

Shackelford - 8/11/2015

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1 BY MR. MATUSKA:

2 Q You just said that you gave DR \$2,500 for his daughter
3 who was performing some work for C4. Right?

4 A Well, I didn't say, I said I gave that for medical
5 attention that she needed, not as a salary.

6 Q Okay. But was that a loan to DR Rawson or Katie
7 Rawson, or was it an expense on behalf of C4?

8 A Well, I considered it an expense on behalf of C4,
9 because she worked for C4.

10 Q My question was, how were these expenses reported?

11 A I don't know how they were recorded, you know.

12 Q On the tax returns, did C4 report losses?

13 A I think they had losses, yes.

14 Q Okay.

15 A I don't know if any of these particular items were in
16 that amounts that were reported.

17 Q Okay. But anyway, you mentioned about \$17,500,
18 including the payment for Katie Rawson that you consider an
19 expense. That's about \$17,500 worth of expenses that you
20 incurred on behalf of C4; is that correct?

21 A Yes.

22 Q Why don't you look back at Exhibit 12, please. Same
23 page. Let's look at page 1 still. The very bottom of page 1.
24 Do you see the second entry? Withdrawal made in a branch store,
25 \$100,000?

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1 A Yes.

2 Q Do you know what that was for?

3 A No.

4 Q Turn the page, please. Next entry, \$45,000 to Goodwin
5 and Edwards. Do you see that?

6 A Yes.

7 Q Do you know what that payment was for?

8 A No.

9 Q Did you authorize that payment?

10 A No.

11 Q Can you think of any legitimate reason why Edwards
12 would have been paid \$45,000 on December 1 of 2009?

13 A No.

14 Q Let me look at the next entry. Mike Kavanagh, \$15,000.
15 Do you see that?

16 A Yes.

17 Q Do you know why he was paid \$15,000 on December 1?

18 A No.

19 Q Next entry. Another \$12,000 to DR Rawson. Do you know
20 why he was paid \$12,000 on December 1?

21 A No.

22 Q Do you see the next entry? \$12,000 to Mickey
23 Shackelford. Did you actually receive \$12,000 on December 1?

24 A Yes.

25 Q What was that for?

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1 A The loan, 12 -- well, that \$12,500, or 12,000 of it was
2 for part of those payments.

3 Q Well, did Rawson loan C4 \$125,000?

4 A No. Not that I'm aware of.

5 Q Was the money that, were these advances you made, were
6 those expenses, or was that a loan? How was it treated? I mean
7 you are an accountant, and you know that you have to report this
8 somehow, right?

9 A Well, the 12,500 that I first gave to him in May of
10 2007 was to cover computer equipment, printer, software, and
11 operating needs that he was wanting.

12 Q But -- okay. So were you treating that as a loan to
13 C4?

14 A I treated that, yeah, I did a loan agreement with DR
15 for C4.

16 Q Okay. Where did you think that C4 got the money to
17 repay that \$12,000?

18 A Well, out of the million that they are showing here.

19 Q Do you know where the million came from?

20 MR. FORSBERG: He already answered that question.
21 That's asked and answered.

22 BY MR. MATUSKA:

23 Q Do you know where the million came from?

24 A Not specifically. I'm assuming the Cains.

25 Q But you learned that, did you learn that later, or did

1 what was going to, about how the dividends were going to be
2 distributed?

3 A I recall no discussion on the dividends.

4 Q What did you do to monitor the CMO investment and make
5 sure that it went according to plan?

6 A Well, my position was not related to overseeing the
7 CMOs.

8 Q You were a member of the board of directors, correct?

9 A Well, the board of directors are not required to
10 overlook every single transaction that happens. They are not
11 responsible for that.

12 Q Well, how many transactions did C4 have?

13 A I don't know. But it is not their responsibility to
14 oversee every transaction.

15 Q Can you think of any transactions that C4 had other
16 than the transaction with the Cains?

17 MR. JOHNSON: Objection. Misstates facts in evidence.

18 THE WITNESS: There were other transactions, yes. I
19 think there --

20 BY MR. MATUSKA:

21 Q What other transactions?

22 A Well, when you say transactions, are you talking about
23 where money came out, or just transactions period?

24 Q I'm following, you used the word transactions. I asked
25 you, sir, what you did to monitor the CMO investment with the

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1 Cains and make sure that it went according to plan.

2 MR. FORSBERG: Did you do anything?

3 THE WITNESS: I did not do anything.

4 MR. MATUSKA: I don't have any further questions.

5 MR. FORSBERG: No questions.

6 (10:15 a.m., deposition concluded.)

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EXHIBIT 4

A. App.1721

EXHIBIT 4

A. App.1721

1 IN THE NINTH JUDICIAL COURT OF THE STATE OF NEVADA

2 IN AND FOR THE COUNTY OF DOUGLAS

3
4 PEGGY CAIN, an individual; JEFFREY)
CAIN, an individual; and HELI OPS)
5 INTERNATIONAL, LLC., an Oregon)
limited liability company,)

6 Plaintiffs,)

7 v.)

) Case No. 11-CV-0296

8 DR RAWSON, an individual; C4)
9 WORLDWIDE, INC., a Nevada)
corporation; RICHARD PRICE, an)
10 individual; JOE BAKER, an)
individual; MICKEY SHACKELFORD, an)
11 individual; MICHAEL K. KAVANAGH,)
an individual; JEFFREY EDWARDS, an)
12 individual; and DOES 1 through 10,)
inclusive,)

13 Defendants.)

14
15 DEPOSITION OF DAN WITT

16 Taken on behalf of Defendants

17 May 13, 2015

18 * * *

19 BE IT REMEMBERED THAT, pursuant to notice,

20 the deposition of DAN WITT was taken before KERI M.
21 NIETH, a Certified Shorthand Reporter for Oregon,
22 on Wednesday, May 15th, 2015, commencing at the hour
23 of 3:06 PM, at Kruse Woods Corporate Park, 4800 SW
24 Meadows Road, Suite 300, Lake Oswego, Oregon.

25

1 A. Not that I recall, unless Randall interjected
2 a phone call in there.

3 I don't -- I don't recall having a significant
4 conversation, if any, with anybody else, other than a
5 conference call where there could have been multiple
6 parties on there.

7 Q. Okay. So back to the list of things that, you
8 know, gave you assurance that this was an investment
9 worth pursuing, are there other items to add to that
10 list?

11 A. Well, there's the CMO security, but also the
12 income coming off of there.

13 Q. Right.

14 A. We expected to be able to provide a return
15 while it's being paid off, but it's only 30 days, so
16 that was a little less significant.

17 And we did inquire to DR about the size of the
18 company and the -- you know, who's running it, directors
19 included, 'cause I remember printing off a website and
20 going to websites and looking at the directors.

21 And later on ended up having conversations --
22 phone conferences with Attorney Gordon Evans and
23 Maalouf, who was one of the ones listed either as the --
24 as the corporate legal representative or as a Board of
25 Directors member.

1 a conference call involving you and Mr. Rucker on the
2 Cain side, so to speak, and on C4's behalf were
3 Mr. Rawson and others, and it was kind of an
4 introductory type deal here.

5 Do you remember that?

6 A. No. I'm not saying it didn't happen. I don't
7 recall that, but --

8 Q. Do you ever recall being on a conference call
9 with multiple members of the C4 Board of Directors?

10 A. I remember being on a conference call with
11 multiple members of C4, but I don't know who the other
12 members were. I just know there was multiple people on
13 the call.

14 Q. All right. Have you ever met Richard Price?

15 A. No.

16 Q. Have you ever met Mickey Shackelford?

17 A. No.

18 Q. To your knowledge, have you ever had a
19 telephone conversation with Mr. Price?

20 A. Not that I recall.

21 Q. Do you recall ever having a telephone
22 conversation with Mr. Shackelford?

23 A. No.

24 Q. Do you recall doing any research into either
25 of their backgrounds as part of the work you did for the

1 Cains on this transaction?

2 A. All I remember is what's on the C4 website.

3 Possibly I could have -- like one of them's a

4 CPA, I believe. Who is it, Richard? Is he a CPA?

5 I may have -- oh, Shackelford.

6 I may have gone to a State Board site just to

7 check his licensure or something, but -- 'cause I

8 typically do that, but I can't remember specifically

9 doing it in regards to him.

10 Q. Did you ever send or receive an e-mail to --

11 or receive an e-mail from Mr. Price that was directed

12 directly from him to you? And I try to avoid the idea

13 of the CCs and all that.

14 A. Yeah, I don't think so.

15 I think if I received anything from him, it

16 would have been probably a CC.

17 Q. All right. Same question for Mr. Shackelford.

18 A. No. Or I mean, yeah, same answer.

19 Q. Right.

20 A. No.

21 Q. And so did Mr. Price, to your knowledge, ever

22 make a representation that you're aware of -- whether to

23 you or anybody else -- about the CMO investment or loan

24 that the Cains were being involved in?

25 A. Not directly to me. No.

1 Q. Did Mr. Shackelford, to your knowledge, do
2 anything like that?

3 A. No. Other than lending their credibility by
4 being on the website to the -- to C4.

5 I mean, that went a long ways to promoting
6 this deal and the corporation in general.

7 Q. Okay. So is it accurate to say that your
8 testimony is that the only influence they had on the
9 Cains or you with regard to making the loan to C4 was
10 their status as members of the board?

11 MR. MATUSKA: I'm going to object. That
12 misstates the testimony and calls for speculation about
13 Mr. Cain.

14 He answered it clearly the first time.

15 BY MR. FORSBERG: (Continuing)

16 Q. You can go ahead and answer the question, if
17 you can, Mr. Witt.

18 A. Well, I can't speak for the Cains, but that
19 was -- in my case, that's the situation.

20 Q. Okay. Are you aware of anything else at all
21 that Mr. Price or Mr. Shackelford had to do with this
22 transaction?

23 MR. MATUSKA: I'm sorry, I didn't -- I
24 think there was a breakup. I didn't hear that very
25 well.

EXHIBIT 5

A. App.1727

EXHIBIT 5

A. App.1727

Meet the Management TEAM

DR Rawson, Chairman & CEO

Mr. Rawson is a serial entrepreneur that has lead or created twenty three companies over the past 45 years. He is the founder of C4 WorldWide, Inc. and has served as its Chairman since 2006. DR is a visionary that has worked to create infrastructure to solve some of the most pressing financial issues of our time including solutions for jobs, housing, veterans services and benefits, homelessness, healthcare, education and affordable housing. To learn more, you can visit his personal website at www.DRRawson.com.

Joe Baker, President & COO

Mr. Baker's career focus has been on the application of technology. He was part of the early management team at Compaq Computer and as Vice President of new products manufacturing and he developed its rapid response worldwide deployment systems and manufacturing to become the fastest growing company of its time. Since then he has worked on highly secure computer installations and satellite communications.

Richard Price, MBA, Vice President & CFO

After completing his M.B.A. Mr. Prince went on to work in the oil industry. Over the years his reputation grew and ultimately he worked for Mobil Exxon to become its Chief Financial Officer for the most profitable division within that global enterprise. While stationed in the Pacific Rim, Mr. Price led the company's effort to work with its neighborhood programs for education and housing.

Mickey Shackelford, CPA, MBA Vice President

Mr. Shackelford is also a Member of the Board of Directors and works full time for one of the largest public accounting firms in the U.S. He has over 40 years of experience in the public and private sectors. He was the Director of Corporate Tax at the second largest oil and gas corporation in the U.S. He also serves as the Chairman of the Internal Audit and Compliance (IAC) committee for C4 WorldWide, Inc.

Jeffrey Edwards, Sr. Executive Vice President & President of C4 Alchemists

As a reserve Naval Officer of more than thirty years, Mr. Edwards' expertise was originally in atomic energy. He worked for the famous Crosley School of Consultancy and as lead instructor taught senior management teams from this nations Fortune 100 and leading international companies. He went on to found Alchemists International, a successful international consulting business working in

Mike Herron, Vice President of Capital Development

Mr. Herron is a successful Money Manager with extensive experience in the investment management and financial services industry. He holds a B.A. in Economics, NASD/NFA Series 3, 7, 30, 63 and 66 registrations and is also a Chartered Alternative Analyst (CAIA) Level 1. As an entrepreneur, he founded Viper Trading that became one of America's largest online brokerage firms. It was successfully sold in 2003. Since, Mr. Herron has headed several firms including one of the largest

Mike Kavanagh, Executive Vice President of Capital Development and Deployment

Mr. Kavanagh has been working in international finance and developing special projects in the U.S. and abroad for the past several years. These include farming, manufacturing, transportation and energy. After serving as a Navy Seal during the war in Viet Nam, Mr. Kavanagh served our country and then went into business as an entrepreneur in the far east.

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EXHIBIT 6

A. App.1729

EXHIBIT 6

A. App.1729

C4 Capital News

CMO Leverage-Up™

"Minimal Capital and Maximum Return"

Background

The value of the United States real estate market is constantly changing. It is expected that soon the FDIC Board of Directors will set a specific indexed price for each state's residential property. This will mean that on an advisory basis, they will set the minimum wholesale suggested price for bulk purchases as a given percentage of today's Net Present Value (NPV).

For those wishing to leverage funds, there is no better time, than the present.

Collateralized Mortgage Obligation (CMO)

A CMO is a financial debt instrument (vehicle) that was first created in June 1983 by the investment banks Salomon Brothers and First Boston for Freddie Mac. There are many grades of CMOs and each with a unique rating such as AA, A, etc. Some are asset based, while others are supported by interest only.

Process and Application

C4 has secured a unique opportunity in the financial marketplace to leverage CMOs. C4 identifies lenders (individual or corporation) to provide the capital necessary to purchase and then leverage CMOs in the investment market. This instrument, because of the U.S. real estate market can be easily leveraged. The cost of the CMO compared with its ability to be leveraged makes it the ideal vehicle for capital aggregation and real estate acquisition.

Contract levels / Lender returns:

CMOs can be purchased in increments as follows:

\$260,000 = \$5,000,000; \$500,000 = \$10,000,000; \$1,000,000 = \$20,000,000

Note: Acquisition costs may vary; the return does not.

Payout Schedule:

Principle and the Return on the investment is paid in 10 equal payments over 10 months.

\$260,000 = \$500,000/month; \$500,000 = \$1,000,000/month; \$1,000,000 = \$2,000,000/month

Safety

The CMOs purchased, held and owned by C4 are AA Rated, interest bearing and are issued by Bank of America and Credit Suisse. Each CMO comes with its own CUSIP number and after being purchased and registered it can be viewed via Bloomberg. The CMOs securitize the money that is loaned to C4 to acquire the CMOs.

Please contact the C4 Representative who has shared this information with you.

About C4

C4 WorldWide provides services Beyond Venture Management (BVM) and is at work in countries providing banking solutions, secure investments and consulting solutions. The company works with alternative and existing energy technologies, real estate, ship building and renewable solutions for wood and fabric and within more than 50 verticals. C4 also provides humanitarian services and is working to solve healthcare and other quality of life issues in Africa, India and the United States. For more information, please email: Info@C4WW.com

EXHIBIT 7

A. App.1731

EXHIBIT 7

A. App.1731

C4 WORLDWIDE

THIS JOINT VENTURE AGREEMENT (the "Agreement"), made and entered into as of this 29th day of November, 2009, by and between C4 Worldwide, Inc. a California corporation (hereinafter "C4WW") and Hall Ops International LLC (hereinafter "JVP"),

ARTICLE I

GENERAL PROVISIONS

1.01 Business Purpose. The business purpose of the Joint Venture shall be to use the proceeds of the \$1,000,000 USD loan from JVP that was signed for in a Promissory Note (Exhibit C) between JVP and C4WW lending C4WW the capital to acquire and then leverage Collateralized Mortgage Obligations (CMOs) with a face value of up to \$1,000,000,000 USD purchased from a licensed U.S. Securities Trader. The objective is to gain \$40,000,000 USD or more from the results thereof for the parties to this Agreement.

1.02a. Exhibits and Resolutions. The Securities Account Application used to apply for and secure CMOs discussed herein shall be considered Exhibit A to this agreement and shall be fully completed and executed by all parties before this Agreement is accepted by either party.

1.02b. C4WW will provide its Corporate Resolution authorizing it to borrow one million USD (\$1,000,000) from JVP as a loan for the purpose as stated in 1.01 above. A hard copy of the resolution shall be considered Exhibit B of this Agreement.

1.02c. JVP is not required to supply a copy of its Corporate Resolution authorizing it to lend one million USD (\$1,000,000) to C4WW.

1.03 Term of the Agreement. This Joint Venture shall commence on the date first above written and shall continue in existence until the terms of the Agreement have been met by C4WW.

ARTICLE II

GENERAL DEFINITIONS

The following comprise the general definitions of terms utilized in this Agreement:

2.01 Affiliate. An Affiliate of an entity is a person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control of such entity.

2.02 Joint Venture. A Joint Venture (participation in the same business venture) by two or more parties as defined by an Agreement between the parties.

C4 WORLDWIDE

2.03 Profits. Any income or loss of the Partnership for federal income tax purposes determined by the Partnership's fiscal year, including, without limitation, each item of Partnership income, gain, loss or deduction.

ARTICLE III

OBLIGATIONS OF THE JOINT VENTURERS

3.01 Party Responsible. C4WW is solely responsible for all operations and decisions of the Joint Venture.

3.02 Priority Compensation. C4WW hereby grants JVP "priority" compensation from the proceeds and profits derived from leveraging CMOs.

ARTICLE IV

CMO OWNERSHIP AND COMPENSATION:

4.01 Initial CMO Ownership. The CMOs purchased from the one million USD (\$1,000,000) JVP loan to C4WW will be initially owned fifty-one percent (51%) by C4 Worldwide, Inc and forty-nine percent (49%) by JVP.

Two CMOs shall be created and maintained in a Joint Compensation Account for the CMOs held by the participants of this agreement. Within 48 hours of its creation, all parties may access and review the balances and activity of this account at any time via the Internet with a secure account and PIN number.

4.03 Final CMO Ownership. Final CMO ownership shall be held one hundred percent (100%) by C4WW and zero percent (0%) by JVP once the terms of 4.04 have been met.

4.04 JVP Compensation. The first twenty million USD (\$20,000,000) received from the proceeds and profits of leveraging the CMOs in international trade will go to the JVP on a priority basis prior to any disbursements to C4WW.

4.05 C4WW Compensation. C4WW will be compensated from the success of the venture when JVP has been fully compensated per 4.04 above and proceeds and profits from the venture exceed twenty million USD (\$20,000,000).

4.06 Deposit of JVP Compensation. JVP authorizes and directs C4WW to deposit compensation as described in 4.04 above into a JVP account. Prior to final execution of this agreement, JVP shall provide C4WW with the following account information:

[Handwritten signature]

C WORLDWIDE

[Bank Name] Wachovia Bank - Wells Fargo
 [City and Country] _____
 [ABA Routing or Bank Identification Number] _____
 [Name on the Account] _____
 [Account Number] _____
 [Bank Telephone Number] (775) 329-3089
 [Banking Contact] BRIAN K. PETER

Please See Attached Sheet *of*

ARTICLE V

RIGHTS AND DUTIES OF THE JOINT VENTURERS

5.01 Business of the Joint Venture. C4WW shall have full, exclusive and complete authority and discretion in the management and control of the business of the Joint Venture for the purposes herein stated and shall make all decisions affecting the business of the Joint Venture. At such, any action taken shall constitute the act of, and serve to bind, the Joint Venture. C4WW shall manage and control the affairs of the Joint Venture to the best of its ability and shall use its best efforts to carry out the business of the Joint Venture. JVP shall not participate in or have any control over the Joint Venture business nor shall it have any authority or right to act for or bind the Joint Venture.

ARTICLE VI

AGREEMENTS WITH THIRD PARTIES AND WITH AFFILIATES OF THE JOINT VENTURERS

6.01 Validity of Transactions. Affiliates of the parties to this Agreement may be engaged to perform services for the Joint Venture. The validity of any transaction, agreement or payment involving the Joint Venture and any Affiliates of the parties to this Agreement otherwise permitted by the terms of this Agreement shall not be affected by reason of the relationship between them and such Affiliates or the approval of said transactions, agreement or payment.

6.02 Other Business of the Parties to this Agreement. The parties to this Agreement and their respective Affiliates may have interests in businesses other than the Joint Venture business. The Joint Venture shall not have the right to the income or proceeds derived from such other business interests and, even if they are competitive with the Partnership business, such business interests shall not be deemed wrongful or improper.

ARTICLE VII

PAYMENT OF EXPENSES

All expenses of the Joint Venture shall be paid by C4 WW and shall be reimbursed by the Joint Venture.

C WORLDWIDE

ARTICLE VII

INDEMNIFICATION OF THE JOINT VENTURERS

The parties to this Agreement shall have no liability to the other for any loss suffered which arises out of any action or inaction if, in good faith, it is determined that such course of conduct was in the best interests of the Joint Venture and such course of conduct did not constitute negligence or misconduct. The parties to this Agreement shall each be indemnified by the other against losses, judgments, liabilities, expenses and amounts paid in settlement of any claims sustained by it in connection with the Joint Venture.

ARTICLE IX

DISSOLUTION

9.01 Events that will terminate this Agreement. The Joint Venture shall be dissolved on the basis of 4.04 above or upon any one or combination of the following events:

- (a) Once the agreed upon amount in 4.04 has been received by JVP, this Agreement will expire.
- (b) The adjudication of bankruptcy, filing of a petition pursuant to a Chapter of the Federal Bankruptcy Act, withdrawal, removal or insolvency of either of the parties.
- (c) The sale or other disposition, not including an exchange of all, or substantially all, of the Joint Venture assets.
- (d) Mutual agreement of the parties.

ARTICLE X

MISCELLANEOUS PROVISIONS

10.01 Books and Records. The Joint Venture shall keep adequate books and records at its place of business, setting forth a true and accurate account of all business transactions arising out of and in connection with the conduct of the Joint Venture.

10.02 Joint bank account. The funds loaned to C4WW will be held in a separate checking account from all other C4WW funds. The JVP and C4WW will jointly own a bank account where the proceeds of the loan will be held, used and administered as determined by this Agreement. Pursuant to 5.01 above, C4WW will administer and control the joint checking account.

10.03 Proof of Funds. All monies received from the JVP as a loan to C4WW shall be kept in a separate checking account from all other C4WW funds, see 10.02 above. The JVP will be able to view the account balance online via the Internet at any time from any Internet and computer enabled location.

C ORLD IDE

10.04 Validity. In the event that any provision of this Agreement shall be held to be invalid, the same shall not affect in any respect whatsoever the validity of the remainder of this Agreement.

10.05 Integrated Agreement. This Agreement constitutes the entire understanding and agreement among the parties hereto with respect to the subject matter hereof, and there are no agreements, understandings, restrictions or warranties among the parties other than those set forth herein provided for.

10.06 Headings. The headings, titles and subtitles used in this Agreement are for ease of reference only and shall not control or affect the meaning or construction of any provision hereof.

10.07 Notices. Except as may be otherwise specifically provided in this Agreement, all notices required or permitted hereunder shall be in writing and shall be deemed to be delivered when deposited in the United States mail, postage prepaid, certified or registered mail, return receipt requested, addressed to the parties at their respective addresses set forth in this Agreement or at such other addresses as may be subsequently specified by written notice.

10.08 Applicable Law and Venue. This Agreement shall be construed and enforced under the laws of the State of California.

10.09 Other Instruments. The parties hereto covenant and agree that they will execute each such other and further instruments and documents as are or may become reasonably necessary or convenient to effectuate and carry out the purposes of this Agreement.

This portion of the page left intentionally blank.

Initials 

04/08/2007 22:33 71463 92

C4 WW / CCG

A. App PAGE 89/20

HOME FELDT LAUN 10: NETY RUCKER

DATE: 7/23/00 TIME: 0:42 PM

Page 5 of 10

C4 WORLDWIDE

Exhibit A

Agent New Securities Account Application (separate pdf)

(This Exhibit is a separate document but is considered to be Exhibit A to this Agreement)

Page 7 of 10

Initials AK Initials 22

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A. App.1738

C4 WORLDWIDE

Exhibit B C4 WorldWide, Inc. Corporate Resolution



CERTIFICATE OF CORPORATION RESOLUTION:

To Secure a Loan of \$ 1,000,000 USD

I, Richard Price, Secretary of C4 WorldWide, Inc., do hereby certify that at a duly constituted meeting of the Directors of the Corporation held via telephonic and electronic communication, on 11/29/09 and it was upon a motion duly made and seconded, that the Board of Directors of C4 WorldWide, Inc. unanimously adopted the following resolution:

RESOLVED, that the CEO, Mr. DR Ruster, shall be authorized to secure a loan in the amount of up to \$1,000,000 USD from Heli-Opte, LLC for the documentation of which shall be a joint venture agreement. The purpose of which is to purchase CMOs that can be internationally leveraged to provide a return stated in the joint venture agreement dated November 30th, 2019 between the two Parties. * Heli-Opte International, LLC

WE FURTHER RESOLVE and understand that the ownership of the CMOs will be proportional with 51% controlling interest for C4 and 49% for Heli-Opte, LLC. We also understand that upon receipt of the \$20,000,000 promised return, full ownership of the CMOs will revert to C4 WorldWide, Inc.

WE REQUEST that the loan amount be placed into our Wells Fargo account number: 3012402177. This account is at the Wells Fargo Branch on Research Blvd. in Austin, Texas under our name C4 WorldWide, Inc.

I, Richard Price, Secretary of C4 WorldWide, Inc. certify that I am a duly elected and qualified Secretary and the custodian of the books and records of C4 WorldWide, Inc., a corporation duly formed pursuant to the laws of the State of California, in the United States of America and that the foregoing is a true record of a resolution duly adopted at a meeting of the Board of Directors and that said meeting was held in accordance with state law and the Bylaws of the Corporation on 11/29/09 and that said resolution is now in full force and effect without modification or withdrawal.

IN WITNESS WHEREOF, I have executed my name as Secretary of the Corporation this 11/29/09.

ATTEST.

Richard Price, Secretary and CEO of the Corporation

DR Ruster, Chairman of C4

C4 WORLDWIDE

Exhibit C

Promissory Note between JVP and C4WW dated November 29, 2009

Promissory Note and Security Interest in the CMO

Date: November 29, 2009

Borrower:

C4 WorldWide, Inc. (a California Corporation)
110 Square
8751 Dawsey Drive
Garden Grove, CA 92841
+714-878-8138 Main Number
+714-276-2127 Fax
www.C4WorldWide.com

Banking:
Wells Fargo Bank
13749 Research Blvd.
Austin, TX 78750
+512-844-8110 Main Number
+512-219-6162 Fax

ABA Number: 111900659
Account Number: [REDACTED] 2177

Bank Officer Assigned: Mr. Ron Westbrook

Lender Information:

Hell Ops International LLC
101 West Way
Minden, NV 89423

+775-782-4040 Main Number

+775-782-0140 Fax

Loan Information:

Transaction Number: 20093011-01

Loan Amount: \$1,000,000

Loan Period: Two (2) months from the date received via direct wire transfer or deposit into the Borrower's account.

C4 WorldWide, Inc., a California corporation promises to pay, for value received, the amount of Twenty Million USD (\$ 20,000,000) to Hell Ops International, LLC as per the terms specified in the Joint Venture Agreement between these two parties dated November 29, 2009.

The full repayment per the above schedule will end on the 30th of December, 2009.

Security

This is a fully secured note. The Borrower will use the proceeds to purchase Collateralized Commercial Obligation (CMO) financial instrument that is AA Rated as provided by the Bank of America and/or Credit Suisse as collateral for this loan. The Lender will verify the Borrowers receipt of the CMOs using the

Initials: [Signature]

From: PRADY CAIN To: Kerry Ruckler

Date: 11/30/2009 Time: 8:40:28 AM

Page 12 of 16

C WORLDWIDE

information from the Securities House after a Joint Securities Account for the CMOs has been created. The CMOs purchased with the proceeds of this loan to C4WW will be initially owned fifty-one percent (51%) by C4 Worldwide, Inc and forty-nine percent (49%) by JVP.

All parties to this Agreement will have access and review the balances and activity of this account at any time via the Internet with a secure account and PIN number. Borrower is protected under the Uniform Commercial Code which speaks specifically to "Protected purchasers" of securities establishes an exception to the "nemo dat" principle for a "protected purchaser" of a certificated or uncertificated security. A purchaser means either a buyer of the securities or a lender with a security interest in the securities. A protected purchaser is a purchaser of a certificated or uncertificated security who gives value, obtains control of the security and does not have notice of any adverse claim to the security. Furthermore, a protected purchaser will acquire its interest in the security free of all adverse claims; acquiring better rights in the collateral than its transferor has. (See U.C.C. § 8-303)

Borrower agrees that until the agreed upon amount due under this promissory note is paid, this note will also be the security agreement giving the Lender a security interest in the in the CMO referenced in the previous paragraph and the Joint Venture Agreement dated November 29, 2009 between the Lender and the Borrower.

If Lender pursues and prevails in a lawsuit to collect on this note, Borrower will pay Lender's costs and attorney fees in an amount the court finds to be reasonable.

The undersigned and all other parties to this note, whether as endorser, guarantors or sureties, agree to remain fully bound until this note shall be fully paid and waive demand, presentment and protest and all notices hereto and further agree to remain bound notwithstanding any extension, modification, waiver, or other indulgence or discharge or release of any obligor hereunder or exchange, substitution, or release of any collateral granted as security for this note.

No modification or indulgence by any holder hereof shall be binding unless in writing; and any indulgence on any one occasion shall not be an indulgence for any other or future occasion. Any modification or change in terms, hereunder granted by any holder hereof, shall be valid and binding upon each of the undersigned. The rights of the Lender shall be cumulative and not necessarily successive.

This note shall take effect as a sealed instrument and shall be construed, governed and enforced in accordance with the laws of the State of California. Agreed to by:

Borrower: C4 Worldwide, Inc.

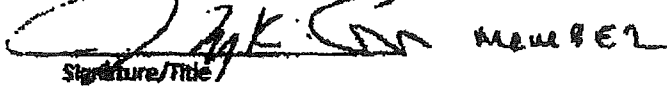


Signature/Title

Printed name: DR Rawson

(C4 Corporate Seal)

Lender: Hall Ops International LLC



Signature/Title

Printed Name: Jeffrey K. Cain

C4 WORLDWIDE

THIS JOINT VENTURE AGREEMENT (the "Agreement"), made and entered into as of this 29th day of November, 2009, by and between C4 WorldWide, Inc. a California corporation (hereinafter "C4WW") and Heli-Ops, LLC (hereinafter "JVP").

ARTICLE I

GENERAL PROVISIONS

1.01 Business Purpose. The business purpose of the Joint Venture shall be to use the proceeds of the \$1,000,000 USD loan from JVP that was signed for in a Promissory Note (*Exhibit C*) between JVP and C4WW lending C4WW the capital to acquire and then leverage Collateralized Mortgage Obligations, (CMOs) with a face value of up to \$1,000,000,000 USD purchased from a licensed U.S. Securities Trader. The objective is to gain \$40,000,000 USD or more from the results thereof for the parties to this Agreement.

1.02a. Exhibits and Resolutions. The Securities Account Application used to apply for and secure CMOs discussed herein shall be considered *Exhibit A* to this agreement and shall be fully completed and executed by all parties before this Agreement is accepted by either party.

1.02b. C4WW will provide its' Corporate Resolution authorizing it to borrow one million USD (\$1,000,000) from JVP as a loan for the purpose as stated in 1.01 above. A hard copy of the resolution shall be considered *Exhibit B* of this Agreement.

1.02c. JVP is not required to supply a copy of its Corporate Resolution authorizing it to lend one million USD (\$1,000,000) to C4WW.

1.03 Term of the Agreement. This Joint Venture shall commence on the date first above written and shall continue in existence until the terms of the Agreement have been met by C4WW.

ARTICLE II

GENERAL DEFINITIONS

The following comprise the general definitions of terms utilized in this Agreement:

2.01 Affiliate. An Affiliate of an entity is a person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control of such entity.

2.02 Joint Venture. A Joint Venture (participation in the same business venture) by two or more parties as defined by an Agreement between the parties.

C4 WORLDWIDE

2.03 Profits. Any income or loss of the Partnership for federal income tax purposes determined by the Partnership's fiscal year, including, without limitation, each item of Partnership Income, gain, loss or deduction.

ARTICLE III

OBLIGATIONS OF THE JOINT VENTURERS

3.01 Party Responsible. C4WW is solely responsible for all operations and decisions of the Joint Venture.

3.02 Priority Compensation. C4WW hereby grants JVP "priority" compensation from the proceeds and profits derived from leveraging CMOs.

ARTICLE IV

CMO OWNERSHIP AND COMPENSATION:

4.01 Initial CMO Ownership. The CMOs purchased from the one million USD (\$1,000,000) JVP loan to C4WW will be initially owned fifty-one percent (51%) by C4 WorldWide, Inc and forty-nine percent (49%) by JVP.

4.02 C4WW shall create and activate a Joint Securities Account for the CMOs held by the participants of this agreement. Within 48 hours of its creation, all parties may access and review the balances and activity of this account at any time via the Internet with a secure account and PIN number.

4.03 Final CMO Ownership. Final CMO ownership shall be held one hundred percent (100%) by C4WW and zero percent (0%) by JVP once the terms of 4.04 have been met.

4.04 JVP Compensation. The first twenty million USD (\$20,000,000) received from the proceeds and profits of leveraging the CMOs in international trade will go to the JVP on a priority basis prior to any disbursements to C4WW.

4.05 C4WW Compensation. C4WW will be compensated from the success of the venture when JVP has been fully compensated per 4.04 above and proceeds and profits from the venture exceed twenty million USD (\$20,000,000).

4.06 Deposit of JVP Compensation. JVP authorizes and directs C4WW to deposit compensation as described in 4.04 above into a JVP account. Prior to final execution of this agreement, JVP shall provide C4WW with the following account information:

C4 WORLDWIDE

[Bank Name] _____
 [City and Country] _____
 [ABA Routing or Bank Identification Number] _____
 [Name on the Account] _____
 [Account Number] _____
 [Bank Telephone Number] _____
 [Banking Contact] _____

ARTICLE V

RIGHTS AND DUTIES OF THE JOINT VENTURERS

5.01 Business of the Joint Venture. C4WW shall have full, exclusive and complete authority and discretion in the management and control of the business of the Joint Venture for the purposes herein stated and shall make all decisions affecting the business of the Joint Venture. At such, any action taken shall constitute the act of, and serve to bind, the Joint Venture. C4WW shall manage and control the affairs of the Joint Venture to the best of its ability and shall use its best efforts to carry out the business of the Joint Venture. JVP shall not participate in or have any control over the Joint Venture business nor shall it have any authority or right to act for or bind the Joint Venture.

ARTICLE VI

AGREEMENTS WITH THIRD PARTIES AND WITH AFFILIATES OF THE JOINT VENTURERS

6.01 Validity of Transactions. Affiliates of the parties to this Agreement may be engaged to perform services for the Joint Venture. The validity of any transaction, agreement or payment involving the Joint Venture and any Affiliates of the parties to this Agreement otherwise permitted by the terms of this Agreement shall not be affected by reason of the relationship between them and such Affiliates or the approval of said transactions, agreement or payment.

6.02 Other Business of the Parties to this Agreement. The parties to this Agreement and their respective Affiliates may have interests in businesses other than the Joint Venture business. The Joint Venture shall not have the right to the income or proceeds derived from such other business interests and, even if they are competitive with the Partnership business, such business interests shall not be deemed wrongful or improper.

ARTICLE VII

PAYMENT OF EXPENSES

All expenses of the Joint Venture shall be paid by C4 WW and shall be reimbursed by the Joint Venture.

C4 WORLDWIDE

ARTICLE VIII

INDEMNIFICATION OF THE JOINT VENTURERS

The parties to this Agreement shall have no liability to the other for any loss suffered which arises out of any action or inaction if, in good faith, it is determined that such course of conduct was in the best interests of the Joint Venture and such course of conduct did not constitute negligence or misconduct. The parties to this Agreement shall each be indemnified by the other against losses, judgments, liabilities, expenses and amounts paid in settlement of any claims sustained by it in connection with the Joint Venture.

ARTICLE IX

DISSOLUTION

9.01 Events that will terminate this Agreement. The Joint Venture shall be dissolved on the basis of 4.04 above or upon any one or combination of the following events:

- (a) Once the agreed upon amount in 4.04 has been received by JVP, this Agreement will expire.
- (b) The adjudication of bankruptcy, filing of a petition pursuant to a Chapter of the Federal Bankruptcy Act, withdrawal, removal or insolvency of either of the parties.
- (c) The sale or other disposition, not including an exchange of all, or substantially all, of the Joint Venture assets.
- (d) Mutual agreement of the parties.

ARTICLE X

MISCELLANEOUS PROVISIONS

10.01 Books and Records. The Joint Venture shall keep adequate books and records at its place of business, setting forth a true and accurate account of all business transactions arising out of and in connection with the conduct of the Joint Venture.

10.02 Joint bank account. The funds loaned to C4WW will be held in a separate checking account from all other C4WW funds. The JVP and C4WW will jointly own a bank account where the proceeds of the loan will be held, used and administered as determined by this Agreement. Pursuant to 5.01 above, C4WW will administer and control the joint checking account.

10.03 Proof of Funds. All monies received from the JVP as a loan to C4WW shall be kept in a separate checking account from all other C4WW funds, see 10.02 above. The JVP will be able to view the account balance online via the Internet at any time from any Internet and computer enabled location.

4 WORLDWIDE

10.04 Validity. In the event that any provision of this Agreement shall be held to be invalid, the same shall not affect in any respect whatsoever the validity of the remainder of this Agreement.

10.05 Integrated Agreement. This Agreement constitutes the entire understanding and agreement among the parties hereto with respect to the subject matter hereof, and there are no agreements, understandings, restrictions or warranties among the parties other than those set forth herein provided for.

10.06 Headings. The headings, titles and subtitles used in this Agreement are for ease of reference only and shall not control or affect the meaning or construction of any provision hereof.

10.07 Notices. Except as may be otherwise specifically provided in this Agreement, all notices required or permitted hereunder shall be in writing and shall be deemed to be delivered when deposited in the United States mail, postage prepaid, certified or registered mail, return receipt requested, addressed to the parties at their respective addresses set forth in this Agreement or at such other addresses as may be subsequently specified by written notice.

10.08 Applicable Law and Venue. This Agreement shall be construed and enforced under the laws of the State of California.

10.09 Other Instruments. The parties hereto covenant and agree that they will execute each such other and further instruments and documents as are or may become reasonably necessary or convenient to effectuate and carry out the purposes of this Agreement.

This portion of the page left intentionally blank.

C4 WORLDWIDE

IN WITNESS WHEREOF, the parties hereto have executed this Agreement and agree to its terms and conditions:

For: _____

Signature

Name/Title: _____

Date: _____

For: C4 WorldWide, Inc.

DR Rawson
Signature


Name/Title: DR Rawson, CEO

Date: 11/27/02

(The "RAWSON" portion of (name) of the above party, must provide a single copy with a letter copy to the person for the location of copies)

(C4 Worldwide, Inc.)

DR Rawson
Chairman & CEO
C4 WorldWide, Inc.



C4 WORLDWIDE

DR Rawson has held the position of Chairman and CEO since December of 2002. Prior to that, he was the company's Chief Executive Officer.

Over the past few years, DR Rawson has been the President and CEO of a variety of companies in the computer hardware, software, telecom, manufacturing and services of our economy. His national reputation through his business ventures and his travels the world in person and the development of business opportunities.

As a leader and builder, DR Rawson has successfully proven the challenges associated with companies that require rapid growth and to quickly move to the next level of growth to ensure their growth.

His accomplishments and those are extensive and include creating the very first worldwide computer device in America. In addition, he co-developed the leading technology for the home server used in the Apple Macintosh line. DR Rawson developed the initial server hardware of using the machine as well as being President of an international company he organized the all digital server in Asia. DR Rawson started a national 700 day sale and 100 day after launch to a nationwide hardware organization. He has also bought and sold multiple companies.

For additional information please visit the company's website at <http://www.c4worldwide.com>

About C4 WorldWide, Inc. Founded in 1998, C4 WorldWide is a leading provider of computer hardware, software, telecom, manufacturing and services of our economy. C4 WorldWide is a leading provider of computer hardware, software, telecom, manufacturing and services of our economy. C4 WorldWide is a leading provider of computer hardware, software, telecom, manufacturing and services of our economy.

4 WORLDWIDE

Exhibit A

Legent New Securities Account Application (separate pdf)

(This Exhibit is a separate document but is considered to be Exhibit A to this Agreement)

C4 WORLDWIDE

Exhibit B

C4 WorldWide, Inc. Corporate Resolution



CERTIFICATE OF CORPORATION RESOLUTION:

To Secure a Loan of \$ 1,000,000 USD

I, Richard Price, Secretary of C4 WorldWide, Inc., do hereby certify that at a duly constituted meeting of the Directors of the Corporation held via telephonic and electronic communication, on 11/29/09 and it was upon a motion duly made and seconded, that the Board of Directors of C4 WorldWide, Inc. unanimously adopted the following resolution:

RESOLVED, that the CEO, Mr. DR Rawson shall be authorized to secure a loan in the amount of up to \$1,000,000 USD from Heli-Ops, LLC. The documentation of which shall be a joint venture Agreement. The purpose of which is to purchase CMOs that can be internationally leveraged to provide a return stated in the Joint Venture Agreement dated November 29th, 2009 between the two Parties.

WE FURTHER RESOLVE and understand that the ownership of the CMOs will be proportioned with 51% (controlling interest) for C4 and 49% by Heli-Ops, LLC. We also understand that upon receipt of the \$20,000,000 promised return, full ownership of the CMOs will revert to C4 WorldWide, Inc.

WE REQUEST that the loan amount be placed into our Wells Fargo account number: 3012602177. This account is at the Wells Fargo Branch on Research Blvd. in Austin, Texas under our name: C4 WorldWide, Inc.

I, Richard Price, Secretary of C4 WorldWide, Inc. certify that I am a duly elected and qualified Secretary and the custodian of the books and records of C4 WorldWide, Inc., a corporation duly formed pursuant to the laws of the State of California, in the United States of America and that the forgoing is a true record of a resolution duly adopted at a meeting of the Board of Directors and that said meeting was held in accordance with state law and the Bylaws of the Corporation on 11/29/09 and that said resolution is now in full force and effect without modification or rescission.

IN WHITNESS WHEREOF, I have executed my name as Secretary of the Corporation this 11/29/09.

ATTEST.

Richard Price, Secretary and CFO of the Corporation

DR Rawson, Chairman & CEO

Corporate Offices: 110 Square - 8750 Ewing Drive - Garden Grove, CA 92647 - Tel: 714 573 0125 - Fax: 714 573 0125
www.C4WORLDWIDE.com

C4 WORLDWIDE

Exhibit C

Promissory Note between JVP and C4WW dated November 29, 2009

Promissory Note and Security Interest in the CMO

Date: November 29, 2009

Borrower:

C4 WorldWide, Inc. (a California Corporation)
110 Square
8751 Dewey Drive
Garden Grove, CA 92841
+714-876-6136 Main Number
+714-276-2127 Fax
www.C4WorldWide.com

Banking:

Wells Fargo Bank
13749 Research Blvd.
Austin, TX 78750
+512-344-8110 Main Number
+512-219-6162 Fax

ABA Number: 111900659

Account Number: [REDACTED] 2177

Bank Officer Assigned: Mr. Ron Westbrook

Lender Information:

Heli-Ops, LLC
101 Wass Way
Minden, NV 89423
+775-782-8600 Main Number
+775-782-0008 Fax

Loan Information:

Transaction Number: 20093011-01

Loan Amount: \$1,000,000

Loan Period: Two (2) months from the date received via direct wire transfer or deposit into the Borrower's account.

C4 WorldWide, Inc., a California corporation promises to pay, for value received, the amount of Twenty Million USD (\$ 20,000,000) to Heli-Ops, LLC as per the terms specified in the Joint Venture Agreement between these two parties dated November 29, 2009.

The full repayment per the above schedule will end on the 30th of November, 2009.

Security

This is a fully secured note. The Borrower will use the proceeds to purchase Collateralized Commercial Obligation (CMO) financial instrument that is AA Rated as provided by the Bank of America and/or Credit Suisse as collateral for this loan. The Lender will verify the Borrowers receipt of the CMOs using the

C4 WORLDWIDE

Information from the Securities House after a Joint Securities Account for the CMOs has been created. The CMOs purchased with the proceeds of this loan to C4WW will be initially owned fifty-one percent (51%) by C4 WorldWide, Inc and forty-nine percent (49%) by JVP.

All parties to this Agreement will have access and review the balances and activity of this account at any time via the Internet with a secure account and PIN number. Borrower is protected under the Uniform Commercial Code which speaks specifically to "Protected purchasers" of securities establishes an exception to the "nemo dat" principle for a "protected purchaser" of a certificated or uncertificated security. A purchaser means either a buyer of the securities or a lender with a security interest in the securities. A protected purchaser is a purchaser of a certificated or uncertificated security who gives value, obtains control of the security and does not have notice of any adverse claim to the security. Furthermore, a protected purchaser will acquire its interest in the security free of all adverse claims; acquiring better rights in the collateral than its transferor has. (See U.C.C. § 8-303)

Borrower agrees that until the agreed upon amount due under this promissory note is paid, this note will also be the security agreement giving the Lender a security interest in the in the CMO referenced in the previous paragraph and the Joint Venture Agreement dated November 29, 2009 between the Lender and the Borrower.

If Lender pursues and prevails in a lawsuit to collect on this note, Borrower will pay Lender's costs and attorney fees in an amount the court finds to be reasonable.

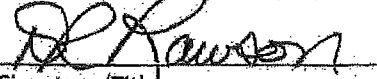
The undersigned and all other parties to this note, whether as endorsers, guarantors or sureties, agree to remain fully bound until this note shall be fully paid and waive demand, presentment and protest and all notices hereto and further agree to remain bound notwithstanding any extension, modification, waiver, or other indulgence or discharge or release of any obligor hereunder or exchange, substitution, or release of any collateral granted as security for this note.

No modification or indulgence by any holder hereof shall be binding unless in writing; and any indulgence on any one occasion shall not be an indulgence for any other or future occasion. Any modification or change in terms, hereunder granted by any holder hereof, shall be valid and binding upon each of the undersigned. The rights of the Lender shall be cumulative and not necessarily successive.

This note shall take effect as a sealed instrument and shall be construed, governed and enforced in accordance with the laws of the State of California. Agreed to by:

Borrower: C4 WorldWide, Inc.

Lender: Heli-Ops, LLC


Signature/Title

Signature/Title

Printed name: DR Rawson

Printed Name: _____

{C4 Corporate Seal}

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Initials  Initials _____

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EXHIBIT 8

A. App.1752

EXHIBIT 8

A. App.1752

C4 WORLDWIDE

THIS JOINT VENTURE AGREEMENT (the "Agreement") made and entered into as of this 3rd day of December, 2009 by and between C4 WorldWide, Inc., a California corporation (hereinafter "C4WW") and New Hope Capital Foundation, Inc., a Florida Corporation, (and its Profit Participation Partners: New Capital Opportunity Advisors, LLC, AESTEEM Institute, Inc., HumanLend, LLC, and First Select Commercial Lending Corporation, hereinafter collectively referred to as "NHCF"), in which the aforementioned parties named herein this agreement, shall be hereinafter collectively referred to as "JVP".

ARTICLE I

GENERAL PROVISIONS

1.01 Business Purpose. The business purpose of the joint venture shall be to use the proceeds for Charitable and For Profit endeavors utilizing the **One Million Dollars (\$ 1,000,000.00 USD)** loan from the JVP that was signed for in a Promissory Note (*Exhibit D*) between the members of the JVP and C4WW lending, whereas C4WW shall use the capital to acquire and then leverage Collateralized Mortgage Obligations (CMOs) with a face value of up to **1 Billion Dollars USD (1,000,000,000.00 USD)** to be purchased from a licensed U.S. Securities Trader. The profit distributions allocated to New Hope Capital Foundation, Inc. and Aesteem Institute, LLC, will be treated as charitable contributions in proportion to the distributions made directly to them. The objective is to gain **Three Billion Three Hundred and Sixty Million Dollars USD (\$ 3,360,000,000.00 USD)** annually or more, from the results thereof for the parties to this Agreement which shall be allocated according to the terms of this agreement under sections 4.04, 4.05, 4.06, and Exhibit "E".

1.02a. Exhibits and Resolutions. The Securities Account Application used to apply for and secure CMOs discussed herein shall be considered *Exhibit A* to this agreement and shall be fully completed and executed by all parties before this Agreement is accepted by either party.

1.02b. C4WW will provide its Corporate Resolution authorizing it to borrow **One Million Dollars (\$ 1,000,000.00 USD)** from the JVP account as a loan for the purpose as stated in 1.01 above. A hard copy of the resolution shall be considered *Exhibit B* of this Agreement.

1.02c. JVP if a Limited Liability Corporation or an individual, is not required to supply a copy of its Corporate Resolution authorizing it to lend **One Million Dollars (\$ 1,000,000.00 USD)** to C4WW. Otherwise their corporate resolution will be *Exhibit C*.

1.03 Term of the Agreement. The Joint Venture shall commence on the date first above written and shall continue in existence until the terms of the Agreement have been met by C4WW.

ARTICLE II

GENERAL DEFINITIONS

The following comprise the general definitions of terms utilized in this Agreement.

Printed: PRELIMINARY

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2.01 Affiliate. An Affiliate of an entity is a person that, directly or indirectly through one or more intermediaries, is owned or controlled by, or under common control of such entity.

2.02 Joint Venture. A Joint Venture (participation in the same business venture) by two or more parties is defined by an Agreement between the parties.

2.03 Profits. Any income or loss of the Partnership for federal income tax purposes determined by the Partnership's fiscal year, including, without limitation, each item of Partnership income, gain, loss or deduction.

ARTICLE III

OBLIGATIONS OF THE JOINT VENTURERS

3.01 Party Responsible. C4WW is solely responsible for all operations and decisions of the Joint Venture.

3.02 Priority Compensation. C4WW hereby grant JVP "priority" compensation from the proceeds and profits derived from leveraging CMOs.

ARTICLE IV

CMO OWNERSHIP AND COMPENSATION:

4.01 Initial CMO Ownership. The CMOs purchased from the JVP Account in the amount of **One Million Dollars (\$ 1,000,000.00 USD)** shall be considered as a JVP loan to C4WW to purchase qualifying CMO instruments for placed into trade. The CMO notes purchased will be initially owned fifty-one percent (51%) by C4WorldWide and forty-nine percent (49%) by NHCF.

4.02 C4WW shall create and activate a Joint Securities Account for the CMOs held by the participants of this agreement. Within 48 to 72 hours of its creation, all parties may access and review the balances and activity of this account at any time via the Internet with a secure account and PIN number.

4.03 Final CMO Ownership. At the end of the term of the transaction, the Final CMO ownership shall be held one hundred percent (100%) by NHCF and zero percent (0%) by C4WW or any other remaining participants in the transaction, once the terms of 4.04 have been met.

4.04 JVP Compensation. The first Two Hundred and Eighty Million USD (\$280,000,000 USD) received from the proceeds and profits of leveraging the CMOs in international trade will go to the JVP on a priority basis prior to any disbursement to C4WW.

4.05 C4WW Compensation. C4WW will be compensated from the success of the venture when the JVP has been fully compensated per 4.04 above and proceeds and profits from the venture exceed **Three Billion Three Hundred and Sixty Million USD (\$ 3,360,000,000.00 USD)** based on funds received on a monthly basis.

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Upon the expected receipt of funds received on a monthly basis of **Two Hundred and Eighty Million USD (\$ 280,000,000.00 USD)**, or more per month. Once received in full or in part, it will be distributed to NHCF and the affiliated parties according to the percentages as listed in Exhibit "E" of this agreement.

4.06 Deposit of JVP Compensation: NHCF authorizes and directs C4WW to deposit the referenced compensation of more than \$500,000.00 into the Joint JVP account, for distribution according to the terms stated in sections 4.05, 4.06 and Exhibit "E" of this agreement. Prior to final execution of this agreement, JVP shall provide C4WW with the following account information:

*Refer "Exhibit E" for details of account distribution information.

ARTICLE V

RIGHTS AND DUTIES OF THE JOINT VENTURERS

5.01 Business of the Joint Venture: C4WW shall have full, exclusive and complete authority and responsibility for the management and control of the business of the Joint Venture for the purposes herein stated. C4WW shall be responsible for the investment of, the capital provided to the JVP to conduct the transactions of the JVP with reasonable accountability to the remaining members of the JVP of what transactions occur. All members of the JVP hereby agree that they shall not unreasonably withhold consent or approval regarding decisions regarding the movement of the capital provided to the JVP to conduct the business of the JVP by C4WW, but reserve the right to be notified as to how the capital is invested, under the intended uses and purposes of the capital invested. Other than being made aware of the capital being made by C4WW as described herein this paragraph, NHCF shall not have the right to participate in or have any control over the business of the Joint Venture nor shall it have any authority or right to interfere in the business of the Joint Venture. NHCF hereby agrees that C4WW shall have the full authority to make all decisions affecting the business of the Joint Venture and shall have the exclusive and complete authority and control over the management and control of the business of the Joint Venture for the purposes herein stated, and C4WW shall make all decisions affecting the business of the Joint Venture. At which C4WW shall have the right to proceed with any action necessary to be executed or taken that may be necessary to execute the act of, and serve to bind, the Joint Venture. C4WW hereby agrees that they shall manage and control the affairs of the Joint Venture to the best of their ability and shall use its best efforts to carry out the business of the Joint Venture.

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ARTICLE VI

AGREEMENTS WITH THIRD PARTIES AND WITH AFFILIATES OF THE JOINT VENTURERS

6.01 Validity of Transactions. Affiliates of the parties to this Agreement may be engaged to perform services for the Joint Venture. The validity of any transaction, agreement or payment involving the Joint Venture and any Affiliates of the parties to this Agreement otherwise permitted by the terms of this Agreement shall not be affected by reason of the relationship between them and such Affiliates or the approval of said transactions, agreement or payment.

6.02 Other Business of the Parties to this Agreement. The parties to this Agreement and their respective Affiliates may have interests in businesses other than the Joint Venture business. The Joint Venture shall not have the right to the income or proceeds derived from such other business interests and even if they are competitive with the Partnership business, such business interests shall not be deemed wrongful or improper.

ARTICLE VII

PAYMENT OF EXPENSES

The expenses of the Joint Venture shall be documented and approved by the parties to this agreement. An auditable expense submitted for review or that are incurred and/or paid by C4WW related to performing the business of the JV shall be reimbursed by the Joint Venture.

ARTICLE VIII

INDEMNIFICATION OF THE JOINT VENTURERS

The parties to this Agreement shall have no liability to the other for any loss suffered which arises out of any action or inaction if, in good faith, it is determined that such course of conduct was in the best interests of the Joint Venture and such course of conduct did not constitute negligence or misconduct. The parties to this Agreement shall each be indemnified by the other against losses, judgments, liabilities, expenses and amount paid in settlement of any claims sustained by it in connection with the Joint Venture.

ARTICLE IX

DISSOLUTION

9.01 Event that will terminate the Agreement. The Joint Venture shall be dissolved on the basis of 4.04 above or upon any one of the occurrence of the following:

(a) The adjudication of bankruptcy, filing of a petition pursuant to a Chapter of the Federal Bankruptcy Act, withdrawal, removal or insolvency of either of the parties.

C4WORLDWIDE

(b) The sale of other assets of the JV, including an exchange of any or substantially all of the Joint Venture assets;

(c) Mutual agreement of the parties.

ARTICLE X

MISCELLANEOUS PROVISIONS

10.01 Books and Records. C4WW, as a member of the Joint Venture, shall keep adequate books and records at its place of business, setting forth a true and accurate account of all business transactions arising out of and in connection with the conduct of the Joint Venture. All records shall be accessible by authorized members of NHCF and its partner's upon reasonable request.

10.02 Joint bank account. The funds owned by C4WW will be held in a separate checking account from all other C4WW funds. The JVP and C4WW will jointly own a bank account where the proceeds of the JV will be held, used and administered as determined by this Agreement. Pursuant to 5.01 above, C4WW will administer and control the joint checking account.

10.03 Proof of Funds. All monies received from the JVP as a loan to C4WW shall be kept in a separate checking account from all other C4WW funds, per 10.02 above. The JVP will be able to view the account balance online via the Internet, at any time from any Internet and computer enabled location.

10.04 Validity. In the event that any provision of this Agreement shall be held to be invalid, the same shall not affect in any respect whatsoever the validity of the remainder of this Agreement.

10.05 Integrated Agreement. This Agreement constitutes the entire understanding and agreement among the parties hereto with respect to the subject matter hereof, and there are no agreements, understandings, restrictions or warranties among the parties other than those set forth herein provided herein.

10.06 Headings. The headings, titles and subtitles used in this Agreement are for ease of reference only and shall not control or affect the meaning or construction of any provision hereof.

10.07 Notices. Except as may be otherwise specifically provided in this Agreement, all notices required or permitted hereunder shall be in writing and shall be deemed to be delivered when deposited in the United States mail, postage prepaid, certified or registered mail, return receipt requested, addressed to the parties at their respective addresses set forth in this Agreement or at such other addresses as may be subsequently specified by written notice.

10.08 Applicable Law and Venue. This Agreement shall be construed and enforced under the laws of the State of California.

Page 10 of 11

Initials_PPI_inital_JR

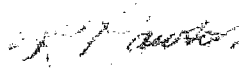
C4 WORLDWIDE

10.09 Other Instruments. The parties hereto covenant and agree that they will execute each such other and further instruments and documents as are or may become reasonably necessary or convenient to effectuate and carry out the purposes of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement and agree to its terms and conditions.

For: New Hope Capital Foundation, Inc.

For: C4 WorldWide, Inc.



Name/Title: DR Rawson, CEO

Name/Title: DR Rawson, CEO

Date: 12-08-09

Date: 12-08-09

[]

[]

4 WORLDWIDE

Exhibit A

Worldwide Application (separate pdf)

Worldwide Application (separate pdf) is intended to be Exhibit A to this Agreement

Worldwide Application

C4 WORLDWIDE

Exhibit B
C4 Worldwide, Inc. Corporate Resolution



CERTIFICATE OF CORPORATION RESOLUTION

To Secure a loan of up to \$ 1,000,000.00 USD

I, Richard Price, Secretary of C4 WorldWide, Inc. do hereby certify that at a duly constituted meeting of the Directors of the Corporation held via telephonic and electronic communication, on 12-8-2009 and it was upon a motion duly made and seconded that the Board of Directors of C4 WorldWide, Inc. unanimously adopted the following resolution:

RESOLVED, that the CEO, Mr. DR. Razon, shall be authorized to secure a loan in the amount of up to \$ 1,000,000.00 USD (One Million Dollars USD) from the **New Hope Capital Foundation, Inc.**, the documentation of which shall be a Joint Venture Agreement. The purpose of the Joint Venture Agreement is to purchase CMOs that can be internationally leveraged to provide a return stated in the Joint Venture Agreement dated December 8th, 2009 between C4 WorldWide, Inc. (hereafter "C4WW"), and the **New Hope Capital Foundation, Inc.** (and affiliated partners: New Capital Corporation, Advisor, LLC, Ardeen Institute, Inc, Humanitend, LLC and First Select Commercial Property Corporation, hereafter "NHCF" - the two Parties named herein this agreement

WE FURTHER RESOLVE and understand that the ownership of the CMO's will be proportioned with an initial 51% (controlling interest) for C4WW and 49% by NHCF. We also understand that upon receipt of the **Three Billion Three Hundred Sixty Million Dollars USD (\$ 3,360,000,000.00 USD)** or more as described in sections 4.04, 4.05, and 4.06, and Exhibit "E" of this agreement, that full ownership of the CMOs will revert to NHCF.

WE REQUEST that the loan amount be placed into our Wells Fargo account number, [REDACTED] 2177. This account is at the Wells Fargo Branch on Rosslyn Blvd. in Austin, Texas under our name **C4 WorldWide, Inc.**

I, Richard Price, Secretary of C4 WorldWide, Inc. certify that I am a duly elected and qualified Secretary and the custodian of the books and records of C4 WorldWide, Inc. a corporation duly formed pursuant to the laws of the State of California in the United States of America and that the foregoing is a true record of a resolution duly adopted at a meeting of the Board of Directors and that said meeting was held in accordance with state law and the Bylaws of the Corporation on December 8, 2009 and that said resolution is now in full force and effect without modification or reservation.

IN WITNESS WHEREOF I have executed my name as Secretary of the Corporation this 8th day of December 2009.

ATTEST

Richard Price, Secretary and Vice President of C4 WorldWide, Inc.

DR. Razon, Chairman & CEO

C4 WORLDWIDE

... 1994 ...
... 1994 ...

C4 WORLDWIDE

Exhibit D

Promissory Note between NHC and C4WW dated December 8th, 2010

Promissory Note and Security Interest in the CMO

date: December 8th, 2009

Borrower:

C4 WorldWide, Inc. is a California Corporation
10 Square
8751 Dewey Drive
Garden Grove, CA 92641
+714-876-6130 Main Number
+714-276-2127 Fax
+714-276-2127 Cell

Banking:

Wells Fargo Bank
13749 Research Blvd.
Austin, TX 78750
+512-344-8110 Main Number
+512-219-6162 Fax

ABA Number: 121000248

Account Number: [REDACTED] 2177

Bank Officer Assigned: Mr. Ron Westbrook

Lender

New Hope Capital Foundation, Inc.
28840 US Hwy 19 North, Suite 103
Clearwater, FL 33761
(727) 771-7700 or (727) 638-0754
(727) 771-7766

Information:

Loan Information:

Transaction Number: 20091208-01

Loan Amount: \$ 1,000,000.00

Loan Period: One (1) year from the date received via direct wire transfer or deposit into the Borrower's account.

C4 WorldWide, Inc. is a California Corporation promises to pay, for value received, the amount of **One Million Dollars (\$ 1,000,000.00 USD)** to NHC, Inc. and/or its partners as per the terms specified in this Joint Venture Agreement between the two parties to this agreement dated **December 8th, 2009**.

The full repayment per the above schedule will end on the **8th of December, 2010**.

Printed Name: [REDACTED] OR

C4 WORLDWIDE

Security

This is a fully secured note. The Borrower will use the proceeds to purchase Collateralized Commercial Mortgage (CMO) bonds, a instrument that is at least AA or AAA Rated as provided by the Bank of America and/or Credit Suisse as collateral for the loan. The Lender will verify the Borrowers receipt of the CMOs using the information from the Securities House after a Joint Securities Account for the CMOs has been created. The CMOs purchased with the proceeds of this loan to C4WW will be initially owned fifty-five percent (55%) by C4 Worldwide, Inc. and forty-nine percent (49%) by NHCF, Inc. Ownership of the specific CMOs purchased in connection with this agreement shall revert to the full control and ownership of C4 Worldwide, Inc. and NHCF, Inc. as a result of the transaction(s) associated with this agreement.

As parties to the Agreement will have access to view the balances and activity of this account at any time via the Internet with a secure account and PIN number. Borrower is protected under the Uniform Commercial Code, which specifically defines "protected purchasers" of securities establishes an exception to the "same debt" rule applicable for a "protected purchaser" of a certificated or uncertificated security. A purchaser means either a buyer of the securities or a lender with a security interest in the securities. A protected purchaser is a purchaser of a certificated or uncertificated security who gives no notice to the issuer of the security and does not have notice of any adverse claim to the security. Furthermore, a protected purchaser will acquire its interest in the security free of all adverse claims, including a prior right, in the collateral that it transfers has. (See U.C.C. § 8-303)

Notwithstanding the above, if the entire principal amount due under this promissory note is paid, this note shall be null and void and the Lender (NHCF) shall grant the Lender (NHCF) a security interest in the in the CMO referred to in the previous paragraph and the Joint Venture Agreement dated December 8th, 2010 between the Lender (NHCF) and the Borrower.

if Lender (NHC) borrows and provides in a loan to collect on this note, Borrower will pay Lender's NHC fees and charges to be no more than the card finds to be reasonable.

being undersigned and all other parties to this note, whether as endorsers, guarantors or sureties, agree to hold it fully paid out of this note and to be last, paid and waive demand, presentment and protest and all claims hereto and to further agree to remain so, notwithstanding any extension, modification or discharge of the principal obligation of the said party obligor hereunder or exchange, substitution or assignment of the said obligation.

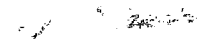
1. No indulgence or indulgences for any holder hereof shall be binding unless in writing; and any indulgence for any one occasion shall not be an indulgence for any other or future occasion. Any modification or change in terms hereunder granted by any holder hereof, shall be valid and binding upon each of the undersigned. The right, of the lender shall be cumulative and not necessarily successive.

C4 WORLDWIDE

This instrument shall take effect as a created instrument and shall be construed, governed and enforced in accordance with the laws of the state of California. Agreed to by:

By: C4 WorldWide, Inc.

By: New Hope Capital Foundation, Inc.





Signature Title

Signature Title

Printed Name: Peter R. Lazzari

Printed Name: Peter R. Lazzari

By Corporate Seal

C4 WORLDWIDE

Exhibit "E"

Bank of America, N.A. and its subsidiaries, including NHC and its' affiliated partners

Distribution Amounts (in percentages):

Distribution shall be 28.00 %, 12.00 %, 6.00 %, 24.00 %, and 30.00 % respectively of Net Proceeds as defined in paragraph 4.05 as the parties are listed per this Irrevocable Master Proceeds Distribution Agreement (IMPDA) below. CONTRACT Amount \$ 3,360,000,000.00 (USD) (Three Billion Three Hundred Sixty Million Dollars (USD)). Peter R. Lazzari, President and Chairman of the Board, New Hope Capital Foundation, Inc. Passport No. [REDACTED], and authorized signatory hereby, with full legal responsibility, under PENALTY OF PERJURY of law, issue this Irrevocable Master Proceeds Distribution Agreement (IMPDA) (Disbursement Instrument/Payment Order) to the Paymasters named herein this agreement for the distribution of proceeds in connection with the investment of a qualifying investment instrument into a licensed Trading program of an amount up to \$ 1,000,000,000.00 (USD) (One Billion Dollars (USD)) in an Asset as agreed to with the full consent of the parties to this agreement.

C4 WorldWide, Inc. Will Coordinate Payment to Parties #1 - #5

Investor/Payor : NEW HOPE CAPITAL FOUNDATION, Inc

Party of the 1st Part Name	Bank Coordinates	Percentage 28.00 % of the Net Profit Bank Coordinates
NEW HOPE CAPITAL FOUNDATION, INC	Name of Company	New Hope Capital Foundation, Inc
28960 US Highway 19 North Suite 103 Clearwater, Florida 33751	Name of Bank	Colonial Bank (BB &T)
727-771-7000 or 727-638-0754	Name of Branch	4015 Tampa Road Oldsmar, Florida 34677
Peter R. Lazzari, President and Chairman of the Board	Name of Branch	813-855-9060
	Account Number	Peter R. Lazzari or Clifford Kendel
	Bank Fax	813-855-9272
	Bank ABA Number	062001319
	SWIFT Code Number	BRBTUS33
	Bank Branch Number	[REDACTED] 3020
	Bank Branch Name	Trisha Krager/VP
	Bank Branch Address	Linda L Lazzari - 50 %; Allison L. Kendel - 25 %; Alissa R. Kendel - 25 %

Agreement

Indicates the Party DR

4 WORLDWIDE

Party to the 2 nd Part: NEW CAPITAL OPPORTUNITY ADVISORS, LLC		Percentage 12.00 % of the Net Profit
Name	Bank Coordinates	Bank Coordinates
NEW CAPITAL OPPORTUNITY ADVISORS, LLC	Name of Company	New Capital Opportunity Advisors, LLC
28960 US Highway 19 North Suite 103	Address	Colonial Bank (BB &T)
Clearwater, Florida 33761	City, State, Zip	
Phone: 727-771-7700 or 727-638-0754	Phone	4015 Tampa Road Oldsmar, FL 34677
Peter R. Lazzari - Managing Member	Owner	813-855-9060
		Peter R. Lazzari or Clifford Kendel
	Bank Ref	813-855-9272
	Account #	062001319
	SWIFT Code	BRBTUS33
	Routing #	8053
	Branch Name	Trisha Krager Vice President
	Branch Address	Linda L. Lazzari - 50 %; Allison L. Kendel - 25 %; Alissa R. Kendel - 25 %

4 WORLDWIDE

Party to the 3rd Part: HUMANILEND, LLC		Percentage 6.00 % of the Net Profit
Name	Bank Coordinates	Bank Coordinates
	Name of Company	HUMANILEND LLC
HUMANILEND, LLC		
3839 North Light Drive	Bank of America	M & T BANK
Chester, VA, 23831	National Bank	
Telephone: 804-380-3076	Address: 10101	10101 Hill Street Rd
		Richmond, VA 23236
		804-276-1040 - Beti Shaw
		804-754-4801 - Jim Salley
James J. Watt	Authorized Signatory	James J. Watt
President/Executive Director	Bank Ref:	804-276-1594
** MAILING ADDRESS	Bank Account No:	052000113
3809 North Light Drive		
Chester, VA 23831	Bank of America	MANTUS - 33
	Bank Account No:	3397
	Branch Manager:	Beti Shaw - Branch Manager
	Business Banker:	Jim Salley - Business Banker
	James A Watt:	James A Watt

4 WORLDWIDE

Party to the 4th Part: AESTEEM INSTITUTE, INC

Percentage 24.00 % of the Net Profit

Name	Bank Coordinates	Bank Coordinates
AESTEEM INSTITUTE INC	1773 Pinewood Rd Melbourne, FL 32934 (Trustee for Aesteem Account)	Seminary Covenant Community
3417 Savannah Tr		6547 Sunree Branch
Merritt Island, FL 32953		
6430 NORTH WICKHAM ROAD MELBOURNE, FL 32940-2012		
Member, Board of Directors		Paul Rosbury & James J. Watt (Seminary CC) and James J. Watt (Aesteem)
		263191387
		BRBTUS-33
		7023
		Jason Custer - Branch Manager Cory Price - Customer Relations
		James A. Watt

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4 WORLDWIDE

Party to the 5 th Part: FIRST SELECT COMMERCIAL LENDING CORPORATION		Percentage 30.00% of the Net Profit
Name	Bank Coordinates	Bank Coordinates
FIRST SELECT COMMERCIAL LENDING CORPORATION		FIRST SELECT COMMERCIAL LENDING CORPORATION
3353 62 nd Avenue North		WACHOVIA BANK
Pineas Park FL 33781		
727-458-5303		5005 Ulmerton Road Clearwater, FL 33762
Jack E. Campbell, Jr.		727-892-7403 and/or 800-222-3862
President		Jack E. Campbell, Jr.
		727-892-7403
		063000021
		PNBPUS-33
		9758
		Susan Nelson - Branch Contact
		Constance Fotopoulos

EXHIBIT 9

A. App.1770

EXHIBIT 9

A. App.1770

SETTLEMENT AGREEMENT AND RELEASE OF ALL CLAIMS

This SETTLEMENT AGREEMENT AND RELEASE OF ALL CLAIMS (hereafter referred to as the "Agreement") is made and binding between and among Peggy and Jeffrey Cain and Heli Ops International, LLC (hereinafter, the "Cains") and DR Rawson, Chairman/CEO and C4 Worldwide, Inc. (hereinafter, "C4 WorldWide").

WHEREAS, the Parties are each desiring to resolve issues having to do with C4 WorldWide's unpaid financial obligations arising out of the Promissory Note and Security Interest in the CMO Securities dated November 29, 2009 and upon signing this Agreement intend to cease further collection efforts, including but not limited to the filing of any litigation and the Cains further stipulate and agree that they will file no complaint(s) or the like with either the Securities and Exchange Commission and/or the Department of Justice of any state.

To the extent not modified herein, the Promissory Note and Security Interest in the CMO securities remains in full force and effect.


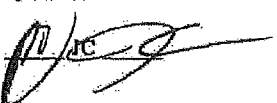
WHEREAS, each party desires to settle all the claims, fully and finally without any admission of liability;

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

SECTION 1. CONSIDERATION

1.1 In consideration of the Releases set forth below in Section 2 and the other terms set forth herein, C4 WorldWide stipulates that it owes the Cains Twenty Million USD (\$20,000,000) and that said amount was due on December 30, 2009 and remains unpaid. C4 WorldWide acknowledges its obligation to pay and agrees to pay the sum of \$20,000,000, plus all accumulated interest, to Cains no later than 90 days from February 25, 2010, less any advance payments made, and C4 WorldWide shall use all reasonable efforts to pay this obligation off in full as quickly as possible.

1.2 C4 WorldWide shall, no later than March 4, 2010, assign a 49% interest in the CMO joint securities account (which account is described more fully in Article IV of the Joint Venture Agreement, hereinafter, the "Account") to the Cains. Upon payment to the Cains of the \$20,000,000 (plus all accumulated interest), contemplated by this Agreement, the Cains agree that they shall have no further ownership interest in the Account (as per Article 4.03 and 4.04 of the Joint Venture Agreement). The Cains further expressly agree to execute any and all documentation necessary to reassign the ownership interest in the Account to C4, which will result in C4 having 100% ownership interest in the Account (the total value of this account is believed to currently be between \$600,000 and \$625,000). C4 WorldWide agrees further to pay interest on this \$20,000,000 obligation from December 31, 2009 at the rate of 9% per annum until said debt is paid in full.

DR  PC 

1.2 Both sides shall bear their own costs and attorney fees incurred in achieving this settlement. A. App.1772

1.3 Neither party shall make disparaging comments regarding the other.

SECTION 2. RELEASE

2.1 The Cains, their successors, predecessors, parents, assigns, agents, employees, officers, directors, insurers, and all other affiliated persons, firms, or corporations, hereby fully and forever releases and discharges C4 WorldWide, from any and all claims that exist arising out of C4 worldwide's financial misfortunes and resultant inability to timely pay the Promissory Note and Security Interest in the CMO Securities dated November 29, 2009 (a true and accurate copy of which is attached hereto as Exhibit A and is incorporated herein by reference). Such release covers the Cains, their successors, predecessors, parents, assigns, agents, employees, officers, directors, insurers, and all other affiliated persons, firms, or corporations, hereby fully and forever release and discharge C4 WorldWide, its successors, predecessors, parents, assigns, agents, employees, officers, directors, insurers, and all other affiliated persons, firms, or corporations, of and from any and all past, present, and future claims, demands, obligations, causes of action for damages of any kind, known and unknown, the basis for which now exists or may hereafter become manifest that are directly or indirectly related to the facts in any of the claims of any kind asserted against or which could have been asserted in any of the claims.

2.2 C4 WorldWide, its successors, predecessors, parents, assigns, agents, employees, officers, directors, insurers, and all other affiliated persons, firms, or corporations, hereby fully and forever releases and discharges the Cains, from any and all claims that exist arising out of C4 WorldWide's financial misfortunes and resultant inability to timely pay the Promissory Note and Security Interest in the CMO Securities dated November 29, 2009 (a true and accurate copy of which is attached hereto as Exhibit A and is incorporated herein by reference). Such release covers C4 WorldWide, its successors, predecessors, parents, assigns, agents, employees, officers, directors, insurers, and all other affiliated persons, firms, or corporations, hereby fully and forever release and discharge the Cains, their successors, predecessors, parents, assigns, agents, employees, officers, directors, insurers, and all other affiliated persons, firms, or corporations, of and from any and all past, present, and future claims, demands, obligations, causes of action for damages of any kind, known and unknown, the basis for which now exists or may hereafter become manifest that are directly or indirectly related to the facts in any of the claims of any kind asserted against or which could have been asserted in any of the claims.

SECTION 3. EXPRESS ACKNOWLEDGMENTS, REPRESENTATIONS, AND WARRANTIES

3.1 The parties expressly acknowledge and agree that the Release set forth in Section 2 is a general release of the matters described above.

3.2 Each party expressly represents and warrants that it has relied on its own knowledge of

the facts and the advice of their/its own lawyer, knowing the right to consult with counsel before entering this Agreement, concerning the consequences of this Agreement; and that the signers of this Agreement are of legal age, legally competent to execute this Agreement, and have full authority to sign this Agreement. The parties further warrant that no promise or inducement has been offered, except as set forth in this Agreement, and that this Agreement is executed without reliance on any statement or representation by any other party concerning the nature and extent of damages or legal liability.

3.3 The parties expressly acknowledge and agree that the purpose and effect of this Agreement is to fully and forever resolve all issues relating to claims arising out of and which could be asserted in this case and that no party will pursue the other for anything relating in any way to the claims being released.

3.4 The parties expressly acknowledge and agree that the terms of this Agreement are contractual in nature and not merely a recital.

SECTION 4. ENFORCEMENT OF AGREEMENT

4.1 In the event of a material breach of this Agreement or other dispute regarding the enforcement or interpretation of this Agreement, the prevailing party is entitled to recover all attorney fees, costs, and expenses incurred.

SECTION 5. GOVERNING LAW

5.1 This Agreement shall be construed and interpreted in accordance with the laws of the state of California and any action arising out of this Agreement shall be filed in Douglas County, Nevada.

SECTION 6. INTEGRATION

6.1 This Agreement and Exhibit A attached hereto contain the entire agreement between and among the parties regarding the matters set forth herein and is conclusive and binding on and inures to the benefit of the executors, administrators, personal representatives, heirs, next of kin, children, successors, and assigns of each.

SECTION 7. MODIFICATION

7.1 This Agreement may not be amended or modified except in writing signed by all parties.

SECTION 8. SAVING CLAUSE

8.1 If any provision of this Agreement, or the application of a provision to any person or circumstance, is held invalid, the remainder of this Agreement, or the application of that provision to other persons or circumstances, must not be affected thereby.

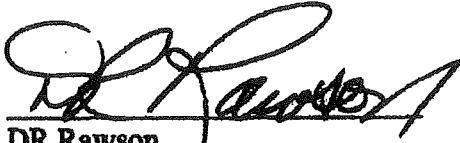
DRB  PC  JC 

SECTION 9. FURTHER ASSURANCES

A. App.1774

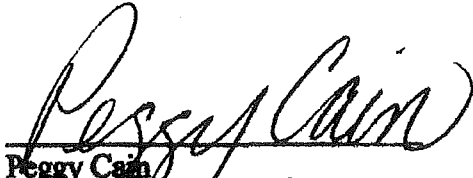
9.1 The parties agree to execute and deliver any further documents, instruments, and other agreements as are necessary or convenient to carry out the terms and purposes of this Agreement.

IT IS SO AGREED:



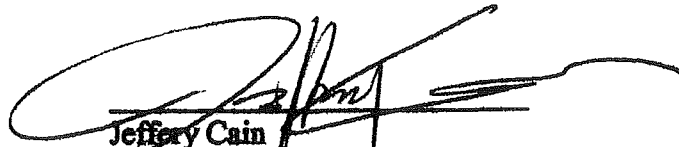
DR Rawson

DATED: February 28th, 2010



Peggy Cain

DATED: February 1, 2010
MARCH



Jeffery Cain

DATED: February 1, 2010
MARCH

EXHIBIT 10

A. App.1775

EXHIBIT 10

A. App.1775



135 Crossways Park Dr
Woodbury NY 11797
516-396-1234
www.Elkslock.com

FINANCIAL SERVICES, INC.

12/15/09 12:00 PM EST

ACCOUNT STATEMENT

Period Ending -
December 31, 2009
Account Number GCGI

Page 1 of 8
3911

PLTFS 1430



95087 01 00
C4 WORLDWIDE, INC
ATTN: DR RAWSON &
JEFFREY K CAIN
110 SQUARE 8751 DEWEY DRIVE
GARDEN GROVE CA 92841

ASSET VALUE

Net Cash Equivalents	0.00
Net Portfolio Assets held at Legend	543,650.20
Net Portfolio Assets not held at Legend	\$18,883.55
Total Net Portfolio Value as of December 31, 2009	\$562,533.75

FROM YOUR INTRODUCING BROKER

GEORGE LINCON
TELEPHONE (516) 396-1234
EKN FINANCIAL SERVICES, INC.

OFFICE SERVICING YOUR ACCOUNT
135 CROSSWAYS PARK DR
WOODBURY, NY 11797

PRIMARY INVESTMENT OBJECTIVE

Your Primary Investment Objective is Speculation.

If you have any questions concerning your investment objective, or wish to make a change, please contact your Introducing Broker

INVESTOR UPDATE

A. App.1776

A. App.1776

CLEARED THROUGH: Legend Clearing 9300 Underwood Avenue Suite 400 Omaha, NE 68114 402-384-6100 www.legendclearing.com
Member FINRA & SIPC

C4 WORLDWIDE, INC
ATTN: DR RAWSON &
JEFFREY K CAIN

Period Ending -
December 31, 2009
Account Number: GCGI

Page 2 of 8
3911

PLTFS 1431

ASSET SUMMARY

Value as of: December 31, 2009			
	Held at Legend	Not at Legend	% of Assets
Cash			
Money Market		18,883.55	3.356%
Margin Balance			
Net Cash Equivalents	\$0.00	\$18,883.55	3.356%
Equities			
Preferreds			
Tax-Exempt Bonds			
Taxable Bonds and CDs	543,650.20	543,650.20	96.643%
Mutual Funds			
Unit Investment Trusts			
Annuities			
Other Investments			
Net Portfolio Assets	\$543,650.20	\$0.00	96.643%
Net Portfolio Value	\$543,650.20	\$18,883.55	100.000%

TAX INCOME & DISTRIBUTION SUMMARY

	Year-to-Date	This Period
Dividends		
Tax-Exempt		
Taxable		
Interest		
Tax-Exempt		
Taxable	6.91	6.91
Capital Gain Distributions		
Return of Principal		
Other		
Total Income & Distributions	\$6.91	\$6.91

Please note "% of assets" figures are shown gross of any amounts owed to Legend and/or net short positions.

TAX INFORMATION SUMMARY

	Year-to-Date	This Period
Accrued Interest Paid		
Tax-Exempt		
Taxable	-4,480.43	-4,480.43
Accrued Interest Received		
Tax-Exempt		
Taxable		
Gross Proceeds		
Withholding		
Foreign Taxes Paid		
Margin/Debit Interest		

A. App.1777

A. App.1777

C4 WORLDWIDE, INC
ATTN: DR RAWSON &
JEFFREY K CAIN

Period Ending -
December 31, 2009
Account Number: GCGI

Page 3 of 8
3913

PLTFS 1432

ASSET DETAILS

This section shows the cash equivalents and/or securities in your account. It reflects market values as of the close of business, December 31, 2009.

NET CASH EQUIVALENTS

	#	Current value	Anticipated annualized income	Current yield %
LEGENT INSURED DEPOSITS		18,883.55	9.44	0.05
Total Net Cash Equivalents		\$18,883.55	\$9.44	0.050

Asset not held at Legend

PORTFOLIO ASSETS

TAXABLE BONDS AND CDs	Cusip	Quantity	Current price	Current value	Anticipated annualized income	Current yield %
GREENWICH CAPITAL MTG TR	20173MBA7	501,656.137	0.0173	84,993.14	44,215.98	52.023%
REMIC 2006-GG7 CL X						
MONTHLY 9 DAY DELAY VAR						
CPN 0.009% DUE 07/10/38						
DTD 07/01/06 FC 08/10/06						
Factor: 0.979335890						
Current Face: 491,289,859.40						
GS MTG COMI 2007-GG10	36246LAP6	500,000,000	0.0918	458,557.06	179,862.37	39.215%
REMIC 2007-GG10 CL X						
MONTHLY 9 DAY DELAY VAR						
CPN 0.036% DUE 08/10/45						
DTD 07/01/07 FC 08/10/07						
Factor: 0.999252870						
Current Face: 499,626,435.00						
Total Taxable Bonds and CDs				\$543,650.20	\$224,078.35	41.217%

A. App.1778

A. App.1778

C4 WORLDWIDE, INC.
ATTN: DR RAWSON &
JEFFREY K CAIN

Period Ending -
December 31, 2009
Account Number: GCGL

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3911

PLTFS 1433

ACTIVITY SUMMARY

Type of Activity	Activity	This Period
Opening Balance - Net Cash Equivalents		\$0.00
Buy and Sell Transactions	Assets Bought	-986,123.36
	Assets Sold/Redeemed	
Deposits	Deposits Made to Your Account	1,005,000.00
Withdrawals	Withdrawals From Your Account	
Income and Distributions	Income and Distributions	6.91
Money Market Activity	Money Market Activity	
Margin Interest	Margin Interest Charged	
Other	Other Transactions	
Closing Balance - Net Cash Equivalents		\$18,883.55

ACTIVITY DETAILS

OPENING BALANCE - Net Cash Equivalents

This Period
\$0.00

Assets Bought

Date	Activity	Quantity	Price	Description	Total
12/07/2009	PURCHASE	50,000,000.000	0.0859	GREENWICH CAPITAL MTG TR REMIC 2006-GG7 CL X MONTHLY 9 DAY DELAY VAR CPN 0.024% DUE 07/10/38 DTD 07/01/06 FC 08/10/06	-42,338.63
12/07/2009	PURCHASE	50,000,000.000	0.0859	GREENWICH CAPITAL MTG TR REMIC 2006-GG7 CL X MONTHLY 9 DAY DELAY VAR CPN 0.024% DUE 07/10/38 DTD 07/01/06 FC 08/10/06	-42,278.63
12/09/2009	PURCHASE	50,000,000.000	0.0859	GREENWICH CAPITAL MTG TR REMIC 2006-GG7 CL X MONTHLY 9 DAY DELAY VAR CPN 0.024% DUE 07/10/38 DTD 07/01/06 FC 08/10/06	-42,437.53
12/09/2009	PURCHASE	50,000,000.000	0.0859	GREENWICH CAPITAL MTG TR REMIC 2006-GG7 CL X MONTHLY 9 DAY DELAY VAR CPN 0.024% DUE 07/10/38 DTD 07/01/06 FC 08/10/06	-42,377.53

CASH EQUIVALENTS

Cash	Money Market	Margin
\$0.00	\$0.00	\$0.00
-986,123.36		
1,005,000.00		
6.91		
-18,883.55	18,883.55	
\$0.00	\$18,883.55	\$0.00

CASH EQUIVALENTS

Cash	Money Market	Margin
\$0.00	\$0.00	\$0.00

Cash	Money Market	Margin
-42,338.63		

Cash	Money Market	Margin
-42,278.63		

Cash	Money Market	Margin
-42,437.53		

Cash	Money Market	Margin
-42,377.53		

Continued ->

A. App.1779

A. App.1779

C4 WORLDWIDE, INC
ATTN: DR RAWSON &
JEFFREY K CAIN

Period Ending -
December 31, 2009
Account Number: GCGL

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3911

ACTIVITY DETAILS (Continued)

Assets Bought (Continued)

Date	Activity	Quantity	Price	Description	Total
12/09/2009	PURCHASE	50,000,000.000	0.0859	GREENWICH CAPITAL MTG TR REMIC 2006-GG7 CL X MONTHLY 9 DAY DELAY VAR CPN 0.024% DUE 07/10/38 DTD 07/01/06 FC 08/10/06	-42,377.53
12/09/2009	PURCHASE	50,000,000.000	0.0859	GREENWICH CAPITAL MTG TR REMIC 2006-GG7 CL X MONTHLY 9 DAY DELAY VAR CPN 0.024% DUE 07/10/38 DTD 07/01/06 FC 08/10/06	-42,377.53
12/10/2009	PURCHASE	70,000,000.000	0.0859	GREENWICH CAPITAL MTG TR REMIC 2006-GG7 CL X MONTHLY 9 DAY DELAY VAR CPN 0.024% DUE 07/10/38 DTD 07/01/06 FC 08/10/06	-59,434.70
12/10/2009	PURCHASE	69,656,137.000	0.0859	GREENWICH CAPITAL MTG TR REMIC 2006-GG7 CL X MONTHLY 9 DAY DELAY VAR CPN 0.024% DUE 07/10/38 DTD 07/01/06 FC 08/10/06	-59,083.02
12/11/2009	PURCHASE	50,000,000.000	0.1093	GS MTG COM1 2007-GG10 REMIC 2007-GG10 CL X MONTHLY 9 DAY DELAY VAR CPN 0.000% DUE 08/10/45 DTD 07/01/07 FC 08/10/07	-54,872.92
12/11/2009	PURCHASE	50,000,000.000	0.1093	GS MTG COM1 2007-GG10 REMIC 2007-GG10 CL X MONTHLY 9 DAY DELAY VAR CPN 0.000% DUE 08/10/45 DTD 07/01/07 FC 08/10/07	-54,812.92
12/11/2009	PURCHASE	50,000,000.000	0.1093	GS MTG COM1 2007-GG10 REMIC 2007-GG10 CL X MONTHLY 9 DAY DELAY VAR CPN 0.000% DUE 08/10/45 DTD 07/01/07 FC 08/10/07	-54,812.92
12/11/2009	PURCHASE	50,000,000.000	0.1093	GS MTG COM1 2007-GG10 REMIC 2007-GG10 CL X MONTHLY 9 DAY DELAY VAR CPN 0.000% DUE 08/10/45 DTD 07/01/07 FC 08/10/07	-54,812.92
12/11/2009	PURCHASE	50,000,000.000	0.1093	GS MTG COM1 2007-GG10 REMIC 2007-GG10 CL X MONTHLY 9 DAY DELAY VAR CPN 0.000% DUE 08/10/45 DTD 07/01/07 FC 08/10/07	-54,812.92

CASH EQUIVALENTS

Cash	Money Market	Margin
-42,377.53		
-42,377.53		
-59,434.70		
-59,083.02		
-54,872.92		
-54,812.92		
-54,812.92		
-54,812.92		
-54,812.92		

Continued ->

PLTFS 1435

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A. App.1780

A. App.1780

C4 WORLDWIDE, INC.
ATTN: DR RAWSON &
JEFFREY K CAIN

Period Ending -
December 31, 2009
Account Number: GCGL

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ACTIVITY DETAILS (Continued)

Assets Bought (Continued)

Date	Activity	Quantity	Price	Description	Total
12/11/2009	PURCHASE	50,000,000.000	0.1093	GS MTG COML 2007-GG10 REMIC 2007-GG10 CL X MONTHLY 9 DAY DELAY VAR CPN 0.000% DUE 08/10/45 DTD 07/01/07 FC 08/10/07	-54,812.92
12/11/2009	PURCHASE	50,000,000.000	0.1093	GS MTG COML 2007-GG10 REMIC 2007-GG10 CL X MONTHLY 9 DAY DELAY VAR CPN 0.000% DUE 08/10/45 DTD 07/01/07 FC 08/10/07	-54,812.92
12/11/2009	PURCHASE	50,000,000.000	0.1093	GS MTG COML 2007-GG10 REMIC 2007-GG10 CL X MONTHLY 9 DAY DELAY VAR CPN 0.000% DUE 08/10/45 DTD 07/01/07 FC 08/10/07	-54,812.92
12/11/2009	PURCHASE	50,000,000.000	0.1093	GS MTG COML 2007-GG10 REMIC 2007-GG10 CL X MONTHLY 9 DAY DELAY VAR CPN 0.000% DUE 08/10/45 DTD 07/01/07 FC 08/10/07	-54,812.92
12/11/2009	PURCHASE	50,000,000.000	0.1093	GS MTG COML 2007-GG10 REMIC 2007-GG10 CL X MONTHLY 9 DAY DELAY VAR CPN 0.000% DUE 08/10/45 DTD 07/01/07 FC 08/10/07	-54,812.92
12/21/2009	PURCHASE	62,000,000.000	0.1093	GREENWICH CAPITAL MTG TR REMIC 2006-GG7 CL X MONTHLY 9 DAY DELAY VAR CPN 0.008% DUE 07/10/38 DTD 07/01/06 FC 08/10/06	-65,229.06
Total Assets Bought					\$-986,123.36

Deposits Made to Your Account

Date	Activity	Quantity	Description	Total
12/02/2009	FUNDS WIRED		F/R WELLS FARGO	255,000.00
12/09/2009	FUNDS WIRED		F/R WELLS FARGO	750,000.00
Total Deposits				\$1,005,000.00

Income and Distributions

Date	Activity	Quantity	Description	Total
12/24/2009	INTEREST		LEGENT INSURED DEPOSITS FDIC INSURED NOT COVERED BY SIPC DLD 122409 18.883 EFFECTIVE YIELD 0.050%	6.91
Total Income and Distribution				\$6.91

CASH EQUIVALENTS

Cash	Money Market	Margin
-54,812.92		
-54,812.92		
-54,812.92		
-54,812.92		
-54,812.92		
-65,229.06		
\$-986,123.36	\$0.00	\$0.00

Cash	Money Market	Margin
255,000.00		
750,000.00		
\$1,005,000.00	\$0.00	\$0.00

Cash	Money Market	Margin
6.91		
\$6.91	\$0.00	\$0.00

A. App.1781

A. App.1781

C4 WORLDWIDE, INC
ATTN: DR RAWSON &
JEFFREY K CAIN

Period Ending -
December 31, 2009
Account Number: GCGL

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ACTIVITY DETAILS (Continued)

Money Market Activity

Date	Activity	Description	Total
12/03/2009	PURCHASE	LEGENT INSURED DEPOSITS FDIC INSURED NOT COVERED BY SIPC DLD	
12/08/2009	SALE	LEGENT INSURED DEPOSITS FDIC INSURED NOT COVERED BY SIPC DLD	
12/10/2009	PURCHASE	LEGENT INSURED DEPOSITS FDIC INSURED NOT COVERED BY SIPC DLD	
12/11/2009	SALE	LEGENT INSURED DEPOSITS FDIC INSURED NOT COVERED BY SIPC DLD	
12/14/2009	SALE	LEGENT INSURED DEPOSITS FDIC INSURED NOT COVERED BY SIPC DLD	
12/22/2009	SALE	LEGENT INSURED DEPOSITS FDIC INSURED NOT COVERED BY SIPC DLD	
12/24/2009	INTEREST REINVEST	LEGENT INSURED DEPOSITS FDIC INSURED NOT COVERED BY SIPC DLD	
Total Money Market Activity			

CASH EQUIVALENTS

Cash	Money Market	Margin
-255,000.00	255,000.00	
84,617.26	-84,617.26	
-580,429.88	580,429.88	
118,517.72	-118,517.72	
548,189.20	-548,189.20	
65,229.06	-65,229.06	
-6.91	6.91	
\$-18,883.55	\$18,883.55	\$0.00

CLOSING BALANCE - Net Cash Equivalents

This Period
\$18,883.55

INSURED BANK DEPOSITS

Description	Month End Closing Balance
Plains Capital Bank	\$18,883.55
Zions First Natl Bank	\$0.00
Total Legent Insured Deposits	\$18,883.55

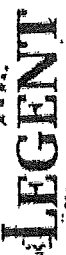
Each of the respective banks hold the Insured Bank Deposits, they are not held at Legent. Balances in the Legent Insured Deposit banks are not covered by SIPC. They are included on this statement solely as a service to our customers. All information is provided to Legent by the banks and each bank is responsible for the accuracy of this information. Balances are insured in each bank through FDIC coverage, subject to the combined total of all your deposits at a specific bank, including those outside this account. Please refer to the insured portion of the terms and conditions provided you for more detail concerning the insurance coverage. Should you wish a copy of the terms and conditions please contact your introducing firm or Legent. For any questions concerning your bank balances please call your introducing broker, on page one of this statement, or Legent direct at 1-402-384-6100.

Thank you for allowing your Investment Firm to serve you. If you have any questions regarding your account or this statement, please contact your Investment Firm. All contact information appears on page one of your statement Terms, and conditions are provided with your account statement on a periodic basis or may be obtained upon request

PLTFS 1437

Period Ending -
December 31, 2009
Account Number: GCGI

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Member FINRA & SIPC
FDIC Insured

Account Terms & Conditions

Anticipated Annualized Income and Yield

Anticipated Annualized Income is based upon the most recent dividend or interest payment. Current yield is calculated by dividing the anticipated annualized income by the current value of the underlying security. This represents an estimate of current yield and does not project future results.

Asset Allocation

A graphic representation of the approximate allocations of your assets among the various investment categories. Negative values may be reflected as zero.

Assets Not Held At Legent

Certain assets purchased through Legent or your investment firm may be held at a custodial institution other than Legent (see "SPC Protection" in the separate Terms & Conditions brochure). If you have a Premier (not basic) Account, information about these assets, when available, will be included on your statement identifiable by a logo. The custodial institution is responsible, however, for providing year-end tax reporting information (1099 or 1041) and separate statements, which may vary from the information included on your Legent statement because of different reporting methods. Your Legent statement may also reflect other assets not held at Legent, the value and nature of which are generally provided by you. Legent does not guarantee the accuracy of any outside outside information. Kindly contact your investment firm should you detect differences.

Change of Address

Please notify Legent or your investment firm promptly in writing of any change of address or contact information. Your failure to notify us and our inability to send you important notifications could result in trading and/or other restrictions on your account.

Checkwriting and Debit Card Transactions

PNC Financial Services (PNC) is the processor for Check Writing and VISA Debit Card transactions. In case of errors or questions about your VISA Debit Card transactions or electronic transfers, please telephone PNC at 1-800-222-7357 or write them direct at 8800 Truist Bank Building, 5th Floor, Philadelphia, PA 19113.

Cost Basis Information

Cost basis information, when available, is derived from transactions in the account or information supplied by you or other sources. Legent uses the First In First Out (FIFO) method of accounting. Legent does not guarantee the accuracy of cost basis or profit and loss information provided. You as your tax advisor should not use such information for tax reporting purposes without careful review. Please inform your investment firm if your cost basis is inaccurate. "N/A" in the Cost Column indicates that cost information could not be obtained.

Credit/Debit Interest

If you participate in Legent's Money Market Sweep program, free credit balances over a predetermined level sweep to the money market fund you have selected. Legent charges interest on debit balances in cash accounts, as allowed by our client agreement. The interest rate is equal to our margin rate and is charged only if payment is not received by the extension date (settlement date plus two business days). Interest charges shown on your statement in the section titled Other Activity. Free credit balances created by check deposits are subject to a one-day hold prior to earning interest. The rate is subject to change without notice based on changes in the broker call rate. If Legent's rates

change for any other reason, you will be notified in writing at least 30 days prior to such change.

Custody of Securities

Securities held by Legent for you, but which are not registered in your name fully paid for securities held by Legent for you, but which are not registered in your name may be commingled with identical securities being held for other clients of Legent. The Depository Trust and Clearing Company or similar depositories. Securities held for accounts of customers with outstanding obligations, or deposited to secure same, may from time to time and without notice to such customer, be commingled with securities of other customers and used by Legent for pledge or re-pledge, hypothecate or re-hypothecate, loans or delivery on contracts for other customers without Legent having in its possession and control for delivery, a like amount of similar securities.

Discrepancies and Inquiries

This statement of account will be deemed conclusive unless you advise your investment firm and Legent within 30 days after making or made available to you of any discrepancies found. Any oral communication should be confirmed in writing. Please provide your account number and address on all correspondence. Telephone numbers to Legent Clearing may be made at 1-402-384-6100.

Diligent Representation

The dollar amount of mutual fund distributions, interest, dividends and other income or deductions on other securities shown on your statement may have been requested and additional charges. You will not receive confirmations for these non-investment transactions. However, information pertaining to these transactions, which otherwise would appear on confirmations, will be furnished to you upon written request. In dividend reinvestment transactions, Legent may act as your agent and receive payment to order from the source and nature of such payment will be furnished to you upon written request.

Exception Information Disclosure

SEC Rule 605 generally requires market centers that have national market system securities to prepare and make available to the public monthly electronic reports that include uniform statistical measures of execution quality for covered orders. Rule 606 generally requires broker-dealers that have customer orders in covered securities to make publicly available quarterly reports that disclose venues to which they route non-directed orders. Legent provides these reports via a link from its home page.

www.legentclearing.com. Rule 606 also requires broker-dealers to disclose the nature of the venue to which they have with those venues, including payment for order flow arrangements. Legent will provide, upon receipt of written request from the customer, the venue to which its or her individual order was routed.

Free Credit Balances

Any free credit balance represents funds payable on demand, which although properly accounted for on our books of record, are not segregated and may be used in accordance with SEC Rule 15c1-3.

Margin Interest

Margin interest is calculated from the second to last business day of the prior month through the third to last business day of the current month. Interest is calculated on a 360-day basis using daily settled balances. The rates for margin loans are based on a fixed percentage above the base rate depending on the size of the loan and the rates charged by your broker. Rates are subject to change without notice based on changes in the base rate. Information regarding the base rate is available from your broker upon written request.

Legent Insured Deposits

The Federal Deposit Insurance Corporation (FDIC) insures deposits in the Legent Insured Deposits program for each program bank in which funds are deposited. By opening a Legent Insured Deposit account, your money will automatically be invested into an interest-bearing account insured by the FDIC, providing up to the Program's maximum deposit insurance limit. Each program bank is a separate FDIC insured depository. Publicly available information about the program bank may be obtained by calling Legent Clearing at 1-402-384-6100. Legent receives a fee from participating banks of up to 1/2

available information about the program bank may be obtained by calling Legent Clearing at 1-402-384-6100. Legent receives a fee from participating banks of up to 1/2 % monthly on the Legent Insured Deposits program. Legent Clearing under Deutsche Bank reserve the right to change the priority of program banks, subject to your elected exclusions. Further, Legent Clearing under Deutsche Bank reserve the right to include or delete program banks. The current list of program banks is available at www.legentclearing.com. Legent Insured Deposits are not covered by SIPC or FDIC Insurance. Legent offers its clients the ability to view their account information or a secured portion of its interest rate of change. You may register for this service by contacting your investment firm or from our website at www.legentclearing.com.

Open Orders to Be Executed

Outstanding open orders at the end of the statement period are shown in this section of your account statement. The terms of some orders may be adjusted due to corporate actions. If you want to cancel or change any open order, you must notify your investment firm.

Options Accounts

Options transactions are subject to the following: 1) Commissions and other charges related to the execution of option transactions will be included in confirmations of such transactions, separately furnished to you. Commission and fee schedules will be made available promptly upon request. 2) You should advise us promptly of any material changes in your investment objectives or financial situation. 3) Assignment notice for option contracts are allocated pursuant to an automated procedure that randomly selects contracts from among all customer short option positions subject to assignment, including positions established on the day of assignment.

Pricing of Securities

Generally, the market value of securities is an approximation obtained from independent sources, and is provided only as a general guideline for quotes and options, these approximations are based on the closing prices and other market data as of the last day of the statement period. Generally, listed exchange securities are priced monthly and limited partnerships are priced quarterly or annually. Legent does not guarantee the accuracy of such prices. These prices should not be considered to constitute firm bids or offers and are subject to fluctuations in market conditions. Legent does not use estimated values in pricing.

In those instances where prices are not available "N/A" (not available) appears in the price column, and the current value, unrealized gain/loss (if applicable), anticipated annualized income and current yield are not computed. Untraded securities are not included in the "Total Net Portfolio Value" section of your statement. To obtain a current valuation, please contact your investment firm.



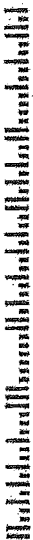

Fact Information

Although your statement may describe certain items as federally tax-exempt, this is for information purposes only. When reporting your taxes, please rely exclusively on the substitute form 1099 you will receive from us after year-end for your taxable account. For retirement accounts, form 1099R will report distributions from the account other than income and dividends or proceeds from sales. If you Social Security taxpayer ID number is not shown on your 1099 form or is not correct, please furnish your investment firm with your correct number promptly. You are required to supply your Social Security taxpayer ID number to effect transactions in your account.

If you suspect unauthorized activity or have a complaint about the program

Please contact Legent at 1-402-384-6100

12-21-2009 - Statement

P	\$5.32 US POSTAGE PRIORITY MAIL COMMERCIAL BASE PRICING	062S0008495173 FROM 89701
		 10/01/2015
PRIORITY MAIL 1-DAY™		
MATUSKA LAW OFFICES, LTD. 2310 SOUTH CARSON STREET, SUITE 6 CARSON CITY NV 89701		0005
<div style="border: 1px solid black; padding: 2px; display: inline-block;">C020</div>		
SHIP TO: Richard A. Oshinski, Oshinski & Forsberg, Ltd. 504 East Musser Street, Suite 302 Carson City NV 89701-4239 		
USPS TRACKING #  9405 5118 9956 3425 3304 79		




P	\$5.32 US POSTAGE PRIORITY MAIL COMMERCIAL BASE PRICING	062S0009495173 FROM 89701
		
10/01/2015		
PRIORITY MAIL 1-DAY™		
0005		
MATUSKA LAW OFFICES, LTD. 2310 SOUTH CARSON STREET, SUITE 6 CARSON CITY NV 89701		
SHIP TO: Michael J. McLaughlin, Esq Feldman McLaughlin Thiel, LLP 178 U.S. Highway 50, Suite B P.O. Box 1309 Zephyr Cove NV 89448-1309		
B013 		
USPS TRACKING # 		
9405 5118 9956 3425 3190 78		

EXHIBIT 2

A. App.1668

EXHIBIT 2

A. App.1668
Docket 69333 Document 2017-03850

1 Case No. 11-CV-0296

2 Dept. No. II

3

4

5

6 IN THE NINTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
7 IN AND FOR THE COUNTY OF DOUGLAS

8 -o0o-

9

10 PEGGY CAIN, an individual,
et al.,
11 Plaintiffs,

12 vs.
DR RAWSON, an individual,
et al.,
13 Defendants.

14

15

16 DEPOSITION OF

17 JOE BAKER

18 August 10, 2015

19 Carson City, Nevada

20

21

22

23

24 JOB NO. 258103

25 REPORTED BY: DEBORAH MIDDLETON GRECO, CCR #113, RDR, CRR

JOE BAKER - 08/10/2015

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1 Q Okay.

2 A I just can't remember.

3 Q How did you become involved with C4?

4 A Got a call from DR Rawson asking if I would want to be

5 involved with a company that was going to try to raise money to

6 do what he termed as humanitarian projects.

7 Q When was that?

8 A Probably in 2005, 2006. No. 2006, I guess. I don't

9 know.

10 Q Okay. Had you met DR Rawson before?

11 A I had.

12 Q Where did you meet him?

13 Let me ask when -- how you first met DR Rawson?

14 A Satellite company in Houston. I was down there for a
15 few days, and one day he showed up at the door, because one of
16 my guys had apparently talked with him for some reason, and he
17 was aware of my efforts on the auto dialer.

18 Q Okay. What time frame was it when DR showed up at the
19 satellite company in Houston?

20 A It was sometime in 1996.

21 Q Had you ever heard of DR Rawson before that?

22 A No.

23 Q Okay. And you said he showed up. What do you mean?

24 Was he just asking questions of the company, or did he

25 ask for you specifically?

1 Q For C4?

2 A Yes.

3 Q And how did you respond to that?

4 A I directed him toward Richard Price.

5 Q I take it you knew Richard Price then?

6 A Yes.

7 Q Well, had you learned anything more about DR Rawson's
8 background by 2006?

9 A No.

10 Q Well, it sounds like he is not a CPA or doesn't have a
11 background in accounting; is that fair?

12 MR. JOHNSON: Objection. That presumes Mr. Baker has
13 knowledge of Mr. Rawson's entire work experience.

14 BY MR. MATUSKA:

15 Q It doesn't assume that.

16 I mean, if he was asking someone else to do the
17 accounting, that suggests he doesn't have accounting background,
18 doesn't it?

19 A I don't agree with that. I don't know. Say it's more
20 like he didn't have time.

21 Q Okay. Did he tell you what projects he was busy with?

22 A At that time?

23 Q Yes.

24 A I don't remember.

25 Q So far we have the initial came by the satellite

JOE BAKER - 08/10/2015

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1 A Sometime in 2006.

2 Q Okay. What did you tell him then?

3 A I told him I would.

4 Q Okay. Well, how did it develop that you became a
5 board member, and even the president?

6 A Two different questions. He decided in 2006 to set up
7 a board. There hadn't previously been one.

8 Q Is this even -- is this after the time that he asked
9 you to be an advisor?

10 A Yes.

11 Q Okay. All right. And what did he, what did you
12 discuss with him about the board for C4?

13 A I don't recall.

14 Q Well, were you one of the initial board members?

15 A Yes.

16 Q And who were the others?

17 A I guess it was myself, of course, he was, and Richard
18 Price, and I don't recall if Mickey Shackelford was one of the
19 initial ones or not.

20 Q Okay. Was there ever a board meeting?

21 A Yeah, it's required once a year.

22 Q All right. So did you have an initial meeting in
23 2006?

24 A Don't recall.

25 Q Have you actually attended a board of directors

JOE BAKER - 08/10/2015

Page 28

1 meeting for C4 Worldwide?

2 A Yes.

3 Q When?

4 A I'd have to go -- I don't remember. They were
5 telephonic.

6 Q Were there annual meetings for C4 Worldwide?

7 A There were.

8 Q Did anyone keep minutes?

9 A I believe so.

10 Q Okay. Do you know who kept the minutes?

11 A Richard was the secretary.

12 Q Did he keep minutes?

13 A I believe he did.

14 Q Do you understand that it's customary, maybe required,
15 I don't know, for at one meeting to review and approve the
16 minutes from the previous meeting?

17 Are you aware of that practice?

18 A Yes.

19 Q Okay. Did that happen at C4?

20 A Yes.

21 Q Okay. So that would indicate there were actually
22 minutes of meetings for C4, right?

23 A Yes.

24 Q All right. I just want to be clear.

25 So one of the things that you would do at these

JOE BAKER - 08/10/2015

Page 32

1 MR. JOHNSON: I wish I had thought of it first.

2 BY MR. MATUSKA:

3 Q What was being projected?

4 A What was being projected was the amounts of revenues
5 that it would take to cover certain projects.

6 Q Okay. Well, those sound like project costs, but those
7 weren't projections of revenue, then, were they?

8 A Well, you have to have the revenue to cover the cost.

9 Q I understand that. And C4 never had revenue, right?

10 A I told you, they were what-ifs.

11 Q What scenarios was C4 looking at to generate revenue?

12 A Well --

13 MR. FORSBERG: Again, I'm going to object about who is
14 meant by C4?

15 So I think it's a vague question.

16 MR. JOHNSON: Same objection.

17 THE WITNESS: There was an effort back in, I think it
18 started in 2009, to acquire some REOs.

19 BY MR. MATUSKA:

20 Q And was that expected to generate the revenue or hope
21 to generate the revenue?

22 A Yes.

23 Q Okay. I just want to be clear:

24 C4 never had any revenue that you are aware of; is
25 that correct?

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1 A I do not recall now.

2 Q Okay. Was that before or after the joint venture
3 agreement?

4 A Long before.

5 Q Okay.

6 MR. FORSBERG: Can I ask for a clarification?

7 Long before what? I didn't get the question.

8 BY MR. MATUSKA:

9 Q Long before the joint venture agreement for the CMO
10 investment.

11 What was Mickey Shackelford's role with C4?

12 Let's turn the phones off, guys, please.

13 A I would classify it as a tax advisor.

14 Q Do you know if taxes were ever filed?

15 Or excuse me. General tax returns were ever filed for
16 C4?

17 A No, I do not.

18 Q Pardon?

19 A I don't.

20 Q Okay. Was Mickey Shackelford also a member of the
21 board?

22 A Yes.

23 Q Do you know if he had a share interest?

24 A Do not.

25 Q Do you know if DR had any experience in oil drilling

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1 sure if his wife was an authorized signature or not.

2 And Richard was an authorized signature, and I was
3 added onto the accounts to back up Richard as he is a heart
4 patient, and there became some concern as to being able to have
5 backup for him.

6 BY MR. MATUSKA:

7 Q Did C4 have a website?

8 A Yes.

9 Q When did you first see C4's website?

10 A Oh, man. I don't recall that.

11 Q Did you actually look at it at some point?

12 A Actually looked at it at some point when I got a phone
13 call from a guy that I had known for a long time.

14 Q Who is that?

15 A His name was Guy Fielder.

16 Q And what happened with Guy Fielder that made you look
17 at the website?

18 A He had apparently, for some reason, gone out there and
19 looked at it, and he called me, and he says, there has got to be
20 something wrong here. I said, what is that?

21 And he says, this thing says that you were a founder
22 at Compaq.

23 And I said, that's not true.

24 Q Was Guy Fielder a connection from Compaq?

25 A Actually all the way back to TI.

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1 Q Okay. What time frame was that when Guy Fielder had
2 called you to tell you that information about Compaq was wrong
3 on the website?

4 A Geez, I don't recall.

5 Q Before this joint venture agreement with the Cains?

6 A Oh, yeah. Yeah.

7 Q Did you provide DR Rawson with any biographical
8 information for yourself to put on the website?

9 A Not in writing, no.

10 Q But you provided him with some information about your
11 background?

12 A Well, he would ask me questions.

13 Q Okay. Well, was the rest of the information on C4's
14 website correct?

15 MR. JOHNSON: Objection. Vague as to time. What
16 iteration of the website?

17 THE WITNESS: I don't know what you mean by that.

18 BY MR. MATUSKA:

19 Q What information was on C4's website?

20 MR. JOHNSON: Same objection.

21 THE WITNESS: I don't know. I can't answer the
22 question if it was correct or not. I don't know.

23 BY MR. MATUSKA:

24 Q I'm just asking for what information was on the
25 website?

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1 MR. JOHNSON: Asked and answered.

2 BY MR. MATUSKA:

3 Q What types of things were on the website?

4 A I don't recall.

5 MR. JOHNSON: Same objection.

6 BY MR. MATUSKA:

7 Q Just the biographical information, or was there more
8 information than that?

9 A I think there was more than that.

10 Q Okay. Do you recall what the other information was?

11 A I do not.

12 MR. JOHNSON: Hang on a second.

13 So you are unclear as to what website, the website as
14 of what date, what page on the website, so in that sense, it's
15 vague.

16 Potentially compound.

17 Go ahead.

18 BY MR. MATUSKA:

19 Q If he wants to tell me about different websites he
20 looked at, or different, a change of website, he can.

21 But right now he hasn't testified about any of that.

22 How many times have you looked at the website?

23 MR. JOHNSON: Objection. Calls for the disclosure of
24 attorney-client privilege and work product information inasmuch
25 as there may have been examination post litigation.

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1 Go ahead.

2 THE WITNESS: Not more than a couple.

3 BY MR. MATUSKA:

4 Q Okay. First time you looked at it was when Guy
5 Fielder called you to say the information about your background
6 with Compaq Computers is wrong; is that correct?

7 A That's correct.

8 Q Okay. And then did you ever look at it again?

9 A I did.

10 Q When?

11 A I don't recall when.

12 Q Okay. Could you, had DR corrected the -- well, who
13 was in charge of the website?

14 A He was.

15 Q Okay. And the next time you looked at it, had he
16 corrected the information about your background with Compaq
17 Computers?

18 A He corrected that part, but he screwed it up again.

19 Q What did he screw up?

20 A He put down that I was the original COO of Compaq.

21 Q So did he have to make another correction, then?

22 A Asked him to, yes.

23 Q Do you know if he did that?

24 A I believe he did.

25 Q Did you actually look at the website again to make

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1 sure that he had made the corrections?

2 A Yes.

3 Q Okay. Other than the correction about your relation
4 with Compaq Computers, had the website changed during those
5 different times you looked at it?

6 A I can't recall. I focused in on one thing.

7 Q And that was just your bio information, right?

8 A Yes.

9 Q Okay. Do you know when the Leverage Up memo went on
10 the website?

11 MR. JOHNSON: Objection. Vague. Assumes facts not in
12 evidence. Lacks foundation.

13 THE WITNESS: I do not.

14 BY MR. MATUSKA:

15 Q Do you know what the Leverage Up program was about?

16 A Vaguely.

17 Q What -- what's your understanding?

18 A My understanding was that there was some banking
19 programs. Some of the larger banks.

20 MR. FORSBERG: Well, I'm going to object because it
21 sounds like hearsay to me, but I don't know, because of the way
22 the question was asked, whether it is or not.

23 BY MR. MATUSKA:

24 Q Go on.

25 A Where was I?

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1 Q You were describing your understanding of what the
2 Leverage Up program was about.

3 And all you said so far was there was banking programs
4 with larger banks.

5 A That was, in essence, soliciting of, let's say, large
6 funds for a duration of time and offering large returns.

7 Q Who did you get that explanation from?

8 A Mr. Rawson.

9 Q Who were these large banks soliciting large funds
10 from?

11 A Investors.

12 Q What type of investments were they? Or what type of
13 funds were they soliciting?

14 A I don't understand the question.

15 Q Well, your explanation was that banking programs with
16 larger banks that was, in essence, soliciting large funds for a
17 duration of time and offering large returns.

18 And I'm just trying to understand what large funds
19 were being solicited by the large banks?

20 A Cash.

21 Q Are you guessing, or do you know that?

22 A I don't know that. But that's -- I can't understand
23 the -- I don't understand your question.

24 Q I'm just asking for clarification of your answer,
25 Mr. Baker.

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1 A Well, I mean, I don't know what else there would be
2 besides cash.

3 Q Okay. And this is the information you got from
4 DR Rawson?

5 A Yes.

6 Q Did he explain in any greater detail?

7 A Not that I recall.

8 Q And who at -- who at C4 had experience in the Leverage
9 Up program like you just described?

10 A I do not know.

11 Q You don't personally have experience in that kind of
12 thing?

13 A No. I'm an operations guy, man. I'm serious. I
14 don't --

15 Q And you have explained to me that DR's background, as
16 far as you know, is in sales; is that correct?

17 A As far as I know, yes.

18 Q Okay. Well, was he -- did he have any expertise in
19 the Leverage Up program?

20 A I do not know.

21 Q Can you explain to me how it came about, then, that C4
22 was promoting a program that the directors did not have any kind
23 of expertise in?

24 MR. JOHNSON: Objection. Argumentative. Assumes
25 facts not in evidence. It is vague.

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1 Go ahead.

2 THE WITNESS: No.

3 BY MR. MATUSKA:

4 Q Pardon?

5 A No.

6 Q When did you learn that C4 had taken on an investor?

7 A Are you --

8 MR. FORSBERG: Objection.

9 MR. JOHNSON: Objection. It's vague. Assumes facts
10 not in evidence.

11 Go ahead.

12 THE WITNESS: An investor?

13 BY MR. MATUSKA:

14 Q Right.

15 A As in?

16 Q I'm referring to the joint venture agreement here
17 that's at issue in this case.

18 A About 10 to 10:30 in the morning of November the 29th.

19 Q When I asked you, you know, when you learned it had
20 taken on investors, is there any other type of investor that --

21 A No. I was wondering where you were coming from.

22 Q Okay.

23 A I thought, what is he talking about.

24 Q Okay. Is there any other investors out there that I
25 need to be aware of that were involved with C4?

1 A No.

2 Q Okay.

3 A I didn't understand why you just didn't say the joint
4 venture agreement.

5 Q Do you know what a joint venture agreement is?

6 A Generally.

7 Q I mean, do you understand it's a form of a partnership
8 agreement?

9 MR. JOHNSON: Objection. That calls for a legal
10 conclusion. And it's vague.

11 And it lacks sufficient detail to identify or
12 characterize the agreement.

13 BY MR. MATUSKA:

14 Q And more specifically, joint venture agreements are
15 usually a partnership agreement for one specific purpose.

16 Would you agree with that?

17 MR. JOHNSON: Same objection.

18 THE WITNESS: Not that schooled. I don't know.

19 BY MR. MATUSKA:

20 Q Okay. Do you understand, though, the partners owe
21 fiduciary duties to each other?

22 MR. JOHNSON: Objection. That calls for a legal
23 conclusion.

24 It, essentially, is an incomplete hypothetical. It's
25 vague. And that's it.

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1 on the record. Please just appreciate that.

2 You never personally engaged in any conversations with
3 Jeff Cain or his advisors about how this investment program was
4 supposed to work?

5 A No. I didn't even, I didn't even know what a CMO was.

6 Q Okay. Did DR Rawson describe what the intended use of
7 the CMOs was? Excuse me.

8 The intended use of the million dollar loan, did he
9 describe what the intended use of the loan was?

10 A It was to buy CMOs.

11 Q And when did you actually see the joint venture
12 agreement?

13 A Sometime later that day.

14 Q And you understand that the joint venture agreement
15 specifies that the funds, that the loan is to be used to buy
16 CMOs, right?

17 A I believe it said a billion dollars' worth, didn't it?

18 Q A face value of a billion dollars.

19 But you understand that the joint venture agreement
20 specifies that the loan money is to be used to buy CMOs, right?

21 MR. JOHNSON: Objection. The document speaks for
22 itself. It's out of context, and vague in that sense.

23 But go ahead.

24 THE WITNESS: Yes.

25 ///

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1 BY MR. MATUSKA:

2 Q And would it be a misuse of those funds for the C4
3 board of directors to use those funds for purposes other than
4 purchasing the CMOs?

5 MR. JOHNSON: Objection. It's vague. Calls for a
6 legal conclusion. Calls for a conclusion to be made by the
7 ultimate finder of fact. It's incomplete. The document speaks
8 for itself.

9 Go ahead.

10 BY MR. MATUSKA:

11 Q Do you recall the question?

12 A No.

13 MR. MATUSKA: Can you read the question back, please?

14 Read back the prior answer and question, also.

15 Record read by the reporter as follows:

16 "QUESTION: But you understand that the joint venture
17 agreement specifies that the loan money is to be used to buy
18 CMOs, right?

19 "THE WITNESS: Yes.

20 "QUESTION: And would it be a misuse of those funds
21 for the C4 board of directors to use those funds for purposes
22 other than purchasing the CMOs."

23 BY MR. MATUSKA:

24 Q That's the question that's pending, please.

25 MR. JOHNSON: Same objection.

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1 THE WITNESS: I'm not sure.

2 BY MR. MATUSKA:

3 Q What are you unsure of?

4 A Well, I mean, as far as I know, the money was used to
5 buy a billion dollars' worth of CMOs.

6 Q Do you know if those, if the loan proceeds were used
7 for any purpose other than purchasing the CMOs?

8 A I think that, that Mr. Rawson was able to buy a
9 billion dollars' worth of CMOs for something less than a million
10 dollars.

11 Q Do you know how much less?

12 A I do not recall.

13 Q Well, where did Mr. Rawson get the money to pay
14 himself over \$300,000?

15 A My understanding is that --

16 MR. FORSBERG: I'm going to object as lacking
17 foundation. Sounds like it might be hearsay.

18 I just think it's a question that needs to be
19 rephrased.

20 MR. JOHNSON: I'm going to object, too. Join in those
21 objections.

22 Further, it's vague inasmuch as I'm not sure what
23 \$300,000 is being referred to.

24 Go ahead.

25 THE WITNESS: It's my understanding that the joint

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1 venture agreement said that C4 would own 51 percent of the CMOs.

2 And it's also my understanding that Mr. Rawson had
3 made a deal to sell all but two percent of that 51 percent to
4 another company.

5 BY MR. MATUSKA:

6 Q When did you learn about that second deal?

7 A Vaguely probably, I want to say, second or third week
8 in December.

9 Q What was the -- do you know if this loan from Heli Ops
10 was secured?

11 A I do not.

12 Q Okay. Do you know if the loan from the second
13 investor was secured?

14 A I do not.

15 Q Did C4 have anything that it could offer as security
16 for those loans?

17 A Not that I'm aware of, but I wasn't involved in the, I
18 don't know what went on in the transactions.

19 MR. MATUSKA: Get that marked next in order, please.

20 (Exhibit 12 marked for identification)

21 BY MR. MATUSKA:

22 Q Mr. Baker, I'm handing you what's just been marked as
23 Exhibit Number 12, a document in the Wells Fargo Expanded
24 Services Package statement for account number ending 2177,
25 December 2009 statement.

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1 You don't have to read it all now. If for some reason
2 you think there is an error with it, you can send us a better
3 copy later, okay?

4 A It's not a fully executed copy. I have never, you
5 know --

6 Q This one is. The fax is. See?

7 A All right.

8 Q The fax is a little hard to read, so I gave you a
9 cleaner copy at the end.

10 A Okay.

11 Q If you think there is any defects with that version of
12 the agreement, you can provide us with what you think is a full
13 agreement later, okay?

14 A Okay.

15 Q But did you have a chance at least to flip through
16 this?

17 A Yes.

18 Q So as far as you can tell today, that's a copy that
19 Rawson send you on November 29th?

20 A It appears to be.

21 Q Now have you look at Exhibit B. You have it open
22 right there. Flip that over, Exhibit B.

23 Do you see Exhibit B to the agreement?

24 A Yes, yes, yes.

25 Q What's Exhibit B?

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1 A It says, certificate of corporate resolution.

2 Q Okay. And do you have any reason to doubt that that
3 was Exhibit B to the agreement that DR Rawson sent you on
4 November 29th?

5 A No, I do not.

6 Q Okay. Can you read that for us, please? Just going
7 to ask you to read the first two paragraphs into the record.

8 A Richard Price, secretary of C4 Worldwide, Inc., do
9 hereby certify at a duly constituted meeting of the directors of
10 the corporation held by telephonic and electronic communication
11 on 11/29, and it was upon a motion duly made and seconded, that
12 the board of directors of C4 Worldwide, Inc., unanimously
13 adopted the following resolution:

14 Resolved that CEO, Mr. DR Rawson shall be authorized
15 to secure a loan amount of one million dollars U.S. from
16 Heli Ops, LLC.

17 The documentation of which shall be a joint venture
18 agreement, and the purpose of which is to purchase CMOs that can
19 be internationally leveraged to provide a return stated in the
20 joint venture agreement dated November 29th, 2009, between the
21 two parties.

22 Q That's fine. And thank you for reading that for us.
23 You understand that that resolution is representing
24 that this joint venture agreement was unanimously approved by
25 the board of directors?

1 A I understand what it says.

2 Q Is that false?

3 A Yes.

4 Q Okay. Why didn't you inform the Cains or their
5 advisors that this resolution was false, and that the joint
6 venture agreement had not been adopted by the board of
7 directors?

8 A I was not dealing with the Cains.

9 Q Well, C4 was, right?

10 A Yes.

11 Q And you were a director of C4 at this time, correct?

12 A Mr. Rawson was dealing with the Cains.

13 Q I understand that. I'm asking a little different
14 question, though.

15 Why didn't you think that you had any duty to set the
16 record straight before this went further?

17 MR. JOHNSON: Objection. It calls for a legal
18 conclusion, a legal opinion, and presents a vague and incomplete
19 hypothetical.

20 Go ahead.

21 THE WITNESS: I had never had, never had any
22 communication with the Cains, and, you know, I felt no
23 obligation to call them about that.

24 BY MR. MATUSKA:

25 Q Okay. You explained to me that the joint venture

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1 agreement was executed on November 29th, 2009, correct?

2 A Yeah, I believe that's correct.

3 Q And that's the date that Rawson called you about the
4 joint venture agreement, correct?

5 A Correct.

6 Q And the date that he also sent you a copy of the joint
7 venture agreement, correct?

8 A Yes.

9 Q Okay. Do you recall what we reviewed in the exhibits
10 about when the loan actually funded?

11 A The next day.

12 Q The next day.

13 So there was time to tell the Cains that this was not
14 approved, right?

15 MR. JOHNSON: Objection.

16 BY MR. MATUSKA:

17 Q Isn't that right?

18 MR. JOHNSON: Hold on.

19 MR. MATUSKA: Can we turn the phone off, please?

20 MR. JOHNSON: Objection. It's vague. Assumes facts
21 not in evidence. Lacks foundation.

22 Go ahead.

23 BY MR. MATUSKA:

24 Q So there was time to tell the Cains that this was not
25 approved by the board of directors, right?

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1 MR. JOHNSON: Same objection.

2 THE WITNESS: You know, I can't say that, and the
3 reason I can't say that is because I'm not sure that I, that it
4 was not later in the night before I read the thing.

5 BY MR. MATUSKA:

6 Q At any rate, Mr. Baker, where the record stands now is
7 that you knew that this joint venture agreement was not approved
8 by the board of directors, and you did nothing about it.

9 That's correct, right?

10 MR. JOHNSON: Objection. That misstates his
11 testimony.

12 THE WITNESS: What would you have me do?

13 BY MR. MATUSKA:

14 Q How many members were on the board of directors at the
15 time?

16 A I guess four.

17 Q And each member gets one vote?

18 A Yes.

19 Q Okay.

20 A Keep going.

21 Q It's pretty obvious to me --

22 A It's not obvious to you.

23 Q -- that I don't need to go further.

24 MR. JOHNSON: Wait for a question.

25 ///

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1 A Usually about status of funding.

2 Q Was the joint venture agreement or the CMOs ever

3 discussed in those updates?

4 A CMOs were, yeah.

5 Q Okay. How many times were the CMOs discussed in these

6 updates?

7 A Oh, geez, I can't remember that.

8 Q Many times?

9 A I can't tell you. I can't remember.

10 Q More than five?

11 A Oh, yeah.

12 Q More than ten?

13 A Over the course of a year, yeah, I assume. Yeah.

14 Q Talking about that time period after the loan was

15 made?

16 A Yes.

17 Q Okay. How many calls -- I mean, was -- how frequently

18 would you get updates on it?

19 A Well, I mean, there was always the email updates that

20 everybody was getting, including the Cains.

21 Q Okay.

22 A And then, you know, I would say anywhere from once a

23 week to once a month.

24 Q Well, okay. I believe you already answered the

25 question, though, but even during this time period when you were

JOE BAKER - 08/10/2015

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1 getting email updates, did you ever inform the Cains that you

2 weren't part of the deal?

3 And that you didn't want to be part of the deal?

4 A No.

5 Q Why not?

6 A I don't think that's my responsibility.

7 Q Okay. And that's based on your prior testimony that
8 since DR set this up, you think -- you are satisfied just to let
9 him follow through for better or worse?

10 A There was nothing that any of us could have done.

11 Q Did you ever try to do anything?

12 A No.

13 MR. MATUSKA: Okay. No further questions. Thank you.

14 (Proceedings concluded at 11:37 a.m.)

15

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EXHIBIT 2A

A. App.1696

EXHIBIT 2A

A. App.1696

Wells Fargo Simple Business Checking

Account number: [REDACTED] 2177 ■ November 1, 2009 - November 30, 2009 ■ Page 1 of 3

WELLS
FARGO

C4 WORLDWIDE, INC
7582 LAS VEGAS BLVD S STE 515
LAS VEGAS NV 89123-1009

Questions?

Available by phone 24 hours a day, 7 days a week:

1-800-CALL-WELLS (1-800-225-5935)

TTY: 1-800-877-4833

En español: 1-877-337-7454

Online: wellsfargo.com/biz

Write: Wells Fargo Bank, N.A. (808)
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Dallas, TX 75326

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Activity summary

Beginning balance on 11/1	\$40.00
Deposits/Credits	1,000,020.00
Withdrawals/Debits	- 10.00
Ending balance on 11/30	\$1,000,050.00
Average ledger balance this period	\$33,393.00

Overdraft Protection

This account is not currently covered by Overdraft Protection. If you would like more information regarding Overdraft Protection and eligibility requirements please call the number listed at the top of your statement or visit your Wells Fargo branch.

Account options

A check mark in the box indicates you have these convenient services with your account. Go to wellsfargo.com/biz or call the number above if you have questions or if you would like to add new services.

Business Online Banking ☒
Rewards for Business Check Card ☐
Online Statements ☐
Business Bill Pay ☒
Business Spending Report ☒
Overdraft Protection ☐

Account number: [REDACTED] 2177

C4 WORLDWIDE, INC

Texas/Arkansas account terms and conditions apply

For Direct Deposit and Automatic Payments use

Routing Number (RTN): 111900859

For Wire Transfers use

Routing Number (RTN): 121000248

Account number: [REDACTED] 2177 ■ November 1, 2009 - November 30, 2009 ■ Page 2 of 3

WELLS
FARGO**Transaction history**

Date	Check Number	Description	Deposits/ Credits	Withdrawals/ Debits	Ending daily balance
11/30		Monthly Service Fee Reversal	20.00		
11/30		WT Seq#82957 Skydance Helicopters of /Org= Srf# Fw06448334850378 Trn#091130082957 Rfb#	1,000,000.00		
11/30		Wire Trans Svc Charge - Sequence: 091130082957 Srf# Fw06448334850378 Trn#091130082957 Rfb#		10.00	1,000,050.00
Ending balance on 11/30					1,000,050.00
Totals			\$1,000,020.00	\$10.00	

The Ending Daily Balance does not reflect any pending withdrawals or holds on deposited funds that may have been outstanding on your account when your transactions posted. If you had insufficient available funds when a transaction posted, fees may have been assessed.

EXHIBIT 3

A. App.1700

EXHIBIT 3

A. App.1700

IN THE NINTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
IN AND FOR THE COUNTY OF DOUGLAS

-o0o-

PEGGY CAIN, an individual; JEFFREY CAIN,
an individual; and HELI OPS INTERNATIONAL, LLC,
an Oregon limited liability company,

Plaintiffs,

Case No. 11-CV-0296

vs.

Dept. No. II

DR RAWSON, an individual; C4 WORLDWIDE, INC.,
a Nevada corporation; RICHARD PRICE, an individual;
JOE BAKER, an individual; MICKEY SHACKELFORD, an
individual; MICHAEL K. KAVANAGH, an individual;
JEFFREY EDWARDS, an individual, et al.,

Defendants.

DEPOSITION OF

MICKEY SHACKELFORD

Tuesday, August 11, 2015

Carson City, Nevada

Reported by: Lesley A. Clarkson, CCR #182

Job No. 258106-A

Shackelford - 8/11/2015

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1 Q How long have you known Richard Price?
2 A 1965.
3 Q How did you get to know him in 1965?
4 A He started at Texaco when I started.
5 Q I'm sorry, what year did you give me when you two
6 started at Texaco?
7 A 1965.
8 Q What was his job at Texaco at that time?
9 A He was an accountant in one of the accounting gas
10 groups.
11 Q And how did, how did it progress that you became
12 involved with C4?
13 A He had, he called me and asked if I would be interested
14 in talking to them about a position or a directorship at C4.
15 Q Do you recall when Richard Price called you?
16 A It was in 2007. January 2007.
17 Q And you said he asked you if you were interested in
18 talking to them. Who was --
19 A DR. He said would you talk to DR Rawson.
20 Q Did he tell you who DR Rawson was?
21 A Did I know who he was?
22 Q What did Richard Price say about DR Rawson?
23 A Oh. That he was the chairman/CEO of C4.
24 Q Was C4 incorporated at that time?
25 A Yes.

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1 believe.

2 Q Okay. Do you know when it was incorporated?

3 A No. I don't know.

4 Q Was it after --

5 A I don't recall.

6 Q Was it after you became involved with C4?

7 A No. It was before.

8 Q Do you know if C4 had made a subchapter S election?

9 A They had before I came.

10 Q Okay. Do you know if C4 ever qualified as a 501(c)(3)
11 corporation?

12 A Yes. I know that, actually I was involved in that
13 process that they were trying to, they were wanting to set up a
14 501(c)(3) to be used in regard to their goal of humanitarian
15 projects. And I worked with DR Rawson in that regard, because
16 there's one area there that they needed, I needed his knowledge,
17 which is projection of revenues and expenses for this entity, for
18 the 501(c)(3). They were required to do a five-year projection.

19 Q When did you make the application for the 501(c)(3)
20 status?

21 MR. FORSBERG: Objection. I don't think he testified
22 that they made an application.

23 THE WITNESS: I don't know if they made the application
24 or not. I just, I started filling out the form that you fill,
25 which is like a 26-page application. We had already set up

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1 something in Nevada as a nonprofit type entity. And then the
2 federal was that one form. And I can't recall, I can't recall
3 the year.

4 MR. FORSBERG: Let's just, I don't remember what the
5 question was, but just answer the question more directly if you
6 would, please. Because I can't even remember what the question
7 was at this point.

8 BY MR. MATUSKA:

9 Q Did C4 ever achieve its 501(c)(3) status?

10 A I don't know.

11 Q You started the paperwork, and you don't know if it
12 ever was submitted or approved?

13 A That is correct.

14 Q Then you started to talk about incorporation in Nevada.
15 Is C4 Nevada a Nevada nonprofit corporation?

16 A C4 is not a nonprofit corporation. They had an entity
17 set up, I don't know, I cannot remember the name of that entity,
18 for the purpose of being a 501(c)(3).

19 Q And that entity was set up in Nevada?

20 A Yes.

21 Q So does that mean there are two C4 corporations in
22 Nevada?

23 A Should be. Should be.

24 Q Okay.

25 MR. FORSBERG: Can we take a break, please? I just

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1 Q What was your understanding about whether you were
2 supposed to receive compensation for your role in C4?

3 A I think -- actually, I don't really recall any
4 conversation on compensation.

5 Q What was your expectation? Was this gratuitous? Was
6 this charitable activity on your part?

7 A No, it was not.

8 Q Did you ever have a conversation with anybody involved
9 with C4 about compensation?

10 A No.

11 Q Did C4 ever have revenues?

12 A I don't recall whether they actually had revenues.

13 Q Did you ever meet DR Rawson personally?

14 A Yes.

15 Q When?

16 A In 2008.

17 Q Where was that meeting?

18 A Chicago.

19 Q Who was present for that?

20 A Just he and I.

21 Q What were the circumstances that led you to meet up
22 with DR Rawson in Chicago in 2008?

23 A We went to India.

24 Q Travel?

25 A Yes.

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- 1 Q Okay. Did you take your wives?
- 2 A No.
- 3 Q What was the purpose of the trip to India?
- 4 A We were to meet with some individuals there and discuss
5 the same type of arrangements.
- 6 Q So you said you met him in Chicago. But did you
7 actually travel with him to India?
- 8 A Yes.
- 9 Q How much time did you spend in India with DR Rawson?
- 10 A Two weeks.
- 11 Q What projects did you look at in India?
- 12 A There were just individuals that, one was trying to
13 start like a flight school over there. Others were just general
14 business. I can't recall all the facts.
- 15 Q Have you met face to face with DR Rawson at any other
16 times?
- 17 A I had only seen him once. It was once personally.
18 Well, let me retract that. We had annual meetings that we would
19 go to that it would be the five or six of us, or four.
- 20 Q Were those annual meetings, did you meet in person, or
21 were those conducted over the phone?
- 22 A We met personally, yeah, in person.
- 23 Q So was there an annual meeting in 2007?
- 24 A I don't recall. I would say yeah.
- 25 Q Let's try this. Did you meet at the same place for

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1 these annual meetings?

2 A Seemed to be in Austin.

3 Q Okay. How many annual meetings do you think took place
4 in Austin?

5 A Two or three.

6 Q And who attended the annual meetings?

7 A DR, Richard, Joe, of course myself.

8 Q Anyone else?

9 A I think Jeff Edwards was, and maybe, and it could have
10 been Mike Kavanagh.

11 MR. FORSBERG: Don't speculate. Okay? I mean if you
12 don't remember, just say you don't remember.

13 THE WITNESS: Okay. I don't remember.

14 BY MR. MATUSKA:

15 Q What was Jeff Edwards' role with C4?

16 A Just working on different projects.

17 Q What about Mike Kavanagh, what was his role?

18 A Same thing. Working on different projects.

19 Q Did C4 appoint or nominate a secretary for the annual
20 meetings to record meeting minutes?

21 A Yes.

22 Q Who recorded the meeting minutes?

23 A Richard Price.

24 Q Have you ever seen the meeting minutes?

25 A Yes.

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1 Q Maybe there's even a separate form to identify the
2 person doing the filing. Is that correct?

3 A Yes.

4 Q Who actually did the filing for C4?

5 A Richard Price.

6 Q Did C4 ever pay any salaries?

7 A There were no W-2s that were sent out.

8 Q Did C4 have bank accounts?

9 A Yes.

10 Q Who were the authorized signers on the bank accounts?

11 MR. JOHNSON: Objection. Vague. Doesn't identify
12 which bank accounts.

13 THE WITNESS: I don't know for sure.

14 BY MR. MATUSKA:

15 Q Did C4 have a website?

16 A Yes.

17 Q Did you ever see the website?

18 A Yes.

19 Q When did you first see the website?

20 A 2008 or so. 2009.

21 Q Was the Leverage-Up memo on the website then?

22 A The what?

23 Q The Leverage-Up memo? Does that sound familiar to you?

24 A No, it does not.

25 Q Do you know what the Leverage-Up program was that C4

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1 Q Were the, before this joint venture agreement with the
2 Cains, was the -- do you know what CMOs are?

3 A Yes.

4 Q What are they?

5 A Collateralized mortgage obligations. Basically almost
6 like foreclosed mortgages. But mortgages that are --

7 Q And was the topic of CMOs discussed at all at the C4
8 board level before the joint venture agreement with the Cains?

9 A Yes.

10 Q What do you recall being discussed about the CMOs?

11 MR. FORSBERG: Objection. With whom? Vague. It's a
12 vague question.

13 BY MR. MATUSKA:

14 Q Still with the C4 board. What was discussed about the
15 CMOs?

16 A That they, that it was a good program to be involved
17 in.

18 Q Who first brought that topic up to the board?

19 A DR.

20 Q Do you recall what he said about how CMO investments
21 would work?

22 A No, I don't.

23 Q Do you know if DR Rawson had any background in CMO
24 investments?

25 A No, I don't.

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1 him if he knows when the JVA agreement was executed or what he
2 knows about it, so, and it lacks foundation.

3 BY MR. MATUSKA:

4 Q Do you remember the question?

5 A Yes.

6 Q Okay. Do you need the question again?

7 A Yes.

8 Q Before the joint venture agreement with the Cains, how
9 many times was the topic of CMOs discussed at the C4 board level?

10 A I do not know that answer.

11 Q More than once?

12 A Yes.

13 Q Where was C4 going to get the funds to invest in the
14 CMOs? Was that issue discussed at the board level?

15 MR. FORSBERG: I'm going to object to again, it's
16 vague, "at the board level." Are you talking about at a formal
17 board meeting, or just among the board of directors or
18 informally?

19 MR. MATUSKA: At all.

20 MR. JOHNSON: Also vague as to time.

21 BY MR. MATUSKA:

22 Q Was there any discussion among the C4 board of
23 directors about where C4 would get the money for a CMO investment
24 program?

25 MR. JOHNSON: Same objection.

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1 A Yes.

2 Q Did you ever speak to any of his so-called connections?

3 A I don't recall if I did.

4 Q What information did DR, did he ever provide you with
5 any written information about the CMO program?

6 A Don't recall.

7 Q When did you learn that DR Rawson was working on a loan
8 arrangement with the Cains?

9 A I was not aware until I think in December of 2010, I
10 think. Unless it was '09.

11 Q How did you become aware?

12 A I think, I mean -- I don't recall. I don't recall.

13 Q But you knew that DR Rawson or C4 was looking for,
14 investors before that time, right?

15 A Yes.

16 Q But did he tell you after the fact that he had actually,
17 signed the Cains up?

18 A Yes.

19 Q Is that what you are trying to explain to me?

20 A Yes.

21 Q And you can't recall exactly when DR told you he got
22 the Cains signed up?

23 A Yes.

24 Q What did he tell you about -- well, how did he inform
25 you that he had the Cains lined up to make a million dollar loan?

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1 MR. JOHNSON: Objection, misstates facts in evidence.

2 THE WITNESS: I don't know if he said -- I don't recall
3 whether it was, what the method of communication was.

4 BY MR. MATUSKA:

5 Q Did he send you a copy of the joint venture agreement
6 with the Cains?

7 A I don't, I don't recall ever having seen that joint
8 venture agreement.

9 Q Okay. Did you ever tell Rawson that you disapproved of
10 the joint venture agreement with the Cains?

11 A I never saw it, so I don't --

12 Q Right. But he told you that he had signed the Cains up
13 for a loan, right?

14 A Yes.

15 Q Okay. Did you ever tell Rawson that he should not have
16 done that?

17 A Done what?

18 Q Done a deal with the Cains.

19 A No.

20 Q Mr. Shackelford, I'm handing you the exhibit binder.
21 Let me show you what has been previously marked as Exhibit 12.
22 Do you have that in front of you?

23 A Yes.

24 Q Can you tell me, do you see the first entry there at
25 the bottom, transaction history, date 12/1, WT, which I

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1 understand stands for wire transfer?

2 MR. FORSBERG: Well, there's no foundation for asking
3 him any questions about this document at this time, so I object.

4 BY MR. MATUSKA:

5 Q DR Rawson, \$125,000. Do you see that?

6 A Yes.

7 Q Do you know why DR Rawson was wire transferred \$125,000
8 from C4's bank account on December 1 of 2009?

9 A No.

10 Q Do you know where that money came from?

11 A No. I don't know for sure.

12 Q Did you authorize that payment?

13 A No.

14 Q Do you know if the C4 board of directors authorized
15 that payment?

16 A No. I know they did not.

17 Q Okay. Could you think of a legitimate purpose of why
18 DR Rawson would be getting \$125,000 out of the C4 bank account?

19 MR. FORSBERG: Objection. You are asking him to
20 speculate.

21 BY MR. MATUSKA:

22 Q Answer, please.

23 A No.

24 Q You don't know where that money came from?

25 MR. FORSBERG: Asked and answered.

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1 THE WITNESS: No, I don't know where it came from.

2 BY MR. MATUSKA:

3 Q And C4 never had any revenues, right?

4 A Correct.

5 Q Did the C4 board of directors ever review any financial
6 information about the company?

7 A About C4?

8 Q Yeah. Income, expenses, revenues, assets, what not?

9 A Well, there really wasn't any revenues.

10 Q Right.

11 A And so the expenses were basically the board of
12 directors making payments for expenses themselves on behalf of,
13 you know, of C4.

14 Q How much money do you think you spent on C4?

15 A I gave DR \$12,500 in May of 2007. I gave him between
16 two, three thousand more on trips that he made, business trips, I
17 put, I wire transferred him to his bank account so he could use.
18 Another payment of 2,500 for medical treatment of his daughter
19 who was working for C4.

20 Q Okay. What was the daughter's name?

21 A I don't know.

22 MR. FORSBERG: Was that the end of your answer --

23 THE WITNESS: Yes.

24 MR. FORSBERG: -- to the previous question?

25 THE WITNESS: Yes.

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1 BY MR. MATUSKA:

2 Q Were there other payments? Were there other expenses
3 that you incurred on behalf of C4? You just identified 12,500
4 May of 2007, another two to three thousand on trips for DR, and
5 then another 2,500 for medical treatment for his daughter. Is
6 that right?

7 A Yes.

8 Q Were there any other expenses that you incurred on
9 behalf of C4?

10 A I don't recall any other.

11 Q So that's something in the neighborhood of \$17,500.
12 Does that sound about right?

13 A Yeah.

14 Q What was Katie doing for C4? Was that the daughter's
15 name, Katie Rawson?

16 A I don't recall that. But she was doing web, the
17 website stuff. The C4 website.

18 Q Well, how were the payments to her recorded or
19 reported?

20 MR. FORSBERG: Well, objection. I haven't heard any
21 question about payments to her. There's been no testimony about
22 payments to her. So.

23 MR. MATUSKA: There just was --

24 MR. FORSBERG: You are stating a fact that's not in
25 evidence.

IN THE SUPREME COURT OF THE STATE OF NEVADA

PEGGY CAIN, AN INDIVIDUAL; JEFFREY CAIN,
AN INDIVIDUAL; AND HELI OPS INTERNATIONAL,
LLC, AN OREGON LIMITED LIABILITY COMPANY,

Appellants,

vs.

Electronically Filed
Feb 02 2017 11:44 a.m.
Elizabeth A. Brown
Clerk of Supreme Court

No. 69333

RICHARD PRICE, AN INDIVIDUAL; AND MICKEY
SHACKELFORD, AN INDIVIDUAL,

Respondents.

PEGGY CAIN, AN INDIVIDUAL; JEFFREY CAIN,
AN INDIVIDUAL; AND HELI OPS INTERNATIONAL,
LLC, AN OREGON LIMITED LIABILITY COMPANY,

Appellants,

vs.

No. 69889

RICHARD PRICE, AN INDIVIDUAL; AND MICKEY
SHACKELFORD, AN INDIVIDUAL,

Respondents.

PEGGY CAIN, AN INDIVIDUAL; JEFFREY CAIN,
AN INDIVIDUAL; AND HELI OPS INTERNATIONAL,
LLC, AN OREGON LIMITED LIABILITY COMPANY,

Appellants,

vs.

No. 70864

RICHARD PRICE, AN INDIVIDUAL; AND MICKEY
SHACKELFORD, AN INDIVIDUAL,

Respondents.

APPELLANTS' SUPPLEMENTAL APPENDIX

VOL. 11

**APPEAL FROM JUDGMENT AND POST-JUDGMENT ORDERS
IN THE NINTH JUDICIAL DISTRICT COURT, DOUGLAS COUNTY,
THE HONORABLE THOMAS W. GREGORY, DISTRICT JUDGE**

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ATTORNEYS FOR APPELLANTS

CHRONO INDEX

CHRONO INDEX

CHRONOLOGICAL INDEX TO APPELLANTS'
SUPPLEMENTAL APPENDIX

<u>NO.</u>	<u>DOCUMENT</u>	<u>DATE</u>	<u>VOL.</u>	<u>PAGE NO.</u>
83.	Exhibit 17 to Statement of Undisputed Material Facts ¹	08/31/12	11	1611-1612
84.	Opposition to Motion for Partial Summary Judgment	10/02/15	11	1613-1785
85.	Statement of Undisputed Material Facts in Support of Motion for Partial Summary Judgment	10/16/15	12	1786-2031
86.	Affidavit of Jeffrey Cain	10/16/15	13	2032-2039
87.	Motion for Partial Summary Judgment Against Defendant Richard Price	10/20/15	13	2040-2117

¹ This exhibit was Exhibit 17 to document number 11 in Appellants' Appendix at 1 A.App. 178-89, entitled "Statement of Undisputed Material Facts," filed on August 31, 2012. There were 40 exhibits attached to the document, totaling more than 220 pages. In the interests of brevity, we are only providing Exhibit 17, which consists of two pages (including the cover page).

EXHIBIT 17

EXHIBIT 17

Date		Loan Amount		BOD Member		
12/1/2009	(7,500.00)	Rawson		12/23/2009	(5,000.00)	Baker
12/1/2009	(12,000.00)	Shackelford		12/1/2009	(45,000.00)	Edwards
12/1/2009	(12,000.00)	Rawson		12/23/2009	(15,000.00)	Edwards
12/1/2009	(15,000.00)	Kavanagh		12/1/2009	(15,000.00)	Kavanagh
12/1/2009	(45,000.00)	Edwards		12/1/2009	(16,000.00)	Kavanagh
12/1/2009	(125,000.00)	Rawson		12/24/2009	(6,000.00)	Price
12/11/2009	(16,000.00)	Kavanagh		12/1/2009	(7,500.00)	Rawson
12/23/2009	(5,000.00)	Baker		12/1/2009	(12,000.00)	Rawson
12/23/2009	(5,000.00)	Shackelford		12/1/2009	(125,000.00)	Rawson
12/23/2009	(15,000.00)	Edwards		12/23/2009	(155,500.00)	Rawson
12/23/2009	(155,500.00)	Rawson		12/1/2009	(12,000.00)	Shackelford
12/24/2009	(6,000.00)	Price		12/23/2009	(5,000.00)	Shackelford

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FILED

CASE NO.: 11-CV-0296

OCT - 2 2015

2015 OCT - 2 AM 11: 58

DEPT. NO.: I

Douglas County
District Court Clerk

BOBBIE R. WILLIAMS
CLERK

This document does not contain personal information of any person.

K. BIVILETT DEPUTY

THE NINTH JUDICIAL DISTRICT COURT OF NEVADA

IN AND FOR THE COUNTY OF DOUGLAS

PEGGY CAIN, an individual; JEFFREY CAIN,
an individual; and HELI OPS
INTERNATIONAL, LLC, an Oregon limited
liability company,

Plaintiffs,

v.

D.R. RAWSON, an individual;
C4 WORLDWIDE, INC., a Nevada corporation;
RICHARD PRICE, an individual; JOE BAKER,
an individual; MICKEY SHACKELFORD,
an individual; MICHAEL K. KAVANAGH,
an individual; JEFFREY EDWARDS,
an individual; and DOES 1 through 10, inclusive,

Defendants.

**OPPOSITION TO MOTION FOR
PARTIAL SUMMARY JUDGMENT**

COME NOW Plaintiffs, PEGGY CAIN, JEFFREY CAIN, and HELI OPS
INTERNATIONAL, LLC, (referred to alternatively as "Plaintiffs" and the "Cains"), by and
through their counsel of record, Matuska Law Offices, Ltd., Michael L. Matuska, and hereby file
this Opposition to the Motion for Partial Summary Judgment filed by Defendants Richard Price
and Mickey Shackelford. This Opposition is made and based on the following:

1. The Points and Authorities attached hereto;
2. The Cains' August 31, 2012 Opposition to Motion to Dismiss or For Summary
Judgment, which is incorporated herein in its entirety including the affidavits of Jeff Cain,
Kerry Rucker, and Dan Witt and all exhibits submitted therewith:

MATUSKA LAW OFFICES, LTD.
2310 S. Carson Street
Carson City, Nevada 89701
(775) 350-7220

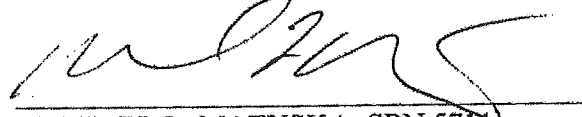
3. Exhibits 1-10 attached hereto; and

4. All other pleadings, exhibits and documents of record.

Dated this ____ day of October 2015.

MATUSKA LAW OFFICES, LTD.

By:


MICHAEL L. MATUSKA, SBN 5711
Attorneys for Plaintiffs

MATUSKA LAW OFFICES, LTD.
2310 S. Carson Street
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(775) 350-7220

**POINTS AND AUTHORITIES IN SUPPORT OF
OPPOSITION TO MOTION FOR SUMMARY JUDGMENT**

I. INTRODUCTION

A. Partial Summary Judgment is Not Available In This Case

Richard Price and Mickey Shackelford moved for partial summary judgment on or about August 4, 2015 on some of the causes of the Cains' Third Amended Complaint ("TAC"), including the Second Claim for Relief (Fraud), Third Claim for Relief (Civil Conspiracy) and Ninth Claim for Relief (Intentional Interference with Contractual Relations). On August 12, 2015, the Cains moved for an extension of time in which to file this Opposition until seven (7) days after they received the certified deposition transcripts from the Price, Shackelford, and Baker depositions that took place on August 10-11, 2015. The Cains' counsel received those transcripts on September 30, 2015.

It is noteworthy that Price and Shackelford did not move for summary judgment on the Fifth Claim for Relief (Conversion). The conversion is part of the fraud and civil conspiracy and interference with contracts. Defendants cannot obtain a judgment on the fraud and civil conspiracy causes of action without addressing the diversion of funds that is at the heart of the TAC.

30. All of the individually named Defendants created a false perception regarding C4 and Rawson, including their experience, professionalism, and expertise in financial matters.

31. Defendants, and each of them created this false perception in order obtain funds from Plaintiffs.

* * * *

34. The Defendants knowingly allowed Rawson to further facilitate or allow the waste and improper disposition of the collateral acquired with the loaned funds, the CMOs.

35. Plaintiffs reasonably relied on Defendants' representations and were unaware of their true intentions.

* * * *

///

39. Defendants Rawson, Baker, Price, Shackelford, Edwards, and Kavanagh conspired and knowingly participated in and/or lent their names to a fraudulent scheme to induce Plaintiffs to loan funds in the first instance, and then to defer from taking legal action thereafter.

* * * *

48. In contravention of the foregoing, the funds loaned to C4 were not placed in a checking account separate from all other C4 funds, but rather, were placed in C4's Wells Fargo checking account no. xxxxxx177 from where over \$400,000 of the funds were diverted as payments or loans to the individual defendants.

49. The CMOs earned dividends (interest payments) of approximately \$17,000 per month.

50. Also in contravention of the foregoing, the dividends were not paid to the Plaintiffs, but rather were diverted for the benefit of the Defendants.

* * * *

64. Defendants committed intentional acts, as described above, intended to or designed to disrupt the Joint Venture Agreement.

These various causes of action cannot be read in isolation, especially considering the multiple integration clauses in the TAC. Defendants cannot get obtain summary judgement on the fraud, civil conspiracy and interference with contract claims without first addressing the conversion claim. Doing so would indirectly constitute a ruling that there was no fraud associated with the diversion of funds, when the diversion of funds is not disputed and is not addressed in Price and Shackelford's Motion for Partial Summary Judgment.

B. The Motion for Partial Summary Judgment Does Not Comply With NRCP 56(c)

Richard Price and Mickey Shackelford's Motion for Partial Summary Judgment does not comply with NRCP 56(c) which provides in pertinent part:

Motions for summary judgment and responses thereto shall include a concise statement setting forth each fact material to the disposition of the motion which the party claims is or is not genuinely in issue, citing the particular portions of any pleading, affidavit, deposition, interrogatory, answer, admission or other evidence upon which the party relies.

This same requirement is repeated in NJDCR 7, with a deviation that is not material to this motion. Price and Shackelford did not provide a concise statement of each material fact, supported by a citation to the record. Rather, they take eleven (11) pages to recount depositions of

1 Jeff Cain, Kerry Rucker and Dan Witt through various, select excerpts. It is difficult, if not
2 impossible, to tell what the material facts are. To the extent Price and Shackelford intended each
3 paragraph to be its own material fact, they merged sometimes six (6) different excerpts into a
4 single paragraph.

5
6 Aside from the fact that they failed to provide a concise statement of material facts to
7 which the Cains can submit a response, the Price/Shackelford motion seems to be based on a
8 faulty legal and factual premise, which can be summarized as follows: Price and Shackelford
9 seem to think that they cannot be held liable for fraud and other intentional torts unless they
10 personally communicated with Jeff Cain about the loan prior to the time that it was funded. Price
11 and Shackelford seem blind to the following issues:

12 1. Richard Price personally communicated with Jeff Cain before the loan was funded.
13 Richard Price even set up the bank account for Heli Ops to wire the funds.

14 2. Much of the TAC concerns activity that occurred after the Cains funded the loan,
15 including the illegal diversion of those loan proceeds.

16 3. C4 and its directors owed a fiduciary duty to the Cains as their joint venture
17 partners.

18 4. The Defendants, collectively, created the false impression that C4 was a legitimate,
19 ongoing business, with an esteemed board of directors, that had experience with collateralized
20 mortgage obligations ("CMOs") when in fact, C4 never conducted business, had no experience
21 with CMOs, and the Defendants have all tried to distance themselves from C4.

22 5. The Defendants ratified the Joint Venture Agreement ("JVA") and appointed DR
23 Rawson to complete the agreement.

24 6. Richard Price executed the wire transfers that were used to divert the loan proceeds
25 and other funds.
26
27
28

7. Mickey Shackelford received some of the diverted loan proceeds.

8. The Defendants communicated about these matters and about the money they were diverting through a series of emails that were exchanged sometimes between themselves, and sometimes with the Cains and/or their advisors, Dan Witt and Kerry Rucker.

C. **Price and Shackelford Are Not Entitled to Reconsideration of the Previous Order Denying Summary Judgment**

All of the Defendants, including Richard Price and Mickey Shackelford previously moved for summary judgment on August 13, 2012. They specifically argued in Part 3 that "Summary Judgment in Favor of Defendants is Appropriate on Plaintiffs' Tort Claims of Fraud, Conspiracy and Negligence." That motion was denied in the Order of November 12, 2012, wherein the Court summarized the case as follows:

This court previously found that Cain had presented credible claims that agreements between the parties were made in 2009 and 2010, and that defendants Rawson and C4 Worldwide may have breached the agreements. Cain argues additional evidence in the form of affidavits and materials obtained through discovery have been produced, and that facts have been presented justifying assertion of personal jurisdiction over the Five Defendants as follows: (1) All Five Defendants were named and acted as officers and/or directors of the company and named defendant in this case, C4 WorldWide, Inc., a Nevada corporation, and bear corresponding responsibility; (2) All Five Defendants approved certain corporate resolutions in connection with the Cain transaction, and that defendant Price signed some of these documents; (3) All Five Defendants received payments following the receipt of the one million dollars transferred from Cain to C4 on or about November 30, 2009, and that funds in the C4 business accounts were improperly commingled; (4) All Five Defendants, acting as officers and/or directors, advertised their personal skills and abilities in promotional materials and a website which marketed the same type of loan transacted with Cain, and that Cain relied on the expertise of Rawson and the Five Defendants; (5) All Five Defendants were kept advised and informed of the Cain transaction and approved and ratified the same; (6) Cain relied on the promotional materials and biographical information in agreeing to loan the money to C4 to his detriment.

(November 12, 2012 Order at 4:22-5:21).

These facts and others were proven and set forth in greater detail in the Cains' August 31, 2012 Opposition to Motion to Dismiss or For Summary Judgment, which is incorporated herein in

1 its entirety including the affidavits of Jeff Cain, Kerry Rucker and Dan Witt and all exhibits
2 submitted therewith. Although the November 20, 2012 Order recites these facts in relation to the
3 contentions regarding personal jurisdiction, the court went on to use these same facts to deny the
4 motion for summary judgment and further stated as follows:

5 The court finds numerous disputes of material fact exist with respect to the
6 circumstances surrounding the transaction between these parties, making
7 summary judgment, in the alternative, inappropriate at this time. A trial is
8 necessary to determine whether Cain can prevail on his claims and whether
damages can be proven.

9 (November 12, 2012 Order at 13:2-8)

10 These disputed facts have very little to do with Price and Shackelford's faulty legal
11 argument that they can only be held liable for fraud and other tortious conduct if they, personally,
12 made a false statement to Jeff Cain. That argument represents the Defendants' arrogant belief that
13 they can commit fraud with impunity so long as they have someone else do the talking and are
14 later able to distance themselves. That ridiculous theory was already rejected, and they were
15 ordered to proceed to trial. This Court may only reconsider its previous rulings in the rare
16 situation where new and substantially different evidence is introduced or if the decision was
17 clearly erroneous. *Masonry & Tile Contractors Association v. Jolley, Urga and Wirth, Ltd.*, 113
18 Nev. 737, 741 (1997); *Moore v. City of Las Vegas*, 92 Nev. 402, 405 (1976). "Newly discovered
19 evidence must be sufficiently strong to make it probable that a different result would be
20 obtained." *Whise v. Whise*, 36 Nev. 16, 15 (1913) (on a motion for new trial under previous
21 version of NRCP 60(b)). Price and Shackelford have presented no new facts or clear error that
22 would warrant reconsideration of the previous order denying their motion for summary judgment.
23
24

25 **II. ADDITIONAL MATERIAL FACTS AS TO WHICH NO GENUINE**
26 **CONTROVERSY EXISTS**

27 The Cains discovered additional facts about the Defendants' knowledge and involvement
28 in this fraudulent investment scheme as a result of the depositions that took place on August 10-

1 11, 2015. Joe Baker, Richard Price and Mickey Shackelford are friends. Baker and Price were
2 neighbors in Austin Texas (Price Depo (Ex. "1") at 11:2-5). Price and Shakelford started their
3 careers in the same department at Texaco, Inc. in 1965 (Price Depo at 11:8-14). DR Rawson
4 initially recruited Joe Baker to join the C4 management team in 2006. Baker agreed and referred
5 DR Rawson to Richard Price (Baker Depo (Ex. "2") at 21:3-9 and 25:3-4). Richard Price agreed
6 to join the management team, and in turn referred DR Rawson to Mickey Shackelford (Price Depo
7 at 21:24-22:12).

8
9 C4 was not incorporated when Baker, Price and Shackelford joined the management team
10 in 2006. They later chose to incorporate in Nevada in 2009. Joe Baker, Richard Price and Mickey
11 Shackelford, along with DR Rawson, were the original four (4) directors of C4 Worldwide (Baker
12 Depo at 27:14-19). Although DR Rawson held the majority of C4 stock, Baker, Price, and
13 Shackelford formed 75% of the management team and held the corresponding 75% of the voting
14 power on the board of directors. Consequently, they exercised more control over C4 than did DR
15 Rawson, who was never a constitutional officer. The C4 board of directors, including Baker, Price
16 and Shackelford, deliberately incorporated in Nevada in 2009 to take advantage of favorable tax
17 laws. (Price Depo at 45:14-23).

18
19 Richard Price drafted the C4 bylaws (Price depo at 21:17-23). He became the
20 secretary/treasurer and chief financial officer (CFO). In that capacity, he kept the minutes of the
21 annual meetings (which have not been provided), handled the banking and filed the tax returns
22 (Price Depo at 23:15-22, 24:2-12). The bank statements were mailed to Price's house in Austin
23 Texas. (Price Depo at 5:22-6:7; 33:6-8).

24
25 Richard Price referred Mickey Shackelford to DR Rawson (Shackelford Depo (Ex. "3") at
26 13:24-14:20). Mickey Shackelford is a CPA, and identified as the chairman of the audit
27 committee on C4's website (Ex. "5"). Richard Price describes Shackelford as "an expert in the
28

1 area of income tax.” (Price Depo at 16:19-23). Joe Baker considers him to be C4’s tax advisor
 2 (Baker Depo at 38:11-13). Mickey Shackelford prepared the IRS application to qualify C4 as a
 3 501(c)(3) tax exempt corporation. That application was never filed. (Shackelford Depo at 16:10-
 4 17:20). Dan Witt was the Cain’s CPA and advising the Cains on this investment. Mr. Witt was
 5 encouraged to have Mickey Shackelford, a CPA, as part of C4’s management team (Witt Depo
 6 (Ex. “4”) at 22:7-25; 50:21-52:76). Unfortunately, there was no audit committee. Mickey
 7 Shackelford also traveled to India with DR Rawson to explore prospects for international
 8 development projects and to develop C4’s professional relationships overseas. (Shackelford Depo
 9 at 19:21-20:14).

11 Baker, Price and Shackelford attended the annual meetings in Austin Texas (Shackelford
 12 Depo at 20:15-21:2; Baker Depo at 27:20-28:13). Joe Baker, Richard Price, and Mickey
 13 Shackelford all reviewed C4’s website (Baker Depo at 47:7-53:7; Price Depo at 24:13-25;
 14 Shackelford Depo at 24:15-20). C4’s website advertised the credentials of the management team
 15 and provided false and misleading information about the CMO program that C4 was offering (See
 16 Meet the Management Team **Exhibit “5”**; Leverage Up Memo **Exhibit “6”**).¹

19
 20 ¹ C4’s website was disabled after this lawsuit was filed. This court will have to address the
 21 effect of spoliation of evidence. It is settled in Nevada that there is “a permissible inference that
 22 missing evidence would be adverse [applies] when evidence is negligently lost or destroyed.”
 23 *Bass-Davis v. Davis*, 134 P.3d 103, 105, 122 Nev. Adv. Rep. 39 (2006). Until the recent Nevada
 24 Supreme Court case of *Bass-Davis*, Nevada law imposed a rebuttable presumption under NRS
 25 47.250(3) that evidence not produced due to its destruction would be adverse to the non-producing
 26 party. However, the *Bass-Davis* Court stated that:

27 [T]he rebuttable presumption in NRS 47.250(3) applies only when evidence is
 28 willfully suppressed, it should not be applied when evidence is negligently lost or
 destroyed, without the intent to harm another party. Instead, an inference should be
 permitted. *Bass-Davis*, 134 P.3d at 107.

The *Bass-Davis* Court also gave a fairly lengthy discussion on the practical difference between an
 “inference” and a “rebuttable presumption.”

1 Joe Baker, Richard Price, and Mickey Shackelford all testified that they did not know
 2 about the Joint Venture Agreement ("JVA" (Ex. "7")) with the Cains until November 29, 2009
 3 when it was completed or nearly completed (Baker Depo at 54:6-55:6; Price Depo at 27:16-28:7;
 4 Shackelford Depo at 28:8-12). However, the CMO program was discussed multiple times by the
 5 board of directors (Shackelford Depo at 26:7-9) as well as Real Estate Obligation (REO)
 6 investments (Baker Depo at 32:11-18; Price Depo at 25:13-17). Baker, Price and Shackelford also
 7 knew that C4 was looking for investors.
 8

9 Joe Baker testified that he received the completed JVA via email from DR Rawson on
 10 November 29, 2009 (Baker Depo at 54:6-18; HeliOps JVA Exhibit "6"). Richard Price also
 11 received the JVA on November 29, 2009 (Price Depo at 27:16-24). Mickey Shackelford testified
 12 that he did not receive a copy of the JVA on November 29, 2009 (Shackelford Depo at 33:5-14).
 13 The JVA includes a corporate resolution as Exhibit "B" with Richard Price's signature which
 14 expressly authorizes the JVA (Price Depo at 28:8-14; JVA Exhibit "7"). Baker, Price and
 15 Shackelford all testified that the JVA was not authorized by the C4 board of directors and that the
 16 corporate resolution attached to the JVA is false (Baker Depo at 78:22-79:3; Price Depo at 28:10-
 17 16; Shackelford Depo at 32:7-33:19).
 18

19 Although the Defendants were concerned about the JVA, (Price Depo at 29:19-30:3), their
 20 concern was for themselves, not their joint venture partner to whom they owed a fiduciary duty
 21 (Price Depo at 29:11-22). They spoke among themselves, but ultimately did nothing (Baker Depo
 22

23 Unlike a rebuttable presumption, an inference has been defined as "[a] logical and
 24 reasonable conclusion of a fact not presented by direct evidence but which, by
 25 process of logic and reason, a trier of fact may conclude exists from the established
 26 facts." Although an inference may give rise to a rebuttable presumption in
 appropriate cases, an inference simply allows the trier of fact to determine, based
 on other evidence, that a fact exists. *Bass-Davis*, 134 P.3d at 107.

27 When the Court employs a rebuttable presumption, the burden shifts to the spoliating party to
 28 rebut the presumption by showing that the evidence destroyed was not unfavorable. *Hyatt v. FTB*,
 130 Nev.Adv.Op. 71 (2014) (citing *Bass v. Davis* at 447-48, 106-07).

1 at 79:13-81:12; Price Depo at 44:1-45:16; Shackelford Depo at 46:4-47:3). Richard Price's
2 concern is suspect, considering that he apparently ratified the JVA before it was completed,
3 because he requested some changes which were incorporated into the document (Price Depo at
4 28:10-14). He also personally spoke with Jeff Cain before HeliOps funded the \$1,000,000 loan
5 (Price Depo at 25:18-26:2). Richard Price established a rapport with Jeff Cain by telling Mr. Cain
6 that he was in the oil business, which was also one of Jeff Cain's business pursuits (Price Depo at
7 26:23-27:1). Richard Price provided Jeff Cain the banking information to make the wire transfer
8 (Price Depo at 29:6-10) and instructed the banking officer to set up the account as a joint account
9 for Jeff Cain (Price Depo at 47:6-16).

11 The Cains funded the \$1,000,000 loan the next day, on November 30, 2009 (Baker Depo at
12 77:21-78:21; Depo. Ex. 4B, attached hereto as Ex. "2a"). The JVA specifies that the funds are to
13 be used exclusively for the purchase of CMOs (Baker Depo at 78:6-21; JVA Ex. "7" Par. 1.01).
14 Despite the foregoing, Richard Price proceeded to execute \$359,000.01 of wire transfers and
15 withdrawals the very next day, December 1, 2009. (Price Depo at 34:23-36:13; 44:1-12, Depo
16 Ex.12, attached hereto as Ex. "1a"). These payments were made to DR Rawson, Mickey
17 Shackelford, Jeffrey Edwards and others (Price Depo at 66:8-69:10 and Ex. "1a"). Price was
18 aware when he executed the wire transfers that "the only funds C4 had were the loan proceeds
19 from the Cains." (Price Depo at 31:19-32:8). Richard Price transferred \$810,277.10 out of C4's
20 Wells Fargo bank account in December, 2009, alone (Ex. "1a"). Joe Baker admitted that it would
21 be a misuse of funds to use the loan proceeds for any purpose other than the purchase of CMOs.
22 (Baker Depo at 59:6-62:4). Mickey Shackelford could think of no legitimate reason for the
23 payments (Shackelford Depo at 34:5-39:4).

24 Although Richard Price eventually transferred \$1,005,000 to the brokerage account to
25 purchase CMOs, he only did so after C4 received another \$1,000,000 from a second investor, New
26
27
28

1 Hope Capital (Ex. "1a"; New Hope JVA, Ex. "8"). Richard Price was in direct communication
2 with Pete Lazzari, the contact for New Hope Capital (Price Depo at 33:24-34:17). The HeliOps
3 loan and New Hope Capital Loan were secured by the same CMOs (HeliOps JVA, Ex. "7"; New
4 Hope JVA, Ex. "8"). Both HeliOps and New Hope were promised the first returns from the
5 CMO investment. *Id.* In this way, C4 not only breached the JVA with the Cains, but created
6 conflicting obligations that rendered the subsequent Settlement Agreement illusory ("Exhibit
7 "9"). C4's obligations to New Hope prevented C4 from making the payment promised in the
8 Settlement Agreement and/or surrendering the CMOs to the Cains.
9

10 The CMOs generated interest payments. Richard Price also had the interest payments
11 "swept" into C4's Bank of America bank account, and paid the dividends through a series of wire
12 transfers to the C4 members and their cohorts. (Price Depo at 37:8-22).
13

14 Baker, Price and Shackelford openly and candidly admit that they did nothing to ensure
15 that C4 complied with the JVA and fulfilled its fiduciary obligation to the Cains (Baker depo 79:4-
16 23 and 84:24-85:12; Price Depo 46:8-25; Shackelford Depo 46:24-47:3). Likewise, they were
17 unable to provide a coherent explanation of how the investment was to work. They assert that the
18 obligations created by the JVA are DR Rawson's, alone, because he prepared the JVA. This
19 theory of the case ignores the facts recited above (as well as hundreds of emails that will be
20 presented at trial) and is erroneous as a matter of law. The absence of a coherent explanation, and
21 the chronology set forth above, indicates that the Defendants intended at least a two-tiered Ponzi
22 scheme, where they would use the Cains money for their personal use, and use the New Hope
23 Capital loan for the investment – and hope it all paid off. Liability and damages will be issues for
24 the jury to determine.
25

26 ///

27 ///

28

III. DISCUSSION

A. Accessory To The Fraud

Price's involvement with the fraud is most evident, as he set up the bank account, spoke with Jeff Cain to make arrangements for the wire transfer, and made the diversions that are the subject of the complaint. However, the Cains' case does not rest solely on the level of personal involvement. As directors of C4, the individually named Defendants are equally liable for allowing the fraud to occur. There simply is no "blind-eye" defense, as Defendants would have this Court believe.

1. Tortious Conduct

Also implicit in Price and Shackelford's motion is the belief that they cannot be held personally liable for fraud or other tortious conduct unless their direct involvement or direct communications with the Cains exceeded some unspecified threshold level. Price and Shackelford are wrong here, as well. They are liable for their failure to act and for the fraud committed by their cohorts, as much as for fraud committed directly by them.

2. Participation

Personal liability attaches when conversion is conducted by a corporation even if the individual does not personally benefit by the conversion. *Casias v. Wal-Mart Stores, Inc.*, 695 F.3d 428 (6th Cir. 2012), rehearing and rehearing denied; *Binder v. Disability Group, Inc.*, 772 F.Supp.2d 1172 (C.D. Cal. 2011); *In re American Home Mortgage Holding*, 458 B.R. 161 (Bkrcty. Del. 2011). Sufficient participation can be found to hold a corporate officer liable for tortious conduct when there is "an act or omission by the officer which logically leads to the inference that he had a share in the wrongful acts of the corporation which constitute the offense." *Jefferson v. Collins*, 905 F.Supp.2d 269 (D.C. 2012); *Harvey v. Mohammed*, 841 F.Supp.2d 164 (D.C. 2012). Participation is also found where the corporate officer has actual or constructive knowledge

of the tortious conduct or acted with reckless indifference to the truth. *Lincoln General Ins. Co. v. U.S. Auto Ins. Services, Inc.*, 809 F.Supp.2d 582 (N.D. Tex. 2011); *Dorsey v. Portfolios Equity, Inc.*, 540 F.3d 333 (5th Cir. 2008); *F.T.C. v. Medicaid Billers Network, Inc.*, 543 F.Supp.2d 283 (Bkrcty. S.D. Ohio 2008); *M&A Technology, Inc. v. iValue Group, Inc.*, 295 S.W.3d 356 (Tex.App. 2009). Personal liability of a corporate officer may be premised on malfeasance, misfeasance, or nonfeasance resulting from failure to act upon actual knowledge of the risk to others. *Bloxom v. City of Shreveport*, 103 So.3d 383 (La. App. 2d Cir. 2012), on rehearing, writ denied 102 So.3d 46. In this case, Price and Shackelford are responsible for the conversion and other tortious conduct committed by C4 due to negligence, lack of oversight and breach of corporate fiduciary duties the same as if he had personally and maliciously orchestrated the conversion. They participated in the fraud by turning a blind eye to it. This is especially true in light of the fact that Price admits that he made the wire transfers. Price and Shackelford further admit that they were aware of both the HeliOps JVA and the conflicting New Hope JVA. The contracts are incompatible, as they sell an interest in the same CMOs to two different parties and promise each party first payment from the proceeds as well as a security interest in the CMOs. The contracts further promise that the loan proceeds will be deposited in a separate account and used only for the purchase of the CMOs. Price and Shackelford made no effort to assure that this happened and concealed these facts from the Cains.

3. Agency

Price and Shackelford are also liable for any fraud committed by the other parties. "A corporate fiduciary is responsible for any material misstatements or omissions made by the agents it chooses to help fulfill its fiduciary obligations." *Broga v. Northeast Utilities*, 315 F.Supp.2d 212 (Conn. 2004); see also *Aerotech Resources, Inc. v. Dodson Aviation, Inc.*, 191 F.Supp.2d 1209 (KS 2002), affirmed 91 Fed.Appx. 37. The Restatement makes this same point regarding apparent

1 authority.

2 A principal is subject to vicarious liability for a tort committed by an agent in
3 dealing or communicating with a third party on or purportedly on behalf of the
4 principal when actions taken by the agent with apparent authority constitute the
tort or enable the agent to conceal its commission.

5 Restatement 3rd (Agency) § 7.08. Comment (c) explains that the apparent agency rule
6 applies to fraud and misrepresentation. In this case, Defendants appointed DR Rawson to
7 consummate the transaction with the Cains, who were C4's joint venture partners. This is proven
8 by the various corporate resolutions and by the depositions recited above whereby they Defendants
9 admit learning about the transaction with the Cains and New Hope Capital. As a matter of law, the
10 Price and Shackelford were required to stay informed about the transaction. As such, there is no
11 legal basis for Price or Shackelford to argue that they did not know what Rawson was doing or that
12 they are not responsible for Rawson's wrongful conduct. Price and Shackelford took no steps to
13 make sure that C4 was fulfilling its contractual and fiduciary duties to its joint venture partner.
14

15 B. Fiduciary Duty

16 1. Fiduciary Duties – Corporate Directors

17 Corporate directors owe a fiduciary duty to the corporation. This fiduciary duty is typically
18 comprised of three (3) distinct duties: (i) due care; (ii) good faith; and (iii) loyalty. *McCrae*
19 *Associates, LLC v. Universal Capital Management, Inc.*, 746 F.Supp.2d 389 (Conn. 2010). These
20 concepts are also embodied in the business judgment rule, which is codified at NRS 78.138. That
21 statute was also updated by SB 577 and is virtually identical to California's version of the business
22 judgment rule. See Cal.Corp.Code § 309. NRS 78.138 provides in pertinent part:
23

- 24 1. Directors and officers shall exercise their powers in good faith and with a
25 view to the interests of the corporation. NRS 78.138(1).

26 * * * *

- 27 7. . . . [A] director or officer is not liable to the corporation or its
28 stockholders or creditors for any damages as a result of any act or failure

1 to act in his or her capacity a director or officer unless it is proven that:
2 (a) The director's or officer's act or failure to act constituted a breach of
3 his or her fiduciary duties as a director or officer; and (b) The breach of
4 those fiduciary duties involved intentional misconduct, fraud or a knowing
5 violation of law."

6 Nevada does not recognize Price and Shackelford's theory of a disinterested president without any
7 corporate responsibility or fiduciary duty, and the testimony in their affidavits is tantamount to an
8 admission that they violated Nevada law.

9 Mismanagement of a corporation is typically actionable by the corporation or its
10 shareholders, and not the corporation's general creditors. However, two (2) noteworthy exceptions
11 apply. Corporate fiduciaries owe a duty to creditors to discover and avoid fraud. *In re Hussain*,
12 308 B.R. 361 (Bkrtcy. N.D. Ill. 2004); *Prime Leasing, Inc. v. Kendig*, 773 N.E.2d 84 (Ill. App.
13 2002). This rule is even more important when the corporation is on the verge of insolvency. *In re*
14 *Thompson*, 686 F.3d 940 (8th Cir. 2012); *In re Lemington Home for Aged*, 659 F.3d 282 (3rd Cir.
15 2011), as amended subsequent mandamus proceeding *In re Baldwin*, 700 F.3d 122, on remand
16 *Official Committee of Unsecured Creditors ex. rel. estate of Lemington Home for the Aged v.*
17 *Baldwin*, 2013 WL 309975, objections overruled 2013 WL 452561; *Dollar Tree Stores Inc v.*
18 *Toyama Partners LLC*, 875 F.Supp.2d 1058 (N.D. Cal. 2012); *PharMerica Chicago, Inc. v.*
19 *Meisels*, 772 F.Supp.2d 938 (N.D. Ill. 2012); *In re QuiVIS, Inc.*, 469 B.R. 353 (D.Ks. 2012),
20 affirmed 504 Fed.Appx. 747; *Economic Development Growth Enterprises Corp. v McDermott*, 478
21 B.R. 123 (N.D. N.Y. 2012); *In re National Century Financial Enterprises, Inc.*, 846 F.Supp.2d 828
22 (S.D. Ohio 2012) adhered to on denial of reconsideration *Crown Cork & Seal Co., Inc. Master*
23 *Retirement Trust v. Credit Suisse First Boston Corp.*, 2013 WL 490717; *Kaye v. Lone Star Fund V*
24 *(U.S.), L.P.*, 453 B.R. 645 (N.D. Tex. 2011). Not only was C4 insolvent when it transacted
25 business with the Cains, but C4 was never solvent. Price and Shackelford know that C4 was never
26 funded, and the only money it ever received came from the joint venture/loan agreements with the
27
28

1 Cains and New Hope Capital. Those funds were to be placed in a separate account and earmarked
2 for the purchase of CMOs. These facts also form the basis for the second exception.

3 Second, a corporate fiduciary may also owe a fiduciary to a single creditor based on
4 particularized facts, such as this, where the Cains are not general creditors. For example, although
5 *Bradson Mercant v. Vanderbilt Indus. Contracting*, 883 F.Supp. 37, 54, 55 (W.D.N.C. 1993)
6 involves a complicated fact pattern, many issues in that case are present in the instant case. The
7 Court in that case recognized that Bradson had sustained "an identifiable loss 'peculiar and
8 personal' to itself by reason of some special circumstances or special relationship to those who
9 committed the fraud or negligent mismanagement." *Id.* at 55. The special circumstances included
10 (i) the corporation's complete disregard of Branson's rights; (ii) failure to deposit project funds
11 into the trust account; (iii) transfers of the funds to family members of the owners. Those facts
12 also exist in this case. In addition, the Cains were not mere general creditors of C4. Rather, they
13 were joint venture partners, who provided funding for a specific purpose, the purchase of CMOs.
14 The funds were to be placed in a separate account and used only for that purpose. That never
15 happened. C4 can only act through its officers and directors. As such, the Defendants cannot
16 argue that they had no obligation to ensure that C4 fulfilled its fiduciary duties to the Cains.
17
18

19 2. Fiduciary Duties - Partners

20 The Defendants have persistently mischaracterized the nature of the contractual
21 relationship with the Cains in order to limit their exposure. The Cains are not mere unsecured
22 creditors of C4. Rather, the JVA is form of a limited partnership agreement whereby C4 acted as
23 the managing partner ("C4WW shall manage and control the affairs of the joint venture . . .
24 JVP shall not participate in or have any control over the joint venture.") (JVA. **Exhibit "7"** at Par.
25 5.01). Despite the foregoing limitation on the JVP's involvement, Jeff Cain, individually, was
26 named on the joint EKN/Legent account (**Ex. "10"**) and was supposed to be on the joint bank
27
28

account, as well. (See JVA, Ex. "7" at 10.02).

As such, the relationship between the parties is governed by the law of partnerships. C4, as the corporate partner owed a fiduciary duty the Cains, as did the Defendants as the officers and directors of C4. *In re USA Cafes L.P. Litig.*, 600 A.2d 43 (Del.Ch. 1991). See also *Wallace v. Wood*, 752 A.2d 1175 (Del.Ch. 1999); *Zoren v. Genesis Energy, L.P.*, 836 A.2d 521, 528 (Del.Ch. 2003); *In re Boston Celtics Limited Partnership*, 1999 Del.Ch. LEXIS 166 (Del.Ch. 1999) ("It is well settled that, unless limited by the limited partnership agreement, the general partner of a Delaware limited partnership and the directors of a corporate General Partner who control the partnership, like the directors of a Delaware corporation, have the fiduciary duty to manage the partnership in the partnerships' interests and the interests of the limited partners.")

The fiduciary duty owed by partners includes the duty to exercise the utmost good faith and candor. These duties are articulated in the Nevada Jury Instructions.

COMMERCIAL TORTS INSTRUCTION 15CT.13: FIDUCIARY DUTY:
PARTNER

[Name of defendant] was [name of plaintiff]'s partner in [name of partnership]. A partnership is a relationship that arises from an agreement between two or more persons to undertake some common objective for their mutual benefit. Partners owe a special duty to one another, which is called a fiduciary duty. This duty requires partners to:

1. Deal in utmost good faith with one another; and
2. Fully disclose to one another all material facts relating to partnership affairs within their knowledge.

[Name of plaintiff] claims that [name of defendant] breached this fiduciary duty. The essential elements of this claim are:

1. [Name of defendant] breached this duty;
2. [Name of plaintiff] was damaged; and
3. [Name of defendant]'s breach was a cause of [name of plaintiff]'s damages.

///

The Defendants cannot claim, in good faith, that they dealt in the utmost good faith with the Cains and disclosed all material facts. Rather, they misrepresented their qualifications and the investment and then concealed the conflicting New Hope JVA, the diversion of funds, the lack of internal controls, and their lack of experience with CMO investments.

C. Intentional Interference With Contractual Relations

The Cains adopt the discussion in *Stafford v. Puro*, 63 F.3d 1436, 1442 (7th Cir. 1995) (Holding that directors and officers may be liable for tortious interference if they induce the corporation to breach an agreement). Although officers and directors enjoy a qualified a privilege so long as the actions complained of were taken in good faith for the benefit of the corporation, that privilege does not apply to intentional acts that are designed to disrupt the corporations' contractual relationships. Officers and directors further have to refrain from taking any action which would interfere with the JVA or make the performance thereof more burdensome. In this case, Price, Shackelford and the other Defendants acted in their own self-interest by diverting funds away from the CMO investment and undermining the Cains' JVA with C4.

D. Choice of Law

Price and Shackelford spend a great of time discussing California law, presumably because they assume that the choice-of-law clause in the JVA (Ex. "7") will apply, instead of the choice-of-law clause in the Settlement Agreement. Oddly, they did not provide a conflict-of-laws analysis.

This court has adopted the substantial relationship test to resolve conflict-of-law questions. *Sievers v. Diversified Mtg. Investors*, 95 Nev. 811, 603 P.2d 270 (1979). Under this test, the state whose law is applied must have a substantial relationship with the transaction; and the transaction must not violate a strong public policy of Nevada. *Id.* at 815, 603 P.2d at 273.

In *Sotirakis v. U.S.A.A.*, 106 Nev. 123, 787 P.2d 788 (1990), this court delineated factors to determine whether a state possesses a substantial relationship with an insurance contract. These factors provide:

[T]he most significant contacts to be considered in resolving such questions

revolve around the expectations of the parties at the time of contracting, including:

- a. the place of contracting,
 - b. the place of negotiation of the contract,
 - c. the place of performance,
 - d. the location of the subject matter of the contract, and
 - e. the domicile, residence, nationality, place of incorporation and place of business of the parties.
- Sotirakis, 106 Nev. at 126, 787 P.2d at 790.

Williams v. United Services Auto. Ass'n, 109 Nev. 333, 334-35, 849 P.2d 265 (1993). The substantial relationship test applies, even if the parties have a contractual choice of law provision.

The situs fixed by the agreement, however, must have a substantial relation with the transaction, *Seeman v. Philadelphia Warehouse Co.*, 274 U.S. at 408, 47 S.Ct. 626; *Fahs v. Martin*, 224 F.2d 387, 397 (5th Cir. 1955); *Solevo v. Aldens, Inc.*, 395 F.Supp. 861, 864 (D.Conn.1975), and the agreement must not be contrary to the public policy of the forum. *Big Four Mills v. Commercial Credit Co.*, 211 S.W.2d at 837; *Kinney Loan & Finance Co. v. Summer*, 159 Neb. 57, 65 N.W.2d 240, 245 (1954). See generally Annot., 125 A.L.R. 482 (1940); 45 Am.Jur.2d Interest and Usury §§ 18-33 (1969); 16 Am.Jur.2d Conflict of Laws §§ 46-51 (1964).

Ferdie Sievers and Lake Tahoe Land Co., Inc. v. Diversified Mortg. Investors, 95 Nev. 811, 603 P.2d 270, 273 (1979). The issue of substantial relationship is therefore a fact based question. Baker failed to create a genuine issue of fact on this issue.

The conflict of law analysis does not end with the substantial relationship test. *Williams* goes on to explain to that the court will not apply the law of another state if doing so would completely deny recovery. Yet, that is exactly what Price and Baker are attempting – to invoke the law of another state to deny recovery to the Cains.

IV. CONCLUSION

Price and Shackelford cannot move for summary judgment without first addressing the conversion that is at the heart of the TAC. They have consistently and repeatedly misrepresented their level of knowledge and participation in the events that underlie this lawsuit. Richard Price, in particular, was a director, CFO, set up the bank account, arranged for the Cains to wire transfer

1 the loan proceeds, and signed the wire transfers that diverted the funds to C4's officers and
2 directors and cohorts. Shackelford was the recipient of some of those funds. Richard Price not
3 only knew about the JVA, but provided comments on its drafting. Shackelford also knew about
4 the JVA as well as the conflicting New Hope JVA. They actively concealed these problems from
5 the Cains, despite their fiduciary duties which required the utmost good faith and full disclosure.
6 Their blind eye defense is not supported by the facts, nor is that defense recognized at law. For
7 these reasons, their motion for summary judgment was already denied on November 12, 2012.
8 Their new motion presents nothing new and it should be denied again for the same reasons.
9

10 Dated this 15 day of October 2015.

MATUSKA LAW OFFICES, LTD.

By: 

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CERTIFICATE OF SERVICE

Pursuant to NRCP 5(b), I certify that I am an employee of Matuska Law Offices, Ltd., and that on the 15th day of October 2015, I served a true and correct copy of the preceding document entitled **OPPOSITION TO MOTION FOR SUMMARY JUDGMENT** as follows:

Richard A. Oshinski, Esq.
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Mickey Shackelford

Attorneys for Defendant Jeffrey Edwards

☒ **BY U.S. MAIL:** I deposited for mailing in the United States mail, with postage fully prepaid, an envelope containing the above-identified document(s) at Carson City, Nevada, in the ordinary course of business.

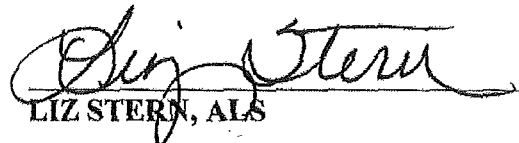
☐ **BY EMAIL ONLY:**

☐ **BY PERSONAL SERVICE:** I personally delivered the above-identified document(s) by hand delivery to the office(s) of the person(s) named above.

☐ **BY FACSIMILE:**

☐ **BY FEDERAL EXPRESS ONE-DAY DELIVERY.**

☐ **BY MESSENGER SERVICE:** I delivered the above-identified document(s) to Reno-Carson Messenger Service for delivery.


LIZ STERN, ALS

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LIST OF EXHIBITS

1. Baker Depo
 - a. Exhibit 4B WFB Statement November, 2009
2. Price Depo
 - a. Exhibit 12 WFB Statement December, 2009
3. Shackelford Depo
4. Witt Depo
5. Meet the Management Team
6. Leverage Up
7. HeliOps JVA
8. New Hope JVA
9. Settlement Agreement
10. EKN/Legent account statement December, 2009

EXHIBIT 1

A. App.1636

EXHIBIT 1

A. App.1636

IN THE NINTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
IN AND FOR THE COUNTY OF DOUGLAS

-o0o-

PEGGY CAIN, an individual; JEFFREY CAIN,
an individual; and HELI OPS INTERNATIONAL, LLC,
an Oregon limited liability company,

Plaintiffs,

Case No. 11-CV-0296

vs.

Dept. No. II

DR RAWSON, an individual; C4 WORLDWIDE, INC.,
a Nevada corporation; RICHARD PRICE, an individual;
JOE BAKER, an individual; MICKEY SHACKELFORD, an
individual; MICHAEL K. KAVANAGH, an individual;
JEFFREY EDWARDS, an individual, et al.,

Defendants.

DEPOSITION OF

RICHARD PRICE

Tuesday, August 11, 2015

Carson City, Nevada

Reported by: Lesley A. Clarkson, CCR #182

Job No. 258106-B

1 going to repeat them anyway.

2 The first one is very important, because we are doing
3 it now. We have to be careful not to talk over each other.
4 Please allow me to finish my questions, and I have to allow you
5 to finish your answers. It just happens that sometimes some of
6 the casual speech patterns we have don't record well in the
7 deposition transcript. So we have to be a little extra careful
8 in the deposition room to make sure that we don't talk over each
9 other so that the court reporter can make a clear transcript.

10 Do you understand that?

11 A Yes.

12 Q And along with that, nods of the head or shakes of the
13 head or uh-huhs or nods don't really record very well. So we
14 need to make sure that we give audible answers, yes or no answers
15 when called for. Do you understand that?

16 A Yes.

17 MR. FORSBERG: Try to wait.

18 MR. MATUSKA: Easier said than done sometimes. Even
19 when I repeat the instructions.

20 MR. FORSBERG: Yes.

21 BY MR. MATUSKA:

22 Q Mr. Price, what's your current address?

23 A 13115 Amarillo Avenue.

24 Q Is that in Austin, Texas?

25 A Correct.

1 Q How long have you lived at that address?

2 A About 15 years. No, about 17 years, I guess.

3 Q Did the C4 Wells Fargo Bank statements go to that
4 address?

5 A Yes. Pardon me. But at some point I switched to
6 electronic. So I went from paper to electronic at some point,
7 but I don't know when.

8 Q Is that before 2009 or after 2009?

9 A It could have been before 2009. I don't know. So.

10 Q I see that, well, I think that -- was the address
11 changed to the Henderson address at some point?

12 A Not on this bank, not on the bank account that I'm
13 familiar with for C4. It was always my address.

14 Q Mr. Price, what's the highest degree of education that
15 you have achieved?

16 A MBA.

17 Q Where did you get your MBA?

18 A University of Phoenix at Denver, on the Denver campus.

19 Q When was that?

20 A '86.

21 Q Where did you do your undergraduate studies?

22 A University of Texas at Austin.

23 Q When you say the University of Texas, do you have to
24 say Austin?

25 A There's a bunch of campuses.

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1 A Joe Baker.

2 Q How do you know Joe Baker?

3 A We were neighbors.

4 Q Are you still?

5 A No. Not as such.

6 Q How long have you known Joe Baker?

7 A Since 1969, I believe.

8 Q How long have you known Mickey Shackelford?

9 A 1965.

10 Q How did you get to know Mickey Shackelford?

11 A We started working at the same company in the same
12 group.

13 Q Which company was that?

14 A Texaco, Inc.

15 Q So that would have been shortly after you graduated
16 undergraduate school?

17 A Right.

18 Q How did, what did Joe Baker, how did he approach you
19 about C4? What did he tell you? What did he ask you to do with
20 C4?

21 A He didn't talk so much about C4. He just said I know
22 this fellow, who turned out to be DR Rawson, who needs some
23 financial and accounting help. Would you mind calling him and
24 talking to him about it. And I did.

25 Q Okay. What did Joe Baker tell you about DR Rawson,

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1 mentioned in the past tense. The money from the Cains was
2 intended to be used for, in the security tradings effort
3 associated with the trading platforms. It was to be used in that
4 respect. It wasn't for a hospital or something like that. It
5 was to be used for that purpose.

6 BY MR. MATUSKA:

7 Q Would it have been a misuse of the funds to use it for
8 any other purpose?

9 A I think that's what this case is about, so I don't
10 really know that I want to answer that or how to answer that,
11 quite frankly.

12 Q I'm sorry. It's not a question of want. But you just
13 stated the intended purpose of the Cains', of the million dollar
14 loan proceeds. My question is would it have been a misuse of
15 those funds to use it for any other purpose?

16 A Not in my opinion. Not in my opinion.

17 Q Did C4 have bylaws?

18 A Yes.

19 Q Did the board of directors approve the bylaws?

20 A I do not know. I developed them, I passed them to
21 Mr. Rawson, and that's the last I remember. He had some issue or
22 disagreement on some part of the bylaws, and as far as I know I
23 have no record of him getting back to me.

24 Q Let's take a step back. I don't think we finished our
25 questions and answers about how you got hooked up with C4. I

1 know you were explaining that you called DR, and he was
2 explaining that his top executives in C4 North America had
3 resigned, was looking for some talent, and you discussed the
4 talent that you guys assembled. But how did it proceed that you
5 actually assumed a position with C4?

6 A Well, when I called him to talk about it, he asked me
7 if I would come aboard and serve in some capacity in the
8 financial area. And as I recall, I probably said well, give me a
9 few days to think about it, and I agreed to it.

10 Q Okay. You only had that one conversation before you
11 agreed to it?

12 A One conversation, uh-huh.

13 Q Did you discuss any compensation?

14 A No.

15 Q Did you expect compensation for your activities with
16 C4?

17 A Sure. At some point, sure. I mean I couldn't afford
18 to provide a charity myself, but it was based, it was contingent
19 upon the success of the corporation and the ability to fund
20 projects and then realize a profit from some of those projects.
21 I understood that.

22 Q Well, did you expect, then, that when C4 got up and
23 going and had some revenues and projects that you would get paid
24 at that time?

25 A Yes.

1 Q Was that discussed with DR?

2 A Yes.

3 Q Was it discussed with the other board members?

4 A Yes, as I recall. Again, it was based on the
5 contingency of success.

6 Q Was there ever a discussion of using some of the Cains'
7 loan proceeds to pay some of the salaries for the officers and
8 directors and other people that worked for C4?

9 A No.

10 MR. JOHNSON: Objection. Misstates facts.

11 THE WITNESS: So do I answer that or --

12 MR. FORSBERG: You already did.

13 THE WITNESS: Okay.

14 BY MR. MATUSKA:

15 Q Did C4 file annual tax returns?

16 A Yes.

17 Q Who was, did someone have to sign --

18 A Yes.

19 Q -- as the filer?

20 A Yes.

21 Q Was that you?

22 A Yes.

23 Q Did C4 have any actual employees?

24 A No.

25 Q Did it pay any salaries?

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1 A No. Not to my knowledge.

2 Q And C4 had bank accounts, right?

3 A Right.

4 Q Which accounts did it have?

5 A It had a Wells Fargo account, and it had a Bank of
6 America account.

7 Q Were you the signer on those accounts?

8 A One of them. I was not ever the single or sole signer.

9 Q Who were the other signers?

10 A DR Rawson, and I think his wife Margaret Rawson on one
11 of them, but I wouldn't swear to that. And Mr. Baker was used as
12 a backup if needed.

13 Q Did C4 have a website?

14 A Yes.

15 Q Have you ever seen the website?

16 A I have.

17 Q When?

18 A I have no idea. I do not know. I do not know when it
19 came about. I assume if it came about after I was hired, I would
20 have seen it, because Mr. Rawson would have asked me to.

21 Q Did you ever see the memo on the Leverage-Up program?

22 A I don't recall it.

23 Q Do you recall hearing about or discussing the
24 Leverage-Up program with the board?

25 A I do. I do recall some discussion about it.

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1 Q What was discussed at the C4 board level about the
2 Leverage-Up program?

3 MR. FORSBERG: I'm going to object. "At the board
4 level" is vague.

5 THE WITNESS: It was, as I recall, a program where it
6 was trying to bring a certain amount of money available or
7 together at one point in time, and then after a passage of time,
8 that money would reap a certain benefit that could be used in
9 some way to pursue other financial instruments.

10 BY MR. MATUSKA:

11 Q What was the instrument that was going to be used to --

12 A I don't know. I don't remember that.

13 Q Do you recall discussing CMOs with the C4 board?

14 A I do not. Not prior to November 29. We discussed
15 REOs.

16 Q What are REOs?

17 A Real estate obligations.

18 Q Have you ever spoken with Jeff Cain?

19 A Yes. But it was in a casual way, and it was, it would
20 have been perfunctory, like where do you want me to put this. It
21 would have been administratively related. I didn't ever talk to
22 him about this deal or anything technical. It would have
23 strictly been something related to the administration on his side
24 or my side.

25 Q Was that on a phone call?

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1 A It was a phone call, as I recall. But I think there
2 were other people on the call, but I wouldn't swear to that.

3 Q You don't remember who the other people were?

4 A Do not.

5 Q When was the Wells Fargo Bank account set up?

6 A I'm not sure. It was, it might have been 2007 or '08,
7 actually. I don't know.

8 Q Who was the banking officer that you were dealing with?
9 Was it Brannigan?

10 A Yeah. At which time frame?

11 Q Were there different banking officers that you dealt
12 with?

13 A No. But I mean I wouldn't have dealt with anybody
14 other than somebody in that 2009 time frame, or '10. And it was
15 Brannigan.

16 Q Did you have to contact Brannigan about receiving the
17 wire transfer from the Cains?

18 A I don't recall.

19 Q Did you, in that conversation phone call you had with
20 Jeff Cain, did you discuss arrangements for the wire transfer of
21 the loan proceeds?

22 A Don't recall.

23 Q Do you remember telling Jeff Cain that you were in the
24 oil and gas business?

25 A I do. Yeah, I do. And I do remember talking about

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1 that just a little bit.

2 Q But you don't recall what was discussed about the wire
3 transfer?

4 A No, I don't. From my side, it would have been me
5 giving account numbers and that kind of thing.

6 Q Right.

7 A Yeah. I may have done that.

8 Q Do you recall Jeff Cain just saying something to the
9 effect that he just wanted to touch base or be comfortable with
10 the person who was going to receive the wire transfer?

11 A I don't remember that, no.

12 Q What did Jeff Cain say when you told him you were in
13 the oil and gas business?

14 A I don't know what his exact words were, but it
15 precipitated a casual conversation about the business.

16 Q What was your understanding of why Jeff Cain was
17 getting ready to wire funds?

18 A I didn't know he was until I saw that memo on November
19 29.

20 Q What memo are you referring to?

21 A The, or the email from DR Rawson about the JVA
22 attached. I didn't have a clue.

23 Q So he sent you the JVA on November 29?

24 A Yes.

25 Q That's the first time you had seen it?

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1 A Yes.

2 Q Had you had discussions at the board level about the
3 forthcoming joint venture agreement with the Cains?

4 A No. Not that I was a party to.

5 Q Did Rawson send you the joint venture agreement by
6 email?

7 A Yes.

8 Q Did you review the joint venture agreement?

9 A Yes.

10 Q Did you notice that there was a corporate resolution
11 attached to the joint venture agreement which represented that
12 the joint venture agreement had been approved by the unanimous
13 board of directors?

14 A I did recognize that.

15 Q Is that accurate?

16 A Not in my opinion it's not.

17 Q Did you tell Rawson that that wasn't correct?

18 A I am -- I do not know. I really don't know. And the
19 reason I don't recall everything is I was very upset when I saw
20 it.

21 Q Did you have the conversation with Jeff Cain about the
22 wire transfer after you got the email from DR Rawson?

23 A Not that I recall.

24 Q You had the conversation with Jeff Cain before you got
25 the email from DR Rawson?

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1 A No. Okay --

2 Q I'm just trying to piece together the sequence of
3 events, the chronology. We have talked about an email from DR
4 Rawson, with the joint venture agreement attached, right?

5 A Right.

6 Q And we talked about a phone discussion with Jeff Cain
7 about a wire transfer. I thought you told me that the first
8 notice you got about the joint venture agreement was the email
9 from DR Rawson.

10 A Uh-huh.

11 Q So was your discussion with Jeff Cain after that?

12 A I'm not sure.

13 Q Well, did you tell Jeff Cain that Rawson was acting on
14 his own for the joint venture agreement?

15 A Did not.

16 Q Why not?

17 A Why? I mean at that point I didn't feel any
18 responsibility to do that. I was more worried about our side.

19 Q What was the worry on your side?

20 A Promising, as I mentioned to him and pointed out to him
21 and he corrected, getting money one day and promising 20 million
22 the next day.

23 Q In 30 days. Let's be fair here. It was 30 days.

24 A Well, no, the original deal said get it this day, and
25 you are going to get 20 million the next day. I'm the one who

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1 brought that to his attention, said my God, how can you promise
2 money you got one day and deliver 20 million the next day. Then
3 he changed it to 30 days.

4 Q The first agreement that you got from DR Rawson, was
5 that a copy of the signed agreement?

6 A I'm going to say I don't know, because I don't know. I
7 don't know. One could assume that. But I don't know that for a
8 fact.

9 Q But anyway, you made, you suggested some changes to the
10 agreement to Rawson?

11 A Yes.

12 Q And were those changes adopted?

13 A Yes.

14 Q And the Cains or one of their companies actually wired
15 the money, right?

16 A Yes.

17 Q How did you receive notice that the funds had been
18 received?

19 A I don't know that I did receive notice.

20 Q Do you remember what day the funds were received?

21 A December the 1st. The 29th, as I recall, I believe it
22 was a Sunday. So, I think it was a Sunday, so it would have been
23 I guess maybe Monday. But I think it was December the 1st.

24 Q Are you aware that there were a series of wire
25 transfers out -- well, let's just, let me back up for a minute,

1 please.

2 The Cains wired the money to the Wells Fargo Bank
3 account, one million to the Wells Fargo Bank account?

4 A Yes.

5 Q Are you aware there was a series of wire transfers out
6 of the Wells Fargo Bank account in December of 2009?

7 A Yes.

8 Q How did you become aware of those wire transfers?

9 A I was instructed to make them by DR Rawson.

10 Q When you were making those wire transfers, were you
11 aware that the only source of funds that C4 had were the loan
12 proceeds?

13 A Of December 1st?

14 Q Right.

15 A Yes.

16 Q If I told you you were off by a day, it doesn't matter.
17 Funds were received on November 30?

18 A Right.

19 Q Okay. So you were aware when you were executing those
20 wire transfers that the only funds C4 had were the loan proceeds
21 from the Cains?

22 MR. JOHNSON: Objection. Misstates facts.

23 BY MR. MATUSKA:

24 Q You can answer, please. Do you recall the question?
25 Do you need me to repeat the question?

1 A Yeah, please.

2 MR. MATUSKA: Would you read it back, please.

3 (Record read.)

4 BY MR. MATUSKA:

5 Q You were aware when you were executing the wire
6 transfers that the only source of funds that C4 had was from the
7 Cains' loan proceeds.

8 A Yes.

9 MR. JOHNSON: Same objection.

10 BY MR. MATUSKA:

11 Q And by that time you had already seen the joint venture
12 agreement, correct?

13 A Yes.

14 Q Well, doesn't the joint venture agreement require that
15 the funds are to be used for the CMO purchases only?

16 MR. JOHNSON: Objection. Document speaks for itself.

17 THE WITNESS: Yeah. I answered that question once. I
18 said not in my opinion.

19 BY MR. MATUSKA:

20 Q You don't think the joint venture agreement requires
21 that?

22 MR. JOHNSON: Same objection.

23 THE WITNESS: Not in my opinion.

24 BY MR. MATUSKA:

25 Q When did you become aware that C4 had a second

1 investor?

2 A I do not know. I do not know.

3 When I became aware, that was your question, correct?

4 Q Right.

5 A I do not know.

6 Q Well, you do get the bank statements, or you did at
7 that time, correct?

8 A I did. But that would have been at the end of the
9 month.

10 Q Right.

11 A Before I saw that. It would have been the end of
12 December.

13 Q Did you also execute the wire transfer to get the
14 proceeds to the EKN Legent broker's account?

15 A Yes.

16 Q Well, wouldn't you have made sure that there was enough
17 money to transfer to the brokerage account before you sent the
18 wire transfer?

19 A Absolutely.

20 Q And so if money had been -- okay.

21 Did you give instructions to the second investor, New
22 Hope Capital, on how to execute the wire transfer?

23 A I do not recall.

24 Q Did you ever speak with Pete Lazzari from New Hope
25 Capital?

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1 A Not individually.

2 Q What do you mean?

3 A I might have been on a call with him with DR Rawson and
4 perhaps other board members, but I never was on a solo call with
5 Pete Lazzari for any reason.

6 Q Do you know which other board members were on that
7 call?

8 A No. I'm not going to speculate. I just know there
9 were other people on the call.

10 Q Was that in the December 2009 time frame?

11 A I don't know. I really don't know.

12 Q How many times did you speak, how many times were you
13 on a call with Pete Lazzari?

14 A I would say more than five.

15 Q Were those calls before they executed their loan
16 agreement or after?

17 A I don't know. I -- I don't know.

18 Q Do you know if New Hope Capital wired their loan
19 proceeds in one deposit or in two deposits?

20 A Two.

21 Q How do you know that?

22 A From looking at the bank statement.

23 Q So why was DR Rawson paid \$125,000 on December 1 of
24 2009?

25 A Because I was instructed to do that.

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1 Q Did that seem right to you?

2 A No.

3 Q Did you tell Rawson that?

4 A I don't recall.

5 Q Why did you think that wasn't right?

6 A I think because of the magnitude.

7 Q The amount of the money?

8 A Uh-huh.

9 Q Are your qualms related at all to the joint venture
10 agreement with the Cains?

11 MR. JOHNSON: Objection. Misstates facts.

12 THE WITNESS: I would -- no, not specifically as such,
13 but more just in principle in general.

14 BY MR. MATUSKA:

15 Q What was the withdrawal in a branch store for \$100,000
16 on December 1?

17 A That would have, I don't know why they say branch
18 store. That would have been a transfer or a, yeah, a transfer
19 from this Wells Fargo account to another Wells Fargo account..

20 Q C4 had another Wells Fargo account?

21 A No. Somebody who was getting money had a Wells branch,
22 had a Wells Fargo account. And I have detailed all that before,
23 what all those, who got all those wire transfers, names and
24 everything. And I gave it to counsel, and I gave it to --

25 Q Well, I appreciate the reminder. Thank you. Let me

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1 have you look at the exhibit binder. Let me have you
2 specifically look at what's been marked as Exhibit 12. Could you
3 take a look, please.

4 A 12?

5 Q 12.

6 A Okay.

7 Q You can see at the bottom of page 1, and then
8 continuing on to pages 2, 3, and 4, there are a series of
9 withdrawals, most of them being wire transfers.

10 A Right.

11 Q I just want to confirm. Were you the one who executed
12 those wire transfers?

13 A I was.

14 Q Do you know if the Cains' loan was secured?

15 MR. JOHNSON: Objection. Misstates facts.

16 THE WITNESS: So should I answer that?

17 MR. FORSBERG: Yes. If you can.

18 THE WITNESS: As far as I know it was an unsecured
19 loan.

20 BY MR. MATUSKA:

21 Q Do you know if the New Hope Capital loan was secured?

22 A Unsecured.

23 Q How carefully did you read the joint venture agreement?

24 A What do you mean by how carefully? I disclosed to you
25 I found the one error, so I read it for content. And so I don't

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1 know, I don't know what you want me to say.

2 Q Did the CMOs return dividends?

3 A Interest?

4 Q Right.

5 A Right.

6 Q What happened with the interest that they returned?

7 A They were swept into this account, I think.

8 Q If I told you they were swept into the Bank of America
9 account, would that refresh your recollection on that?

10 A It could have been, because this account was closed at
11 some point, February, March 2009. I can't remember.

12 Q Who authorized the interest to be swept into the Bank
13 of America account?

14 A DR. He was the only one actually who had access to
15 that EKN account for the longest time.

16 Q Then where was the money paid once it went, how was the
17 money paid out of the Bank of America account?

18 A I don't know, without looking at a point in time.

19 Q Did you do the wire transfers out of the Bank of
20 America account?

21 A I did. I did. Some of the distribution went to the
22 Cains. They got some of that money.

23 Q How many?

24 A I can recall at least two, but there may have been more
25 than that.

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1 business.

2 Q In this same time frame we are talking about, somewhere
3 between November 29, 2009, and, when you saw the joint venture
4 agreement, and December 1, 2009, when these wire transfers start
5 going out, did you speak to the other members of the board of
6 directors about your concerns about what was going on here?

7 A Well, I'm sure I did, but I don't recall specific
8 conversations. Because for one thing, the money came in, and
9 then you can see, and I had a full-time job during this time.
10 You have to remember. I had to go into the bank to do this. So
11 just, and it wasn't an easy process with Wells Fargo. It was not
12 as easy as Bank of America. So --

13 Q Were you able to do the Bank of America transfers
14 online?

15 A As I recall, yes.

16 Q Okay. Well, do you recall if you spoke with Joe Baker,
17 Mickey Shackelford or -- well, Joe Baker or Mickey Shackelford
18 about your concerns about the joint venture agreement and the
19 wire transfers that Rawson was instructing you on?

20 A I'm sure I did. You said do I recall. I don't recall
21 specifics, but I'm sure I did, because I was personally upset.

22 Q Okay. But did you do anything about your personal
23 upset?

24 A Such as?

25 Q Anything. Resign, call a board meeting, anything?

Price - 8/11/2015

Page 45

1 A No. I'm fairly sure I voiced a concern to DR.

2 Q Okay. Was Cynthia Cardenas one of the original
3 officers of C4?

4 A No.

5 Q Who is she?

6 A What do you mean?

7 Q What's her connection?

8 A She was president of C4 for a short time.

9 Q What time period was that?

10 A I think it was probably the middle of 2009 to November
11 2009.

12 Q Does she live in Henderson, Nevada?

13 A No. She lived in Dallas, Texas.

14 Q Do you know if Rawsons purchased a house in Henderson?

15 A I'm sorry?

16 Q Do you know if the Rawsons purchased a house in
17 Henderson, Nevada?

18 A I do not.

19 Q Was C4 Worldwide incorporated in Nevada before or after
20 you became involved with DR Rawson?

21 A It would have been after.

22 Q How did you guys decide to incorporate in Nevada?

23 A Friendly tax laws.

24 Q And you guys set up a --

25 MR. FORSBERG: Vague as to who "you guys" are.

1 BY MR. MATUSKA:

2 Q Well, C4 set up a principal office in Henderson,
3 Nevada, right?

4 A Uh-huh.

5 Q Is that correct?

6 A As I recall. There's a registered agent in some town
7 in Nevada.

8 Q Right. Okay. What steps did you, Mr. Price, take to
9 make sure that the, that C4 properly executed the joint venture
10 agreement with the Cains?

11 MR. JOHNSON: Objection. Misstates facts.

12 THE WITNESS: I mean I executed the wire transfer to
13 EKN, or whoever it was that purchased the CMOs, and beyond that,
14 that was the extent. As far as when you refer to the JVA, that
15 was what was required when we did that. And I sent that wire
16 transfer.

17 Q Was there anything else you can think of that you did
18 to make sure the agreement was properly fulfilled?

19 A We did, on the bank account, we set them up, them, the
20 Cains, up, which they said was fine, per an email from DR Rawson
21 to me, where they could view the account that we had set up.

22 Q Are you talking about the EKN brokerage account?

23 A No, the Wells Fargo account. They had the right to go
24 in and look at that account any time they wanted to and see what
25 was happening and what was transpiring.

1 Q Are you talking about the Wells Fargo account that's on
2 Exhibit 12?

3 A Right.

4 Q Did Brannigan set that up?

5 A Did Brannigan set what up? Sorry.

6 Q Do you recall having communications with Brannigan
7 about setting up the Wells Fargo account so the Cains could view
8 it?

9 A I don't. It could be that they had a division of
10 duties where it might have been someone else in the bank that did
11 that. That might have been somebody in their IT group or
12 something. So I don't recall.

13 Q Were you the person from C4 that instructed Wells Fargo
14 to set up the bank account that way?

15 A Yes. After a conversation with Mr. Rawson, and he had
16 conversation with the Cains as I recall.

17 Q What time period was that when the account was set up
18 like that?

19 A It was in, sometime in December of 2009.

20 Q After the loan was made?

21 A Yes.

22 Q Do you recall if the Cains in the middle of December
23 2009 ever asked for an advance on the money that was anticipated
24 under the joint venture agreement?

25 A I do recall that. They indicated they had some

EXHIBIT 1A

A. App.1662

EXHIBIT 1A

A. App.1662

Expanded Business Services® Package

Account number: [REDACTED] 177 ■ December 1, 2009 - December 31, 2009 ■ Page 1 of 5

**WELLS
FARGO**

C4 WORLDWIDE, INC
13115 AMARILLO AVE
AUSTIN TX 78729-7542

Questions?

Available by phone 24 hours a day, 7 days a week:

1-800-CALL-WELLS (1-800-225-5935)

TTY: 1-800-877-4833

En español: 1-877-337-7454

Online: wells Fargo.com/biz

Write: Wells Fargo Bank, N.A. (808)

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 Rewards for Business Check Card ☐
 Online Statements ☒
 Business Bill Pay ☐
 Business Spending Report ☒
 Overdraft Protection ☒

Activity summary

Beginning balance on 12/1	\$1,000,000.00
Deposits/Credits	1,001,000.00
Withdrawals/Debits	- 1,810,327.16
Ending balance on 12/31	\$190,722.84

Average ledger balance this period	\$252,239.21
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Account number: [REDACTED] 2177

C4 WORLDWIDE, INC

Texas/Arkansas account terms and conditions apply

For Direct Deposit and Automatic Payments use

Routing Number (RTN): 111900659

For Wire Transfers use

Routing Number (RTN): 121000248

Overdraft Protection

Your account is linked to the following for Overdraft Protection:

■ Savings - 000003163489010

Transaction history

Date	Check Number	Description	Deposits/ Credits	Withdrawals/ Debits	Ending daily balance
12/1		WT Fed#06368 Bank of America, N/A - Fed. Reserve		125,000.00	
		Fw03873336405088 Trm#091201099153 Rfa#			
12/1		Withdrawal Made IN A Branch/Store		100,000.00	

Transaction history (continued)

Date	Check Number	Description	Deposits/ Credits	Withdrawals/ Debits	Ending daily balance
12/1		WT Fed#02312 Wachovia Bank NA O /Ftr/Bnf=Alvin E Goodwin and Linda G Edwards Srf# Fw03873334445778 Trn#091201039434 Rfb#		45,000.00	
12/1		WT Fed#05930 Jpmorgan Chase Ban /Ftr/Bnf=Mike Kavanagh Srf# Fw03873335258978 Trn#091201098108 Rfb#		15,000.00	
12/1		WT Fed#06143 Bank of America, N /Ftr/Bnf=D. Rawson Srf# Fw03873335648088 Trn#091201098747 Rfb#		12,000.00	
12/1		WT Fed#06183 Bank of America, N /Ftr/Bnf=Mickey Shackelford Srf# Fw03873335804188 Trn#091201098836 Rfb#		12,000.00	
12/1		Withdrawal Made IN A Branch/Store		8,500.00	
12/1		WT Fed#05933 Bank of America, N /Ftr/Bnf=Randal Zuniga Srf# Fw03873335042188 Trn#091201098111 Rfb#		8,000.00	
12/1		WT Fed#05931 Navy Fed /Ftr/Bnf=Chris Edwards Srf# Fw03873335689978 Trn#091201098109 Rfb#		7,500.00	
12/1		WT Fed#05954 Bank of America, N /Ftr/Bnf=D. Rawson Srf# Fw03873335450188 Trn#091201098159 Rfb#		7,500.00	
12/1		Withdrawal Made IN A Branch/Store		7,000.00	
12/1		WT Fed#05929 Riverside National /Ftr/Bnf=Mike Fessler Indiantlantic Srf# Fw03873335041978 Trn#091201098106 Rfb#		6,000.00	
12/1		WT Fed#05932 Capital One /Ftr/Bnf=Cynthia Cardenas Srf# Fw03873335661088 Trn#091201098110 Rfb#		2,500.00	
12/1		WT 091201-098598 Lloyds Tsb Bank Plc /Bnf=Lee Lam Srf# Fw03873335453288 Trn#091201098598 Rfb#		1,000.01	
12/1		WT Fed#05928 Arkansas Bankers' /Ftr/Bnf=Melinda King Srf# Fw03873335889878 Trn#091201098105 Rfb#		1,000.00	
12/1		WT 091201-098352 Asb Bank Limited /Bnf=Madison Results Limited Srf# Fw03873335086288 Trn#091201098352 Rfb#		1,000.00	841,049.99
12/2		WT Seq#59213 Wells Fargo Wires - Por /Org= Srf# 2009120200022953 Trn#091202059213 Rfb#	1,000.00		
12/2		Wire Trans Svc Charge - Sequence: 091202070874 Srf# Fw03873336624298 Trn#091202070874 Rfb#		20.00	
12/2		WT Fed#02386 The Bank of New Yo /Ftr/Bnf=Legent Clearing Srf# Fw03873336624298 Trn#091202070874 Rfb#		255,000.00	
12/2		WT Fed#07307 National City Bank /Ftr/Bnf=Jeffrey Zimmerman Srf# Fw03873336626788 Trn#091202030686 Rfb#		25,000.00	
12/2		WT Fed#07308 Bank of America, N /Ftr/Bnf=Lavana Penn Srf# Fw03873336046788 Trn#091202030688 Rfb#		25,000.00	
12/2		Transfer to Sav # 000003163489010		100.00	336,929.99
12/3		Wire Trans Svc Charge - Sequence: 091203039818 Srf# Fw03873337269698 Trn#091203039818 Rfb#		20.00	
12/3		WT Fed#00901 Arkansas Bankers' /Ftr/Bnf=Bank of Lake Village Srf# Fw03873337269698 Trn#091203039818 Rfb#		1,000.00	
12/3		Bill Pay Douglas on-Line Not Applicable on 12-03		8,000.00	327,909.99
12/4		WT Fed#05107 Suntrust Bank /Org=Anchor Title Services LLC Srf# 2009120400013726 Trn#091204077029 Rfb#	500,000.00		
12/4		Wire Trans Svc Charge - Sequence: 091204077029 Srf# 2009120400013726 Trn#091204077029 Rfb#		10.00	827,899.99
12/8		Harland Clarke Check/Acc. 120709 000387375402021 CS Worldwide, Inc		104.36	
12/8		Transfer to DDA # [REDACTED] 0080		1,000.00	
12/8		Transfer to DDA # [REDACTED] 0098		1,000.00	
12/8	1001	Check		2,500.00	823,295.63
12/9		Wire Trans Svc Charge - Sequence: 091209078385 Srf# Fw03873343205339 Trn#091209078385 Rfb#		20.00	
12/9		WT Fed#05702 The Bank of New Yo /Ftr/Bnf=Legent Clearing Srf# Fw03873343205339 Trn#091209078385 Rfb#		750,000.00	73,275.63
12/10		Check Crd Purchase 12/09 Godaddy.Com 480-5058855 AZ 491986XXXXX1106 344940008667219 ?McC=4816 111900659DA01		10.87	73,264.76
12/11		Wire Trans Svc Charge - Sequence: 091211073542 Srf# Fw03873345858059 Trn#091211073542 Rfb#		20.00	

**WELLS
FARGO****Transaction history (continued)**

Date	Check Number	Description	Deposits/ Credits	Withdrawals/ Debits	Ending daily balance
12/11		WT Fed#05383 Jpmorgan Chase Ban /Ftr/Bnf=Mike Kavanagh Srf# Fw03873345868059 Trn#091211073542 Rfb#		18,000.00	57,244.76
12/14		Wire Trans Svc Charge - Sequence: 091214036620 Srf# Fw03873348697559 Trn#091214036620 Rfb#		20.00	
12/14		WT Fed#08861 Bank of America, N /Ftr/Bnf=Matthew Hartstein Srf# Fw03873348697559 Trn#091214036620 Rfb#		10,000.00	47,224.76
12/18		Wire Trans Svc Charge - Sequence: 091218094131 Srf# Fw03873351618889 Trn#091218094131 Rfb#		20.00	
12/18		WT Fed#02078 Bank of America, N /Ftr/Bnf=Lavana Penn Srf# Fw03873351618889 Trn#091218094131 Rfb#		25,000.00	22,204.76
12/23		WT Fed#00022 Colonial Bank /Org=New Hope Capital Foundation (N Srf# 091223080738Tk07 Trn#091223026089 Rfb#	500,000.00		
12/23		Wire Trans Svc Charge - Sequence: 091223049173 Srf# Fw03873357914221 Trn#091223049173 Rfb#		20.00	
12/23		Wire Trans Svc Charge - Sequence: 091223050789 Srf# Fw03873357594221 Trn#091223050789 Rfb#		20.00	
12/23		Wire Trans Svc Charge - Sequence: 091223050887 Srf# Fw03873357135221 Trn#091223050887 Rfb#		20.00	
12/23		Wire Trans Svc Charge - Sequence: 091223051024 Srf# Fw03873357706221 Trn#091223051024 Rfb#		20.00	
12/23		Wire Trans Svc Charge - Sequence: 091223051170 Srf# Fw03873357156221 Trn#091223051170 Rfb#		20.00	
12/23		Wire Trans Svc Charge - Sequence: 091223052682 Srf# Fw03873357996221 Trn#091223052682 Rfb#		20.00	
12/23		Wire Trans Svc Charge - Sequence: 091223052812 Srf# Fw03873357567221 Trn#091223052812 Rfb#		20.00	
12/23		Wire Trans Svc Charge - Sequence: 091223052984 Srf# Fw03873357118221 Trn#091223052984 Rfb#		20.00	
12/23		Wire Trans Svc Charge - Sequence: 091223053183 Srf# Fw03873357558221 Trn#091223053183 Rfb#		20.00	
12/23		Wire Trans Svc Charge - Sequence: 091223053336 Srf# Fw0387335798221 Trn#091223053336 Rfb#		20.00	
12/23		Wire Trans Svc Charge - Sequence: 091223053476 Srf# Fw03873357559221 Trn#091223053476 Rfb#		20.00	
12/23		Wire Trans Svc Charge - Sequence: 091223054387 Srf# Fw03873357983221 Trn#091223054387 Rfb#		20.00	
12/23		Wire Trans Svc Charge - Sequence: 091223054777 Srf# Fw03873357982721 Trn#091223054777 Rfb#		20.00	
12/23		Wire Trans Svc Charge - Sequence: 091223026089 Srf# 091223080738Tk07 Trn#091223026089 Rfb#		10.00	
12/23		WT Fed#06641 Bank of America, N /Ftr/Bnf=D. Rawson Srf# Fw03873357983221 Trn#091223054387 Rfb#		155,500.00	
12/23		WT Fed#04531 National City Bank /Ftr/Bnf=Jeffrey Zimmerman Srf# Fw03873357914221 Trn#091223049173 Rfb#		100,000.00	
12/23		WT Fed#05177 Wachovia Bank NA O /Ftr/Bnf=Alvin E. Godwin and ... Srf# Fw03873357594221 Trn#091223050789 Rfb#		15,000.00	
12/23		WT Fed#05233 Jpmorgan Chase Ban /Ftr/Bnf=Mike Kavanagh Srf# Fw03873357135221 Trn#091223050887 Rfb#		8,000.00	
12/23		WT Fed#06062 Armed Forces Bank /Ftr/Bnf=Edgar A. Brooks Jr. Srf# Fw03873357567221 Trn#091223052812 Rfb#		7,000.00	
12/23		WT Fed#06409 Bank of America, N /Ftr/Bnf=Mickey Shackelford Srf# Fw03873357156221 Trn#091223051170 Rfb#		5,000.00	
12/23		WT Fed#06008 Bank of America, N /Ftr/Bnf=Joe Baker Srf# Fw03873357996221 Trn#091223052682 Rfb#		5,000.00	
12/23		WT Fed#05293 Bank of America, N /Ftr/Bnf=Randel Zuniga Srf# Fw03873357706221 Trn#091223051024 Rfb#		4,500.00	
12/23		WT Fed#06242 Navy Fed /Ftr/Bnf=Chris Edwards Srf# Fw03873357798221 Trn#091223053336 Rfb#		4,500.00	
12/23		WT Fed#06192 Riverside National /Ftr/Bnf=Indianapolis Bus Mgmt Srf# Fw03873357558221 Trn#091223053183 Rfb#		2,500.00	

**WELLS
FARGO****Transaction history (continued)**

Date	Check Number	Description	Deposits Credits	Withdrawals Debits	Ending daily balance
12/23		WT Fed#06130 Asb Bank Limited /Ftr/Bnf=Madison Results Ltd Srt# Fw03873357118221 Trn#091223052984 Rfb#		1,000.00	
12/23		WT Fed#09312 Lloyds Tab Bank Pl /Ftr/Bnf=Lee Lam Srt# Fw03873357962721 Trn#091223085477 Rfb#		1,000.00	
12/23		WT Fed#06313 Arkansas Bankers' /Ftr/Bnf=Bank of Lake Village Srt# Fw03873357559221 Trn#091223053476 Rfb#		500.00	212,434.76
12/24		Transfer to DDA # [REDACTED] 3377		9,500.00	
12/24		Transfer to DDA # [REDACTED] 5700		6,000.00	
12/24		Transfer to DDA # [REDACTED] 0098		1,000.00	195,934.76
12/28		Check Crd Purchase 12/28 Apple Store #R004 Costa Mesa CA 491986XXXXX1106 362940007700126 ?McC=5046 111900659DA90		4,528.15	191,406.61
12/30		Check Crd Purchase 12/28 Apple Store #R004 Costa Mesa CA 491986XXXXX1106 364940005338658 ?McC=5046 111900659DA90		683.77	190,722.84
Ending balance on 12/31					190,722.84
Totals			\$1,001,000.00	\$1,810,327.16	

The Ending Daily Balance does not reflect any pending withdrawals or holds on deposited funds that may have been outstanding on your account when your transactions posted. If you had insufficient available funds when a transaction posted, fees may have been assessed.

Summary of checks written (checks listed are also displayed in the preceding Transaction history)

Number	Date	Amount
1001	12/8	2,500.00

**IMPORTANT ACCOUNT INFORMATION****Important Information - Effective March 17, 2010**

Wells Fargo Business Platinum Check Card or Business ATM Card Transactions: The Foreign Currency Conversion Fee will be re-named International Purchase Transaction Fee. The fee for either network or merchant converted transactions completed outside the United States will be 3% of the transaction amount. You may transfer available funds between your linked primary checking and primary savings accounts at select non-Wells Fargo ATMs. The fee to transfer funds or to request a balance inquiry at non-Wells Fargo ATMs is \$2.00 each (U.S. and International)

Collections-Domestic: Incoming/Outgoing Items with or without Documentation will be \$25 per Item. There will be a \$25 Incoming/Outgoing Domestic Collection fee for inbound Without Entry Claims.

Foreign & International Services: Foreign Drafts, \$30 per order. International Item Collection of \$250 or more, \$75 each.

Branch Deposit Corrections fee will be \$7.50 per correction.

For questions, please contact your local banker or call the phone number at the top of your statement. Your charges may vary depending on your account relationship. We appreciate your business and look forward to continuing to service your financial needs.

WELLS
FARGO**General statement policies for Wells Fargo Bank**

■ **Notice:** Wells Fargo Bank, N.A. may furnish information about accounts belonging to individuals, including sole proprietorships, to consumer reporting agencies. If this applies to you, you have the right to dispute the accuracy of information that we have reported by writing to us at: Overdraft Collections and Recovery, P.O. Box 5058, Portland, OR 97208-5058

You must describe the specific information that is inaccurate or in dispute and the basis for any dispute with supporting documentation. In the case of information that relates to an identity theft, you will need to provide us with an identity theft report.

Account Balance Calculation Worksheet

1. Use the following worksheet to calculate your overall account balance.
2. Go through your register and mark each check, withdrawal, ATM transaction, payment, deposit or other credit listed on your statement. Be sure that your register shows any interest paid into your account and any service charges, automatic payments or ATM transactions withdrawn from your account during this statement period.
3. Use the chart to the right to list any deposits, transfers to your account, outstanding checks, ATM withdrawals, ATM payments or any other withdrawals (including any from previous months) which are listed in your register but not shown on your statement.

ENTER

A. The ending balance
shown on your statement \$ _____

ADD

B. Any deposits listed in your
your register or transfers into \$ _____
your account which are not \$ _____
shown on your statement + \$ _____

TOTAL \$ _____

CALCULATE THE SUBTOTAL

(Add Parts A and B)

TOTAL \$ _____

SUBTRACT

C. The total outstanding checks and
withdrawals from the chart above \$ _____

CALCULATE THE ENDING BALANCE

(Part A + Part B - Part C)

This amount should be the same
as the current balance shown in
your check register \$ _____

Total amount \$ _____