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U.S. DISTRICT COURT
W. DIST. OF N.C.

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION

IN RE: ALL FUNDS ON DEPOSIT IN
ACCOUNT NUMBER 000869829076 IN
THE NAME OF MM ACMC BANQUE DE
COMMERCE, INC., AT NATIONSBANK,
N.A., CONSISTING OF \$18,756,420.97,
MORE OR LESS.

C.A. NO. 3:98mc96-McK

GEORGE AND DOLORES ROLLAR,

Plaintiffs,

C.A. NO. 3:01CV205-McK

v.

UNITED STATES OF AMERICA, et al.,

Defendants.

RICHARD VASQUEZ,

Intervener.

**MM ACMC BANQUE DE COMMERCE, INC.
RESPONSE TO PLAINTIFF, INTERVENOR AND RECEIVER'S
MOTION FOR SUMMARY JUDGMENT**

FACTS

On or about December 12, 1997, MM ACMC Holdings Company established a subsidiary entity in North Carolina named MM ACMC Banque De Commerce, Inc., ("BDC") with such company filing articles of incorporation in the Office of the North Carolina Secretary of State.

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That August Christian Wilhelm Mohr ("Mohr"), was elected as Chairman of the Board of BDC. Further, Mohr held the position of President and CEO of BDC. In the course of business, BDC was assigned as recipient of certain funds to be invested by MM ACMC Fiduciaries and Nominees ("F&N"), which received certain funds from Sterling Assets Services, Limited ("SAS"), Isle of Mann, who was represented by Frederick J. Gilliland. An investment amount of Twenty Million Two Thousand Dollars (\$20,002,000.00) was forwarded in accordance with the terms of a escrow agreement executed on September 16, 1998 between Frederick Gilliland of SAS and Mohr of MM ACMC F&N. The invested amount of \$20,002,000.00 was forwarded from Sterling Assets Services, Limited's account with Allied Dunbar Bank International Limited on or about September 17, 1998. Such funds were to be invested by BDC in accordance with, and within the terms and conditions stipulated in the escrow agreement and its written directions. *Mohr affidavit paras. 5-6.*

Thereafter, on or about December 1998, the FBI seized approximately Eighteen Million Eight Thousand Dollars (\$18,008,000.00) from account 000669829075 at NationsBank, N.A. (now Bank of America, N.A.). That due to the receipt of the original \$20,002,000.00 in such aforementioned account at NationsBank, N.A., aside from the initial \$1,000.00 to open the account, *Mohr Depo. pgs. 114-119*, interest in the approximate amount of One Hundred Five Thousand Seven Hundred Forty Nine Dollars and 93/100ths (\$105,749.93) was earned. *Quilling Affidavit para. 18.* That pursuant to lease payments for treasury bills from Boyden and Laulier, two payments of approximately Ninety Five Thousand Dollars (\$95,000.00) on September 24, 1998 and Two Hundred Eighty Five Thousand Dollars (\$285,000.00) on October 19, 1998, were deposited into said account.

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Mohr Depo. pgs. 114-119. That these funds were in the legal possession of BDC as part of the investment taking place pursuant to the escrow agreement.

STANDARD OF REVIEW

In a motion for summary judgment, the moving party has the initial burden to show a lack of evidence to support the opposing party's case. Calotex Corp. v. Catrett, 477 U.S. 317, 325 (1986). If such showing is made by the moving party, the burden then shifts to the opposing party who must convince the Court that a triable issue does exist. Id. A mere scintilla of evidence is not sufficient to defeat summary judgment. Id. However, in considering the facts for the purposes of a summary judgment motion, the Court is required to view the pleadings and materials presented in a light most favorable to the non-moving party. Matsushita Electrical Industrial Co. v. Zenith Radio Corp., 475 U.S. 475 (1986).

ARGUMENT

In movant's summary judgment memorandum, it is alleged that BDC lacks any type of standing to seek the return of any such escrow funds or non-escrow funds. BDC will concede that although the judgment in Norway awarded BDC \$19.8 Million Dollars plus \$450,395.00 U. S. Dollars for interest and \$600 NOK's of Norwegian currency for case-related costs to BDC against Sterling Assets Limited, BDC would acquire no greater interest in the escrow funds than Sterling Assets Limited initially had in them. Spencer v. Foster Pottery Co., 195 N.C. 218 (1923); Bristol v. Hally Burton, 93 N.C. 384 (1865). In light of this fact and BDC's acknowledgment that Sterling Assets Limited received these funds from third party investors, BDC will limit its claim to the non-escrow funds which are as follows: \$1,000.00 for the initial deposit (*Mohr Depo.*, pg. 125, l. 5-6); lease payment from Boyden and Laufler in the amount of \$380,000.00 (*Mohr Depo.* pg. 117, l. 14-pg. 119,

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I. 4); interest accrued on escrow funds amounting to \$105,749.93.

Movant, however, does correctly identify the escrow funds as those initial deposits made pursuant to the escrow agreement and non-escrow funds as those funds that were received in addition to the initial deposits of the escrow account. By reviewing the affidavit of Mohr submitted with this brief, and the deposition, answers to the questions submitted at deposition, it is clear that Mohr has standing to seek return of certain funds seized in December, 1998, namely the non-escrowed funds.

STANDING TO INVOKE COURT'S AUTHORITY

It is axiomatic, whether according to Article III of the United States Constitution or case law, that an aggrieved party must have standing to invoke a Court's authority to determine an issue. However, while the Supreme Court does not define standing with complete constance, case law, over several years has developed a standard for which a litigant must be capable of meeting in order to have the case heard as justiciable, and, when seeking return of property, claimant must demonstrate a sufficient interest in the property to give him Article III standing. *U.S. v. Real Prop. described in deeds recorded at Book/Page 639-846, 639-840, 639-834, 639-827, and 610-727, Henderson County Registry and Insurance Proceeds, 962 F. supp. 734, 736 (W. D. N. C. 1997).*

STANDING REQUIREMENT

In addition to demonstrating a sufficient interest, in order for a litigant to have their legal rights adjudicated, such litigant must meet a three-part test to satisfy the standing requirement. Such requirements are as follows:

1. That the litigant show he has personally suffered some actual or threatened injury;

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2. That the injury fairly can be traced to the challenged action; and
3. That such injury is likely to be redressed by a favorable decision of the Courts.

Valley Forge College v. American United, 454 U.S. 464, 472 (1982).

Additionally, the Supreme Court in Valley Forge quoted from *Sierra Club v. Morton*, 405 U.S. 727 (1972), that "the requirement that a party seeking review must allege facts showing that he is himself adversely affected . . . does serve at least a rough attempt to put the decision as to whether review will be sought in the hands of those who have a direct stake in the outcome". *Id.* at 473.

INJURY SUFFERED BY BDC

BDC, through its President Mohr, has suffered actual injury that is concrete. BDC, as a recipient of funds to be invested in the primary market as a private placement, *Mohr affidavit, para. 6*, received such funds on good faith with the understanding that such funds were independently held by SAS, with no other party having a claim to such funds or a lien on such funds. (Such claim was made in the escrow agreement *para. 11a (v)*, submitted with BDC's original motion for return of seized property). Additionally, the escrow agreement provided that the escrow agent was to make certain commissions from money invested in such investment, pursuant to a schedule of fees. Such commissions or payments in addition to any interest accrued on the money, was seized along with the initial deposit of money into the account. Such seizure of initial deposit, interest, lease payments and compensation, has an actual injurious effect on BDC in that such non-escrow funds were in the lawful possession of BDC and as such, with the seizure, BDC was denied its right to have and use its property.

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INJURY CAN BE TRACED TO GOVERNMENT'S ACTION

Such injury mentioned above, can be directly traced to the government's seizure of the funds in December, 1998. Without such seizure of funds, BDC as investor and recipient of funds, would have been able to complete its investment according to the escrow agreement and disburse funds back to SAS as the initial entity depositing such funds with BDC. With the seizure by the government on or about December, 1998, such escrow agreement was unable to be complied with and therefore, the injury stated above can be directly traced to the action of the government.

SUCH INJURY COULD BE REDRESSED BY A FAVORABLE DECISION TO BDC

The injury suffered by BDC, due to the government's action, is capable of being redressed by the government allowing BDC to make a claim to any of the non-escrowed funds. Such funds, which were rightfully in the possession of BDC, as part of the escrow agreement, specifically those classified as non-escrowed funds, should be returned to such account from which they were seized. A decision by the Court allowing such return of funds clearly redresses the injury that BDC has suffered as a direct affect of the government's action.

With BDC meeting all three requirements of standing, BDC should be allowed to stake any claim that it has to the non-escrowed funds or other such funds presently being controlled by the government.

FOREIGN JUDGMENT VIOLATIVE OF PUBLIC POLICY

Whereas movants are correct, Mohr, in his individual capacity, was convicted under Norwegian law, this Court should not rely on that foreign Court's decision as dispositive as to whether Mohr, individually, was part of any fraudulent scheme/activity. Mohr,

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individually, disputes the fact as to whether the Norwegian Courts provided a full and fair trial; whether the trial was conducted without prejudice to Mohr, individually; and whether the trial is violative of public policy. (See generally Black Clawson Co., Inc. v Kroenert Corp., 245 F. 3d 759 (8th Cir. 2001), citing Hilton v. Guyott, 159 U.S. 113 (1885), reciting that U.S. Courts will give preclusive effect to a foreign judgment if the U.S. finds the foreign Court provided a full and fair trial on the issues in a Court of competent jurisdiction; insured the impartial administration of justice; that the trial was conducted without prejudice or fraud; the foreign judgment had jurisdiction over the parties; and the foreign judgment does not violate public policy). In the affidavit of Mohr, it is attested to that the Court's ruling required him to prove beyond a reasonable doubt that such trading programs existed and that he was given, in his individual capacity, a mere forty-five days to prepare for such trial. *Mohr affidavit, para. 13.*

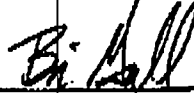
CONCLUSION

With the foregoing, BDC would request reasonable opportunity to claim any possessory interest or entitlement to the non-escrow funds; however, BDC expresses a concern with the receiver and his impartiality in that the receiver has already joined with the additional claimants and moved this Court for summary judgment. It is not easy to see how the receiver could be an impartial judge as to the claim BDC has to any of the funds being held for return to the rightful owners.

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Respectfully submitted this 12th day of July, 2002.



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CERTIFICATE OF SERVICE

The undersigned hereby certifies that, as counsel for the movant, he delivered a copy of the foregoing **MM ACMC BANQUE DE COMMERCE, INC. RESPONSE TO PLAINTIFF, INTERVENOR AND RECEIVER'S MOTION FOR SUMMARY JUDGMENT**, by depositing a copy thereof in the United States mail, first class postage prepaid, addressed as follows:

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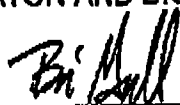
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This the 12th day of July, 2002.

DEATON AND BIGGERS, P.L.L.C.



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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF NORTH CAROLINA, DIST. OF N.C.
CHARLOTTE DIVISION

IN RE: ALL FUNDS ON DEPOSIT IN)
ACCOUNT NUMBER 000669829075 (IN)
THE NAME OF MM ACOM BANQUE DE)
COMMERCE, INC., AT NATIONS BANK,)
N.A., CONSISTING OF \$18,756,420.97,)
MORE OR LESS.)

C.A. NO. 3:98mc98-McK

GEORGE AND DOLORES ROLLAR,)

Plaintiffs,)

C.A. NO. 3:01CV205-McK

v.)

UNITED STATES OF AMERICA, et al.,)

Defendants.)

RICHARD VASQUEZ,)

Intervener.)

**AFFIDAVIT OF A. C. W. MOHR, as PRESIDENT OF
M.M. ACOM BANQUE de COMMERCE, Inc.**

The undersigned, A. C. W. Mohr, after being duly sworn, and on personal knowledge, does hereby declare as follows:

1. That I, August Christian Wilhelm Mohr, have personal knowledge of all of the facts set forth herein.
1. That on or about December 1998, I was acting president of M.M. ACOM Banque de Commerce, Inc., a corporation established under the laws of the State of North Carolina for the purpose of executing financial transactions permitted under the company charter known as "Investment and Merchant Banking".
2. That on or about December 12, 1998, the Federal Bureau of Investigation ("FBI") seized approximately \$18,756,420.97 plus accrued interest, \$ 18,823,635.73 in all, from account number 000669829075 in the name of M.M. ACOM Banque de Commerce, Inc. ("BDC") at Nations Bank, N.A., now Bank of America, N.A.. Additionally, on or about May 8, 2000,

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\$32,134.96 was seized. Such funds were in the form of a United States Treasury Tax Refund Check for interest paid on said bank account. Additionally, on or about September 19, 2000, the Federal Bureau of Investigation ("FBI") seized approximately \$ 8,982.20 from the said account number 0006.6982.9075 in the name of M.M. APMC Banque de Commerce, Inc. ("BDC"); being accrued account interest, upon the termination of the account.

3. On December 11, 2001 the undersigned on behalf of BDC filed a Motion for Return of Seized Property.
4. That Mohrco Investment Corporation Inc. Norway AS, Oslo, Norway ("MIC") on or about September 25, 1997, was offered a part of Stillbuild International Inc., Nassau, Bermuda and that I, August Christian Wilhelm Mohr was offered a position as director on the board of the company. No official recordation of the holding or the directorship has ever been received. Known to me, no other party than Mr. Carmello S. Fretto held another interest or position in this entity, with the exception of the nominee directors entered upon the entity's initial formation.
5. That M.M. Aug. C. Mohr & Cie. Holding AS, Oslo, Norway ("HLD") on or about August 1, 1996, established a co-operative entity named M.M. APMC Fiduciary & Nominees BA, Oslo, Norway ("F&N") for its and all other members nominee holdings and fiduciary representation. HLD was registered as a full member and held one share of NOK 1 Million in the co-operative. Further, on or about December 12, 1997, HLD established a subsidiary entity in North Carolina named M.M. APMC Banque de Commerce Inc. ("BDC"). HLD held at the establishment 100% of the issued stock representing 16000 shares with nominee value \$ 1,000.-. I, August Christian Wilhelm Mohr was representing the interests of HLD and was elected to the members board of F&N and was elected as Chairman of the Board of BDC. I further held the position of President and CEO of BDC. In the course of business, F&N has accepted in all 27 half members and 3 full members. One of the full members entered on or about September 17, 1998 was Sterling Asset Services, Ltd., Isle of Man, ("SAS") represented by signatory Frederick J. Gilliland. F&N as "Escrow Agent" executed with SAS as "Depositor" and BDC as "Recipient" a Fiduciary Escrow Agreement ("FEA"). An investment amount of \$ 20,002,000.- was forwarded in accordance with the terms of the FEA. The FEA with its Underlying Agreements and Written Directions served as an instruction to the Escrow Agent. BDC issued in all 14000 shares with nominee value \$ 1,000.- to F&N as nominee for SAS.
6. That the Invested amount of \$ 20,002,000.- was forwarded from SAS's account with Allied Dunbar Bank International Limited, Douglas, Isle of Man, account number 200-899-1167.0719, deposit number 1167.22, on or about September 17, 1998. This account was opened for SAS by Mr.

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Mike Johnson of De Veer Investments. The funds would be invested by BDC in accordance with, and within the terms and conditions stipulated in the FEA and its Written Directions. Such investments, also known as derivatives, would primarily be in the Primary Market as a Private Placement agreed between the investor and the transacting bank. Due to the size of the funds, BDC would participate with other investors to form a syndicate of USD 100 Million of which BDC would represent 1/5 of the syndicate. That transaction failed as it was made impossible on or about October 2, 1998, by a breach of the FEA framework of agreements, constituted by the instructed withdrawal of \$ 2,500,000.- from the SAS investment. This instruction was received at a time when the investor's signed original of the FEA was not returned to F&N. BDC in co-operation with F&N as Escrow Agent and SAS worked out an addendum to the FEA that set the new volume of investments to \$ 15 Million, respective \$ 18 Million. Although BDC and the Escrow Agent believed that the second transaction was executed and commenced trading on or about October 21, 1998, no transactions took place because the BDC account at Nationsbank was in effect blocked on or about October 15, 1998 without the bank making any statements to the account holder. How much the BDC investment would yield, would be a speculation today. In hindsight it is impossible to state how many transactions could have been executed and how the strategy would have been tuned to the shifting markets. We can however safely assess that similar transactions at the time, known both to BDC, F&N and SAS provided a yield within the target and the budget agreed with the participants to the FEA and in accordance with the belief and understanding of the officers of SAS and their participants, investors and lenders. An Appendix A to this Affidavit provides the actual yields of an investment of \$ 96 Million commenced on or about November 30, 2001 in which BDC participates.

7. That there is no relationship to Mr. Frederick J. Gilliland other than him acting as the authorized signatory for the SAS investment with the Escrow Agent F&N. On behalf of SAS he signed the FEA and all other documents and affidavits that F&N received from SAS in respect of the investment. Mr. Gilliland also instructed and signed for the withdrawal of \$ 2.5 Million from the SAS investment on or about October 2, 1998. BDC as recipient and F&N as fiduciary and nominee had no right of withholding the amount. F&N could as the Escrow Agent only advise the Depositor to the FEA of the consequence of this instruction. The signatory needed not to give any explanation of why the sum was withdrawn, but he did provide an indication that the sums were due in a building project in California and would be replaced immediately, which did not take place. BDC further returned on or about October 5, 1998, \$ 1,050,000.- of the funds in the Nationsbank account to the Escrow Agent F&N, leaving a net balance of \$ 16,451,941.- out of the originally received funds from SAS's Allan Dunbar Bank, Isle of Man account.

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8. That all documents received by the Intermediary Stillbuild International Inc. and by the Escrow Agent F&N from SAS was unanimously pointing in one direction that SAS was owned by Mr. F. J. Gilliland and that all funds held by SAS were his as the sole beneficial owner. These documents were in line with statements made by Mr. Manishi Shrivastava, a CPA out of London, UK who according to his statement was the auditor for SAS and had known Mr. Gilliland personally for a number of years. The London CPA explained that Mr. Gilliland had made his money in the construction and Real Estate business in Europe over the last 15 years. Mr. Gilliland was aware of that pooled funds or third party managed funds would not be accepted by the Escrow Agent. Today, it is evident from the bank statements that the funds originated from 19 investors who have invested, lend or participated in one form or another with SAS by forwarding funds to the said account in the Allan Dunbar Bank in the Isle of Man. There is no evidence confirming that these investors invested only as a result of an inducement from Mr. Gilliland, but it is confirmed by one investor, Mr. Roller, that he was a partner with Mr. F. J. Gilliland.
9. That the BDC account number 0006.6982.9075 at Nations Bank, N.A., now Bank of America, N.A received funds for similar transactions and services executed by BDC for and on behalf of BDC itself and other APMC entities and that these funds were in the legal possession of BDC as part of such investments and services rendered. Among such funds were lease payments from Boyden and Laufer in the amounts of respectively \$ 95,000.-, received on or about September 24, 1998 and \$ 285,000.-, received on or about October 19, 1998. BDC invested these amounts by drawing such sums from other BDC accounts that were not blocked, BDC received further funds from other transactions and investors into the said Nationsbank account, namely: \$ 1,000.- on or about September 4, 1998 from other BDC accounts, \$ 100,000.- on or about September 18, 1998 from Maxine S. Gregory, \$ 1,500,000.- on or about September 22, 1998 from the Royal Bank of Scotland, \$ 10,000.- on or about October 6, 1998 from Karen Marie Charles, \$ 99,985.- on or about October 7, 1998 from Moroni Ltd., \$ 20,000.- on or about October 7, 1998 from Gmac Mortgage Corp., \$ 3,000.- on or about October 23, 1998 from Bbi, \$ 17,000.- on or about October 26, 1998 from Bbi and \$ 100,000.- on or about October 26, 1998 from Zion.
10. That due to the receipt of the original Twenty Million (\$20,000,000.00) Dollars in account number 0006.6982.9075 at NationsBank, N.A., now Bank of America, N.A., pursuant to the FEA, interest in the approximate amount of \$ 180,648.69 was earned. That these funds were in the legal possession of BDC as part of the investment, save \$ 33,073.40 forwarded to the IRS as Federal Withholding.
11. That due to the seizure of the funds in the amount mentioned

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above, investment commitments was defaulted upon and subsequently had to be cancelled, a loss was suffered by BDC in amount of \$ 26,368,573.- including interest of 12% per annum until June 30, 2002, this amount being the sum confirmed by a default judgement in the Oslo Court on May 9, 2000 as de-facto losses suffered that would have been retained by BDC, not including punitive damages, loss of reputation, loss of business relationship due to contractual defaults and losses on follow up business.

12.

That BDC operates in a market based on trust and relationships built over years and in this instance, inherited since the start of M.M. Aug. C. Mohr & Cie. from its humble beginnings in 1815. There is a delicate balance of conformity to existing rules and regulations and an optimum return on investment. There is a true globalisation of the markets and in this pursuit, crossing and sometimes conflicting national financial regulations that is not harmonized over the borders give rise to cases of this sort that to a large extent is based on a misconception that nobody can get returns on investments over the SEC stipulated maximum of 18% per annum. Modern economical models and financial engineering combined with years of legal research has found ways to make returns well above the 18% level. After years of studies the brightest brains have found the ways, the modus and the vehicles. Such advances can be compared to medical breakthroughs and technical advances that once put men on the moon. It is what leadership is all about and what makes great nations great. It is a pity if a judgement shall be passed, based on inferior knowledge. Military and financial know how are instruments of power and is not for the masses and the common man. It is guarded secrets that keep the great nations great. M.M. Aug. C. Mohr & Cie and BDC possesses such financial knowledge and are players in these selective and internationally important markets, and they are not at liberty to disclose the information. The case in question has caused M.M. Aug. C. Mohr & Cie and BDC a huge embarrassment and incommensurable losses and fall from grace in very important circles, due to no fault of their own.

13.

That the case against August Christian Wilhelm Mohr in Oslo is not a full and fair trial of the issues in a court of competent jurisdiction but has all the hallmarks of a political witch hunt where the state represented by Økokrim has trumped up charges without a single complaint being lodged from any party that being other government bodies such as the tax authorities, or the financial regulating bodies or the general public, or private parties such as partners, investors or corporate auditors that could have and should have detected any irregularities if they were present. That Økokrim spent almost 3 years of research before they formulated the charges and failed completely in substantiating them with any relevant evidence. That without presenting evidence and relevant witnesses went to trial providing the defence less than 45 days to prepare and defend against the presented allegations. That a postponement of the trial was denied in

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spite of the fact that the request was based on the lack of case discovery, both factual as to what events had taken place and how, and to relevant case law and the rules and regulations that governs the investments in question. That the only evidence presented by the prosecution was correspondence and negotiations in the normal course of business executed or received by the accused, by and from the members of the subsidiaries of M.M. Aug. C. Mohr & Cie.. That a single and partisan judge with two layman helpers failed to rule on the fact that most of the documents was in a foreign language and were not translated to the language of the court. That the judge and his assistants failed to understand the content of the documents in the un-translated foreign (and to a large extent technical) language present in the letters and correspondence at hand. That the witnesses presented by the prosecution all represented foreign bodies such as the ICC in Paris, the British Bankers Association, the SEC, and the Federal Reserve, none of which had ever heard of the defendant, but who made pre-prepared statements of the many general problems associated with the type of transactions referenced in the letters and correspondence presented, without making any reference to such problems being present in this case. That the judge failed to keep track of the relevant facts to the case item in questions and passed a ruling based on facts from separate investments that were muddled together. That the judge passed a judgment on charges not presented or alleged by the prosecution. That the judge concluded, in opposition to the conclusion in all other cases of this sort in Europe, that the investments described by the defendant and the defence did not exist and were a fantasy despite the presentation of executed transactions and material about same. That the judge overruled and disregarded written statements made by experts for the defence and statements made by the alleged victims by stating that although the alleged victims did not consider themselves defrauded, they just did not understand that they were defrauded. In a market of only professional investors, each so competent that they do not need the protection of the public (definition of an investor in Private Placements), the judge, without any economic knowledge or experience from these markets, ruled that these parties had been a victim of an investor fraud that had not taken place yet. It shall be noted that BDC and F&N have all the invested amounts intact and has not misappropriated a single dollar but indeed built a contingency fund for unforeseen eventualities. To judge the defendant on a hypothesis is a downright faulty and an unfair judgement. Further, the witnesses for the defence was only permitted a telephonic statement or a previously prepared written statement was read out in court by the defence, but no physical presence limiting any form of cross examination or personal impression. In the view of the defendant the judge had substantial prejudice in respect of the material facts. Further, the court failed to exercise the impartial administration of justice by one-sidedly state that the transactions in question do not exist despite presented proof in the court to the contrary. It appeared that the Norwegian state, represented by Økokrim had

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Important prestige attached to this test case and passed a judgment of the kind and content that is normally associated with those levied in what is known here as "banana republics", states of dictatorship and other communist or socialist states. Further, in the view of the defendant the court was not competent to understand the issues at hand. While the prosecution argued with known and uncontested facts relevant to the regulated secondary markets, the transactions in question were exercised in part in the Primary Market as Private Placements and in part in the Secondary Market realizing a difference in price between them. The court could further not differentiate between a Public Offering in the Primary Market and a Private Placement in the same market. The court, the prosecution and the experts for the prosecution further argued for the free access of the regulated financial institutions, such as banks, in the Primary Markets, not realizing that such institutions are barred from the unregulated Primary Markets as no third party funds, the only type of funds held by the regulated financial institutions, are not permitted for Private Placements in the Primary Markets. The entire case is built on envy and a misguided fear of an uncontrolled financial power because the amounts involved are very large and handled by a private and relatively small corporation with a family type background. This is a sort of red cloth to the nations with monopolized state control and ownership over the entire financial industry guarding the nations control over all monetary transactions in the belief that funds are the property of the state even after it is earned and taxed on the private hands and the state control shall be exercised according to Norwegian rules and regulations on all citizens, even those that transact over accounts in other countries and in foreign entities and under other jurisdictions, rules and regulations than those of Norway. Given that our law is based on Code Napoleon from 1805 and US Federal Law is abrogated from English Common Law and supplemented by Case Law, there are bound to be fundamental differences in opinions and considerations to the detriment of the defendant A.C.W. Mohr. The defendant further contests that Norwegian courts have jurisdiction in the case in question as no transaction in this case was executed on Norwegian soil, none of the investors are from Norway, none of the funds were invested in Norway, none of the funds were in Norwegian Kroner but indeed in United States Dollars and Norwegian law and courts have no jurisdiction on matters outside their territory. Further there is a case of "double jeopardy" as the same matters are being subject to judgement in both Norwegian and US courts. Finally it is the opinion of the defendant that the entire case violates public policy as the defendant has been exposed to an obligation of proving his innocence. The judgment states that the defendant "could not prove beyond reasonable doubt the existence of the type of investment by failing to present evidence thereof". However, the law clearly states that the burden of proof is solely and singularly on shoulders of the prosecution and this was even stated at the opening of the hearing as an argument not to postpone the case. It is the prosecution that shall, beyond reasonable

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doubt, present to the court irrefutable evidence that such Private Placements do not exist and cannot exist. It is self evident that such evidence do not exist and will never exist as a Private Placement is a private agreement between an investor and a transaction bank that neither can nor will be publicised and the prosecution have no access to the resolutions and agreements passed in the boardrooms of the banks all around the world every day of the week. Not even the defence have access to their own agreements as the transacting commercial banks fears that part of such agreements could be deemed to be in violation of the banks charter to operate solely within the Secondary Markets.

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FURTHER AFFIANT SAYETH NOT.

This, the 3, day of July, 2002:


A. W. C. Mohr as President of
M.M. ACMC Banque de Commerce, Inc.

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Subscribed and sworn to before me
this the 3 day of July, 2002.


A. W. C. Mohr
Byford

Notary Public My Commission Expires:



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Explanation of Illustration:

FNCL - Fannie Mae thirty year pass-through collateral

FNCI - Fannie Mae fifteen year pass-through collateral

Long - a position which is purchased and owned. (Profit is made if the position increases in value)

Hedge Ratio - the amount of the applicable hedge instrument that must be shorted to equal the duration of the long position

Short - a position which is borrowed and sold, and must be purchased to close the position. (Profit is made if the position DECREASES in value)

5 Yr. Treasury - this preference references the Treasury 3.5% coupons maturing 08/15/02

Yield - the net rate taking into consideration the discount on the applicable treasury that is being shorted. This is the rate at which the majority of the trade is financed.

REPO Balance - Amount financed with a repurchase agreement (Repo Balance = long purchase price - short sale proceeds - required capital)

Reverse REPO Rate - The financing rate of securities at the time of purchase

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April 30 - May 31, 2002

Long Position	Coupon	Principal	Apr 30 Price	Market Value	Hedge Ratio	May 31 Price	Net Change	Market Value +/-
FNCL	0,065	\$ 720,000,000	1,01234375	\$ 728,887,500	0,77	1,01531250	0,00296875	\$ 2,137,500,00
FNCL	0,070	\$ 960,000,000	1,03203125	\$ 990,750,000	0,68	1,03281250	0,00078125	\$ 750,000,00
FNCL	0,055	\$ 720,000,000	0,98339375	\$ 715,387,500	0,92	0,98625000	0,00285625	\$ 1,942,500,00
		\$ 2,400,000,000		\$ 2,435,025,000				\$ 4,800,000,00

Short Position	Principal	Apr 30 Price	Market Value	Yield	May 31 Price	Net Change
T 3.5 11/15/2008	\$ 554,400,000	0,953125	\$ 533,958,500	0,04804	0,970625	0,0075
	\$ 652,400,000	0,963125	\$ 628,728,000	0,04804	0,970625	0,0075
	\$ 662,400,000	0,963125	\$ 637,974,000	0,04804	0,970625	0,0075
	\$ 1,869,200,000		\$ 1,800,660,500	0,04804		

Analysis

Beginning Account Equity	\$ 137,781,668,19
Repo Balance	\$ 488,594,840,81
Reverse Repo Beta	0,0178

Interest Income	\$ 12,800,000,00	30-may-01
Short Interest Expense	\$ (7,208,636,20)	30-apr-02
Repo Interest Expense	\$ (736,600,85)	31-may-02
Long Positions	\$ 4,800,000,00	
Short Positions	\$ (13,504,858,75)	
Net Change In Value	\$ (3,850,175,79)	
Ending Account Equity	\$ 133,931,483,39	

Investment	\$ 96,000,000	100,000,00 %
Previous Value		143,522,56 %
Current Value	130,511,98	130,511,98 %
Profit		-4,010,80 %
Profit Year to Date		39,511,96 %
Average Monthly Returns		6,603,42 %
Annualised Returns		79,241,02 %

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Mar 31 - April 30, 2002

Long Position	Coupon	Principal	Mar 31 Price	Market Value	Hedge Ratio	Apr 30 Price	Net Change	Market Value +/-
FNCL	0,055	\$ 720 000 000	0,98312500	\$ 715 050 000	0,90	1,01234375	0,01921875	\$ 13 837 500,00
FNCL	0,070	\$ 960 000 000	1,01858375	\$ 977 650 000	0,74	1,03203125	0,01343750	\$ 12 000 000,00
FNCL	0,055	\$ 720 000 000	0,97281250	\$ 700 425 000	0,98	0,98358375	0,02076125	\$ 14 962 500,00
		\$ 2 400 000 000		\$ 2 393 325 000				\$ 41 700 000,00

Short Positions	Principal	Mar 31 Price	Market Value	Yield	Apr 30 Price	Net Change
T 3.5 1/1752008	\$ 648 000 000	0,94658225	\$ 613 372 500	0,04804	0,963125	0,01658225
	\$ 710 400 000	0,94658225	\$ 672 436 000	0,04804	0,963125	0,01858225
	\$ 705 800 000	0,94658225	\$ 667 894 500	0,04804	0,963125	0,01658225
	\$ 2 064 000 000		\$ 1 953 705 000	0,04804		

Beginning Account Equity \$ 137 781 658,19
 Repo Balance \$ 301 638 266,64
 Reverse Repo Rate 0,0178

Interest Income \$ 12 800 000,00
 Short Interest Expense \$ (7 821 392,35)
 Repo Interest Expense \$ (447 728,87)
 Long Positions \$ 41 700 000,00
 Short Positions \$ (32 358 258,06)
 Net Change in Value \$ 13 672 701,72
 Ending Account Equity \$ 151 654 860,90

Analysis

Investment \$ 98 000 000
 Previous Value 100,00000 %
 Current Value 143,52256 %
 Profit 157,97329 %
 Profit Year to Date 14,45073 %
 Average Monthly returns 57,97329 %
 Annualised returns 11,67794 %
 140,13412 %

30-nov-01
 31-mar-02
 30-apr-02

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Feb 28 - Mar 31, 2002

Long Position	Coupon	Principal	Feb 28 Price	Market Value	Hedge Ratio	Mar 31 Price	Net Change	Market Value +/-
FNCL	0,065	\$ 720 000 000	1,01515825	\$ 730 912 500	0,96	0,99312500	-0,02203125	\$ (15 862 500,00)
FNCL	0,070	\$ 960 000 000	1,03052500	\$ 989 409 000	0,85	1,01859375	-0,01203125	\$ (11 550 000,00)
FNCL	0,055	\$ 720 000 000	0,98871875	\$ 717 637 500	1,03	0,97261250	-0,02390625	\$ (17 212 500,00)
		\$ 2 400 000 000		\$ 2 437 950 000				\$ (44 625 000,00)

Short Position	Principal	Feb 28 Price	Market Value	Yield	Mar 31 Price	Net Change
T 3.5 11/15/2006	\$ 691 200 000	0,97078125	\$ 671 004 000	0,04181	0,9465625	-0,02421875
	\$ 816 000 000	0,97078125	\$ 792 157 500	0,04191	0,9465625	-0,02421875
	\$ 741 600 000	0,97078125	\$ 719 931 375	0,04191	0,9465625	-0,02421875
	\$ 2 248 800 000		\$ 2 183 092 875	0,04181		

Beginning Account Equity	\$ 124 552 615,51
Repo Balance	\$ 130 304 506,49
Reverse Repo Rate	0,0178
Interest Income	\$ 12 800 000,00
Short Interest Expense	\$ (7 624 451,87)
Repo Interest Expense	\$ (193 285,02)
Long Positions	\$ (44 625 000,00)
Short Positions	\$ 52 871 780,57
Net Change in Value	\$ 13 229 043,68
Ending Account Equity	\$ 137 781 659,19

Analysis

Investment	\$ 96 000 000	100,00000 %
Previous Value	129,74231 %	30-nov-01
Current Value	143,52256 %	28-feb-02
Profit	13,78025 %	31-mar-02
Profit Year to Date	43,52256 %	
Average Monthly returns	10,94059 %	
Annualised returns	131,28707 %	

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Jan. 31 - Feb 28, 2002

Long Position	Coupon	Principal	Jan 31 Price	Market Value	Hedge Ratio	Feb 28 Price	Net Change	Market Value +/-
FNCL	0.065	\$ 720 000 000	1.00593750	\$ 724 275 000	0.88	1.01515625	0.00921875	\$ 6 637 500 00
FNCL	0.070	\$ 960 000 000	1.02375000	\$ 982 800 000	0.86	1.03062500	0.00687500	\$ 8 600 000 00
FNCL	0.055	\$ 720 000 000	0.98734375	\$ 710 867 500	0.94	0.98671875	0.00062500	\$ 6 750 000 00
		\$2 400 000 000		\$ 2 417 962 500			0.00937500	\$ 19 987 500 00

Short Position	Principal	Jan. 31, Price	Market Value	Yield	Feb 28 Price	Net Change
T 3.5 11/15/2008	\$ 619 200 000	0.9628125	\$ 596 173 500	0.04371	0.97078125	0.00796875
	\$ 633 600 000	0.9628125	\$ 610 038 000	0.04371	0.97078125	0.00796875
	\$ 678 800 000	0.9628125	\$ 651 631 500	0.04371	0.97078125	0.00796875
	\$1 929 600 000		\$ 1 857 843 000	0.04371		

Beginning Account Equity \$ 114,006,165.04

Repo Balance \$ 448,113,334.96

Reverse Repo Rate 0.018

Interest Income \$ 12,600,000.00

Short Interest Expense \$ (6,767,193.13)

Repo Interest Expense \$ (668,170.00)

Long Positions \$ 19,987,500.00

Short Positions \$ (14,804,686.41)

Net Change in Value \$ 10,546,450.46

Ending Account Equity \$ 124,552,615.51

Analysis

Investment \$ 98 000 000

Previous Value 100.00000 %

Current Value 118.75642 %

Profit 129.74231 %

Profit Year to Date 10.96589 %

Average Monthly returns 28.74231 %

Annualised returns 10.95180 %

30-Nov-01

31-Jan-02

28-Feb-02

100.00000 %

118.75642 %

129.74231 %

10.96589 %

28.74231 %

10.95180 %

120.62158 %

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Dec 31, 2001 - Jan. 31, 2002

Long Position	Coupon	Principal	Dec 31 Price	Market Value	Hedge Ratio	Jan. 31 Price	Net Change	Market Value +/-
FNCL	0.065	\$ 720,000,000	1,000,15625	\$ 720,112,500	0.90	1,005,93750	0,005,78125	\$ 4,162,500,00
FNCL	0.070	\$ 880,000,000	1,018,80825	\$ 878,150,000	0.74	1,023,75000	0,004,94375	\$ 4,690,000,00
FNCL	0.055	\$ 720,000,000	0,965,28125	\$ 707,862,500	0.96	0,987,34375	0,004,06250	\$ 2,825,000,00
		\$ 2,400,000,000		\$ 2,408,225,000				\$ 11,737,500,00

Short Position	Principal	Dec. 31 Price	Market Value	Yield	Jan. 31 Price	Net Change
T 3.5 11/15/2008	\$ 648,000,000	0,965,15625	\$ 625,421,250	0,04302	0,962,8125	-0,002,34375
	\$ 710,400,000	0,965,15625	\$ 685,047,000	0,04302	0,962,8125	-0,002,34375
	\$ 684,000,000	0,965,15625	\$ 680,166,875	0,04302	0,962,8125	-0,002,34375
	\$ 2,042,400,000		\$ 1,871,235,125	0,04302		

Beginning Account Equity \$ 82,432,151,87
 Repo Balances \$ 342,657,723,13
 Reverse Repo Rate 0.0181

Interest Income \$ 12,800,000,00
 Short Interest Expense \$ (7,068,877,92)
 Repo Interest Expense \$ (516,691,23)
 Long Positions \$ 11,737,500,00
 Short Positions \$ 4,620,082,32
 Net Change in Value \$ 21,574,013,17
 Ending Account Equity \$ 114,006,165,04

Analysis

Investment \$ 88,000,000
 Previous Value 100,000,000 %
 Current Value 95,283,49 %
 Profit 118,758,42 %
 Profit Year to Date 22,47,293 %
 Average Monthly returns 18,758,42 %
 Annualized returns 8,201,74 %
 110,420,87 %

30-nov-01
 31-dec-01
 31-jan-02