$10,000 to Bulldog and \$5,000 to Pitkin to
reimburse Keith King with the lawyers' fees plus interest.

We will debit \$1,700 to Bulldog with which to reimburse
Keith's colleague with the cost of travel for one of Sam's sons to
the Edinburgh Tattoo.

You will ask Michelle to advise us to whom we should pay
the long overdue \$1,000 towards the capital of Scottish Holdings.
Please advise the proportions as between the trusts which are to
invest.

R. Buchanan.

[REDACTED]
PSI-WYBR 00309

THE BESSIE TRUST
BALANCE SHEET AS AT 31ST DECEMBER 1995

CURRENT ASSETS:	US\$
Loan to Berkshire Trust	24,999.00
Investments at Market Value	39,133.33
Accruals	122.22
Cash in Hand	1.00
	<u>64,255.55</u>
 LESS CURRENT LIABILITIES:	
Loan from Richland Limited	14,515.91
Loan from Morehouse Limited	39,219.71
	<u>53,735.62</u>
 NET CURRENT ASSETS	 <u><u>10,519.93</u></u>
 REPRESENTED BY:	
Trust Corpus Introduced	25,000.00
Surplus of Expenditure over Income for the period	(14,480.07)
	<u><u>10,519.93</u></u>

Signed for and on behalf of
Lorne House Trust Limited
As Trustee of the Bessie Trust:

RB
RB

Mc
RCL

DATE: 2nd October, 1996

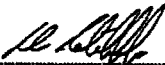
PSI-WYBR 00311

THE TYLER TRUST
BALANCE SHEET AS AT 31ST DECEMBER 1995


CURRENT ASSETS:	US\$
Loan to Berkshire Trust	24,999.00
Investments at Market Value	19,566.67
Accruals	61.11
Cash in Hand	1.00
	<u>44,627.78</u>
LESS CURRENT LIABILITIES:	
Loan from Little Woddy Limited	17,445.09
Loan from Rowing Fork Limited	<u>9,422.72</u>
	<u>26,867.81</u>
NET CURRENT ASSETS	<u><u>17,759.97</u></u>
REPRESENTED BY:	
Trust Corpus introduced.	25,000.00
Surplus of Expenditure over Income for the period	(7,240.03)
	<u><u>17,759.97</u></u>

Signed for and on behalf of
 Lorne House Trust Limited
 As Trustee of the Tyler Trust:





DATE: 22 Dec, 1996


 PSI-WYBR 00311

6122

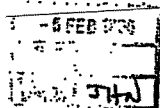


**The Treasury
Yn Tashtey**

Answer
L. Q. Kelly

P.O.
Income Tax Division,
Government Office, Douglas,
Isle of Man, British Isles.
IM41 3TX
Telephone: (01624) 685327
Facsimile:
Fax: (01624) 685351

John Nugent
Pannell Kerr Forster
PO Box 16
Exchange House
54-58 Athol Street
Douglas
Isle of Man, IM99 1AP



Please contact: Mr R W Kennaugh
Our ref: IT14/RWK/CLT
Your ref: JHN/PED/LG
Date: 1st February 1996

→ fc

Dear John

Re: Isle of Man Taxation of Trusts

Further to your letter of 12th December 1995 and my conversation with Mr Dearden relating to the same, I now confirm that:-

- 1) We are prepared to accept Mr Cairns as settlor;
- 2) We are not prepared to accept Mr Cairns as beneficiary. Any refunding must therefore be by way of third parties;
- 3) For the trust to hold shares in a Manx exempt company the trust rules will have to specifically exclude all Manx resident persons from benefit.

I hope my summary answers all your questions.

Yours sincerely

R W Kennaugh
Deputy Assessor

PSI-WVER 00313

1-421-000873-024

DATED 4th March 1996

THE RED MOUNTAIN TRUST

TRIDENT TRUST COMPANY (I.O.M.) LIMITED

as Trustee

Deed of Exclusion

of

ANY PERSON OR ENTITY FOR THE TIME BEING
RESIDENT IN THE ISLE OF MAN

as a

Beneficiary



PSI00008
PSI-WYBR 00362

THIS DEED is made the fourth day of March One thousand and Nine hundred and Ninety Six by Trident Trust Company (L.O.M.) Limited of 100 Market Street, Douglas Isle of Man, British Isles (hereinafter called "the Trustee"):-

SUPPLEMENTAL TO:-

1. A Deed of Settlement dated the eighteenth July One thousand Nine hundred and Ninety Five made between Shaun F Cairns of the one part and Wychwood Trust Limited of the other part known as the "Red Mountain Trust" ("the Settlement").
2. A Deed of Retirement and Appointment of New Trustees dated first March One thousand Nine hundred and Ninety Six made between Michael C French and Sharyl Robertson (together known as "the Appointors"), Wychwood Trust Limited ("the Original Trustees") and Trident Trust Company (L.O.M.) Limited ("the Present Trustee") by which the Present Trustee was appointed and the Original Trustees retired as Trustees of the Settlement.


WHEREAS:-

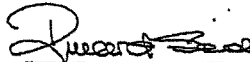
1. In this Deed the expressions "Beneficiaries" and "Excepted Persons" shall have the meanings assigned to them in the Settlement.
2. By Clause 3 (2) of the Settlement the Trustees have power to declare that any person or class of persons included in the class of Beneficiaries or capable of being so included be excluded by becoming a member of the class of Excepted Persons.
3. The Trustee requires the prior written consent of the Protector to the exercise of the powers so conferred by Clause 3 (2) and such consent has been received.

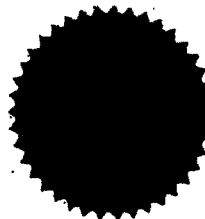
NOW THIS DEED WITNESSETH and it is hereby AGREED AND DECLARED that in exercise of the power conferred on it by Clause 3 (2) of the Settlement and all other relevant powers so enabling the Trustee hereby declares that with effect from the date of creation of the Settlement on eighteenth July 1995 ANY PERSON OR ENTITY FOR THE TIME BEING RESIDENT IN THE ISLE OF MAN is an Excepted Person for all purposes of the Settlement.

IN WITNESS whereof the Trustee has caused its Common Seal to be hereunto affixed the day and year first above written.

THE COMMON SEAL of
Trident Trust Company (L.O.M.) Limited
was hereunto affixed in the presence of:-


DIRECTOR


DIRECTOR



PSI000022
PSI-WYBR 00363

6125

To: JKB, BAR
From: RB

19th January, 1996.

The Wyly Group

It has been decided, belatedly, to give Shari a trust. MF will ask KLK to fund it: Bulldog & Pitkin are to repay him.

The options which Concho, Little Woody & other domestic trusts have been writing recently are likely to prove profitable. We will be asked to sell them to South Madison, Bessie & Tyler against annuities. Mr. Chatzky is advising MF on the necessary capitalisation of a company issuing annuities.

6126

Keith L. King
City & International Securities, Ltd.
Shearwater House
#1 The Parade
Castletown, Isle of Man
IM91LG

Mr. Sharyl Robertson
8080 N. Central Expressway
Suite 1300
Dallas, TX 75206

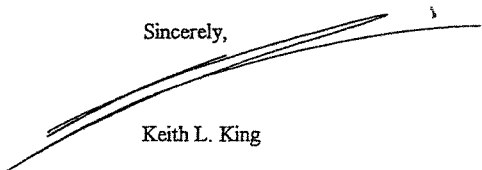
Dear Sharyl:

I wanted to take this opportunity to let you know what a pleasure it has been knowing you over the past years and dealing with you on both business and social matters. I appreciate your many courtesies. As you know, I have established a trust with Lorne House Trust Limited, called The Chisolm Trust, for the benefit of you and your family, and have provided this trust with the sum of \$15,000. This is to show my gratitude for your loyalty to our mutual ventures and your personal support and friendship. I hope that, wisely managed, this trust fund can grow for many years and inure to the benefit of many generations of your family.

I have asked Lorne House to place a copy of this letter in the trust files for future reference. In this regard it is my understanding that to the extent that the United States tax on generation skipping transfers might somehow be deemed to be applicable to the trust fund, the GST exemption will apply to the funds introduced to the trust. Further, I will not in the future make any direct allocation of a GST exemption amount that would change the automatic allocation of unused GST exemption provided in Section 2632(c) of the current United States Internal Revenue Code.

I look forward to many years of future profitable dealings and friendship.

Sincerely,



Keith L. King

SR 0000692

STATE OF NEW YORK
OFFICE OF THE COMPTROLLER

STATEMENT AS AT 12/31/96

Date	Little Woody Ltd In Account with : Bank of Bermuda (Isle of Man) Limited	Capital	Debit	Credit	\$ Balance
1/02/96	Balance			3,428,908.35	3,428,908.35
13/02/96	To charges Re: Transfer to Chemical Bank		8.57		3,428,899.78
13/02/96	To payment to Chemical Bank for the account of Jahman Brothers Re: Interest due on Margin account		31,052.70		3,397,847.08
22/02/96	To loan to Mr Keith G. King Re: Pending of Intal Trust Corpus of the Chisholm Trust		5,000.00		3,392,847.08
22/02/96	To payment charges on above		3.33		3,392,843.75
22/02/96	To transfer to Designated Account		3,397,847.08		5,005.33-
23/02/96	By transfer from designated account			3.33	5,000.00-
23/02/96	By repayment of loan from Chisholm Trust			5,000.00	
				\$ Balance	Nil

PSI-WYBR 00357

6128

2146918245

F-234 T-187 P-001/001 APR 14 '92 05:02

April 14, 1992

Lorne House Trust Limited
Lorne House
Castletown
Isle of Man
British Isles
Attn.: Mr. R. Buchanan

Dear Ronnie:

Thank you for the booklets on your company. I look forward to meeting you next week. What day are you available to meet with our group - is it April 21 or 22? What time of the day will work best for you?

Sam will be transferring 667,000 shares of Sterling Software common stock options to his foreign non-grantor trust in exchange for a private annuity. Likewise, Charles will be transferring 333,000 shares. In the very near future, it will be recommended to you as trustee of these two trusts to exercise these options. Sam's trust will need \$4,168,750 to exercise the options. Charles' trust will need \$2,081,250 to exercise the options. The stock will be registered and subject to no volume rules with the Security and Exchange Commission. Please advise as quickly as possible, whether you can arrange to margin these securities thru a brokerage firm or bank.

Looking forward to hearing from you.

Regards,


Shari Robertson

cc: Sam Wily
Charles Wily
Mike French

8080 N. CENTRAL EXPRESSWAY, SUITE 1100 • LB-31 • DALLAS, TEXAS 75206 • 214/691-8300

CONFIDENTIAL
SEC100052975
PS100064842

MEMO**Maverick**

To: Ronald Buchanan
From: Michael C. French/Sharyl Robertson
Date: March 27, 1995
Subject: Bulldog & Pitkin Trusts

— = Redacted by the Permanent
Subcommittee on Investigations

We now understand that the investment available to Bulldog & Pitkin in the Boston Chicken/Progressive Bagel thru C & B Holding, Ltd. is \$1,400,000. We recommend that Bulldog Trust invest \$933,333 and Pitkin Trust invest \$466,667. We recommend you use your discretion as to how the investment is made by the underlying corporations. We understand funding should take place on March 30, 1995 and you may contact Michelle Boucher at (809) [REDACTED] for wiring instructions.

— = Redacted by the Permanent
Subcommittee on Investigations

FACSIMILE COVER PAGE

TO: Barbara Rhodes From: Michelle Boucher
 COMPANY: Lorne House Fax: 809-
 FAX: 011-44-1-624-822-952 Tel: 809-
 DATE: December 14th, 1995

We are transmitting 2 page(s). Please contact the undersigned if there is a problem with the transmission.

Dear Barbara,

Please find attached wire instructions for the following entities:

Scottish Holdings, Ltd
 The Irish Trust Company (Cayman) Ltd.

Please arrange for the following amounts to be wired to Scottish Holdings on behalf of Bessie & Tyler. I suggest you use funds from Bulldog and Pitkin entities, preferably Morehouse and Roaring Fork respectively, as they have previously advanced money and Janak is working on a revolving loan agreement between them. However, having said that, please advance funds from whichever entities have it available.

Bessie	\$2,133.33	being payment for 21,333.33 shares @ \$0.10 per share
Tyler	\$1,066.67	being payment for 10,666.67 shares @ \$0.10 per share

I expect the Protectorates to give a recommendation to advance some funds to the Irish Trust Company/ Irish Holdings in the near future.

Please let me know the value date of the funds transfer so that I may expect it.

Kind regards,

Michelle Boucher
 Manager, Finance & Administration
 (unsigned as sent via personal computer)

CONFIDENTIAL
 PSI00118176

WIRE INSTRUCTIONS:

— = Redacted by the Permanent
Subcommittee on Investigations

Scottish Holdings Ltd

Morgan Guaranty Trust Co. of New York
ABA: 021000238
A/C: Lazard Brothers & Co. Ltd.
A/C No: [REDACTED]
Sub A/C: Queensgate Bank & Trust Company Ltd.
Sub A/C No: [REDACTED]
For Further Credit: Scottish Holdings Ltd, Acct No: [REDACTED]

The Irish Trust Company (Cayman) Ltd

Morgan Guaranty Trust Co. of New York
ABA: 021000238
A/C: Lazard Brothers & Co. Ltd.
A/C No: [REDACTED]
Sub A/C: Queensgate Bank & Trust Company Ltd.
Sub A/C No: [REDACTED]
For Further Credit: The Irish Trust Company, Acct No: [REDACTED]

CONFIDENTIAL
PSI00118177

6132

Michelle Boucher
The Irish Trust Company (Cayman) Ltd
P O Box 30868 SMB
5th Floor, Ugland House
George Town, Grand Cayman
BWI

4th February 1998

Dear Michelle,

Bessie/Tyler Trust

further to our recent telephone conversation, I have pleasure in enclosing the signed documents regarding the restructuring of Scottish Holdings. As discussed, I look forward to receiving the letter of indemnity from the settlor of the Bessie Trust on his return.

Please let me know if I can be of any more assistance at this time.

Yours sincerely,



Fiona Crellin

CONFIDENTIAL
PSI0013137

FAX TRANSMITTAL

— = Redacted by the Permanent
Subcommittee on Investigations

To: **David Bester**

From: **Shari Robertson**

Mike French

Company: **Trident Trust**

Phone: 214 [REDACTED]

Phone: 011 44 [REDACTED]

Fax: 214 [REDACTED]

Fax: 011 44 [REDACTED]

Date: **October 30, 1998**

Number of pages: **1**

Time: **7:20 AM**

Comments:

The Protectors of La Fourche Trust make the following recommendations effective as of November 1, 1998:

Devotion to redeem \$750,000 of Edinburgh stock.

Devotion to sell \$1,500,000 of Maverick Fund, Ltd. stock to Greenbriar, Ltd. This sell would be effective as of 11/1/98 for value as soon as Irish Trust Company determines the NAV/share. Michelle Boucher will make the arrangements to transfer the shares for value.

Relish to redeem \$750,000 of Edinburgh stock.

For your additional consideration for December would be a gift of \$2,000,000 to University of Michigan. We will discuss this gift at our next meeting.

For your convenience I have attached a projected cash flow statement.

Copy: Michelle Boucher

MAV010760

FAX TRANSMITTAL

= Redacted by the Permanent
 Subcommittee on Investigations

To: Peter Bond**From: Shari Robertson****Mike French****Company: Valmet****Phone: 214** [REDACTED]**Phone: 011 44 1624 631600****Fax: 214** [REDACTED]**Fax: 011 44 1624 677523****Date: October 30, 1998****Number of pages: 1****Time: 7:27 AM****Comments:**

The Protectors of Delhi Trust make the following recommendations effective as of November 1, 1998:

Greenbriar to purchase \$1,500,000 of Maverick Fund, Ltd. stock from Devotion, Ltd. This sell would be effective as of 11/1/98 for value as soon as Irish Trust Company determines the NAV/share. Michelle Boucher will make the arrangements to transfer the shares for value.

This should still leave adequate cash for Greenbriar to pay off the Lehman's debt between now and February.

The Protectors of Lake Providence Trust make the following recommendations effective as of November 1, 1998:

Sarnia to purchase \$600,000 of Maverick Fund, Ltd. stock from Dortmund, Ltd. This sell would be effective as of 11/1/98 for value as soon as Irish Trust Company determines the NAV/share. Michelle Boucher will make the arrangements to transfer the shares for value.

This should leave adequate cash for Sarnia to pay off the Lehman's debt between now and February.

For your convenience I have attached a projected cash flow statement.

Copy: Michelle Boucher



found in wylly
file

Dear Sam,

Thanks for the bids and purchases
for the Oscar & Alone Auction.

Enclosed are your invoices for the
two paintings (Griffing and Price). As you
will see there is one invoice for "The
Fires of Santa Anna, 1836," which is made
out to Stirling Software, while I
made out 2 invoices for the Griffing,
"The Lost Documents."

The reason for 2 invoices on the Griffing, is
to allow you to choose the one you wish to
use in taking title. Select the one you
wish to use and process it and discard
the other.

Speak with Bob Drummond, the co-director
of the auction, and he is planning on

6136



Shipping "The Fires of Santa Anna, 1836"
to you in Dallas, and ship the lost
Documents by HRT to Aspen.

Bob would like payment by August 12th
and begin shipping the same week.

Hope to see you while you are
in Aspen later this week.

Best
Bill Leach



August 4, 99

Invoice # 100

To: Sam Wylie
 RE: Coeur d'Alene Art Auction
 FROM: Bill Leach

— = Redacted by the Permanent
 Subcommittee on Investigations

Purchase of Lot # 59:

"The Last Documents" by Robert Ruffing
 oil on canvas (36" x 44"), signed L.R.

Price: \$65,000 + 10% (\$6,500) + shipping (\$225)

1) Please make check payable to:
 Coeur d'Alene Art Auction — \$71,725

2) Commission of 2% to Bill Leach — \$1,300

Please remit & send both checks to:

Bill Leach
 Wind River Gallery

Aspen, Co. 81611

Invoice - 101

August 4, 99

To: Audubon Assets
 c/o I.F.G. International
 International House
 Castle Hill, Victoria Rd
 Douglas, Is. of Man
 IM24RB

— = Redacted by the Permanent
 Subcommittee on Investigations

ATT: Ken Jones

FROM: Bill Leach

RE: "Coeur d'Alene Art Auction"

Sam Wyly purchase of lot #59:

"The Last Documents" by Robert Riffing
 oil on canvas 36" x 44", signed L.R.

Price: \$65,000 + 10% (\$6,500) + shipping (\$225)

1) Total to: Coeur d'Alene Art — \$71,7252) Commission of 2% to Bill Leach — \$1,300

Please send both checks to:


Bill Leach
 Wind River Gallery
 Aspen, Co. 81611

Thanks
 William W Leach

— = Redacted by the Permanent
Subcommittee on Investigations

Shari Robertson To: Michelle Boucher [REDACTED]
11/05/1999 08:11 AM cc:
Subject: Re: FW: Global Audio Visual, Inc [REDACTED]

Kathy should talk directly with George.
Michelle Boucher [REDACTED]

 Michelle Boucher To: Shari Robertson/Maverick@ [REDACTED]
cc:
Subject: FW: Global Audio Visual, Inc
11/05/1999 07:03 AM

I was going to suggest that George Ellis give Kathy a call - do you think this is appropriate or do you recommend another course of action?

Michelle

ps. I'm sure this topic will be on their list for Tuesday also. :)

-----Original Message-----
From: Kathy Harding [REDACTED]
Sent: Friday, November 05, 1999 4:54 AM
To: 'mboucher' [REDACTED]
Subject: Global Audio Visual, Inc

Dear Michelle

Further to your fax message dated 3 November 1999, I note that a request has been received that the Directors of Greenbriar sign a declaration which confirms that the loan has been made to Global Audio Visual to enable them to re-establish their credit with Comerica Bank.

Whilst in principal I do not foresee any problems with the issuance of the declaration, we were not aware that the company had run into difficulty with its banking arrangements, and may (potentially) have liquidity problems which could impact on the recoverability of the loan. This may or may not be the case, but I would appreciate some further information before I ask the Directors to consider making the declaration.

Thank you for your help.

Regards

Kathy Harding

Confidential
SEC_ED00043841

6140

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Shari Robertson
12/01/1999 01:28 PM

To: dbester@[REDACTED].com, lwebb@[REDACTED]
cc: mboucher@[REDACTED]
Subject: Tyler Trust - Souleanna

Michelle is out of town this week. Would you please advise me if there would be adequate cash on hand for the protectors to make a recommendation to purchase \$350,000 worth of jewelry. Payment would need to be made sometime during December. I understand that the appraised value of the jewelry is \$450,000 and the purchase would be with Eiseman Jewelers in Dallas Texas. Initially the jewelry would be shipped to [REDACTED] Woody Creek, Co. and would eventually be in safekeeping at [REDACTED], Dallas, Texas. Michelle or I can arrange for insurance coverage if you like.

Confidential
SEC_ED00043973

PSI ED00043973

6141

----- = Redacted by the Permanent
Subcommittee on Investigations



Michelle Boucher

To: Shari Robertson/Maverick@

cc:

Subject: RE: Edinburgh Fund

02/09/2000 09:23 AM

Please respond to

I assume he's talking about bringing it up to \$20M level. At 12/31 the net assets were approx \$16.9M, so I have \$3.1M available due to the Michaels sales. Since the cash is in Bessie, and needs to be used to buy Woody Creek Ranch Limited from Devotion, I propose that we transfer what we need to over to Devotion now, and then settle the intercompany as part of the purchase price of Woody Creek Ranch Limited when we have all the cash available (ie. when we are done the Michaels sales.)

I'll put something together for you on cash flow and confirm with Juanell on the \$20M, - I have to run out and pick Jeff up at the airport, but will do it this afternoon.

I guess that if they really want us to move money asap, and put it in for a 2/1 subscription we can - it's all the same pot at this point - no outsiders so I don't really have a problem doing that, provided the trustees with agree to it.

Let me know what you think.
Michelle

-----Original Message-----

From: Shari_Robertson/M
[SMTP:Shari_Robertson/
Sent: Wednesday, February 09, 2000 12:26 PM
To: mboucher;
Subject: Edinburgh Fund

I assume we're actually talking about 3/1. What do you think? Can we raise cash that quickly? Do you think he's talking adding enough to bring the value of the fund up to \$20 million or \$20 million - initial investment?

The information contained in this e-mail message is intended only for the personal and confidential use of the recipient(s) named above. This message may be an attorney-client communication and as such is privileged and confidential. If the reader of this message is not the intended recipient or an agent responsible for delivering it to the intended recipient, you are hereby notified that you have received this document in error and that any review, dissemination, distribution, or copying of this message is strictly prohibited. If you have received this communication in error, please notify us immediately by e-mail, and delete the original message.

----- Forwarded by Shari Robertson/Maverick on 02/09/2000 11:22 AM -----

Confidential
SEC_ED00072001

PSI_ED0007202

6142

— = Redacted by the Permanent
Subcommittee on Investigations

Juanell Lance

Shari

02/09/2000
10:29 AM

To: Jason Elliott/htst@ [REDACTED]

Robertson/Maverick [REDACTED]

cc:

Subject: Edinburgh Fund

At Sam's direction I sent an e-mail to Elaine regarding back-up for Jana. She has been out ill for a couple of days, so Sam has not received the daily report. Jana is trying to do it from home today, but that is not the solution. So Sam has asked Elaine to let him know who Jana's backup is. Jason, although you were copied on the e-mail, Sam is not asking you to do anything. He just wanted you to know he wants Elaine to treat Edinburgh like the business venture it is.

Further on Edinburgh, Sam wants additional cash in Edinburgh so that it is up to \$20 million by the anniversary date, February 22nd. Since it will take time, he wanted you to know now what he expects.

Thanks.

Juanell

Confidential
SEC_ED00072002

PSI_ED00072002

6143

From: Michelle Boucher <[REDACTED]>
Sent: Friday, July 28, 2000 8:53 AM
To: evan wylly
Subject: Re: Photomatrix
Attach: att1.htm

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

I agree, it has been terribly frustrating - for all of us. Michele Crittenden has put an urgent priority on it, she and Lou can't understand what the problem is. I do know that the transfer agent is a nightmare - it took almost 2 years for them to correct the registration on these shares and were completely unresponsive to the trustees. If I recall correctly I think at the time Shari, even approached you to see if you could have some influence. Hopefully, this legend issue will be resolved in the next few days.

Also, about 4 - 6 weeks ago, we did proceed to have Lehman's work to have the legend removed on any remaining restricted securities. Right now, this only affects offshore holdings of Michaels. Lehman's advised me last week, that it was removed on two company holdings last week, and the only shares that remain restricted are the following: Samia 258,333, East Carroll 175,000 and East Baton Rouge 150,000. We should have an update on the status of these today or tomorrow.

The Scottish Annuity and Life shares remain restricted, but we have a two year holding on those and can't apply to have the legend removed until later this year.

Michelle

-----Original Message-----

From: evan_wylly@[REDACTED]
To: Michelle Boucher <[REDACTED]>
Date: Thursday, July 27, 2000 5:40 PM
Subject: Re: Photomatrix

I know this is not your fault, but this really is frustrating. For 2 of the last 4 months the stock price has been over \$1.25 per share, after spending most of the prior 15 months trading between \$0.25 and \$0.63. I hope this will be resolved soon.

In the future, perhaps we should have the legend removed from securities as soon as possible, so that we will be able to react more quickly.

"Michelle

MAV010808

6144

Boucher" To: evan wylly
[REDACTED] cc:
[REDACTED] Subject: Re: Photomatrix

07/27/00
03:00 PM

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

About two weeks ago, I supplied Lehman's with some additional information on the original acquisition of these shares - the quantities relate to original issue stock that was issued to Sam and Charles in 1992, and later transferred offshore. Even though the shares have been held since then, the attorneys wanted information on how the shares were initially acquired as well as the transfers and consideration given etc... - we provided the info they needed (there has also been an exchange and a reverse split to reconcile to the correct number of shares), but all thought it was strange they needed to know so much, and given the time frame involved thought it shouldn't have been a big deal to remove the legend. (we have had a lot of problems over the years with the splits and certification of the holdings and I think the Photomatrix/Xscribe/National Mfg transfer agents have not been very organized!). In any event... everyone is chasing this up today - Michele Crittenden had already placed a call to NY this morning, and will bug them again in the morning. I expect to touch base with her tomorrow, but will likely have further useful info on Monday. I will let you know, but as of right now, we still have the quantities indicated below, and have not been advised that the legend has been removed.

Michelle

-----Original Message-----

From: evan_wylly@ [REDACTED]
To: Michelle Boucher < [REDACTED]>
Date: Thursday, July 27, 2000 3:36 PM
Subject: Re: Photomatrix

Status?

"Michelle
Boucher" To: Evan
[REDACTED] cc:
[REDACTED] Subject: Re: Photomatrix

06/23/00

MAV010809

6145

03:38 PM

Redacted by the Permanent
Subcommittee on Investigations

Offshore - Tensas (SW) still has 221,034 shares and Roaring Creek (CW)
has
166,302 shares left.
Lehmans was having problems getting clearance from Photomatrix's
attorneys
on part of the sharholdings - a Rule 144 restriction problem. I will
touch
base with Michele & Lou on Monday to see whether it has been resolved.
I
think they may still be working through the volume on the unrestricted
shares anyway.

-----Original Message-----

From: Evan Wyly/Maverick%
[REDACTED]@maverickcap.com

To: mboucher@
jfrederick/htst%MAVERICKCAP@

Date: Friday, June 23, 2000 4:40 PM
Subject: Photomatrix

Has all the Photomatrix stock been sold and the notes repaid?
- att1.htm

MAV010810



did not

January 20, 2001

go

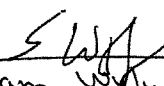
Consignment for Sale Agreement

I, Sam Wyly, do hereby authorize William Leach of Wind River Gallery to submit my painting, "Capture of Laura Edgar" (oil - 24" x 36") by Charles M. Russell, for auction by "The Coeur d'Alene Art Auctions", which will be held in Reno, NV during July of this year.

The base bid must be at least \$400,000, which will include the "kicker" fee of 10% of sales price.

Wind River can continue to offer for sale at their gallery until time to ship to auction in Reno, NV.

Jan 16 '01
Date


Sam Wyly

6147

30/01 '01 15:18 FAX 01624 624469

001/002

AUDUBON ASSET, LIMITED

(Incorporated in the Isle of Man No. 75971)

Directors:

K.G. Harding
N. Goddard (Irish)

Registered Office:

International House,
Castle Hill,
Victoria Road,
Douglas,
Isle of Man.

Tel: (01624) 630600
Fax: (01624) 624469

***** FACSIMILE TRANSMISSION *****

The information contained in this fax is confidential and/or privileged. This fax is intended to be read only by the person named below. If the reader of this fax is not the intended recipient or a representative of the intended recipient you are hereby notified that any review, dissemination or copying of this fax is prohibited. If you have not received all the pages or have received this fax in error, please notify the sender by telephone and return this fax to the sender at the above address.

Page 1 of 2 (Total Sent)

Date: 30th January, 2001.

Time Sent:

Fax No: 001 970 544 6128

Operator Ref: INST 1 DTSB 777

TO: WILLIAM LEACH
WIND RIVER GALLERY

FROM: KEN JONES

REF: KI/SLD/AUDUBON-F.5

Dear Mr. Leach,

RE: "THE CAPTURE OF LAURA EDGAR"

Please find herewith a copy of a letter proposed to be sent to you regarding a sale of the above painting by auction. It is hoped the wording will meet your requirements in the matter but please let us know if you need anything to be added before the same is signed and the original sent on to you.

Can you please also confirm the position regarding insurance of the painting whilst the same is on consignment and, if appropriate, when the same is sent on to Reno for auction, including insurance during transit.

Finally, please note that as the legal owner of the painting, communications regarding any sale should be with Audubon Asset, Limited although it is understood you may also be communicating with Mr. Wily.

We look forward to hearing from you shortly.

Yours sincerely


Ken Jones,
Administrator.

PSI-WIND 00047

AUDUBON ASSET, LIMITED

(Incorporated in the Isle of Man No. 75971)

Directors:K.G. Harding
N. Goddard (Irish)**Registered Office:**International House,
Castle Hill,
Victoria Road,
Douglas,
Isle of Man.Tel: (01624) 630600
Fax: (01624) 624469

Ref: KJ/SLD/AUDUBON-L5

30th January, 2001.William Leach Esq.
Wind River Gallery
UTE City Building,
505 East Hyman,
Aspen,
Colorado 81611,
U.S.A.

Dear Sirs,

RE: CONSIGNMENT FOR SALE AGREEMENT

Audubon Asset, Limited hereby authorises William Leach of Wind River Gallery to submit our painting "Capture of Laura Edgar" (oil 24" x 36") by Charles M. Russell for auction by "The Cocur d'Alene Art Auction" which will be held in Reno N.V., during July of this year.

The base bid must be at least US\$400,000 (Four Hundred Thousand US Dollars only) which will include the "Kicker" fee of 10% of the sales price.

Wind River Gallery may continue to offer this painting for sale at their gallery until time to ship to auction in Reno N.V.

Yours faithfully,

K.G. Harding,
Director.

PSI-WIND 00048

6149

— = Redacted by the Permanent
Subcommittee on Investigations



"Michelle Boucher"

[Redacted]

06/05/2001 07:06 AM

To: <khennington@ [Redacted]>

cc:

Subject: Re: Hyper Car

Send it my way, he definitely cannot sign for Locke. :-)

Maybe at the next meeting we should talk about this with the group (hopefully Kelly & Jason will be present in some form). We have a couple of these 'representative or agent' arrangements. ie. Red River, Hypercar, Intelcon, GAV etc... (although not all family members). It's touchy though.

----- Original Message -----
From: <khennington@ [Redacted]>
To: <mboucher@ [Redacted]>
Sent: Tuesday, June 05, 2001 9:01 AM
Subject: Hyper Car

> I have some stuff Jason sent for Hypercar. He has been elected to the
> board of directors. I will send it your way, but there is a proxy
> election
> that needs to be completed by June 15th. I will fax it to you for
> completion by Trustees. Let me know if you need anything else after I
> fax.
> Jason said he could just sign it for Locke since he was going to be on the
> board, but I explained that the trustee would have to so hopefully
> everything in the future will go through you or I
>
>

>
> The preceding e-mail message (including any attachments) contains
> information that may be confidential, or constitute non-public
> information.
> It is intended to be conveyed only to the designated recipient(s). If you
> are not an intended recipient of this message, please notify the sender by
> replying to this message and then delete it from your system. Use,
> dissemination, distribution, or reproduction of this message by unintended
> recipients is not authorized and may be unlawful.
>
>

>

Confidential
SEC_ED00081992

CONFIDENTIAL
PSI_ED00081992

— = Redacted by the Permanent
Subcommittee on Investigations

From: Keeley Hennington
Sent: Monday, July 23, 2001 2:32 PM
To: "Michelle Boucher"
Subject: Re: Intelcon

I have sent a note to Sam re: the deal,. I will let you know what I hear back. I do not want to proceed without his ok

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

"Michelle Boucher" <
07/23/01 02:02 PM

To: <Keeley_Hennington@HTST@
<shari_robertson@
cc:
Subject: Re: Intelcon

I agree with Shari, and also think that the trustees will be happy with this, given that at one point they were prepared to get nothing for it to eliminate the exposure to the 'russians'. I believe they had Turoff looking at this last year.

-----Original Message-----

From: shari_robertson@
To: Keeley_Hennington@HTST@
<Keeley_Hennington@HTST@
Cc: mboucher:
Date: Monday, July 23, 2001 2:26 PM
Subject: Re: Intelcon

>
>Agree with take the money and run.
>
>Turoff is definitely the terminator. David may not remember that Sam and
>Steve ended up as adversaries in a lawsuit the last time they did business
>together. I still think Steve is a good choice.
>
>*****
>*****
>

Confidential
SEC_ED00006251

PSI ED00006251

— = Redacted by the Permanent
Subcommittee on Investigations

>The information contained in this e-mail message is intended only for the
>personal and confidential use of the recipient(s) named above. This
>message may be an attorney-client communication and as such is privileged
>and confidential. If the reader of this message is not the intended
>recipient or an agent responsible for delivering it to the intended
>recipient, you are hereby notified that you have received this document in
>error and that any review, dissemination, distribution, or copying of this
>message is strictly prohibited. If you have received this communication in
>error, please notify us immediately by e-mail, and delete the original
>message.

>
>
>
>
>Keeley
>Hennington To: mboucher@ Shari
Robertson/Maverick
>ST cc:
>Subject: Intelecon
>
>07/23/01
>01:10 PM
>
>
>
>
>
>

>David Matthews called this morning and said Mike Stone had received an
>offer from Intelecon for \$1.5 million to take out the Wyly interests. Not
>sure the next step in the process. David said he was going to have Mike
>continue to talk with them, but that he had not mentioned anything to Sam
>yet. Additionally, if this deal does not work, David wants to terminate
>the agreement with Mike Stone and hire Steve Turoff (someone Sam has worked
>with in the past) to go in and take over Intelecon and liquidate the
>company. Let me know what you would like me to do. Should I send Sam and
>e-mail or is that better to come from Michelle? Also, I am assuming the
>trustees will need to be notified. My personal feelings are that although
>this is a huge discount, take the money while you can and get out.

>Just let me know.

>
>Keeley
>
>

>
>The preceding e-mail message (including any attachments) contains
>information that may be confidential, or constitute non-public information.
>It is intended to be conveyed only to the designated recipient(s). If you
>are not an intended recipient of this message, please notify the sender by
>replying to this message and then delete it from your system. Use,
>dissemination, distribution, or reproduction of this message by unintended
>recipients is not authorized and may be unlawful.
>

>
>
>
>

Confidential
SEC_ED00006252

PSI_ED00006252

From: "Michelle Boucher" <[REDACTED]>
Sent: Thursday, August 30, 2001 8:18 AM
To: <annab@[REDACTED]>
Cc: <khennington@[REDACTED]>; "Lara Haskins" <[REDACTED]>
<shari_robertson@[REDACTED]>
Subject: SAC redemption

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Anna, it is recommended that the withdrawal from the Scottish Annuity Policy be amended to \$20Million as at September 1st and \$10Million as at October 1st.

As per my email yesterday, Shari, Keeley and I are going to discuss MCF's email and respond later today or tomorrow, but in the meantime, please consider adjusting the withdrawal to be paid out as above rather than in one amount at September 1st.

Michelle

Confidential
SEC_ED00014102

PSI ED00014102

6153



"Michelle Boucher"

>

10/29/01 03:45 PM

To: <swyly@>
cc: <shuebner@>
Subject: Irish trust - new offices

= Redacted by the Permanent
Subcommittee on Investigations

Sam,

We moved into our new premises at the beginning of September and are settling in. Queensgate Bank has engaged a local gallery to purchase some artwork for their side of the floor, I would like to do the same for our space. The gallery specializes in local Caymanian and resident artists, so I think it is a good opportunity to support the National Gallery. I would like to approve a budget of \$25,000 - \$30,000 to purchase some art for our space. I think this would get us 2 or 3 large pieces for the general area, 3 medium pieces for the offices and leave a bit for some smaller pieces to work into the general office area.

You can check out one of the artists the gallery owner has recommended at <http://www.galleriasaba.com> I think Saba's work provides a good variety of colour and focuses on a few different aspects of Caymanian life, and is appropriate for a corporate environment. It is also quite reasonably priced and works well in the budget I've suggested.

Please let me know if I can proceed.

Michelle

OK
SW

CONFIDENTIAL
SECT00104521
PST00116388

— = Redacted by the Permanent
Subcommittee on Investigations

From: Keeley Hennington
Sent: Tuesday, January 29, 2002 5:59 AM
To: mboucher@ [REDACTED]
Subject: RE: Audubon

I will call Kelly today and discuss with her unless you would rather do it or get on a conference call with her. I will also mention it to Sam

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

----- Forwarded by Keeley Hennington/htst on 01/29/02 08:07 AM -----

AnnaB@ [REDACTED]
01/29/02 03:46 AM

To: mboucher@ [REDACTED]
cc: khennington@ [REDACTED]
Subject: RE: Audubon

Michelle,

I have discussed the fee issue with David. We agree that some provision for fees should be included. David suggested that an up front fee of between \$15,000 - \$20,000 be paid to cover the cost of preparing the report due by 30th June 2002 and that an annual fee be paid on an on going basis for provision of the curatorship service, the fee for this again to be in the region of \$15,000 - \$20,000. Please let me have your comments.

Anna

> -----
> From: Michelle Boucher [REDACTED]
> Sent: 28 January 2002 16:48
> To: David [REDACTED]; AnnaB@ [REDACTED]
> Subject: Fw: Audubon
>
> Here are Keeley's comments on the curator agreement. I think it is a
> good comment - I think you should incorporate some language that at
> least allows them to charge back direct costs to Audubon, and consider
> some sort of fee.
> I was initially thinking a nominal % of value, but in other
> circumstances that may encourage them to solicit a higher appraisal
> valuation, it might not be an issue here, but perhaps a flat annual fee is more
> appropriate.
> Let me know what your thoughts are.
>
>

Confidential
SEC_ED00009138

PSI_ED00009138

6155

= Redacted by the Permanent
Subcommittee on Investigations

20-Dec-23 1995 16:55AM

214 728 5441

YAL NO. +44162162058

TRIDENT TRUST
COMPANY
(I.O.M.) LIMITED

Our Ref: [REDACTED]
Your Ref: [REDACTED]

P.O. Box 172
300 Market Street
Douglas, Isle of Man, IM60 1TT
Telephone (01624) 877810
Fax (01624) 828548

20 December 1996

Lehman Brothers Private Client Services
2500 Texas Commerce Tower
2200 Ross Avenue
Dallas
Texas 75201
U.S.A.

Transmitted by Facsimile
Tel: 601-214-7289464
Original follows by Courier

Attention: Mr S Stacey/Mrs C Munkook

Dear Sir/Madam

RELISH ENTERPRISES LIMITED - ACCOUNT NO. 837-33433

Please attend to the following telegraphic transfer of funds from the above mentioned account, for value today:-

AMOUNT	:	\$2,000,000.00 (Two Million United States Dollars)
PAYEE	:	Nations Bank of Texas N.A.
ABA NUMBER	:	111 00 025
CREDIT	:	Save Wyly Separate Property
ACCOUNT NO	:	[REDACTED]
REFERENCE	:	Loan
BY ORDER OF	:	Relish Enterprises Limited

Please advise us at the above address when these instructions have been executed.

Yours faithfully
TRIDENT TRUST COMPANY (I.O.M.) LIMITED

Per:

[Signature]
L.H. BOSTER
Authorized Signatory

[Signature]
L.J. ALTON
Authorized Signatory

A Member of the International Trident Trust Group

Directors: D. H. Bostor (S.A.), W. N. Munkook (S.A.), G. L. Munkook (S.A.), D. Bostor (S.A.) Registered Office: 100 Market Street, Douglas, Isle of Man
Registered in the Isle of Man

Confidential Treatment Requested

CC 002319

11/04/98 WED 11:26 FAX

BOUCHER

0001

EVAN ACTON WYLY Detail General Ledger 01.620 - Standard Periods: 01-98 Through 10-98 As of: 11/04/98														Page 1 Rep 01.620
Per Post	Jnl Type	Account	Subaccount	Trn Typ	Bal Nor	Per Nor	Ref Nor	Trn Date	Description	Beginning Balance	Debit Amount	Credit Amount	Ending Balance	
12-98	QJ		Figure Ltd. EVAN	GL 000348	12-98	CR1231	11/4/97		1270 FUGUE LTD/CAN	0.00	0.00	1,500,000.00		
			EVAN		Total	01-95 - 12-98				0.00	0.00	1,500,000.00	1,500,000.00	
08-97	QJ		EVAN	GL 000716	08-97	CR629	9/8/97		828 PAID FUGUE IN FULL	1,500,000.00	1,500,000.00	0.00		
			EVAN		Total	01-97 - 08-97				1,500,000.00	1,500,000.00	0.00	0.00	
			EVAN		Total	08-97 - 10-98				0.00	0.00	0.00	0.00	
** Total Liabilities										0.00	0.00	0.00	0.00	

= Redacted by the Permanent
Subcommittee on Investigations

10/20/96
paid w/ fac 8/18/97

These need investigation
of your record keeping
done

11/04/98 WED 11:26 FAX

* 38AK1

→→→ M BOUCHER

MI 002

0002

San Wyty (After 1231/88)
Detail General Ledger (01.620 - Standard
Periods: 01-93 Through 05-98 As of: 11/04/98)

Date: 11/04/98 10:22am
08-00-764

Ref Post	Int Type	Account	Subaccount	Trn Type	Ref No	Ref No	Trn Date	Description	Beginning Balance	Debit Amount	Credit Amount	Ending Balance
12-98	GA		RELISH LTD. 000000	GL 000780	12-98	CR1231	1/7/87	1223 RELISH LTD. LOAN	0.00	0.00	2,000,000.00	2,000,000.00
			000000		Total	01-93 - 12-98			0.00	0.00	2,000,000.00	2,000,000.00
			000000		Total	01-97 - 05-98			2,000,000.00			2,000,000.00
** Total Liabilities									0.00			2,000,000.00

— = Redacted by the Permanent
Subcommittee on Investigations

12/23/98

SR 0000849

6158

— = Redacted by the Permanent
Subcommittee on Investigations

Rena Alexander 04/18/2000 08:13 AM

To: Elaine Spang/hts [REDACTED]
cc:

Subject: repayment of SW loan to Relish Enterprises

Has Sam okay this for payment, yet?

----- Forwarded by Rena Alexander/ntst on 04/18/2000 10:18 AM -----



"Michelle Boucher" [REDACTED] 04/18/2000 09:11:52 AM

To: espang@ [REDACTED]
cc: evan wyly, Shari Robertson/Maverick@ [REDACTED], ralexander/[REDACTED]

Subject: repayment of SW loan to Relish Enterprises

Elaine/Rena,

As per the prior email, arrangements should be made to repay this \$2M loan effective April 30th, 2000. The interest due through 4/30 is \$65,890.41 (130 days @ 9.25%, based on A/365).

I will arrange for wire instructions to be forwarded to your attention from Francis Webb at Relish Enterprises. Please arrange payment for a total of \$2,065,890.41 for value May 1st, 2000.

Elaine - based on the cash availability report you sent me last week, I don't think this is a problem - let me know if you disagree.

Thanks!

Michelle



- att1.htm

Confidential
SEC_ED00081815

CONFIDENTIAL
PSI ED00081815

6159

— = Redacted by the Permanent
Subcommittee on Investigations

Elaine Spang

04/18/2000 08:28 AM

To: Rena Alexander [REDACTED]
cc:

Subject: Re: repayment of SW loan to Relish Enterprises [REDACTED]

Yes, Sam has OK'd payment to be made at the end of April

Confidential
SEC_ED00081817

CONFIDENTIAL
PSI ED00081817

6160

— = Redacted by the Permanent
Subcommittee on Investigations

Francis,

It is my understanding that Sam Wyly wishes to repay the \$2 Million loan to Relish Enterprises effective April 30th, 2000. Kindly remit wire instructions to the attention of Elaine Spang and/or Rena Alexander at 214 [REDACTED] Rena and Elaine will make arrangements to transfer the funds for value May 1st, 2000.

My records indicate that interest accrued through 4/30/00 is \$65,890.41 (130 days at 9.25% based on A/365 calculation). As such, you should expect to receive \$2,065,890.41. Please advise if your records differ.

Michelle

Confidential
SEC_ED00048103

PSI ED00048103

6161

— = Redacted by the Permanent
Subcommittee on Investigations

TRANSMITTAL

Maverick

TO:	Ronnie Buchanan	FROM:	Shari Robertson
COMPANY:	Lorne House Trust	PHONE:	(214) [REDACTED]
PHONE:	011 441624 823579	FAX:	(214) [REDACTED]
FAX:	011 441624 822952	DATE:	August 27, 1997
NUMBER OF PAGES (including cover):		TIME:	4:05 PM

COMMENTS:

Sam Wyly has executed a Letter of Wishes on behalf of the Bessie Trust. A copy is being forwarded with this facsimile and the original is following by courier. If you would like to discuss the recommendations in the Letter of Wishes with Mike and me, please give us a call.

Copy: Michelle Boucher

August 27, 1997

Ronnie Buchanan
Lorne House Trust
Lorne House
Castletown, Isle of Man
British Isles IM9 1AZ

RE: LETTER OF WISHES: Bessie Trust

Dear Sir:

This letter is being written to you in your capacity as the Trustees of the above named Trust. This letter is intended as guidance to the Trustee. It has no legal effect and it is not intended in any way to fetter the discretionary powers given to the Trustee. I fully appreciate that your discretion is absolute and this letter is not intended to bind you in anyway.

Although you are not bound by any views expressed in this letter concerning the administration, appointments and distribution of the Trust Fund, it is considered desirable for the Trustee to have a note of my opinions and wishes on these matters so that you and additional and/or succeeding Trustees ("the Trustees") may consider these opinions when making your decisions.

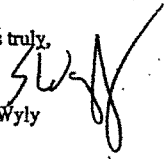
Following my death, I would like all assets of the trust, whether Capital or income to be utilized with a priority favor regarding the specific assets of Dortmund and Atlantis for the benefit of my son Evan Wyly and his issue and the balance for the benefit, per stirpes for all my children (including Evan Wyly) and their issue. I am specifically excluding my spouse.

If during the term of the trust there shall no longer be living any of my issue, then it is my desire that the trust assets be applied to the benefit of The First Church of Christ, Scientist in Boston, Massachusetts U.S.A.

None of the provisions in this letter are binding on you and they grant no rights whatsoever to any of the persons named in it.

This memorandum shall remain in force indefinitely, but may be canceled or altered at any time in writing by me during my lifetime. I ask you to honor any such amendment even though you may receive it after my death.

Yours truly,


Sam Wyly



TRUST COMMITTEE MEETING OF LORNE HOUSE TRUST LIMITED

RESOLUTION IN WRITING

THE BESSIE TRUST

We the undersigned, constituting a quorum of the above-mentioned Committee, pursuant to the powers vested in us by the Articles of Association of Lorne House Trust Limited ("the Company") in its capacity as the Trustee of the above mentioned Trust, do hereby resolve:-

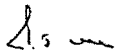
1. **THAT** in accordance with the wishes of the Committee of Trust Protectors and in accordance with Section 3(1) of the trust deed the following be added to the class of beneficiaries of the trust

The University of Michigan
First Church of Christ Scientist
The Communities Foundation of Texas

2. **THAT** Messrs. Ronald Buchanan and Russell J Collister, directors of Lorne House Trust Limited acting as trustee to the Bessie Trust be and are hereby authorised to sign the Deed of Inclusion dated 1st December 1997, a copy of which is attached and deemed to form part of this resolution.

Dated 1st December 1997

Committee Members


.....


.....

CONFIDENTIAL
PSI00117543

6164

DATED 1st DECEMBER 1997

THE BESSIE TRUST

KEITH L. KING

as settlor

and

LORNE HOUSE TRUST COMPANY LIMITED

as trustee

and

Deed of Inclusion:

of The University of Michigan,
any First Church of Christ Scientist,
The Communities Foundation of Texas
and others as beneficiaries

CONFIDENTIAL
PSI00117544

~~THIS DEED~~ is made the 1st day of DECEMBER One thousand nine hundred and ninety-
~~four~~ by **LORNE HOUSE TRUST COMPANY LIMITED** of Castletown, Isle of Man,
 British Isles hereinafter called the ("Trustee").

SUPPLEMENTAL to a settlement dated 2nd day of February, 1994 made between Keith L.
 King of the one part and Lorne House Trust Limited known as the "Bessie Trust" ("the
 Settlement").

WHEREAS:

- (1) In this Deed the expressions "Beneficiaries" and "Protector" shall have the meanings assigned to them in the Settlement.
- (2) By Clause 3 of the Settlement the Trustees have power by revocable or irrevocable instrument in writing to appoint and direct that any person or class of persons not already in the class of beneficiaries shall thenceforth from the date of the deed of appointment be included within the class of beneficiaries.
- (3) The Trustee requires the prior written consent of the Protector to the exercise of the power conferred by Clause 3.

NOW THIS DEED WITNESSETH and is hereby **AGREED AND DECLARED** that in exercise of the power conferred on it by Clause 3 of the Settlement and all other relevant powers the Trustee hereby appoints and directs that The University of Michigan, any Church of Christ Scientist, and The Communities Foundation of Texas shall henceforth be included in the class of Beneficiaries for all purposes of the Settlement.

In **WITNESS** whereof the Trustee has caused its Common Seal to be hereunto affixed the day and year first above written.

**THE COMMON SEAL OF LORNE
 HOUSE TRUST COMPANY LIMITED**
 was hereunto affixed in the presence of -

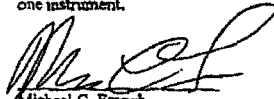
THE COMMON SEAL OF
LORNE HOUSE TRUST LIMITED
 WAS HERETO AFFIXED IN THE PRESENCE OF:
 _____ DIRECTOR
 _____ DIRECTOR
 _____ AUTHORIZED SIGNATORY

Lorne House Trust Company Limited
Trustee of the The Bessie Trust

DECEMBER 3, 1997

We, Michael C. French and Sharyl Robertson in our capacity as Protector of the The Bessie Trust hereby give our consent to the appointment and direction that the The University of Michigan, any Church of Christ Scientist and The Communities Foundation of Texas be included in the class of beneficiaries for all purposes of the Settlement.

This instrument may be signed in one or more counterparts and such counterparts shall constitute one instrument.


Michael C. French


Sharyl Robertson

CONFIDENTIAL
PSI00117546

Lorne House Trust Company Limited
Trustee of the The Bessie Trust

DECEMBER 3, 1997

We, Michael C. French and Sharyl Robertson in our capacity as Protector of the The Bessie Trust hereby give our consent to the appointment and direction that the The University of Michigan, any Church of Christ Scientist and The Communities Foundation of Texas be included in the class of beneficiaries for all purposes of the Settlement.

This instrument may be signed in one or more counterparts and such counterparts shall constitute one instrument.


Michael C. French


Sharyl Robertson

CONFIDENTIAL
PSI00117547

= Redacted by the Permanent
Subcommittee on Investigations

Shari Robertson To: "Michelle Boucher" [REDACTED]
05/03/2000 06:49 AM CC:
Subject: Re: University of Michigan foreign recipient [REDACTED]

I still think it is worth looking into for the 1992 trusts.

.....
.....
The information contained in this e-mail message is intended only for the personal and confidential use of the recipient(s) named above. This message may be an attorney-client communication and as such is privileged and confidential. If the reader of this message is not the intended recipient or an agent responsible for delivering it to the intended recipient, you are hereby notified that you have received this document in error and that any review, dissemination, distribution, or copying of this message is strictly prohibited. If you have received this communication in error, please notify us immediately by e-mail, and delete the original message.
.....
.....

"Michelle Boucher" [REDACTED]



"Michelle Boucher" [REDACTED] k
05/02/2000 03:16 PM
To: Shari Robertson/Maverick [REDACTED]
cc:
Subject: University of Michigan foreign recipient

I spoke with [REDACTED] - who is the business school treasury contact. He indicated that in 20 yrs he has only been asked this twice!

The business school has a Hong Kong affiliate, but he is not whether only Hong Kong residents can contribute to it, and whether the money then stays in Hong Kong. The University as a whole may have other options, but again he said that in 20 years he had not been made aware of them, so is doubtful.

I told him, I would touch base to see what the interest level was and whether we would like him to look deeper and more actively into whether such a foreign 'receptacle' exists, or could exist.

He also said he preferred the remaining \$2M payment due at the end of this year, come through the existing structure, which I agreed would likely be the case.



- att1.htm

Confidential
SEC_ED00048143
PSI_ED00048143

6169

— = Redacted by the Permanent
Subcommittee on Investigations

Stacy Huebner
12/20/2000 09:20 AM

To: "Michelle Boucher" [REDACTED]
cc:
Subject: Re: email to sam [REDACTED]

Sam is in the office today and I will see that he gets it right away...

"Michelle Boucher" [REDACTED]



"Michelle Boucher"
[REDACTED]
12/20/00 11:49 AM

To: <shuebner@[REDACTED]>
cc:
Subject: email to sam

I sent Sam an email about a University of Michigan donation - the final instalment is due by year end. I'm taking care of it from here, but wanted him to know we were and if he has any problem with this I need to know asap.

Thanks!

Michelle

Confidential
SEC_ED00064545
PSI_ED00064545

6170

— = Redacted by the Permanent
Subcommittee on Investigations



"Michelle Boucher"
<mboucher@>

To: <swyfy>
cc:
Subject: university of Michigan

12/20/2000 09:48 AM

I believe that we are due to make the final \$2Million instalment of the \$10Million commitment to the University of Michigan Business School by year end.

I am making arrangements with the Trustees of Bessie Trust for the donation to be processed

Michelle

Confidential
SEC_ED00086438

[D]
CONFIDENTIAL
PSI_ED00086438


6171

— = Redacted by the Permanent
Subcommittee on Investigations

Stacy Huebner
12/20/2000 12:35 PM
To: "Michelle Boucher" [REDACTED]
cc:
Subject: Re: university of Michigan [REDACTED]

No problems here...call me if I can help.
FYI, he is headed to Aspen tomorrow.
Stacy H

"Michelle Boucher" [REDACTED]

 "Michelle Boucher" *
[REDACTED]
12/20/00 11:48 AM
To: <swyly@ [REDACTED]>
cc:
Subject: university of Michigan

I believe that we are due to make the final \$2Million instalment of the \$10Million commitment to the University of Michigan Business School by year end.

I am making arrangements with the Trustees of Bessie Trust for the donation to be processed.


Michelle

Confidential
SEC_ED00082674

[D]
CONFIDENTIAL
PSI_ED00082674

6172

— = Redacted by the Permanent
Subcommittee on Investigations

 "Michelle Boucher" <m[REDACTED]@[REDACTED]> on 10/27/2000 06:18 AM

To: kenneth@i[REDACTED].m
cc: Shari Robertson/Maverick@[REDACTED], Mike French/Maverick@[REDACTED]
Subject: Fw: Contribution to ESD
:

The protectors of Bessie trust would like to recommend a donation to the Episcopal School of Dallas, as below. I expect this donation should come from Dortmund or Atlantis, but will confirm. Assuming the trustees will proceed with the donation, please initiate the appropriate documentation for protector consent, and to add the School to the list of permitted beneficiaries.

Michelle
>

Details:

>
> A contribution of \$525,000 from the trustee to the Episcopal
> School of Dallas, [REDACTED] Dallas, TX 75229, 214-[REDACTED]
> Attention: [REDACTED], Director of Development.
>
> Please note in the letter to the school that it was requested by Evan Wyly.
>
>

Confidential
SEC_ED00046424

PSI FD00046424

6173

From: Michelle Boucher <[REDACTED]>
Sent: Friday, October 27, 2000 5:27 PM
To: evan wyly
Subject: Re: Contribution to ESD

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

The trustees will contact [REDACTED] to co-ordinate payment and arrange the wire instructions. In a situation like this, where you want to be identified as associated with the donation, the trustees will typically have a conversation and a follow up letter in which they do not identify the trust name, but make a statement something like : 'further to discussions with Evan Wyly, a trust for which we act as trustees makes the following donation.....'

If you want to give the school a heads up you could let them know that someone from IFG International - likely Ken Jones will be contacting them to make the appropriate arrangements.

Also, the trustees (and I) are wondering about whether the donation is for a specific purpose or project (noting that the contact is the Director of Development) Is there any further notations that should be made with respect to the purpose and intent for which the funds should be used?

Michelle

----- Original Message -----

From: <evan_wyly@r[REDACTED]>
To: "Michelle Boucher" <[REDACTED]>
Sent: Friday, October 27, 2000 11:41 AM
Subject: Re: Contribution to ESD

>
> Yes, Dortmund or Atlantis.
> Paid all up-front, not over time.
> What is the best way for me to let them know how the funds will arrive.

Do

> you have wiring instructions already?

>
>
>

> "Michelle
> Boucher" To: evan wyly
> cc:
> [REDACTED] Subject: Re: Contribution to

ESD

>

> 10/27/00

MAV010846

6174

> 08:20 AM

>
>
>
>
>
>
>
>

— = Redacted by the Permanent
Subcommittee on Investigations

> No, I didn't get it, I had some difficulty with email last Friday through
> Monday due to a large file that was jamming things up. Thanks for
> re-sending. I will forward to the trustees today. We will need to have
> the
> school added to the list of permitted beneficiaries and have this formally
> approved in writing by the protectors, I'll co-ordinate with mike & shari.
> I assume this should come from Dortmund or Atlantis? Is there any
> particular date the funds should be paid over. This process usually takes
> about a week, so in the normal course of things, I'd expect the trustees
> to
> be wiring to them on Thursday or Friday next week.

> Michelle

>
>

> -----Original Message-----

> From: evan_wyly@ [REDACTED]
> To: Michelle_Boucher%MAVERICKCAP@ [REDACTED]
> <Michelle_Boucher%MAVERICKCAP@ [REDACTED]>
> Date: Thursday, October 26, 2000 3:39 PM
> Subject: Contribution to ESD

>
>

>>Michelle, did you get this?

>>----- Forwarded by Evan Wyly/Maverick on 10/26/00 02:40 PM -----

>>

>>

Evan Wyly

>>

To: mboucher@ [REDACTED]

>>

10/23/00

cc:

>>

04:10 PM

Subject: Contribution to ESD

>>

>>

>>

>>

>>

>>

>>

>>

>>

>>

>>

>>

>>

>>

>>

>>

>>

>>

>>

>>

>>

>>

>>

>>

>>

>>

>>

>>

>>

>>

>>

>>

>>

>>

>>

>>

>>

>>

>>

>>

>>

>>

>>

MAV010847

THIS DEED is made the 1st day of November Two Thousand by AUNDYR TRUST COMPANY LIMITED of Douglas, Isle of Man, British Isles hereinafter called the ("Trustee").

SUPPLEMENTAL to a settlement dated the 2nd day of February, 1994 made between Keith L. King of the one part and Lorne House Trust Limited known as "The Bessie Trust" ("the Settlement") and to a further Supplemental Deed pursuant to which Aundyr Trust Company Limited succeeded Lorne House Trust Limited as Trustee.

WHEREAS:

- (1) In this Deed the expressions "Beneficiaries" and "Protector" shall have the meanings assigned to them in the Settlement.
- (2) By Clause 3 of the Settlement the Trustees have power by revocable or irrevocable instrument in writing to appoint and direct that any person or class of persons not already in the class of Beneficiaries shall thenceforth from the date of the instrument of appointment be included within the class of Beneficiaries.
- (3) The Trustee requires the prior written consent of the Protector to the exercise of the power conferred by Clause 3 and such consent dated 31st October 2000 had now been received.

NOW THIS DEED WITNESSETH and is hereby AGREED AND DECLARED that in exercise of the power conferred on it by Clause 3 of the Settlement and all other relevant powers the Trustee hereby appoints and directs that The Episcopal School of Dallas shall henceforth be included in the class of Beneficiaries for all purposes of the Settlement.

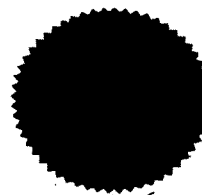
In WITNESS whereof the Trustee has caused its Common Seal to be hereunto affixed the day and year first above written.

THE COMMON SEAL OF
AUNDYR TRUST COMPANY LIMITED
was hereunto affixed in the presence of:-

[Handwritten signature]
[Handwritten signature]

DIRECTOR

DIRECTOR



HG 1035/00

kj/vld/vstore/deed2.xm

6176

4 CAELTON GARDENS
FALL MALL
LONDON SW1Y 5AA
TELEPHONE 0171-839 1677
FAX: 0171-839 3650/0171-930 8456
DX: 37224 PICCADILLY 1

**Morgan, Lewis
& Bockius**

REGISTERED FOREIGN LAWYERS & SOLICITORS

March 6, 1997

Fiona Crellin
Lorne House Management Limited
Lorne House
Castletown
Isle of Man

7 MAR 1997

Re: The Tyler Trust

Dear Fiona:

Further to my letter of March 4, 1997, enclosing the Deed of Appointment of The First Church of Christ, Scientist as beneficiary of the Tyler Trust, I now attach the original consent signed by the Protector.

Yours sincerely,


Simon Porter

1001/73949.1

MORGAN, LEWIS & BOCKIUS U.S.: PHILADELPHIA WASHINGTON NEW YORK LOS ANGELES MIAMI HANNOVER PITTSBURGH PRINCETON MINNEAPOLIS CHICAGO TOKYO SINGAPORE HONGKONG

Thomas J. Burt, Attorney - New York H. Franklin McCann, Jr., Attorney - New York Martin E. Conoff, Attorney - New York Charles E. Bogen, Jr., Attorney - New York
Joseph H. Berman, Attorney - Philadelphia DC Christopher C. King, Attorney - New York & California, Attorney - England, Scotland, Republic of Ireland, Switzerland
Charles G. Lister, Attorney - Washington DC Carlos E. Mendez-Palacio, Attorney - Mexico & New York Allen J. Harnisch, Attorney - New York Robert R. Kohn, Attorney - England

CONFIDENTIAL
PSI0013129

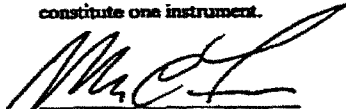
6177

To: Lorne House Trust Limited
Trustee of the Tyler Trust
dated 2nd February 1994

March 1997

We, Michael C. French and Sharyl Robertson in our capacity as Protector of the Tyler Trust hereby give our consent to the appointment and direction that The First Church of Christ, Scientist or any United States Church associated with the Christian Science faith be included in the class of Beneficiaries for all purposes of the Settlement.

This instrument may be signed in one or more counterparts and such counterparts shall constitute one instrument.


Michael C. French
Sharyl Robertson

CONFIDENTIAL
PSI00131299

6178

5 CARLETON GARDENS
PAUL MALL
LONDON SW1Y 5AA
TELEPHONE: 0171-839 1677
FAX: 0171-839 3650/0171-930 8456
DX: 37224 PICCADILLY 1

**Morgan, Lewis
& Bockius**

REGISTERED FOREIGN LAWYERS & SOLICITORS

February 28, 1997

Fiona Crellin
Lorne House Management Limited
Lorne House
Castletown
Isle of Man

Re: The Tyler Trust

Dear Fiona:

Further to our telephone conversation today I am attaching a copy of the Deed of Addition which is to be signed by the trustees. I am sending the Protector Consent out this evening and hopefully by the time you receive this Deed, the consent will have been given. However, as the consent of the protector is needed prior to the execution of the Deed, I would be grateful if you could call me to confirm that this is the case before the Deed is dated.

Yours sincerely,

Simon Porter

MISTAKE IN BENEFICIARY
NEW DOC. SENT
SENT
4/3/97 fl

LO01/73660.1

MORGAN, LEWIS & BOCKIUS LLP: PHILADELPHIA WASHINGTON NEW YORK LOS ANGELES MIAMI HAMBURG PITTSBURGH PRINCETON BRUSSELS FRANKFURT TOKYO SINGAPORE JAKARTA

Thomas J. Boze Attorney - New York H. Franklin Bloomer, Jr. Attorney - New York Martin F. Connell Attorney - New York Charles E. Begon, Jr. Attorney - New York
Joseph H. Rosemary Attorney - Washington DC Christopher C. King Attorney - New York & California, Solicitor - England, England the Netherlands Steven Lohle Solicitor - England
Charles G. Lohr Attorney - Washington DC Carlos E. Mendez-Palacios Attorney - Mexico & New York Alan J. Nevins Attorney - New York Robert Ralston Solicitor - England

Morgan, Lewis & Bockius is regulated by The Law Society as the conduct of overseas business

CONFIDENTIAL
PSI00131383



THE TRUST COMMITTEE OF LORNE HOUSE TRUST LIMITED

TRUSTEE OF THE TYLER TRUST

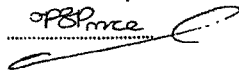
RESOLUTION IN WRITING

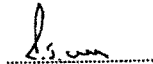
We the undersigned, being all the members of the above-mentioned Committee, pursuant to the powers vested in us by the Articles of Association of Lorne House Trust Limited ("the Company") in its capacity as the Trustee of the above mentioned Trust, do hereby resolve:-

1. THAT Messrs R J Collister and J K Basnet be and are hereby authorised to sign the Deed of Inclusion of the First Church of Christ, Scientist and others as beneficiaries to The Tyler Trust, a copy of which is attached and which is deemed to form part of this resolution.

Dated 6th March 1997

Committee Members


.....


.....

.....

.....

6180

DATED 6th MARCH 1997

THE TYLER TRUST

KEITH L. KING
as Settlor

and

LORNE HOUSE TRUST LIMITED
as Trustee

Deed of Inclusion
of THE FIRST CHURCH OF CHRIST, SCIENTIST
and others as beneficiaries

WYLY 02005

PSI00007044

THIS DEED is made the 6th day of March One thousand nine hundred and ninety-seven by LORNE HOUSE TRUST LIMITED of Lorne House, Castletown, Isle of Man, British Isles (hereinafter called "the Trustee").

SUPPLEMENTAL to a settlement dated the second day of February one thousand nine hundred and ninety four made between Keith L. King of the one part and Lorne House Trust Limited known as the "Tyler Trust" ("the Settlement").

WHEREAS:-

- (1) In this Deed the expressions "Beneficiaries" and "Protector" shall have the meanings assigned to them in the Settlement.
- (2) By Clause 3 of the Settlement the Trustees have power by revocable or irrevocable instrument in writing to appoint and direct that any person or class of persons not already in the class of Beneficiaries shall thenceforth from the date of the deed of appointment be included within the class of Beneficiaries.
- (3) The Trustee requires the prior written consent of the Protector to the exercise of the power conferred by Clause 3.

NOW THIS DEED WITNESSETH and it is hereby AGREED AND DECLARED that in exercise of the power conferred on it by Clause 3 of the Settlement and all other relevant powers the Trustee hereby appoints and directs that the First Church of Christ, Scientist or any United States Church associated with the Christian Science faith shall henceforth be included in the class of Beneficiaries for all the purposes of the Settlement

IN WITNESS whereof the Trustee has caused its Common Seal to be hereunto affixed the day
and year first above written.

THE COMMON SEAL of LORNE HOUSE
TRUST LIMITED
was hereunto affixed in the
presence of:-

R. S. M. D. M.
Daniel
Pratt

6183

214-888-4842 MICHAEL FRENCH


063 P82 MAR 11 '97 08:24

Via Fax# (617) 450-3236

1420

March 7, 1997

— = Redacted by the Permanent
Subcommittee on Investigations


The First Church of Christ, Scientist
175 Huntington Avenue A75
Boston, Massachusetts 02115-3187

Dear 

We are pleased to notify the Church of the intention of the Trustee of The Tyler Trust to distribute to the Church \$250,000 per year over the next five years starting in May of 1997 for a total of \$1,250,000.

The first distribution is contingent upon the church having pledges totaling \$11,000,000, including the planned distributions from the Trust by May 1, 1997, to be applied to the \$55,000,000 Capital Program to modernize the Christian Science Publishing Society and other facilities.

While we are happy for appropriate Church officers and others to be informed of this gift, we do not wish to be mentioned in any widely distributed printed information.

Cordially,

The Tyler Trust

By: Lorne Howe Trust Limited, Trustee

By: 

00000000

18-MAR-1997 15:27

214 888 4842

P.082

CONFIDENTIAL
PST0013133

The First Church of Christ, Scientist in Boston
Massachusetts
Office of the Treasurer/Restoration and Renewal Fund

— = Redacted by the Permanent
Subcommittee on Investigations

April 11, 1997

Trustee
The Tyler Trust
Lorne House Trust Limited
Castletown, Isle of Man
British Isles, IM91AZ

18 - 737

Dear Trustee:

We are thrilled to receive confirmation of the intention of the Trustee of the Tyler Trust to distribute to The First Church of Christ, Scientist \$250,000 per year over the next five years, starting in May of 1997, for a total of \$1,250,000.

We acknowledge that the first distribution is contingent upon the Church having pledges totaling \$11,000,000, including the planned distribution from the Trust by May 1, 1997. We further acknowledge that this gift is to be applied to the \$55,400,000 Capital Program (Restoration and Renewal Program) to modernize the Christian Science Publishing Society and other facilities.

As requested, we will not mention this gift in any widely distributed printed information and will inform others about it privately on a very selective basis only.

We are indeed grateful for this leadership contribution to our Program, and we will be pleased to provide the necessary information to confirm the achievement of the \$11 million goal by May 1, 1997, as well as subsequent progress reports on the overall success of the Program.

Please let me know if I can provide any additional information.

With much appreciation,

cc. Charles J. Wyly, Jr.
Arthur D. Pinkham, Jr.

THE FIRST CHURCH OF CHRIST, SCIENTIST, 175 HUNTINGTON AVENUE A7S, BOSTON MA 02115-3187, U.S.A.
PHONE (617) 450-3215 • FAX (617) 450-3294 • EMAIL: PAULD@CFPS.COM


CONFIDENTIAL
PSI00131302

6185

— = Redacted by the Permanent
Subcommittee on Investigations

Shari Robertson To: charles.wyly@5 [REDACTED]
10/26/1999 02:40 PM cc:
Subject: Lady Thatcher's archive donations

Do you want to remain anonymous?
— Forwarded by Shari Robertson/Maverick on 10/26/1999 04:39 PM —

 Michelle Bouzher To: Shari Robertson/Maverick@ [REDACTED]
[REDACTED] cc:
Subject: Lady Thatcher's archive donations
10/25/1999 08:28 AM

They would like to know if Tyler Trust would like to have its name on a Donor's plaque on the building. FYI - they are aware that the gift is not to be publicised, but have asked this question anyway - Francis has obviously given them the Trust's name in connection with the gift - didn't we specify that this be anonymous? Do you want me to mention this to Francis when I reply on the plaque notation?

Confidential
SEC_ED00043789
PSI_ED00043789

— = Redacted by the Permanent
Subcommittee on Investigations



"Michelle Boucher"

To: <wyly@ [REDACTED]>

cc:

Subject: contributions to the Church

05/17/00 10:00 AM

Mr. Wyly,

I have received confirmation from the Trustees (which agrees to my records) that no payments have been made to the Church for the year 2000. I have copies of the commitment letters which indicates that each of the Red Mountain and Tyler Trust committed \$1,250,000 (\$2,500,000 total) over 5 years to commence in May 1997.

As such this year's installment of \$250,000 each (\$500,000 total) is payable currently.

The Trustees have co-ordinated this with Sam's commitment so that all the payments will be made at the same time - I believe that in prior years, payments on behalf of your commitment were made earlier in the spring.

I apologise for any confusion surrounding this, and trust that you agree the trustees should proceed with their remittances. Kindly confirm this back to me, and I will advise.

Michelle

CONFIDENTIAL
SECI00023210
PSI00035077

6187

— = Redacted by the Permanent
Subcommittee on Investigations

Shari Robertson To: mboucher@
06/16/2000 03:01 PM cc:
Subject: Gift - \$100,000

The protector's committee would like to make a recommendation to make a gift of \$100,000 to the Humble Legal Foundation from LaFourche Trust. I will be faxing information from this "not for profit" organization as soon as I get it. I assume that the trust deed will need to be amended. The contact at the foundation is Steve Sheckman (sp?). His phone number is 707- . The gift will be wire to the foundation. Wiring instructions are Coast Central Credit Union, ABA # 321-1872248, Account # . The taxpayer id # is . Since all of this information was relayed thru a voice mail I have asked Steve to follow-up with all of the information in writing. I've also asked for proof that this is a charitable institution. Ultimately this gift will go to "save the Redwood trees in N. California". I think the gift needs to be made rather quickly because there are immediate needs. Confirm that you rec'd this.

The information contained in this e-mail message is intended only for the personal and confidential use of the recipient(s) named above. This message may be an attorney-client communication and as such is privileged and confidential. If the reader of this message is not the intended recipient or an agent responsible for delivering it to the intended recipient, you are hereby notified that you have received this document in error and that any review, dissemination, distribution, or copying of this message is strictly prohibited. If you have received this communication in error, please notify us immediately by e-mail, and delete the original message.

Confidential
SEC_ED00044296

PSI ED00044296



Our Ref: fw/sh-03/1303-003L
Your Ref:

14 March 2001

Michelle Boucher
The Irish Trust Company (Cayman) Ltd
P O Box 10658
5th Floor, Queensgate House
George Town, Grand Cayman
Cayman Islands
BRITISH WEST INDIES

TRIDENT TRUST COMPANY (I.O.M.) LTD

P.O. Box 175
12-14 Finch Road
Douglas IM99 1TT
Isle of Man
British Isles
Tel +44-1624-646700
Fax +44-1624-620588
Email iom@tridenttrust.com
Web www.tridenttrust.com

Transmitted by facsimile
To: +1 - 345 - 949 - 2519
Original follows by courier

Dear Michelle

TYLER TRUST

I recently received a letter addressed to Charles Wyly, c/o the Trust, from The Cambridge Foundation at the University of Cambridge, together with the accompanying Annual Reports and Accounts.

I accordingly enclose these items so that they may be forwarded on to Mr Wyly as appropriate.

With best regards.

Yours sincerely

F WEBB
Senior Manager

Enc

A MEMBER OF THE TRIDENT TRUST GROUP

BAHAMAS • BARBADOS • BRITISH VIRGIN ISLANDS • CAYMAN ISLANDS • CYPRUS • GUERNSEY • HONG KONG
ISLE OF MAN • JERSEY • MAURITIUS • SWITZERLAND • UNITED KINGDOM • UNITED STATES • U.S. VIRGIN ISLANDS

DIRECTORS: D.H. BERTER (G.B. & S.A.), W.P. MERRIAM (U.S.A.), G.J. MUNDY (IRE), R. SCOTT (G.B.)

VAT Registration No. 090 8119 32 • Registered Office: 12-14 FINCH ROAD, DOUGLAS, ISLE OF MAN • Registered in the Isle of Man No. 48471

CONFIDENTIAL
SEC100094693
PS100106560

Anthony Tootal
Joint Acting Development Director
Tel: (01223) 339809 -Direct line
E-mail: ajt27@cam.ac.uk

RECEIVED
16 FEB 2001

13 February 2001



UNIVERSITY OF
CAMBRIDGE

The Cambridge Foundation

Mr C J Wylly
Tyler Trust
c/o Trident Trust Co (IOM) Ltd
PO Box 175
12-14 Finch Road
Douglas
Isle of Man
IM99 1TT

Dear Mr. Wylly,

I have pleasure in enclosing the 1999-2000 annual reports and accounts for the University of Cambridge and The Cambridge Foundation. I do hope you will find these of interest.

The past year has been another period of exciting growth and development for the University, with yet further new projects, partnerships and research being undertaken by numerous departments and faculties. Some of the highlights of the year included the announcement of the Gates-Cambridge Scholarships Fund, generously supported by the Bill and Melinda Gates Foundation, for non-UK students, and the Millennium Scholarship Fund to support UK postgraduates. The opening of the first phase of the new Centre for Mathematical Sciences and the new Faculty of Divinity also took place during the year, and the Cambridge-MIT Institute was officially launched. The enclosed reports outline further highlights over this period for your interest and illustrate again how committed Cambridge is to ensuring the University maintains and increases its national and international standing.

Much of this continued success results from the ongoing generosity of Cambridge's supporters. We are aware that many of our great achievements would not be possible without such generosity and we are pleased to count you among our benefactors.

Yours sincerely,
Anthony Tootal

encls.

10 Trumpington Street
Cambridge CB2 1QA
Telephone: 01223 332288
Fax: 01223 460817

6190

From: Michelle Boucher [REDACTED]
Sent: Friday, January 25, 2002 10:50 AM
To: <shari_robertson@[REDACTED]>
Subject: Fw: CFT agreements
Attach: Consent of Protectors - CFT Distributions Jan2002.doc

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

FYI,
I will need you to countersign this. I'll forward you the funding documents that CFT has drafted, Rodney has okay'd this. Details on who will sit on the committee are unknown yet.

I have the Chaos Trust appointment to come to you, so I will print the attached and send the originals to you for countersigning with the Chaos stuff. Hopefully you'll get it Monday.

Michelle

----- Original Message -----

From: "Andy Wallis" <[REDACTED]>
To: <mboucher@[REDACTED]>
Sent: Friday, January 25, 2002 5:17 AM
Subject: Re: CFT agreements

Hi Michelle

Thanks for your emails. I have reviewed the requests and documentation with Colin and am pleased to report that the Trustees are happy to make the distributions.

I have attached a copy of a Consent of Protectors and ask that you and Shari sign and return the Consent to me in due course.

We do have a few questions concerning the distributions and they are as follows:

1. The Agreements state that the fund will provide for a 5% or 7% annual distribution for the first 5 years depending on the distribution. We would like to know what happens after these 5 years?
2. Although it does not apply directly to us as Trustees, can you tell me who will make up the committee? And will the family have some overview or involvement with the committee decisions?

MAV008390

3. When do the Agreements have to be signed and where should they be returned to?

I look forward to hearing from you later today.

Best wishes

Andy

— = Redacted by the Permanent
Subcommittee on Investigations

////////////////////////////////////

Andy Wallis, Account Manager
Inter-Continental Management Ltd
Prospect Chambers, Prospect Hill, Douglas,
Isle of Man, IM1 1ET, United Kingdom

Phone: +44 (0) [REDACTED]
Fax:: +44 (0) [REDACTED]
Email: andy@inter-continental.co.im

'Licensed by the Isle of Man Financial
Supervision Commission as a Corporate
Service Provider'

////////////////////////////////////

>>> "Michelle Boucher" [REDACTED] > 01/24/02 08:20pm >>>

Andy,
further to the two emails I sent you on this, we are proposing to gift CFT
two lots of \$500K worth of Ranger as at Feb 1st, 2001.

Please take a look at the funding agreements I sent you and be prepared with
any comments you have. I also propose the Trust gives a cover letter
indicating the following as their 'wishes' or 'objective' of making the
gift:

1. \$500K gift of Ranger Fund shares to establish a charitable fund to
support medical research being conducted by [REDACTED],
[REDACTED]. It is the donor's wish that the investmetn in Ranger Fund be
retained and the charitable fund provide for a 5% annual drawdown of the
investment.

2. \$500K give of Ranger Fund shares to establish a charitable fund to
support medical research being conducted by [REDACTED]
[REDACTED]. It is the donor's wish that the investment in Ranger Fund be
retained and the charitable fund provide for a 7% annual drawdown

MAV008391

6192

It is my understanding that the way CFT works, we can't stipulate the particular doctor in the actual funding agreements, but feel that it is important to indicate this in a cover letter, as this is the objective in making the gift.

Let me know what comments you have, we need to move forward on this asap, I have been back and forth on it with Ranger people for a few months and everyone is anxious to get it done.

I think you checked for me before, but refresh my memory as to whether CFT is a named charity yet, or whether we need to execute a deed of inclusion.

Thanks!
Michelle

MAV008392

— = Redacted by the Permanent
Subcommittee on Investigations



"Michelle Boucher"

[Redacted]

10/04/2000 10:37 AM

To: Shari Robertson/Maverick [Redacted]

cc:

Subject: meeting with Sam Wednesday

Stacy called & confirmed the meeting re: sub-funds. Do you want me to send you the latest schedule I did for him? Basically pulled \$10M out to each child, and included Cheryl.

I guess what we need to get from him is:

- \$ value he wants to split
- which investments to transfer and how much liquidity to leave them
- structure to put in place - sub-trust/sub-fund specifically designated
- or just a company with the implied benefit to particular individuals, or specified through letter of wishes, irrevocable?, protectors
- a sense of how we will run these pools going forward - ie. take directives from children, sw involvement/approval, reporting to children - onshore/offshore/consolidated.

Other things, coming to mind for us to think about:

If they are sub-funds of the trusts - I don't think they could appoint individual protectors - I think the trusts protectors will override - maybe we could put something in place that converts to an actual trust at his death. I don't think it's a bad idea to keep the current protector structure and get the kids working within it for a while and then bring new people they select in (depending on the structure)

Assuming they will be sub-funds - or specifically designated companies, that are irrevocable, I think we should set up one new company for each child and pick which trust we think is best to put it under at this time. Move whatever value of assets into it as are decided. Obviously, I'm thinking of Bulldog, as it is the biggest, especially if we get everything merged back together. The only issue I can see with that is that Two Mile Ranch and Cottonwood are all in Bessie, and I thought it would be a good idea to have the children's sub-funds contributing there to keep them focused on it. At first I thought that if we set the sub fund's up as companies maybe, they could own a portion of Cottonwood (IOM)'s shares and contribute pro-rata with Bessie. But I don't think we want the 1992 trust's effectively owning part of the real estate.

Anyway.. we can think about it. Maybe we can just split out from the 1992 and the 1994 trusts. The only thing the 1995 trust has in it that couldn't be covered by the 1992/94's is the Red River Commitment. We could just leave that with Sam, or see if Red River can transfer portions of the commitment directly to the children's sub-fund company, and have the sub-fund buy it from La Fourche for cash (I think it would be about \$150K per child impact). Just thinking about creating 7 or 14 or 21 new entities.

That's my initial thoughts, if you have any free time to think quickly about other issues, let me know. I'll try to put something together again.

Michelle



-att1.htm

Confidential
SEC_ED00044342

PSI ED0004440

October 25, 2000
 Conference Call – Sam Wyl, Shari Robertson, Michelle Boucher, Keeley
 Hennington
 Re: Creation of Sub-Funds – Foreign System

A) Initial Set up

- 1) How many sub-funds – which individuals are to be included.
- 2) Total \$ value of allocations – used 20% of major assets, which resulted in approximately \$10Million per person
- 3) Which assets to be allocated (following notes are my suggestions)
 - specific allocations to individual sub-funds (GAV, Spitting Lion (Rosemary's house to her children, possibly Cottonwood gallery to Kelly), any others?)
 - assets not to be allocated – remaining in global pool (Highland Stargate loan to SC, Intelecon, Winston Thayer, Hypercar, Chapparral 2000, Irish Holdings, Art & Collectibles, Maverick held in Annuity Policy – also consider Malibu loans and Red River) - either small \$ value, or difficult to split, or requiring ongoing commitments through capital calls. The Maverick investment held in the Annuity would be difficult to split and also result in very heavy weighting to Maverick
 - assets can be allocated to sub funds in future (specific pieces of art, Red River once funded etc....)
 - consider need for liquidity for ongoing cash requirements of existing investments and payment of fees. (Aspen property cash requirements, ability to liquidate assets to raise funds from within the sub-funds for future investment / further diversification)
- 4) Creation of Sub-Funds under existing trusts that are nominated for specific individuals vs. creation of Sub-Trusts
 - recommend setting up new companies as subsidiaries of existing trusts, which are declared as sub-funds nominated for specific individuals
 - sub-funds will be governed by existing trust declarations, and existing protectors
 - recommend that the creation of sub-funds be revocable
 - status of sub-funds can be changed at future date
 - sub-funds can convert to 'sub-trust' at death of SW

B) Operational Issues

- 1) Operation of sub-funds – will still go through protector system, but is the intent to communicate directly with children with respect to investment and other decisions relating to the sub-fund assets
- 2) Reporting – expand reporting to children to include foreign balance sheet and domestic with global consolidation by child?

C) Other Issues

- 1) Partition of Bessie Trust specifically held for Evan should be appointed to a sub-trust and the assets allocated as part of the sub-fund allocations are to be held separately.

Confidential
 SEC_ED00044407

PSI ED0004440

D) Issues to be discussed between Trustees, Attorneys and Protectors concerning structure and strategies for transfer of assets into the sub-funds

- 1) Try to minimize the number of subsidiary companies/sub-funds necessary to create, by establishing which trust is most appropriate and most favoured to create the sub-fund from.
- 2) Determine best strategy to transfer assets into the sub-fund
 - consider gift from one trust/company to another (tax free gifts between companies are permitted in IOM, but what possible US tax impact is there if the gift is between different series of trusts, also explore trustee's comfort level of doing this when different classes of beneficiaries exist)
 - consider loans between trusts/companies (bona fide/arms's length terms)
 - consider sale of assets between trusts/companies (fmv)
 - consider movement of growth oriented assets to more tax favoured structures
 - determine requirement to or if any advantages exist in allocating portion of annuity liability to sub-funds

Confidential
SEC_ED00044408

PSI_ED0004440

Memo

Subject: Creation of Sub-Trusts
 To: Evan Wyly, Keeley Hennington
 From : Michelle Boucher
 Date: February 2nd, 2001

— = Redacted by the Permanent
 Subcommittee on Investigations

Goal:

Establish a separate irrevocable trust for the assets currently owned by Dortmund and Atlantis, subsidiary companies of The Bessie Trust, the beneficiaries of which include: Evan Wyly, his spouse and his issue.

Current Status:

Dortmund and Atlantis are subsidiaries of The Bessie Trust – a Foreign Grantor Trust ("FGT"). Trusts and subsidiary companies are exempt from all US Income Taxation during the lifetime of the Foreign Grantor (Keith King)

The Bessie Trust has a broad class of discretionary beneficiaries, which includes: Keith King, the foreign grantor, Sam Wyly, Sam Wyly's spouse, the issue of Sam Wyly, as well as a few charities. The trustees can also add other beneficiaries with the consent of the protector.

A revocable letter of wishes is on file with the Trustees of the The Bessie Trust, which requests that the Trustees operate Dortmund and Atlantis for the benefit of Evan Wyly, and in the event of Sam's death, the balance of the trust assets would be split per stirpes amongst Sam's 6 children.

Status after death of Grantor:

Loss of FGT - the trusts still remain non-U.S. taxpayers, but trust distributions are taxed and any distributions of income accumulated after the grantor's death are subject to accumulation tax as well. Rodney's Sept 7th, 2000 memo suggests that although no strict guidance exists, income accumulations prior to the grantor's death (ie. total value of the trust at the date of the Grantor's death should be distributable tax free.

The subsidiary companies should NOT be considered CFC's (Controlled Foreign Corporation), FHPC's (Foreign Personal Holding Company) or PFIC's (Passive Foreign Investment Company) since there is such a broad class of beneficiaries and the trustees have discretionary power over making distributions. As such it is impossible to determine a deemed actuarial interest of any beneficiary with respect to the shares of any of the subsidiary companies.

If such an actuarial interest were deemed, the subsidiary company would be treated as a CFC, and the beneficiary would be subject to U.S. income tax for any proportional interest in the undistributed taxable income in the CFC.

Issues associated with creating the Sub-Trust:

During the lifetime of the Foreign Grantor - So long as Keith King is included as a beneficiary of the sub-trust, the grandfathering provisions continue to apply and there are no changes to the tax status of the sub-trust or subsidiary companies during his lifetime.

After the death of the Foreign Grantor - The FGT Status is lost and the same tax implications outlined above should apply. There is a risk that because the class of beneficiaries has been

narrowed to just Evan Wyly, Evan's spouse and the issue of Evan Wyly, a deemed actuarial interest could be more easily calculated and attached to a particular beneficiary, or allocated proportionately amongst all beneficiaries. If this occurs, the subsidiary companies could be deemed CFC's, ownership would be attributed to the deemed beneficiaries and they would be subject to U.S. income tax on undistributed taxable income of the trusts.

Structures/Options to eliminate/reduce possibility of being deemed a CFC after the death of the Foreign Grantor:

Liquidate subsidiary companies and hold assets directly by the sub-trust - This removes the extra 'layer' of confidentiality and the enhanced asset protection afforded by using limited liability companies, but removes the corporate vehicle so no ownership of the shares can be attached to a beneficiary. The same tax rules apply with distributions being taxed and undistributed (accumulated) net income earned subsequent to the grantor's death being subject to accumulation taxes.

Convert subsidiary companies to LLC's - May be able to eliminate the CFC issue by 'converting' the subsidiary companies to LLC's which are treated as partnerships. This option was raised at our meeting with Rodney on Thursday and is to be explored further.

Wrap assets in a Variable Life Insurance Policy - Since these policies provide for tax free accumulations on the underlying investments and the death benefit payment is not taxable, they provide an effective means of maintaining the trusts with tax exempt status.

Comments:

It appears to me that if we create the sub-trust the scenarios could exist after the death of the Foreign Grantor:

1. Sub-trust with subsidiary companies, no deemed actuarial benefit and no CFC, FPHC or PFIC assessment - distributions would be taxed and accumulated undistributed income would be subject to accumulation tax if ever distributed. Distributions of income accumulated prior to the grantor's death should be tax free.
2. Subsidiary companies liquidated and assets held by the sub-trust directly - same as 1. Above, but no possibility that CFC, FPHC or PFIC assessment could be made.
3. Subsidiary companies converted to LLC's - to be explored with legal counsel, but likely the same outcome as 2.
4. Actuarial benefit is deemed to one or more beneficiaries and the subsidiary companies are deemed CFC's - all income, distributed or undistributed is taxed to beneficiary.
5. Sub-trust assets are wrapped in a Variable Life Insurance Policy - all accumulations are tax free within the policy and the proceeds on death of the insured are tax free therefore no taxable income to the trust.

*any down side
to VLI policy?*

— = Redacted by the Permanent
Subcommittee on Investigations

Summary of Proposed transactions:

The transactions have been structured to accomplish the following goals:

- utilize as little cash as possible to fund the LLC's
- wherever possible, use cash from 1992s to repay loans between the real estate companies and 1994 entities – this will transfer cash to the 1994 trusts for future investments, and bring the loan amounts at the LLC levels to the highest level (\$9.5M per LLC - \$500K being retained in Yurta Faf as 5% for proposed Frozen LLC implementation – if adopted)
- use as few subsidiaries of the 1992 trusts as possible

Issues remaining:

- there are still significant intercompany balances between the 1992 entities and the real estate companies. I suggest we get through the LLC allocations and re-evaluate these positions. Perhaps another series of formally documented loans via Security Capital is appropriate to represent the 80% share of expenses in Cottonwood II and Two Mile Ranch.
- I'm unable to decide whether we should move everything directly IOM company to LLC and then 'wrap' the transactions into the loan documents, with letters of authorization from Security Capital authorizing the transfers of the investments to be IOM company to LLC on their behalf, or transfer everything from the 1992 entities to Security Capital and then out to the LLC's. The first option eliminate the need to transfer everything twice, but I think the second approach follows the legal form of the transaction better and seems easier to facilitate. For example, \$21M of Ranger would be transferred to Security Capital and then six transfers out to the LLC's would take place. David and I discussed centralizing the transactions through one 1992 entity and/or one 1994 entity on the other side. I think centralizing them through Security Capital accomplishes the same thing, with fewer steps. Please comment

The transaction flow outlined below indicates transfers direct between 1992 and 1994 entities, but as discussed above, I think it is preferable to move the assets to Security Capital then to the 1994 entities.

Spitting Lion investment:

- Total funds advanced to date is \$1,016,000, split 4 ways is \$254,000 per LLC re: M
W/R 1,016,000
Cash 1,016,000
- Moberly advances \$254,000 to each of Orange, Pops, Flo Flo and Bubba
- Spitting Lion issues 3 additional shares. Split 1,000
- 1 share is transferred to each of Orange, Pops, Flo, Flo and Bubba in return for payment of \$254,000 to Spitting Lion
- Spitting Lion repays Yurta Faf the intercompany of \$1,016,000.
- End up with each LLC having invested \$254,000 to Spitting Lion with a corresponding loan payable to Moberly.

Cash balances

- Moberly loans cash to each sub fund to balance to the \$10M total per company, totaling \$5,290,584, split as per spreadsheet

N/R - 5,290,584

CONFIDENTIAL
SEC100027677
PS100039544

Michaels Stores Inc.

- Once the Lehman Brothers accounts are established for the Cayman LLC's, Yurta Faf transfers each LLC \$500,000 worth of Michael's at the closing price at the end of the selected day. The trade should be via journal entry, and not made in the market.
- Consideration will take the form of an intercompany account between the LLC and Yurta Faf.
- It is anticipated that this will convert to Bessie Trust's 5% contribution in the event that we are able to use the proposed Frozen LLC structure.

Cottonwood I investment

- Bubba will buy the stock of Cottonwood I from Bessie Trust for the amount of funds advanced to date, being \$2,815,150.
- To pay the purchase price of \$2,815,150, East Baton Rouge will loan Bubba \$815,150 which they will invest in Cottonwood I, and Bubba will assume Cottonwood I's payable to Greenbriar for \$2Million.
- Cottonwood I will use the \$815,150 to repay Audubon their advance of \$400,000 and Bessie Trust their advance of \$415,150.
- Bubba ends up with \$815,150 payable to East Baton Rouge and \$2Million payable to Greenbriar and a \$2,815,150 investment in Cottonwood I

Cottonwood II investment

- Each LLC should take 1/6 of 20% of the total cash committed to Cottonwood II.
- Cottonwood II has had total cash injected of \$6,881,000 via a \$6,880,000 intercompany with Greenbriar and a \$1,000 intercompany with Bessie Trust
- Each LLC will assume 229,367 of the payable to Greenbriar, in return for being issued one share.
- The \$1,000 due to Bessie will remain at the Cottonwood II level for now.
- TO DISCUSS – Trustees to advise what their thoughts are re: shareholdings – ie. End up with one share issued to Bessie Trust and one to each LLC, or issue additional shares to Bessie as well to reflect their 80% 'control' vs. the 1/6 of 20% given to each LLC being represented by 1 share/
- Based on this discussion, Cottonwood II will need to issue more shares accordingly.

Global Audio Visual stock / Global Audio Visual loan at 10%

- These will be transferred to Flo Flo, in return for a loan payable to Greenbriar
- Stock will be transferred to reflect total cash invested by Greenbriar, although it is valued at \$0.10 per share
- Loan will be transferred at 5/31 valuation including accrued interest at that date, which equals \$1,037,192. ^u

Maverick Levered Fund

- East Carroll Limited will transfer \$500,000 of it's holding of Maverick Levered Fund to each LLC in exchange for a loan from each LLC.

Ranger Fund

- Moberly will transfer a total of \$21 Million of Ranger Fund, split between the LLCs as per the attached, in exchange for a loan from each LLC.

Greenmountain Stock

- Greenbriar will transfer a total of \$11Million of Greenmountain, split between the LLCs as per the attached, in exchange for a loan from each LLC.

Mi Casa Limited

- The outstanding share of Mi Casa will be transferred to Flo Flo. Flo Flo will assume MiCasa's \$1Million loan payable to Greenbriar in exchange for it's equity.

Two Mile Ranch Limited

- Each LLC should take 1/6 of 20% of the total cash committed to Two Mile Ranch (\$548,313 each)
- Two Mile Ranch Limited owes Sarnia \$2Million
- Moberly will repay Sarnia the \$2Million, thus transferring the loan from Sarnia to Moberly to reduce the number of companies involved in the overall reallocations.
- Each LLC will assume \$333,333 of this \$2M intercompany in return for equity, thus creating a direct loan between the LLC and Moberly, and eliminating this portion of debt in Two Mile Ranch.
- Two Mile Ranch owes Bessie approximately \$1.5Million. After the LLC's assume the \$2Million from Sarnia via Moberly as above, there is a total of \$1,289,878 of remaining to be allocated to the LLCs – representing \$214,980 per LLC.
- Moberly to advance each LLC an additional \$214,980 which they invest in Two Mile ranch as part of the payment for their equity interest. Two Mile Ranch uses this to repay most of the Bessie intercompany loan.
- TO DISCUSS – Trustees to advise what their thoughts are re: shareholdings – ie. End up with one share issued to Bessie Trust and one to each LLC, or issue additional shares to Bessie as well to reflect their 80% 'control' vs. the 1/6 of 20% given to each LLC being represented by 1 share/
- Based on this discussion, Two Mile Ranch will need to issue more shares accordingly.

**SSW Foreign Trust
Allocations to Sub-Funds
based on 3/31/01 financials**

1992 → Security Apptl → 1994
 i) Marketable (value based) ~~apptl~~ ^{apptl} in kind
 → guarantee — repd in kind regardless of value.
 Fee → 90 million / 50-75k.
 total

CONFIDENTIAL
SECI0006642/
PSI0007829:

6202

From: Shari Robertson
Sent: Tuesday, September 21, 1999 9:32 AM
To: mboucher@[REDACTED]
Cc: ralexander
Subject: Purchase of Co. real estate

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Will you please start pushing on the SW Colorado real estate purchase. I believe Francis and David have the contract and they are in contact with "Bob" in Colorado. If you need to know more about Bob talk to Rena. The transaction will work as follows:

Devotion, Ltd. -->

Contribute 99% purchase price back to LaFourche -->

LaFourche to form to subtrust called Rocky Mountain Trust (Rodney has supposedly been in contact with Michael Fullerlove to form trust, make David B. aware and see if Michael has this done, Shonda has Michael's phone number if you don't)-->

LaFourche to contribute purchase price to Rocky Mountain Trust -->

Rocky Mountain Trust (IOM) to form subtrust Rocky Mountain Trust (Texas), Rodney is forming (I don't know who the trustee of this will be)-->

Rocky Mountain Trust (IOM to contribute purchase price to Rocky Mountain Trust (Texas) -->

Rocky Mountain Trust (Texas) to be 99% owner of Rocky Mountain Serenity 1, LLC and Rocky Mountain Serenity 2, LLC (these entities are formed - attorney is Leonard Oates in Co.)-->

Rocky Mountain Serenity 1, LLC and Rocky Mountain Serenity 2, LLC to purchase the four lots on Oct 7th.

The 1% owner of the two LLC's will be Sam Wyly.

You and Rena need to talk about who is going to do the accounting records for these entities and set up bank accounts to transfer the money thru. The two LLC's will be building houses. There will be architectural fees starting quickly. There will be significant legal bills to get the approval of the buildings. You should plan to move an additional \$500,000 fairly quickly before or after closing.

MAV007688

6203

Amy has asked me to confirm what the withdrawal from Maverick will be at 10/1. Will you please review and advise her how much. I think I left it at \$10 million, just in case.

You should plan cash in Elegance to be loaned to Stargate of another \$5 million.

You should plan cash to purchase Colorado (CW) properties of about \$10 million in the next 30 days.

SW and CW trusts will probably purchase the SE domestic options in the next 30-60 days. These can be expected to be turned into cash 6/30 of next year. Keeley is doing Black Scholes estimates today and I will let you know what the expected sales price will be.

Give me an update on the "Rocky Mtn" entities.

MAV007689

6204

From: Michelle Boucher <[REDACTED]>
Sent: Thursday, December 9, 1999 3:59 PM
To: Shari Robertson
Subject: financials

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

I am so close to having October done, but I'm not going to make it for today. :(I am very very disappointed.

I went back to Rodney again yesterday on the Devotion/La Fourche/Little Woody Creek Ranch Funding, and await an answer, but maybe you have an idea:

He said to book the movements from Devotion to La Fourche to Little Woody Creek Ranch as return of capital and then investment. The initial capital that La Fourche put into Devotion was approx \$4.9M, and the money we moved was approx \$12M, and we'll need to move future funds for construction/maintenance etc.... ongoing costs. My first problem is how to reflect the excess over the paid in capital - dividend/loan?, and secondly what's the best approach to handle ongoing funding.

I also asked him to confirm how we handled the Soulieana/Tyler/Gorsemoor/Stargate Loan Funding transaction. The Trustees have booked it all through as intercompany/intertrust advances - no investments, no refunds of paid in capital. I want to be sure we're okay taxwise showing it that way.

I'll let you know what he comes back with, and if you have any ideas on the La Fourche transaction let me know.

Petra is going to continue on putting November together in my absence. I expect we'll have no trouble having November's available by the end of the month. Elaine hopes to have November completed by December 22nd. If she does, this will allow us to have the consolidation by month end.

MAV007788

6205

— = Redacted by the Permanent
Subcommittee on Investigations

Michelle Boucher

To: Shari Robertson/Maverick@

cc:

Subject: Little Woody Creek Ranch Limited

03/28/2000 10:46 AM

Please respond to



I'm trying to get this sorted out to be sold to Bessie Trust in the next 5 - 10 days.

There has been some back and forth on how to show the original funding in Devotion to WCRL to by the properties, but finally, in February I confirmed to Francis to go ahead with Devotion Limited being the sole share holder of LWCRLL (as confirmed by Rodney). What we also decided was that the full invested amount of approx \$12M be reflected as a capital contribution (par value and share premium).

Now that I'm looking at selling the company to Bessie Trust, I don't think this was the best way to do it. I think we should have left it as Devotion holding the nominal shareholding (of say \$100) with the balance of the funds being reflected as a interco advance from Devotion. That way I can sell LWCRLL to Bessie Trust for \$100 and have one of Bessie's subsidiary companies assume the loan from Devotion (or advance the funds to LWCRLL and have them repay Devotion - I don't think it makes a difference).

If Bessie Trust has to buy LWCRLL from Devotion for the full \$2,190,000 I need to get money up to the Trust from a sub corp, which I know we don't want to do. Alternatively, I can have a subsidiary company (and if we have to go this route, I recommend we use the newly formed Spitting Lion as it was also formed for the purpose of a real estate transaction purchase LWCRLL. This would be okay, but I'd prefer for LWCRLL to be a sub of the Trust, rather than a sub of a sub of the trust.....

Anyway - I've asked Francis to confirm that he did go ahead in February had has made the necessary changes to show all the investment as capital, and if so, to find out if we can take action to effectively reverse it.

I'll let you know what happens - I just thought you should be aware of the back and forth on this.

I've also sent recommendations today to clear up some intercompany balances and move some funds around between Bessie/Bulldog to make sure Bessie has money to buy LWCRLL.

Michelle

Confidential
SEC_ED00047995

PSI_ED00047995

From: Michelle Boucher <[REDACTED]>
 Sent: Wednesday, March 29, 2000 10:42 AM
 To: Shari Robertson; Mike French
 Subject: RE: Little Woody Creek Ranch sale to Bessie

[REDACTED] = Redacted by the Permanent
 Subcommittee on Investigations

The way we've structured it, Bessie Trust will own Little Woody Creek Ranch Limited (an IOM company) which will have co-settled the Texas Trust that owns the Colorado LLC's that own the properties.

Since Bessie owns 1 share at GBP1, no funds moved to the trust (which I believe is what we want). I think the only thing 'at issue' is the way money moved to Little Woody Creek Ranch Limited (IOM company) - which is by way of an intercompany loan - direct to LWCRL, from another subsidiary co of the Trust.

I hope this makes sense - let me know if you think we have a problem. I know we talked to Rodney a few times about this, but as Shari and I discussed, I don't think either of us felt he really concentrated on what we were telling him and the subtleties of the transactions.

Thanks

-----Original Message-----

From: Shari_Robertson/Maverick%MAVERICKCAP@[REDACTED]
 Sent: Wednesday, March 29, 2000 9:35 AM
 To: mboucher@[REDACTED]; Mike_French/Maverick%maverickcap@[REDACTED]
 Subject: Re: Little Woody Creek Ranch sale to Bessie

It has been a while since we talked with Rodney about this. We do want the trust vs. a corporation owned by the trust to own the property? How does the trust get money? Loan or dividend? Mike - any issues we need to address?

The information contained in this e-mail message is intended only for the personal and confidential use of the recipient(s) named above. This message may be an attorney-client communication and as such is privileged and confidential. If the reader of this message is not the intended recipient or an agent responsible for delivering it to the intended

MAV008012

6207

recipient, you are hereby notified that you have received this document in error and that any review, dissemination, distribution, or copying of this message is strictly prohibited. If you have received this communication in error, please notify us immediately by e-mail, and delete the original message.

— = Redacted by the Permanent
Subcommittee on Investigations

Michelle

Boucher To: Shari
Robertson/Maverick@ [REDACTED]
[REDACTED] cc:
[REDACTED] Subject: Little Woody Creek
Ranch sale to Bessie

03/29/2000

07:37 AM

Please

respond to

[REDACTED]
[REDACTED]

Good news (!) is that Francis hadn't finalized the 'restructuring' of the transaction so from a corporate records perspective Devotion has \$1.65 invested in LWCRL's capital stock and a loan to them for \$12,193,000. I'll to have Bessie buy LWCRL for \$1.65 and have Yurta Faf advance LWCRL \$12,193,000 and have LWCRL repay Devotion. Ken is moving funds around to get money available in Yurta Faf. I expect the sale etc.... will happen

MAV008013

6208

Monday.

Michelle

MAV008014

6209

From: Shari Robertson
Sent: Wednesday, May 3, 2000 10:05 AM
To: Mike French; mboucher@[REDACTED]
Subject: RE: intercompany activity - 1995 trusts
Attach: att1.htm

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

The information contained in this e-mail message is intended only for the personal and confidential use of the recipient(s) named above. This message may be an attorney-client communication and as such is privileged and confidential. If the reader of this message is not the intended recipient or an agent responsible for delivering it to the intended recipient, you are hereby notified that you have received this document in error and that any review, dissemination, distribution, or copying of this message is strictly prohibited. If you have received this communication in error, please notify us immediately by e-mail, and delete the original message.

----- Forwarded by Shari Robertson/Maverick on 05/03/2000 09:02 AM -----

"Owens, Rodney J." <rowens@[REDACTED]>
05/03/2000 09:01 AM

To: Shari Robertson/Maverick@[REDACTED]
cc:
Subject: RE: intercompany activity - 1995 trusts

Shari-

As we reviewed during our meetings, Michelle's conclusion is correct. With interest-free loans, the lending Trust would be deemed to have imputed income. Conversely, the borrowing trust would have an imputed interest expense. Hence, during the post-September 19, 1995 period up to the date Cairns is officially designated as a Beneficiary, I would avoid any interest-free loans out of the 1995 Trusts. By the way, I was really pleased with our meetings, and believe we finally have some long-term planning underway! Have a safe trip to "scenic" IOM!

-----Original Message-----

From: Shari_Robertson/Maverick%MAVERICKCAP@[REDACTED]
[mailto:Shari_Robertson/Maverick%MAVERICKCAP@[REDACTED]]

MAV008034

6210

Sent: Wednesday, May 03, 2000 8:50 AM
To: rowens@[REDACTED]
Subject: intercompany activity - 1995 trusts

for your information

The information contained in this e-mail message is intended only for the personal and confidential use of the recipient(s) named above. This message may be an attorney-client communication and as such is privileged and confidential. If the reader of this message is not the intended recipient or an agent responsible for delivering it to the intended recipient, you are hereby notified that you have received this document in error and that any review, dissemination, distribution, or copying of this message is strictly prohibited. If you have received this communication in error, please notify us immediately by e-mail, and delete the original message.

----- Forwarded by Shari Robertson/Maverick on 05/03/2000 08:47 AM -----

"Michelle

Boucher" To: Shari
Robertson/Maverick@[REDACTED]
cc:
[REDACTED]
Subject: intercompany activity
- 1995 trusts

05/02/2000

03:11 PM

MAV008035

6211

The only intercompany activity they have had are as follows:

Devotion and Elegance both received loans from 1992 trust corporations, in 1995. These were repaid with market rate interest in 1996.

Devotion sold some its shares of Maverick Fund to 1992 trust entities and received the proceeds in two payments (1 immediately and 1 about 30 days later) There was a small receivable for 1 mth (about \$62,000 each)

My notes from yesterday's call indicate that it is only when the 1995 trusts loan money to the other trusts interest free that we could have a problem, please confirm this is your understanding too. This has not happened.

Michelle

- att1.htm

MAV008036

6212

— = Redacted by the Permanent
Subcommittee on Investigations

From: Keeley Hennington
Sent: Wednesday, January 24, 2001 12:14 PM
To: MBoucher@ [REDACTED]

I am faxing Rodney's 1099 memo to you now. He is going to do in a format directly to SDC. I also got the Greenbriar stuff - thanks very much. Were they current on interest through 6/30 such that the \$47,890.41 should be the total balance in accrued interest at 12/31?

Also, I have not been able to get with Jason yet on Edin stuff. I am hoping to catch him before I leave today

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

[REDACTED]

PSI-WYBR 00610

6213

Wrangler.

Donna
Michie@

To: Keeley Hennington/hnst@

cc:

Subject: Re: Wrangler

08/15/00 10:08 AM

= Redacted by the Permanent
Subcommittee on Investigations

Keeley,

There should be distributions at Tallulah for 7/15, 7/16 and 8/15 totaling \$ 50,000.01. I will reclassify to Wrangler on Maverick's books. I will need bank information for Wrangler -- to set up the semi-monthly distributions. Also, we need to reconcile the Maverick 1999 distributions (distributed in January 2000) between Highland and Tallulah.

Maverick cash distributions to Highland & Tallulahs
Keeley Hennington

Keeley
Hennington@
08/15/00 09:30 AM

To: Shari Robertson/Maverick@
Michie/Maverick@

cc:

Subject: Wrangler

I talked with Rodney this morning and we are going to re-sign all of the Wrangler documents effective 6/30. Donna, your spreadsheet should be okay up until any July distributions that should have been made to Wrangler and not Tallulah. We will book it 7/1 on our books since we have not yet closed July. I will work thru John M. to get Maverick's side of the assignments taken care of.

I hope this makes it easier for everyone - Thanks for your help yesterday.

PSI-WYBR 00601

— = Redacted by the Permanent
Subcommittee on Investigations

From: "Michelle Boucher" [REDACTED]
Sent: Thursday, August 30, 2001 10:18 PM
To: Cannab@ [REDACTED]; <davidh [REDACTED]>
Cc: <khennington [REDACTED]>
Subject: Fw: FW: Annuity surrender

Anna,

I just re-read Mike's note to David and I noted that Mike indicated that Rodney Owens was not consulted about the withdrawal. To fill in some blanks for you, and as David will recall, Rodney was in fact consulted early last fall when a decision was reached to surrender the policy effective 12/31/00. At that time Rodney advised us that he did not feel that any additional value the policies gave to the trust tax status warranted the fees that were being incurred and did not see a reason to continue to keep the policies in force. At the time Scottish came back and offered to reduce the policy fee to 10 basis points per annum, and the trustees agreed to cancel the surrender and maintain the policies on that fee basis - my understanding is that Scottish didn't want the withdrawal hitting their year end numbers and were willing to give the fee concessions to prevent that. The situation we are in now is one of needing access to the withdrawal proceeds to fund other investments.

The withdrawal of these policies has been on the trustees/protectors' agenda prior to our meetings in Geneva last year, I want to reinforce to you that the protectors always obtain the advice of counsel prior to proceeding with recommendations for transactions that may affect the tax status of those trusts. I believe that through my various discussions with David on these and other matters, he is aware that the principals are well informed about these issues and proper consideration and consultation has been undertaken.

However, Keeley, Shari and I have spoken with Rodney Owens on this matter again today. He confirmed that as per Mike's email, in the event that the trust was challenged and successfully deemed a Grantor Trust, it is possible that any income earned by the trust in the previous 6 yrs (the statute period) would be subject to taxes, interest and penalties. Since the annuity defers income, it would also defer the payment of tax, interest and penalties on income earned on those assets underlying the policy. So if the trust were successfully challenged, any income earned inside the policy would not be subject to tax, interest and penalties until the surrender date. (at which time the amount surrendered would be treated as ordinary income). Having these assets in the Scottish Policy doesn't eliminate the tax, interest and penalties that could arise if the trust were challenged, it just defers the possible payment date.

The flipside to this is that if the income accumulated in the policy to date is crystallized now (by surrendering the policy), it would only be eligible to be subject to tax, interest and penalties, if the trust is successfully challenged in the statute period. Future income on these assets would be earned and accumulate in the trust alongside the other trust assets and be subject to the same risks as the assets currently held outside the policy.

Shari, Keeley and I are discussing a few other issues on this matter, and I hope to get back to you tomorrow or Monday with further information. I welcome any comments you may have.

Michelle

PSI-WYBR 00644

— = Redacted by the Permanent
Subcommittee on Investigations

>>-----Original Message-----
>>From: AnnaB8 [REDACTED]
>>Sent: Wednesday, August 29, 2001 4:28 AM
>>To: nboucher [REDACTED]
>>Cc: lhaskins [REDACTED]
>>Subject: FW: Annuity surrender
>>
>>Michelle,
>>
>>You will of course have received Mike French's e-mail concerning the
>>annuity surrender due for payment at the end of this month. In view
>>of his comments do you anticipate any changes to the original plan?
>>
>>Anna
>>
>>-----
>>> From: Kathy Harding
>>> Sent: 29 August 2001 09:39
>>> To: Anna Benbatoul
>>> Subject: FW: Annuity surrender
>>>
>>> Anna
>>>
>>> Please see attached.
>>>
>>> Kathy
>>>
>>>-----
>>> From: Pat Fitzpatrick
>>> Sent: 29 August 2001 09:27
>>> To: Kathy Harding
>>> Subject: FW: Annuity surrender
>>>
>>>
>>> Kathy, please could you give this to 'whoever'?
>>>
>>> Thanks.
>>>
>>>-----
>>> From: mikes [REDACTED]
>>> Sent: 28 August 2001 17:54
>>> To: davidh [REDACTED]
>>> Subject: Annuity surrender
>>>
>>> David
>>>
>>> I am forwarding an e-mail I sent to Michelle about the requested
>>>surrender
>>> of a portion of the Bulldog annuity. My personal opinion is that
>>> this
>>> is
>>> not a wise move. The potential tax risks do not appear to have been
>>> fully
>>> explored with the principals involved. I know that R. Owens, the
>>> legal advisor was not consulted and believes that this is not a good idea.
>>>
>>> I think you should ensure that the appropriate principals are aware
>>> of this before the funds are withdrawn from the annuity. Once the

PSI-WYBR 00645

Redacted by the Permanent
Subcommittee on Investigations

>>> gonio is out
>>> of
>>> the bottle, we can't put it back in.
>>>
>>> Mike French
>>> ----- Forwarded by Mike French/Tartan on 08/28/2001 11:48 AM -----
>>>
>>> Mike French
>>>
>>> To: mbouchard@ [REDACTED]
>>>
>>> 08/27/2001 cc:
>>>
>>> 01:11 PM Subject: Annuity
>>surrender
>>>
>>>
>>>
>>>
>>>
>>>
>>> Michelle
>>>
>>> I understand from Chad that a portion of the "Bulldog" annuity is
>>proposed
>>> to be surrendered. Before this is accomplished, I believe it would
>>> be advisable for the Principals to understand the grave negative tax
>>> implications that a surrender could have to them.
>>>
>>> The annuity exists because there is always a risk that the trust in
>>> question will be classified by US tax authorities as a grantor
>>> trust,
>>thus
>>> subjecting the settlor to taxation on all of the trust income. If
>>> this were the case, a claim would be made for all income of the
>>> trust for the
>>most
>>> recent three, and probably six, years. This problem will never go
>>> away until six years after the death of the settlor. While there are
>>statutes
>>> of
>>> limitation that would bar some claims with respect to the trust,
>>> there
>>is
>>> NO statute of limitations that would bar a claim that the trust is a
>>> grantor trust until six years after the death of the settlor.
>>>
>>> Based on the history of this annuity and the amount of gain
>>> deferred,
>>the
>>> entire amount proposed to be withdrawn would be classified as
>>> ordinary income for U.S. income tax purposes. If there is any action
>>> by the authorities in the next six years to classify the trust as a
>>> grantor trust, then the settlor will be subjected to a claim for
>>> taxes equal to 40%
>>> of
>>> the

>>> amount withdrawn plus interest and, possibly, penalties.
>>>
>>> If the primary desire here is to replace the existing investments
>>> with other investments, that can be accomplished without
>>> surrendering the annuity. I will be happy to discuss how that could
>>> be done. As you
>>know,
>>> the fees on the annuity were substantially lowered last year, so I
>>presume
>>> that cost is not the issue.
>>>
>>> Before any portion of the annuity is surrendered and the funds are
>>> returned, I need written confirmation from you that the potential
>>> tax consequences outlined above have been fully explained to, and
>>> are
>>fully
>>> understood by, the Principals. Once a surrender takes place, the tax
>>> problem thus created cannot be cured, and will be there for the next
>>six
>>> years. I strongly recommend that the Principals consult with Rodney
>>> or some other knowledgeable advisor regarding this action, as my
>>> personal
>>opinion
>>> is that it is a grave and unnecessary mistake.
>>>
>>> Mike
>>>
>>>
>>>
>>>
>>
>>
>>
>>
>
>
>
>

— = Redacted by the Permanent
Subcommittee on Investigations

From: Keesley Hennington
Sent: Monday, October 07, 2002 1:51 PM
To: "Michelle Boucher" [REDACTED]
Subject: Re: First Dallas

agreed - I will touch base with him

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

"Michelle Boucher" [REDACTED]
10/07/02 02:43 PM

To: <khennington@ [REDACTED]>
cc:
Subject: Re: First Dallas

let's get Rodney involved - he needs to revisit the FDI/FDV current structure as well. I'm a bit uncomfortable with the various IOM companies entering into direct agreements with FD.

----- Original Message -----
From: <khennington@ [REDACTED]>
To: <MBoucher@ [REDACTED]>
Sent: Monday, October 07, 2002 2:43 PM
Subject: First Dallas

> I wanted to get this in writing before I forgot. We would like to consider
> having First Dallas manage a larger group of assets such that the size
> of assets under management would approximate \$160M. This could be
> achieved
> by
> entering into a management agreement with companies holding Maverick,
> public
> companies and FD Intl. A fee of 1% could be charged on the first two
> categories and 2% on the last. This would generate about \$2M of
> management fees a year to FDL and would allow for adequate compensation
> to be paid to the managers.
>
> Let me know what you think. Thanks
>

PSI_ED00013453

6219

MEADOWS, OWENS, COLLIER, REED, COUSINS & BLAU, L.L.P.

ATTORNEYS AT LAW
A REGISTERED LIMITED LIABILITY PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

901 MAIN STREET, SUITE 3700

DALLAS, TEXAS 75202

(214) 744-3700

CHARLES D. FULMAN
Partner

FAX (214) 747-3732
WATS 1(800)451-0093
DIRECT DIAL: (214) 749-2447
cfulman@meadowsowens.com

February 18, 2004

PERSONAL AND CONFIDENTIAL

Larry A. Campagna
Chamertain, Hrdickla, White, Williams & Martin
1200 Smith Street
14th Floor
Houston, Texas 77002-4310

Re: Sharyl Robertson

Dear Larry:

As we previously discussed, I am enclosing portions from certain Trust Agreements that I received from the now-serving Trustee relating to indemnification/exoneration provisions for the Protectors. Enclosed is the page from each Trust that I received from the Trustee with my handwritten notation at the top of each of page as to the name of the Trust. The enclosures are as follows:

1. Page 23 from Pitkin;
2. Page 50 from Tyler;
3. Unnumbered page from Red Mountain;
4. Unnumbered page from LaFourche;
5. Page 23 from Bull Dog;
6. Page 23 from Delhi;
7. Page 50 from Bessie;
8. Chaos is a sub-fund of Tyler;
9. Ginger is a sub-fund of Bessie.

This information is being provided to you in confidence and we ask that you not share this information with any other persons without our prior consent.

PS100135572

6220

Larry A. Campagna
February 18, 2004
Page 2

We believe that it may also be appropriate for your client to resign as a Protector from Lake Providence and Castle Creek and I would like to discuss this aspect with you the next time we talk. After you have had an opportunity to review this information, please call me.

Truly yours,


Charles D. Pulman

CDP:ble
Enclosures

PSI100135573

6221

Larry A. Campagna
February 18, 2004
Page 3

bcc: Keeley Hemmington (w/o encls.) ✓
Michelle Boucher (w/o encls.)
Trey Cousins (w/o encls. Firm)
Todd Welty (w/o encls. Firm)

296931

DS100135571

6222

07-25-2006 08:24pm From-

T-548 P.002/029 F-432

BICKEL & BREWER

ATTORNEYS AND COUNSELORS

767 FIFTH AVENUE

SQTR FLOOR

NEW YORK, NEW YORK 10153

PHONE: (212) 489-1490

FAX: (212) 489-2384

www.bickelbrewer.com

4000 BANK ONE CENTER
1717 MAIN STREET
DALLAS, TEXAS 75201
(214) 653-4000

July 25, 2006

Via Facsimile

Raymond V. Shepherd III
Chief Counsel
Senate Permanent Subcommittee on Investigations
199 Russell Senate Office Building
Washington, DC 20510

Mark Nelson, Esq.
Counsel for the Majority
Senate Permanent Subcommittee on Investigations
199 Russell Senate Office Building
Washington, DC 20510

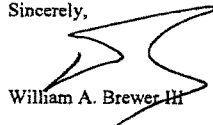
Re: Follow-Up Information

Gentlemen:

Attached please find the materials we discussed today that the Committee may find useful. These documents will appear in this week's production to the Committee staff.

Thank you for your attention to this matter.

Sincerely,



William A. Brewer III

Enclosures

5110199.2
1993-01

6223

07-25-2006 08:25pm From-

T-548 P.003/028 F-432

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

From: "Owens, Rodney J." [REDACTED]
Sent: Tuesday, February 27, 2001 8:53 AM
To: "Hennington, Keeley" [REDACTED]; "Boucher, Michelle" [REDACTED]
Cc: "Boehme, Cheryl" [REDACTED]
Subject: Wyly Family Foreign Trust Planning-March 8th Outline.
Attachments: Sam Wyly Family Foreign Trust Planning_v1.DOC

Keeley & Michelle-

Attached is my draft of the proposed outline for our March 8th conference. Please review and let me know your thoughts and any changes.
Thanks! Rodney

<<Sam Wyly Family Foreign Trust Planning_v1.DOC>>

- Sam Wyly Family Foreign Trust Planning_v1.DOC



Sam Wyly Family
Foreign Trust ...

PSI25JUL000001

CAVEAT: THIS WORK PRODUCT IS PREPARED AND MAINTAINED SUBJECT TO THE CONFIDENTIAL ATTORNEY-CLIENT PRIVILEGE AND IS NOT TO BE REPRODUCED OR DISCLOSED TO ANY PERSON OUTSIDE THE PRIVILEGED RELATIONSHIP.

**SAM WYLY FAMILY
FOREIGN TRUST PLANNING
CONFIDENTIAL CONFERENCE OUTLINE
[March 8, 2001]**

PSI25JUL000002

CAVEAT: THIS WORK PRODUCT IS PREPARED AND MAINTAINED SUBJECT TO THE CONFIDENTIAL ATTORNEY-CLIENT PRIVILEGE AND IS NOT TO BE REPRODUCED OR DISCLOSED TO ANY PERSON OUTSIDE THE PRIVILEGED RELATIONSHIP.

**SAM WYLY FAMILY
FOREIGN TRUST PLANNING
CONFIDENTIAL CONFERENCE OUTLINE
[March 8, 2001]**

I. GENERAL PLANNING MATTERS.

A. Conference Agenda Items.

1. Overview Of Primary Trust Terms.
2. Overview Of Primary U.S. Tax Issues For Trusts.
3. Overview Of Preliminary Tax Planning For Trusts.

B. Family Confidentiality Issues.

1. Legitimacy And Legalities Of All Prior, Current And Future Planning With International Trusts.
2. Tax Planning Tolerance Scale.

REDACTED

3. Maintaining Family Confidentiality.
4. Established Procedures To Enhance Integrity Of Planning.

C. Brief Discussion Regarding 1996 Tax Legislation And Treasury Regulations.

PSI25JUL000003

II. OVERVIEW OF 1992 ANNUITY-TRUST ENTITIES.**A. Summary Of 1992 Irrevocable Nongrantor Foreign Trusts.**

1. **Creation:** Sam created the "Bulldog" Trusts on March 23, 1992.
2. **Initial Trust Assets:** The 1992 Trusts were initially funded with \$100 each (i.e., literally, a \$100 bill is attached to each).
3. **Initial Beneficiaries:**

REDACTED

4. **Successor Beneficiaries:** Sam's descendants.
5. **Current Trustee:** IFG International (an IOM trust company).
6. **Current Trust Protectors:** Shari & Michelle.
7. **GSTT Matters:**

REDACTED

8. **Current Trust Assets:**

REDACTED

B. Trust Funding Matters.

1. **Trust Acquisition Of Nonqualified Stock Options From Sam In Exchange For Deferred Private Annuity Contracts.**

2. Overview Of Nonqualified Stock Options:

- (a) Contractual Right To Purchase Corporate Shares For Price Fixed At Date Option(s) Is Granted.
- (b) Assuming Value Of Company Shares Increase, A Subsequent Exercise Of The Purchase Option Permits The Owner To Acquire Shares For A Price Substantially Below The Market Value.

REDACTED

- (c) "Paper" Exercise Option: Instead of paying cash for the purchase of the optional shares, the owner can "turn back" to the Company so much of the optioned shares which has a value at that time equal to the purchase (or strike) price for the remaining shares.

REDACTED

3. Overview Of Private Annuity Transactions:

- (a) Unsecured Sales Transaction: Transfer of property by one person [the Transferor] to another party [the Transferee] in exchange for the Transferee's promise to pay the Transferor an annual annuity for the life of the Transferor.

REDACTED

- (b) Zero Intended Gifts:

REDACTED

- (c) Computation Of Annual Annuity Payments:

REDACTED

- (d) Termination At Death:

REDACTED

4. Exchange Of Sam's Stock Options For Private Annuity Contracts:

REDACTED

- (a) Deferred Payment Dates.
(b) U.S. Income Tax Issues On Payments.
5. Trust "Paper" Exercise Of Options.

REDACTED

6. Current Trust Financial Status.

- (a) Assets: Substantial "Liquid" Investments.
(b) Liabilities: Private Annuity Obligations To Sam.

- C. Tax Characterization Of 1992 Trusts During Charitable Interest Term.

1. FNGT Status During Charitable Interest Term:

REDACTED

2. U.S. Tax Consequences:**REDACTED**3. U.S. Tax Treatment Of Trust Owned Corporations:**REDACTED**4. Characterization Of Accumulated Income:**REDACTED**D. Tax Characterization Of 1992 Trusts After Charitable Interest Term.1. Loss Of FNGT Status After Charitable Interest Term:**REDACTED**2. U.S. Tax Consequences:**REDACTED**(a) U.S. Income Taxation Of DNI Distributions.(b) U.S. Income Taxation Of "Accumulated Income" Distributions.

(c)

REDACTED3. U.S. GSTT Consequences For Any Trust Distributions To "Skip Persons".

6230

07-25-2006 08:27pm From-

T-548 P.010/028 F-432

E. Summary Of 1992 Trusts.

1. During Charitable Term Of Trust:

REDACTED

2. After Charitable Term Of Trust:

REDACTED

III. OVERVIEW OF 1994-1995 TRUST ENTITIES.

A. Summary Of 1994-1995 Irrevocable Foreign Grantor Trusts.

1. Creation: Keith King, as grantor, created the Bessie Trusts in 1994, and Shawn Cairns, as grantor, established the La Fourche Trust in 1995, all before the September 20, 1995 grandfathering dates of the 1995 and 1996 tax legislation.
2. Initial Trust Assets: \$25,000 each.
3. Current Beneficiaries:
 - (a) Descendants Of Sam.
 - (b) Sam's "Wife" Is Also A Bessie Trust Beneficiary.
4. Current Trustee: IMG International.
5. Trust Protectors: Shari & Michelle.
6. GSTT Matters: **REDACTED**
7. Current Trust Assets: **REDACTED**

B. Tax Characterization Of FGT Trusts During Grantor's Lifetime.

1. FGT Status During Grantor's Lifetime:
 - (a) U.S. Taxation Of Trust Income: **REDACTED**
 - (b) Treatment Of Trust Distributions To U.S. Beneficiaries: **REDACTED**
 - (c) Brief Discussion Regarding 1996 U.S. Tax Legislation And Treasury Regulations. **REDACTED**
2. U.S. Tax Treatment Of Trust Owned Corporations During Grantor's Lifetime: **REDACTED**

3. Characterization Of Accumulated Income:**REDACTED**C. Tax Characterization Of 1994-1995 Trusts After Death Of Grantor.

1. Loss Of FGT Status.
2. U.S. Tax Consequences:

REDACTED3. U.S. GSTT Consequences:**REDACTED**D. Annuity-Trust Transactions.

1. Same General Structure Employed With 1992 Trusts.
2. All Are "Deferred" Private Annuity Contracts.
3. Trusts Utilized "Cashless" Exercise Of Options And Warrants.

E. Summary Of 1994-1995 Trusts.

1. During Grantor's Lifetime:

REDACTED

6233

07-25-2006 08:28pm From-

T-548 P.013/028 F-432

REDACTED

2. After Grantor's Death:

REDACTED

IV. OVERVIEW OF GENERAL TRUST PLANNING MATTERS.

A. Pending Administrative Planning Matters For Trusts.

1. Creation Of Separate "Sub-Trusts" For Each Child And His/Her Descendants.
2. Establishment Of Corporate Trust Protector Company.

B. Planning To Maximize Trust Benefits.

1. **REDACTED** U.S. Taxation Of Trust Distributions To Family Members.
2. Preferred Utilization Of Trust Resources For Acquisition Of Investments And "Use" Property:
 - (a) U.S. Residential Properties.
 - (b) U.S. Business Organizations.
3. **REDACTED** Loans To Beneficiaries.

C. Planning To Eliminate U.S. Income Taxation.

1. Reinvestment Of Trust Assets Through Private Placement International Variable Life Insurance Products.
2. General Overview Of U.S. Tax Principles, Applicable To Variable Life Insurance Product Investments.
3. General Planning Overview For Trusts.
4. General Planning Objectives.

D. International Family Trust Summary.

Respectfully Presented,

RODNEY J. OWENS
Meadows, Owens, Collier, Reed,
Cousins & Blau, L.L.P.

[March 8, 2001]
RJO:dcv

240589

6235

07-25-2006 08:28pm From-

T-548 P.015/028 F-432

From: "Owens, Rodney J." <rowens@meadowsowens.com>
Sent: Tuesday, March 06, 2001 2:59 PM
To: "Boucher, Michelle" <mboucher@candw.ky>; "Hennington, Keeley" <kennington@htst.com>
Cc: "Boehme, Cheryl" <cboehme@meadowsowens.com>
Subject: Wyly Family Presentation.
Attachments: Wyly Family Presentation_v1.PPT

Michelle & Keeley-

Here's the revised version. Thanks for your help! Rodney

<<Wyly Family Presentation_v1.PPT>>

- Wyly Family Presentation_v1.PPT



Wyly Family
Presentation_v1.PPT.

PSI25JUL0000013

**CAVEAT: THIS WORK PRODUCT IS PREPARED AND MAINTAINED
SUBJECT TO THE CONFIDENTIAL ATTORNEY-CLIENT PRIVILEGE AND IS
NOT TO BE REPRODUCED OR DISCLOSED TO ANY PERSON OUTSIDE THE
PRIVILEGED RELATIONSHIP.**

**SAM WYLY FAMILY
FOREIGN TRUST PLANNING
CONFIDENTIAL CONFERENCE OUTLINE
[March 8, 2001]**

GENERAL PLANNING MATTERS

A. CONFERENCE AGENDA ITEMS.

1. OVERVIEW OF PRIMARY TRUST TERMS AND U.S. TAX ISSUES FOR TRUSTS AND BENEFICIARIES.
2. OVERVIEW OF PRELIMINARY TAX PLANNING FOR TRUSTS.

B. FAMILY CONFIDENTIALITY ISSUES.

1. LEGITIMACY AND LEGALITIES OF ALL PRIOR, CURRENT AND FUTURE PLANNING WITH INTERNATIONAL TRUSTS.
2. MAINTAINING FAMILY CONFIDENTIALITY.

GENERAL TRUST OVERVIEW

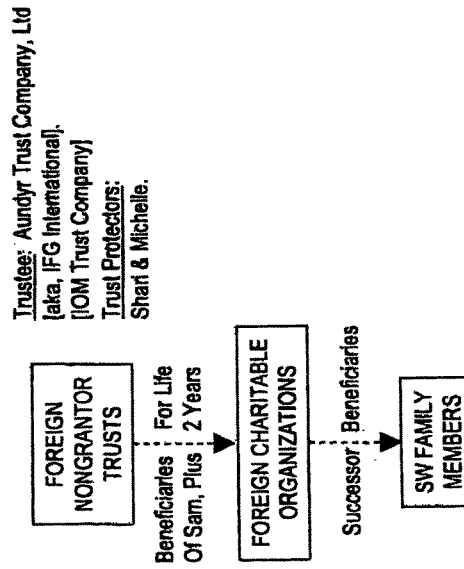
A. TWO BROAD CATEGORIES OF FOREIGN FAMILY TRUSTS.

1. FOREIGN GRANTOR TRUSTS ["FGT"]
2. FOREIGN NONGRANTOR TRUSTS ["FNGT"]

B. FOREIGN TRUSTEE COMPANIES.

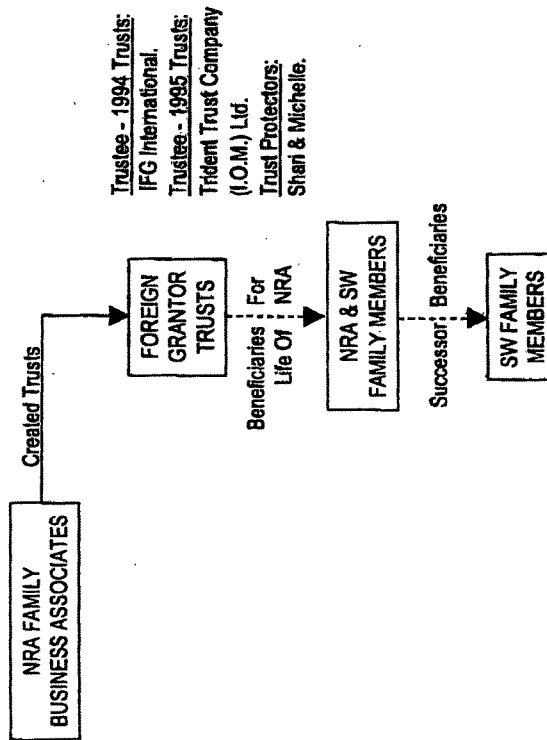
C. FOREIGN TRUST PROTECTORS.

OVERVIEW OF 1992 TRUSTS



07-25-2006 08:30pm From-

OVERVIEW OF 1994/1995 TRUSTS



PSI25JUL0000018

OVERVIEW OF CURRENT U.S. TAX TREATMENT OF TRUSTS

A. 1992 TRUSTS.

REDACTED

B. 1994/1995 TRUSTS.

REDACTED

**OVERVIEW OF CURRENT U.S. TAX TREATMENT OF
DISTRIBUTIONS TO SW FAMILY MEMBERS**

A. 1992 TRUSTS.

REDACTED

B. 1994/1995 TRUSTS.

REDACTED

OVERVIEW OF U.S. TAX TREATMENT AFTER GRANTOR'S DEATH

REDACTED

1. GENERAL OVERVIEW OF "TAXABLE INCOME" OF IRREVOCABLE TRUSTS.
2. "ACCUMULATED INCOME" OF IRREVOCABLE TRUSTS.

U.S. TAX TREATMENT OF TRUST DISTRIBUTIONS

A. DISTRIBUTIONS OF CURRENT TAXABLE INCOME.

B. DISTRIBUTIONS WHICH EXCEED CURRENT TAXABLE
INCOME OUT OF "ACCUMULATED INCOME" ACCOUNT.

REDACTED

6245

07-25-2006 08:31pm From-

T-548 P.025/028 F-432

U.S. TAX SUMMARY

REDACTED

PSI25JUL0000023

STRATEGIC PLANNING FOR TRUSTS

- A. AVOIDING ACTUAL TRUST DISTRIBUTIONS.
- B. UTILIZATION OF TRUST RESOURCES
FOR ACQUISITIONS OF "USE" PROPERTY
BY TRUSTS.
 - RESIDENTIAL PROPERTY, ART, OTHER U.S.
REAL ESTATE

STRATEGIC TRUST PLANNING

(Continued)

- C. ELIMINATION OF TRUST INCOME THROUGH
USE OF INTERNATIONAL LIFE INSURANCE
PRODUCTS.

REDACTED

STRATEGIC TRUST PLANNING

(Continued)

D. GENERAL OVERVIEW OF U.S. INCOME TAX RULES
FOR LIFE INSURANCE CONTRACTS.

REDACTED

E. GENERAL PLANNING OBSERVATIONS.

6249

07-25-2006 08:33pm From-

T-548 P.028/028 F-432

TRUST PLANNING SUMMARY

REDACTED

PSI25JUL0000027

6250

C/R - W

Harris, Barry P.

From: Mariano, David
Sent: Thursday, July 29, 2004 8:53 AM
To: Harris, Barry P.
Subject: RE: A/C Privileged--Wyley Offshore Trust Accounts--Update

Attorney/client Privileged

Barry,

The AML/Patriot Act issues regarding these accounts are similar to what you outline below. The fact that we have not received information (e.g., full name, tax ID/SSN and complete address) on the beneficial owners is of concern. Compliance has made requests for information that we have not yet received. We requested clarification on Trident Trust's role and involvement with the accounts. Additionally, the Foreign Bank certification, for the entity Elegance, is incomplete and have not received KYC forms as requested.

Dave

-----Original Message-----
From: Harris, Barry P.
Sent: Tuesday, July 20, 2004 11:32 AM
To: Mariano, David
Subject: FW: A/C Privileged--Wyley Offshore Trust Accounts--Update
Importance: High

Sorry about the confusion, Dave. Again, under the privilege, please research these accounts. Since my last, I have learned that Mike Hearn is reviewing these accounts, on a different issue. Suggest that you start with him. As to your task, I would like an idea of issues under AML/Patriot Acts.

Thanks.

Barry

-----Original Message-----
From: Harris, Barry P.
Sent: Thursday, July 15, 2004 6:06 PM
To: Santo, Michael; Maloney, Timothy P.
Cc: Strleby, Gregg; Dorfman, Beth; Hochlinger, Susan
Subject: A/C Privileged--Wyley Offshore Trust Accounts--Update
Importance: High

Attorney/client Privileged

I conferred again today with NFS Legal and AML Compliance personnel on these Isle of Mann Trusts. They are housing in Lori Bensing's Dallas HNW office. We understand that the beneficiaries of the numerous trusts are members of the Wyley family, whose patriarch is the CEO and a major shareholder in publicly-traded Michael's Stores.

To briefly recap the situation, the Wyleys have a substantial relationship with the PB. The Wyley family has established 10 or more Isle of Mann Trusts, principally funded, it appears, with Michael's stock. The Trusts have opened accounts with BAI/NFS. Some

BA 007742

Confidential Treatment Requested

BA 007742

months ago, NFS became uncomfortable with the trading activity and cash transfers in these accounts. A basic concern was that the beneficiaries of the various trusts were unknown to NFS, and to BAI. They cannot perform the AML/Patriot Act due dilly without knowledge of the beneficiaries. The Wyleys were asked to identify the beneficiaries, and declined, stating that no current regulation specifically requires that information. [The regulations implementing the Patriot Act have not been released; it is clear, however, that when released they will require the names of beneficiaries in these circumstances.] I understand that the Wyleys were concerned that, if the beneficial interests were known, they could be subject to claims by unfriendly parties [ex-spouses were mentioned].

When I became involved, I understood the problem to be only the beneficiaries' identities. At Tim's suggestion, I approached NFS with the idea of retaining an outside, independent, lawyer to receive the ideas of the beneficiaries and perform whatever checks are required to satisfy the Patriot/AML concerns. The lawyer would report back to BAI and NFS.

I presented the proposal to NFS some weeks ago. I learned at that time that their concerns were much broader than merely identity. Specifically, they were equally concerned by the facts that the accounts were funded with Michael's stock, and possibly control or 144 restrictions applied; and that large cash positions were moving out of the accounts. There are periodic sales of significant blocks of Michael's stock from the accounts, and periodic movements of hundreds of thousands of dollars. On the sales, they are concerned that the stock is/should be somehow restricted under the US securities laws, given that the patriarch is a controlling person, or that at a minimum disclosures of the sales should be made under US law. The cash transfers have hit the NFS AML "suspicious movements" tripwires, unrelated to the lack of identity issue. Given their broader concerns, they agreed to take the idea of the outside attorney away to determine if it might somehow work.

Throughout my contacts with NFS, I have made it extremely clear that BAI is not asking them to forgo any activity or information they feel necessary to perform their obligations. They have in turn made it clear that, in their opinion, BAI as introducing broker should be concerned about these accounts, as well.

In the call today, they reported their conclusion that the proposal would not satisfy their needs on the trades and cash movements. We developed the following proposal: NFS will prepare written questions which they need answered to continue to support the accounts; BAI will add any questions which it believes need to be answered. I would forward the questions to the attorney representing the Wyley's and the trusts, informing them that we and NFS need answers within 30 days, or it will be necessary to ask them to move the accounts to another BD which can support them based upon the information which they are willing to share. I need your input on the proposal.

I believe we have hit the wall. NFS is extremely nervous about these accounts, if not for

actual violations of Patriot/AML, for negative regulatory action based on the lack of info. and activity. NFS recently was cited on its AML procedures. If we proceed as suggested, we need to alert the PB on the decision, and possibly seek their assistance in getting the necessary information from the Wyley's.

I share NFS' concern that we are exposed here. While we frequently have the benefit of facts/knowledge of the PB in our AML due dilly efforts, we too don't know the identities of the beneficiaries. I additionally am concerned that the PB doesn't know off/is not involved in the sales and cash transfers, and therefore we have no comfort from that side.

At the end of the call, NFS briefly identified another series of accounts out of Lori's office that have the same problems--sans the "Michael's stock" problems. The accounts are offshore, with a Texas mailing address, opened in the names of "R2 Co.", "R3 Co.", "Acme Widget" [no kidding], etc. There is substantial money movement out of and between the accounts. Once again, the clients are pushing back on identifying the beneficial owners, and apparently NFS feels it is getting little help or support from Lori or her staff.

Please let me have your thoughts and directions. Because of vacation schedules, NFS promised to get the written questions to me during the week of Aug. 8. Call, of course, if you wish to discuss.

Barry

— = Redacted by the Permanent
Subcommittee on Investigations

Harris, Barry P.

From: Moran, Jennifer [REDACTED]
Sent: Thursday, October 14, 2004 2:10 PM
To: Barry.Harris@ [REDACTED]; Chanda, Jaidip
Subject: Re: new copy for Barry Harris -- MIK questions for BofA.doc

Hi barry

Sorry for the delay

While I understand the politics we feel that this is your customer and that the list of questions should come from you as broker dealer
Please call if you wish to discuss

Otherwise if you can keep me in the loop on your progress

Thanks
Jen

Sent from my BlackBerry Wireless Handheld

-----Original Message-----

From: Harris, Barry P. [REDACTED]
To: Moran, Jennifer [REDACTED]; Chanda, Jaidip
[REDACTED]

Sent: Mon Oct 11 15:55:50 2004

Subject: RE: new copy for Barry Harris -- MIK questions for BofA.doc

Jay and Jen, in the interest to keep this moving, I have a question to pose while I study Steve's questions to determine if we needed to add anything [frankly, on first full read I can't imagine we do]. While I understand and appreciate the need for the info requested by Steve, I also know the politics of life here at BAC. We had originally discussed me/BAI posing the questions to the customers' lawyer. I suspect I will get pushback in a major sense from the Private Bank/High Net Worth people if the questions appear to come from me/BAI.

Would you be willing to put Steve's questions in a letter to me/BAI, saying that you need the info. and will not be able to carry the accounts, given AML/Patriot Act concerns, unless you receive acceptable answers? I can then forward to the clients' lawyer. This would permit me to deflect the barrage that will come from PB/HNW, and hopefully get us where we both want to be.

Bounce that around and let me hear back. I'll finish up with Steve's, but again I suspect I will

6254

have no additional questions.

B.

Redacted by the Permanent
Subcommittee on Investigations

-----Original Message-----

From: Moran, Jennifer [REDACTED]
Sent: Monday, October 11, 2004 7:51 AM
To: Barry.Harris [REDACTED]
Subject: FW: new copy for Barry Harris -- MIK questions for BofA.doc

Hi Barry, attached is another copy of the questions for MIK. Please let us know when you want to chat as to your findings and ultimate recommendation. As I mentioned, this is getting increased exposure at Fidelity. Thanks Jen

-----Original Message-----

From: Ganis, Stephen
Sent: Thursday, October 07, 2004 6:33 PM
To: Moran, Jennifer
Cc: Chanda, Jaidip; O'Toole, Karen M.(Legal)
Subject: new copy for Barry Harris -- MIK questions for BofA.doc

<<MIK questions for BofA.doc>>

For your security, Banc of America Investment Services, Inc. does not accept instructions concerning changes to accounts or transactions through email. Additionally, do not send information you consider confidential via email as it will not be transmitted through a secure line. Instead, please speak to your Banc of America Investment Services, Inc. investment representative.

.....
The intent of this e-mail may be to solicit your interest in doing business with Banc of America Investment Services, Inc. If you do not wish to receive future e-mail communications from Bank of America

6255

and its affiliates, including Banc of America Investment Services, Inc.,
please click on this link and indicate your preferences.
https://www.bankofamerica.com/privacy/index.cfm?template=privacysecur_set_privacy_pref
.....

We want you to know:

Investment products provided by Banc of America Investment Services,
Inc.TM

Are Not FDIC Insured *** May Lose Value *** Are Not Bank Guaranteed

Banc of America Investment Services, Inc. is a registered broker-dealer,
member NASD and SIPC and a nonbank subsidiary of Bank of America, N.A.

The information contained in this e-mail was obtained from sources
believed to be reliable; however, Banc of America Investment Services,
Inc. does not guarantee the accuracy or completeness of this information,
nor is it responsible for results obtained from use of this information.
The delivery of this information should not be considered to be an offer
or solicitation of securities and in no way guarantees the future
performance of the securities.

Past performance is no guarantee of future results.

Banc of America Securities, LLC is an affiliate of Banc of America
Investment Services, Inc. and a non-bank subsidiary of Bank of America
Corporation.

Redacted by the Permanent
Subcommittee on Investigations

From: louis.j.schaufele@ [REDACTED]
Sent: Tuesday, April 06, 2004 9:31 AM
To: michele.m.crittenden@ [REDACTED] lori.s.bensing@ [REDACTED]
Subject: RE: Elegance Ltd

This is probably one of the trustees that we have legal talk with once legal knows what they want and need.
ls

-----Original Message-----
From: Crittenden, Michele M.
Sent: Tuesday, April 06, 2004 8:29 AM
To: Schaufele, Louis J.; Bensing, Lori S.
Subject: Elegance Ltd

please see below

Michele Crittenden
Sales & Service Assistant
Bank of America Private Bank
Bank of America Investment Services, Inc.
Tel: 214-[REDACTED]
Fax: 214-[REDACTED]
TX2-488-31-01

-----Original Message-----
From: Aidan McCowliff [REDACTED]
Sent: Tuesday, April 06, 2004 8:09 AM
To: Crittenden, Michele M
Subject: re[2]: Elegance Ltd

Michele

Following our discussion I have reviewed the document supplied and have also briefly reviewed the relevant sections of the Patriot Act as stated in the fax. Accordingly, I can find no definition whereby Elegance Limited or the Directors fall under the umbrella of a Foreign Bank.

Therefore, as we would have to sign the Certification on behalf of Elegance we are of the opinion that we should not make the declaration. If, the US Government were looking at the ultimate beneficial ownership of the Company, then yes, we, as Close Trustees (Isle of Man) Limited as trustees of the RM Trust, would be required to make the declaration as a bank. However, having reviewed the definitions of a "Foreign Bank" and the "Ownership" definitions it would appear that they are not looking this far into the ownership.

Can you please advise?

Thanks

Aidan

> please call to discuss

Michele Crittenden
Sales & Service Assistant

6257

Bank of America Private Bank
Bank of America Investment Services, Inc.
Tel: 214- [REDACTED]
Fax: 214-3 [REDACTED]
TX2-488-31-01

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

-----Original Message-----

From: Aidan McCowliiff [REDACTED]
Sent: Tuesday, April 06, 2004 6:12 AM
To: Crittenden, Michele M
Subject: Elegance Ltd

Dear Michele

My colleague Jane has passed me your fax dated 4th April in respect of our brokerage account with yourselves. Accordingly, having reviewed the contents of the fax and attached form we are unsure as to why we are required to execute the Form Of Certification Regarding Correspondent Accounts.

As you are aware, the account is held directly in the name of Elegance Limited and as such we do not appear fall under the definition of a Foreign Bank. Therefore, as per the form "An entity that is not a foreign bank is not required to complete this certification."

Can you please advise why we are to execute the form, and if we are to execute, in which name / capacity should the certification be made?

Whilst writing, we do not appear to have received confirmation that the purchase of \$1.2 million shares in Michaels Stores. Can you advise if an advice has been issued and for ease of reference also advise the number of shares received?

Thank you & regards

Aidan

-

Please visit our Web site: <http://www.close.co.im>
For general enquiries, please respond to: info@close.co.im

Close Private Bank is the registered trading name of the following group of companies :

Close Bank (Isle of Man) Limited, licensed by the Isle of Man Financial Supervision Commission to conduct Banking and Investment Business
Close Investment Management (Isle of Man) Limited, licensed by the Isle of Man Financial Commission to conduct Investment Business
Close Trustees (Isle of Man) Limited, licensed by the Isle of Man Financial Supervision Commission for Banking and Corporate Service Provider Business

St. Georges Court, Upper Church Street, Douglas, Isle of Man, IM99 1RB
Tel: + 44 (0) 1624 643200 Fax: + 44 (0) 1624 622039

The information contained in this E-mail is confidential. It is intended only for the stated addressee(s) and access to it by any other person is unauthorised. If you are not an addressee, you must not disclose, copy, circulate or in any other way use or rely on the information contained in this E-mail. Such unauthorised use may be unlawful. If you have received this E-mail in error, please inform us immediately and delete it and all copies from your system.

Due to the fact that this e-mail could become corrupted or altered during

6258

transmission, any advice which it contains should not be relied upon unless subsequently confirmed by fax or letter.

Time-critical or important instructions must be sent to us by surface mail, courier services or fax. E-mails should not be used to instruct us in relation to transactions.

Relationship Managers may offer you investment and trust services through Bank of America Private Bank. Certain Private Bank relationship managers are Registered Representatives of Banc of America Investment Services, Inc. and may assist you with investment products and services provided through Banc of America Investment Services, Inc. and other non-bank investment affiliates.

This communication is confidential and intended only for the addressee. If you are not the intended recipient, you may not copy, disclose, or distribute this message to anyone else; any such actions may be unlawful.

If you have received this communication in error, please contact the sender of the message to inform him or her of the error.

.....
The intent of this e-mail may be to solicit your interest in doing business with Banc of America Investment Services, Inc. If you do not wish to receive future e-mail communications from Bank of America and its affiliates, including Banc of America Investment Services, Inc., please click on this link and indicate your preferences.
https://www.bankofamerica.com/privacy/index.cfm?template=privacysecur_set_privacy_pref
.....

For your security, instructions concerning changes to accounts or transactions through email are not accepted by Banc of America Investment Services, Inc. and may not be accepted by Bank of America.

Additionally, do not send information you consider confidential via email as it will not be transmitted through a secure line. Instead, please speak to your representative.

We want you to know:

Investment products provided by Bank of America or Banc of America Investment Services, Inc.™

[Are Not FDIC Insured *** May Lose Value *** Are Not Bank Guaranteed]-----

Banc of America Investment Services, Inc. is a registered broker-dealer, member NASD and SIPC and a nonbank subsidiary of Bank of America, N.A.

The information contained in this e-mail was obtained from sources believed to be reliable; however, the accuracy or completeness of this information is not guaranteed, nor is Bank of America or any of its affiliates responsible for results obtained from use of this information.

The delivery of this information should not be considered to be an offer or solicitation of securities and in no way guarantees the future performance of the securities.

Past performance is no guarantee of future results.

Crittenden, Michele M.

= Redacted by the Permanent
 Subcommittee on Investigations

From: Aidan McCowlliff [REDACTED]
 Sent: Wednesday, April 07, 2004 10:25 AM
 To: Crittenden, Michele M
 Subject: Elegance Limited - Close Trustees (Isle of Man) Limited
 Dear Michele

Apologies for the delay in responding I have been waiting on our Compliance Team.

Having reviewed the Form of Certification Regarding Correspondent Accounts we, Close Trustees (Isle of Man) Limited, are of the opinion that we do not fall under the definition and requirements of a "Foreign Bank" as defined in the USA Patriot Act of 2001. By way of explanation please note as follows:

Close Trustees (Isle of Man) Limited are part of Close Private Bank which comprises Close Trustees (Isle of Man) Limited, Close Investment Management (Isle of Man) Limited and Close Bank (Isle of Man) Limited. Close Trustees (Isle of Man) Limited provide trust and company administration services and custodian services. The Company i.e.) Elegance Limited is administered by Close Trustees (Isle of Man) Limited and Close Trustees (Isle of Man) Limited also act as trustees to the beneficial owner of the Company the Red Mountain Trust.

Both Close Bank (Isle of Man) Limited and Close Trustees (Isle of Man) Limited are licensed by the Isle of Man Financial Supervision Commission to conduct Banking Business. However, Close Trustees (Isle of Man) Limited's licence is restricted in that "The Licence holder shall not accept deposits or engage in any other banking business".

Accordingly we feel that as Close Trustees (Isle of Man) Limited does not and cannot take deposits and does not operate correspondent accounts we do not fall within the definition of a foreign bank.

I trust the above information will go some way towards answering your queries in respect of this account but should you require further clarification or wish to discuss this matter further then please do not hesitate to contact me directly on +441624 643240.

Thank you & regards

Aidan

Please visit our Web site: <http://www.close.co.im>
 For general enquiries, please respond to: info@close.co.im

Close Private Bank is the registered trading name of the following group of companies :

Close Bank (Isle of Man) Limited, licensed by the Isle of Man Financial Supervision Commission to conduct Banking and Investment Business
 Close Investment Management (Isle of Man) Limited, licensed by the Isle of Man Financial Commission to conduct Investment Business
 Close Trustees (Isle of Man) Limited, licensed by the Isle of Man Financial

4/7/2004

Confidential Treatment Requested

BA 042821

Redacted by the Permanent
Subcommittee on Investigations

From: Bensing, Lori S. [REDACTED]
Sent: Monday, April 19, 2004 10:15 PM
To: Schaufele, Louis J; Crittenden, Michele M
Subject: FW: Elegance Limited - Close Trustees (Isle of Man) Limited



Foreign Bank Cert
Form.pdf

Has someone contacted Aidan at Close Bank to see about getting this signed?

-----Original Message-----
From: Chanda, Jaidip [REDACTED]
Sent: Monday, April 19, 2004 3:24 PM
To: Bensing, Lori S; Schaufele, Louis J
Cc: Hearn, Mike; Wertz, Phillip; Wiegand, Tom
Subject: RE: Elegance Limited - Close Trustees (Isle of Man) Limited

Mike/Phillip/Lori/Lou-

Per our AML folks, this is their response on the definition of a foreign bank.

"As you know, the definition of "foreign bank" is broader than the traditional depository bank function of accepting deposits. Per this email, Close Trustees (Isle of Man) Limited is licensed to conduct banking business, but such license is limited in that Close Trustees (Isle of Man) Limited "... shall not accept deposits or engage in any other banking business." It does not make sense to me how an entity can have a banking license but not be licensed to engage in any banking business. In addition, I confirmed on the Isle of Man Financial Supervision Commission website (<http://www.gov.im/fsc/>) that Close Trustees (Isle of Man) Limited is licensed to conduct banking and there is no indication that the license is limited. Regardless, this email indicates Close Trustees (Isle of Man) Limited offers trust services. A trust company organized under foreign law fall under the definition of "foreign bank." Their own website confirms they are a trust company: "Close Trustees (Isle of Man) Limited is an approved Trust Corporation in the Isle of Man and with experienced staff, is well positioned and able to provide trustee and custodial services to new and existing offshore funds." (<http://www.close.co.im/ebt.htm>)

We require a completed, in good order foreign bank certification from this entity."

Lou- Per our discussion today, attached is the form that can be faxed directly to 617 [REDACTED] (with cover). It sounds as if this will be the best & simplest manner to put this behind us.

Thank you.

Jai

Jai Chanda
 Vice President, Relationship Management
 N A T I O N A L F I N A N C I A L, a Fidelity Investments company
 Phone: 770. [REDACTED]
 Fax: 678. [REDACTED]

6261

Cell: [REDACTED]
Email: [REDACTED] Jaidip.Chanda [REDACTED]
Pager: JChanda@ [REDACTED]

5 Concourse Parkway, Suite 850
Mail Zone IN35
Atlanta, GA 30328

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

National Financial Services LLC, Member NYSE, SIPC

-----Original Message-----
From: Wertz, Phillip [REDACTED]
Sent: Friday, April 16, 2004 2:29 PM
To: Chanda, Jaidip
Cc: Hearn, Mike
Subject: FW: Elegance Limited - Close Trustees (Isle of Man) Limited

Here is information on Close Private Bank that we received from the Client.
Their position is that the entity associated with this account is not a
"foreign bank" under the definition of the Patriot Act certification.

-----Original Message-----
From: Bensing, Lori S
Sent: Friday, April 16, 2004 2:19 PM
To: Wertz, Phillip
Subject: FW: Elegance Limited - Close Trustees (Isle of Man) Limited

-----Original Message-----
From: Crittenden, Michele M.
Sent: Friday, April 16, 2004 1:19 PM
To: Bensing, Lori S.
Subject: FW: Elegance Limited - Close Trustees (Isle of Man) Limited

Michele Crittenden
Sales & Service Assistant
Bank of America Private Bank
Bank of America Investment Services, Inc.
Tel: 214- [REDACTED]
Fax: 214- [REDACTED]
TX2-488-31-01

-----Original Message-----
From: Aidan McCowloff [REDACTED]
Sent: Wednesday, April 07, 2004 10:25 AM
To: Crittenden, Michele M
Subject: Elegance Limited - Close Trustees (Isle of Man) Limited

Dear Michele

Apologies for the delay in responding I have been waiting on our Compliance Team.

Having reviewed the Form of Certification Regarding Correspondent Accounts we, Close Trustees (Isle of Man) Limited, are of the opinion that we do not

6262

fall under the definition and requirements of a "Foreign Bank" as defined in the USA Patriot Act of 2001. By way of explanation please note as follows:

Close Trustees (Isle of Man) Limited are part of Close Private Bank which comprises Close Trustees (Isle of Man) Limited, Close Investment Management (Isle of Man) Limited and Close Bank (Isle of Man) Limited. Close Trustees (Isle of Man) Limited provide trust and company administration services and custodian services. The Company i.e.) Elegance Limited is administered by Close Trustees (Isle of Man) Limited and Close Trustees (Isle of Man) Limited also act as trustees to the beneficial owner of the Company the Red Mountain Trust.

Both Close Bank (Isle of Man) Limited and Close Trustees (Isle of Man) Limited are licensed by the Isle of Man Financial Supervision Commission to conduct Banking Business. However, Close Trustees (Isle of Man) Limited's licence is restricted in that "The Licence holder shall not accept deposits or engage in any other banking business".

Accordingly we feel that as Close Trustees (Isle of Man) Limited does not and cannot take deposits and does not operate correspondent accounts we do not fall within the definition of a foreign bank.

I trust the above information will go some way towards answering your queries in respect of this account but should you require further clarification or wish to discuss this matter further then please do not hesitate to contact me directly on +441624 643240.

Thank you & regards

Aidan

Please visit our Web site: <http://www.close.co.im>

For general enquiries, please respond to: info@close.co.im

Close Private Bank is the registered trading name of the following group of companies :

Close Bank (Isle of Man) Limited, licensed by the Isle of Man Financial Supervision Commission to conduct Banking and Investment Business

Close Investment Management (Isle of Man) Limited, licensed by the Isle of Man Financial Commission to conduct Investment Business

Close Trustees (Isle of Man) Limited, licensed by the Isle of Man Financial Supervision Commission for Banking and Corporate Service Provider Business

6263

St. Georges Court, Upper Church Street, Douglas, Isle of Man, IM99 1RB

Tel: + 44 (0) 1624 643200 Fax: + 44 (0) 1624 622039

The information contained in this E-mail is confidential. It is intended only for the stated addressee(s) and access to it by any other person is unauthorised. If you are not an addressee, you must not disclose, copy, circulate or in any other way use or rely on the information contained in this E-mail. Such unauthorised use may be unlawful. If you have received this E-mail in error, please inform us immediately and delete it and all copies from your system.

Due to the fact that this e-mail could become corrupted or altered during transmission, any advice which it contains should not be relied upon unless subsequently confirmed by fax or letter.

Time-critical or important instructions must be sent to us by surface mail, courier services or fax. E-mails should not be used to instruct us in relation to transactions.

— = Redacted by the Permanent
Subcommittee on Investigations

From: Bensing, Lori S. [REDACTED]
Sent: Tuesday, April 20, 2004 12:35 PM
To: Schaufele, Louis J.
Subject: FV: Elegance Limited - Close Trustees (Isle of Man) Limited

FYI Lou

-----Original Message-----
From: Chanda, Jaidip [REDACTED]
Sent: Tuesday, April 20, 2004 11:23 AM
To: Bensing, Lori S.
Subject: RE: Elegance Limited - Close Trustees (Isle of Man) Limited

Lori- Sorry for the delay - my email has been down. We were making progress all along, it just wasn't all being communicated to you and Lou. Regarding the obtaining of the beneficial ownership structure, we hope to get that by month's end. I will try to hold-off my Risk colleagues as much as possible and, so far, it has worked.

Jai

-----Original Message-----
From: Bensing, Lori S. [REDACTED]
Sent: Mon 4/19/2004 10:14 PM
To: Chanda, Jaidip
Cc:
Subject: RE: Elegance Limited - Close Trustees (Isle of Man) Limited

Jai,

Many thanks for your help on this. I will make sure the team gets back to the client and gets it signed asap. Lori

-----Original Message-----
From: Chanda, Jaidip [REDACTED]
Sent: Monday, April 19, 2004 3:24 PM
To: Bensing, Lori S; Schaufele, Louis J
Cc: Hearn, Mike; Wertz, Phillip; Wiegand, Tom
Subject: RE: Elegance Limited - Close Trustees (Isle of Man) Limited

Mike/Phillip/Lori/Lou-

Per our AML folks, this is their response on the definition of a foreign bank.

"As you know, the definition of "foreign bank" is broader than the traditional depository bank function of accepting deposits. Per this email, Close Trustees (Isle of Man) Limited is licensed to conduct banking business, but such license is limited in that Close Trustees (Isle of Man) Limited "... shall not accept deposits or engage in any other banking business." It does not make sense to me how an entity can have a banking license but not be licensed to engage in any banking business. In addition, I confirmed on the Isle of Man Financial Supervision Commission website (<http://www.gov.im/fsc/>) that <https://access0.fidelity.com/fsc/>) that, <http://www.gov.im> Close Trustees (Isle of Man) Limited is licensed to conduct banking and there is no indication that the license is limited. Regardless, this email indicates Close Trustees (Isle of Man) Limited offers trust services. A trust company organized under foreign law fall under the definition of "foreign bank." Their own website confirms they are a trust company: "Close Trustees (Isle of Man) Limited is an approved Trust Corporation in the Isle of Man and with experienced staff, is well positioned and able to provide trustee and custodial services

6265

to new and existing offshore funds." <http://www.close.co.im/ebt.htm>
<<https://access0.fidelity.com/ebt.htm>,DanaInfo=www.close.co.im+>

We require a completed, in good order foreign bank certification from this entity."

Lou- Per our discussion today, attached is the form that can be faxed directly to 617-385-2960 (with cover). It sounds as if this will be the best & simplest manner to put this behind us.

Thank you.

Jai

— = Redacted by the Permanent
Subcommittee on Investigations

Jai Chanda
Vice President, Relationship Management
N A T I O N A L F I N A N C I A L, a Fidelity Investments company
Phone: 770.6 [REDACTED]
Fax: 678 [REDACTED]
Cell: 617 [REDACTED]
Email: Jaidip.Chanda@ [REDACTED]
Pager: JChanda@ [REDACTED]

5 Concourse Parkway, Suite 850
Mail Zone IN35
Atlanta, GA 30328

National Financial Services LLC, Member NYSE, SIPC

-----Original Message-----

From: Wertz, Phillip [REDACTED]
Sent: Friday, April 16, 2004 2:29 PM
To: Chanda, Jaidip
Cc: Hearn, Mike
Subject: FW: Elegance Limited - Close Trustees (Isle of Man) Limited

Here is information on Close Private Bank that we received from the Client. Their position is that the entity associated with this account is not a "foreign bank" under the definition of the Patriot Act certification.

-----Original Message-----

From: Bensing, Lori S
Sent: Friday, April 16, 2004 2:19 PM
To: Wertz, Phillip
Subject: FW: Elegance Limited - Close Trustees (Isle of Man) Limited

-----Original Message-----

From: Crittenden, Michele M.
Sent: Friday, April 16, 2004 1:19 PM
To: Bensing, Lori S.
Subject: FW: Elegance Limited - Close Trustees (Isle of Man) Limited

Michele Crittenden
Sales & Service Assistant
Bank of America Private Bank
Bank of America Investment Services, Inc.

6266

Tel: 214-
Fax: 214-
TX2-488-31-01

Redacted by the Permanent
Subcommittee on Investigations

-----Original Message-----

From: Aidan McCowloff
Sent: Wednesday, April 07, 2004 10:25 AM
To: Crittenden, Michele M
Subject: Elegance Limited - Close Trustees (Isle of Man) Limited

Dear Michele

Apologies for the delay in responding I have been waiting on our Compliance Team.

Having reviewed the Form of Certification Regarding Correspondent Accounts we, Close Trustees (Isle of Man) Limited, are of the opinion that we do not fall under the definition and requirements of a "Foreign Bank" as defined in the USA Patriot Act of 2001. By way of explanation please note as follows:

Close Trustees (Isle of Man) Limited are part of Close Private Bank which comprises Close Trustees (Isle of Man) Limited, Close Investment Management (Isle of Man) Limited and Close Bank (Isle of Man) Limited. Close Trustees (Isle of Man) Limited provide trust and company administration services and custodian services. The Company i.e.) Elegance Limited is administered by Close Trustees (Isle of Man) Limited and Close Trustees (Isle of Man) Limited also act as trustees to the beneficial owner of the Company the Red Mountain Trust.

Both Close Bank (Isle of Man) Limited and Close Trustees (Isle of Man) Limited are licensed by the Isle of Man Financial Supervision Commission to conduct Banking Business. However, Close Trustees (Isle of Man) Limited's licence is restricted in that "The licence holder shall not accept deposits or engage in any other banking business".

Accordingly we feel that as Close Trustees (Isle of Man) Limited does not and cannot take deposits and does not operate correspondent accounts we do not fall within the definition of a foreign bank.

I trust the above information will go some way towards answering your queries in respect of this account but should you require further clarification or wish to discuss this matter further then please do not hesitate to contact me directly on +441624 643240.

Thank you & regards

Aidan

Please visit our Web site: <http://www.close.co.im>

For general enquiries, please respond to: info@close.co.im

group of companies : Close Private Bank is the registered trading name of the following

Close Bank (Isle of Man) Limited, licensed by the Isle of Man

6267

Financial Supervision Commission to conduct Banking and Investment Business

Close Investment Management (Isle of Man) Limited, licensed by the
Isle of Man Financial Commission to conduct Investment Business

Close Trustees (Isle of Man) Limited, licensed by the Isle of Man
Financial Supervision Commission for Banking and Corporate Service Provider Business

1RB St. Georges Court, Upper Church Street, Douglas, Isle of Man, IM99

Tel: + 44 (0) 1624 643200 Fax: + 44 (0) 1624 622039

The information contained in this E-mail is confidential. It is intended only for the stated addressee(s) and access to it by any other person is unauthorised. If you are not an addressee, you must not disclose, copy, circulate or in any other way use or rely on the information contained in this E-mail. Such unauthorised use may be unlawful. If you have received this E-mail in error, please inform us immediately and delete it and all copies from your system.

Due to the fact that this e-mail could become corrupted or altered during transmission, any advice which it contains should not be relied upon unless subsequently confirmed by fax or letter.

Time-critical or important instructions must be sent to us by surface mail, courier services or fax. E-mails should not be used to instruct us in relation to transactions.

Relationship Managers may offer you investment and trust services through Bank of America Private Bank. Certain Private Bank relationship managers are Registered Representatives of Banc of America Investment Services, Inc. and may assist you with investment products and services provided through Banc of America Investment Services, Inc. and other non-bank investment affiliates.

This communication is confidential and intended only for the addressee. If you are not the intended recipient, you may not copy, disclose, or distribute this message to anyone else; any such actions may be unlawful.

If you have received this communication in error, please contact the sender of the message to inform him or her of the error.

..

.....
The intent of this e-mail may be to solicit your interest in doing business with Banc of America Investment Services, Inc. If you do not wish to receive future e-mail communications from Bank of America and its affiliates, including Banc of America Investment Services, Inc.,

6268

please click on this link and indicate your preferences.
https://www.bankofamerica.com/privacy/index.cfm?
template=privacysecur_set_privacy_pref
.....
..

For your security, instructions concerning changes to accounts or transactions through email are not accepted by Banc of America Investment Services, Inc. and may not be accepted by Bank of America.

Additionally, do not send information you consider confidential via email as it will not be transmitted through a secure line. Instead, please speak to your representative.

We want you to know:

Investment products provided by Bank of America or Banc of America Investment Services, Inc.TM

|Are Not FDIC Insured *** May Lose Value *** Are Not Bank Guaranteed|

Banc of America Investment Services, Inc. is a registered broker-dealer, member NASD and SIPC and a nonbank subsidiary of Bank of America, N.A.

The information contained in this e-mail was obtained from sources believed to be reliable; however, the accuracy or completeness of this information is not guaranteed, nor is Bank of America or any of its affiliates responsible for results obtained from use of this information.

The delivery of this information should not be considered to be an offer or solicitation of securities and in no way guarantees the future performance of the securities.

Past performance is no guarantee of future results.

.....

— = Redacted by the Permanent
Subcommittee on Investigations

From: michelle boucher [REDACTED]
Sent: Wednesday, April 21, 2004 10:27 PM
To: Schaufele, Louis J
Subject: FW: Close Bank Certification

Will touch base with Close in the am.
Michelle

>From: "Michelle Boucher" [REDACTED]>
>To: [REDACTED]
>Subject: FW: Close Bank Certification
>Date: Wed, 21 Apr 2004 20:50:35 -0500
>
>
>
>-----
>> From: Schaufele, Louis J [REDACTED]
>> Sent: Wednesday, April 21, 2004 3:50:42 PM
>> To: Michelle Boucher
>> Subject: FW: Close Bank Certification
>> Auto forwarded by a Rule
>>
>I am sorry for all of the fire drills with this. Hopefully we can get
>through this.
>thanks
>
>> -----Original Message-----
>> From: Schaufele, Louis J.
>> Sent: Wednesday, April 21, 2004 2:44 PM
>> To: 'aidanmccowlliff@close.com'
>> Cc: Wertz, Phillip
>> Subject: FW: Close Bank Certification
>>
>> Aidan
>> thanks for the prompt response on the Certification form. As you can see
>> there is one item that we need in Section F. Our attorney Phil Wertz is
>a
>> good fellow and should you feel you need to call him feel free. His
>number
>> is:
>> 704 [REDACTED] I am sorry for all of the hassle but the Patriot Act has
>> everyone jumpy around here. Again thanks.
>> ls
>>
>> -----Original Message-----
>> From: Wertz, Phillip [REDACTED]
>> Sent: Wednesday, April 21, 2004 2:27 PM
>> To: Schaufele, Louis J
>> Cc: Bensing, Lori S; Hearn, Mike
>> Subject: Close Bank Certification
>>
>> I received a copy of Close Trustee's foreign bank certification. It
>looks
>> fine to me except for one section. Section F "Process Agent" requires
>> that any non-US bank that maintains an account with a US bank must
>> designate a US agent for service of process. There are no exceptions in
>> the regulations that would permit accepting a form that responds "not
>> applicable". I presume that this was the response because Close has not
>> officially designated an agent in the US. Here are several options that

6270

```
> > we have seen banks use to address this in the past:
> >
> > 1.      If Close (or any of its affiliates) has an office anywhere in the
> > US, name that office;
> >
> > 2.      If Close (or any of its affiliates) has any employees residing in
> > the US, name that person;
> >
> > 3.      If Close has a US law firm or other service professional that would
> > agree to serve that role, name them;
> >
> > 4.      A number of companies (such as CT Corporation) perform this service
> > as their primary business for a fee.
> >
> > Our policy is not to permit a bank not affiliated with us to name Bank
> of
> America as its agent.
> >
> > I understand that non-US banks are often reluctant to designate a US
> agent
> > for service of process for a variety of reasons.  Unfortunately, the
> > related Patriot Act provision requiring certifications is extremely
> broad
> > and gives us little flexibility on the issue.
> >
> >
> *****
> Relationship Managers may offer you investment and trust services
> through Bank of America Private Bank.  Certain Private Bank
> relationship managers are Registered Representatives of
> Banc of America Investment Services, Inc. and may assist you
> with investment products and services provided through
> Banc of America Investment Services, Inc. and other non-bank
> investment affiliates.
>
> This communication is confidential and intended only for the
> addressee. If you are not the intended recipient, you may not copy,
> disclose, or distribute this message to anyone else; any such
> actions may be unlawful.
>
> If you have received this communication in error, please contact
> the sender of the message to inform him or her of the error.
>
> .....
> The intent of this e-mail may be to solicit your interest in doing
> business with Banc of America Investment Services, Inc.  If you do
> not wish to receive future e-mail communications from Bank of America
> and its affiliates, including Banc of America Investment Services, Inc.,
> please click on this link and indicate your preferences.
> https://www.bankofamerica.com/privacy/index.cfm?template=privacysecur_set_privacy_pref
> .....
>
> For your security, instructions concerning changes to accounts or
> transactions through email are not accepted by Banc of America
> Investment Services, Inc. and may not be accepted by
> Bank of America.
>
> Additionally, do not send information you consider confidential via
> email as it will not be transmitted through a secure line.  Instead,
> please speak to your representative.
>
> We want you to know:
>
> Investment products provided by Bank of America or Banc of America
> Investment Services, Inc.TM
```

Gcib Legal

From: Wertz, Phillip
Sent: Wednesday, April 21, 2004 3:27 PM
To: Schaefele, Louis J
Cc: Bersing, Lori S; Hearn, Mike
Subject: Close Bank Certification

— Redacted by the Permanent
 Subcommittee on Investigations

I received a copy of Close Trustee's foreign bank certification. It looks fine to me except for one section. Section F "Process Agent" requires that any non-US bank that maintains an account with a US bank must designate a US agent for service of process. There are no exceptions in the regulations that would permit accepting a form that responds "not applicable". I presume that this was the response because Close has not officially designated an agent in the US. Here are several options that we have seen banks use to address this in the past:

1. If Close (or any of its affiliates) has an office anywhere in the US, name that office;
2. If Close (or any of its affiliates) has any employees residing in the US, name that person;
3. If Close has a US law firm or other service professional that would agree to serve that role, name them;
4. A number of companies (such as CT Corporation) perform this service as their primary business for a fee.

Our policy is not to permit a bank not affiliated with us to name Bank of America as its agent.

I understand that non-US banks are often reluctant to designate a US agent for service of process for a variety of reasons. Unfortunately, the related Patriot Act provision requiring certifications is extremely broad and gives us little flexibility on the issue.

6272

22-Apr-2004 17:30

Nc 3723 P



Close Trustees
(Isle of Man) Limited

PO Box 303
St George's Court
Upper Church Street
Douglas
Isle of Man
IM99 1RB

Telephone : 44 (0) 1624 643280
Fax : 44 (0) 1624 525248
Email : info@close.co.im
Website : www.close.co.im

FACSIMILE

— = Redacted by the Permanent
Subcommittee on Investigations

To : Michele Crittenden
Company : Bank of America Private Bank
Fax Number : 001 [REDACTED]
From : Aidan Mc Cowill
Date : 22nd April 2004
No. of Pages : 5 (including this page)

This message is sent in confidence for the addressee only. It may contain privileged information. The contents are not to be disclosed to anyone other than the addressee. Unauthorised recipients are requested to preserve this confidentiality and to advise the sender immediately of any error in transmission. If you experience difficulty with receipt, please telephone 44 (0) 1624 643280.

Dear Michelle

Elegance Limited

Please find attached an amended Certification Regarding Correspondent Accounts For Foreign Banks

You will note from the certificate that we have amended the form so that we are regarded under our group name of Close Private Bank which incorporates Close Trustees (Isle of Man) Limited, Close Bank (Isle of Man) Limited and Close Investment Managers (Isle of Man) Limited. Accordingly, we should now be able to receive notices via our affiliates agent details of which are on the form.

Can you please review and comment?

Finally, please note that I shall be out of the office until Tuesday

Kind regards

Yours sincerely

Aidan Mc Cowill
Administrator

*Incoming
corr. ok
JRC 21/22/04*

Close Trustees (Isle of Man) Limited is licensed by the Isle of Man Financial Supervision Commission for Banking and Corporate Service Provider Business.
Incorporated in the Isle of Man No. 46159

Confidential Treatment Requested

BA 008270

Form of Certification Regarding Correspondent Accounts

CERTIFICATION REGARDING CORRESPONDENT ACCOUNTS FOR
FOREIGN BANKS

[OMB Control Number 1505-0184]

The information contained in this Certification is sought pursuant to Sections 5318(j) and 5318(k) of Title 31 of the United States Code, as added by sections 313 and 319(b) of the USA PATRIOT Act of 2001 (Public Law 107-56).

This Certification should be completed by any foreign bank that maintains a correspondent account with any U.S. bank or U.S. broker-dealer in securities (a covered financial institution as defined in 31 C.F.R. 103.175(f)). An entity that is not a foreign bank is not required to complete this Certification.

A foreign bank is a bank organized under foreign law and located outside of the United States (see definition at 31 C.F.R. 103.11(o)). A bank includes offices, branches, and agencies of commercial banks or trust companies, private banks, national banks, thrift institutions, credit unions, and other organizations chartered under banking laws and supervised by banking supervisors of any state (see definition at 31 C.F.R. 103.11(c)). *

A Correspondent Account for a foreign bank is any account to receive deposits from, make payments or other disbursements on behalf of a foreign bank, or handle other financial transactions related to the foreign bank.

Special instruction for foreign branches of U.S. banks: A branch or office of a U.S. bank outside the United States is a foreign bank. Such a branch or office is not required to complete this Certification with respect to Correspondent Accounts with U.S. branches and offices of the same U.S. bank.

Special instruction for covering multiple branches on a single Certification: A foreign bank may complete one Certification for its branches and offices outside the United States. The Certification must list all of the branches and offices that are covered and must include the information required in Part C for each branch or office that maintains a Correspondent Account with a Covered Financial Institution. Use attachment sheets as necessary.

- A. The undersigned financial institution, Close Trustees (Isle of Man) Limited, Close Bank (Isle of Man) Limited and Close Investments Managers, trading as Close Private Bank ("Foreign Bank") hereby certifies as follows:

* A "foreign bank" does not include any foreign central bank or monetary authority that functions as a central bank, or any international financial institution or regional development bank formed by treaty or international agreement.

B. Correspondent Accounts Covered by this Certification: Check one box.

- ☐ This Certification applies to all accounts established for Foreign Bank by Covered Financial Institutions.
- ☐ This Certification applies to Correspondent Accounts established by _____ (name of Covered Financial Institution(s) for Foreign Bank.

C. Physical Presence/Regulated Affiliate Status: Check one box and complete the blanks.

- ☒ Foreign Bank maintains a physical presence in any country. That means:
- Foreign Bank has a place of business at the following street address: St George's Court, Upper Church Street, Douglas, Isle of Man, IM1 1EE, where Foreign Bank employs one or more individuals on a full-time basis and maintains operating records related to its banking activities.
 - The above address is in Isle of Man (insert country), where Foreign Bank is authorized to conduct banking activities.
 - Foreign Bank is subject to inspection by Isle of Man Financial Supervision Commission, (insert Banking Authority), the banking authority that licensed Foreign Bank to conduct banking activities.
- ☐ Foreign Bank does not have a physical presence in any country, but Foreign Bank is a regulated affiliate. That means:
- Foreign Bank is an affiliate of a depository institution, credit union, or a foreign bank that maintains a physical presence at the following street address: _____, where it employs one or more persons on a full-time basis and maintains operating records related to its banking activities.
 - The above address is in _____ (insert country), where the depository institution, credit union, or foreign bank is authorized to conduct banking activities.
 - Foreign Bank is subject to supervision by _____ (insert Banking Authority), the same banking authority that regulates the depository institution, credit union, or foreign bank.
- ☐ Foreign Bank does not have a physical presence in a country and is not a regulated affiliate.

D. Indirect Use of Correspondent Accounts: Check box to certify.

- ☒ No Correspondent Account maintained by a Covered Financial Institution may be used to indirectly provide banking services to certain foreign banks. Foreign Bank hereby certifies that it does not use any Correspondent Account with a Covered Financial Institution to indirectly provide banking services to any foreign bank that does not maintain a physical presence in any country and that is not a regulated affiliate.

22-Apr-2004 17:31

No. 3723 P. 4

E. Ownership Information: Check box 1 or 2 below, if applicable.

- ☐ 1. **Form FR Y-7 is on file.** Foreign Bank has filed with the Federal Reserve Board a current Form FR Y-7 and has disclosed its ownership information on Item 4 of Form FR Y-7.
- ☐ 2. **Foreign Bank's shares are publicly traded.** Publicly traded means that the shares are traded on an exchange or an organized over-the-counter market that is regulated by a foreign securities authority as defined in section 3(a)(50) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(50)).

If neither box 1 or 2 of Part E is checked, complete item 3 below, if applicable.

- ☒ 3. Foreign Bank has no owner(s) except as set forth below. For purposes of this Certification, owner means any person who, directly or indirectly, (a) owns, controls, or has power to vote 25 percent or more of any class of voting securities or other voting interests of Foreign Bank; or (b) controls in any manner the election of a majority of the directors (or individuals exercising similar functions) of Foreign Bank. For purposes of this Certification, (i) person means any individual, bank, corporation, partnership, limited liability company or any other legal entity; (ii) voting securities or other voting interests means securities or other interests that entitle the holder to vote for or select directors (or individuals exercising similar functions); and (iii) members of the same family* shall be considered one person.

Name	Address
Close International Bank Holdings Limited	Sydney Vane house, Rue Du Commerce, St Peter Port, Guernsey
Walsa Nominees Limited	Aldermans House, Aldermans Walk, London, EC2M 3XR

F. Process Agent: complete the following.

The following individual or entity: CT Corporation System is a resident of the United States at the following street address: 111 Eighth Avenue - CT, New York, NY 10011, and is authorized to accept service of legal process on behalf of Foreign Bank from the

* The same family means parents, spouses, children, siblings, uncles, aunts, grandparents, grandchildren, first cousins, stepchildren, stepsiblings, parents-in-law and spouses of any of the foregoing. In determining the ownership interests of the same family, any voting interest of any family member shall be taken into account.

22-Apr-2004 17:31

NC-3123 4.0

Secretary of the Treasury or the Attorney General of the United States pursuant to Section 5318(k) of title 31, United States Code.

G. General

Foreign Bank hereby agrees to notify in writing each Covered Financial Institution at which it maintains any Correspondent Account of any change in facts or circumstances reported in this Certification. Notification shall be given within 30 calendar days of such change.

Foreign Bank understands that each Covered Financial Institution at which it maintains a Correspondent Account may provide a copy of this Certification to the Secretary of the Treasury and the Attorney General of the United States. Foreign Bank further understands that the statements contained in this Certification may be transmitted to one or more departments or agencies of the United States of America for the purpose of fulfilling such departments' and agencies' governmental functions.

I, Mark Jonathan Lewin (name of signatory), certify that I have read and understand this Certification, that the statements made in this Certification are complete and correct, and that I am authorized to execute this Certification on behalf of Foreign Bank.

Close Private Bank

[Name of Foreign Bank]

[Signature]

Mark Jonathan Lewin

[Printed Name]

Trust Director

[Title]

Executed on this 22nd day of April 2004

Received and reviewed by:

Name: _____

Title: _____

For _____

[Name of Covered Financial Institution]

Date: _____

Gcib Legal

From: Rusnak, Geoff
 Sent: Wednesday, March 31, 2004 12:59 PM
 To: Bensing, Lori S.; Hudgins, Steven E.
 Cc: Wollard, Denise L.; Mariano, David
 Subject: Re: Michaels Stores Accounts

Redacted by the Permanent
 Subcommittee on Investigations

Lori:

We are obviously going to need some evidence that they are not a bank. If we can get evidence that they are not in fact a bank, then we will not need the Foreign Bank Cert.

If they are not a bank, they could save everyone a lot of problems by removing the word bank from their name.

Thank you,

Geoff

-----Original Message-----

From: Bensing, Lori S. <[REDACTED]>
 To: Hudgins, Steven E. <[REDACTED]>
 Cc: Wollard, Denise L. <[REDACTED]>; Rusnak, Geoff
 Sent: Wed Mar 31 09:37:29 2004
 Subject: RE: Michaels Stores Accounts

Steve,

I will have the broker contact the trustee and see if we can get the beneficial owners. The close Bank listed for Elegance is not a foreign bank but a management company. In that case, a Certification is not needed, correct?

-----Original Message-----

From: Hudgins, Steven E.
 Sent: Wednesday, March 31, 2004 9:34 AM
 To: Bensing, Lori S.
 Cc: Wollard, Denise L.; Rusnak, Geoff; Mariano, David
 Subject: Michaels Stores Accounts

Lori,

I just received word from NFS regarding the Michaels Stores accounts. They need the following information:

- 1) The Foreign Bank Certification for Elegance Ltd [REDACTED]
- 2) The specific names of the beneficial owners for each of the accounts. (I believe there are 11 total accounts.)

Please respond as soon as possible.

Thanks,

Steve

Steve Hudgins
 Surveillance Compliance Officer
 Banc of America Investments Services, Inc.
 Charlotte

Gcib Legal

= Redacted by the Permanent
 Subcommittee on Investigations

From: Hudgins, Steven E.
Sent: Wednesday, March 31, 2004 10:41 AM
To: Bensing, Lori S.
Subject: RE: Michaels Stores Accounts

They were adamant about obtaining the Foreign Bank Certification. I assume it falls in line w/ Trident Trust, which we were also required to obtain the Certification.

Steve

-----Original Message-----

From: Bensing, Lori S.
Sent: Wednesday, March 31, 2004 10:37 AM
To: Hudgins, Steven E.
Cc: Wollard, Denise L.; Rusnak, Geoff; Mariano, David
Subject: RE: Michaels Stores Accounts

Steve,

I will have the broker contact the trustee and see if we can get the beneficial owners. The Close Bank listed for Elegance is not a foreign bank but a management company. In that case, a Certification is not needed, correct?

-----Original Message-----

From: Hudgins, Steven E.
Sent: Wednesday, March 31, 2004 9:34 AM
To: Bensing, Lori S.
Cc: Wollard, Denise L.; Rusnak, Geoff; Mariano, David
Subject: Michaels Stores Accounts

Lori,

I just received word from NFS regarding the Michaels Stores accounts. They need the following information:

- 1) The Foreign Bank Certification for Elegance Ltd [REDACTED]
- 2) The specific names of the beneficial owners for each of the accounts. (I believe there are 11 total accounts.)

Please respond as soon as possible.

Thanks,

Steve

Steve Hudgins
 Surveillance Compliance Officer
 Banc of America Investments Services, Inc.
 Charlotte
 (704) [REDACTED] Phone
 (704) [REDACTED] Fax

Gcib Legal

= Redacted by the Permanent Subcommittee on Investigations

From: Hudgins, Steven E.
Sent: Friday, April 16, 2004 5:45 PM
To: Bensing, Lori S.
Cc: Hursh, Margo J.
Subject: RE: which accounts are on the hit list for NFS

[REDACTED]

That should be a complete list.

Steve

-----Original Message-----

From: Bensing, Lori S.
Sent: Friday, April 16, 2004 5:32 PM
To: Hudgins, Steven E.
Subject: which accounts are on the hit list for NFS

for the Michael's stock. Phil Wertz has talked to them and I need to know which accounts we need to get beneficial owners for.

Lori Bensing
 Managing Director, Sales Manager
 Bank of America Private Bank
 Bank of America Investment Services, Inc.
 214 [REDACTED] ph
 214 [REDACTED] fax

6280

Gcib Legal

— Redacted by the Permanent
Subcommittee on Investigations

From: Rusnak, Geoff
Sent: Friday, May 14, 2004 5:59 PM
To: Bensing, Lori S.
Subject: RE: we would like to have a call with you and Phil Wertz

How about 10:00 e.s.t. on Tuesday?

-----Original Message-----

From: Bensing, Lori S.
Sent: Friday, May 14, 2004 4:56 PM
To: Rusnak, Geoff
Subject: we would like to have a call with you and Phil Wertz

about our offshore accounts that hold MIK. Are you available anytime Monday or Tuesday morning?

Lori Bensing
Managing Director, Sales Manager
Bank of America Private Bank
Bank of America Investment Services, Inc.
214 [REDACTED] ph
214 [REDACTED] fax

Gcib Legal

= Redacted by the Permanent
 Subcommittee on Investigations

From: Rusnak, Geoff
Sent: Thursday, May 27, 2004 4:57 PM
To: Bensing, Lori S.; White, Phil
Cc: Wertz, Phillip; Bryant, Jennifer L.; Hechtlinger, Susan
Subject: MiK Accounts

Importance: High

Lori and Phil:

Have you spoken to Tim Maloney about the above offshore trusts?

I contacted an attorney at Morgan Stanley who is essentially the number 2 person for AML issues for Morgan Stanley's global operations. I ran a hypothetical situation by him based upon our fact pattern on the above accounts. According to Morgan Stanley's AML policies, they would not open up a retail relationship where an offshore trust refused to provide the names and information for the beneficial owners. He believed that they had made a couple of exceptions for institutional accounts where they had extensive due diligence information on the institution, but not on a retail account. I called Morgan Stanley for two reasons: (1) to obtain information on what our competitors are doing; and (2) because Lou had indicated that these customers could take their business to Morgan Stanley if we persisted in requesting the beneficial owner information.

I also discussed this scenario with Dan Soto, Bank of America Anti-Money Laundering Executive. Dan's statement to me was that we need to have the beneficial owner information. He specifically indicated that if we were served with a federal subpoena, we would have 120 hours to provide the information. Given the Trust attorney's position to date, we have no reason to believe that we could obtain this information within 120 hours.

Please provide an update on your conversation(s) with Tim.

Thank you,

Geoffrey C. Rusnak
 Deputy Director of Compliance
 Senior Vice President
 Ph# - (704) [REDACTED]
 Fax# - (704) [REDACTED]
 E-mail - geoff.rusnak@ [REDACTED]

— = Redacted by the Permanent
Subcommittee on Investigations

From: Schaufele, Louis J. [REDACTED]
Sent: Friday, January 16, 2004 11:15 AM
To: Hutt, Douglas; Schaufele, Louis J.; Wollard, Denise L.
Cc: lori.s.bensing@ [REDACTED] m, Crittenden, Michele M.
Subject: RE: URGENT REQUEST FOR INFORMATION FOR [REDACTED] Devotion LTD- --Bank of America Correspondent

Thanks, they are already on it.
ls

-----Original Message-----
From: Hutt, Douglas [REDACTED]
Sent: Friday, January 16, 2004 10:10 AM
To: Schaufele, Louis J.; Wollard, Denise L.
Cc: lori.s.bensing@ [REDACTED] m, Crittenden, Michele M.
Subject: Re: URGENT REQUEST FOR INFORMATION FOR: [REDACTED] Devotion LTD- --Bank of America Correspondent

Lori can we take this off of our sales team?? Glenda o someone. Let me know

Sent from my BlackBerry Handheld.

-----Original Message-----
From: Schaufele, Louis J. [REDACTED]
To: Wollard, Denise L. [REDACTED]
CC: lori.s.bensing@ [REDACTED] m, Crittenden, Michele M.
Hutt, Douglas <[REDACTED]>
Sent: Fri Jan 16 10:17:16 2004
Subject: RE: URGENT REQUEST FOR INFORMATION FOR: [REDACTED] Devotion LTD--Bank of America Correspondent

UNCLE!!!!I don't have time to fill all of this questionnaire out. Devotion has an 800,000 share derivative trade on Michael's Stores. For which we made +500k in revenue. From time to time they have us wire funds out for investments and expenses that they incur. I have dealt with this account for years. Don't some folks have something better to do than have us fill out forms.

-----Original Message-----
From: Wollard, Denise L.
Sent: Friday, January 16, 2004 9:07 AM
To: Crittenden, Michele M.; Harris, Virgil E.; Schaufele, Louis J.; Ezzo, Shawn
Cc: Wollard, Denise L.; Bensing, Lori S.
Subject: FW: URGENT REQUEST FOR INFORMATION FOR: [REDACTED] Devotion LTD--Bank of America Correspondent

Please see the Request for Information below...they are asking that we respond by 1/22.
Please answer the questions and send back to me to review and I will forward them to Margo.

Thank you
denise

-----Original Message-----
From: Hursh, Margo J.

6283

Sent: Thursday, January 15, 2004 3:30 PM
To: Hutt, Douglas; Wollard, Denise L.
Cc: Chandler, Scott; Hudgins, Steven E.; LaBelle, Jacque A.
Subject: URGENT REQUEST FOR INFORMATION FOR: [REDACTED] Devotion LTD---Bank
of America Correspondent

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Surveillance AML Inquiry

Account Number: [REDACTED]
Client Name: Devotion, LTD.
FCM Name(s): [REDACTED] Louis Schaufele/Virgil Harris

Re: Money Movement Activity & KYC

Good Afternoon Everyone-

I am your new AML Compliance Officer and I work closely with your
Surveillance Officer, Steve Hudgins.

An e-mail was forwarded to me from our clearing firm, NFS for additional
information regarding the activity in the above-referenced account.

We are currently reviewing account [REDACTED] Devotion LTD---Bank of America
Correspondent. This account is holding mostly a cash position. The
citizenship on the account is indicating the Isle of Man. Consistent wiring
activity has become apparent both into and out of the account, the majority
of which are involving third parties. Outgoing wires have involved La
Fourche Trust (Isle of Man), Red River Ventures I LP, and Bank of America
Securities LLC. Incoming wires have been sent from Queensgate bank and Trust
Co Ltd and the client. The incoming wires have all been domestic wires. No
real investments are made in this account, although it does hold some stock.

Can you please supply us with the following information relevant to
this account?

- * What is the purpose of this account?
- * Why is this account acting like a monetary conduit?
- * What is the relationship between this account, and all of the third
party groups listed above?
- * Who is the beneficial owner of this account?
- * A copy of the account application and corporate documentation for
these accounts.
- * Explanation of relationship with customer (i.e. are they personally
known by the correspondent?)
- * Any other relevant information concerning this customer that you
think would be helpful in evaluating this account
- * I have reviewed the account opening documents provided on imaging,
but I do not see a complete account application or the Articles of
Incorporation. Please provide me with a copy from your files.

Please provide your response and account documents by Thursday, January 22,
2004.

Thank you,

Margo J. Hursh
Senior Compliance Officer
Banc of America Investment Services, Inc.
NCL-002-21-50
(704) [REDACTED] phone
(704) [REDACTED] fax

Gcib Legal

— = Redacted by the Permanent
Subcommittee on Investigations

From: Bensing, Lori S.
Sent: Monday, March 08, 2004 12:24 PM
To: Schaufele, Louis J.
Subject: sorry but I need some help understanding this so I can go back to NFS

Lou,

Of the 11 accounts that hold concentrated Michaels positions, I need to understand the relationship between them better. I thought that they had all been set up separately but today we got instruction to sell in Elegance and send the proceeds to Soulliana to 1) pay off margin debt 2) add to the operating account at Citibank. Can you explain it to me again? Thanks

Lori Bensing
Managing Director, Sales Manager
Bank of America Private Bank
Bank of America Investment Services, Inc.
214- [REDACTED] ph
214- [REDACTED] fax

6285

Redacted by the Permanent
Subcommittee on Investigations

From: Crittenden, Michele M.
Sent: Wednesday, March 13, 2002 11:19 AM
To: Sailors, Thomas; Kellen, Cindy L.
Cc: Meher, Stuart; Bonina, Carole; Schaufele, Louis J.; Harris, Virgil E.
Subject: RE: IOM

Please explain exactly what steps remain in completing the ACAT process for these accounts.

Thanks,
Michele Crittenden
214.3

This communication is for informational purposes only. It is not intended as an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. All market prices, data and other information are not warranted as to completeness or accuracy and are subject to change without notice. Any comments or statements made herein do not necessarily reflect those of Banc of America Securities LLC. BAS does not accept orders to buy or sell securities via e-mail.

-----Original Message-----

From: Crittenden, Michele M.
Sent: Tuesday, March 12, 2002 10:52 AM
To: Kellen, Cindy L.
Cc: Sailors, Thomas; Meher, Stuart; Bonina, Carole; Schaufele, Louis J.; Harris, Virgil E.
Subject: RE: IOM

Aundyr Trust Company is the trustee of a trust that owns the companies you deal with. Aundyr is the name of a trustee entity that operates from IFG International.

Tyler Trust - it sounds to me like a mistake was made in completing the forms, we can discuss

CONTACTS

Overall contact person: Andy Wallis (or Colin Platten or Mark Byrne in his absence).

Details of Corporate Vehicles managed by Inter-Continental Management Ltd:

1. Devotion Limited

Directors: Andrew Wallis, Colin Platten, Mark Byrne, Chris Allix
Secretary: Colin Platten

Authorised Signatories: Catherine Britnell, Wanda Garbett

2. Relish Enterprises Limited

Directors: Andrew Wallis, Colin Platten, Mark Byrne, Chris Allix
Secretary: Colin Platten

Authorised Signatories: Catherine Britnell, Wanda Garbett

International House IFG

The authorised signatories for all of our entities that have been transferred to BoA are identical, namely:

Authorised 'A' Signatories

Declan Thomas Kenny
David Andrew Harris
Kevin Malcolm Bromley
Katharine Georgina Harding
Elaine Joyce Higgins

Authorised 'B' Signatories

Anna Maria Benbatoul

6286

Niamh Goddard
Tanya Maria O'Carroll
Melanie Jane Quayle

Authorised instructions should bear any two 'A' signatories or any one 'A' signatory together with one 'B' signatory

Copies of the signatory list were provided with the account opening documentation.

Company Directors

Katharine Georgina Harding and Anna Maria Benbatoul are directors of the following companies:

Tensas Limited
Richland Limited
West Carroll Limited
Morehouse Limited
Moberly Limited
Locke limited
East Carroll
Audubon Asset Limited

Katharine Georgina Harding and Niamh Goddard are directors of the following companies:

East Baton Rouge Limited
Samila Limited
Atlantis Limited
Dortmund limited
Yurta Faf limited

Katharine Georgina Harding, Niamh Goddard and Anna Maria Benbatoul are directors of the following Company:

Greenbriar Limited

David Andrew Harris, Katharine Georgina Harding and Niamh Goddard are directors of the following:

Pops LLC
Orange LLC
Bubba LLC
Balch LLC
Katy LLC
Floflo LLC

The main contact persons for all of the entities are as follows:

David Harris
Anna Benbatoul
Melanie Quayle
Katharine Harding

No persons other than those listed on the authorised signatory list are authorised to give transfer instructions on any of the accounts.

TRIDENT TRUST

hard copy following

Michele Crittenden
214. [REDACTED]

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

This communication is for informational purposes only. It is not intended as an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. All market prices, data and other information are not warranted as to completeness or accuracy and are subject to change without notice. Any comments or statements made herein do not necessarily reflect those of Banc of America Securities LLC. BAS does not accept orders to buy or sell securities via e-mail.

-----Original Message-----

From: Crittenden, Michele M.
Sent: Monday, March 11, 2002 1:57 PM
To: Kellen, Cindy L.
Cc: Sailors, Thomas; Meher, Stuart; Bonina, Carole; Schaefele, Louis J.; Harris, Virgil E.
Subject: RE: IOM

These entities use the Lehman Brothers accounts as a vehicle to hold publicly traded investments and to pool excess funds that are not currently invested in other investments, as such some of the activity is related to proceeds of sales or redemptions from other investments that cleared directly through the entities' Bank of Bermuda accounts. The excess funds were then transferred out to Lehman for investment in US Government Agency Bonds or the Money Market Fund until they were needed again.

The copies of the LOAs are on their way. The rest of the information requested follows:

- 1) \$15M wired into Samia was proceeds on the sale of Ranger Fund shares. Samia then used the proceeds to advance \$15M to Greenbriar which is a related company, they are wholly owned subsidiaries of the same parent.
- 2) \$5M into Moberly, this was proceeds of a redemption from Ranger Fund which were wired to Bank of Bermuda, they were transferred out to Lehman for short term investments. In light of other liquidity/cash flow items, it was subsequently determined that the redemption from Ranger was unnecessary to meet immediate cash needs. As such, the funds were wired back to Bank of Bermuda and invested back into Ranger fund a week later. ie. the redemption was effectively cancelled.
- 3) \$15M into Greenbriar was an intercompany advance from Samia, as discussed above. \$15M was then loaned out to Security Capital, Ltd. \$2.52M rec'd was proceeds of 10% mandatory redemption from Maverick Fund which occurred at 12/31/01. The 10% was wired to Bank of Bermuda and the excess funds were wired over to Lehman Brothers for investment in Agencies.
- 4) \$1M into East Carroll was a combination of funds raised on two redemptions - approximately \$900K raised on redemption of Maverick Levered Fund shares and approximately \$100K raised from the 10% mandatory redemption from Maverick Fund. The redemption proceeds were wired to Bank of Bermuda and the excess funds were wired over to Lehman's for investment.
- 5) Audubon \$2.93M this represents a portion of the proceeds of a sale of Scottish Annuity & Life Holdings Shares which were sold through Bear Stearns in December. The proceeds were delivered to Bank of Bermuda from Bear, some funds were used to administration fees and repay intercompany balances, the net remaining proceeds were wired to Lehman for investment. The \$50K was wired back to Bank of Bermuda to be used with the funds left there to purchase a piece of artwork for approximately \$75,000.
- 6) \$1.26M into Morehouse, this is 10% mandatory redemption from Maverick Fund which was wired to Bank of Bermuda and transferred over to Lehman's for investment

6288

7)\$3.85M into Souleana, this represents the approximate value of proceeds of the sale of Scottish Annuity & Life Holdings, Ltd which took place at Bear Stearns in December. The proceeds were wired to Bank of Bermuda from Bear and then the balance for investment at Lehmans was transferred over. The \$1Million transferred back to Bank of Bermuda on January 29th was an unexpected capital call on a real estate development that a related company is invested in. Souleana wired the money back to Bank of Bermuda, and over to the related company as an intercompany advance and the related company wired it out to the real estate project. The two companies are wholly owned subsidiaries of the same parent.

Please advise if additional information is required.

Michele Crittenden

214. [REDACTED]

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

This communication is for informational purposes only. It is not intended as an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. All market prices, data and other information are not warranted as to completeness or accuracy and are subject to change without notice. Any comments or statements made herein do not necessarily reflect those of Banc of America Securities LLC. BACS does not accept orders to buy or sell securities via e-mail.

-----Original Message-----

From: Kellen, Cindy L.
Sent: Friday, March 08, 2002 3:33 PM
To: Crittenden, Michele M.; Schauffele, Louis J.
Cc: Sailors, Thomas; Meher, Stuart; Bonina, Carole
Subject: RE: IOM

Michele/Lou,

I just got off the phone with our Compliance folks and next step is we have to run all the principals thru CDC. Everyone is aware of the time sensitiveness of getting these accounts opened but as I mentioned to Lou, Tom and I will be responsible for reviewing and approving all the activity in these accounts and as part of the "Know Your Customer" requirement, will need to get comfortable with these entities.

Also, as I mentioned to Lou, I will need detailed information regarding the following transactions from Jan 02, including but not limited to, description of investments, where the wires came from and where they were sent, why the amounts were wired same day and involvement of any third parties.

- 1) \$15 million wired into and out of Samia Investments LTD on 1/29/02
- 2) \$7 million wired into and \$5 million wired out of Moberly LTD on 1/2/02
- 3) \$15 million wire tsfr into and out of Greenbriar LTD on 1/29/02, \$2.5 million wire tsfr in on 1/4/02
- 4) \$1 million wire tsfr into East Carroll LTD on 1/7/02
- 5) \$2.9 million wire tsfr into Audubon Asset Limited on 1/4/02 and \$50,000 wired out on 1/29/02
- 6) \$1.26 million wired into Morehouse Limited on 1/7/02
- 7) \$3.85 million wired into Souleana Limited on 1/18/02 and \$1 million wired out on 1/29/02
- 8) Copies of signed LOAs for these wires

Additional questions -

Aundyr Trust is listed as part of the address on the Lehman statements for Richland Ltd, West Carroll Ltd and Morehouse Ltd.. Who is Aundyr Trust? What is the nature of their relationship with these clients?

One of the accounts, Tyler Trust, submitted a FICOP marked with all options strategies. For this account we will need a copy of the amended trust reflecting the strategies as marked on the FICOP. This document will also need to be reviewed by Rob Horvath in Legal.

A list of the managers, including their positions, you deal with at each of IFG International House, Trident Trust and Intercontinental Management Ltd. (I recognize some of the manager you mentioned today, David Harris, Francis Webb and Andy Wallis, are listed as Directors on the Corporate Resolutions for most of these entities. Please explain the nature of the relationship between the money managers and the individual

6289

corporate entities.

-----Original Message-----

From: Crittenden, Michele M.
Sent: Friday, March 08, 2002 2:37 PM
To: Kellen, Cindy L.
Cc: Schaufele, Louis J.
Subject: IOM

Redacted by the Permanent
Subcommittee on Investigations

Cindy,
Please keep me posted on the status of the foreign accounts. Will they go to the next approval process today? Please let me know if I can do anything to help.

Thanks,

Michele Crittenden

214. [REDACTED]

This communication is for informational purposes only. It is not intended as an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. All market prices, data and other information are not warranted as to completeness or accuracy and are subject to change without notice. Any comments or statements made herein do not necessarily reflect those of Banc of America Securities LLC. BAS does not accept orders to buy or sell securities via e-mail.

6290

Gcib'Legal

From: Schaufele, Louis J.
Sent: Thursday, March 25, 2004 7:55 AM
To: Bensing, Lori S.
Subject: offshore

I don't know if you got anywhere on the call yesterday. I think we need to get our legal to weigh in. Hearn?? Has anyone asked NFS if there anything aside from knowing the actual beneficiaries that will make them happy. Perhaps a letter from US council that states not terrorist and that the beneficiaries have NO control in the investments and that offshore corp is not an affiliate? This would seem to me to cover there behinds and at least seems reasonable to me. We might also try to see if we could move up the NFS food chain and see if we could talk to another legal type that might be knowledgeable in offshore entities. I think we need to involve upper mgmt in where we are and what is going on. I guess Hearn and ?phil white?

Thanks

Sent from my BlackBerry Wireless Handheld

Gcib Legal

From: Hudgins, Steven E,
Sent: Friday, March 26, 2004 1:18 PM
To: Rusnak, Geoff
Subject: RE: Bank of America account numbers [REDACTED]

[REDACTED] = Redacted by the Permanent
 Subcommittee on Investigations

Unfortunately, I'm all too familiar w/ these accounts. Just to give a quick summary: Those 11 or 12 accounts all hold sizeable positions of Michael's Stores. As we have recently found out, these are accounts established by insiders of Michael's (the Wyly family), for the benefit of other family members and some various charities. Personally, I feel better about the accounts, now that we know who established them. (It was a chore just to get that info) However, Barry Harris and NFS feel differently. These are the accounts that Barry Harris was referring to in his e-mail from 3/25. It may be easier to explain all of this verbally as opposed to an e-mail, if so just let me know.

Dr. Hudgins

-----Original Message-----

From: Rusnak, Geoff
Sent: Friday, March 26, 2004 1:04 PM
To: Hudgins, Steven E,
Subject: FW: Bank of America account numbers [REDACTED]
Importance: High

Dr. Hudgins:

Do you have any concerns regarding the activity in the accounts mentioned below?

Geoff

-----Original Message-----

From: Wiegand, Tom
Sent: Thursday, March 25, 2004 4:29 PM
To: Rusnak, Geoff
Cc: Thompson, Cheryl G. (Charlotte)
Subject: FW: Bank of America account numbers [REDACTED]
Importance: High

Geoff,

NF Client Services has contacted me about these accounts. I believe it is a 3rd party PIC relationship that came over from PCS. NF AML Risk is asking several questions about the relationship and I believe Steve Hudgins has been involved in discussions between OSJ (Lori Bensing) and NF Risk but now they have contacted me and are considering restricting accounts, so I assume they could come to an agreement on proper documentation for the accounts. Frankly, I'm not very well versed in this type of account and was wondering if you can provide any assistance.

Tom

-----Original Message-----

From: Worthley, Steven [REDACTED]
Sent: Thursday, March 25, 2004 12:19 PM
To: Wiegand, Tom
Subject: FW: Bank of America account numbers [REDACTED]
Importance: High

11/2/2004

BA 029445

6292

FW: Bank of America account numbers P86

Page 2 of 2

Hi Tom,

Here are the account numbers we talked about.

Thanks
Steven Worthley
Director Client Services
Phone: 617-
Clearing, Custody and other brokerage services
May be provided by National Financial Services LLC or
Fidelity Brokerage Services LLC. Members NYSE/SIPC

- Redacted by the Permanent
Subcommittee on Investigations

-----Original Message-----

From: Pinard, Zachary
Sent: Thursday, March 25, 2004 12:13 PM
To: Worthley, Steven
Subject: Bank of America account numbers

Account Number	Entity Name	Number of Shares	Share Market Value (as of 3/25/04)
	Elegance LLC	958,334	\$44,821,281
	Quayle Ltd	300,268	\$14,043,534
	Soulana Ltd	175,000	\$8,184,750
	Katy LLC	53,600	\$2,506,872
	Balch LLC	53,600	\$2,506,872
	POPS LLC	53,600	\$2,506,872
	Orange LLC	45,300	\$2,118,681
	Flo Flo LLC	44,900	\$2,099,973
	Bubba LLC	29,500	\$1,379,715
	Dortmund LLC	20,800	\$972,816
	Devotion LLC	1,200	\$56,122

Hope this helps.

Zachary Pinard
Risk Analyst--Fidelity Investments
tel. 617-
fax 617-
Boston, MA

11/2/2004

Confidential Treatment Requested

BA 029446

BA 029446

6293

OCT 27 2004 11:28 FR PRIVATE BANK-BRISL 2143832988 TO 917844090022 P.02/24



TRIDENT TRUST
ISLE OF MAN

FAX MEMORANDUM

TO Michele Crittenden
DATE 16 April 2004
COMPANY Banc of America Investment Services Inc
TIME 5.05
FAX NO +1-214- [REDACTED]
PAGES 2 (two) Page(s) including cover
FROM Francis Webb
REF. NO fwt/04-042908-000F
FAX NO +44-1624- [REDACTED]
The original will not follow

Dear Michele

DUE DILIGENCE REQUIREMENTS

I attach a copy of the draft letter faxed to you 14 April 2004 on which I have annotated three alterations suggested by Michelle Boucher. She would be more comfortable with this revised wording and we would certainly be agreeable to incorporating her suggestions.

I look forward to receiving your comments on this and generally on the suggested letter.

Yours sincerely

F WEBB
Senior Manager

Enc

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

This facsimile transmission is intended only for the use of the addressee and may contain confidential information. If you are not the intended recipient, you are hereby notified that any use or dissemination of this communication is strictly prohibited. If you receive this transmission in error, please notify us immediately by telephone so that we can arrange for the return of the documents to us at no cost to you.

TRIDENT TRUST COMPANY (I.O.M.) LTD
P.O. Box 175, 12-14 Finch Road, Douglas, IM99 1TT, Isle of Man
Tel +44-1624-645700 • Fax +44-1624-620388 • Email ion@tridenttrust.com • www.tridenttrust.com
Directors: D.H. Baxter (C.B. & S.A.), C.J. Mundy (SIR), A.P. Flowerman (C.B.)
VAT No. 000 6119 32 • Registered Office: 12-14 Finch Road, Douglas, Isle of Man • Registered in the Isle of Man No. 40471
Licensed by the Isle of Man Financial Supervision Commission as a Corporate Service Provider.

OPR 16 2004 11:27

PAGE 01

BA 007778

Confidential Treatment Requested

BA 007778

6294

OCT 27 2004 11:28 FR PRIVATE BANK-BAIS1 2143032938 TO 917044090022 P.03/24

Our Ref: ~~FW/11-04/1543-005L~~

14 April 2004

Bank of America Investment Securities Inc

Dear Sirs

We write in connection with the investment custody/holding and banking facilities you maintain for the following companies as we understand that you require information and confirmations to satisfy Due Diligence enquiries:-

Soulema Limited
Quayle Limited

Trident Trust Company (I.O.M.) Limited in its capacity as Trustee of ~~Private Family Trust~~ owns 100% of the issued share capital of the above-named companies.

We understand that you already hold information concerning the ~~Trust and the principals thereof~~ but we should be pleased to provide further information if required.

Trident Trust Company (I.O.M.) Limited is licensed as a Corporate Service Provider by the Isle of Man Government Financial Supervision Commission. You may verify this by reference to the Regulator's website which can be accessed at www.fsc.gov.im under the "license holders" section. Trident Trust Company (I.O.M.) Limited is registered as the holder of a current category one licence.

The Isle of Man is not a FATF or EU member state; however, it is recognised as a jurisdiction which has enacted anti-money laundering legislation providing protection equivalent to that available in a FATF member state. You may verify this by reference to the website of the British Bankers' Association Joint Money Laundering Steering Group at www.jmlsg.org.uk under the section dealing with Appendix D to the JMLSG Guidance Notes.

In the course of exercising our duties as Trustees of the ~~Trust~~ and Administrators of the underlying companies we are satisfied that none of the assets under our control derive from any illegal or improper purposes. We are also satisfied that disbursements made by us as Trustees are not directed to any politically exposed persons nor to persons nor organisations prohibited under current sanctions lists nor to recipients based in territories regarded as non-co-operative under current FATF guidelines.

We trust that the above information will be of assistance to you and will be prepared to address any questions which may arise from the above.

APR 16 2004 11:27

PAGE 02

BA 007779

Confidential Treatment Requested

BA 007779

See to
Lia Muijot

6295

OCT 27 2004 11:28 FR PRIVATE BANK-BAISI 2143832988 TO 917044090822 P.04/24

Our Ref: Jwint-04/1349-0082

14 April 2004

Bank of America Investment Securities Inc

Dear Sirs

We write in connection with the investment custody/dealing and banking facilities you maintain for the following companies as we understand that you require information and confirmations to satisfy Due Diligence enquiries:-

Soulema Limited
Qstyle Limited

Trident Trust Company (I.O.M.) Limited in its capacity as Trustee of private family Trusts owns 100% of the issued share capital of the above-named companies.

We understand that you already hold information concerning the Trusts and the principals thereof, but we should be pleased to provide further information if required.

Trident Trust Company (I.O.M.) Limited is licensed as a Corporate Service Provider by the Isle of Man Government Financial Supervision Commission. You may verify this by reference to the Regulator's website which can be accessed at www.fsc.gov.im under the "license holders" section. Trident Trust Company (I.O.M.) Limited is registered as the holder of a current category one license.

The Isle of Man is not a FATF or EU member state; however, it is recognised as a jurisdiction which has enacted anti-money laundering legislation providing protection equivalent to that available in a FATF member state. You may verify this by reference to the website of the British Bankers' Association Joint Money Laundering Steering Group at www.bba.org.uk under the section dealing with Appendix D to the JMLSG Guidance Notes.

In the course of exercising our duties as Trustees of the parent Trusts and Administrators of the underlying companies we are satisfied that none of the assets under our control derive from any illegal nor improper purposes. We are also satisfied that distributions made by us as Trustee are not directed to any politically exposed persons nor to persons nor organisations proscribed under current sanctions lists nor to recipients based in territories regarded as non-co-operative under current FATF guidelines.

We trust that the above information will be of assistance to you and will be prepared to address any questions which may arise from the above.

gone
Give copy to
Lori 4/15/04

APR 14 2004 18:00

PAGE.02

Confidential Treatment Requested

BA 007780

BA 007780

— = Redacted by the Permanent
Subcommittee on Investigations

From: Schaufele, Louis J. [REDACTED]
Sent: Friday, April 23, 2004 9:17 AM
To: Crittenden, Michele M.
Subject: FW: Shell Bank Certification

-----Original Message-----
From: Wertz, Phillip [REDACTED]
Sent: Friday, April 23, 2004 7:49 AM
To: Schaufele, Louis J; Bensing, Lori S
Cc: White, Phil
Subject: RE: Shell Bank Certification

To be honest, I think this is an example of the general public's view of the world not being aligned with the government's view of the world post 9-11, and we are stuck in the middle. Customers, especially high net worth customers, still believe that some degree of anonymity in their financial transactions is a matter of right, while the government now starts from the premise that they are high risk and you need transparency. I think this client (at least their attorney's) understand that this is not an issue of whether we trust or value this particular customer, but it is an issue of us balancing our desire to serve our customers with compliance with the government's expectations.

To be honest, I think they may have difficulty opening a new account with another US broker and not face these same questions. I don't think we or NFS are out ahead of the market on this.

I may be wrong, but I ultimately think they will give the names, but ask for assurances about us maintaining their confidentiality.

-----Original Message-----
From: Schaufele, Louis J
Sent: Friday, April 23, 2004 8:38 AM
To: Wertz, Phillip; Bensing, Lori S
Cc: White, Phil
Subject: Re: Shell Bank Certification

Got your voice. I understand that you spoke with attys. It sounds as though their attys think differently on this. It is amazing to me that we cannot get an independent 3rd party or something that can satisfy both of us. At the end of the day we are going to send +50mm of assets to a competitor. If NFS are concerned over something more than Patriot Act issues then perhaps we could go to MIK counsel to clear any of those issues. As you know I have dealt with these entities for 10+ yrs. And I would hate to see them move to a competitor. I appreciate your help and hope we get this resolved.

Thx
 LS

 Sent from my BlackBerry Wireless Handheld

6297

----- = Redacted by the Permanent
Subcommittee on Investigations

From: Schaufele, Louis J [REDACTED]
Sent: Friday, April 23, 2004 9:29 AM
To: Badertscher, Brian
Subject: RE: MIK

will do. I am actually waiting on a call to offshores attys (in Dallas).

-----Original Message-----
From: Badertscher, Brian [REDACTED]
Sent: Friday, April 23, 2004 8:20 AM
To: Schaufele, Louis J
Subject: RE: MIK

I was checking with Prime Brokerage and they mentioned BAS needs to do their due diligence on these types of accounts, and it may not be dissimilar to NFS or others on the street. Give me a buzz when you are free.

-----Original Message-----
From: Schaufele, Louis J [REDACTED]
Sent: Friday, April 23, 2004 9:11 AM
To: Badertscher, Brian
Subject: RE: MIK

sure

-----Original Message-----
From: Badertscher, Brian [REDACTED]
Sent: Friday, April 23, 2004 7:40 AM
To: Schaufele, Louis J
Subject: RE: MIK

I just heard Ashley is out today, back in Monday. She is the expert on my team for these issues. Can it wait until Monday?

-----Original Message-----
From: Schaufele, Louis J [REDACTED]
Sent: Friday, April 23, 2004 8:10 AM
To: Badertscher, Brian
Subject: Re: MIK

Will call when I get in.

Sent from my BlackBerry Wireless Handheld

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

From: Schaufele, Louis J. [REDACTED]
Sent: Thursday, April 29, 2004 12:07 PM
To: Bensing, Lori S.
Subject: RE: same old subject

tk

-----Original Message-----
From: Bensing, Lori S.
Sent: Thursday, April 29, 2004 11:02 AM
To: Schaufele, Louis J.
Subject: RE: same old subject

I think so but I am double checking.

-----Original Message-----
From: Schaufele, Louis J.
Sent: Thursday, April 29, 2004 10:50 AM
To: Bensing, Lori S.
Subject: FW: same old subject

I assume that NFS knows we are trying to resolve this and we aren't going to be thrown to the lions?

-----Original Message-----
From: Michelle Boucher [REDACTED]
Sent: Thursday, April 29, 2004 10:10 AM
To: Schaufele, Louis J.
Subject: RE: same old subject

presumably we are not still being threatened with tomorrow's deadline as we are all working to resolve this?

-----Original Message-----
From: Schaufele, Louis J. [REDACTED]
Sent: Thursday, April 29, 2004 9:50 AM
To: Michelle Boucher
Subject: FW: same old subject

See the note I got from Phil Wertz. I don't think Scottish Re is going to work. We are working towards the release of the beneficiaries to us and then getting you some type of understanding to get you comfortable on confidentiality.
Is

-----Original Message-----
From: Wertz, Phillip [REDACTED]
Sent: Thursday, April 29, 2004 9:33 AM
To: Schaufele, Louis J.
Cc: Bensing, Lori S; White, Phil
Subject: RE: same old subject

Lori and Jai at NFS have been trading emails. As of now, we don't know if NFS will accept anything short of having the names themselves. We have pitched to them that we will get the names and they can rely upon us, which

6299

I think would be a reasonable compromise. I have two problems with using Scottish Re. First, insurance companies are not subject to the same Patriot Act rules today as banks and broker dealers (although some day I anticipate that they will be). I only know a little about Scottish Re, but I believe they are an insurance company. Typically, I wouldn't feel comfortable solely relying on that at Bank of America and I think it would be a hard sell for NFS. Second, aside from the AML/KYC issues, NFS seems to want the information so they can clear exceptions that kick out on their systems. While I think they should be able to live with Bank of America having it and calling us up to get comfortable, they wouldn't be able to call up Scottish re.

-----Original Message-----

From: Schaufele, Louis J
Sent: Thursday, April 29, 2004 10:08 AM
To: Wertz, Phillip
Cc: Bensing, Lori S; White, Phil
Subject: same old subject

I was actually in your state yesterday but in Raleigh-Durham. I understand that Boucher is asking about using a financial institution as a third party for the AML issue, Scottish Re. You are probably wondering why. She has a history with Scottish and would be comfortable in their acting in some sort of capacity. Her problem with us is that she knows us, but is unable to ascertain if we can keep the information confidential (she understands that we would give up on legal inquiry). As you know it is the offshore counsel's posture that for the corporate entities they feel that they do not need to give up the beneficiaries and I understand that we believe otherwise (we agree to disagree). As I have said in the past my goal is not to put BAI at any risk but I also do not want the assets to leave (she has indicated to me that they have a home for these if we are unable to work something out). I do know that we could probably move these to our prime brokerage if you cannot get NFS to agree. I hope that the Scottish Re is a viable option. I understand that when you all spoke it was mentioned that we could allow a US regulated financial institution to act in some capacity so perhaps that can work. Scottish has a US sub in Charlotte. I really appreciate your effort and let me know when you think I should go explore this with Prime (BAS) if you think we are at a dead end here. We actually have a Prime Brokerage office in Dallas so it isn't hard to walk across the hall.
thanks

-----Original Message-----

From: Crittenden, Michele M.
Sent: Thursday, April 29, 2004 8:42 AM
To: Schaufele, Louis J.
Subject: FW: bofa

— = Redacted by the Permanent
Subcommittee on Investigations

-----Original Message-----

From: Michelle Boucher [REDACTED]
Sent: Tuesday, April 27, 2004 4:46 PM
To: Crittenden, Michele M; Louis Schaufele (E-mail)
Subject: bofa

Lou,
Last week you mentioned that an acceptable financial institution for purposes of providing certification that BoFA/NFS requires would be a US regulated insurance company. Please confirm back to me that Scottish Re Group Limited would be an acceptable entity.
Michelle

6300

Relationship Managers may offer you investment and trust services through Bank of America Private Bank. Certain Private Bank relationship managers are Registered Representatives of Banc of America Investment Services, Inc. and may assist you with investment products and services provided through Banc of America Investment Services, Inc. and other non-bank investment affiliates.

This communication is confidential and intended only for the addressee. If you are not the intended recipient, you may not copy, disclose, or distribute this message to anyone else; any such actions may be unlawful.

If you have received this communication in error, please contact the sender of the message to inform him or her of the error.

.....
The intent of this e-mail may be to solicit your interest in doing business with Banc of America Investment Services, Inc. If you do not wish to receive future e-mail communications from Bank of America and its affiliates, including Banc of America Investment Services, Inc., please click on this link and indicate your preferences.
https://www.bankofamerica.com/privacy/index.cfm?template=privacysecur_set_privacy_pref
.....

For your security, instructions concerning changes to accounts or transactions through email are not accepted by Banc of America Investment Services, Inc. and may not be accepted by Bank of America.

Additionally, do not send information you consider confidential via email as it will not be transmitted through a secure line. Instead, please speak to your representative.

We want you to know:

Investment products provided by Bank of America or Banc of America Investment Services, Inc.TM

Are Not FDIC Insured *** May Lose Value *** Are Not Bank Guaranteed

Banc of America Investment Services, Inc. is a registered broker-dealer, member NASD and SIPC and a nonbank subsidiary of Bank of America, N.A.

The information contained in this e-mail was obtained from sources believed to be reliable; however, the accuracy or completeness of this information is not guaranteed, nor is Bank of America or any of its affiliates responsible for results obtained from use of this information.

The delivery of this information should not be considered to be an offer or solicitation of securities and in no way guarantees the future performance of the securities.

Past performance is no guarantee of future results.

6301

— Redacted by the Permanent
Subcommittee on Investigations

From: Schaufele, Louis J. [REDACTED]
Sent: Monday, May 17, 2004 3:57 PM
To: Whita, Phil; Bensing, Lori S.
Subject: conference call MIK

I just wanted to give you some background:

We have about 8-10 offshore accounts, these accounts are offshore corporations which are owned by trusts (I think you know this issue). I have dealt with these entities for at least 10yrs. Because of the Patriot Act our compliance wants to know whom the beneficial owners are in the trusts. The offshore have received counsel that they do not need to supply this (counsel was both US and Isle of Man (IOM)). We have worked with Phil Wertz in our legal department on this issue and basically arrived at the point where we both agree to disagree. Wertz feels we are entitled to know and IOM feels that they cannot. We do know that the entities have opened other accounts within the last 6 months at Morgan Stanley and US Bancorp and did not have to supply whom the beneficial owners were. Obviously I do not know for certain but feel strongly that the beneficial owners are members of the Charles and Sam Wyly families. The Wyly family is a very large account for the bank. I believe they pay us fees in excess of \$1.5mm per year on the bank side. We are currently working on a 10mm loan for Sam Wyly as we speak. The offshore accounts produced around \$100k of revenue last year. Currently we are working on a 400k share collar for one of the accounts. Another account executed a 800k share collar in 2002 (approximately 600k in revenue). The offshore have always provided us with anything we have asked but this is "across the line" and could pose a significant problem for them. Bottom line is they are not going to give us the owners, they have given us documentation from the IOM that the owners are in compliance with AML issues (faxed 5/17). Wertz has said that we are probably OK here but that it is compliance's decision. On another note, BAS prime brokerage can and has opened accounts for these types of entities without knowing beneficial owners. Hopefully, our compliance will be agree that we can continue to do business with these people, I would hate to see 50mm+ in assets leave and go to Morgan Stanley. I think you are going to need to get Phil to say he thinks that on this one situation we are OK and that you will take the business risk.

thanks

Lou Schaufele
Managing Director / Investments
Private Client Advisor
Bank of America Private Bank
Bank of America Investment Services, Inc.
214 [REDACTED]
214 [REDACTED]

DATE	TIME	LOCATION	OFFICER	REMARKS
4-5/16/04			Michael Stone	
				Phil's view: beyond NFS issue
				" will file a SARL if necessary
				" Escalation or action, but they
				" Have action without further
				" NFS is not going to close
				" of Mon had
				" in good standing under Title
				" usual Amu clearing all and
				" Starting they have done the
				" The Isle of Man Trustee
				" Have a reliance letter sent
				"
				" of Mon
				" According to Isle of Man Attorney General
				" offshore matter
				" Leasehold owner of Rose
				" Phil's view: beyond NFS issue

DATE	TIME	BY	REMARKS
25	18	04	
MIC Access			
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	26	27	28
29	30	31	32
33	34	35	36
37	38	39	40
41	42	43	44
45	46	47	48
49	50	51	52
53	54	55	56
57	58	59	60
61	62	63	64
65	66	67	68
69	70	71	72
73	74	75	76
77	78	79	80
81	82	83	84
85	86	87	88
89	90	91	92
93	94	95	96
97	98	99	100

1 - Day will do what they are to do regarding SAR filing

2 - Review process is to keep it per Phil wrote

3 - Tim Maloney is R.P. 5

4 - Phil White has not written Tim his opinion

5 - Phil thinks it legally required

OCT 20 2004 15:14 FR BANK OF AMERICA

2144439189 TO 1704409022

P.04

5/18/04

Call w/ Geoff Rusnak; Phil Wertz; Lou Sanfile

8.77

2-9 Oct 98 (6688)

- * Title of New Letter says the trusts meet T.M. All requirements
- * NPS have acknowledged that they are going to get the info
- * Domestic counsel expressed that
- * Don't have enough paper in the file to protect us under the Patriot Act
- * What due diligence was done & what documents do we have to prove for a 3rd party that we know these
- * NPS has brought it to light & we

— Redacted by the Permanent
Subcommittee on Investigations

BA 007785

6305

Received 10/27/2004 11:54AM for AVAUGHN, Image 10 2004/10/27 11:58AM, Fax ID AVA417780585000 * Pg 11/11
OCT 27 2004 11:58 PM GCIB REG INVESTIGAT784 387 1886 TO 912124583744 P.11

NOT
RELEVANT

Lair Schaveffe

Michael's 5th (Wiley)

100 mm w/ w

offshore fruit Isle M¹⁰⁰⁰
& tree in (no new accs)

won't give us ^{= supposedly w/ley day by} beneficial answer

needs to go to risk committee

NFS = RH SALS?

** TOTAL PAGE 11 **

BA 007786

Confidential Treatment Requested

6306

— = Redacted by the Permanent
Subcommittee on Investigations

From: Schaufele, Louis J. [REDACTED]
Sent: Wednesday, May 19, 2004 10:15 AM
To: 'Michelle Boucher'
Subject: RE: update

thx

-----Original Message-----
From: Michelle Boucher [REDACTED]
Sent: Wednesday, May 19, 2004 9:14 AM
To: Schaufele, Louis J
Cc: Crittenden, Michele M
Subject: RE: update

this afternoon is fine for me. I'll get working on the other items.

-----Original Message-----
From: Schaufele, Louis J [REDACTED]
Sent: Wednesday, May 19, 2004 8:11 AM
To: Michelle Boucher
Cc: Crittenden, Michele M
Subject: update

We are having to go to the risk committee on this. What I am going to need to do is to build a file IF regulators come in. One thing that would help is do you think I could talk to Meadow Owens and do you think we could get them to write a letter like we got from the trustees in IOM or something like that. Not that they will go with it but do you think Scottish Re is still an option? They are not going to kick you out and we have time to build the case. I have got to get the regional president to endorse this and plan to have him come to Dallas and talk about this. When you have time today or tomorrow give me a call, this morning is bad for me, open after lunch.

Lou Schaufele
Managing Director / Investments
Private Client Advisor
Bank of America Private Bank
Banc of America Investment Services, Inc.
214 3 [REDACTED]
214-3 [REDACTED] fax

Relationship Managers may offer you investment and trust services through Bank of America Private Bank. Certain Private Bank relationship managers are Registered Representatives of Banc of America Investment Services, Inc. and may assist you with investment products and services provided through Banc of America Investment Services, Inc. and other non-bank investment affiliates.

This communication is confidential and intended only for the addressee. If you are not the intended recipient, you may not copy, disclose, or distribute this message to anyone else; any such actions may be unlawful.

6307

If you have received this communication in error, please contact the sender of the message to inform him or her of the error.

.....
.....
The intent of this e-mail may be to solicit your interest in doing business with Banc of America Investment Services, Inc. If you do not wish to receive future e-mail communications from Bank of America and its affiliates, including Banc of America Investment Services, Inc., please click on this link and indicate your preferences.
https://www.bankofamerica.com/privacy/index.cfm?template=privacysecur_set_privacy_pref
.....
.....

For your security, instructions concerning changes to accounts or transactions through email are not accepted by Banc of America Investment Services, Inc. and may not be accepted by Bank of America.

Additionally, do not send information you consider confidential via email as it will not be transmitted through a secure line. Instead, please speak to your representative.

We want you to know:

Investment products provided by Bank of America or Banc of America Investment Services, Inc.TM

|Are Not FDIC Insured *** May Lose Value *** Are Not Bank Guaranteed|

Banc of America Investment Services, Inc. is a registered broker-dealer, member NASD and SIPC and a nonbank subsidiary of Bank of America, N.A.

The information contained in this e-mail was obtained from sources believed to be reliable; however, the accuracy or completeness of this information is not guaranteed, nor is Bank of America or any of its affiliates responsible for results obtained from use of this information.

The delivery of this information should not be considered to be an offer or solicitation of securities and in no way guarantees the future performance of the securities.

Past performance is no guarantee of future results.

.

6308

Redacted by the Permanent
Subcommittee on Investigations

From: michelle boucher [mailto: [REDACTED]]
Sent: Thursday, May 27, 2004 10:48 PM
To: LOUIS.J.SCHAUFLE@ [REDACTED]
Subject: FW: call

excellent! thanks for your help and perserverance. I hope the graduation goes well and you can relax some!

>From: "Michelle Boucher" < [REDACTED]>
>To: <mlbitc [REDACTED]>
>Subject: FW: call
>Date: Thu, 27 May 2004 15:58:33 -0500

>
>
>
>-----
> From: Schaufele, Louis J [REDACTED]
> Sent: Thursday, May 27, 2004 3:58:10 PM
> To: Michelle Boucher
> Subject: call
> Auto forwarded by a Rule

>
>I think it went pretty well. Here is where we are under current conditions
>we are not going to ask for the beneficiaries. We would like to get
>something from the Trustees that if the law (US) changed or if a regulatory
>body demanded (NASD) that they would make a best efforts basis to comply. I
>think this seems reasonable, let me know what the powers that be say. I am
>off to graduation but will have cell and blackberry, return next Thursday.
>thanks

>
>Lou Schaufele
>Managing Director / Investments
>Private Client Advisor
>Bank of America Private Bank
>Bank of America Investment Services, Inc.
>214 [REDACTED]
>214 [REDACTED] fax

>
>
>
>
>*****
>Relationship Managers may offer you investment and trust services
>through Bank of America Private Bank. Certain Private Bank
>relationship managers are Registered Representatives of
>Bank of America Investment Services, Inc. and may assist you
>with investment products and services provided through
>Bank of America Investment Services, Inc. and other non-bank
>investment affiliates.
>
>This communication is confidential and intended only for the
>addressee. If you are not the intended recipient, you may not copy,
>disclose, or distribute this message to anyone else; any such
>actions may be unlawful.
>
>If you have received this communication in error, please contact
>the sender of the message to inform him or her of the error.
>
>.....

6309

Redacted by the Permanent
Subcommittee on Investigations

From: Michelle Boucher
Sent: Friday, June 18, 2004 12:28 PM
To: Schaufele, Louis J.
Subject: RE: update

sorry Lou, I've had you on my call list as # 1 for three days and haven't called. I'll call in a bit.
Michelle

-----Original Message-----
From: Schaufele, Louis J. [mailto:lschaufe@bankofamerica.com]
Sent: Friday, June 18, 2004 8:49 AM
To: Michelle Boucher
Subject: update

Not really much to update but here is my guess, everything has gotten tabled. Mgmt. is trying to make a decision on offshores as a whole and consistency (why does our prime brokerage feel OK and my area not). I think where this will boil down for you is that we get an independent 3rd party (at our expense) who can attest to the fact that Osama is not a beneficiary. Basically a letter like the one from IOM but from some US counterparty (attorney or something like that). I am not being bugged so I would just operate as normal. have a great week end.

Lou Schaufele
Managing Director / Investments
Private Client Advisor
Bank of America Private Bank
Bank of America Investment Services, Inc.
214-261-2614
214-261-2614 fax

Relationship Managers may offer you investment and trust services through Bank of America Private Bank. Certain Private Bank relationship managers are Registered Representatives of Banc of America Investment Services, Inc. and may assist you with investment products and services provided through Banc of America Investment Services, Inc. and other non-bank investment affiliates.

This communication is confidential and intended only for the addressee. If you are not the intended recipient, you may not copy, disclose, or distribute this message to anyone else; any such actions may be unlawful.

If you have received this communication in error, please contact the sender of the message to inform him or her of the error.

.....
The intent of this e-mail may be to solicit your interest in doing business with Banc of America Investment Services, Inc. If you do not wish to receive future e-mail communications from Bank of America and its affiliates, including Banc of America Investment Services, Inc., please click on this link and indicate your preferences.
https://www.bankofamerica.com/privacy/index.cfm?template=privacysecur_set_privacy_pref

1

Confidential Treatment Requested

BA 060604

6310

OCT 22 2004 10:32 FR BAISI-COMPLIANCE-CLT 704 388 8022 TO 912124523865 P.12/43

URGENT: Foreign Bank Identified: Certification Required: [REDACTED] Trident Trust

Page 1 of 3

Hudgins, Steven E.

[REDACTED] = Redacted by the Permanent Subcommittee on Investigations

From: Strouse, Marijke
Sent: Thursday, September 04, 2003 3:45 PM
To: Hudgins, Steven E.
Subject: FW: URGENT: Foreign Bank Identified: Certification Required: [REDACTED] Trident Trust
Importance: High

Original Message

From: Blum, Deborah [REDACTED]
Sent: Thursday, September 04, 2003 3:51 PM
To: Mariano, David; Capalad, Karen; Strouse, Marijke
Cc: Feduccia, Karen B; Hudgins, Steven; Hursh, Margo
Subject: URGENT: Foreign Bank Identified: Certification Required: P86-0169 93 Trident Trust
Importance: High

We have identified a Foreign Bank account held at your firm: [REDACTED] Trident Trust Co Ltd TTEE, Isle of Man.

The U.S. Treasury Department issued regulations governing accounts that U.S. financial institutions maintain for "foreign banks". We realize that the foreign bank may be acting as trustee on this account. However, an account involving a foreign bank is a "correspondent account" even if the bank is only acting as trustee or custodian. The U.S. Treasury indicated this directly in the material accompanying issuance of the final version of the relevant regulation last September. Thus, a foreign bank must file a certification even if it is only acting as trustee or custodian.

One component of those regulations is a requirement that each of your foreign bank clients complete, sign, and return a Certification Regarding Correspondent Accounts for Foreign Banks (the "Certification"). The purpose of the Certification is to ensure that your foreign bank clients comply with the anti-money laundering provisions of Sections 313 and 319(b) of the USA PATRIOT Act.

Specifically, your client is asked to:

- Certify that it is not a foreign shell bank →
- Certify that it is not using account(s) maintained with you to provide services to a foreign shell bank
- Provide ownership information, and
- Identify an agent for service of legal process in the United States

The regulation states that you have 30 days from the establishment date to file a completed certificate. If the certificate is not completed within that time frame, we must restrict the account. The regulation requires that we "...shall not permit the foreign bank to establish any new positions or execute any transaction through any such account, other than transactions necessary to close the account." If a restriction is placed on the account, we cannot remove it until a completed foreign bank certification is received and approved as being in good order. This account was established on 8/7/03, which means that the deadline for Certification is September 5 or we are out of compliance with the regulation. Were you aware that Trident Trust Co Ltd TTEE is considered a foreign bank? If so, do you already have a Foreign Bank Certification on file? If no, you MUST send your customer a letter requesting that they complete the Foreign Bank Certification as soon as possible.

Below is the certification form
<<Foreign Bank Cert Form.pdf>>

ADDITIONAL INFORMATION

Many firms have asked for the applicable definition of "foreign bank" and "bank" as defined in this regulation, and thus, they are restated below:

9/4/2003

BA 012853

Confidential Treatment Requested

BA 012853

- 1) NO, PROFESSIONAL TRUST CO
- 2) NO CERT ON FILE
- 3) CUSTOMER IS NAT & FOREIGN SHELL BANK
- 4) NOT USING ACCTS TO PROVIDE SERVICES TO SHELL BANK

15 DAYS (214) [REDACTED] PERS COMB DENISE [REDACTED] NQ [REDACTED] P. [REDACTED] TRIST Co.

6311

OCT 22 2004 10:32 FR BAISI-COMPLIANCE-CLT 784 389 8822 TO 912124583885 P.13/43

ENT: Foreign Bank Identified: Certification Required: [REDACTED] Trident Trust

Page 2 of 3

31 CFR 103.11(c): "Foreign bank. A bank organized under foreign law, or an agency, branch or office located outside the United States of a bank. The term does not include an agent, agency, branch or office within the United States of a bank organized under foreign law."

31 CFR 103.11(c): "Bank. Each agent, agency, branch or office within the United States of any person doing business in one or more of the capacities listed below:

- (1) A commercial bank or trust company organized under the laws of any State or of the United States;
- (2) A private bank;
- (3) A savings and loan association or a building and loan association organized under the laws of any State or of the United States;
- (4) An insured institution as defined in section 401 of the National Housing Act;
- (5) A savings bank, industrial bank or other thrift institution;
- (6) A credit union organized under the law of any State or of the United States;
- (7) Any other organization (except a money services business) chartered under the banking laws of any state and subject to the supervision of the bank supervisory authorities of a State;
- (8) A bank organized under foreign law;
- (9) Any national banking association or corporation acting under the provisions of section 25(a) of the Act of Dec. 23, 1913, as added by the Act of Dec. 24, 1919, ch. 18, 41 Stat. 378, as amended (12 U.S.C. 611-32)

There is broad industry consensus and thus our interpretation of these regulations includes

- trust companies organized offshore as "foreign banks" for purposes of the certification requirements and "foreign shell bank" prohibition.
- an account involving a foreign bank is a "correspondent account" even if the bank is only acting as trustee or custodian.

Please let me know if you have any questions.

Thank you.

Debbie Blum

(Phone)

(Fax)

Manager- AMR- Research and Evaluation

The information transmitted is intended solely for the individual or entity to which it is addressed and may contain confidential and/or privileged material. Any review, retransmission, dissemination or other use of or taking action in reliance upon this information by persons or entities other than the intended recipient is prohibited.

[REDACTED] = Redacted by the Permanent Subcommittee on Investigations

9/4/2003

BA 012854

Confidential Treatment Requested

BA 012854

6312

OCT 22 2004 10:32 FR BAISI-COMPLIANCE-CLT 704 388 0822 TO 912124503865

SENT: Foreign Bank Identified: Certification Required: [REDACTED] Trident Trust

Page 3 of 3

*If you have received this email in error, please contact the sender
and delete the material from any computer.*

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

9/4/2003

BA 012855

Confidential Treatment Requested

BA 012855

Gcib Legal

Redacted by the Permanent
 Subcommittee on Investigations

From: Blum, Deborah
Sent: Monday, September 08, 2003 11:58 AM
To: Hudgins, Steven
Subject: RE: US Patriot Act

Trident Trust is listed as the Trustee on these accounts, and therefore, falls under the definition of "Foreign Bank."
 I am not sure what correspondence you sent to Trident Trust. My email to you provided the definition of "Foreign Bank" which you are free to share with them.
 If Trident Trust provides any services on these accounts, they need to file a certificate. If they don't provide any services, why is their name on the account as trustee?
 Please advise.
 Debbie

-----Original Message-----
From: Hudgins, Steven
Sent: Monday, September 08, 2003 11:48 AM
To: Blum, Deborah
Subject: FW: US Patriot Act

Debbie,

Trident Trust has a question regarding certification of other accounts.
 Please advise.

Thanks,

Steve

-----Original Message-----
From: Chandler, Scott
Sent: Monday, September 08, 2003 11:05 AM
To: Hudgins, Steven E,
Subject: FW: US Patriot Act

-----Original Message-----
From: Crittenden, Michele M
Sent: Monday, September 08, 2003 10:23 AM
To: Chandler, Scott
Subject: FW: US Patriot Act

-----Original Message-----
From: Webb, Francis (FW)
Sent: Monday, September 08, 2003 3:50 AM
To: Crittenden, Michele M. (BAS)
Subject: US Patriot Act

Dear Michele,

I refer to your e-mail of 5 September in respect of the above and the requested certification.

It has not been our understanding, however, that Trident Trust Company (IOM)

6314

Limited has any Correspondent relationship with Banc of America. The various accounts are maintained directly by the companies concerned (E g Elysium Limited) and the only account in the name of Trident is held specifically in its capacity as Trustee of the Tyler Trust.

Is this certification required in these circumstances ?

If appropriate please call me to discuss.

Thanks & Regards,

Redacted by the Permanent
Subcommittee on Investigations

FRANCIS WEBB
Senior Manager
Trident Trust (IOM)

Telephone : [REDACTED]
Tel (Direct) : [REDACTED]
Fax : [REDACTED]
E-Mail : [REDACTED]
Website : www.tridenttrust.com

Licensed by the Isle of Man Financial Supervision Commission
as a Corporate Service Provider.

The information in this e-mail and any attachments is confidential and may be privileged or protected by other legal rules. It is intended solely for the addressee/s. Access to this e-mail by anyone other than the addressee/s is unauthorised. If you are not the intended recipient, you are not authorised to and therefore must not disclose, copy, distribute or retain this message or any part of this message.

For your security, Banc of America Investment Services, Inc. does not accept instructions concerning changes to accounts or transactions through email. Additionally, do not send information you consider confidential via email as it will not be transmitted through a secure line. Instead, please speak to your Banc of America Investment Services, Inc. investment representative.

We want you to know:

Investment products provided by Banc of America Investment Services, Inc.™

Are Not FDIC Insured *** May Lose Value *** Are Not Bank Guaranteed

Banc of America Investment Services, Inc. is a registered broker-dealer, member NASD and SIPC and a nonbank subsidiary of Bank of America, N.A.

The information contained in this e-mail was obtained from sources believed to be reliable; however, Banc of America Investment Services, Inc. does not guarantee the accuracy or completeness of this information, nor is it responsible for results obtained from use of this information. The delivery of this information should not be considered to be an offer or solicitation of securities and in no way guarantees the future performance of the securities.

Past performance is no guarantee of future results.

2

Confidential Treatment Requested

BA 029501

BA 029501

6315

Banc of America Securities, LLC is an affiliate of Banc of America
Investment Services, Inc. and a non-bank subsidiary of Bank of America
Corporation.

6316

OCT 22 2004 10:33 FR BAISI-COMPLIANCE-CLT 704 388 8822 TO 912124503885 P.15/43
OCT 21 2003 09:38 FR PRIVATE BANK-BAISI 214 220 3418 TO 917043888822 P.03/07
OCT 18 2003 10:06 FR DALLAS PRIVATE BANK
OCT 18 2003 09:06 FR PRIVATE BANK

APPENDIX A TO SUBPART I OF PART 103 -
CERTIFICATION REGARDING CORRESPONDENT ACCOUNTS
FOR FOREIGN BANKS

(OMB Control Number 1505-0184)

The information contained in this Certification is sought pursuant to Sections 5318D and 5318E of Title 31 of the United States Code, as added by sections 313 and 319(a) of the USA PATRIOT Act of 2001, Public Law 107-347.

This Certification should be completed by any foreign bank that maintains a correspondent account with any U.S. bank or U.S. branch/office in violation of covered financial institution as defined in 31 C.F.R. 103.175(f). A bank that is not a foreign bank is not required to complete this Certification.

A foreign bank is a bank organized under foreign law and located outside of the United States (see definition at 31 C.F.R. 103.11(c)). A bank includes offices, branches, and agencies of commercial banks or trust companies, private banks, national banks, thrift institutions, credit unions, and other organizations chartered under banking laws and supervised by banking supervisors of any state (see definition at 31 C.F.R. 103.11(c)).*

A Correspondent Account for a foreign bank is any account to receive deposits from, make payments or other disbursements on behalf of a foreign bank, or handle other financial transactions related to the foreign bank.

Special instruction for foreign branches of U.S. banks: A branch or office of a U.S. bank outside the United States is a foreign bank. Such a branch or office is not required to complete this Certification with respect to Correspondent Accounts with U.S. branches and offices of the same U.S. bank.

Special instruction for covering multiple branches on a single Certification: A foreign bank may complete one Certification for its branches and offices outside the United States. The Certification must list all of its branches and offices that are covered and must include the information required in Part C for each branch or office that maintains a Correspondent Account with a Covered Financial Institution. The information should be as follows:

A. The undersigned financial institution, Central Bank (USA) ("Foreign Bank"), hereby certifies as follows: 103.175D

* A "foreign bank" does not include any foreign bank or monetary authority that functions as a central bank, or any international financial institution or regional development bank, or any bank or financial institution.

BA 012856

Confidential Treatment Requested

BA 012856

OCT 22 2004 10:33 FR BAISI-COMPLIANCE-CLT 704 388 8022 TO 912124503885 P.16/43

[illegible][illegible]

BA 012857

CONFIDENTIAL

Confidential Treatment Requested

BA 012857

6318

OCT 22 2004 10:33 FR BRIS1-COMPLIANCE-CLT 704 398 8022 TO 912124503685 P.17/43

— = Redacted by the Permanent
Subcommittee on Investigations

Sec of America Securities LLC
Private Client Department - New Account Form
Part 1 - Client Information

Branch: 513 Account: [REDACTED]
CLIENT Name: FRANCIS WESS [REDACTED] Marital Status:
INFORMATION Home Tel. No.: (000) 000-0000 No. Dependents: 00
SOURCE OF WEALTH INVESTMENTS INVESTMENTS
INVESTMENT HISTORY IN TRAD STOCK, BONDS AND OPTIONS
ACQUIRED CORP. STOCK POSITIONS NO
PUBLIC COMPANY DISBURSMENTS NO
FINANCIAL RETURN Income: \$0M Date of Birth: 02/02/68
INFORMATION Liquid Net Worth: \$0M Federal Tax Bracket:
TOTAL Net Worth: \$0M
EMPLOYER CLIENT Type of Business
INFORMATION Employer / Phone Position/Occupation
[REDACTED]

Branch: 513 Account: [REDACTED]
CLIENT Name: DAVID HERMOND BAKER [REDACTED] Marital Status:
INFORMATION Home Tel. No.: (000) 000-0000 No. Dependents: 00
SOURCE OF WEALTH INVESTMENTS INVESTMENTS
INVESTMENT HISTORY IN TRAD STOCK, BONDS AND OPTIONS
ACQUIRED CORP. STOCK POSITIONS NO
PUBLIC COMPANY DISBURSMENTS NO
FINANCIAL RETURN Income: \$0M Date of Birth: 02/02/68
INFORMATION Liquid Net Worth: \$0M Federal Tax Bracket:
TOTAL Net Worth: \$0M
EMPLOYER CLIENT Type of Business
INFORMATION Employer / Phone Position/Occupation
[REDACTED]

BA 012858

Confidential Treatment Requested

BA 012858

6319

OCT 22 2004 10:33 FR BAISI-COMPLIANCE-CLT 704 380 6022 TO 912124503805 P.18/43

Redacted by the Permanent
Subcommittee on Investigations

Branch: 512 Account: [REDACTED]
Name of America Securities Inc.
Private Client Department - San Antonio Park
Part 2 - Client Information

CLIENT INFORMATION Name: WILLIAM PATRICK MCGOWAN JR SSN: [REDACTED] Marital Status: [REDACTED]
Home Tel. No.: (504) 500-0000 No. Dependents: 00

SOURCE OF WEALTH INVESTMENTS
INVESTMENT HISTORY 30+ YEARS STOCKS, BONDS AND OPTIONS
RESTRICTED CREDIT STOCK POSITIONS NO
PUBLIC COMPANY DISBURSMENTS NO

FINANCIAL INFORMATION Expected Income: \$0M Date of Birth: 08/04/50
Liquid Net Worth: \$0M Federal Tax Bracket: [REDACTED]
Total Net Worth: \$0M

EMPLOYER INFORMATION CLIENT Type of Business
Employee / Phone Position/Occupation
[REDACTED]

Branch: 512 Account: [REDACTED]
Name: CONRAD JOHN MANTY SSN: [REDACTED] Marital Status: [REDACTED]
Home Tel. No.: (504) 500-0000 No. Dependents: 00

SOURCE OF WEALTH INVESTMENTS
INVESTMENT HISTORY 30+ YEARS STOCKS, BONDS AND OPTIONS
RESTRICTED CREDIT STOCK POSITIONS NO
PUBLIC COMPANY DISBURSMENTS NO

FINANCIAL INFORMATION Expected Income: \$0M Date of Birth: 08/04/50
Liquid Net Worth: \$0M Federal Tax Bracket: [REDACTED]
Total Net Worth: \$0M

EMPLOYER INFORMATION CLIENT Type of Business
Employee / Phone Position/Occupation
[REDACTED]

BA 012859

Confidential Treatment Requested

BA 012859

6320

OCT 22 2004 10:33 FR BAISI-COMPLIANCE-CLT 704 388 0022 TO 912124503885 P.19/43

Redacted by the Permanent
Subcommittee on Investigations

Branch: 012 Account: [REDACTED]
Document Type: [REDACTED]
ADVIS - NEW ACCOUNT FROM [REDACTED]
COMP - CUBA SANCTUARY [REDACTED]
CUBA - CUBAN SANCTUARY/NEW LANE [REDACTED]
ADVIS - CUBAN SANCTUARY [REDACTED]
BIC - LAW CONSULT [REDACTED]
TIC - TRUTH IN LENDING [REDACTED]
TAC - ADVISORY [REDACTED]
TSD - FINANCIAL AUTHORITY [REDACTED]
Adjust fields for Foreign - per Adria Woods
Adjust fields for FOREIGN - per Adria Woods

BA 012860

Confidential Treatment Requested

BA 012860

6321

OCT 22 2004 10:33 FR BAISI-COMPLIANCE-CLT 704 388 0222 TO 912124523885 P.28/43
 OCT 01 2003 09:38 FR PRIVATE BANK-BAISI 214 220 3418 TO 917043688022 P.04/07
 SEP 16 2003 18:06 FR PRIVATE BANK-BAISI 214 220 3418 TO 917043688022 P.04/07
 SEP 10 2003 09:38 FR PRIVATE BANK-BAISI 214 220 3418 TO 917043688022 P.04/07

- B. Correspondent Accounts Covered by this Certification: Check one box.
- ☐ This Certification applies to all accounts established for Foreign Bank by Covered Financial Institutions.
- ☒ This Certification applies to Correspondent Accounts established by Bank of America Insurance Services (name of Covered Financial Institution(s)) for Foreign Bank.
- C. Physical Presence/Regulated Affiliate Status: Check one box and complete the blanks.
- ☒ Foreign Bank maintains a physical presence in any country. This means:
- Foreign Bank has a place of business at the following street address: 12-14 Finch Rd. Douglas Isle of Man ^{EU99-ITT British Isles}
 - Foreign Bank employs one or more individuals on a full-time basis and maintains operating records related to its banking activities.
 - The above address is in Isle of Man (insert country), where Foreign Bank is authorized to conduct banking activities.
 - Foreign Bank is subject to inspection by (See attached) (insert Banking Authority), the banking authority that licenses Foreign Bank to conduct banking activities.
- ☐ Foreign Bank does not have a physical presence in any country, but Foreign Bank is a regulated affiliate. This means:
- Foreign Bank is an affiliate of a depository institution, credit union, or a foreign bank that maintains a physical presence at the following street address: _____ where it employs one or more persons on a full-time basis and maintains operating records related to its banking activities.
 - The above address is in _____ (insert country), where the depository institution, credit union, or foreign bank is authorized to conduct banking activities.
 - Foreign Bank is subject to supervision by _____ (insert Banking Authority), the same banking authority that regulates the depository institution, credit union, or foreign bank.
- ☒ Foreign Bank does not have a physical presence in a country and is not a regulated affiliate.
- D. Indirect Use of Correspondent Accounts: Check box to verify.
- ☒ No Correspondent Account maintained by a Covered Financial Institution may be used to provide banking services to certain foreign banks. Foreign Bank hereby certifies that it does not use any Correspondent Account with a Covered Financial Institution to indirectly provide banking services to

6322


OCT 22 2004 10:34 FR BAISI-COMPLIANCE-CLT 784 388 8822 TO 912124503885 P.21/43
OCT 01 2003 09:39 FR PRIVATE BANK-BAISI 214 228 3418 TO 917043888822 P.05/07

On October 1, 2003, at approx 0830 CDT, I (along with Michele Crittenden) had a phone conversation with Francis Webb from the Trident Trust Company Isle of Man Ltd. The following information is being provided to satisfy the last question under Section C of the *Certification Regarding Correspondent Accounts For Foreign Banks* Form.

- Foreign Bank is subject to inspection by Isle of Man Financial Supervision Commission (FSC), the banking authority that licensed the foreign bank to conduct banking activities.

For further clarification, the Trident Trust Co. Ltd. is licensed by the above-mentioned FSC in the capacity of Corporate Services Provider. This is the licensing required for a professional Trust Company such as Trident in the IOM.

Sincerely,

 10/01/03
Scott Chandler, Regional Administrative Director - Central


Michele Crittenden, Sales & Service Assistant

CC: Francis Webb
Steve Hudgins

BA 012862

Confidential Treatment Requested

BA 012862

OCT 22 2004 10:34 FR BAISI-COMPLIANCE-CLT 704 388 8022 TO 912124503865

P.22/43

OCT 01 2003 09:39 FR PRIVATE BANK-BAISI 214 228 3418 TO 9170438
SEP 16 2003 10:00 FR PRIVATE BANK-BAISI 22 227
SEP 16 2003 09:39 FR PRIVATE BANK-BAISI 22 227

any foreign bank that does not maintain a physical presence in any country and that is not a regulated affiliate.

E. Ownership Information: Check box 1 or 2 below, if applicable.

- ☐ 1. Form FR Y-7 is on file. Foreign Bank has filed with the Federal Reserve Board a current Form FR Y-7 and has disclosed its ownership information on Item 4 of Form FR Y-7.
- ☐ 2. Foreign Bank's shares are publicly traded. Publicly traded means that the shares are traded on an exchange or an organized over-the-counter market that is regulated by a foreign securities authority as defined in section 3(a)(40) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(40)).

If neither box 1 or 2 of Part E is checked, complete item 3 below, if applicable.

- ☒ 3. Foreign Bank has no owner(s) except as set forth below. For purposes of this Certification, owner means any person who, directly or indirectly, (a) owns, controls, or has power to vote 25 percent or more of any class of voting securities or other voting interests of Foreign Bank; or (b) controls in any manner the election of a majority of the directors (or individuals exercising similar functions) of Foreign Bank. For purposes of this Certification, (i) person means any individual, bank, corporation, partnership, limited liability company or any other legal entity; (ii) voting securities or other voting interests means securities or other interests that entitle the holder to vote for or elect directors (or individuals exercising similar functions); and (iii) members of the same family shall be considered one person.

Name	Address
S P HAAS	P.O. Box 113 11 GATE STREET
	ST HELENS JERSEY
	JEK 500 BRITISH ISLES

F. Process Agents: complete the following:

The following individual is named TERENCE CORPORA COMPANY INC
is a resident of the United States at the following street address:
to 6100 10th Street Suite 300 New York NY 10017 and
is authorized to accept service of legal process on behalf of Foreign Bank from the

* The same family means parents, spouses, children, siblings, uncles, aunts, grandparents, grandchildren, first cousins (and) children, stepchildren, persons in the households of any of the foregoing. In determining the ownership interests of the same family, any voting interest of any family member shall be taken into account.

CONFIDENTIAL

CONFIDENTIAL

Confidential Treatment Requested

BA 012863

BA 012863

6324

OCT 22 2004 10:34 FR BAISI-COMPLIANCE-CLT 704 388 8022 TO 912124503885 P.23/43
OCT 01 2003 09:39 FR PRIVATE BANK-BAISI 214 220 3418 TO 917043888022 P.07/07
SEP 16 2004 10:06 FR DALLAS PRIVATE BANK
SEP 16 2003 09:39 FR PRIVATE BANK-BAISI

Secretary of the Treasury or the Attorney General of the United States pursuant to Section 5818(a) of title 31, United States Code.

G. General

Foreign Bank hereby agrees to notify in writing each Covered Financial Institution at which it maintains any Correspondent Account of any change in facts or circumstances reported in this Certification. Notifications shall be given within 30 calendar days of such change.

Foreign Bank understands that each Covered Financial Institution at which it maintains a Correspondent Account may provide a copy of this Certification to the Secretary of the Treasury and the Attorney General of the United States. Foreign Bank further understands that the statements contained in this Certification may be transmitted to one or more departments or agencies of the United States of America for the purpose of fulfilling such departments' and agencies' governmental functions.

I, FRANCIS W. HESS + RICHARD SCOTT
(name of signatory), hereby declare that I have read and understand this Certification, that the statements made in this Certification are complete and correct, and that I am authorized to execute this Certification on behalf of Foreign Bank.

PRIDENT TRUST COMPANY (INTL) LIMITED

(Name of Foreign Bank)

[Signature]

FRANCIS W. HESS
(Printed Name)

RICHARD SCOTT

Comptroller & Secretary
(Title)

DIRECTOR

Executed on this 16 day of SEP, 2003.

Received and reviewed by:

Name: Dr. J. L. Scott

Title: Secretary of the Treasury

For: FRANCIS W. HESS

(Name of Foreign Bank (if known))

Date: 9/16/03

SEP 16 2003 04:05

1 13:32

704 388 8022

PAGE 05
TOTAL PAGE 06
TOTAL PAGE 06
TOTAL PAGE 06
PAGE 06

BA 012864

Identical Treatment Requested

Redacted by the Permanent
Subcommittee on Investigations

CORPORATE SECURITY
Business Investigations

To: Dan Soto
Corporate Compliance Exec Admin
[REDACTED]

Date: November 20, 2003

From: Mark Paternostro
AVP; Business Investigator II
Business Investigations - Unit # 4282-INTL
[REDACTED]

Classification: Confidential

Case #: 31117-142437

Subject: Trident Trust Company (aka: Trident Corporate Services)
Two Oceans Limited
Brown Dog Limited
Altonco International Ltd.
Michele Boucher

Scope of Request

On November 17, 2003, Dan Soto, Corporate Compliance, contacted Business Investigations regarding a due diligence investigation concerning Trident Trust Company (aka: Trident Corporate Services), Two Oceans Limited, Brown Dog Limited, Altonco International Ltd., and Michele Boucher.

Investigative Activities

THIS MEMO IS FOR FILE ONLY.

Investigation was halted once a physical presence was established for Trident Corporate Services in Atlanta, Georgia.

Investigative Synopsis

Details

Business Investigations was contacted to find out if Trident Trust Company had a physical presence. Through various efforts, Business Investigations was able to establish that Trident's headquarters was located in Atlanta, Georgia. The company operated out of a suite in an office building. Research on the building location, determined that it was in fact office suites, and not simply a suite number used in the manner of a P.O. Box.

BA 029834

It was also determined that Trident's location in the Isle of Man is a P.O. Box. No physical presence could be determined in that location. Trident refers to the address in the Isle of Man as a P.O. Box on their website.

No information could be found concerning Two Oceans Limited, Brown Dog Limited, Altonco International Ltd., and Michele Boucher. Several Michele Boucher's were located within the United States, however, without any known personal identifiers for Boucher, Business Investigations was not able to limit any findings.

Dan Soto of Corporate Compliance was advised of our findings, and instructed Business Investigations to halt any further due diligence.

These records are for Internal Use Only and may not be distributed outside of Bank of America Corporation and its subsidiaries. Business Investigations provides this information to the best of our knowledge and research ability. The data provided by Business Investigations is compiled from the records of various public information sources. Although every effort is made to provide currently updated, accurate information, no guarantee or representation of accuracy is made by Business Investigations. Users are responsible for any decisions made as a result of the information presented.

BA 029835

6327

Hudgins, Steven E,

= Redacted by the Permanent
Subcommittee on Investigations

From: Wollard, Denise
Sent: Wednesday, September 24, 2003 9:43 PM
To: Hudgins, Steven
Subject: FW: [REDACTED]

Sieve...
This is the answer to your request. Scott Chandler is the RAD for our region and he talked to the brokers on this account.
Hope this helps. If you need anything further, please let me know.

Thanks
denise

-----Original Message-----

From: Chandler, Scott
Sent: Monday, September 22, 2003 4:44 PM
To: Wollard, Denise L
Subject: RE: [REDACTED]

Michele Boucher is the Directorate of the corporations listed below. She resides in the Cayman Islands. Trident oversees the administration of the accounts. The corporations are strictly investment corporations. To my knowledge they neither produce nor market anything, etc. I hope that this helps.
Scott

-----Original Message-----

From: Wollard, Denise L [REDACTED]
Sent: Monday, September 22, 2003 12:38 PM
To: Chandler, Scott
Subject: FW: [REDACTED]

I talked to Michele about this and as you can see I responded. But after talking to her, I found several emails that show that there is some kind of relationship between Michele and Trident.
I don't want to give him anymore "VAGUE" information....do you know anything about this?

tk
denise

-----Original Message-----

From: Hudgins, Steven
Sent: Friday, September 12, 2003 2:46 PM
To: Wollard, Denise L (BAS)
Subject: RE: [REDACTED]

Denise,

What types of businesses are these?

Steve

-----Original Message-----

From: Wollard, Denise L [REDACTED]
Sent: Friday, September 12, 2003 3:11 PM
To: Hudgins, Steven
Subject: RE: [REDACTED]

I talked to the SA on this account...Michelle is the officer of those other accounts...they are corporations that are her 2 children and husband.
I will be glad to get you a copy of the corp resolutions from filenet and send to you if you need them. These accounts are not related to the Trident Trust group.
Let me know what else you need.

thanks

6328

denise

-----Original Message-----
From: Hudgins, Steven
Sent: Friday, September 12, 2003 1:29 PM
To: Wollard, Denise L. (BAS)
Subject: [REDACTED]

[REDACTED] = Redacted by the Permanent
Subcommittee on Investigations

Denise,

Per our conversation, Michelle Boucher ([REDACTED]) transferred \$432k to the following brokerage accounts on 9/11/03:

[REDACTED] Two Oceans Limited
[REDACTED] Brown Dog Limited
[REDACTED] Altonco International Ltd

I just need to know her relationship with the three accounts and the nature of their business.

Thanks,

Steve

Steve Hudgins
Banc of America Investment Services, Inc.
Surveillance Compliance Officer
Charlotte
[REDACTED]

HPK-20-2006 08:40 GUDWIN PHIPPS
04-04-2006 06:02pm From: HUGHES

2148986108

T-521

P.002/003

F-866

P.02

HUGHES + LUCE LLP
ATTORNEYS AND COUNSELORS

1717 Main Street, Suite 2800
Dallas, Texas 75201
214.839.5500
214.839.6100 fax

hughesluce.com

April 4, 2006

Robert E. Davis
214.839.5447
davis@hughesluce.com

William A. Brewer, III, Esq.
Bickel & Brewer
1717 Main Street, Suite 4800
Dallas, TX 75201

Via Hand Delivery and
Certified Mail, Return Receipt Requested

Re: Notice of Receipt of Subpoena

Dear Mr. Brewer:

By this letter, our client, Mike French, formally notifies you, as counsel to Messrs. Sam and Charles Wyly and their interests, that he has been served with a subpoena requiring his appearance for a deposition before the staff of the Senate Permanent Subcommittee on Investigations (PSI) in Washington, D. C. on April 7th, 2006. A copy of the subpoena and covering letter is attached. At our request, the Subcommittee has today agreed to reschedule that deposition for April 21st, 2006, at 9:30 a.m..

To aid you in evaluating your clients' response to this notice, I will further advise you that we have been in discussion with two staff attorneys to the PSI, Messrs. Mark Nelson and Bob Roach. Based upon these discussions we anticipate that the Subcommittee will direct questions to Mr. French dealing with his past relationship with Charles and Sam Wyly, the creation and operation/management of certain offshore entities in the Isle of Man and the Cayman Islands, the relationship between those offshore entities and persons that provided trust and administration services to those entities, the relationship between the offshore entities and entities such as Irish Trust, Green Funding, Security Capital, Scottish Annuity, Maverick Capital and Ranger Capital, the relationship between the Isle of Man entities and certain law firms, and Mr. French's roles and duties regarding Michael's Stores, Scottish Re Group Ltd., Sterling Software, Maverick Capital, and his position as protector of certain Isle of Man trusts.

We anticipate that the questions presented during the proposed deposition could seek to elicit information from our client that you or your clients may regard as privileged attorney-client communications, protected attorney work product, or

Redacted by the Permanent
Subcommittee on Investigations

APR-20-2006 08:41

GODWIN PAPPAS

04-04-2006 05:52pm

From-HUGHES

2148968108

T-521

P.003/003

P-066

P.03

HUGHES+LUCE LLP

William A. Brewer, III, Esq.

April 4, 2006

Page 2

confidential information that is protected under Rule 1.05 of the Texas Disciplinary Rules of Professional Conduct. The PSI staff has stated that objections offered by Mr. French or his counsel based upon the assertion of the attorney-client privilege and attorney work-product objection will be honored "in their usual manner" (although there is no assurance that the Staff will not present some of these objections to the Chairman for ruling). Further, we are advised that objections offered on the ground that the information sought is confidential under Texas Disciplinary Rule of Professional Conduct 1.05 (but not privileged) will be submitted to the Chairman of the Subcommittee for a ruling, and it is expected that all such objections will be overruled. Thus, we foresee that Mr. French will be required to respond to questions that could disclose confidential, but not privileged, information relating to your clients; in addition, he may be required by the PSI to respond to questions where Mr. French has interposed an objection based upon privilege, but where the Chairman of the PSI overrules that objection.

As you are aware, the Chairman of the PSI has the authority to overrule evidentiary objections, including objections based upon the attorney-client privilege and work product protection, and in such a circumstance Mr. French must answer or be found in contempt. Should you wish to do so, Bruce Bowman and I will make ourselves available to discuss this development with you promptly, either by phone or in person.

Sincerely yours,



Robert Edwin Davis

RED/rm
Enclosures

cc: Bruce W. Bowman, Jr., Esq.

Redacted by the Permanent
Subcommittee on Investigations

TOTAL P.03

6331

04-13-06 04:36pm From:BICKEL & BREWER

214-653-1014

T-252 P.002/003 F-105

BICKEL & BREWER

ATTORNEYS AND COUNSELORS

4500 BANK ONE CENTER

1717 MAIN STREET

DALLAS, TEXAS 75201

PHONE: (214) 653-4000

FAX: (214) 653-1015

www.bickelbrewer.com

767 FIFTH AVENUE
50TH FLOOR
NEW YORK, NEW YORK 10153
(212) 489-1400

April 13, 2006

VIA FACSIMILE & U.S. MAIL

Robert E. Davis, Esq.
Hughes & Luce, LLP
1717 Main Street
Suite 2800
Dallas, Texas 75201

Re: PSI Subpoena for Michael French

Dear Bob:

We write in response to your letter dated April 4, 2006. Thank you for notifying us of the subpoena served upon your client, Michael French, Esq. by the US Senate Permanent Subcommittee on Investigations (the "PSI"). In light of that development, we have a few points:

First, Sam Wyly, Charles Wyly, Jr., Evan Wyly, and Highland Stargate, Ltd. (the "Wyllys") assert and maintain all rights and privileges pursuant to all federal and state constitutional, statutory, administrative, and decisional law. These rights and privileges include, but are not limited to, those afforded pursuant to the attorney-client privilege, the attorney work-product doctrine, and the confidentiality protections and attorney obligations set forth in Texas Disciplinary Rule of Professional Conduct 1.05.

Second, on behalf of the Wyllys, we instruct your client, as the Wyllys' former counsel, to use all lawful and proper means to effectively assert and maintain these rights and privileges on the Wyllys' behalf, including appeal of any non-final adverse rulings.

Third, should the staff of the PSI seek to compel your client to testify as to confidential and privileged matters, including, *inter alia*, by ruling or order of a court of law or other competent authority, notwithstanding his specific assertion of these rights and privileges as to each question calling for such disclosures, we instruct, on behalf of the Wyllys and without waiving any of their rights and privileges, that he place on the official record our clients' standing objection to any such order or ruling and notify us immediately.

Finally, I am available to discuss these matters with you at your convenience.

6332

04-13-06 04:38pm From-BICKEL & BRENER

214-653-1014

T-252 P.003/003 F-105

Robert Davis
April 13, 2006
Page 2

We appreciate your attention to this matter.

Sincerely,

William A. Brewer III /w

William A. Brewer III

§(01742.5
1993-01

6333

HUGHES•LUCE LLP
ATTORNEYS AND COUNSELORS

1717 Main Street, Suite 2800
Dallas, Texas 75201
214.939.5500
214.939.6100 fax

April 17, 2006

hughesluce.com

Robert E. Davis
214.939.5447
davisr@hughesluce.com

Via Hand Delivery

William A. Brewer, III, Esq.
Bickel & Brewer
1717 Main Street, Suite 4800
Dallas, TX 75201

Re: Notice of Receipt of Subpoena

Dear Mr. Brewer:

Thank you for your reply to my letter of April 4, 2006. In your response, you make three points. The first is that the Wyllys "assert and maintain all rights and privileges" afforded to them by "the attorney-client privilege, the attorney work-product doctrine, and the confidentiality protections and attorney obligations set forth in Texas Disciplinary Rule of Professional Conduct 1.05." Mr. French fully recognizes that it is the Wyllys that control any applicable privilege to refuse to disclose and to prevent any other person from disclosing confidential communications made for the purpose of facilitating the rendition of professional legal services. That, of course, was the reason for our April 4 letter notifying you of the subpoena. It has always been and continues to be Mr. French's intention to assert confidential communications privileges on behalf of the Wyllys whenever he reasonably believes they would apply.

In your second point, you instruct Mr. French, "as the Wyllys' former counsel, to use all lawful and proper means to effectively assert and maintain these rights and privileges on the Wyllys' behalf, including appeal of any non-final adverse rulings." You should be aware that the option of appealing "any non-final adverse rulings" is not available to Mr. French because there is no recognized available appellate procedure in the legislative process. The PSI has the authority to overrule evidentiary objections, including objections based upon the attorney-client privilege and work product protection, and in such a circumstance Mr. French must answer the question then and there or face being held in contempt. No appeal is permitted and the offending conduct may not be cured by a later disclosure. *Jurney v. MacCracken*, 294 U.S. 125, 148 (1935); see also *Yellin v. United States*, 374 U.S. 109, 123 (1963) (if a witness refuses to comply

Redacted by the Permanent
Subcommittee on Investigations

HUGHES•LUCE LLP

William A. Brewer, III, Esq.

April 17, 2006

Page 2

with a Congressional subpoena, any mistake of law is not a defense in a later criminal prosecution for contempt of Congress). According to the Congressional Oversight Manual,

[a] witness seeking to challenge the legal sufficiency of a [Congressional] subpoena has only limited remedies to raise objections. The Supreme Court has ruled that courts may not enjoin the issuance of a congressional subpoena, holding that the Speech or Debate Clause of the Constitution provides "an absolute bar to judicial interference" with such compulsory process. *Eastland v. United States Servicemen's Fund*, 421 U.S. 491, 503-07 (1975). As a consequence, a witness's sole remedy is to refuse to comply, risk being cited for contempt [of Congress], and then raise the objections as a defense in a contempt prosecution."

Congressional Oversight Manual at 34, CRS Report RL30240 (updated October 21, 2004).

All of the authorities of which we are aware uniformly indicate that a lawyer is not required to stand in contempt and risk criminal prosecution in order to protect a client's privileged or confidential information. *See, e.g.*, District of Columbia Bar Legal Ethics Committee, Formal Op. 288, "Compliance with Subpoena from a Congressional Committee to Produce Lawyers' Files Containing Client Confidences or Secrets" (February 16, 1999); ABA Comm. On Professional Ethics and Grievances, Formal Op. 94-385 (1994); RESTATEMENT (THIRD) OF THE LAW GOVERNING LAWYERS: CONFIDENTIAL CLIENT INFORMATION § 115 (1999). *See also* Memorandum Opinion from Steven R. Ross, General Counsel of the Clerk of the House of Representatives to Congressman Stephen J. Solarz (Dec. 11, 1985), *reprinted in* 132 Cong. Rec. 3036, 3038 (1986) ("In the Congressional context, the ruling by the Subcommittee chair that the privilege will not be accepted is the legal and functional equivalent [of] a legal requirement or a court order. Failure to answer at that point constitutes a criminal violation. Disclosure at that stage does not violate the Canons of Ethics nor the Bar Code of any jurisdiction.").

HUGHES•LUCE LLP

William A. Brewer, III, Esq.
April 17, 2006
Page 3

Mr. French will, of course, interpose all available, legitimate objections to the PSI's subpoena, but if the PSI overrules those objections and specifically directs compliance with the subpoena, then the PSI may demand the production of confidential client information under pain of contempt. At that point, Mr. French will have no other effective recourse to resist disclosure of this information. See *Congressional Oversight Manual* at 41, CRS Report RL30240 (updated October 21, 2004) ("it is well established by congressional practice that acceptance of a claim of attorney-client privilege, work product or other common law testimonial privilege before a committee rests in the sound discretion of the committee. Such common-law privileges cannot be claimed as a matter of right by a witness, and a committee can deny them simply because it believes it needs the information sought to be protected in order to accomplish its legislative function.); see also D.C. Bar Ethics Op. 288, at 7 ("[s]ince it is the unanimous ethical view that a lawyer need not stand in contempt, with the risk of imprisonment, to protect privileged, confidential, or secret information, it follows that the lawyer may comply with the directive of the subcommittee . . . without risking a citation for contempt of Congress.").

The last point in your letter instructs Mr. French, on behalf of the Wyllys, to "place on the official record [the Wyllys'] standing objection to any . . . order or ruling [calling for the disclosure of confidential or privileged matters]" and to notify your firm immediately of such order or ruling. Mr. French will honor the Wyllys' instructions in this regard by providing the PSI with a copy of your April 13 letter, but again we stress that a lawyer faced with a Congressional directive is not at liberty to refuse to provide the demanded information. *Ante*, at 2. And as we pointed out in our April 4 letter, the Subcommittee already has announced its intention to require Mr. French to disclose confidential unprivileged client information that is otherwise protected by Texas Disciplinary Rule of Professional Conduct 1.05. To the extent your clients intend to prevent the disclosure of confidential information to the PSI, it may well be incumbent upon them to pursue judicial action and to pursue such action in advance of Mr. French's deposition. Although, as noted, courts ordinarily will not enjoin members of Congress or their staff from issuing or seeking to enforce a legislative subpoena, it appears to be an undecided question whether an action might lie against a third party such as a lawyer to enjoin compliance with a Congressional subpoena. See *United States v. AT&T*, 567 F.2d 121 (D.C. Cir. 1977) (upholding action by the Department of Justice to

6336

HUGHES • LUCE LLP

William A. Brewer, III, Esq.
April 17, 2006
Page 4

enjoin AT&T from complying with a Congressional subpoena to provide telephone records that, according to the Executive Branch, implicated national security).

To aid you in further evaluating these issues, I am enclosing a copy of D.C. Bar Opinion 288 and the D.C. Circuit's decision in *United States v. AT&T*. Should you wish to do so, we will make ourselves available to discuss this matter with you further, either by phone or in person.

Sincerely yours,



Robert Edwin Davis

DSA/jd
Enclosures

cc: Danny S. Ashby, Esq.
Bruce W. Bowman, Jr., Esq.

Redacted by the Permanent
Subcommittee on Investigations


6337

HUGHES•LUCE LLP

William A. Brewer, III, Esq.
April 17, 2006
Page 5

bcc: Mr. Michael C. French

Redacted by the Permanent
Subcommittee on Investigations



Home Find a Member

For Lawyers

Quick Links to
-Top Pages-
-Marketplace-

Home > For Lawyers > Ethics > Legal Ethics > Opinions
Opinion 288

► Inside the Bar
► For Lawyers
► For the Public

Compliance with Subpoena from Congressional Subcommittee to Produce Lawyer's Files Containing Client Confidences or Secrets

In response to a Congressional subcommittee's subpoena for a lawyer's files pertaining to the representation of a current or former client and containing confidences or secrets that the client does not wish to disclose, the lawyer has a professional responsibility to seek to quash or limit the subpoena on all available, legitimate grounds to protect confidential documents and client secrets. If, thereafter, the Congressional subcommittee overrules these objections, orders production of the documents and threatens to hold the lawyer in contempt absent compliance with the subpoena, then, in the absence of a judicial order forbidding the production, the lawyer is permitted, but not required, by the D.C. Rules of Professional Conduct to produce the subpoenaed documents. A directive of a Congressional subcommittee accompanied by a threat of fines and imprisonment pursuant to federal criminal law satisfies the standard of "required by law" as that phrase is used in D.C. Rule of Professional Conduct 1.6(d)(2)(A).

Applicable Rule

- Rule 1.6(d)(2)(A) (Confidentiality of Information)

Inquiry
The inquirer, a managing partner of a law firm in the District of Columbia, requests an opinion regarding the propriety of his compliance with a Congressional subcommittee subpoena duces tecum for the firm's files and records relating to its representation of a client.¹ The inquirer seeks to know how far he and the firm must go to meet their obligations to protect the client's confidences under the D.C. Rules of Professional Conduct. Implicitly, he raises the question of whether a lawyer must stand in contempt of a subcommittee and face the prospect of a criminal conviction, imprisonment and fines in order to vindicate the client's interest in confidentiality.

The Congressional subcommittee issued a subpoena duces tecum requiring the firm to produce "all records that relate to the services, efforts, lobbying or other work undertaken or provided, or to be undertaken or provided" to one of the firm's clients. The subpoena also demanded all records relating to the fees the firm charged that client, "including but not limited to all records that relate to the nature, negotiation, agreement, billing, payment, structure, purpose or allocation of such fee."

The law firm and the client maintain that the subpoenaed documents contain client confidences and secrets. The law firm filed written objections to the request and advised the client of the subpoena. The subcommittee overruled the objections and

demand compliance with the subpoena. When threatened by the chairman with contempt of Congress and possible criminal prosecution and sanctions, the subpoenaed partner produced the documents, despite protests and a threat of suit by the client.

Even though this particular matter has been concluded, we address the ethical issues arising from these facts because of the disturbing increase in incidences of Congressional subpoenas being sent to lawyers in their professional capacity seeking information relating to the activities of their clients and legal services provided to them.

Relying on prior interpretations of the D.C. Rules of Professional Conduct and its predecessor, the Code of Professional Responsibility, in the analogous area of compliance with judicial and administrative subpoenas to lawyers for confidential client information, we conclude that a lawyer has an obligation to make all appropriate objections to the Congressional subpoena. We also suggest that the lawyer may be well advised to discuss with the client the opportunities and prospects of seeking a court order to prevent disclosure. Thereafter, if the subcommittee overrules the objections, orders the documents be produced and threatens to hold the lawyer in contempt for failure to comply, and if no judicial intervention is obtained by the client, then, we conclude, the lawyer may comply with the directive as if it were a court order to comply with a subpoena after all appeals have been exhausted.

Discussion

1. **A Lawyer May Disclose Client Confidences or Secrets Against the Client's Will When Required by Law or Court Order**

Under Rule 1.6(d)(2)(A) of the District of Columbia Rules of Professional Conduct ("Rules" or "Rule"), a lawyer may reveal a client confidence or secrets only when expressly permitted by these rules or when "required by law or court order." See Rule 1.6, Cmt. [10]. Client confidences are protected by state and federal law as set forth in the governing attorney-client privilege and the work-product doctrine as well as by the ethical constraints on lawyers imposed by the D.C. Rules on confidentiality. See Rule 1.6, Cmt. [5]. The rules and the comments reflect the critical importance that preserving client confidences and secrets has to the attorney-client relationship and to the ability of the client to receive effective legal advice and representation. Accordingly, the comments to the Rules recognize that the doctrines of privilege and confidentiality "apply in judicial and other proceedings in which a lawyer may be called as a witness or otherwise required to produce evidence concerning a client." *Id.* They also recognize that the rule applies to "all information gained in the course of the professional relationship that the client has requested be held inviolate, or the disclosure of which would be embarrassing or would... likely... be detrimental to the client..." See Rule 1.6, Cmt. [6].

Thus, the ethical obligation of the lawyer to take all necessary steps to protect client information is broader than the confines of the attorney-client privilege or the work product doctrine. As stated by a leading legal ethicist, "[e]xtending a reach that includes all of those protections—and encompassing much of what they omit—is the professional regulation requiring a lawyer to keep a vast array of client information confidential

and not to use it against the interests of the client. We will call that obligation the principle of confidentiality." Wolfram, *Modern Legal Ethics* § 6.7.1, at 296 (Practitioner's ed. 1986). Echoing the language in our own commentary, Professor Wolfram states that this principle of confidentiality applies in all contexts, including legislative hearings. *Id.* § 6.3, at 255. We agree and believe that a lawyer's obligations to protect client confidences in the Congressional context are the same as those in the judicial or administrative context.

This Committee has repeatedly addressed the lawyer's obligations to maintain the client's confidences and secrets in judicial and administrative proceedings. See, e.g., D.C. Bar Ops. 214, 180, 124, 99 and 14. These opinions essentially hold that a lawyer has an ethical obligation to raise all available, legitimate objections to a judicial or administrative subpoena for protected information and, as reflected in Comment [26] to Rule 1.6, either to make "every reasonable effort" to appeal an order demanding compliance with a subpoena or at least to notify the client of the order and provide the client every opportunity to challenge it. On the other hand, our opinions and all of the other authorities we can identify bearing on the question suggest that a lawyer is not required to stand in contempt of a court order and risk criminal prosecution in order to protect the subpoenaed information.

For example, in D.C. Bar Opinion 83, we stated that a lawyer "is not obliged to run the risk of being held in contempt of court because of the client's desire that confidences and secrets not be disclosed." Similarly, in D.C. Bar Opinion 14, we stated that "the attorney is . . . free to comply with whatever directive the trial court gives." In D.C. Bar Opinion 214, we stated "we conclude that the law firm . . . may comply with a final judicial order enforcing an IRS summons without seeking appellate review of that order, but only after giving its client notice of the court's order and a reasonable opportunity to seek review independently of the firm."

The American Bar Association's Committee on Ethics and Professional Responsibility similarly has concluded that if a lawyer's efforts to seek to limit a subpoena to protect client confidences or secrets are "unsuccessful, either in the trial court or in the appellate court (in those jurisdictions where an interlocutory appeal on this issue is permitted), and she is specifically ordered by the court to turn over [the subpoenaed files]," then the lawyer may do so consistently with the Model Rule of Professional Conduct 1.6. ABA Formal Op. 94-385 (1994). The American Law Institute's Restatement (Third) of the Law Governing Lawyers: Confidential Client Information § 115 (Proposed Final Draft No. 1, 1996) also concludes that in such a situation the lawyer may "but is generally not required" to be held in contempt to protect such information.

While there are obvious similarities in the procedures available in the judicial and legislative contexts to register and argue objections to subpoenas, there are two important differences. First, there is no recognized available appellate procedure in the legislative process as there is in the judicial system. As we understand the Congressional procedures and the judicial enforcement of the federal criminal contempt statute, as set forth below, once a witness is found in contempt by a Congressional body, there is no appeal permitted and the offending conduct may not be cured

by a later disclosure.³ If a witness refuses to comply with a Congressional subpoena, any mistake of law, including, reliance on the good faith but mistaken advice of counsel, is not a defense in a later criminal prosecution for contempt of Congress. See, e.g., *Yellin v. United States*, 374 U.S. 109, 123 (1963). Second, due to the Speech or Debate Clause of the Constitution, the federal courts, in general, will not enjoin members of Congress or their staffs from issuing or attempting to enforce a Congressional subpoena that is "within the sphere of legitimate legislative activity." See *Eastland v. United States Serviceman's Fund*, 421 U.S. 491, 501 (1975) (internal quotations omitted). Under *Eastland*, therefore, only the most blatant effort of a Congressional committee to inquire into personal affairs that do not implicate matters of legislative policy will be quashed by the federal courts.

Thus, in the absence of a generally available effective judicial remedy, the question we must address is at what stage of the Congressional process is there a "requirement of law" to comply with a Congressional subpoena for purposes of Rule 1.6.

2. When a Congressional Subcommittee Directs Compliance with a Subpoena and Threatens to Hold a Lawyer in Contempt for Noncompliance, Disclosure Is "Required by Law" as That Term Is Used in D.C. Rule 1.6(d)(2)(A)

The Congressional subpoena does not, in itself, create the legal requirement that the lawyer disclose confidential information or a client's secrets. Like a subpoena issued by a party in a judicial proceeding or a grand jury subpoena, a Congressional subpoena is not self-executing. As with subpoenas in the judicial or administrative process, objections can be raised, argued and resolved in the legislative process. Negotiations with the subcommittee chairman, members or staff may lead to modifications or even withdrawal of all or part of a Congressional subpoena.

nbsp; All of the authorities of which we are aware that have addressed this question uniformly suggest that a lawyer has an obligation in the legislative process to raise all available, legitimate objections to a Congressional subpoena for confidential client information. For example, the Restatement (Third) of the Law Governing Lawyers, *supra*, asserts that the lawyer has an obligation in the legislative process to object on all legitimate grounds to such a subpoena: "The scope of the protection afforded by the attorney-client privilege and the work-product immunity may be debatable in various circumstances. Similar issues may arise . . . in supplying evidence to a legislative committee, grand jury, or administrative agency. . . . A lawyer generally is required to raise any reasonably tenable objection to another's attempt to obtain confidential client information . . . , unless disclosure would serve the client's interests. . . ." Restatement (Third) of the Law Governing Lawyers: Confidential Client Information § 115 (Proposed Final Draft No. 1, 1996) (emphasis added). Similarly, the American Bar Association's Committee on Ethics and Professional Responsibility in its Formal Opinion 94-385 (1994) suggests that the requirement to make "every reasonable effort" to quash or limit a subpoena applies in the legislative arena. That opinion stated that "if a governmental agency, or any other entity or person, subpoenas . . . a lawyer's files and records relating to the lawyer's representation of a current or former client,

the lawyer has a professional responsibility to seek to limit the subpoena . . . on any legitimate available grounds so as to protect documents that are deemed to be confidential. . . ."

In addition to making all appropriate objections to the Congressional body issuing the subpoena, a lawyer would be well advised to discuss with the client the possibility of a judicial action by the client against the lawyer to prevent compliance with the Congressional subpoena. While, as noted, courts will generally not enjoin members of Congress or their staffs from issuing or seeking to enforce a legislative subpoena, it is an open question whether an action might lie against a third party such as a lawyer or a law firm to enjoin compliance with a Congressional subpoena. See *Eastland* at 516 (Marshall, J., concurring) ("The Speech or Debate Clause cannot be used to avoid a meaningful review of Constitutional objections to a subpoena simply because the subpoena is served on a third party. Our prior cases arising under the Speech or Debate Clause indicate that only a member of Congress or his aide may not be called upon to defend a subpoena against Constitutional objection, and not that the objection will not be heard at all."). In *United States v. AT&T*, 567 F.2d 121 (D.C. Cir. 1977), the court upheld an action by the Department of Justice to enjoin AT&T from complying with a Congressional subpoena to provide telephone records that, according to the Executive Branch, implicated national security. See also Grabow, *Congressional Investigations* § 3.2[c] at 85 and n.31 (1988).

To prevent any possible appearance of collusion or other impropriety, it may well be prudent for the lawyer to suggest to the client that the client seeks separate counsel regarding such a possible course of action and to be advised of the prospects of such an option by counsel other than the subpoenaed lawyer.⁴

Once the process of objections, negotiations and a ruling by the Congressional subcommittee has been exhausted, and assuming the absence of any judicial intervention, the subcommittee may demand that certain enumerated documents be produced under pain of contempt. At that point, there is effectively no further recourse available to the subpoenaed lawyer. Based on our understanding of Congressional procedures, judicial precedents enforcing the criminal contempt of Congress' statutory provisions and analyses by recognized experts, we conclude that the point at which the lawyer becomes "required by law" to disclose any client confidences is the point at which the Congressional subcommittee specifically directs compliance with the subpoena and threatens to use its statutory authority, 2 U.S.C. § 192, providing criminal sanctions for contempt of Congress.

Current Congressional rules expressly permit any subcommittee of a House Committee to hold hearings and "to require by subpoena or otherwise, the attendance and testimony of such witnesses and the production of . . . documents as it considers necessary." Rules of the House of Representatives, 106th Cong., 1st Sess., Rule XI, cl. 2(m)(1)(B) ("House Rules") reprinted in 145 Cong. Rec. H6-10 (daily ed. Jan. 6, 1999). Compliance with a subpoena issued by a subcommittee may be enforced as authorized by the House. House Rule XI, cl. 2(m)(2)(B).⁵ A contempt of Congress may be prosecuted, 5 following a referral from the House, by the U.S. Attorney pursuant to 2 U.S.C. § 192.⁶ Under

this 6 statute, contempt may be prosecuted against any individual who willfully failed to comply with a subpoena issued pursuant to the authority of either House or any Committee of the House. Since a subcommittee subpoena is authorized by the Rules of the House, a contempt of Congress may lie against anyone who willfully failed to comply with a subcommittee subpoena. This interpretation is buttressed by the fact that the statute that authorizes certification from the Congress to the U.S. Attorney for prosecuting an alleged contempt to a grand jury specifically includes the willful failure to comply with a subcommittee subpoena. 2 U.S.C. § 194.

As the General Counsel to the Clerk of the House of Representatives noted, "In the Congressional context, the ruling by the Subcommittee chair that the privilege will not be accepted is the legal and functional equivalent [of] a legal requirement or a court order. Failure to answer at that point constitutes a criminal violation. Disclosure at that stage does not violate the Canons of Ethics nor the Bar Code of any jurisdiction." Memorandum Opinion from Steven R. Ross, General Counsel of the Clerk of the House of Representatives to Congressman Stephen J. Solarz (Dec. 11, 1985) *reprinted in* 132 Cong. Rec. 3036, 3038 (1986). Similarly, in a memorandum from the American Law Division to the Office of the Clerk of the House in 1986, the conclusion was reached that where a committee issues a subpoena, "the contempt of Congress is complete when a committee rejects all claims of privilege and demands that a witness respond. The obligation of law attaches at that time." 132 Cong. Rec. 3044, 3047 (1986). In connection with this same matter, New York University Law School ethics professor Stephen Gillers stated that with regard to privileged information "an order to answer a question, coming from a body with legal power to issue the order, imposes a legal duty that overrides the ethical duty." Memorandum from Professor Gillers to Congressman Solarz (February 19, 1986) *reprinted in* 132 Cong. Rec. 3042, 3043 (1986).

At the heart of these conclusions is the recognition that a lawyer may face criminal conviction, imprisonment and fines for refusing at that point in the Congressional process to provide the demanded information. A violation of the contempt of Congress provisions of 2 U.S.C. § 192 carries with it the possibility of imprisonment of up to one year as well as a monetary fine. The Supreme Court has held that a contempt of Congress cannot be cured by the lawyer's later compliance with the subpoena. *Jurney v. MacCracken*, 294 U.S. 125, 148 (1935) ("[w]here the offending act was of a nature to obstruct the legislative process, the fact that the obstruction has since been removed, or that its removal has become impossible, is without legal significance.") As noted, the Supreme Court has also held that when a witness refuses to answer a question in a mistaken, good faith belief that it would violate his rights to be compelled to answer, his mistake of law will be no defense at a trial on the criminal contempt charge. *Yellin v. United States*, 374 U.S. 109, 123 (1963).

Compounding the dilemma faced by the lawyer is the uncertainty of the applicability or force of the attorney-client privilege or work-product immunity in Congressional proceedings. While we have no doubt that the salutary purposes of the attorney-client

privilege and work-product doctrine (as recognized by Congress itself in the Federal Rules of Evidence, the Federal Rules of Civil Procedure and the Federal Rules of Criminal Procedure) would be severely undermined if they were not fully applicable in Congressional proceedings, individual senators and representatives have repeatedly suggested that these privileges may not apply, or not apply with full force, in Congressional hearings. See, e.g., *Beard, Congress vs. The Attorney-Client Privilege: A Full and Frank Discussion*, 35 Am. Crim. L. Rev. 119 (1997); Rich, *The Attorney-Client Privilege in Congressional Investigations*, 88 Colum. L. Rev. 145 (1988). The matter has never been resolved definitively in the courts.⁷ An incorrect prediction of the law could result in the imprisonment of a lawyer who was held in contempt of Congress for refusing to produce documents on the ground of the attorney-client privilege.

The cited Supreme Court cases suggest that if a court upholds the view of a subcommittee—either that the attorney-client privilege or the work-product doctrine does not apply in Congressional proceedings or does not cover the subpoenaed documents—the lawyer will have no valid defense and could be ordered to serve a term of imprisonment. Since it is the unanimous ethical view that a lawyer need not stand in contempt, with the risk of imprisonment, to protect privileged confidential or secret information, it follows that the lawyer may comply with the directive of the subcommittee to produce the required documents without risking a citation for contempt of Congress.

The fact that a lawyer may deem himself or herself “required by law” to produce the documents at the point the subcommittee demands it does not mean that the lawyer must produce the documents at that time. It was noted at the time that the D.C. Rules of Professional Conduct were proposed that Rule 1.6(d)(2) and its commentary “do not advise a lawyer how far the lawyer must go in protecting client information.” Analysis of Comments submitted to the District of Columbia Court of Appeals in response to the Court’s order of September 1, 1988, Docket No. M-165-88, Proposed Rules of Professional Conduct and related comments, 21 (1989). In reviewing these comments at the request of Chief Judge Rogers, the former chairman of the D.C. Bar Model Rules of Professional Conduct Committee, Robert E. Jordan, III responded, “I suggest that judgments on these points be left to the lawyer who is ordered to disclose. It seems difficult to specify the proper course of action for such a lawyer given a myriad of factual circumstances which may exist.” Notwithstanding the authorization granted by Rule 1.6(d)(2)(A), the lawyer retains the discretion to risk being held in contempt and litigate the issue in the courts, based on the totality of the circumstances.

Conclusion

At the point that the lawyer has made and pressed every appropriate objection to the Congressional subpoena and has no avenues of appeal available, and in the absence of any judicial order to the contrary, a lawyer faced with a Congressional directive and a threat of contempt of Congress may deem himself or herself “required by law” to comply with the subpoena within the meaning of D.C. Rule 1.6(d)(2)(A). A lawyer has satisfied his or her professional obligation to maintain client confidences once all objections have been made and exhausted and is not required by the Rules to stand in

contempt of Congress if the subcommittee overrules the objections.

Inquiry No. 98-6-16
Adopted: February 16, 1999

-
1. Throughout this opinion, we refer to actions by a Congressional subcommittee since these are the facts with which we are presented. However, the same reasoning and principles would apply to the appropriate response of a lawyer to subpoenas and directives of a Congressional committee, a House of Congress, or the full Congress.
 2. The final version of the Restatement (Third) of the Law Governing Lawyers is expected to be published in late 1999 with no substantive changes to § 115.
 3. While no appeal is available to the respondent, under current House Rules, a subcommittee needs a full committee vote to support a referral for a contempt prosecution. See House Rule XI, cl. 1(a)(2). If before the full committee votes to uphold the contempt, the lawyer discloses the subpoenaed documents, the full committee may, but need not necessarily, consider the matter moot.
 4. The lengths to which the lawyer must go to protect the attorney-client privilege and confidentiality of the client raise the collateral issue of the lawyer's entitlements to fees and expenses from the client for these efforts. While this may be a subject in the first instance for negotiations between the client and lawyer, we note that, as set forth in our prior Opinion 214, the lawyer has obligations to preserve the privilege and confidentiality of client information even if it is evident that the lawyer will not be compensated for those efforts by the client. As we stated in Opinion 214:

The ethical obligations of lawyers to protect the confidences and secrets of their clients is not a matter of contract between the lawyer and client; the obligation arises because "confidentiality is essential to the role of the lawyer in the administration of justice," Opinion No. 180, and because, under Canon 1, every lawyer has a duty "to assist in maintaining the integrity and competence of the legal profession."

We interpret this to mean that if no agreement on fees and expenses is reached regarding the efforts to protect the confidential information, the lawyer must nevertheless take all ethically required steps to protect the privilege even if not compensated for the services by the client. Whether a suit in quantum meruit for the services rendered in such a situation may succeed under District of Columbia law is a subject on which we express no view.

5. Under current House Rules, after the relevant chairman has ruled against any objections or challenges to a subpoena, the relevant Committee or subcommittee may vote on whether to hold the party in contempt. If the initial contempt was voted by a subcommittee, then the contempt finding will reach the House floor only if

the full Committee also votes the witness in contempt. See House Rule XI, cl. 1(a)(2). Under these Rules, if the House is in session, a vote of the full House is required to refer the matter to the U.S. Attorney for prosecution. However, when the House is not in session, the speaker may refer a finding of contempt by the full Committee to the appropriate U.S. attorney.

6. 2 U.S.C. § 194. 2 U.S.C. § 192 provides

Every person who having been summoned as a witness by the authority of either House of Congress to give testimony or to produce papers upon any matter under inquiry before either House, or any joint committee established by a joint or concurrent resolution of the two Houses of Congress, or any committee of either House of Congress, willfully makes default, or who, having appeared, refuses to answer any question pertinent to the question under inquiry, shall be deemed guilty of a misdemeanor, punishable by a fine of not more than \$1,000 nor less than \$100 and imprisonment in a common jail for not less than one month nor more than twelve months.

In addition, theoretically, either chamber of Congress may exercise its "self-help" contempt power which involves a trial before the relevant body and confinement upon conviction for as long as the term of the current Congress. Such a confinement is subject to judicial challenge through a writ of habeas corpus. See Grabow, *supra*, § 3.4[a] at 87. This alternative procedure has not been utilized in modern times.

7. While far beyond the purview of this Committee and while recognizing the complexity of the issue, we believe it would be extremely beneficial to both clients and lawyers throughout the country for Congress to pass legislation clarifying the applicability of the attorney-client and perhaps other privileges in Congressional proceedings. Such legislation could also provide for procedures in which the privilege may be invoked, considered and resolved.



Program on Negotiation at Harvard Law School
Program of Instruction for Lawyers @ PON
SUMMER 2006, JUNE 12-23

The District of Columbia Bar | 1250 H Street NW, sixth floor | Washington DC 20005-5937 | 202-737-4700 | Directions/PA
©2006 District of Columbia Bar. All rights reserved. Privacy Policy | Disclaimer | Author guidelines

Westlaw.

567 F.2d 121
 567 F.2d 121, 185 U.S.App.D.C. 254
 (Cite as: 567 F.2d 121)

Page 1

P

United States Court of Appeals, District of Columbia
 Circuit.

UNITED STATES of America
 v.

AMERICAN TELEPHONE & TELEGRAPH
 COMPANY et al., John E. Moss, Individually and on
 behalf of the U. S. House of Representatives and the
 House Committee on Interstate and Foreign
 Commerce, Appellant.
 No. 76-1712.

Argued June 3, 1977.

Decided Oct. 20, 1977.

Rehearing Denied Dec. 12, 1977.

Justice Department brought action to enjoin telephone company from complying with subpoena of subcommittee of House of Representatives issued in course of investigation into warrantless "national security" wiretaps. Chairman of subcommittee intervened. The United States District Court for the District of Columbia, Oliver Gasch, J., 419 F.Supp. 454, issued the injunction and subcommittee chairman appealed. The Court of Appeals, 551 F.2d 384, remanded for negotiation by the parties. After remand, the District Court prepared its report of negotiations between the parties. The Court of Appeals, Leventhal, Circuit Judge, held that: (1) complete judicial abstention on political question grounds was not warranted; (2) neither the claims of the executive nor the legislative branches of the propriety of their acts was conclusive on the court; (3) the Constitution does not confer on the executive absolute discretion in the area of national security; (4) the "Speech or Debate" clause was not intended to immunize congressional investigatory actions from judicial review; (5) accommodation between the two branches is contemplated by the Constitution. The court proposed an approach of gradualism rather than a rigid arrangement, and set forth for the benefit of the parties a procedure involving limited committee access and verification, and in camera resolution of disputes.

Order in accordance with opinion.

West Headnotes

[1] Constitutional Law 92 ¶68(1)

92 Constitutional Law

92III Distribution of Governmental Powers and Functions

92III(B) Judicial Powers and Functions

92k68 Political Questions

92k68(1) k. In General. Most Cited

Cases

Political question doctrine did not bar judicial resolution of action by Justice Department to enjoin telephone company from complying with subpoena of subcommittee of House of Representatives issued in course of investigation into warrantless national security wiretaps.

[2] Constitutional Law 92 ¶68(1)

92 Constitutional Law

92III Distribution of Governmental Powers and Functions

92III(B) Judicial Powers and Functions

92k68 Political Questions

92k68(1) k. In General. Most Cited

Cases

Simple fact that conflict exists between legislative and executive branches over congressional subpoena does not preclude judicial resolution under political question doctrine.

[3] Constitutional Law 92 ¶68(1)

92 Constitutional Law

92III Distribution of Governmental Powers and Functions

92III(B) Judicial Powers and Functions

92k68 Political Questions

92k68(1) k. In General. Most Cited

Cases

Fact that case is viewed as political case, or involves political controversy, does not mean that it presents only political questions beyond jurisdiction or proper role of court.

[4] Constitutional Law 92 ¶68(1)

92 Constitutional Law

92III Distribution of Governmental Powers and Functions

92III(B) Judicial Powers and Functions

92k68 Political Questions

92k68(1) k. In General. Most Cited

567 F.2d 121
 567 F.2d 121, 185 U.S.App.D.C. 254
 (Cite as: 567 F.2d 121)

Page 2

Cases

Application of political question doctrine or any close adaptation thereof is not appropriate where neither of the conflicting political branches has clear and unequivocal constitutional title and it is or may be possible to establish effective judicial settlement.

[5] War and National Emergency 402 ↪37

402 War and National Emergency
 402II Measures and Acts in Exercise of War and Emergency Powers

402II(A) In General

402k37 k. Powers of the Executive. Most Cited Cases
 Constitution does not confer on executive absolute discretion in area of national security.

[6] United States 393 ↪12

393 United States

393I Government in General

393k7 Congress

393k12 k. Rights and Privileges of Senators and Representatives. Most Cited Cases
 Speech or debate clause was not intended to immunize congressional investigatory actions from judicial review. U.S.C.A.Const. art. 1, § 6, cl. 1.

[7] United States 393 ↪12

393 United States

393I Government in General

393k7 Congress

393k12 k. Rights and Privileges of Senators and Representatives. Most Cited Cases
 Speech or debate clause was intended to protect legislators from executive and judicial harassment. U.S.C.A.Const. art. 1, § 6, cl. 1.

[8] United States 393 ↪23(2)

393 United States

393I Government in General

393k23 Congressional Investigations, Commissions and Committees

393k23(2) k. Power of Inquiry in General. Most Cited Cases
 Congress' investigatory power is not, itself, absolute.

[9] United States 393 ↪23(4)

393 United States

393I Government in General

393k23 Congressional Investigations, Commissions and Committees

393k23(4) k. Compelling Attendance and Production of Evidence. Most Cited Cases
 Fortuity that documents sought by congressional subpoena are not in hands of party claiming injury from subpoena should not immunize that subpoena from challenge by that party.

[10] United States 393 ↪12

393 United States

393I Government in General

393k7 Congress

393k12 k. Rights and Privileges of Senators and Representatives. Most Cited Cases
 Justice Department's action to enjoin telephone company from complying with subpoena of subcommittee of House of Representatives issued in course of investigation into warrantless national security wiretaps was not barred by speech or debate clause and fact that executive was not in position to assert its claim of constitutional right by refusing to comply with subpoena did not bar challenge so long as members of subcommittee were not, themselves, made defendants in suit to enjoin implementation of subpoena. U.S.C.A.Const. art. 1, § 6, cl. 1.

[11] United States 393 ↪12

393 United States

393I Government in General

393k7 Congress

393k12 k. Rights and Privileges of Senators and Representatives. Most Cited Cases
 Immunity from judicial inquiry afforded by speech or debate clause is personal to members of Congress and where they are not harassed by personal suit against them, clause cannot be invoked to immunize congressional subpoena from judicial scrutiny. U.S.C.A.Const. art. 1, § 6, cl. 1.

[12] Federal Courts 170B ↪921

170B Federal Courts

170BVIII Courts of Appeals

170BVIII(L) Determination and Disposition of Cause

170Bk921 k. Decision in General. Most Cited Cases

In action by Justice Department to enjoin telephone company from complying with subpoena of subcommittee of House of Representatives issued in course of investigation into warrantless national

567 F.2d 121
 567 F.2d 121, 185 U.S.App.D.C. 254
 (Cite as: 567 F.2d 121)

Page 3

security wiretaps, Court of Appeals, in view of desirability of reaching accommodation between the two branches, proposed approach of gradualism rather than rigid arrangement, and set forth for benefit of parties procedure involving limited committee access and verification of documents requested, with in camera judicial resolution of disputes; and district court might permit participation of counsel for Subcommittee if court deemed such participation necessary in order to make in camera determinations.

*122 **255 Appeal from the United States District Court for the District of Columbia (D.C. Civil 76-1372).

Joseph M. Hassett, Washington, D.C., with whom E. Barrett Prettyman, Jr., Jean S. Moore and Janet L. McDavid, Washington, D.C., were on the brief for appellant.

Irwin Goldbloom, Deputy Asst. Atty. Gen., Washington, D.C., with whom Barbara Allen Babcock, Asst. Atty. Gen., Earl J. Silbert, U.S. Atty., Thomas S. Martin, Sp. Asst. Atty., Leonard Schaitman, Neil H. Koslowe, David J. Anderson and John T. Boese, Attys., Dept. of Justice, Washington, D.C., were on the brief for appellee United States of America.

Nathaniel Hawthorne, Washington, D.C., entered an appearance for appellees American Tel. & Tel. Co., et al.

Before LEVENTHAL, ROBINSON and WILKEY,
 Circuit Judges.

Opinion for the Court filed by LEVENTHAL, Circuit Judge.

LEVENTHAL, Circuit Judge:

This case brings to us for a second time conflicting assertions by the executive and legislative branches, contentions that require the third branch to decide whether its constitutional mandate to decide controversies extends to such a conflict, and if so what measure of judicial resolution is sound and appropriate.

This is a general and abstract preface for a specific and concrete clash. The dispute arose out of an investigation by the Subcommittee on Oversight and Investigations of the House Committee on Interstate and Foreign Commerce. In the course of the investigation, the Subcommittee issued a subpoena for certain documents in the hands of the American Telephone and Telegraph Co. (AT&T). The Justice

Department sued to enjoin AT&T from complying with the subpoena, on the ground that compliance might lead to public disclosure of the documents, with adverse effect on national*123 **256 security. Congressman Moss, chairman of the Subcommittee, intervened on behalf of the House, as the real party in interest. The District Court issued the injunction and Chairman Moss appealed.

When we first came to the case, we developed a novel and somewhat gingerly approach for the delicate problem of accommodating the needs and powers of two coordinate branches in a situation where each claimed absolute authority. See United States v. AT&T, 179 U.S.App.D.C. 198, 551 F.2d 384 (1976). To the extent possible, we wished to avoid a resolution that might disturb the balance of power between the two branches and inaccurately reflect their true needs. We therefore refrained from deciding the merits of their claims, and indeed did not resolve the preliminary issue of whether the dispute presented a nonjusticiable political question. Instead we remanded the record to the District Court for further proceedings during which the parties and counsel were requested to attempt to negotiate a settlement. We called for a report by the District Court within three months. That time was later extended, to permit the new officials of the incoming administration to grapple with the problem. On April 22, 1977, District Judge Gasch made his report. We heard oral argument on June 3, 1977.

Negotiation has narrowed but not bridged the gap between the parties. Accordingly, we must adopt a somewhat more traditional approach. We begin by deciding that complete judicial abstention on political question grounds is not warranted. In addressing the merits, however, we continue to move cautiously. Taking full account of the negotiating positions, we have chartered the course that we think is most likely to accommodate the substantial needs of the parties. Doubtless, neither will be satisfied. But in our view there is good reason to believe that the procedure set forth in this opinion will prove feasible in practice, with such adjustments and refinements as may be evolved by the parties and the district court. What we decide is only that, so long as this procedure gives promise of satisfying the substantial needs of both parties, this court may appropriately continue to refrain from a decision upholding either of the claims of absolute authority. Should the parties test our approach and encounter difficulties, we may have to determine whether further relief is warranted. In that effort we will be aided by the experience of the parties.

567 F.2d 121
 567 F.2d 121, 185 U.S.App.D.C. 254
 (Cite as: 567 F.2d 121)

Page 4

I. FACTUAL BACKGROUND

A. Facts Culminating in Our Earlier Opinion

The facts as of our prior opinion, set forth in 551 F.2d at 385-88, may be summarized briefly.

The purpose of the Subcommittee's investigation was to examine the nature and extent of warrantless wiretapping in the United States for asserted national security purposes, and to determine whether legislation was required to curb possible abuse of that power. In carrying out warrantless taps authorized by the Attorney General, the FBI used AT&T facilities "leased lines" to carry tapped communications to its monitoring stations. It obtained these lines through "request letters" addressed to AT&T which specified a target line to be tapped, identified by telephone number, address, or numerical designation.

In furtherance of the investigation, a subpoena, issued on June 22, 1976, required AT&T to turn over to the Subcommittee all national security request letters. Thereupon, the Justice Department sought to negotiate with Subcommittee Chairman Moss an alternative means of satisfying the Subcommittee's needs which would, at the same time, minimize the risk to national security posed by the possibility of public disclosure of request letters pertaining to foreign intelligence surveillance. [FN1] Negotiations focused upon the possibility of substituting *124 **257 for these request letters expurgated copies of the backup memoranda upon which the Attorney General had based his decisions to authorize the warrantless taps. All information in these memoranda that would identify the targets of the taps would be replaced by generic descriptions. The Subcommittee agreed to an initial canvass of two years, 1972 and 1975. These memoranda, providing information as to the purpose and nature of the tap, would probably have been more useful to the Subcommittee than the request letters themselves.

[FN1] The Justice Department perceived little risk to national security from release of backup memoranda pertaining to domestic surveillance. Dispute has focused on access to backup memoranda concerning foreign intelligence surveillance.

The stumbling block in the negotiations was the

means of verifying the accuracy of the executive's classification of surveillance as domestic or foreign, and of the generic descriptions. The Subcommittee proposed that three of its staff members conduct verification by examining the original memoranda corresponding to a subsample of the edited memoranda. They would inspect the original memoranda at the FBI, but would be permitted to take notes back to the Subcommittee. The White House rejected this proposal, in view of the House rule giving any member of the House access to such notes. [FN2]

[FN2] Rule XI s 2(e)(2) of the House of Representatives. See 551 F.2d at 386 & n. 3.

The White House proposed that Chairman Moss, rather than the Subcommittee staff, inspect the subsample of unedited memos. This was rejected by the Subcommittee.

The executive's final proposal, made by President Ford to Chairman Moss, was that the Attorney General would conduct the verification. If the Subcommittee were dissatisfied, it could appeal to the President. Chairman Moss rejected this proposal.

On July 22, after negotiations had broken down, the Justice Department sued to enjoin AT&T from complying with the Subcommittee subpoena. Chairman Moss intervened as a defendant. The District Court granted the injunction and Chairman Moss appealed.

Rather than attempt to resolve the dispute at that time, this court remanded to the District Court, with the suggestion that the parties attempt to negotiate a settlement. We indicated at that time what appeared to be the outlines of a possible settlement, 551 F.2d at 395 & n. 18: Subcommittee access to edited backup memoranda seemed likely to satisfy the Subcommittee's needs more readily than access to the request letters, without posing so serious a risk to national security. Verification of the accuracy of classification and generic descriptions might be done by Subcommittee staff members, with disputes to be resolved by the District Court after in camera inspection of the edited and original memoranda.

B. Subsequent Developments

On March 11, 1977, in the first negotiating session

567 F.2d 121
567 F.2d 121, 185 U.S.App.D.C. 254
(Cite as: 567 F.2d 121)

Page 5

after our remand, the Justice Department offered to furnish to the Subcommittee only expurgated backup memoranda. If the Subcommittee should raise a question concerning the classification of a memorandum as pertaining to foreign or domestic surveillance, the Attorney General would review the material and verify the propriety of the classification. The Subcommittee balked at the absence of independent verification. As a counterproposal, it suggested that it receive, in addition, a sample of unexpurgated memoranda and request letters, which would be kept under adequate security arrangements. [FN3] Justice Department representatives rejected this proposal.

[FN3]. Suppl. Appendix for Appellee at 152.
See note 2 supra concerning access by other members of the House to such material.

In the second negotiating session, on March 14, the Department of Justice proposed in camera review of unexpurgated memoranda by the court, if the Subcommittee should raise a question concerning any expurgated version. Subcommittee representatives rejected this proposal, arguing that verification must be done by the Subcommittee itself, since the Court was not in a position to determine what was important *125 **258 to the Subcommittee's investigation. [FN4] The Subcommittee proposed that its selected staff members have access to original memoranda at the FBI, with the privilege of taking their notes back to the Subcommittee. [FN5] The Justice Department continued to oppose a procedure whereby unexpurgated memoranda or staff notes would be lodged with the Subcommittee, and hence available to all members of the House.

[FN4]. Suppl. Appendix for Appellee at 159.

[FN5]. Id. at 162.

On March 21, Chairman Moss met with Attorney General Bell. Discussion centered on the possible examination by the Subcommittee of unexpurgated memoranda, with the privilege of taking notes, and appropriate safeguards against dissemination of sensitive information through such note-taking. The Attorney General agreed to submit to the Subcommittee a specific proposal along these lines. [FN6]

[FN6]. Suggestions of Defendant Moss as to

Matters to be Reported to the Court, at 5.

On April 12, Attorney General Bell wrote to Chairman Moss offering a "no strings attached" examination of all expurgated memoranda for the two sample years to see if it would satisfy the needs of the Subcommittee. [FN7] On April 18, he formally proposed the in camera verification procedure that had been proposed and rejected on March 14. Chairman Moss rejected this proposal. [FN8]

[FN7]. Id., Exhibits, tab B-13.

[FN8]. Id. at 8. The proposal of April 18, and presumably that of April 12, did not permit notes on the memoranda to be lodged with the Subcommittee. Id., Exhibits, tab B-17 (Memorandum of Understanding, dated April 15, prepared by Attorney General).

On April 22, the district court submitted its report to this court, noting that there were still significant differences between the parties.

On May 11, the Justice Department amended the above offer, [FN9] in an attempt to satisfy the "spirit" of the suggestion in our earlier opinion, 551 F.2d at 395 & n. 18. The amended offer went beyond the April 18 proposal by proffering for inspection by the Subcommittee staff and for use in verification not only all expurgated memoranda for the two sample years, but also 10 unexpurgated memoranda randomly selected by the Subcommittee. The Attorney General reserved the right, however, to make a substitution if an unexpurgated memorandum, as randomly selected, was in his opinion of such a nature that disclosure would cause grave injury to the national security or might result in physical harm to any person. Such right of substitution would be subject to approval of the District Court after in camera examination of the relevant documents. Subcommittee staff would not be permitted to convey notes or information regarding the contents of any memoranda to the Subcommittee.

[FN9]. Transcript of Proceedings in the District Court, Apr. 20, 1977.

The Subcommittee, in its last meeting with the District Court and Justice Department representatives on May 12, rejected this proposal on three grounds: 1. That the sample size (less than 5% Of the 217 "foreign intelligence surveillance" backup

567 F.2d 121
567 F.2d 121, 185 U.S.App.D.C. 254
(Cite as: 567 F.2d 121)

Page 6

memoranda) was too small to be statistically valid; the Subcommittee stated that a 25% Sample of unexpurgated memoranda was the minimum it would accept. 2. That the right of substitution reserved by the Attorney General further impaired the validity of the sample. 3. That in camera verification procedures [FN10] were not acceptable since the court was not equipped to carry these out properly, and since such judicial involvement would violate the Speech or Debate Clause.

[FN10] In camera verification would now serve two functions: to verify the necessity of the Attorney General's substitution, and to check on misclassification or use of inaccurate generic terms if the Subcommittee thinks such impropriety has occurred.

II. QUESTIONS PRESENTED

A. Political Question

[1] Preliminarily, we must consider whether this case calls for judicial abstention*126 **259 under the political question doctrine. The issues are the possible unseemliness of a judicial exploration of the needs and motives of the other two branches, and the question whether there are "judicially discoverable and manageable standards" [FN11] for balancing the conflicting constitutional powers asserted by the parties. We noted these considerations in our earlier opinion. [FN12]

[FN11] Baker v. Carr, 369 U.S. 186, 217, 82 S.Ct. 691, 7 L.Ed.2d 663 (1962).

[FN12] 551 F.2d at 394.

[2] [3] The simple fact of a conflict between the legislative and executive branches over a congressional subpoena does not preclude judicial resolution. See Senate Select Committee on Presidential Campaign Activities v. Nixon, 162 U.S.App.D.C. 183, 498 F.2d 725 (1974). [FN13] Indeed, disputes between two branches of the government are inherently different from those to which the political question abstention doctrine has traditionally been applied. [FN14] The fact that a case is viewed as a "political case," or involves a "political controversy," does not mean that it presents only "political questions" beyond the jurisdiction or

proper role of the court. Baker v. Carr, 369 U.S. 186, 217, 82 S.Ct. 691, 7 L.Ed.2d 663 (1962). Normally, when the court abstains on political question grounds it acquiesces in a "commitment of the issue" to one of the political branches for resolution of the merits. 369 U.S. at 217, 82 S.Ct. 691. That branch is recognized as having the constitutional authority to make a decision that settles the dispute. Where the dispute consists of a clash of authority between two branches, however, judicial abstention does not lead to orderly resolution of the dispute. No one branch is identified as having final authority in the area of concern. If negotiation fails as in a case where one party, because of chance circumstance, has no need to compromise a stalemate will result, with the possibility of detrimental effect on the smooth functioning of government.

[FN13] More generally, disputes concerning the allocation of power between the branches have often been judicially resolved. See e. g., United States v. Nixon, 418 U.S. 683, 94 S.Ct. 3090, 41 L.Ed.2d 1039 (1974); Youngstown Sheet & Tube v. Sawyer, 343 U.S. 579, 72 S.Ct. 863, 96 L.Ed.2d 1153 (1952); Myers v. United States, 272 U.S. 52, 47 S.Ct. 21, 71 L.Ed. 160 (1926); Humphrey's Executor v. United States, 295 U.S. 602, 55 S.Ct. 869, 79 L.Ed. 1611 (1935); Campaign Clean Water, Inc. v. Train, 489 F.2d 492 (4th Cir. 1973), vacated on other grounds, 420 U.S. 136, 95 S.Ct. 847, 43 L.Ed.2d 82 (1975); State Highway Comm'n v. Volpe, 479 F.2d 1099 (8th Cir. 1973). These cases can be distinguished from the present dispute as involving suits by or against a state or private person who had a material stake in the outcome. See generally Cox, Executive Privilege, 122 U.Pa.L.Rev. 1384 (1974) (arguing that in the absence of such an interest in the outcome, judicial abstention is warranted). Nevertheless, for the reasons set forth in the text, we feel obligated to address the merits of the present dispute.

[FN14] The role of the political question doctrine in the setting of this case is explored in Comment, United States v. AT&T : Judicially Supervised Negotiation and Political Questions, 77 Colum.L.Rev. 466 (1977).

We now come to consider whether the "political

567 F.2d 121
 567 F.2d 121, 185 U.S.App.D.C. 254
 (Cite as: 567 F.2d 121)

Page 7

question" doctrine, which has been developed by the courts as a pragmatic and prudential doctrine to abstain from certain matters even though within their constitutional ambit, dictates that we should withdraw from further consideration of this case, notwithstanding the lack of a political branch to which the question stands "committed." Such a withdrawal would be rooted in a lack of "competence" of the judiciary to decide the issues. [FN15] The pragmatic origin and quality of the "political question" doctrine has a corollary in pragmatic application, focusing on whether the questions involved at any stage present "judicially discoverable and manageable standards" (369 U.S. at 217, 82 S.Ct. 691), and thus are susceptible to competent adjudication by the courts. The present dispute, in its original stance, raised serious questions as to the competence of a court to resolve it on the merits. It was not difficult*127 **260 to identify the relevant considerations in general terms: the need of the Subcommittee for the information sought, the likelihood of public disclosure, and the magnitude of resultant harm to national security. What loomed as unmanageable, or at least elusive, was the process of weighing these factors to determine their relative magnitude. [FN16] Our earlier decision to encourage further negotiation has, we believe, largely obviated this problem by bringing into sharper focus the needs of the parties. See Part IIB infra.

FN15. See *Atlee v. Laird*, 347 F.Supp. 689 (E.D.Pa.1972), aff'd without opinion sub nom. *Atlee v. Richardson*, 411 U.S. 911, 93 S.Ct. 1545, 36 L.Ed.2d 304 (1973); *Baker v. Carr*, 369 U.S. 186, 217, 82 S.Ct. 691, 7 L.Ed.2d 663 (1962).

FN16. 551 F.2d at 394.

We do not accept the claims of either the executive or the legislative branch that its determination of the propriety of its acts is conclusive on the court. [FN17] Such claims invite this court to adapt the political question doctrine for the situation where the political branches are in conflict. [FN18]

FN17. Each branch has argued that its discretion to act under the circumstances of this case is not subject to judicial review. Congress bases its claim of absolute discretion on the Speech or Debate Clause, Brief for Appellant at 49-57, while the executive relies on its obligation to

safeguard the national security, Brief for Plaintiff-Appellee at 23.

FN18. The facts of this dispute thus present two analytically distinct opportunities for judicial abstention under the political question doctrine. This Court could abstain completely, on the ground that judicial intervention in a dispute between the political branches is inappropriate; or we could intervene only for the purpose of determining that one branch's claim of absolute discretion is valid. See Comment, *United States v. AT&T: Judicially Supervised Negotiation and Political Questions*, 77 Colum.L.Rev. 466, 487-88 (1977). We reject both alternatives.

[4] In our view, neither the traditional political question doctrine nor any close adaptation thereof is appropriate where neither of the conflicting political branches has a clear and unequivocal constitutional title, and it is or may be possible to establish an effective judicial settlement.

As Judge Friendly recalled in his 1976 Bicentennial lecture, it is one of the major strengths of the Constitution, and far from a weakness, that conflicting viewpoints have been resolved through intermediate positions. [FN19] Much of this spirit of compromise is reflected in the generality of language found in the Constitution generality which allows for dispute as to which of the coordinate branches may exercise authority in a particular fact situation. [FN20]

FN19. Address by Hon. Henry J. Friendly (January 29, 1976) (U.S. Department of Justice Bicentennial Lecture Series).

FN20. See Friendly Speech, supra note 19, at 17-18.

The framers, rather than attempting to define and allocate all governmental power in minute detail, relied, we believe, on the expectation that where conflicts in scope of authority arose between the coordinate branches, a spirit of dynamic compromise would promote resolution of the dispute in the manner most likely to result in efficient and effective functioning of our governmental system. [FN21] Under this view, the coordinate branches do not exist in an exclusively adversary relationship to one another when a conflict in authority arises. Rather,

567 F.2d 121
 567 F.2d 121, 185 U.S.App.D.C. 254
 (Cite as: 567 F.2d 121)

Page 8

each branch should take cognizance of an implicit constitutional mandate to seek optimal accommodation through a realistic evaluation of the needs of the conflicting branches in the particular fact situation. This aspect of our constitutional scheme avoids the mischief of polarization of disputes. Professor Freund has cautioned that “(i)n the eighteenth-century Newtonian universe that is the Constitution, an excessive force in one direction is apt to produce a corresponding counterforce.” [FN22]

[FN21]. One commentator has noted that “where such a conflict of powers arises, the constitutional scheme would seem to require no less than that the line between them be drawn at the point of optimal accommodation.” Comment, *United States v. AT&T: Judicially Supervised Negotiation and Political Questions*, 77 *Colum.L.Rev.* 466, 490 (1977).

[FN22]. Freund, *Foreword: On Presidential Privilege*, 88 *Harv.L.Rev.* 13, 20 (1974). Recent and early examples of this phenomenon are surveyed by Judge Friendly in his Bicentennial Speech (Jan. 29, 1976) (U.S. Dept. of Justice Bicentennial Lecture Series at 17-25).

*128 **261 The present dispute illustrates the danger of polarization, as well as the road to mediation. The positions of the parties are closer now than they were initially. Nevertheless, agreement has not been reached, and it is necessary for this Court to consider the conflicting claims of the parties to absolute authority. Both claims are put in absolute terms, to run without limit; and neither can be accepted as put.

[5] The executive would have it that the Constitution confers on the executive absolute discretion in the area of national security. This does not stand up. While the Constitution assigns to the President a number of powers relating to national security, including the function of commander in chief and the power to make treaties and appoint Ambassadors, it confers upon Congress other powers equally inseparable from the national security, such as the powers to declare war, raise and support armed forces and, in the case of the Senate, consent to treaties and the appointment of ambassadors.

More significant, perhaps, is the fact that the Constitution is largely silent on the question of

allocation of powers associated with foreign affairs and national security. [FN23] These powers have been viewed as falling within a “zone of twilight” in which the President and Congress share authority or in which its distribution is uncertain. [FN24] The present dispute illustrates this uncertainty. The concern of the executive that public disclosure of warrantless wiretapping data may endanger national security is, of course, entirely legitimate. But the degree to which the executive may exercise its discretion in implementing that concern is unclear when it conflicts with an equally legitimate assertion of authority by Congress to conduct investigations relevant to its legislative functions.

[FN23]. L. Henkin, *Foreign Affairs and the Constitution* 16-17 (1972).

[FN24]. See *Youngstown Sheet & Tube Co. v. Sawyer*, 343 U.S. 579, 637, 72 S.Ct. 863, 96 L.Ed. 1153 (1952) (Jackson, J., concurring).

The Subcommittee has pressed a different argument, that judicial interference with its actions in this dispute is barred by the constitution. Reliance is placed on the Speech or Debate Clause, which provides that “for any Speech or Debate in either House, (Senators or Representatives) shall not be questioned in any other Place” [FN25]

[FN25]. Const. Art. I, § 6, cl. 1.

In *Eastland v. United States Servicemen's Fund*, 421 U.S. 491, 95 S.Ct. 1813, 44 L.Ed.2d 324, the Supreme Court had occasion to scrutinize the role of the Speech or Debate Clause in immunizing a congressional subpoena from judicial interference. There, a Senate Subcommittee investigating internal security matters issued a subpoena directing a bank to produce bank records of an organization suspected of subversive activity. The organization, arguing that its First Amendment rights were being infringed, sued members of the Subcommittee to enjoin implementation of the subpoena. The Supreme Court held that where the actions of members of Congress fall within the “sphere of legitimate legislative activity,” the Speech or Debate Clause is an absolute bar to judicial interference. *Id.* at 503, 95 S.Ct. 1813. This broad language must, however, be examined in the context of other decisions concerning the congressional investigatory power.

567 F.2d 121
567 F.2d 121, 185 U.S.App.D.C. 254
(Cite as: 567 F.2d 121)

Page 9

In *Eastland* itself, the Supreme Court acknowledged its earlier holdings that, in a criminal prosecution for refusal to answer congressional inquiries, defendants could assert as a defense the claimed infringement of their First Amendment rights, and the Court would balance this against the public interest in the congressional investigation going forward. *Id.* at 509 n. 16, 95 S.Ct. 1813; see *Watkins v. United States*, 354 U.S. 178, 77 S.Ct. 1173, 1 L.Ed.2d 1273 (1957); *Barenblatt v. United States*, 360 U.S. 109, 79 S.Ct. 1081, 3 L.Ed.2d 1115 (1959).

Another instance of judicial balancing of executive and legislative interests emerged *129 **262 when the Senate Committee investigating improper activities in the 1972 presidential campaign issued a subpoena directing the President to deliver certain relevant tapes and documents. The President declined on the ground of executive privilege. The Committee sought to enforce the subpoena. This court weighed the public interest protected by the President's claim of privilege against the interest that would be served by disclosure to the Committee, and declined to enforce the congressional subpoena. *Senate Select Committee on Presidential Campaign Activities v. Nixon*, 162 U.S.App.D.C. 183, 498 F.2d 725 (1974).

[6] [7] [8] [9] It appears from *Watkins*, *Barenblatt* and Senate Select Committee that individual members of Congress are not impermissibly "questioned in any other place" regarding their investigatory activities merely because the validity and permissibility of their activities are adjudicated. In these cases, unlike *Eastland*, the challenge to congressional investigatory activity was raised as a defense. The distinction should not be dismissed as merely procedural, since it sheds light on the nature and purpose of the protection afforded by the Speech or Debate Clause. The Clause was intended to protect legislators from executive and judicial harassment. [FN26] "(L)egislators acting within the sphere of legitimate legislative activity 'should be protected not only from the consequences of litigation's results but also from the burden of defending themselves.'" *Eastland v. United States Servicemen's Fund*, 421 U.S. at 503, 95 S.Ct. at 1821 (quoting *Dombrowski v. Eastland*, 387 U.S. 82, 85, 87 S.Ct. 1425, 18 L.Ed.2d 577 (1967)). As is clear from *Watkins*, *Barenblatt*, and Senate Select Committee, however, the Clause does not and was not intended to immunize congressional investigatory actions from judicial review. Congress' investigatory power is not, itself, absolute. *Barenblatt v. United States*, 360 U.S. 109, 111-12, 79 S.Ct. 1081, 3

L.Ed.2d 1115 (1959). And the fortuity that documents sought by a congressional subpoena are not in the hands of a party claiming injury from the subpoena should not immunize that subpoena from challenge by that party. See Justice Marshall's concurring opinion in *Eastland*, 421 U.S. at 513, 95 S.Ct. at 1826.

FN26. *United States v. Johnson*, 383 U.S. 169, 179, 86 S.Ct. 749, 15 L.Ed.2d 681 (1966).

[10] If the request letters were only in the hands of the Justice Department, it could have refused to comply with the legislative demand, citing Senate Select Committee. The fact that the request letters are available from AT&T as well as from the Justice Department does not make the legislative authority unreviewable in court, for AT&T could have refused to comply and insisted on an ultimate court decision to avoid prosecution. [FN27] The fact that the Executive is not in a position to assert its claim of constitutional right by refusing to comply with a subpoena does not bar the challenge so long as members of the Subcommittee are not, themselves, made defendants in a suit to enjoin implementation of the subpoena. See *Eastland*, 421 U.S. at 513, 95 S.Ct. at 1826, Justice Marshall concurring. [FN28]

FN27. The court would decide whether AT&T had standing to raise the national security question when it had been directed by the Executive branch to resist production on that ground. See 551 F.2d at 387.

FN28. In the present case, of course, the legislative parties intervened on their own motion.

The approach by which the Executive here achieves judicial consideration of its challenge is not properly subject to reproach as exalting form over substance. The role of the court often turns on matters of procedure. The contrary position of the Subcommittee is itself an exercise in procedural refinement: The Subcommittee argues that the court can act only if AT&T itself initiates a challenge to the subpoena; so long as AT&T merely awaits a court ruling on the Executive's challenge, the court must abstain. It would be strange indeed if the Constitution made judicial consideration available to one who defies the legislature outright, but not to one like AT&T, who seeks an orderly resolution of a

567 F.2d 121
 567 F.2d 121, 185 U.S.App.D.C. 254
 (Cite as: 567 F.2d 121)

Page 10

disputed question.

*130 **263 [11] In sum, while this case is similar in several respects to the situation in *Eastland*, as earlier noted (551 F.2d at 391), for purposes of considering whether the Executive's claim is entitled to at least some judicial consideration, we emphasize that no member of the Subcommittee in the present dispute has been made a defendant in a judicial proceeding. The courts do not accept the concept that Congress' investigatory power is absolute. What the cases establish is that the immunity from judicial inquiry afforded by the Speech or Debate Clause is personal to members of Congress. Where they are not harassed by personal suit against them, the clause cannot be invoked to immunize the congressional subpoena from judicial scrutiny.

B. Balancing

[12] We now address the task of weighing the claims and accommodating the needs of the disputing parties. As already noted, we encouraged negotiations in order to avoid the problems inherent in formulating and applying standards for measuring the relative needs of the parties, 551 F.2d at 394. While negotiations did not resolve the dispute, they did narrow the gap between the parties and provide a more informed basis for further judicial consideration.

The course of negotiations reflects something of greater moment than the mere degree to which ordinary parties are willing to compromise. Given our perception that it was a deliberate feature of the constitutional scheme to leave the allocation of powers unclear in certain situations, [FN29] the resolution of conflict between the coordinate branches in these situations must be regarded as an opportunity for a constructive *modus vivendi*, which positively promotes the functioning of our system. The Constitution contemplates such accommodation. Negotiation between the two branches should thus be viewed as a dynamic process affirmatively furthering the constitutional scheme. Correspondingly, a court judgment that reflects the compromises achieved through negotiation marks an allocation of powers determined in furtherance of the constitutional process.

FN29. See Part IIA *supra*.

Turning to concrete matters, we first summarize the

issues on which negotiations focused, and the final positions of the parties on these issues. The key issue was whether the Subcommittee would have access to unedited backup memoranda. Related questions concerned what the size of the sample of unedited memoranda would be if access were allowed; whether the Subcommittee staff would be permitted to take notes of the unedited memoranda and deliver such notes to the Subcommittee; what the role of in camera resolution of disputes would be; and the possibility of the executive's making a substitution for one or more unedited memoranda chosen by the Subcommittee because of the extraordinary sensitivity of the contents.

The Subcommittee has mentioned throughout this dispute that it must have access to unedited backup memoranda to verify the accuracy of the Justice Department's generic substitution for deleted terms and its classification of memoranda as pertaining to foreign or domestic intelligence. The Subcommittee regards in camera verification by the district court as inadequate, viewing the court as ill equipped to make such judgments.

In connection with its access to both edited and unedited memoranda, the Subcommittee has also demanded that its representatives be permitted to take notes for use by the Subcommittee members.

Until a short while ago, the Justice Department refused to consider allowing the Subcommittee access to unexpurgated memoranda. Recently, however, spurred by a memorandum and order of this Court, [FN30] the executive has offered to the Subcommittee an arrangement modeled after a suggestion in our earlier opinion: the executive has relaxed its position on the issue of unexpurgated memoranda to the extent that it is willing to permit Subcommittee*131 **264 staff members to inspect 10 randomly selected original memoranda for the two sample years for purposes of verification, as well as all expurgated memoranda for the two sample years. If staff members conducting the verification conclude that domestic surveillance material has been improperly classified as foreign, or that generic substitutions are inaccurate, the district court would make an in camera determination of this matter and decide whether, in light of its finding, further disclosure to the Subcommittee was warranted.

FN30. Memorandum and Order of Apr. 28, 1977.

567 F.2d 121
 567 F.2d 121, 185 U.S.App.D.C. 254
 (Cite as: 567 F.2d 121)

Page 11

The Justice Department refused to allow notes to be carried back to the Subcommittee, however; [FN31] and it insists on retaining a protective device: if any of the randomly selected original memoranda would, in the opinion of the Attorney General, cause grave injury to the national security or possibly result in physical harm to any person it disclosed, another randomly selected memorandum may be substituted. The substitution would have to be approved by the District Court after in camera inspection of the relevant documents to assure that the Attorney General's concerns were warranted.

[FN31] The Justice Department has insisted that all memoranda, expurgated and unexpurgated, be examined at the F.B.I. House Rule XI would permit access by all members of the House to notes carried back to the Subcommittee. See note 2 supra.

The Subcommittee's response to this most recent proposal by the executive was lukewarm at best. The Subcommittee objected to the sample size (10 out of 217) offered by the Executive, asserting that a fair sampling required access to the original versions of 25% Of the memoranda for the sample years (1972 and 1975). [FN32] The Subcommittee further objected to the substitution procedure, as destroying the validity of the random sample. It was not satisfied that in camera inspection would sufficiently guard against misuse of this procedure by the executive.

[FN32] At proceedings before the District Court on April 20, 1977, where the parties reported their progress in negotiations, the Subcommittee counsel appeared to suggest that this figure had some statistical significance:

The Committee met with the General Accounting Office and asked them to indicate what would be a reasonable sample to validate and to check, and there is a computer program and a memo which suggested something greater than 25 percent but the Committee is willing to accept 25 percent.

Two significant points on which the parties remain apart are the size of the sample of unexpurgated memoranda and the substitution procedure. [FN33] The parties are sufficiently close at this point, and have demonstrated their major concerns with sufficient clarity, to permit this Court to intervene responsibly. Rather than impose a rigid arrangement,

however, we choose to continue our approach of gradualism. We propose an approach that should be tested by the parties. We are not required to say whether the Subcommittee is entitled to all that it seeks when time and experience may confirm that it does not need, in any genuine and substantial sense, more than is provided by our approach.

[FN33] We do not regard the note-taking issue as one of major significance at this time; nor are the Subcommittee's objections to in camera inspection of primary concern, since the Executive has agreed that initial verification will be conducted by Subcommittee staff members.

This gradual approach is consistent with our view that the present dispute should be regarded as a concerted search for accommodation between the two branches. If the procedure we outline proves deficient, adjustments may be required but meanwhile the needs of the parties and the available means of accommodation will be brought into even sharper focus.

Under our approach, the Subcommittee staff would select at random a sample of 10 unedited memoranda for the two sample years, and compare these with the corresponding expurgated ones. [FN34] On the issue *132 **265 of notes, still a bone of contention, our approach would permit the staff to take notes on their impressions concerning the accuracy of the classification of the memoranda as relating to foreign intelligence surveillance [FN35] and use of generic terms, but the notes would have to be left at the FBI under seal. The Subcommittee staff could report their conclusions orally to the Subcommittee. The Subcommittee would then decide whether to take a claim of inaccuracy alleging, for example, executive abuse of the "foreign intelligence" rubric to the District Court for resolution. If the District Court, upon in camera inspection of the original and edited memoranda and of the staff notes, found significant inaccuracy, it would take remedial action. The specifics of its actions are a matter for sound discretion. Relief might involve, for example, providing the Subcommittee staff access to a larger sample of unedited memoranda to determine whether any previously discovered inaccuracy was isolated or systematic. If the initial inaccuracy suggested deviousness, the District Court might conclude that the cooperative approach is unfruitful and unmanageable, and that the court should withdraw from its assistance to the executive by dissolving the

567 F.2d 121
567 F.2d 121, 185 U.S.App.D.C. 254
(Cite as: 567 F.2d 121)

Page 12

injunction.

FN34. We are not unmindful of the issue raised by the Subcommittee as to the adequacy of a sample of 10 documents. (See footnote 31, *supra*). But there is a difference in objectives between, e.g., a sample that must be large enough to be representative of the whole population, for valid statistical extrapolation; a sample that must be large enough to check on a private citizen subject to no constraints other than the criminal law; and a sample large enough to deter high officials, in whom special trust and confidence have been reposed, from any tendency to manipulate or deceive. What our approach provides is a window that lets in enough light to inhibit chicanery.

FN35. There has been some dispute between the parties as to the definition of "foreign intelligence surveillance." Early in the course of negotiations, the parties agreed that "(f)oreign intelligence surveillances are surveillances of the communications of foreign governments, political parties or factions, military forces, agencies or enterprises controlled by such entities or organizations composed of such entities . . . or foreign-based terrorist groups or persons knowingly collaborating with any of the foregoing; domestic surveillance include(s) all other surveillances." 551 F.2d at 386 n. 1. Subsequently, the Justice Department expanded its definition of "foreign intelligence surveillance" to include "targets of a recruitment effort by any of the foregoing" i.e., persons who were not knowingly collaborating with a foreign party.

In classifying surveillance as domestic or foreign for purposes of the procedure we outline, the Justice Department should not unilaterally adopt its own definition, but should identify those in the disputed area to bring them to Congress's attention. This identification should be done for all edited memoranda in the two sample years, rather than being left to be discovered by the random selection procedure.

The executive would be permitted to employ the substitution procedure, but only upon an in camera showing of two things: the accuracy and fairness of the edited memorandum, [FN36] and the

extraordinary sensitivity of the contents of the original memorandum to the national security. [FN37] The determination of the District Court will, of course, be subject to appellate review. [FN38]

FN36. In this regard, the District Court will take scrupulous care in comparing the two documents and in considering the implications of the deletions.

FN37. We contemplate that the executive will have to satisfy a "very heavy burden," New York Times Co. v. United States, 403 U.S. 713, 731, 91 S.Ct. 2140, 29 L.Ed.2d 822 (1971) (White, J., concurring), in demonstrating its need to invoke the substitution procedure.

FN38. The Court of Appeals will review the documents under seal. United States v. Lemonakis, 158 U.S.App.D.C. 162, 183-84, 485 F.2d 941, 962-63 (1973).

The Subcommittee has expressed concern that the Attorney General may abuse the substitution procedure to destroy the validity of the random sample. A safeguard against this is, of course, provided by the requirement that substitution must be approved by the District Court after in camera inspection of the relevant materials. In addition, should it develop that the substitution procedure is used often even if justifiably the sample size may ultimately have to be enlarged. We leave this matter to be determined in light of subsequent events.

In order to gain necessary assistance in making its in camera determinations, the District Court may give the parties' counsel access to the material in question. The presentations of counsel regarding the fairness of the editing and the sensitivity of the material may be of significant help to the Court. Compare Nixon v. Sirica, 159 U.S.App.D.C. 58, 79, 487 F.2d 700, 721 (1973).

While the parties are testing this verification procedure, the Subcommittee should *133 **266 have access, if desired, to all memoranda for the sample years, in edited form. [FN39]

FN39. Memoranda that were edited in connection with the Executive's earlier settlement offers may have been prepared under the assumption that they would not be removed from the FBI. They may contain

567 F.2d 121
 567 F.2d 121, 185 U.S.App.D.C. 254
 (Cite as: 567 F.2d 121)

Page 13

only absolutely essential deletions and thus remain sensitive. In light of our conclusion that the Subcommittee should have these memoranda to carry on its work, we permit the executive to further edit such memoranda to the extent necessary to assure security.

Our holding, as noted, determines only the present needs of the Subcommittee. Its future needs will depend on what the verification procedure uncovers. If it reveals cheating or deceptiveness, our assessment of the relative needs of the parties will naturally be altered.

We are aware that from the legislative viewpoint, any alternative to outright enforcement of the subpoena entails delay. The additional time required by the procedure now outlined should be modest. [FN40] More importantly, there is an offset, in that the memoranda are likely to be more revealing than the request letters. But even assuming that there will be some delay while the executive and the judicial branches conduct their respective review, this is an inherent corollary of the existence of coordinate branches. The Separation of Powers often impairs efficiency, in terms of dispatch and the immediate functioning of government. It is the long-term staying power of government that is enhanced by the mutual accommodation required by the Separation of Powers. [FN41]

[FN40. With an important legislative interest involved, there is a plain duty on both the executive and judicial branches to advance any problems for prompt consideration.

[FN41. See *Myers v. United States*, 272 U.S. 52, 293, 47 S.Ct. 21, 71 L.Ed. 160 (1926) (Brandeis, J., dissenting).

We sustain the injunction against AT&T at least until the procedure outlined above has been tried and has proved inadequate.

So ordered.

Supplemental Opinion on Petition for Rehearing

ORDER

PER CURIAM.

On consideration of appellees' petition for rehearing, it is

ORDERED by the court that the aforesaid petition for rehearing is denied, for the reasons stated in the following supplemental opinion filed this date.

SUPPLEMENTAL OPINION

[12] The government has filed a petition for rehearing focusing upon the portions of our opinion of October 20, 1977, relating to in camera proceedings.

The government asks us to clarify that it was not our intent to permit counsel for the parties to participate in those in camera proceedings directed at verifying the need for invoking the substitution procedure. If our intent was to permit such participation by counsel, the government moves that we modify the opinion to preclude such participation, in the interest of national security.

It was and is our intention to give the district court the authority to permit the participation of counsel for the Subcommittee if the court deems such participation necessary in order to make the in camera determinations called for by our opinion.

This power should, of course, be exercised gingerly, particularly in regard to determinations concerning the need for the substitution procedure, which by definition means that the executive has concluded that especially sensitive documents are involved. It is to be used only if the court finds it necessary in order that it may engage in a considered way in the judicial function we have outlined.

We are aware of the cases that have upheld ex parte proceedings, and accordingly have held that private parties do not have a right to have their counsel participate in in camera proceedings. See *134**267 *Phillippi v. Central Intelligence Agency*, 178 U.S.App.D.C. 243, 247, 546 F.2d 1009, 1013 (1976); *Fonda v. Central Intelligence Agency*, 434 F.Supp. 498 (D.D.C. 1977). [FN*] The present case does involve the additional consideration that it is a body of the legislature that is seeking access, and that it has not only threshold legal standing but claims the high ground of seeking information for a legislative purpose.

[FN* We are asked to waive our Rule 8(f)

567 F.2d 121
567 F.2d 121, 185 U.S.App.D.C. 254
(Cite as: 567 F.2d 121)

and resort to an unpublished memorandum in another case. We find no need to do so, however, because the principle to be established is clear.

Counsel for a legislative committee may be subject to the kind of security clearance that our decision contemplated for congressional staff, and may also be subject to a district court's conditions on access to in camera material. In such respects, the participation of counsel is in aid of the court, his primary position is as an officer of the court, and he may even be precluded from consultation with his client on the matters involved.

We are here dealing with hypothetical problems which we presume and hope will never arise. We grapple, however, with the problem put forward by the executive in order to obviate unnecessary doubt. We have not accepted the contention that the executive determination that national security may be involved is conclusive and not subject to any further inquiry, nor have we accepted the rival claim that Congressional right of access to documents for legislative purposes is at any time absolute. If in the interest of national security the executive seeks the aid of the judicial branch, the courts are entitled to obtain, under circumscribed conditions, the aid they need for their task.

The petition for rehearing is denied.

So ordered.

C.A.D.C. 1977.
U. S. v. American Tel. & Tel. Co.
567 F.2d 121, 185 U.S.App.D.C. 254

END OF DOCUMENT

6361

BICKEL & BREWER

ATTORNEYS AND COUNSELORS
4800 BANK ONE CENTER
1717 MAIN STREET
DALLAS, TEXAS 75201
PHONE: (214) 653-4000
FAX: (214) 653-1015

www.bickelbrewer.com

767 FIFTH AVENUE
50TH FLOOR
NEW YORK, NEW YORK 10153
(212) 489-1400

April 18, 2006

PRIVILEGED AND CONFIDENTIAL

VIA FACSIMILE, E-MAIL & U.S. MAIL

Robert E. Davis, Esq.
Hughes & Luce, LLP
1717 Main Street, Suite 2800
Dallas, Texas 75201

Re: *PSI Subpoena for Michael French*

Dear Mr. Davis:

This letter responds to your letter to me, dated April 17, 2006. We have carefully reviewed that letter's contents and the attached authorities. In sum, our letter, dated April 13, 2006¹, remains in full force and effect. Of course, we do want to be as helpful as possible and, therefore, we offer the following:

You state that it may well be incumbent upon the Wyls to pursue judicial intervention in order to preclude the possibility of disclosure of confidential or privileged information by Mr. French. We draw your attention to the opening paragraph of District of Columbia Bar Opinion 288 ("Opinion 288"), which you provided to us. It expressly states that seeking judicial relief is the *lawyer's* professional responsibility. As you know, that ethical obligation should not be shifted to the client. While Opinion 288 also discusses the possibility of an action by the client to enjoin attorney compliance with a subpoena, such drastic action is contemplated only in the context of an imminent threat by a congressional subcommittee to hold the attorney in contempt. That is not the present situation.

¹ Please understand, our letter, dated April 13, 2006, is a confidential and privileged communication between counsel and the representative of our clients regarding Mr. French's former representation of Messrs. Sam and Charles Wyly. Given that, I was surprised by your statement that you plan to provide that letter to the Permanent Subcommittee on Investigation ("PSI"). While it is certainly appropriate for you to advise the PSI that there has been no waiver by the Wyls' of their rights and privileges of attorney-client confidentiality, our letter to you should not be shared with any third party absent the Wyls' explicit consent.

Robert E. Davis, Esq.
April 18, 2006
Page 2

The Wyllys respect the mandate of the PSI. They have been and wish to continue to be as cooperative with the PSI as is reasonably possible under the circumstances. The Wyllys believe that the best approach to protecting their privileges, is to undertake negotiations with the PSI so that unnecessary confrontations may be avoided and all avenues for a mutually satisfactory resolution can be fully explored.

The PSI may not intend to seek contempt for the nondisclosure of confidential attorney communications with clients who are the subjects of a federal criminal investigation. It is our understanding that instances of contempt citations under such circumstances are exceedingly rare. Also mitigating against such a worst-case scenario is the likelihood that particular information sought by the PSI may be provided to the PSI, with our assistance, by means that do not necessitate the revelation of confidential and privileged communications.

We do not minimize or take lightly your concerns regarding a potential contempt citation. However, in order for us to effectively assist you to resolve this situation, it will be necessary for you to: (1) exhaust every avenue to a negotiated resolution, and (2) describe to us in detail the negotiations and discussions that Mr. French and his representatives have with the PSI. It is our understanding that the rarity of contempt citations in circumstances as exist here is accounted for by the PSI's willingness to negotiate in good faith and by counsel's diligent pursuit of negotiated resolutions.

If you have not already done so, we suggest that you and Mr. French:

1. Ask the PSI to identify, in advance, specific areas of inquiry and information sought;
2. Ask the PSI for an opportunity to review, in advance, particular documents regarding which Mr. French may be questioned;
3. Work with the PSI to develop procedures and mechanisms to identify problem areas in advance and then allow time for working out solutions before Mr. French is faced with an imminent contempt citation;
4. Facilitate, with the PSI's approval, an opportunity for the client to provide information that is needed by the PSI – through alternate means that do not violate or probe existing privileges;
5. Request a transcript of the deposition (if it is being recorded on tape or stenographically) and share it with us;

Robert E. Davis, Esq.
April 18, 2006
Page 3

6. Stress to the PSI that attorney-client confidences and secrets should be accorded special deference in this instance because the clients are subjects of an ongoing federal criminal investigation;
7. Tell the PSI that it would be helpful, in view of the overarching issues of attorney-client confidentiality and secrecy, for the Wyllys' representatives to be admitted to the deposition for consultation by Mr. French's counsel on matters of privilege and for exploration of alternative means of providing needed information; and
8. Explore with the PSI the identity of the materials that fall into the category of "confidential but not privileged information." Once such information is identified, we may be able to advise you whether such information, most often in the form of documents, has already been produced to the PSI and thereby, as a practical matter, mooted any issue of contempt.

To the extent Mr. French has not yet undertaken the foregoing, we trust that you will promptly seek to negotiate appropriate procedures and understandings with the PSI. We believe that there is no reason for an irreconcilable conflict to develop between the PSI's need for relevant information and Mr. French's interest in avoiding a contempt citation. Of course, if agreements have been reached with respect to the foregoing points, please inform us of the substance of your agreements.

If you would like to discuss these matters, we are available at your convenience to do so.

Sincerely,

William A. Brewer III/gac
William A. Brewer III

cc: Danny S. Ashby, Esq.
Bruce W. Bowman, Esq.

6364

04-20-2006 03:11pm From:HUGHES&LUCE (((

2149386106

T-718 P.004/005 F-108

04-20-06 01:39pm From:

T-336 P.02/03 F-981

BICKEL & BREWER

ATTORNEYS AND COUNSELORS

4800 BANK ONE CENTER

1717 MAIN STREET

DALLAS, TEXAS 75201

PHONE: (214) 653-4000

FAX: (214) 653-1018

www.bickelbrewer.com

767 FIFTH AVENUE

50TH FLOOR

NEW YORK, NEW YORK 10152

(212) 428-1400

April 20, 2006

PRIVILEGED AND CONFIDENTIAL

VIA FACSIMILE, E-MAIL, & U.S. MAIL

Robert E. Davis
Hughes & Luce, LLP
1717 Main Street, Suite 2800
Dallas, Texas 75201

Re: *Michael French Deposition*

Dear Mr. Davis:

I have reviewed Mark Nelson's letter dated April 18, 2006, and the accompanying PSI Ruling (the "Ruling") concerning certain procedural matters relating to the assertion of privilege at tomorrow's deposition of Mr. French, which you forwarded to us this morning.

In order for us to assess the import and ramifications of the Ruling, and meaningfully advise the Wyllys regarding potential courses of action, we need to have copies of the two pieces of correspondence that are referenced and incorporated in the Ruling. On behalf of the Wyllys, we request copies of: (1) the April 3, 2006 detailed four-page outline of the Subcommittee staff's anticipated areas of questioning at Mr. French's deposition ("PSI Outline"); and (2) the April 13, 2006 letter in which Mr. French declined "to assert privilege or confidentiality objections to the categories of topics identified" in the PSI Outline. Because Mr. French's deposition is still scheduled for tomorrow, it is urgent, in order to protect the procedural and substantive rights of the Wyllys, that these items be faxed to us immediately. We find unfortunate your choice not to have shared the PSI Outline, or your prior communications concerning privilege-related matters, prior to this morning.

We request, on behalf of the Wyllys, that Mr. French, as their former counsel testifying in regard to client-related matters, immediately disclose to the Wyllys any and all additional and/or ancillary agreements, understandings, our assurances, whether formal or informal, that exist between Mr. French and the PSI.

6365

04-20-2006 03:12pm From:HUGHES&LUCE (((

2146396106

T-718 P.005/005 F-108

04-20-06 01:35pm From-

T-938 P 03/03 F-981

Robert E. Davis
April 20, 2006
Page 2

Please contact me at your earliest convenience so that we may discuss these and related matters.

Sincerely,

William A. Brewer III /wac
William A. Brewer III

Redacted by the Permanent
Subcommittee on Investigations

04-20-2006 09:11pm From:HUGHES&LUCE (((

2149396106

T-718 P.002/005 F-108

HUGHES • LUCE LLP
ATTORNEYS AND COUNSELORS

1717 Main Street, Suite 2800
Dallas, Texas 75201
214 939.5500
214 939 6106 fax

hughesluce.com

April 20, 2006

Robert E. Davis
214 939 5447
davisr@hughesluce.com

Via Hand Delivery

William A. Brewer, III, Esq.
Bickel & Brewer
1717 Main Street, Suite 4800
Dallas, TX 75201

Re: Notice of Receipt of Subpoena

Dear Mr. Brewer:

This will acknowledge receipt of your letters, which we received yesterday and today. As you know, our appearance before the Subcommittee is required tomorrow at 10:00 am, so I will keep this brief. I do, however, wish to make three points in response to your letters.

First, we reject the assertion in footnote 1 that your April 13 correspondence—or, for that matter, any of your correspondence—to us is a “confidential and privileged communication.” We are aware of no authority that would support that proposition, and none is cited in your letter. As we said in our April 17 letter, Mr. French intends to assert confidential communications privileges on behalf of the Wylly’s “whenever he reasonably believes they apply,” but we have no intention of interposing groundless privilege objections in response to inquiries from the Subcommittee. Withholding your correspondence to us on this subject on grounds of “privilege” would constitute just such a groundless objection.

Second, your April 18 letter mischaracterizes the DC Ethics Opinion 288. Your letter quotes the part of Opinion 288 that says “the lawyer has a professional responsibility to seek to quash or limit the subpoena on all available, legitimate grounds to protect confidential documents and client secrets,” but ignores the very next sentence in Opinion 288, which makes clear that the lawyer is not required to be held in contempt before he is permitted to respond to the subpoena. Opinion 288 makes clear that a lawyer has an obligation “in the legislative process” to raise all “legitimate objections to a Congressional subpoena for confidential client information,” but that

Redacted by the Permanent
Subcommittee on Investigations

HUGHES•LUCE LLP

William A. Brewer, III, Esq.
April 20, 2006
Page 2

there is no corresponding requirement that the lawyer pursue judicial remedies to prevent the disclosure of privileged information in response to the subpoena. Rather, "the point at which the lawyer becomes 'required by law' to disclose any client confidences is the point at which the Congressional subcommittee specifically directs compliance with the subpoena. . . ." As my fax to you earlier today containing Senator Coleman's ruling indicates, we are at exactly that point, at least as it relates to confidential unprivileged information. This ruling is consistent with our prior communications (both written and oral) to you on this topic.

Third, in response to your letter today, we are aware of no obligation that would require us to send you copies of our correspondence with the Subcommittee. I will tell you, however, that our client has never "declined" to interpose a valid objection of privilege with respect to any inquiry by the Subcommittee.

Sincerely yours,



Robert Edwin Davis

DSA/jd
Enclosures

cc: Danny S. Ashby, Esq.
Bruce W. Bowman, Jr., Esq.

Redacted by the Permanent
Subcommittee on Investigations

6368

BICKEL & BREWER

ATTORNEYS AND COUNSELLORS

4800 BANK ONE CENTER

1717 MAIN STREET

DALLAS, TEXAS 75201

PHONE: (214) 653-4000

FAX: (214) 653-1015

www.BickelBrewer.com

267 FIFTH AVENUE
50TH FLOOR
NEW YORK, NEW YORK 10013
(212) 485-1400

April 20, 2006

VIA FACSIMILE, E-MAIL & U.S. MAIL

Robert E. Davis
Hughes & Luce, LLP
1717 Main Street, Suite 2800
Dallas, Texas 75201

Re: *Michael French Deposition Privilege Assertions*

Dear Bob:

There is no conflict between fully cooperating with the PSI and simultaneously honoring legal and ethical duties to clients. The PSI has not asked Mr. French to violate his legal and ethical duties. The Wyls have not asked Mr. French to give the PSI anything less than full cooperation and honest complete answers.

The Wyls expect Mr. French to be as truthful and helpful to the PSI as he possibly can be without violating his legal and ethical duties to protect the confidentiality of the attorney-client relationship.

Sincerely,

William A. Brewer III

William A. Brewer III

cc: Danny S. Ashby, Esq.
Bruce W. Bowman, Jr., Esq.

Redacted by the Permanent
Subcommittee on Investigations

— = Redacted by the Permanent
Subcommittee on Investigations



Keeley_Hennington/ht

To: sam [REDACTED]

cc: [REDACTED]

Subject: Ranger

03/28/01 03:12 PM

Stacy - Please fax to Sam

Sam -

After much deliberation today, I think we have a better solution for the Ranger investment that will conserve on-shore cash. Since Ranger is run as a parallel fund any investment made by the domestic fund must be mirrored by the off-shore fund. Since this is the case, we really need 88% of the Quantlab Investment to come from off-shore. In working with Michelle and John McCafferty we have come up with a structure off-shore that will allow us to invest directly in the Quantlab domestic fund from off-shore. This means that on-shore Ranger will need to make only a \$1.2MM investment into Quantlab (cash they already have). Michelle and John are working with Robert to get this done in the short-term.

The \$2MM line of credit I believe needs to come from Ranger Capital since it could potentially be converted to equity. I plan to fund Ranger Capital through draws from Tallulah based on the draw schedule provided by Quantlab.

Robert also mentioned an investment in HBK that we are working on funding in a similar fashion.

Hopefully, this will be good news and poses a much better solution for everyone.

The preceding e-mail message (including any attachments) contains information that may be confidential, or constitute non-public information. It is intended to be conveyed only to the designated recipient(s). If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete it from your system. Use, dissemination, distribution, or reproduction of this message by unintended recipients is not authorized and may be unlawful.

CONFIDENTIAL
HST_PSI221516

— = Redacted by the Permanent
Subcommittee on Investigations



"Michelle Boucher "

To: <swyly@

cc:

Subject: ranger / hypercar

04/02/2001 03:05 PM

Sam,

I understand from Jason that HyperCar is looking for an additional \$250K in financing. I am preparing to recommend that the trustees for Bulldog II Trust fund this investment via Locke Limited (where the original \$1M was funded from).

Jason also mentioned that it is preferred that this investment fall under a 'new' Ranger vehicle that will become the private equity portfolio managed by Ranger Capital. As such, I am also preparing to set up Ranger Private Equity Fund, LLC as a Cayman Islands vehicle to hold the interest in HyperCar Inc. The protectors will then recommend that Locke Ltd transfer its holdings of HyperCar to Ranger Private Equity Fund, LLC. This Cayman entity will form the basis for the future private equity fund for the Ranger Group.

A couple of points I'd like to discuss with you:

- need to establish Ranger Private Equity Fund, LLC now vs. later when other private equity opportunities arise and it becomes more desirable to segregate them into a fund and start a track record. Locke could transfer its interest in HyperCar to the future Private Equity Fund at any time.

- If it is decided to proceed with setting up Ranger Private Equity Fund, LLC now, I suggest it stand alone with Locke Limited as its sole shareholder and recommend against setting up a formal administration agreement for this fund with Irish Trust, or an investment management agreement with Ranger Capital. The directors would then, in effect, be responsible for the HyperCar investment, with Locke's consent, but without the investment management agreement, the performance would not need to be included in Ranger Capital's track record. At a later date, when Ranger Capital is prepared to focus on the Private Equity Fund, and looks to establish a portfolio of private equity investments and corresponding track record, the relevant agreements could be put in place to bring this fund directly under Ranger's umbrella as a reporting entity.

I am not fully aware of all the motivating factors in setting up the structure, so please call me when you get a chance and we can discuss.

Michelle

Confidential
SEC_ED00087396

[D]
CONFIDENTIAL
PSI ED00087396