UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
FORT MYERS DIVISION

In re	CASE NO. 9:08-bk-04360-ALP
ULRICH FELIX ANTON ENGLER, PRIVATE COMMERCIAL OFFICE, INC., and PCO CLIENT MANAGEMENT, INC.,	CHAPTER 7 (Substantively Consolidated)
Debtors. _____/	

TRUSTEE'S NOTICE OF FILING PARTICULAR EXHIBITS TO DEPOSITION OF BRADLEY T. FREEMAN, ESQ. IN SUPPORT OF TRUSTEE'S MOTION TO SUBSTANTIVELY CONSOLIDATE NON-DEBTOR DOUGLAS INVESTMENTS, LLC WITH AND INTO THE DEBTORS' BANKRUPTCY ESTATES

NOTICE IS HEREBY GIVEN that ROBERT E. TARDIF, JR. (hereinafter the "Trustee"), as Chapter 7 Trustee for the substantively consolidated bankruptcy estates of Ulrich Felix Anton Engler, Private Commercial Office, Inc., and PCO Client Management, Inc. (hereinafter referred to collectively as the "Debtors"), by and through his undersigned counsel, has filed true and correct copies of particular exhibits to the deposition of Bradley T. Freeman, Esq. conducted on June 15, 2010 with the Clerk of this Court.

Respectfully submitted,

GENOVESE JOBLOVE & BATTISTA, P.A.
Attorneys for the Trustee
200 East Broward Boulevard, Suite 1110
Fort Lauderdale, Florida 33301
Telephone: (954) 453-8000
Telecopier: (954) 453-8010

By: /s/ Robert F. Elgidely
Robert F. Elgidely, Esq.
Florida Bar No. 111856
David C. Cimo, Esq.
Florida Bar No. 775400
Theresa Van Vliet, Esq.
Florida Bar No. 374040

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Trustee's Notice Of Filing Particular Exhibits To Deposition Of Bradley T. Freeman, Esq. In Support Of Trustee's Motion To Substantively Consolidate Non-Debtor Douglas Investments, LLC With And Into The Debtors' Bankruptcy Estates has been filed with the Court and thereby furnished to all creditors and parties in interest registered on the Court's CM/ECF System on the 15th day of June, 2010.

By:/s/ Robert F. Elgidely
Robert F. Elgidely, Esq.

Debbie Douglas

From: <URICHIEE@aol.com>
To: <DAVIDBDOUG@tetontel.com>
Sent: Sunday, June 18, 2006 9:44 AM
Subject: DOUGLAS INVESTMENTS LLC

RICHIE
ENGLER

Dear Mr. President:

I'll give you some ideas and thoughts about our partnership:

1. I'll give the LLC a loan to buy land. It will be a balloon financing with 4 - 6% p.a. interest and up to 30 years.

2. The ownership of the LLC will be split between you and me 50/50. — NO. HE IS NOT IN LLC

3. If possible my name shouldn't be on the papers of the LLC. Please ask your attorney how to do it.

4. The main purpose of the LLC is to buy land, divide it in to parcels and sell it.

5. In the case that our relationship don't work out (!?!?) we will sell the land, pay the loan back and split the profit.

6. There will be no fixed income per month neither for you and me.

7. All cost will be paid by the loan.

8. We have to set up two accounts: 1. for the loan, 2. for the costs of the LLC
For the account 1 both of us had to sign checks or payments, for the account 2 you can pay the monthly bills.

9. We have to find a solution in the case of a death of one of us.

10. We have also to find a solution in the case that one of us will be not around for a while.

11. We only buy land or do business with third parties when both of us 100% agree.

12. Please no hard feelings if I don't agree for a peace of land which will be offered by family members. It's all about business, DAD.

13. About Southport; show me your plans.

14. Please write down all your questions about me, my past and my goals.

15. It's agreed that personal information will be always a secret between you and me. Otherwise you will be not able to perform love again !!!!!!!!!!!!!!!!! :-))

That's the first round of thoughts. We'll go from there. I hope my English is understandable.

Well, Happy Fathersday to you. I'll have now Brunch in the RITZ and enjoy lots of champagne. Say hello to Debbie and Shannon.

RICHIE

6/19/2006

Fidelity Exhibit 4

182275

Quit Claim Deed

RECEIVED
2006
TETON CO., ID
CLERK RECORDER

THIS INDENTURE WITNESSETH that the Grantor, DOUGLAS INVESTMENTS, LLC, an Idaho limited liability company, for and in consideration of Ten and No/100ths ($10.00) Dollars, and other good and valuable consideration in hand paid, CONVEYS AND QUIT CLAIMS unto Grantee, ENGLER LAND INVESTMENTS, LLC, 1217 Cape Coral Parkway, Unit (121), Cape Coral FL 33903 the following described real estate in the County of Teton and State of Idaho, to-wit:

161 (9)
d30

Instrument # 182275
DRIGGS, TETON, IDAHO
2006-11-08 02:03:45 No. of Pages: 3
Recorded for : BRADLEY T FREEMAN PC
NOLAN G. BOYLE Fee: 9.00
Ex-Officio Recorder Deputy
Index to: DEED, QUIT-CLAIM

For Recorder's Use

LEGAL DESCRIPTION -
See attached rider

IN WITNESS WHEREOF, the grantor aforesaid has caused its name to be signed to these presents this 2nd day of NOV 2006.

DOUGLAS INVESTMENTS, LLC

By (X)

State of ILLINOIS)
) ss.
County of KANE)

I, the undersigned, a Notary Public in and for said County in the State aforesaid, do hereby certify that DAVID B. DOUGLAS, personally known to me to be the same person

182275

FIDELITY EXHIBIT 93

whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth, including the release and waiver of the right of homestead.

Given under my hand and notarial seal this 2nd day of NOVEMBER, 2006.

Notary Public

Return To And This
Instrument Prepared By:

Attorney Bradley T. Freeman
1250 Larkin Avenue
Elgin, Illinois 60123

Grantee's Address And
Mail Tax Bills To:

Engler Land Investments, LLC
91 Southport Cove
Bonita Springs, FL 34134

"OFFICIAL SEAL"
BRADLEY T. FREEMAN
Notary Public, State of Illinois
My Commission Expires 11/17/06

182275

EXHIBIT "A"

All of Teton Creek Resort P.U.D. as per the recorded plat thereof, recorded November 13, 1995, as Instrument No. 122038, records of Teton County, Idaho.

LESS Utility Lot 4, Lodge Unit Lot 6, Lodge Unit Lot 7, and Lodge Unit Lot 8 of Teton Creek Resort P.U.D. as per the recorded plat thereof, recorded November 13, 1995, as Instrument No. 122038, records of Teton County, Idaho.

ALSO LESS Lot known as Lot 15A as described in Boundary Line Adjustment Survey recorded August 6, 1997, as Instrument No. 127864, records of Teton County, Idaho, being further described as: from the Southeast corner of government lot 3, Section 20, Township 5 North, Range 46 East, Boise Meridian, Teton County, Idaho, North 89°49'50" West 1678.44 feet along the Teton Creek Resort Subdivision plat as filed Instrument No. 122038, South line to the point of beginning; thence North 89°49'50" West, 295.00 feet along the subdivision line to the original southwest corner of Lot 15, a 1/2" iron pin; thence North 28°13'25" East, 210.30 feet to a point; thence East 195 feet; thence South 185 feet to the point of beginning.

ALSO LESS all units in the final as built plat for Creekside Condominiums,
Building 1-Bannock, recorded June 23, 1998, as Instrument No. 130672.
Building 2-Dream Catcher, recorded April 13, 1998, as Instrument No. 129994.
Building 3-Shoshone, recorded November 28, 2000, as Instrument No. 140317.
Building 4-Blackfoot, recorded November 8, 1999, as Instrument No. 135749.

ALSO LESS all of Teton Creek Resort P.U.D. Phase II, as per the plat thereof, recorded April 27, 2004, as Instrument No. 160877, records of Teton County, Idaho.

187026 APR26'07 AM10:20

Quit Claim Deed

Instrument # 187026
TETON COUNTY, IDAHO
2007-04-26 10:20:00 No. of Pages: 3
Recorded for : BRADLEY T FREEMAN
MARY LOU HANSEN Fee: 9.00
Ex-Officio Recorder Deputy
Index to DEED QUIT-CLAIM

THIS INDENTURE WITNESSETH that the Grantor, ENGLER LAND INVESTMENTS, LLC, 1217 Cape Coral Parkway, Unit 161, Cape Coral FL 33903, for and in consideration of Ten and No/100ths ($10.00) Dollars, and other good and valuable consideration in hand paid, CONVEYS AND QUIT CLAIMS unto Grantee, DOUGLAS INVESTMENTS, LLC, an Idaho limited liability company 28150 L. Burton Fletcher Court, Bonita Springs, FL 34135, the following described real estate in the County of Teton and State of Idaho, to-wit:

For Recorder's Use

LEGAL DESCRIPTION -
See attached rider

IN WITNESS WHEREOF, the grantor aforesaid has caused its name to be signed to these presents this 30th day of April, 2007.

ENGLER LAND INVESTMENTS, LLC

By

Trustee Exhibit 1

State of ILLINOIS)
) ss.
County of KANE)

I, the undersigned, a Notary Public in and for said County in the State aforesaid, do hereby certify that DAVID B. DOUGLAS, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth, including the release and waiver of the right of homestead.

Given under my hand and notarial seal this 30th day April, 2007.

"OFFICIAL SEAL"
DONNA LEE FRUENDT
Notary Public, State of Illinois
My Commission Expires 12/12/09

Notary Public

Return To And This
Instrument Prepared By:

Attorney Bradley T. Freeman
1250 Larkin Avenue
Elgin, Illinois 60123

Grantee's Address And
Mail Tax Bills To:

Douglas Investments, LLC
28150 L. Burton Fletcher Court
Bonita Springs, FL 34135

EXHIBIT "A"

All of Teton Creek Resort P.U.D. as per the recorded plat thereof, recorded November 13, 1995, as Instrument No. 122038, records of Teton County, Idaho.

LESS Utility Lot 4, Lodge Unit Lot 6, Lodge Unit Lot 7, and Lodge Unit Lot 8 of Teton Creek Resort P.U.D. as per the recorded plat thereof, recorded November 13, 1995, as Instrument No. 122038, records of Teton County, Idaho.

ALSO LESS Lot known as Lot 15A as described in Boundary Line Adjustment Survey recorded August 6, 1997, as Instrument No. 127864, records of Teton County, Idaho, being further described as: from the Southeast corner of government lot 3, Section 20, Township 5 North, Range 46 East, Boise Meridian, Teton County, Idaho, North 89°49'50" West 1678.44 feet along the Teton Creek Resort Subdivision plat as filed Instrument No. 122038, South line to the point of beginning; thence North 89°49'50" West, 295.00 feet along the subdivision line to the original southwest corner of Lot 15, a 1/2" iron pin; thence North 28°13'25" East, 210.30 feet to a point; thence East 195 feet; thence South 185 feet to the point of beginning.

ALSO LESS all units in the final as built plat for Creekside Condominiums,
Building 1-Bannock, recorded June 23, 1998, as Instrument No. 130672.
Building 2-Dream Catcher, recorded April 13, 1998, as Instrument No. 129994.
Building 3-Shoshone, recorded November 28, 2000, as Instrument No. 140317.
Building 4-Blackfoot, recorded November 8, 1999, as Instrument No. 135749.

ALSO LESS all of Teton Creek Resort P.U.D. Phase II, as per the plat thereof, recorded April 27, 2004, as Instrument No. 160877, records of Teton County, Idaho.

MEMORANDUM OF AGREEMENT RELATING TO 91 SOUTHPORT COVE, BONITA SPRINGS, FLORIDA 34134

This Memorandum of Agreement entered into this _____ day of August, 2006 between ULRICH ENGLER ("Engler") and DAVID B. DOUGLAS ("Douglas"),

W I T N E S S E T H:

WHEREAS, Douglas owns fee simple title to the property commonly known as 91 Southport Cove, Bonita Springs, Florida 34134 (the "Property"); and

WHEREAS, Engler has purchased a one-half (l/2) interest in the Property from Douglas; and

WHEREAS, Engler and Douglas have decided that Douglas shall remain the fee simple title holder of record as the joint nominee on their behalves; and

WHEREAS, Engler and Douglas desires to transfer their economic interests in and to the Property to DOUGLAS INVESTMENTS, LLC ("Douglas Investments"),

IT IS, THEREFORE, AGREED AS FOLLOWS:

1. Douglas will continue to hold fee simple title to the Property as the nominee on behalf of Engler, Douglas Investments and himself.

2. All expenses of maintaining the Property and any and all future capital improvements that are required of the Property shall be paid for by Douglas Investments.

3. The Property shall be subject to the terms of the Business Loan Agreement entered into on the _____ day of August, 2006 between Engler and Douglas Investments as it relates to the mutual rights and obligations of the parties. The terms of the Business Loan Agreement are hereby incorporated by reference and expressly made a part hereof.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on the day and date above written.

_____
Ulrich Engler

_____
David B. Douglas

FIDELITY EXHIBIT 9

ACKNOWLEDGMENT AND ACCEPTANCE OF TERMS OF MEMORANDUM OF AGREEMENT RELATING TO 91 SOUTHPORT COVE, BONITA SPRINGS, FLOIRDA 34134

The undersigned, DAVID B. DOUGLAS, being the sole Member of DOUGLAS INVESTMENTS, LLC, does hereby acknowledge the terms set forth above and agrees to all of said terms and conditions.

_____

David B. Douglas, sole Member of
DOUGLAS INVESTMENTS, LLC

Dated: _____, 2006

Bradley T. Freeman
1250 Larkin Ave
Suite No
Elgin IL 60123

Quit Claim Deed

THIS INDENTURE WITNESSETH that the Grantor, ULRICH ENGLER of the of the City of Bonita Springs, County of Charlotte, State of Florida, for and in consideration of One and No/100ths ($1.00) Dollar, and other good and valuable consideration in hand paid, CONVEYS AND QUIT CLAIMS unto the Grantee, DOUGLAS INVESTMENTS LLC, an Idaho limited liability company, the following described real estate in the County of Charlotte and State of Florida to-wit:

BARBARA T. SCOTT, CLERK, CHARLOTTE COUNTY
OR BOOK 3045, PGS 832-834 3 pg(s)
INSTR # 1598056
Doc Type D, Recorded 10/03/2006 at 08:29 AM
Deed Doc: $0.70 Rec. Fee: $27.00
Cashiered By: JANNIEW Doc. #:1

====== For Recorder's Use ======

Unit B-101, Building B, of THE PORCHES AT DEEP CREEK I, a Condominium according to the Declaration thereof as recorded in O.R. Book 2916, Page 1455, et seq., and the Condominium Plat as recorded in Condominium Book 14, Pages 17A through 17J, all of the Public Records of Charlotte County, Florida, together with an undivided 1/14 interest in the common elements appurtenant thereto and the right to use Parking Space 11, as a limited common element appurtenant to said unit.

Unit B-202, Building B, of THE PORCHES AT DEEP CREEK I, a Condominium according to the Declaration thereof as recorded in O.R. Book 2916, Page 1455, et seq., and the Condominium Plat as recorded in Condominium Book 14, Pages 17A through 17J, all of the Public Records of Charlotte County, Florida, together with an undivided 1/14 interest in the common elements appurtenant thereto and the right to use Parking Space 14, as a limited common element appurtenant to said unit.

Unit B-203, Building B, of THE PORCHES AT DEEP CREEK I, a Condominium according to the Declaration thereof as recorded in O.R. Book 2916, Page 1455, et seq., and the Condominium Plat as recorded in Condominium Book 14, Pages 17A through 17J, all of the Public Records of Charlotte County, Florida, together with an undivided 1/14 interest in the common elements appurtenant thereto and the right to use Parking Space 15, as a limited common element appurtenant to said unit.

Parcel Identification No. 00952623389703 and 00952623389605

FIDELITY EXHIBIT 35

3

AND THE FOLLOWING PARCELS:

Lots 6 and 7, Block 745, Punta Gorda Isles, Section 23, according to the Plat thereof as recorded in Plat Book 12, Page(s) 2A through 2Z41 inclusive, of the Public Records of Charlotte County, Florida

Parcel Identification Number: 0095262-335960-1

hereby releasing and waiving all rights under and by virtue of the Homestead Exemption Laws of the State of Florida.

THIS IS NOT HOMESTEAD PROPERTY.

IN WITNESS WHEREOF, the grantor aforesaid has hereunto set his hand and seal this 25th day of September, 2006.

X _____ (Seal)
Ulrich Engler

WITNESSES:

_____

_____

State of ILLINOIS)
) ss.
County of K A N E)

I, the undersigned, a Notary Public in and for said County in the State aforesaid, do hereby certify that ULRICH ENGLER, personally known to me to be the same person whose names is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth, including the release and waiver of the right of homestead.

Given under my hand and notarial seal this 25th day of September, 2006.

_____
Notary Public

This Instrument Prepared By
Attorney Bradley T. Freeman
1250 Larkin Avenue, Suite 100

Grantee's Address And Mail Tax Bills To:
Douglas Investments LLC
227 Sorenson Creek Drive

"OFFICIAL SEAL"
BRADLEY T. FREEMAN
Notary Public, State of Illinois
My Commission Expires 11/17/06

Elgin, Illinois 60123

Victor, Idaho 83455

Return recorded document to:

Attorney Bradley T. Freeman
1250 Larkin Avenue, Suite 100
Elgin, IL 60123

ATTORNEY BRADLEY T. FREEMAN
1250 LARKIN AVENUE, SUITE 100
ELGIN, IL 60123

BARBARA T. SCOTT, CLERK, CHARLOTTE COUNTY
OR BOOK 3069, PGS 2179-2180 2 pg(s)
INSTR # 1612799
Doc Type AFF, Recorded 11/17/2006 at 09:33 AM
Rec. Fee: $18.50
Cashiered By: DEBORAHB Doc. #:1

STATE OF ILLINOIS)
) SS.
COUNTY OF K A N E)

NAME AFFIDAVIT

The undersigned, being the attorney for Mr. Ulrich Engler, 91 Southport Cove, Bonita Springs, Florida 34134, does hereby certify and represent that Ulrich Engler is one and the same as Richie Engler as it relates to the real estate described on the attached Exhibit A.

Bradley T. Freeman

Subscribed and sworn to
before me this 7th day
of November, 2006.

Notary Public

"OFFICIAL SEAL"
DONNA LEE FRUENDT
Notary Public, State of Illinois
My Commission Expires 12/12/09

Feldy Exhibit 34 2

PRIVATE

DOUGLAS INVESTMENTS, LLC HISTORY

1. Initial Discussion. On June 16, 2006 I spoke with David Douglas who said that he wanted to set up a new LLC in Idaho. The purpose of this was to buy some land. He indicated that Richie Engler was going to loan money to the LLC in order to accomplish this. He indicated that David would be in charge. David was to be the sole Member of the LLC. The LLC was established on June 23, 2006 by the Secretary of State of Idaho.

2. Input of Richie Engler. On June 18, 2006 Richie sent to David Douglas an e-mail regarding "some ideas and thoughts about our partnership".

3. My Initial Suggestions and Comments. On June 20, 2006 I faxed to David Douglas a letter regarding questions and comments which I had, including, but not limited to, such items as:

A. Income Tax Issues.

B. Involvement of Richie Engler.

C. Death of a Member – what would happen in the event that David were to die.

D. The management decisions of the LLC.

I also indicated that I wanted David to let Richie know that I will be representing David on an individual basis and will be preparing the Operating Agreement for review by both David and Richie. I indicated as follows:

> "He will need to get his own tax and legal advice on how all this impacts him personally since there may be a potential conflict of interest".

4. Income Tax Issues. On August 9, 2006 I sent Dave a letter indicating that I sent his CPA, Ron Walther, a letter indicating that I had obtained the federal employer identification number and I assumed that Dave and Ron had discussed how the "distributions of profits to Richie" would be reported for income tax purposes.

On June 26, 2006 I had a telephone conference with Ronald Walther. In that conversation he confirmed that Douglas Investments, LLC would be a single member LLC, which was going to lend money to the LLC and after all expenses were paid Richie and David would split the profits. He further indicated that there would be a K-1 issued only when gain is distributed and there would be capital gain to Richie. On that same date I spoke with Dave Douglas and confirmed with Ron Walther what I had discussed. **I also further mentioned that Richie should get independent tax and legal advice regarding the structuring of these transactions.**

5. 91 Southport Cove. On August 4, 2006 I spoke with David Douglas. He wanted to prepare a Memorandum of Agreement reflecting that Richie Engler had purchased one-half of the Southport property from David. The Memorandum was not to be recorded but rather David

Fidelity Exhibit 1

would continue to hold title to the property as a nominee on behalf of themselves. Also, by virtue of that Memorandum Engler and David were to "transfer their economic interests in and to the property to Douglas Investments, LLC". The Memorandum further provided that the terms of the Business Loan Agreement previously executed on August , 2006 was incorporated by reference and made part of the Memorandum.

6. Punta Gorda Properties. In September of 2006 David wanted to have the Punta Gorda properties transferred from Richie to Douglas Investments LLC. Eventually the deed was recorded in Charlotte County on October 3, 2006 and included three condominiums at The Porches at Deep Creek l plus Lots 6 and 7 in Block 745, Punta Gorda Isles, Section 23. We had to file a Name Affidavit to show that Richie Engler was the same person as Ulrich Engler.

7. Solicitation of Funds from Outside Investors. On December 27, 2006 I sent Dave a letter indicating that if he and/or Richie were soliciting outside investors it would be extremely important to obtain legal advice from an attorney who specializes in security laws and regulations.

8. Membership Units. Effective as of January l, 2007 David directed me to prepare a split of Membership Interests to show that he was giving Deb 40 per cent of the Membership Interests and he would retain 60 per cent.

On January 8, 2007 I mailed to David the following:

A. Operating Agreement, in duplicate, to be signed by both Dave and Debbie.

B. Three Certificates of Membership Interest showing the history of the Membership Interests. The first Certificate is for David for l00 shares. The next two Certificates split the Membership Interests on the 60/40 basis between them.

C. First Amendment to Operating Agreement dated December 3l, 2006, in duplicate, which provided that the management of the business affairs would be managed by the Member who owns a majority of the Membership Interests and all management of the Company shall be vested in the Members owning a majority of the Membership Interests.

9. Amendment to Business Loan Agreement and Operating Agreement. On February l2, 2007 I sent to David a proposed draft of the Amendments that he requested. These related to what happens in the event of David's death. He wanted all of his shares to go to Debbie. If both he and Deb were to die before Richie, then Richie was to receive the Membership Interests. Richie was then to liquidate everything and divide 50/50 between himself and the Douglas heirs.

10. Further Amendment to Loan Agreement. On April l3, 2007 David called and indicated that Richie wanted to have the Operating Agreement amended and the Loan Agreement amended to provide that David would be in control of making decisions. David wanted to "get rid of

comments regarding restrictions" as contained in the existing Loan Agreement. **Additionally, he wanted it to provide that in the event of the sale of any investments by Douglas Investments, LLC all costs were to be paid off the top, interest was to be repaid to Richie and Richie would then receive 10 per cent of the gross sales price as his return.** David would **keep the balance**. David indicated that he had talked to his new accountant, Joe Whitlock, in Idaho, telephone number: 208-354-8333 regarding this. Drafts of that Business Loan Agreement were mailed to David for review and signatures.

11. April 2007 Amendments. On April 20, 2007 I talked to David Douglas. He also wanted to make changes in the Agreement to provide that if he were to die then Deb and Richie would continue to operate the business. When Richie dies then his 10 per cent interest would go to his "designated beneficiary". If all three were deceased then he wanted to provide that a Management Committee consisting of Bradley T. Freeman and his three children could run the businesses with Bradley T. Freeman having the controlling vote. (The Second Amendment to the Business Loan Agreement and the Operating Agreement which was signed on February 13, 2007 provided some provisions for payment to the beneficiaries of David Douglas and Debbie Douglas in the event of their deaths.)

On May 31, 2007 I sent another letter to David along with an additional copy of the proposed Amendment asking if he wanted to proceed with finalizing that document.

12. In August of 2007 Dave Douglas sent me all of the Business Loan Agreements for all of the individual projects.

All of those Business Loan Agreements had apparently been revised retroactively to provide for the most recently agreed upon terms reflecting the 10 per cent distribution in gross sales price to Richie and reflecting what happens in the event of the deaths of David, Debbie and/or Richie. **All of these Business Loan Agreements are kept in our fireproof safe in the basement**.

ENGLER LAND INVESTMENTS, LLC HISTORY

Engler Land Investments, LLC

1. Organized with the Florida Secretary of State on October 23, 2006.

2. Address of the LLC:

1217 Cape Coral Parkway, Unit 121
Cape Coral, Florida 33903

3. Federal Employer Identification No.:

20-5760107

4. Single Member of the LLC:

David B. Douglas

5. I prepared a contract dated October 29, 2006 in which Engler Land Investments LLC was purchasing from Douglas Investments LLC the property commonly known as Teton Creek Resort for a purchase price of $12,000,000.

A deed from Douglas Investments, LLC to Engler Land Investments, LLC for the subject property was recorded on November 8, 2006 in Teton County Recorder's Office as Document No. 182275.

6. On November 17, 2006 I e-mailed David and indicated that he should talk to his accountant to see how his accountant wanted to document the $12,000,000 between the LLCs. I indicated that I thought a Promissory Note should be signed and put in the file.

7. I prepared a Business Loan Agreement between Ulrich Engler as the lender and Engler Land Investments, LLC as the Borrower. This was similar to the form that was used for Douglas Investments, LLC.

8. On December 29, 2006 the registered office of Engler Land Investments, LLC was changed to:

David B. Douglas
2150 L. Burton Fletcher Court
Bonita Springs, FL 34135

FIDELITY EXHIBIT 3

9. I prepared a Promissory Note for $1,000,000 and sent it to Dave. This was dated January 1, 2007. Richie had made him a loan of $1,000,000 which was to be due and payable from time to time as profits are received by David Douglas from either Douglas Investments LLC or Engler Land Investments LLC.

10. Reconveyance to Douglas Investments, LLC. On April 10, 2007 David Douglas called me and asked me to prepare a deed from Engler Land Investments, LLC to Douglas Investments, LLC for the Teton Creek Resort property since Engler Land Investments, LLC was going to be dissolved. On April 12, 2007 I sent the deed by Fed Ex to David Douglas in Florida for obtaining signatures. On April 23, 2007 I sent the executed deed to the Teton County Recorder's Office.

11. An Operating Agreement had been prepared and sent to the client for signature. I do not have a signed copy in my file.

12. Voluntarily dissolved in the State of Florida on May 15, 2007. (Original request submitted by us was to have it dissolved on May 1, 2007. Secretary of State returned the request and indicated that we needed to insert the date of the meeting on which this was decided.)

SCHNELL, BAZOS, FREEMAN, KRAMER, SCHUSTER & VANEK
A PARTNERSHIP OF PROFESSIONAL CORPORATIONS
ATTORNEYS AT LAW

PETER C. BAZOS
BRADLEY T. FREEMAN
ROBERT S. KRAMER
MARK SCHUSTER
GARY M. VANEK

ANDREW E. KOLB
SCOTT P. LARSON

1250 LARKIN AVENUE, SUITE 100
ELGIN , ILLINOIS 60123
TELEPHONE (847) 695-4560
FAX (847) 742-9777
Website: WWW.SBFKLAW.COM

THEODORE N. SCHNELL, JR.
(Retired 2001)

6/24 Re: Walther left VM
239
263
2111

6-23
(1) wants no tax consequence
(2) call CPA

June 20, 2006

VIA TELECOPIER
Mr. David Douglas
227 Sorenson Creek Drive
Victor, Idaho 83455

In re: Douglas Investments LLC

Dear Dave:

left VM for Walther on 6/23 @ 10:55

The following is a list of some of the questions/comments regarding this new entity:

1. Income Tax Issues. If Richie contributes cash and/or other property to the LLC and you own a 50 per cent interest of all assets in the LLC, then you will have to pay ordinary income tax on the 50 per cent fair market value of those items.

   The reason is that you are not paying for any of those assets and the Internal Revenue Service would consider that to be "earned income".

   Since there could be a significant amount of tax to pay I would suggest that Richie not be a Member of the LLC but rather he would be a lender to the LLC.

   On the other hand it would be acceptable if you and Richie each initially owned 50 per cent of the LLC after contributing a nominal amount of cash to the LLC, for example $100 each. Following that then Richie could make loans to the LLC.

   It is extremely important that you confirm all of the personal tax implications with your tax advisor.

2. Richie's Contribution of Land to the LLC. I am not sure why Richie wants to contribute land to the LLC that he already owns. If I was his attorney I would not advise him to do so. It would seem to serve no legitimate business purpose, however, since I am

FIDELITY EXHIBIT 5

representing you then if Richie wants to contribute land that he already owns to the LLC and then give you 50 per cent interest that is satisfactory as long as you want to pay the income tax as referenced above.

3. Richie's Name on the Papers of the LLC. I am not exactly sure what Richie means by this. If he wishes not to have his name appear with the LLC in any fashion then he should simply be a lender to the LLC as opposed to a Member of the LLC.

   If he still wants to be a Member of the LLC then his name will appear on the Operating Agreement which is normally a private document but any third party, such as a title company or another lender to the LLC might require a copy in the future.

   Please confirm this issue in more detail and try to determine exactly what he is talking about. (One possible solution would be to have Richie set up a corporation which corporation could then become a Member of the LLC).

4. Death of a Member. Please discuss with Richie how things are going to be structured and how an interest will be redeemed in the event of the death of one of the Members. Depending on how it is structured you may wish to have some life insurance on each of you to help defray payment of the buyout costs.

5. Management Decisions of the LLC. Whether Richie is a Member of the LLC or simply a lender to the LLC the governing documents can provide that all decisions would be made on the joint basis.

6. Miscellaneous.

   A. I am not sure what Richie means in item l0 in his e-mail to you regarding finding a solution "in the case that one of you will not be around for awhile". Is he talking about a situation where one of you might be traveling and might not be able to be contacted?

Please let Richie know that I will be representing your interest on an individual basis and also will be preparing the Operating Agreement for review by both of you. He will need to get his own tax and legal advice on how all this impacts him personally since there may be a potential conflict of interests.

Thanks and I shall look forward to hearing from you.

Very truly yours,

BRADLEY T. FREEMAN

BTF/df

P.S. We mailed the Articles of Organization on June 19, 2006 and I shall let you know when I receive a filed stamped copy back from the Secretary of State's Office.

MEMORANDUM

November 2, 2007

TO: PER A. RAMFJORD

FROM: DANIELLE J. HUNSAKER

CLIENT: Douglas Investments

RE: Potential criminal liability for money laundering

You asked me to research whether Douglas Investments could conceivably have any liability for money laundering based on its dealings with Ulrich Engler. Based on the limited information we currently have, it does not appear that Douglas Investments would likely be found to be liable for money laundering. Nonetheless, there is a sufficient potential for liability that the client should be made aware of the law and should ensure that it does not engage in any future transactions that could expose it to liability.

The elements of money laundering under 18 USC § 1956(a)(1)(B)(i) are:

(1) Attempting to conduct or conducting "a financial transaction;"

(2) Which involves the "proceeds of specific unlawful activity;"

(3) While knowing that the funds in question represent "proceeds of some form of unlawful activity and that the transaction is designed to conceal the unlawful nature or source of the proceeds.

Here, there is no question Douglas Investments conducted financial transactions with Mr. Engler. It is unclear, however, whether the transaction involved the "proceeds of specific unlawful activity" and whether Douglas Investments could be viewed as having the requisite knowledge that the funds were the product of some unlawful activity. These issues are discussed further, below.

<u>Proceeds of "specific unlawful activity"</u>

Section 1956(c)(7) includes a list of those activities defined as "specific unlawful activity" for purposes of money laundering. Given the minimal information we currently possess, we cannot state with certainty whether Mr. Engler may have engaged in any of the listed activities, although it is certainly possible. Based on the internet research we have done, it appears Mr. Engler may have engaged in large-scale financial fraud in a few European countries. There is even reference to "US-Land banking" activity where Mr. Engler is being accused of

Fdaffy Exhibit 18

taking investor money to buy undeveloped property in the United States and then absconding with the money. Such activity may come within section 1956(c)(7)(B)(iii), which lists financial transactions occurring at least in part in the United States that constitute "fraud, or any scheme or attempt to defraud, by or against a foreign bank." Such conduct may also fall within section 1956(c)(7)(B)(vi), as "an offense with respect to which the United States would be obligated by a multilateral treaty, either to extradite the alleged offender or to submit the case for prosecution . . . ." In the United States' treaties with Austria and Germany, extradition is provided for fraud and other financial crimes. *See* 27 UST 957 (treaty with Austria listing "[o]btaining any property, money or valuable securities by false pretenses or other form of deception" as an extraditable offense where it is punishable by more than a year in prison); 32 UST 1485 (treaty with Germany listing "[f]raud, including offenses against the laws relating to the unlawful obtaining of money, property or securities, [and] to fiduciary relationships . . ." as extraditable offenses). As a result, while it is not certain, there is clearly a potential that Mr. Engler may have engaged in criminal activity within the statute's listing of "specific unlawful activity," and that the funds that were used in the transactions with Douglas Investments could be deemed proceeds of such unlawful activity.

Knowledge of unlawful activity and intent to conceal such

Even assuming that the funds received by Douglas Investments were in fact the proceeds of specified unlawful activity, however, Douglas Investments could not be convicted of money laundering unless it knew that the funds were from some form of unlawful activity and that the transactions at issue here in the United States were aimed at concealing such funds.

"Unlawful activity" in this context is not limited to a specified unlawful activity but can be any offense that is a felony under domestic or foreign law. 18 USC §1956 (c)(1). In the present case, it appears that it would be difficult to show that Douglas Investments actually knew that Mr. Engler was engaged in unlawful activity. Although Douglas Investments had some suspicions that led to a background check on Mr. Engler, which showed that Mr. Engler is not licensed to give investment advice in Austria due to several investor complaints, that hardly rises to the level of clear knowledge of criminal wrongdoing. In addition, while we understand that Mr. Engler told Douglas Investments that he was "in trouble" with the German government and Douglas Investments has observed him to have engaged in some unusual financial behavior, such information would not appear sufficient to establish knowledge.

In this regard, however, it is important to bear in mind that knowledge can be inferred from various facts relating to a financial transaction. The case of *United States v. Campbell,* 977 F2d 852 (4th Cir. 1992) is instructive on this point. There, a real estate agent helped a drug dealer buy a house. The buyer did several things that were out of the ordinary, including bringing large amounts of cash to the agent's office to show her he could afford to buy a house and asking her to restructure the transaction so that he could make a substantial payment "under the table" and to lower the contract price because he was denied a loan for the full contract price. The agent also demonstrated her suspicion of illegal activity when she told a third person the buyer's money may be drug money. There was also extensive evidence of the buyer's extravagant lifestyle. The court found that taken together this evidence was sufficient to create a jury question as to whether the agent was willfully blind to the unlawful source of the money and "deliberately closed her eyes to what would otherwise have been obvious to her." *Campbell*, 977

F.2d at 856. The court also found the evidence demonstrating the agent's knowledge or willful ignorance was sufficient to establish she knew the buyer intended that the transaction conceal the unlawful nature of the money. *Id.*

From what we know, our client has no direct indication of any criminal wrongdoing by Mr. Engler. Nonetheless, to the extent that Douglas Investments becomes aware of additional information that could be construed as demonstrating that Mr. Engler has in fact engaged in criminal activity and is attempting to conceal the proceeds of such activity through his financial transactions with Douglas, there could be an increased risk of liability. Douglas Investments should be made aware of this potential so that it can minimize any such risk.

Brad Freeman

From: Brad Freeman [bfreeman@sbfklaw.com]
Sent: Tuesday, March 18, 2008 8:10 AM
To: 'Sean Moulton'
Cc: 'davidbdoug@silverstar.com'
Subject: RE: Congro v. Douglas (Idaho)

Sean – I do not recall what the original purpose was for Engler Land Investments, LLC other than to give Dave and Richie another entity to use. Brad

From: Sean Moulton [mailto:seanmoulton@tetonvalleylaw.com]
Sent: Monday, March 17, 2008 4:14 PM
To: bfreeman@sbfklaw.com
Subject: Re: Congro v. Douglas (Idaho)

Brad:

Thanks for the information. Was my characterization of the purpose for which Engler Land was created accurate?

Sean Moulton, Esq.
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P.O. Box 631
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On Mar 17, 2008, at 2:47 PM, Brad Freeman wrote:

Sean – I had set up Engler Land and later had it dissolved in Florida. FYI. Brad

From: Sean Moulton [mailto:seanmoulton@tetonvalleylaw.com]
Sent: Monday, March 17, 2008 3:17 PM
To: Knipe, Quentin
Cc: Amy Potter; Sinclair J.; Prince Jason; bfreeman@sbfklaw.com
Subject: Re: Congro v. Douglas (Idaho)

Quentin:

It is definitely fair to characterize Dave and Ritchie as friends and business associates. I am not certain if Dave accepted the vehicle that Rich wanted to "give" to him. However, Dave leased his house to Rich for a year. In fact, the lease was how their relationship started. Rich leased the house and was a good tenant. Dave and Ritchie became friends during the tenancy and subsequently entered into the loans. See additional comments below mingled with your responses.