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**BEFORE THE ARIZONA CORPORATION COMMISSION**

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AZ CORP COMMISSION
DOCUMENT CONTROL

COMMISSIONERS

JEFF HATCH-MILLER, Chairman
WILLIAM A. MUNDELL
MIKE GLEASON
KRISTIN K. MAYES
GARY PIERCE

In the matter of:

AGRA-TECHNOLOGIES, INC. (a/k/a ATI), a Nevada corporation, 5800 North Dodge Avenue, Bldg. A Flagstaff, Arizona 86004-2963;

WILLIAM JAY PIERSON (a/k/a BILL PIERSON), and SANDRA LEE PIERSON (a/k/a SANDY PIERSON), husband and wife, 6710 Lynx Lane Flagstaff, Arizona 86004-1404;

RICHARD ALLEN CAMPBELL (a/k/a DICK CAMPBELL), and SONDRA JANE CAMPBELL, husband and wife, 8686 West Morten Avenue Glendale, Arizona 85305-3940;

WILLIAM H. BAKER, JR. (a/k/a BILL BAKER), and PATRICIA M. BAKER, husband and wife, 3027 N. Alta Vista Flagstaff, Arizona 86004;

JERRY J. HODGES, and JANE DOE HODGES, husband and wife, 1858 Gunlock Court Saint George, Utah 84790-6705;

LAWRENCE KEVIN PAILLE (a/k/a LARRY PAILLE), and JANE DOE PAILLE, husband and wife, 220 Pinon Woods Drive Sedona, Arizona 86351-6902;

Respondents.

DOCKET NO. S-20484A-06-0669

**SECURITIES DIVISION'S MOTION FOR RULING ON ALLEGEDLY INADVERTANTLY PRODUCED PRIVILEGED DOCUMENTS BY RESPONDENTS AGRA-TECHNOLOGIES, INC., WILLIAM H. BAKER, JR. AND WILLIAM JAY PIERSON**

**(Administrative Law Judge Marc Stern)**

**(Oral Argument Requested)**

Arizona Corporation Commission
DOCKETED
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Pursuant to R14-3-106(F),(K), the Securities Division ("Division") of the Arizona Corporation Commission moves the Court to issue an order holding that Respondents Agra-Technologies, Inc. ("Agra"), William H. Baker, Jr. ("Baker") and William Jay Pierson ("Pierson")(collectively, "Respondents") did not produce documents to the Division that were "attorney-client" or "work product" privileged. Rather, the 248 separate pages of documents at issue are pre-existing business records generated in the ordinary course of business that contain material facts, witness statements and admissions against interest; not specific legal advice. They are also not privileged simply because Agra gave the documents to attorneys retained for litigations other than this matter.

More importantly, even if some aspects of the documents are privileged, they were not inadvertently or mistakenly produced to the Division as claimed by Respondents. Rather, the objective, undisputed evidence and applicable law proves that Agra, as the alleged privilege holder, waived any privileges by intentionally, knowingly and voluntarily producing them to the Division, a stranger to the litigations allegedly giving rise to the privileges, over a substantial period of time with detailed cover letters. No mistakes were made. At a minimum, Respondents so recklessly failed to maintain the alleged privileged nature of the documents that principles of equity and fairness mandate a finding that Respondents waived any privileges.[1]

## I. FACTS

This matter arises from Respondents' claims to investors that they can extract platinum and other precious metals, such as gold and silver, from their Sheep Hill volcanic cinders on a cost effective basis.[2] The Division alleges that the volcanic cinders do not contain precious metals in quantities sufficient to justify their extraction, and that Agra has remained in business since at least July 2003 primarily by selling approximately $11 million in securities to investors residing in

[1] The Division will promptly file the 248 pages of documents at issue under seal with the Hearing Division in the event the Court believes it should actual review the documents to rule as to their alleged privileged nature.

[2] This is not the first mining investment case that involves the same Sheep Hill volcanic cinders outside Flagstaff, Arizona. *See e.g.,* DOCKET NO. S-03356A-00-0000, Decision No. 64283.

approximately 21 states, and 3 other countries such as Canada, Britain and Bermuda. Agra has not paid any returns to its investors.

**A. Agra's Voluntary and Knowing Production of Documents.**

The Division issued a subpoena for documents to Agra's "Custodian of Records" on June 12, 2006. (*See*, **Tab "1"**). Thereafter, Respondent Baker, Agra's long time Chief Financial Officer ("CFO"), Secretary, Treasurer, substantial stock owner and accountant, and Respondent Pierson, Agra's founder, Chairman of the Board, Chief Executive Officer ("CEO"), President and largest shareholder[3] produced Agra business records to the Division on 9 occasions over a period of approximately 3 ½ months from July 10 to October 30:

**1.** On July 10, 2006, bates labeled ACC002065 to ACC002627 (**Tab "3"**). The July 6 cover letter signed by Baker states in part, "We will deliver additional documents subsequent to May 2003 as per the guidance we receive from our counsel...We fully intend to cooperate with you." Pierson mailed these documents. Baker provided the Division with Invoice No.: 301 for $50 in "copying" charges. (**Tab 3**).

**2.** By Hand-Delivery by Baker on July 25, 2006, bates labeled ACC002673 to ACC006987, and ACC009064 to ACC0010847 (**Tab "4"**). Baker attached his business card to each category of documents, and he prepared a detailed 2 page, single spaced letter dated July 24, 2006 describing the Agra documents provided. Baker provided the Division with Invoice No.: 307 for $609 in "copying" charges. (**Tab 4**).

**3.** By e-mail and letter from Baker dated September 22 and 21, 2006 regarding documents available on, and downloaded from Agra's website, bates labeled ACC011334 to ACC011352. (**Tab "5"**).

**4.** By hand-delivery on or about October 2, 2006, with detailed cover letter from Baker describing Agra's business operations and documents, bates labeled ACC011353 to ACC012743. Baker's September 22, 2006 letter states in part, "I, (we) here at Agra-Technologies believe that

[3] *See e.g.*, **Tab "2"** (Corporate Filings and Agra business records).

there is nothing to hide from you, accordingly I (we) genuinely intend to fully comply with the subpoena that is open for documents and information." Baker also alleged that Respondent Richard Allen Campbell ("Campbell") may have engaged in insider trading. (**Tab "6"**).

**5.** By hand-delivery on or about October 10, 2006, with a cover letter from Baker dated October 9, 2006, bates labeled ACC012745 to ACC013742. The October 9 Baker letter states in part, "Enclosed are two binders of documents. The originals were at Quarles & Brady law firm being copied for our lawsuit with Richard Campbell. They were returned to us last Tuesday. There are two binders: RAC Attack ATI Legal, and ATI Attack RAC. I believe these include the information you were requesting." Included with the two, tabbed binders of documents and Baker cover letter is a small package of documents titled, "Additional Internal Communications." (**Tab "7"**)

**6.** By letter from Mr. Baker dated October 19, 2006 with a CD containing financial information, delivered via FedEx on or about October 23, 2006, bates labeled ACC014531 to ACC014533. (**Tab "8"**).

**7.** By FedEx with CD containing financial information, delivered on or about October 20, 2006, bates labeled ACC014534 to ACC014535. (**Tab "9"**)

**8.** By e-mail from Baker dated October 27, 2006, with attached letter from Agra to general agents and salesman regarding TC&D, bates labeled ACC015416 to ACC015419. (**Tab "10"**).

In addition, the Division served a subpoena for documents on Pierson in his individual capacity. (**Tab "11"**). On October 10, 2006, Pierson provided various documents by letter dated October 9, bates labeled ACC013743-014498. Included with Pierson's production was a hand-written letter by Pierson that states in part:

> I have been deeply involved in providing the ACC with everything other than our accounting data, which has been provided by Mr. Baker.

(**Tab "12"**).[4] Thus, Pierson was actually aware at all times relevant of the documents Respondents were supplying to the Division. (*See e.g.,* **Tab "39"**). In addition to the Agra Custodian of Records and Pierson subpoenas, Agra, Baker and Pierson provided the documents noted above in response to various letters. (**Tabs "13" to "18"**).

**B. <u>The Division's Attempts to Resolve this Issue</u>**

The Division provided Agra with copies of the documents it had provided to the Division on November 14, 2006 in part to assist the parties in possibly reaching an early settlement in light of the evidence. (**Tab "19;" Tab "20"**). For the first time, by letter dated November 21, 2006, Agra baldly claimed, without citation to fact or law that, "[i]t appears that some [108 pages of allegedly] privileged documents were inadvertently produced." (**Tab "21"**). On November 29, 2006, the Division requested that Respondents provide it with their privilege and inadvertency analysis, and a "detailed" privilege log. (**Tab "22"**).

On November 30, 2006, Respondents again baldly claimed that an additional 132 pages of allegedly privileged documents were inadvertently produced. (**Tab "23"**). On December 8, 2006, the Division provided Respondents with a detailed 5 page letter explaining why under the objective facts and law, Respondents had not mistakenly produced any privileged documents; rather they provided the documents solely in an attempt to obtain favorable treatment from the Division and to lay blame on Respondent Richard Allen Campbell ("Campbell"). The Division again asked Respondents to provide a factual and legal basis for their claims, and redacted documents that could even moot their issue. (**Tab "24"**).

By letter dated December 12, 2006, Agra's attorney provided a generic privilege log and baldly stated, again without citation to law or fact, that:

> The communications were inadvertently disclosed in that Bill Baker did not intend to waive the cited privileges when he produced documents to the Arizona Corporation Commission, nor can he waive privileges maintained by the company or Bill Pierson.

[4] A.R.S. § 44-1992 prohibits the filing of false and misleading statements with the Commission.

(**Tab "25"**). Respondents' privilege log did not contain sufficient detail so that the Division could make an informed decision as to their claims. (**Tab 25;** *also, e.g.,* **Tab "26"**). By letter dated December 21, 2006, the Division again asked for Respondents to provide factual and legal support for their claims and/or redacted documents. (**Tab 26**). In response, Respondents merely claimed on December 22, 2006 that a total of 8 additional pages of allegedly privileged documents were inadvertently produced. (**Tab "26"**).

To date, Agra has not provided the Division with redacted copies of the allegedly inadvertently disclosed privileged documents. Respondents' 2 generic privilege logs identify at least 2 separate litigations giving rise to the alleged privileges: (1) *Campbell v. Agra*, Maricopa County Superior Court, CV2006-009755 (hereafter, "Campbell Lawsuit"); and (2) Agra v. Kalahari Mineral Holdings, Ltd., Coconino County Superior Court, CV2006-0140 (hereafter, "*Agra v. KMH*").

**C. <u>The *Campbell* Lawsuit</u>**

On June 30, 2006, Respondent Campbell filed a securities fraud lawsuit against Agra based, in part, on the allegation that the Galleon technology identified in the existing TC&D, and with which the Respondents used to sell the majority of the AGRA Units and stock, "is ineffective to recover platinum from volcanic cinders." (**Tab "28"**)("*Campbell* Lawsuit"). Thereafter, the Division asked for Agra's responses to Campbell's discovery requests in the *Campbell Lawsuit*, in part, by stating, "we request that either you or your Campbell lawsuit attorneys let us review such documents prior to any copying to prevent undue cost to both you and our office." (**Tab 14**). As of the date of this Motion, Agra's counterclaims against Campbell have been dismissed. (**Tab "38"**).

**D. <u>The *Agra v. KMH* Lawsuit</u>**

Because Respondents had to admit to their investors at some point that the Galleon process did not work, and in an effort to extract even more money from existing and new investors, Respondents next claimed that they had acquired a new technology from KMH that allowed them

to obtain large quantities of not only platinum, but also gold and silver, from their volcanic rocks. (*See e.g.*, **Tab "29,"ACC010976**). Like the Galleon process, Respondents eventually admitted that the KMH process did not work. (*See e.g.*, **Tab "30," ACC010989**). Thereafter, Agra sued KMH for fraud and negligent misrepresentation. (**Tab "31"**)("*KMH* Lawsuit").

## II. ARGUMENT

### A. <u>The 248 Pages of Documents Are Not Privileged as to This Matter</u>.

In Arizona, privileges are strictly construed, and Agra has the burden of sustaining the existence and applicability of a privilege. *See, e.g.*, *Throop v. F.E. Young & Co.*, 94 Ariz. 146, 157-58, 382 P.2d 560, 567-68 (1963). As in this matter, evidentiary privileges are narrowly construed because they operate to deprive the fact finder of information that is relevant to the issues before it and the search for truth. *Independent Redistricting Commission v. Fields*, 206 Ariz. 130, 136, 75 P.3d 1088, 1094 (App. 2003). Factual information communicated by the client to the lawyer is not necessarily immunized from discovery from the client. The privilege simply precludes compelling the lawyer to reveal it. *Zork Hardware v. Gottlieb*, 170 Ariz. 5, 6, 821 P.2d 272, 273 (App. 1991). Thus, the transmittal of pre-existing documents to counsel does not make them subject to the attorney-client privilege. *State ex rel. Corbin v. Weaver*, 140 Ariz. 123, 129, 680 P.2d 833, 839 (App. 1984).

Applied here, the subject documents are not simply not attorney-client privileged as to this matter. Rather, they are admissible, non-hearsay, pre-existing business records that contain material facts, witness statements and admissions against interest. *See e.g.*, A.R.S. § 10-1601 (corporate records). Tellingly, none of the documents provided by Agra were stamped or otherwise indicated as being subject to any privilege, or that Agra believed they were confidential. Although some of the business documents might contain generic references to this matter, none of the documents contain communications to or from Agra, Pierson or Baker or their attorneys that discuss specific legal advice or tactics as this matter or the *Campbell* or *Agra v. KMH* Lawsuits. Finally, the documents are not work product privileged as to this matter. The documents of The

documents also do not contain the mental preparations of thoughts of their lawyers as to this matter. *See*, *Brown v. Superior Court*, 137 Ariz. 327, 336, 670 P.2d 725, 734 (1983)(discussing work-product privilege). Thus, the subject documents are not attorney-client or work-product privileged.

**B. <u>Agra Expressly Waived Any Privileges Applicable To The Documents By Intentionally, Knowingly and Voluntarily Providing Them To The Division</u>.**

In Arizona, a privilege must be claimed by the holder or it is waived. *Tripp v. Chubb*, 69 Ariz. 31, 35, 208 P.2d 312, 314 (1949). For instance, a client waives the attorney-client privilege by disclosing documents protected by the privilege to third parties. *Ulibarri v. Superior Court*, 184 Ariz. 382, 385, 909 P.2d 449, 452 (App. 1995), *review vacated as improperly granted*, 186 Ariz. 419, 924 P.2d 109 (1986); *State v. Sucharew*, 205 Ariz. 16, 22, 66 P.3d 59, 65 (App. 2003)(same). A subjective "intentional relinquishment" standard for waiver is not applicable:

> The recognition of the attorney-client privilege depends upon the existence of confidentiality. When the client destroys the confidentiality that forms the basis for the privilege, the privilege vanishes, regardless of whether the availability of the privilege was "known" to the client or the client "intentionally relinquished" it. Intention to waive has no bearing on whether the privilege has been destroyed or whether fairness dictates that waiver be found in order to avoid confusion and misunderstanding caused by client's actions. The client's intention to maintain or preserve confidentiality is secondary to the reality of his conduct....If, for example, a client leaves confidential letters in boxes stored in a neighbor's basement, the privilege is destroyed regardless of whether the client intended to waive its protection. If an intention to waive were required, waiver would seldom result from clients' disclosures.

*See*, Paul R. Rice, *Attorney-Client Privilege in the United States*, at §9-19, pp.43-47 (1999 & 2006 Update)(and cases cited therein); *also*, *Tennenbaum v. Deloitte Touche*, 77 F.3d 337, 341 (9th Cir. 1996)(noting established rule that, "the focal point of privilege waiver analysis should be the holder's disclosure of privileged communications to someone outside the attorney-client relationship, not the holder's intent to waive the privilege."). Again, Agra has the burden of proving it has not waived any privileges. *Weil v. Investment/Indicators, Research & Management*, 647 F.2d 18, 25 (9th Cir. 1981)(holder's disclosure of privileged communications during discovery

waives the holder's right to claim the privilege as to communications about the matter actually disclosed, despite the holder's "bare assertion that it did not subjectively intend to waive the privilege" when it made the disclosure).

Agra, as a purported privilege holder, expressly waived any privileges allegedly applicable to the documents by voluntary providing them to the Division, a stranger to the *Campbell v. Agra* and *Agra v. KMH* lawsuits allegedly giving rise to the privileges. From July 10 to November 21, 2006, Agra, Baker and Pierson never claimed that any of the documents they provided were privileged or confidential, or even that they had been mistakenly produced. Thus, the existing TC&D filed on October 18, 2006 expressly quotes in part from one of the allegedly privileged documents verbatim. **(TC&D, ¶34)**. Thus, a finding that any privilege is applicable to this particular document has not been waived would unduly prejudice the Division.

To date, Respondents have not objected to any aspect of the Agra Custodian of Records and Pierson subpoenas, nor did they refuse at any time to produce any of the documents at issue. Thus, Respondents production of the disputed documents was absent court compulsion. *See*, *In re Steinhardt Partners, L.P.*, 9 F.3d 230, 234-235 (2nd Cir. 1993)(held that the defendant had waived its work product privilege when it voluntarily submitted a privileged memorandum to the SEC pursuant to its investigation; court found the disclosure to have been voluntary despite the fact that it was made in response to an SEC subpoena, because no compulsory legal process had been necessary to compel production to the SEC). Indeed, the lengthy period of time Respondents took to provide the Division with relevant documents (approximately 3 ½ months) demonstrates that they had adequate time to consider and reflect on the appropriateness of their production of the subject documents.

Courts hold that officers and directors such as Baker and Pierson can waive privileges possessed by their corporation. *See*, Rice, *supra*, at §4:25, at pp. 116-119; §9:5, at pp. 43-44(and cases cited therein); *also*, *Johnathan Corporation v. Prime Computer, Inc.*, 114 F.R.D. 693, 699 (E.D.Vir. 1987)(holding that company's marketing director's production to opposing counsel of a

privileged memo waived attorney-client privileges, and was not unfair despite fact he was not within the corporate defendant's alleged control group because he had been designated by defendant to deal with plaintiff/customer on the matter and was expressly designated as a recipient of the memorandum, which was not marked in any way as confidential or privileged); *Denney v. Jenkens & Gilchrist*, 362 F.Supp.2d 407, 413 (S.D.N.Y. 2004)(noting established case law holding that that officers and directors can waive privileges on behalf of their corporation, court held that partner in accounting firm had waived attorney-client privilege attached to memo by faxing it to shareholder of co-defendant firm).

Further, by way of limited example, Baker had actual or apparent authority to, for instance: (1) speak on behalf of Agra to the press about this and the previous enforcement action arising from the Sheep Hill Cinders (**Tab "34"**); (2) prepare and sign Agra's annual corporate filing with the ACC (**Tab 2, ACC011271-ACC011315**); (3) sign and issue checks from Agra's bank accounts (**Tab 2, ACC002943-ACC002944**); (4) apply for insurance on behalf of Agra (**Tab "35"**); (5) participate in board meetings, answer shareholder questions and advise Respondents regarding their business operations (**Tab "2"**); (6) instruct Agra's authorized general agents and salespersons how to respond to investor concerns regarding the existing TC&D (*See e.g.*, **Tab "36," ACC014686**); (7) issue written offers for Agra's bridge loan-promissory note investments (with stock equity kickers) (**Tab "40"**); and (7) authorize a change in the beneficial ownership of the Agra Unit contracts securities at issue (**Tab "37"**). Clearly, at all times relevant, Respondents held Baker out has having actual authority and authorization to both use *and* distribute the documents at issue. Respondents have not provided any authority to support their bald assertion that Baker "cannot waive privileges maintained by the company…" (**Tab 25-26**). Thus, as to the Division's quest to obtain Agra business records, it reasonably dealt only with Baker at all times via U.S. mail, e-mail and telephonically. (*See, e.g.*, **Tabs 13-18**).

Applied here, Baker, acting in his capacity as Agra's Custodian of Records, CFO, Treasurer, Secretary, accountant, and substantial stock owner had actual authority to provide the

Division with the subject documents. This is especially true given Respondents express admission that, Pierson, Agra's founder, Chairman of the Board, CEO, President and largest shareholder "was deeply involved" with all aspects of such production. **(Tabs 1-13)**.[5]

Further, the documents attached hereto demonstrate that Respondents knowingly, intentionally and voluntarily provided the documents at issue to obtain favorable treatment from the Division, and to persuade the Division that Campbell alone is responsible for Agra's alleged securities violations. By way of limited example, Agra's latest investors update states:

> The lawsuit filed by Dick Campbell has resulted in an investigation of Agra-Tech by the Arizona Corporation Commission (ACC).
>
> Once Agra-Tech started looking into the actions of Dick Campbell there were a number of questionable actions that were discovered and they were clearly not in the best interest of Agra-Tech. His actions have forced Agra-Tech to file a lawsuit against Dick Campbell.
>
> Some of Dick's questionable activities are Corporate misstatements of fact, represented the "Rollover Option" without Corporate Approval, crafted the overly generous Platinum Rental Fund and authorized its premature use, guaranteed the Mexican Ore Concentrates alternative in May of 2005, hired Garry Dolbow for questionable purpose, engaged Kalahari under questionable conditions/circumstances, has apparently overstated ore values, and the Company's capabilities to recover precious metals to many of our Shareholders and Ore Contract Owners.
>
> **Current ACC Investigation:**
>
> The Arizona Corporation Commission (ACC) has requested information from Agra-Tech, as well as its agents. Agra-Tech and the agents have fully complied with the investigation and have provided thousands of documents for their review.

**(Tab "32")**. Thus, the undisputed, objective evidence conclusively proves that there was nothing inadvertent about Agra's voluntary production of documents to the Division.

That Agra waived any alleged privileges based on the undisputed facts is also supported by the overwhelming weight of analogous authority that holds that a privilege holder waives any privileges applicable to documents produced to a government investigatory body like the Division

[5] Knowledge of agent is generally imputed to principal. *Manley v. Ticor Title Ins. Co. of Cal.*, 168 Ariz. 568, 572, 816 P.2d 225, 229 (1991).

in order to obtain favorable treatment as to such investigation. *See, In re Qwest Communications International, Inc.*, 450 F.3d 1179, 1187-1201 (10th Cir. 2006)(after conducting comprehensive survey of the law of waiver in these circumstances, court held that company had waived attorney-client and work-product privileges it had with respect to documents produced to the SEC and DOJ in connection with those agencies respective civil and criminal investigations of company and, thus, such documents were discoverable by private plaintiffs in their securities class action); *In re McKesson HBOC, Inc. v. Superior Court*, 9 Cal.Rptr. 812, 817-821 (Cal. App. 2004)(corporation that was the target of U.S. Attorney and SEC securities fraud investigation waived its attorney-client and work-product privileges as to audit reports and interview memoranda that had been prepared by its attorneys to analyze whether it committed securities fraud, by providing such materials to the government pursuant to a confidentiality agreement and, thus, such documents were discoverable by private plaintiff litigants); *In re Kidder Peabody Securities Litigation*, 168 F.R.D. 459, 472 (S.D.N.Y. 1996)("when a corporation provides an otherwise privileged internal investigative report to the SEC as part of an effort to obtain favorable treatment, it waives the privilege both for the report and for those underlying documents necessary for the Commission to evaluate the reliability and accuracy of the report...This conclusion follows inexorably from the fact that the corporation necessarily surrenders any reasonable expectation of confidentiality for those documents when it proffers a report that relies on the other documents…"). As noted by the 3rd Circuit Court of Appeals:

> When a party discloses protected materials to a government agency investigating allegations against it, it uses those materials to forestall prosecution (if the charges are unfounded) or to obtain lenient treatment (in the case of well-founded allegations). These objectives, however rational, are foreign to the objectives underlying the work-product doctrine. Moreover, an exception for disclosures to government agencies is not necessary to further the doctrine's purposes; attorneys are still free to prepare their cases without fear of disclosure to an adversary as long as they and their clients refrain from making such disclosures themselves.

*Westinghouse Electric Corporation v. Republic of Philipines*, 951 F.2d 1414, 1429 (3rd Cir. 1991)(held that companies that voluntarily disclosed documents to investigation agencies waived

attorney-client and work-product privileges as to such documents); *In re Syncor Erisa Litigation*, 229 F.R.D. 636, 646-47 (C.D.Cal. 2005)(collecting cases, court held that, "defendant Syncor (and Cardinal) waived the attorney-client privilege and the work product protection when it disclosed Cardinal's due diligence and Syncor's internal investigation documents to the Government. First, by voluntarily turning those documents over to the Government, Syncor (and Cardinal) acted in a manner 'to gain tactical or strategic advantage.' Thus, waiving the attorney-client privilege and work product doctrine were to the benefit of Syncor (and Cardinal), and done with their complete, knowing and full consent.").

At a minimum, Respondents so recklessly cared for their allegedly privileged documents that equity and good conscience, including the search for truth, mandate a finding that Respondents impliedly waived any privileges by providing them to the Division, a stranger to the litigations allegedly giving rise to such privileges. Not only do the documents at issue not constitute a few mistakenly or carelessly produced documents, but Respondents regularly produce documents to third parties. For instance, Respondent Agra general agents and securities salespersons Lawrence Paille and Jerry Hodges produced e-mails that Agra, again, sent not only to their attorneys in this action, but also to Paille and Hodges, and to non-party Rod Weidner, the salesman of the bogus Galleon technology at issue. **(Tab "33")**.

The subject documents were part of at least 3 separate productions, and constitute a total of 248 separate pages. Indeed, despite Agra's representation by counsel during all times relevant as to the *Campbell* and *Agra v. KMH* Lawsuits, Respondents clearly have provided no evidence that they or their attorneys took any precautions, let alone "reasonable precautions" to prevent the alleged "inadvertent" disclosure of the documents at issue.[6] They cannot.[7] This is not a case in which few clearly privileged documents as to this matter were "mistakenly" mixed-in with

[6] The Division specifically requested that Respondents provide evidence of any such reasonable precautions. They did not. **(Tab 23, p.3,fn.2)**.

[7] The documents at issue were produced on *two* separate occasions on October 2 and 10 2006, or *50 and 43 days* well prior to their official claim of mistaken disclosure, despite the fact Agra had retained the originals provided to the Division. **(Tabs 3-4)**(regarding Agra's "copying invoices").

business records. Thus, Respondents have not and cannot provide any objective evidence to overcome their utter failure to take any measures to either protect the alleged privileged nature of the documents, or prevent their distribution to third parties such as the Division.

## III. CONCLUSION

Under the undisputed facts and law, the disputed documents are not attorney-client or work-product privileged. Further Agra, Baker and Pierson expressly waived any applicable privileges by intentionally, knowingly and willingly providing them to the Division. At a minimum, Respondents have so recklessly cared for their alleged privileges that equity and justice mandate a finding that any privileges applicable to the documents be deemed waived.

**RESPECTFULLY SUBMITTED** this 25 day of January, 2007.

J. Micheal Dailey, Esq.
Enforcement Attorney
Securities Division
1300 West Washington, Third Floor
Phoenix, Arizona 85007

**ORIGINAL AND THIRTEEN (13) COPIES**
of the foregoing filed this 25 day of January, 2007 with:

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Copy of the foregoing hand-delivered this 25 day of January, 2007 to:

Mr. Marc Stern
Administrative Law Judge
Arizona Corporation Commission
Hearing Division
1200 West Washington
Phoenix, Arizona 85007

Copy of the foregoing mailed this 25th day of January, 2007 to:

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Tab “1”

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**ARIZONA CORPORATION COMMISSION**

**Via Certified Mail, Return Receipt Requested**

AGRA Technology, Inc.
Custodian of Records
5800 N. Dodge, Bldg A
Flagstaff, AZ 86004

**Re: AGRA Technology, Inc.**
**/File No. 7586**

Dear Custodian of Records:

Enclosed you will find a Subpoena Duces Tecum which requires your appearance before the Securities Division on July 7, 2006. In lieu of personal appearance, you may provide the requested documents along with the enclosed Affidavit of Custodian of Records by the due date by mailing them to Gary R. Clapper, Securities Division, Arizona Corporation Commission, 1300 West Washington Street, Third Floor, Phoenix, Arizona 85007. Testimony concerning the documents will be scheduled at a later time, if necessary.

The Division will pay $10.00 for each hour of research expended and $.10 per copy related to compliance with this subpoena. To ensure prompt payment, please send your invoice to the attention of the undersigned.

Should your institution not have any documents responsive to the subpoena, please provide written confirmation to that effect.

Should you have any questions regarding this subpoena, please feel free to contact me at (602) 364-1660 or (602) 542-4242.

Very truly yours,

GR Clapper

Gary R. Clapper
Special Investigator

# SUBPOENA

## SECURITIES DIVISION
## ARIZONA CORPORATION COMMISSION

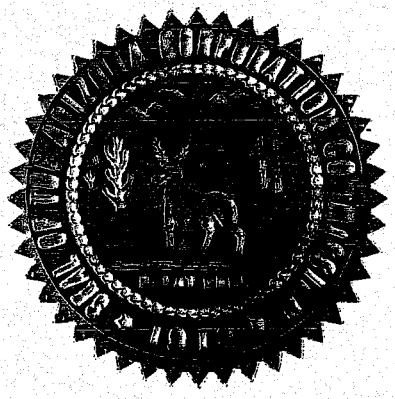
**TO** **AGRA Technology, Inc.**
**Custodian of Records**
**5800 N. Dodge, Bldg A**
**Flagstaff, Arizona 86004**

**In the matter of**

Agra Technology, Inc. **file number** 7586

**involving possible violations of the Securities Act and/or Investment Management Act of Arizona.**

YOU ARE HEREBY REQUIRED to appear before Gary R. Clapper of the Securities Division of the Arizona Corporation Commission at 1300 West Washington, Third Floor, Phoenix, Arizona 85007, on the 7th day of July, 2006 at 10:00 AM, to PRODUCE THE DOCUMENTS SPECIFIED IN EXHIBIT "A", which is attached and incorporated by reference.



The seal of the Arizona Corporation Commission is affixed hereto, and the undersigned, a member of said Arizona Corporation Commission, or an officer designated by it, has set his hand at Phoenix, Arizona this 12th day of June, 2006.

Julie Coleman
Assistant Chief Counsel of Enforcement
Securities Division

Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting Linda Hogan, Executive Assistant to the Executive Director, voice phone number 602/542-3931, e-mail lhogan@azcc.gov. Requests should be made as early as possible to allow time to arrange the accommodation.

Pursuant to A.A.C. R14-4-305, any person required to appear at a formal interview may be represented by legal counsel.

**Exhibit "A"**

From the period beginning January 1, 2001 to the present, all documents, contracts, agreements, records, books, correspondence, e-mails, and any other papers, whether stored on electronic media or otherwise, incident or relating to Agra-Technologies, Inc., a/k/a "Agra-Tech, Inc.," f/k/a Peru Partners, Ltd. (collectively, "AGRA"), Mintexx, Inc. ("MINTEXX"), and Reliance Land Company ("RELIANCE"), including, but not limited to:

1. Articles of incorporation or organization, bylaws, and annual reports, including any amendments, and any merger or asset purchase or sale agreements;

2. Names, addresses, and telephone numbers of all past and present officers and directors, general or limited partners or managing members;

3. All financial statements, annual and quarterly financial reports, whether audited or unaudited, with accompanying footnotes and any auditor's reports;

4. All assets and liabilities currently held by AGRA, MINTEXX, and RELIANCE;

5. All documents submitted for the purpose of compliance, reporting, or seeking exemptions from registration with any state or federal securities agency, including, without limitation, any licenses or permits;

6. All records of the terms and amount of commissions, salaries, bonuses, draws, fees, loans, reimbursement, distributions, or any other compensation paid to any name listed in response to paragraph 2;

7. All state and federal tax returns, including any applications, forms, or correspondence;

8. All accounting records and books of original entry including but not limited to, cash receipts journal, cash disbursements journal, sales journals, general journal, subsidiary journals, general ledger, subsidiary ledgers, and chart of accounts;

9. All bank or other depository institution accounts in the name of, or for the benefit of AGRA, MINTEX, and RELIANCE, whether open or closed, including:

   a. the name of the bank or depository institution and address of the branch at which the account is located;
   b. the name and number of each account;
   c. the names of all signatories on each account;

10. All advertisements, correspondence, circulars, offering memoranda, newsletters, prospectuses, tax opinions, legal opinions, reports, brochures, flyers, handouts, or any other records made available to potential or actual investors;

11. Copies of all advertisements, announcements, infomercials, or press releases, that appeared in any media, including newspapers, trade journals, magazines, radio, television, or on the Internet;

12. All information provided through the Internet, including copies of all web pages, and all addresses of web sites, news groups, and email addresses;

13. Names, addresses, and telephone numbers of all individuals or entities that have been offered or sold investments or stock in or relating to AGRA, MINTEX, and RELIANCE;

14. Documents relating to each individual or entity listed in paragraph 13 including any contracts, agreements, forms, subscriptions, agreements, notes, questionnaires, records of investment status, checks, wire transfers, receipts, account statements, tax information, and any correspondence, e-mails, updates, or other communications;

15. The amounts and dates of each investment or agreement for each individual or entity listed in paragraph 13;

16. The amounts and dates of any interest, earnings, distributions, dividends, stock splits, spin-offs, rescission, refund, or any other form of returns to each individual or entity listed in paragraph 13;

17. Names and addresses of all shareholders or members of AGRA, MINTEX, and RELIANCE including the amount of shares or units held and a sample share certificate or other evidence of ownership; and

18. Complete copies of any and all forms of investment or stock offerings.

UNITED STATES POSTAL SERVICE

Home | Help

Track & Confirm

# Track & Confirm

## Search Results

Label/Receipt Number: **7005 0390 0000 4463 8171**
Status: **Delivered**

Your item was delivered at 11:31 am on June 14, 2006 in FLAGSTAFF, AZ 86004.

**Track & Confirm**

Enter Label/Receipt Number.

### Notification Options

**Track & Confirm by email**

Get current event information or updates for your item sent to you or others by email. Go >

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OFFICIAL USE

| | |
|---|---|
| Postage | $ |
| Certified Fee | |
| Return Receipt Fee (Endorsement Required) | |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | $ |

GARY CLAPPER

Postmark Here

6-12-06

Sent To AGRA Technology, Inc.
Custodian of Records

Street, Apt. or PO Box N 5800 N. Dodge, Bldg. A

City, State, Z Flagstaff, AZ 86004

PS Form 380

ructions

**SENDER:** *COMPLETE THIS SECTION*

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

AGRA Technology, Inc.
Custodian of Records
5800 N. Dodge, Bldg. A
Flagstaff, AZ 86004

*COMPLETE THIS SECTION ON DELIVERY*

A. Signature
X [signature] ☐ Agent ☐ Addressee

B. Received by (Printed Name) [signature]
C. Date of Delivery 6.14.06

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? *(Extra Fee)* ☐ Yes

2. Article Number
*(Transfer from service label)* 7005 0390 0000 4463 8171

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

Tab “2”

WEB FORM COPY

# STATE OF ARIZONA CORPORATION COMMISSION
## CORPORATION ANNUAL REPORT & CERTIFICATE OF DISCLOSURE

**DUE ON OR BEFORE** 05/21/2006 FY05-06 **FILING FEE** $45.00

**The following information is required by A.R.S. §§10-1622 & 10-11622 for all corporations organized pursuant to Arizona Revised Statutes, Title 10. The Commission's authority to prescribe this form is A.R.S. §§10-121.A. & 10-3121.A. YOUR REPORT MUST BE SUBMITTED ON THIS ORIGINAL FORM. Make changes or corrections where necessary. Information for the report should reflect the current status of the corporation. See instructions on page 4 for proper format.**

1. F-0876178-0
AGRA-TECHNOLOGIES, INC.
5800 N DODGE AVE BLDG A
FLAGSTAFF, AZ 86004

RECEIVED
JUN 05 2006
ARIZONA CORP. COMMISSION
CORPORATIONS DIVISION

**Business Phone:** _____ (Business phone is optional.)
**State of Domicile:** NEVADA **Type of Corporation:** BUSINESS

2. Statutory Agent: WILLIAM J PIERSON
Mailing Address: 6710 LYNX LANE
City, State, Zip: FLAFSTAFF, AZ 86004

Physical Address, If Different.
Physical Address:
City, State, Zip:

ACC USE ONLY
Fee $_____
Penalty $_____
Reinstate $_____
Expedite $_____
Resubmit $_____

*Use this box only if appointing a new Statutory Agent*

*If appointing a new statutory agent, the new agent MUST consent to that appointment by signing below.*

*I, (individual) or We, (corporation or limited liability company) having been designated the new Statutory Agent, do hereby consent to this appointment until my removal or resignation pursuant to law.*

_____
Signature of *new* Statutory Agent

_____
Printed Name of *new* Statutory Agent

3. **Secondary Address:**

(Foreign Corporations are **REQUIRED** to complete this section).

50 W LIBERTY ST #880
RENO, NV 89501

4. Check the one category below which best describes the CHARACTER OF BUSINESS of your corporation.

BUSINESS CORPORATIONS

_ 1. Accounting
_ 2. Advertising
_ 3. Aerospace
X 4. Agriculture
_ 5. Architecture
_ 6. Banking/Finance
_ 7. Barbers/Cosmetology
_ 8. Construction
_ 9. Contractor
_ 10. Credit/Collection
_ 11. Education
12. Engineering
_ 13. Entertainment
_ 14. General Consulting
_ 15. Health Care
_ 16. Hotel/Motel
_ 17. Import/Export
_ 18. Insurance
_ 19. Legal Services
_ 20. Manufacturing
_ 21. Mining
_ 22. News Media
_ 23. Pharmaceutical
_ 24. Publishing/Printing
_ 25. Ranching/Livestock
_ 26. Real Estate
_ 27. Restaurant/Bar
_ 28. Retail Sales
_ 29. Science/Research
_ 30. Sports/Sporting Events
31. Technology(Computers)
_ 32. Technology(General)
_ 33. Television/Radio
_ 34. Tourism/Convention Services
_ 35. Transportation
_ 36. Utilities
_ 37. Veterinary Medicine/Animal Care
_ 38. Other _____

NON-PROFIT CORPORATIONS

1. _ Charitable
2. _ Benevolent
3. _ Educational
4. _ Civic
5. _ Political
6. _ Religious
7. _ Social
8. _ Literary
9. _ Cultural
10. _ Athletic
11. _ Science/Research
12. Hospital/Health Care
13. _ Agricultural
14. _ Animal Husbandry
15. _ Homeowner's Association
16. _ Professional, commercial industrial or trade association
17. _ Other _____

ACC011271
AGRA TECH.

**5. CAPITALIZATION:** (Business Corporations and Business Trusts are **REQUIRED** to complete this section.)

Business trusts must indicate the number of transferable certificates held by trustees evidencing their beneficial interest in the trust estate. PLEASE PRINT OR TYPE CLEARLY.

**5a.** Please examine the corporation's original Articles of Incorporation for the amount of **shares authorized**.

| Number of Shares/Certificates **Authorized** | Class | Series Within Class (if any) |
|---|---|---|
| 100,000,000 | common | NONE |

**5b.** Review all corporation amendments to determine if the original number of shares has changed. Examine the corporation's minutes for the number of **shares issued**.

| Number of Shares/Certificates **Issued** | Class | Series Within Class (if any) |
|---|---|---|
| 17,517,501 | Common | None |

**6. SHAREHOLDERS:** (Business Corporations and Business Trusts are **REQUIRED** to complete this section.)

List shareholders holding more than 20% of any class of shares issued by the corporation, or having more than a 20% beneficial interest in the corporation. PLEASE PRINT OR TYPE CLEARLY.

**NONE** ☐

Name: William Pierson Name:

Name: Richard Campbell Name:

**7. OFFICERS** PLEASE PRINT OR TYPE CLEARLY. YOU MUST LIST AT LEAST ONE.

Name: William Pierson
Title: President
Address: 6710 Lynx Lane
Flagstaff Az 86004
Date taking office: 10-28-04

Name: Richard Campbell
Title: Vice-President
Address: 8686 W. Morten
Glendale Az 85305
Date taking office: 10-28-04

Name: William Baker Jr
Title: Secretary-Treasurer
Address: 3027 N. AltaVista
Flagstaff Az 86004
Date taking office: 10-28-04

Name: Sandra Pierson
Title: Asst. Secretary
Address: 6710 N. Lynx
Flagstaff Az 86004
Date taking office: 10-28-04

**8. DIRECTORS** PLEASE PRINT OR TYPE CLEARLY. YOU MUST LIST AT LEAST ONE.

Name: William Pierson
Address: 6710 N. Lynx
Flagstaff Az 86004
Date taking office: 10-28-04

Name: Richard Campbell
Address: 8686 W. Morten
Flagstaff Az 86004
Date taking office: 10-28-06

Name: Edwin Ruh
Address: 892 Old Hickory Rd
Pittsburgh PA 15243
Date taking office: 3-30-2005

Name:
Address:
Date taking office:

*5800 N. Dodge Ave. Bldg. A*
*Flagstaff, Arizona 86004*
*928-526-2275 Fax: 2269*
*bbaker@agra-technologies.com*
William H. Baker
Chief Financial Officer

May 31, 2006

To: Arizona Corporation Commission
Re: File No. F-0876178-0

As per your request, attached for your review is a copy of the Annual Report. The two areas missed 5b and 10. I have filled in the appropriate information. 5b is 17,517,501 shares issued. 10 is No felonies.

If you need anything else, please let me know. You may contact me at 928-526-2275.

Respectfully,

William H. Baker, Jr.
Chief Financial Officer
Secretary-Treasurer

**9. FINANCIAL DISCLOSURE (A.R.S. §10-11622.A.9)**
Nonprofit corporations must attach a financial statement (e.g. income/expense statement, balance sheet including assets, liabilities). All other forms of corporations are exempt from filing a financial disclosure.

**9A. MEMBERS (A.R.S. § 10-11622.A.6)**

Only Nonprofit Corporations must answer this question.

This corporation **DOES** ☐ **DOES NOT** ☐ have members.

**10. CERTIFICATE OF DISCLOSURE (A.R.S. §§10-1622.A.8 & 10-11622.A.7)**
Has ANY person serving either by election or appointment as an officer, director, trustee, incorporator and/or person controlling or holding more than 10% of the issued and outstanding common shares or 10% of any other proprietary, beneficial or membership interest in the corporation been: **[Underlined portion pertains to business corporations only]**

1. Convicted of a felony involving a transaction in securities, consumer fraud or antitrust in any state or federal jurisdiction within the seven year period immediately preceding the execution of this certificate?
2. Convicted of a felony, the essential elements of which consisted of fraud, misrepresentation, theft by false pretenses or restraint of trade or monopoly in any state or federal jurisdiction within the seven year period immediately preceding execution of this certificate?
3. Or are subject to an injunction, judgment, decree or permanent order of any state or federal court entered within the seven year period immediately preceding execution of this certificate where such injunction, judgment, decree or permanent order involved the violation of:
   (a) fraud or registration provisions of the securities laws of that jurisdiction, or
   (b) the consumer fraud laws of that jurisdiction, or
   (c) the antitrust or restraint of trade laws of that jurisdiction?

One box must be marked: YES ☐ NO ☒

**If "YES", the following information must be submitted** as an attachment to this report for each person subject to one or more of the actions stated in Items 1. through 3. above.

1. Full name and prior names used.
2. Full birth name.
3. Present home address.
4. Prior addresses (for immediate preceding 7 year period).
5. Date and location of birth.
6. Social Security Number
7. The nature and description of each conviction or judicial action; the date and location; the court and public agency involved, and the file or cause number of the case.

**11. STATEMENT OF BANKRUPTCY, RECEIVERSHIP or CHARTER REVOCATION (A.R.S. §§10-202.D.2, 10-3202.D.2, 10-1623 & 10-11623)**

A) Has the corporation filed a petition for bankruptcy or appointed a receiver? One box must be marked: YES ☐ NO ☒

B) Has any person serving as an officer, director, trustee or incorporator of the corporation served in any such capacity OR held or controlled over 20% of the issued and outstanding common shares, or 20% of any other proprietary, beneficial or membership interest in any other corporation which has been placed in bankruptcy, receivership or had its charter revoked, or administratively or judicially dissolved by any state or jurisdiction?

**[Underlined portion pertains to business corporations only]** One box must be marked: YES ☐ NO ☒

If "YES" to A and/or B, the following information must be submitted as an attachment to this report for each person subject to the statement above.

1. The names and addresses of each corporation and the person or persons involved. (e.g. officer, director, trustee or major stockholder)
2. The state in which each corporation was a) incorporated b) transacted business.
3. The dates of corporate operation.
4. If any involved person (listed in #1) has been involved in any other bankruptcy proceeding within the past year, the name and address of each corporation.
5. Date, Case number and Court where the bankruptcy was filed or receiver appointed.
6. Name and address of court appointed receiver.

**12. SIGNATURES:** Annual Reports must be signed and dated by at least one duly authorized officer or they will be rejected.

**I declare, under penalty of law that all corporate income tax returns required by Title 43 of the Arizona Revised Statutes have been filed with the Arizona Department of Revenue. I further declare under penalty of law that I (we) have examined this report and the certificate, including any attachments, and to the best of my (our) knowledge and belief they are true, correct and complete.**

Name William Baker Date 4-6-06 Name _____ Date _____

Signature [signature] Signature _____

Title Sec-Treas Title _____

(Signator(s) must be duly authorized corporate officer(s) listed in section 7 of this report.)

STATE OF ARIZONA

CORPORATION COMMISSION

I hereby certify this to be a true and complete copy of the document filed in this office and admitted to record in File No. F-0876178-0

Executive Director

Dated: 9/12/06 By: Jeffrey A. Barb

ACC011315

AGRA TECH.

# CORPORATION COMMISSION
# CORPORATION ANNUAL REPORT
# & CERTIFICATE OF DISCLOSURE

DUE ON OR BEFORE 05/21/2005 FY04-05

*The following information is required by A.R.S. §§10-1622 & 10-11622 for all corporations organized pursuant to Arizona Revised Statutes, Title 10. The Commission's authority to prescribe this form is A.R.S. §§10-121.A. & 10-3121.A. YOUR REPORT MUST BE SUBMITTED ON THIS ORIGINAL FORM. Make changes or corrections where necessary. Information for the report should reflect the current status of the corporation. See instructions on page 4 for proper format.*

1. F-0876178-0
AGRA-TECHNOLOGIES, INC.
5800 N DODGE AVE BLDG A
FLAGSTAFF, AZ 86004

RECEIVED
MAR 18 2005
ARIZONA CORP. COMMISSION
CORPORATIONS DIVISION

**Business Phone:**_____ (Business phone is optional.)

**State of Domicile:** NEVADA **Type of Corporation:** BUSINESS

2. Statutory Agent: WILLIAM J PIERSON
Mailing Address: 6710 LYNX LANE
City, State, Zip: FLAFSTAFF, AZ 86004

Physical Address, If Different.
Physical Address:
City, State, Zip:

NO $ 5/23/05

*Use this box only if appointing a new Statutory Agent*

*If appointing a new statutory agent, the new agent MUST consent to that appointment by signing below.*

*I, (individual) or We, (corporation or limited liability company) having been designated the new Statutory Agent, do hereby consent to this appointment until my removal or resignation pursuant to law.*

_____
Signature of new Statutory Agent

_____
Printed Name of new Statutory Agent

ACC USE ONLY
IPR 3/22/05
Fee $ 45
Penalty $_____
Reinstate $_____
Expedite $_____
Resubmit $_____

955655

3. **Secondary Address:** 1005336

(Foreign Corporations are REQUIRED to complete this section).

50 W LIBERTY ST #880
RENO, NV 89501

4. Check the one category below which best describes the CHARACTER OF BUSINESS of your corporation.

BUSINESS CORPORATIONS

__ 1. Accounting
__ 2. Advertising
__ 3. Aerospace
X 4. Agriculture
__ 5. Architecture
__ 6. Banking/Finance
__ 7. Barbers/Cosmetology
__ 8. Construction
__ 9. Contractor
__ 10. Credit/Collection
__ 11. Education
__ 12. Engineering
__ 13. Entertainment
__ 14. General Consulting
__ 15. Health Care
__ 16. Hotel/Motel
__ 17. Import/Export
__ 18. Insurance
__ 19. Legal Services
__ 20. Manufacturing
__ 21. Mining
__ 22. News Media
__ 23. Pharmaceutical
__ 24. Publishing/Printing
__ 25. Ranching/Livestock
__ 26. Real Estate
__ 27. Restaurant/Bar
__ 28. Retail Sales
__ 29. Science/Research
__ 30. Sports/Sporting Events
__ 31. Technology(Computers)
__ 32. Technology(General)
__ 33. Television/Radio
__ 34. Tourism/Convention Services
__ 35. Transportation
__ 36. Utilities
__ 37. Veterinary Medicine/Animal Care
__ 38. Other _____

NON-PROFIT CORPORATIONS

1. __ Charitable
2. __ Benevolent
3. __ Educational
4. __ Civic
5. __ Political
6. __ Religious
7. __ Social
8. __ Library
9. __ Cultural
10. __ Athletic
11. __ Science/Research
12. __ Hospital/Health Care
13. __ Agricultural
14. __ Animal Husbandry
15. __ Homeowner's Association
16. __ Professional, commercial industrial or trade association
17. __ Other_____

ACC008307
AGRA TECH.

5. CERTIFICATION: (Business Corporations and Business Trusts are REQUIRED to complete this section.)

Business trusts must indicate the number of transferable certificates held by trustees evidencing their beneficial interest in the trust estate. **Please Print or Type Clearly.**

F-0876178-0

**5a.** Please examine the corporation's original Articles of Incorporation for the amount of **shares authorized.**

| Number of Shares/Certificates **Authorized** | Class | Series Within Class (if any) |
|---|---|---|
| 00,000,000 | Common Stock | NONE |

**5b.** Review all corporation amendments to determine if the original number of shares has changed. Examine the corporation's minutes for the number of **shares issued.**

| Number of Shares/Certificates **Issued** | Class | Series Within Class (if any) |
|---|---|---|
| 12,717,101 | Common Stock | NONE |

**6. SHAREHOLDERS:** (Business Corporations and Business Trusts are **REQUIRED** to complete this section.)

List shareholders holding more than 20% of any class of shares issued by the corporation, or having more than a 20% beneficial interest in the corporation. **Please Type or Print Clearly.**

Name: William Pierson Name:

NONE ☐

Name: Richard Campbell Name:

**7. OFFICERS** **Please Type or Print Clearly. You Must List at Least One.**

Name: William Pierson
Title: President
Address: 6710 Lynx Lane
Flagstaff Az 86004
Date taking office: 10-28-04

Name: Richard Campbell
Title: Vice-President
Address: 7202 W. Sandra Terrace
Peoria Az 85382
Date taking office: 10-28-04

Name: William Baker, Jr
Title: Secretary-Treasurer
Address: 3027 N. Alta Vista
Flagstaff Az 86004
Date taking office: 10-28-04

Name: Sandra Pierson
Title: Asst. Secretary
Address: 6710 Lynx Lane
Flagstaff Az 86004
Date taking office: 10-28-04

**8. DIRECTORS** **Please Type or Print Clearly. You Must List at Least One.**

Name: William Pierson
Address: 6710 Lynx Lane
Flagstaff Az 86004
Date taking office: 10-28-04

Name: Richard Campbell
Address: 7202 W Sandra Terrace
Peoria Az 85382
Date taking office: 10-28-04

Name: Carlos Wall
Address: 18094 Cherry Tree Lane
Suquamish WA 98392
Date taking office: 10-28-04

Name:
Address:
Date taking office:

ACC008308
AGRA TECH.

**9. FINANCIAL DISCLOSURE (A.R.S. §10-11622.A.9)**
Nonprofit corporations must attach a financial statement (e.g. income/expense statement, balance sheet including assets, liabilities). All othe forms of corporations are exempt from filing a financial disclosure.

K-0876178-C

**9A. MEMBERS (A.R.S. § 10-11622.A.6)**

Only Nonprofit Corporations must answer this question.

This corporation **DOES** ☐ **DOES NOT** ☐ have members.

**1L ERTIFICATE OF DISCLOSURE (A.R.S. §§10-1622.A.8 & 10-11622.A.7)**
Has ANY person serving either by election or appointment as an officer, director, trustee, incorporator and/or person controlling or holding mor than 10% of the issued and outstanding common shares or 10% of any other proprietary, beneficial or membership interest in the corporatio been: **[Underlined portion pertains to business corporations only]**

1. Convicted of a felony involving a transaction in securities, consumer fraud or antitrust in any state or federal jurisdiction within the seve year period immediately preceding the execution of this certificate?
2. Convicted of a felony, the essential elements of which consisted of fraud, misrepresentation, theft by false pretenses or restraint of trad or monopoly in any state or federal jurisdiction within the seven year period immediately preceding execution of this certificate?
3. Or are subject to an injunction, judgment, decree or permanent order of any state or federal court entered within the seven year perio immediately preceding execution of this certificate where such injunction, judgment, decree or permanent order involved the violation o
   (a) fraud or registration provisions of the securities laws of that jurisdiction, or
   (b) the consumer fraud laws of that jurisdiction, or
   (c) the antitrust or restraint of trade laws of that jurisdiction?

One box **must** be marked: **YES** ☐ **NO** ☒

**If "YES", the following information must be submitted** as an attachment to this report for each person subject to one or mor of the actions stated in Items 1. through 3. above.

1. Full name and prior names used.
2. Full birth name.
3. Present home address.
4. Prior addresses (for immediate preceding 7 year period).
5. Date and location of birth.
6. Social Security Number
7. The nature and description of each conviction or judicial action; the date and location; the court and public agency involved, and the file or cause number of the case.

**11. STATEMENT OF BANKRUPTCY, RECEIVERSHIP or CHARTER REVOCATION (A.R.S. §§10-202.D.2, 10-3202.D.2, 10 1623 & 10-11623)**

A) the corporation filed a petition for bankruptcy or appointed a receiver? One box **must** be marked: **YES** ☐ **NO** ☒

B) any person serving as an officer, director, trustee or incorporator of the corporation served in any such capacity OR held or controlle over 20% of the issued and outstanding common shares, or 20% of any other proprietary, beneficial or membership interest in any othe corporation which has been placed in bankruptcy, receivership or had its charter revoked, or administratively or judicially dissolved by any stat or jurisdiction?

**[Underlined portion pertains to business corporations only]** One box **must** be marked: **YES** ☐ **NO** ☒

**If "YES" to A and/or B, the following information must be submitted** as an attachment to this report for each person subject to the statement above.

1. The names and addresses of each corporation and the person or persons involved. (e.g. officer, director, trustee or major stockholder)
2. The state in which each corporation was a) incorporated b) transacted business.
3. The dates of corporate operation.
4. If any involved person (listed in #1) has been involved in any other bankruptcy proceeding within the past year, the name and address of each corporation.
5. Date, Case number and Court where the bankruptcy was filed or receiver appointed.
6. Name and address of court appointed receiver.

**12. SIGNATURES:** Annual Reports must be signed and dated by at least one duly authorized officer or they will be rejected.

**I declare, under penalty of law that all corporate income tax returns required by Title 43 of the Arizona Revised Statutes have bee filed with the Arizona Department of Revenue. I further declare under penalty of law that I (we) have examined this report and th certificate, including any attachments, and to the best of my (our) knowledge and belief they are true, correct and complete.**

Name William J. Pierson Date 3.14.05 Name _____ Date _____

S' ture William J. Pierson Signature _____

Title President Title _____

(Signator(s) must be duly authorized corporate officer(s) listed in section 7 of this report.)

ACC008309
AGRA TECH.

# STATE OF ARIZONA
# CORPORATION COMMISSION
## CORPORATION ANNUAL REPORT
## & CERTIFICATE OF DISCLOSURE

ON OR BEFORE 05/21/2004 FY03-04 FILING FEE $45.00

The following information is required by A.R.S. §§10-1622 & 10-11622 for all corporations organized pursuant to Arizona Revised Statutes, Title 10. The Commission's authority to prescribe this form is A.R.S. §§10-121.A. & 10-3121.A. YOUR REPORT MUST BE SUBMITTED ON THIS ORIGINAL FORM. Make changes or corrections where necessary. Information for the report should reflect the current status of the corporation. See instructions on page 4 for proper format.

1. F-0876178-0
AGRA-TECHNOLOGIES, INC.
5800 N DODGE AVE BLDG A
FLAGSTAFF, AZ 86004

RECEIVED
APR 13 2004
ARIZONA CORP. COMMISSION
CORPORATIONS DIVISION

Business Phone: _____ (Business phone is optional.)
State of Domicile: NEVADA Type of Corporation: BUSINESS

2. Statutory Agent: WILLIAM J PIERSON
Mailing Address: 6710 LYNX LANE
City, State, Zip: FLAFSTAFF, AZ 86004

Physical Address, If Different.
Physical Address:
City, State, Zip:

ACC USE ONLY
Fee $ 45
Penalty $
Reinstate $
Expedite $
Resubmit $

SH IPR 4/13/04

*Use this box only if appointing a new Statutory Agent*

*If appointing a new statutory agent, the new agent MUST consent to that appointment by signing below.*

*I, (individual) or We, (corporation or limited liability company) having been designated the new Statutory Agent, do hereby consent to this appointment until my removal or resignation pursuant to law.*

_____
Signature of *new* Statutory Agent

_____
Printed Name of *new* Statutory Agent

767711

3. Secondary Address:
50 W LIBERTY ST #880
RENO, NV 89501

(Foreign Corporations are REQUIRED to complete this section).

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AGRA TECH.

4. Check the one category below which best describes the CHARACTER OF BUSINESS of your corporation.

BUSINESS CORPORATIONS

1. Accounting
__ 2. Advertising
__ 3. Aerospace
X 4. Agriculture
5. Architecture
__ 6. Banking/Finance
7. Barbers/Cosmetology
__ 8. Construction
9. Contractor
__ 10. Credit/Collection
__ 11. Education
__ 12. Engineering
13. Entertainment
__ 14. General Consulting
15. Health Care
16. Hotel/Motel
__ 17. Import/Export
18. Insurance
19. Legal Services
20. Manufacturing
__ 21. Mining
__ 22. News Media
23. Pharmaceutical
__ 24. Publishing/Printing
__ 25. Ranching/Livestock
26. Real Estate
__ 27. Restaurant/Bar
28. Retail Sales
__ 29. Science/Research
__ 30. Sports/Sporting Events
__ 31. Technology(Computers)
32. Technology(General)
__ 33. Television/Radio
34. Tourism/Convention Services
__ 35. Transportation
__ 36. Utilities
37. Veterinary Medicine/Animal Care
38. Other _____

NON-PROFIT CORPORATIONS

1. __ Charitable
2. Benevolent
3. __ Educational
4. __ Civic
5. Political
6. __ Religious
7. __ Social
8. __ Literary
9. Cultural
10. Athletic
11. Science/Research
12. __ Hospital/Health Care
13. Agricultural
14. __ Animal Husbandry
15. __ Homeowner's Association
16. Professional, commercial industrial or trade association
17. __ Other _____

**5. CAPITALIZATION:** (Business Corporations and Business Trusts are **REQUIRED** to complete this section.)

Business trusts must indicate the number of transferable certificates held by trustees evidencing their beneficial interest in the trust estate. Please examine the corporation's original Articles of Incorporation for the amount of **shares authorized**. Review all corporation amendments to determine if the original number of shares has changed. Examine the corporation's minutes for the number of **shares issued**. **Please Print or Type Clearly.**

| Number of Shares/Certificates **Authorized** | Class | Series Within Class (if any) |
|---|---|---|
| 100,000,000 | Common | None |

| Number of Shares/Certificates **Issued** | Class | Series Within Class (if any) |
|---|---|---|
| 12,553,601 | Common | None |

**6. SHAREHOLDERS:** (Business Corporations and Business Trusts are **REQUIRED** to complete this section.)

List shareholders holding more than 20% of any class of shares issued by the corporation, or having more than a 20% beneficial interest in the corporation. **Please Type or Print Clearly.**

**NONE** ☐

**Name:** William J. Pierson **Name:**

**Name:** Richard Campbell **Name:**

**7. OFFICERS** **Please Type or Print Clearly. You Must List at Least One.**

**Name:** William J. Pierson
Title: President & CEO
Address: 6710 N. Lynx Lane
Flagstaff Az 86004
Date taking office: 7/23/03

**Name:** William H. Baker Jr
Title: Treas., Secretary
Address: 3027 N. Alta Vista
Flagstaff Az 86004
Date taking office: 7/23/03

**Name:**
Title:
Address:
Date taking office:

**Name:**
Title:
Address:
Date taking office:

**8. DIRECTORS** **Please Type or Print Clearly. You Must List at Least One.**

**Name:** William J. Pierson
Address: 6710 N. Lynx Lane
Flagstaff Az 86004
Date taking office: 7/23/03

**Name:** Carlos Wall
Address: 18094 Cherry Tree Lane
Suquamish WA 98392
Date taking office: 7/23/03

**Name:** Richard Campbell
Address: 7202 Sandra Terrace
Peoria Az 85382
Date taking office: 7/23/03

**Name:**
Address:
Date taking office:

Please Enter Corporation Name: AGRA-TECHNOLOGIES, INC. File number F-0876178-Y Page

**9. FINANCIAL DISCLOSURE (A.R.S. §10-11622.A.9)**

Nonprofit corporations **must attach** a financial statement (e.g. income/expense statement, balance sheet including assets, liabilities). All oth forms of corporations are exempt from filing a financial disclosure.

**MEMBERS (A.R.S. § 10-11622.A.6)**

Only Nonprofit Corporations must answer this question.

This corporation **DOES** ☐ **DOES NOT** ☐ have members.

**10. CERTIFICATE OF DISCLOSURE (A.R.S. §§10-1622.A.8 & 10-11622.A.7)**

Has ANY person serving either by election or appointment as an officer, director, trustee, incorporator and/or person controlling or holding mo than 10% of the issued and outstanding common shares or 10% of any other proprietary, beneficial or membership interest in the corporatic been: **[Underlined portion pertains to business corporations only]**

1. Convicted of a felony involving a transaction in securities, consumer fraud or antitrust in any state or federal jurisdiction within the seve year period immediately preceding the execution of this certificate?
2. Convicted of a felony, the essential elements of which consisted of fraud, misrepresentation, theft by false pretenses or restraint of trac or monopoly in any state or federal jurisdiction within the seven year period immediately preceding execution of this certificate?
3. Or are subject to an injunction, judgment, decree or permanent order of any state or federal court entered within the seven year peric immediately preceding execution of this certificate where such injunction, judgment, decree or permanent order involved the violation c
   (a) fraud or registration provisions of the securities laws of that jurisdiction, or
   (b) the consumer fraud laws of that jurisdiction, or
   (c) the antitrust or restraint of trade laws of that jurisdiction?

One box **must** be marked: **YES** ☐ **NO** ☒

**If "YES", the following information must be submitted** as an attachment to this report for each person subject to one or mo of the actions stated in Items 1. through 3. above.

1. Full name and prior names used.
2. Full birth name.
3. Present home address.
4. Prior addresses (for immediate preceding 7 year period).
5. Date and location of birth.
6. Social Security Number
7. The nature and description of each conviction or judicial action; the date and location; the court and public agency involved, and the file or cause number of the case.

**11. STATEMENT OF BANKRUPTCY, RECEIVERSHIP or CHARTER REVOCATION (A.R.S. §§10-202.D.2, 10-3202.D.2, 1 & 10-11623)**

A) Has the corporation filed a petition for bankruptcy or appointed a receiver? One box **must** be marked: **YES** ☐ **NO** ☒

B) Has any person serving as an officer, director, trustee or incorporator of the corporation served in any such capacity OR held or controll over 20% of the issued and outstanding common shares, or 20% of any other proprietary, beneficial or membership interest in any corporatic which has been placed in bankruptcy, receivership or had its charter revoked, or administratively or judicially dissolved by any state jurisdiction?

**[Underlined portion pertains to business corporations only]** One box **must** be marked: **YES** ☐ **NO** ☒

**If "YES" to A and/or B, the following information must be submitted** as an attachment to this report for each person subject to the statement above.

1. The names and addresses of each corporation and the person or persons involved. (e.g. officer, director, trustee or major stockholder)
2. The state in which each corporation was a) incorporated b) transacted business.
3. The dates of corporate operation.
4. If any involved person (listed in #1) has been involved in any other bankruptcy proceeding within the past year, the name and address of each corporation.
5. Date, Case number and Court where the bankruptcy was filed or receiver appointed.
6. Name and address of court appointed receiver.

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**12. SIGNATURES:** Annual Reports must be signed and dated by at least one duly authorized officer or they will be rejected.

**I declare, under penalty of law that all corporate income tax returns required by Title 43 of the Arizona Revised Statutes have bee filed with the Arizona Department of Revenue. I further declare under penalty of law that I (we) have examined this report and tl certificate, including any attachments, and to the best of my (our) knowledge and belief they are true, correct and complete.**

Name William J. Piersin Date 4-9-04 Name William H. Baker Jr Date 2/17/04

Signature X William J. Piersin Signature William H Baker

Title President Title Secretary

(Signator(s) must be duly authorized corporate officer(s) listed in section 7 of this report.)

| Shareholder 1st | Shareholder Last | Attn Name | Greeting | Address | City | ST | Zip | # | To Date | ATI Shares | # | 2005 Date | ATI Shares | Accumltd/ Restricted |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| VG Wall | 264646 Alberta Ltd | | Mr. Wall | 3 McConnell Close | Red Deer, AB | Canada | T4N 0J7 | | | | 356 | 12/19/05 | 2,000 | 2,000 |
| | Agramate Resources Corp. | | Gentlemen | | | | | 6<br>62<br>143<br>148<br>164<br>165<br>166 | 5/98<br>10/98<br>8/99<br>10/99<br>2/00<br>2/00<br>2/00 | ~~44,260~~<br>~~44,260~~<br>~~66,667~~<br>~~120,000~~<br>~~236,240~~<br>~~121,465~~<br>~~45,843~~ | | | | 0 |
| Lorence & Mary | Ahrens, JTWROS | | Lorence & Mary | 4030 Lausanne Way | Flagstaff | AZ | 86004 | 182 | 1/02 | 1,500 | | | | 1,500 |
| Ginger | Allen | | Ms. Allen | 333 Croton Drive | Matland | FL | 32751 | 117 | 12/98 | 1,000 | | | | 1,000 |
| C. Sperry | Andrews, IV | | Mr. Andrews | 395 Inspirational Drive | Sedona | AZ | 86336 | 198 | 10/03 | 300,000 | | | | 300,000 |
| Paula Ainsworth | Angel's Gate Resources | | Ms. Ainsworth | 1959 Longfellow Rd. | Vista | CA | 92081 | | | | 352 | 12/19/05 | 2,000 | 2,000 |
| Dave | Austin | | Mr. Austin | 4011 Bayridge Cres | West Van Couver, BC | Canada | V7V 3K5 | | | | 308 | 10/17/05 | 6,000 | 6,000 |
| Ken | Austin | | Mr. Austin | 405 Westholme Rd | West Van Couver, BC | Canada | V7V 2N1 | | | | 306 | 10/17/05 | 2,000 | 2,000 |
| Paula | Baker<br>Platinum Angeles Unlimited LLC | | Ms. Baker | PO Box 2364<br>3340 W. Hw 89A, Ste 15 | Sedona<br>Sedona | AZ<br>AZ | 86339 -2364 | 276 | 12/04 | 6,000 | | | | 6,000 |
| William H. | Baker, Jr. | | Mr. Baker | P.O. Box 3473 | Flagstaff | AZ | 86003 | 59<br>167<br>181<br>200<br>228<br>230<br>239<br>245<br>247 | 10/982/0<br>0<br>1/02<br>10/03<br>10/03<br>10/03<br>4/04<br>9/04<br>9/04 | 500<br>5,000<br>25,000<br>100,000<br>100,000<br>~~368,551~~<br>~~218,551~~<br>~~118,551~~<br>~~93,551~~ | 406<br>259 | 12/21/05<br>2/21/05 | 25,000<br>43,551 | 255,500<br>43,551 |
| Mary Elizabeth | Barnette | | Ms. Barnette | 1037 Canyon Park Dr. | Ashland | OR | 97520 -3695 | | | | 322 | 10/17/05 | 20,000 | 20,000 |
| Daren | Barone | | Mr. Barone | 5490 Complex St., Suite 603 | San Diego | CA | 92123 | 38 | 5/98 | ~~500~~ | | | | 0 |
| Barry | Beer | | Mr. Beer | Tempestuoso S.A.<br>110-174 Wilson St., Apt. 247 | Victoria, BC | V9A 7N7 | Canada | | | | 287 | 1/19/05 | 2,000 | 2,000 |
| Jim | Bolwerk | | Mr. Bolwerk | 464 N. Westwind | El Cajon | CA | 92020 | 30<br>80 | 5/98 | 1,000<br>2,000 | | | | 3,000 |
| | Bonnin Family Trust | Donna M. Bonnin, Trustee | Ms. Bonnin | 16866 Rio Marie Rd. | Lakeside | CA | 92040 | 22<br>63<br>93<br>171 | 5/98<br>10/98<br>11/9812/00 | 2,000<br>4,000<br>7,334<br>10,000 | | | | 23,334 |
| Joel & Judith | Brownstein, JTWROS | | Joel & Judith | 350 E. 82nd St. | New York | NY | 10086 | | | | 260 | 2/21/05 | 50,000 | 50,000 |
| Alden | Br | | Mr. Bryant | 1442-A Walnut St., #57 | Berkele | CA | 94709 | 24 | 5/98 | 1,000 | | | | 1,000 |

| Shareholder 1st | Shareholder Last | Attn Name | Greeting | Address | City | ST | Zip | # | To Date | ATI Shares | # | 2005 Date | ATI Shares | Accumltd/ Restricted |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Edmund J. | Button | | Mr. Button | 21 Erie Street, #503 | Victoria, BC | Canada | V8V 5A8 | | | | 372 | 12/19/05 | 10,000 | 10,000 |
| Rebecca A. Ross & Sandra R. | Calahan, as Joint Tenants, JTWROS | | Ms. Ross and Ms. Calahan | 79 Pukolu Way | Kihel | HI | 96753 | 147 | 10/99 | 40,000 | | | | 40,000 |
| Peter | Cahill | | Mr. Cahill | 16516 El Camino Real, #144 | Houston | TX | 77062 | 201 | 10/03 | 120,000 | | | | 120,000 |
| Brougham | Campbell | | Mr. Campbell | 10554 Bandell Court | San Diego | CA | 92126 | 183<br>202<br>252 | 1/02<br>10/03<br>12/04 | 5,000<br>5,000<br>5,000 | | | | 15,000 |
| Richard A. | Campbell | | Mr. Campbell | 7202 W. Sandra Terrace | Peoria | AZ | 85382 | 3<br>154<br>196<br>225<br>240 | 5/98<br>2/00<br>8/03<br>10/03<br>4/04 | 170,000<br>53,000<br>2,250,000<br>~~350,000~~<br>~~25,000~~ | 264<br>266<br>325<br>396 | 4/26/05<br>4/26/05<br>10/17/05<br>12/30/05 | ~~2,257,117~~<br>2,212,117<br>~~270,000~~<br>262,500 | 4,947,617 |
| Richard & Sondra | Campbell, JTWROS | | Richard & Sondra | 7202 W. Sandra Terrace | Peoria | AZ | 85382 | 185<br>203 | 1/02<br>10/03 | 15,000<br>15,000 | | | | 30,000 |
| | Catcando Properties Limited | | Gentlemen | 37 Dymock Street | London | UK | SW63 ET | | | | 394 | 12/30/05 | 41,666 | 41,666 |
| Lynn | Cavanaugh | | Ms. Cavanaugh | 4974 N. Fresno St., #133 | Fresno | CA | 93726 | | | | 401 | 12/21/05 | 25,000 | 25,000 |
| Andrew F. Chendorani & Candice M. | Chendorani JTWROS | | Mr. and Mrs. Chendorani | 747 S. Ruby Lane | Anaheim Hills | CA | 92807 | 20 | 5/98 | 2,500 | | | | 2,500 |
| George and Jean | Chrey | | Mr. and Mrs. Chrey | 2922 Rocky Point Rd., N.W. | Bremerton | WA | 98312 | 102<br>85 | 5/98<br>10/98 | 500<br>1,000 | | | | 1,500 |
| Wendall | Clarkson Clarkson Five Investments, Inc. | | Mr. Clarkson | 555 Rattray Park Dr. | Mississauga, Ontario | L5J 2N3 | Canada | | | | 293 | 2/28/05 | 2,000 | 2,000 |
| Bart and Janet | Coleman, JTWROS | | Mr. and Mrs. Coleman | 10004 Heritage Dr. | Flagstaff | AZ | 86004 | 141 | 8/99 | 1,400 | | | | 1,400 |
| Dr. Jock | Collins | | Dr. Collins | 5817 Central Crest | Houston | TX | 77092 | 29<br>49<br>52 | 5/98<br>9/98<br>10/98 | 1,000<br>1,000<br>7,000 | | | | 9,000 |
| James T. | Collins | | Mr. Collins | 6886 Jay Rd. | Boulder | CO | 80301 | | | | 310 | 10/11/05 | 6,000 | 6,000 |
| Richard D. | Corona | | Mr. Corona | 4700 Spring St., Ste. 300 | La Mesa | CA | 91941 | 156 | 2/4/00 | 20,000 | | | | 20,000 |
| | Corona Family Trust | Richard D. Corona, Trustee | Mr. Corona | 4700 Spring St., Ste. 300 | La Mesa | CA | 92941 | 7<br>70<br>155 | 5/98<br>10/98<br>2/4/00 | 25,500<br>25,500<br>74,561 | | | | 125,561 |
| The | Co Family | Richard | Mr. Corona | 4700 Spring St., Ste. 300 | La Mes | CA | 92941 | 8 | 5/98 | 20,000 | | | | 40,000 |

| Shareholder 1st | Shareholder Last | Attn Name | Greeting | Address | City | ST | Zip | # | To Date | ATI Shares | # | 2005 Date | ATI Shares | Accumltd/ Restricted |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Nickerson | | BC | 1H3 | a | | | | 336 | 11/3/05 | 2,000 | |
| | | | Mr. Paille | Larry Paille<br>Imatire Investments, LLC<br>15 Soldier Basin Dr.<br>Sedona, AZ 86351<br>270 - 11/04 - 24,000 | | | | | | | | | | 24,000 |
| | Parra Living Trust | | Parra Family | 3127 Kalmia St. | San Diego | CA | 92104 | 36<br>74 | 5/98<br>10/98 | 1,000<br>2,000 | | | | 3,000 |
| Mark | Patton | | Mr. Patton | 50 View Dr. | Sedona | AZ | 86336 | | | | 376 | 12/21/05 | 4,000 | 4,000 |
| Brian | Petford | | Mr. Petford | 11348 Nitinat Rd | Sidney, BC | Canada | V8L 5R8 | | | | 369 | 12/19/05 | 3,000 | 3,000 |
| William J. | Pierson | | Mr. Pierson | 6710 Lynx Lane | Flagstaff | AZ | 86004 | 5<br>96<br>162<br>163<br>177<br>191<br>197<br>226<br>241 | 5/98<br>11/982/0<br>0<br>2/00<br>4/01<br>1/02<br>8/03<br>10/03<br>4/04 | 170,000<br>400,000<br>~~12,926~~<br>~~53,000~~<br>28,000<br>339,367<br>2,250,000<br>~~350,000~~<br>~~25,000~~ | 263<br>265<br>327<br>393<br>398 | 4/26/05<br>4/26/05<br>10/17/05<br>12/30/05<br>12/30/05 | ~~2,257,117~~<br>2,212,117<br>~~270,000~~<br>~~240,000~~<br>232,500 | 5,631,984 |
| James & Beverlee | Pierson, JTWROS | | James & Beverlee | 8631 W. 21st North | Wichita | KA | 67212 | 138 | 7/99 | 1,000 | 261 | 2/21/05 | 12,926 | 13,926 |
| Dawn Christen | Pierson | | Ms. Pierson | 332 E. Western Hemloch Pl. | Sahuarita | AZ | 85629 | 28<br>81 | 5/98<br>10/98 | 1,000<br>2,000 | | | | 3,000 |
| John H. | Pierson, Jr. | | Mr. Pierson | 9521 Warwick Dr. | Desert Hot Springs | CA | 92240 | 31<br>79 | 5/98<br>10/98 | 1,000<br>2,000 | | | | 3,000 |
| Marcelle Jean | Pierson | | Ms. Pierson | 322 E. Western Hemlock Place | Sahaurita | AZ | 85629 | | | | 387 | 12/30/05 | 5,000 | 5,000 |
| Daniel Henri | Poitry | | Mr. Poitry | Rue de Neuchatel 8<br>Case Postale 100 | CH-2034 Peseux | | Switzerland | 238 | 3/04 | 10,000 | | | | 10,000 |
| Tracy | Pringle | | Mr. Pringle | 6215 Morningside Lane | Flagstaff | AZ | 86004 | | | | 258 | 2/21/05 | 10,000 | 10,000 |
| Abigail Sara-Jane | Pulley | | Ms. Pulley | 1514 S. 121st Drive | Avondale | AZ | 85323 | | | | 392 | 12/30/05 | 5,000 | 5,000 |
| Jeremiah Christopher | Pulley | | Mr. Pulley | 1514 S. 121st Drive | Avondale | AZ | 85323 | | | | 391 | 12/30/05 | 5,000 | 5,000 |
| Nina M. | Pulley | | Ms. Pulley | 1514 S. 121st Dr. | Avondale | AZ | 85323 | 35<br>75 | 5/98<br>10/98 | 1,000<br>2,000 | | | | 3,000 |
| William Cody, Allen | Pulley Trust | | Gentlemen | 1514 S. 121st Dr. | Avondale | AZ | 85323 | 189 | 1/02 | 1,251 | | | | 1,251 |
| Diane | Quan | | Ms. Quan | 132 W. 61st Ave | Vancouver, BC | Canada | V5X 2B2 | | | | 292<br>362 | 2/10/05<br>12/19/05 | 2,000<br>4,000 | 6,000 |
| Ben Schloo | QIEM LLC | | Mr. Schloo | 115 Symons Street | Toronto, ON | Canada | M8V 1V1 | | | | 368 | 12/19/05 | 5,000 | 5,000 |
| Jonathan Schloo | QIEM LLC | | Mr. Schloo | 115 Symons Street | Toronto, ON | Canada | M8V 1V1 | | | | 303<br>367 | 10/17/05<br>12/19/05 | 10,000<br>5,000 | 15,000 |
| Melissa | Randi Hill | | Ms. Randi-Hill | 125 Beaver Street | Sedona | AZ | 86351 | | | | 346 | 11/18/05 | 10,000 | 10,000 |

# THE NEVADA AGENCY AND TRUST COMPANY

*Established 1903*

May 24, 2006

Mr. William J. Pierson
5800 North Dodge Avenue, Building A
Flagstaff, AZ 86004

**RE: AGRA-TECHNOLOGIES INCORPORATED**
**ANNUAL LIST OF OFFICERS AND DIRECTORS**

Dear Mr. Pierson:

The Annual List of Officers, Directors and Agent for your corporation was filed with the Secretary of State of Nevada on April 25, 2006. We are pleased to enclose herein a copy of the list, as filed, from the Secretary of State authorizing:

**AGRA-TECHNOLOGIES INCORPORATED**

to do business in the State of Nevada for the period

**MAY 2006 TO MAY 2007**

We appreciate your business and look forward to serving the needs of your corporation in the future.

Very truly yours,

NEVADA AGENCY AND TRUST COMPANY

Mickey Cole

Mickey Cole
Resident Agent Department

Enclosure

**ACC003036**
AGRA TECH.

50 WEST LIBERTY STREET
RENO, NEVADA 89501

BANK OF AMERICA PLAZA SUITE 880

TELEPHONE (775) 322-0626
FAX (775) 322-5623

# (PROFIT) ANNUAL LIST OF OFFICERS, DIRECTORS AND RESIDENT AGENT OF

AGRA-TECHNOLOGIES INCORPORATED

(Name of Corporation)

FILE NUMBER C10129-1998

FOR THE FILING PERIOD OF 5/2006 TO 5/2007

Entity # C10129-1998
Document Number: 20060261325-87
Date Filed: 4/25/2006 8:12:44 PM
In the office of

Dean Heller
Secretary of State

(This document was filed electronically.)
THE ABOVE SPACE IS FOR OFFICE USE ONLY

The corporation's duly appointed resident agent in the State of Nevada upon whom process can be served is:

NEVADA AGENCY & TRUST COMPANY
50 WEST LIBERTY STREET
SUITE 880
RENO, NV 89501

☐ CHECK BOX IF YOU REQUIRE A FORM TO UPDATE YOUR RESIDENT AGENT INFORMATION

Important: Read instructions before completing and returning this form.

1. Print or type names and addresses either residence or business, for all officers and directors. A President, Secretary, Treasurer, or equivalent of and all Directors and all directors must be named. Have an officer sign the form. *FORM WILL BE RETURNED IF UNSIGNED*
2. If there are additional directors attach a list of them to this form.
3. Return the completed to" with the filing fee. A $75.00 penalty must be added for failure to file this form by the deadline. An annual list received more than 90 days before its due date shall be deemed an amended list for the previous year.
4. Make your check payable to the Secretary of State. Your cancelled check will constitute a certificate to transact business per NRS 78.155. To receive a certified copy, enclose an additional $30.00 and appropriate instructions.
5. Return the completed form to: Secretary of State, 202 North Carson Street, Carson City, NV 897014201, (775) 684-5708
6. Form must be in the possession of the Secretary of State on or before the last day of the month in which it is due, (Postmark date is not accepted as receipt date.) Forms received after due date will be returned for additional fees and penalties.

**CHECK ONLY IF APPLICABLE**

☐ This corporation is a publicly traded corporation. The Central Index Key number is:

☐ This publicly traded corporation is not required to have a Central Index Key number.

| NAME | TITLE(S) | | |
|---|---|---|---|
| WILLIAM J PIERSON | PRESIDENT (OR EQUIVALENT OF) | | |
| ADDRESS | CITY | St | Zip |
| 5800 N DODGE AVE BLDG A | FLAGSTAFF | AZ | 86004 |
| NAME | TITLE(S) | | |
| WILLIAM H BAKER | SECRETARY (OR EQUIVALENT OF) | | |
| ADDRESS | CITY | St | Zip |
| 5800 N DODGE AVE BLDG A | FLAGSTAFF | AZ | 86004 |
| NAME | TITLE(S) | | |
| WILLIAM H BAKER | TREASURER (OR EQUIVALENT OF) | | |
| ADDRESS | CITY | St | Zip |
| 5800 N DODGE AVE BLDG A | FLAGSTAFF | AZ | 86004 |
| NAME | TITLE(S) | | |
| WILLIAM J PIERSON | DIRECTOR | | |
| ADDRESS | CITY | St | Zip |
| 5800 N DODGE AVE | FLAGSTAFF | AZ | 86004 |

I declare, to the best of my knowledge under penalty of perjury, that the above mentioned entity has complied with the provisions of NRS 360.780 and acknowledge that pursuant to NRS 239.330, it is a category C felony to knowingly offer any false or forged instrument for filing in the Office of the Secretary of State.

X Signature of Officer
WILLIAM H BAKER

Title SECRETARY

Date 4/25/2006 8:04:52 PM

Nevada Secretary of State Form ANNUAL LIST (PROFIT) 2006
Revised on 09/06/05

ACC003037
AGRA TECH.

FILE NUMBER

C10129-1998

# (PROFIT) ANNUAL LIST OF OFFICERS, DIRECTORS AND RESIDENT AGENT OF

AGRA-TECHNOLOGIES INCORPORATED

(Name of Corporation)

FOR THE FILING PERIOD OF 5/2005 TO 5/2006

Entity #
C10129-1998
Document Number:
20050195735-17

Date Filed:
5/25/2005 4:12:51 PM
In the office of

Dean Heller
Secretary of State

(This document was filed electronically.)

THE ABOVE SPACE IS FOR OFFICE USE ONLY

The corporation's duly appointed resident agent in the State of Nevada upon whom process can be served is:

NEVADA AGENCY & TRUST COMPANY
50 WEST LIBERTY STREET
SUITE 880
RENO, NV 89501

☐ CHECK BOX IF YOU REQUIRE A FORM TO UPDATE YOUR RESIDENT AGENT INFORMATION

Important: Read instructions before completing and returning this form.

1. Print or type names and addresses either residence or business, for all officers and directors. A President, Secretary, Treasurer, or equivalent of and all Directors and all directors must be named. Have an officer sign the form. *FORM WILL BE RETURNED IF UNSIGNED*
2. If there are additional directors attach a list of them to this form.
3. Return the completed to* with the filing fee. A $75.00 penalty must be added for failure to file this form by the deadline. An annual list received more than 90 days before its due date shall be deemed an amended list for the previous year.
4. Make your check payable to the Secretary of State. Your cancelled check will constitute a certificate to transact business per NRS 78.155. To receive a certified copy, enclose an additional $30.00 and appropriate instructions.
5. Return the completed form to: Secretary of State, 202 North Carson Street, Carson City, NV 897014201, (775) 684-5708
6. Form must be in the possession of the Secretary of State on or before the last day of the month in which it is due. (Postmark date is not accepted as receipt date.) Forms received after due date will be returned for additional fees and penalties.

## CHECK ONLY IF APPLICABLE

☐ This corporation is a publicly traded corporation. The Central Index Key number is:

☐ This publicly traded corporation is not required to have a Central Index Key number.

| NAME | TITLE(S) | CITY | St | Zip |
|---|---|---|---|---|
| WILLIAM J PIERSON | PRESIDENT (OR EQUIVALENT OF) | | | |
| ADDRESS: 5800 N DODGE AVE BLDG A | | FLAGSTAFF | AZ | 86004 |
| WILLIAM H BAKER | SECRETARY (OR EQUIVALENT OF) | | | |
| 5800 N DODGE AVE BLDG A | | FLAGSTAFF | AZ | 86004 |
| WILLIAM H BAKER | TREASURER (OR EQUIVALENT OF) | | | |
| 5800 N DODGE AVE BLDG A | | FLAGSTAFF | AZ | 86004 |
| WILLIAM PIERSON | DIRECTOR | | | |
| 6710 LYNX LN | | FLAGSTAFF | AZ | 86004 |

I declare, to the best of my knowledge under penalty of perjury, that the above mentioned entity has complied with the provisions of NRS 360.780 and acknowledge that pursuant to NRS 239.330, it is a category C felony to knowingly offer any false or forged instrument for filing in the Office of the Secretary of State.

X Signature of Officer
WILLIAM H BAKER

Title SECRETARY

Date 5/25/2005 4:19:26 PM

ACC003038
AGRA TECH.

# (PROFIT) ANNUAL LIST OF OFFICERS, DIRECTORS AND RESIDENT AGENT OF

AGRA-TECHNOLOGIES INCORPORATED

FILE NUMBER C10129-1998

| NAME | TITLE(S) | | | |
|---|---|---|---|---|
| CARLOS WALL | DIRECTOR | | | |
| ADDRESS | CITY | ST | ZIP | |
| 18094 CHERRY TREE LN | SUQUAMISH | WA | 98392 | |
| NAME | TITLE(S) | | | |
| RICHARD CAMPBELL | DIRECTOR | | | |
| ADDRESS | CITY | ST | ZIP | |
| 7202 W SANDRA TERRACE | PEORIA | AZ | 85382 | |
| NAME | TITLE(S) | | | |
| ADDRESS | CITY | ST | ZIP | |
| NAME | TITLE(S) | | | |
| ADDRESS | CITY | ST | ZIP | |
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| ADDRESS | CITY | ST | ZIP | |

ACC003039

AGRA TECH.

**Agra-Technologies, Inc.**
Contact Information

**Full Name:** William J. Pierson
**Job Title:** CEO (President), Director, Chairman of the Board Jan 2001 to Present

**Business Address:** 5800 Dodge Ave.
Flagstaff, AZ 86004

**Home Address:** 6710 Lynx Lane
Flagstaff, AZ 86004

**Business:** (928) 526-2275
**Mobile:** (928) 380-0015

**E-mail:** wpierson@agra-technologies.com

---

**Full Name:** Richard A. Campbell May 2003 to June 2006
**Job Title:** E.V.P., Director

**Home Address:** 8686 W. Morten Ave.
Glendale, AZ 85305

**Home:** (623) 772-0376
**Mobile:** (623) 734-4734

**E-mail:** rcampbell@agra-technologies.com

---

**Full Name:** William H. Baker Jr July 2003 to Present
**Job Title:** Secretary-Treasurer, CFO

**Business Address:** 5800 N. Dodge Ave
Flagstaff, AZ 86004

ATI Director Contact Info

**Home Address:** 3027 N. Alta Vista
Flagstaff, AZ 86004

**Business:** (928) 526-2275
**Mobile:** (928) 380-2999

**E-mail:** bbaker@agra-technologies.com

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**Full Name:** Sandy Pierson Jan 2001 to Present
**Job Title:** Assistant Secretary

**Business Address:** 5800 N. Dodge Ave.
Flagstaff, AZ 86004

**Home Address:** 6710 Lynx Lane
Flagstaff, AZ 86004

**Business:** (928) 526-2275
**Mobile:** (928) 380-0014

**E-mail:** spierson@agra-technologies.com

**Agra-Technologies, Inc.**
Contact Information

**Full Name:** Douglas Gettler Jun 2006 to Present
**Job Title:** Director

**Business Address:** 3554 Wild Cherry Ct.
Las Vegas, NV 89121

**Mobile:** (702) 523-8485

**E-mail:** dgettler@agra-technologies.com

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**Full Name:** Carlos (Cub) Wall Jan 2001 to Feb 2005
**Job Title:** Director

**Business Address:** 18094 Cherry Tree Lane
Squamish, WA 98392

**Business:** (360) 779-3507

**E-mail:** cubwall@earthlink.net

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**Full Name:** Edwin Ruh July 2005 to Present
**Job Title:** Director

**Business Address:** 892 Old Hickory Rd.
Pittsburgh, PA 15243

**Home:** (617) 661-6383
**Mobile:** (617) 359-7676

**E-mail:** ultique@aol.com
**E-mail 2:** ruhjred@ksg.harvard.edu

## Banking Resolutions

Organization Name: Agra Technologies Inc. State of Organization: AZ Nevada

Type of Organization: ☒ Corporation ☐ Limited Liability Company ☐ Partnership ☐ Association ☐ Sole Proprietorship ☐

Taxpayer Identification Number: 86-0912521

The undersigned certifies that: I am an official of, and authorized to certify on behalf of, the above named organization, which is duly organized and existing under the laws of the state indicated, ("Organization"); in connection with the use of the above name, the Organization has complied with the statute of any jurisdiction whose law may apply, covering the use of an assumed business name; the following is a complete, true and correct copy of certain resolutions of the Organization, which resolutions were duly adopted and are in conformity with the laws of the state where organized and the organizational documents ("Resolutions"); and the Resolutions have not been rescinded or modified and are in full force and effect on the date hereof:

**Resolutions**

1. **Designation of Depository; Deposits**. Any bank subsidiary of JPMorgan Chase & Co. (each a "Bank") is designated a depository in which funds of the Organization may be deposited electronically or by checks, drafts, items, instruments, notes, bills of exchange and orders for the payment of money, with or without indorsement, including those payable to the Organization in any trade name or style used by the Organization.

2. **Treasury Management Services**. Any one [ ] of the officers, members, managers, partners, trustees, [ ]

[If Authorized Persons must act jointly, line out "one" and insert "two"; otherwise leave blank]

owners, agents and employees, as applicable, of the Organization and the other persons designated by the Organization (each an "Authorized Person") is authorized to do any or all of the following on behalf of the Organization:

(a) **Banking Services**. Open accounts, manually sign checks and utilize any other treasury management services including, without limitation, electronic, investment, loan sweep and financial advisory services and to authorize and direct Bank in writing to honor checks bearing or purporting to bear the facsimile signature(s) made by using any name (including, without limitation, a trade or assumed name), word, mark or symbol (whether made with or generated by signature plate, any similar device, computer or machine), including those payable to the individual order of any person whose name appears as signer thereon, regardless by whom or by what means the actual or purported facsimile signature(s) may have been affixed to the checks. The Bank is indemnified and held harmless by the Organization against any forgery, or unauthorized use or misuse of facsimile signatures, or the facsimile signing devices, the protection and security of such device being the sole responsibility of the Organization.

(b) **Agreements**. Execute and deliver agreements, documents and instruments (and amendments or waivers thereto or terminations thereof); and take, or refrain from taking, action to carry into effect these Resolutions and the transactions contemplated by them upon such terms and conditions as such Authorized Person(s) deem(s) advisable as evidenced by such execution, delivery, action or non-action. The Organization hereby accepts and agrees to be bound by the terms and conditions of any agreements and service terms applicable to any services of the Bank that the Organization uses.

(c) **Delegation of Authority**. Delegate, or amend or revoke such delegation, in writing, at any time and from time to time, any of the authority referred to in these Resolutions to one or more other persons acting as specified in the delegation. The Organization agrees to be bound by any action taken by, or non-action of, such persons.

3. **Revocation or Modification of Resolutions**. These Resolutions and any delegation made pursuant to them shall continue in full force and effect until express written notice of its revocation or modification has been received by Bank and Bank has had a reasonable opportunity to act upon such notice. However, if the authority contained in these Resolutions or any delegation is revoked or terminated by operation of law without such notice, it is resolved and agreed, for the purpose of inducing Bank to act under these Resolutions and any delegation, that the Organization shall indemnify and hold Bank harmless from any loss suffered or liability incurred by Bank in so acting after such revocation or termination without such notice.

In Witness Whereof, I have hereunto subscribed my name and affixed the Organization's seal, if applicable 26 day of January.

(Signature)
Name: William H Baker
Title: Secratary - Treasure

(Signature)
Name:
Title:

**Certificate of Incumbency**

The undersigned certifies that: I am an authorized official of Agra Technologies Inc., [Insert the name of the Organization] duly organized and existing under the laws of the State of AZ, Nevada [Insert the State in which the Organization is established] ("Organization"); the persons named below are presently holding the offices set forth opposite their respective signatures below; and each such signature is his or her genuine signature:

| Type or Print Name | Signatures (Please sign inside the box) | Phone and Fax |
|---|---|---|
| (Name) William J. Pierson<br>(Title) President, & CEO | William J. Pierson | (Phone) 928·526·2275<br>(Fax) 928·526·2269 |
| (Name) Richard A Campbell<br>(Title) Exutive Vice President | | (Phone) 928-526-2275<br>(Fax) 928-526-2269 |
| (Name) William H. Baker Jr<br>(Title) Secratary-Treasurer | | (Phone) 928-526 2275<br>(Fax) 928-526 2269 |
| (Name)<br>(Title) | | (Phone)<br>(Fax) |
| (Name)<br>(Title) | | (Phone)<br>(Fax) |
| (Name)<br>(Title) | | (Phone)<br>(Fax) |
| (Name)<br>(Title) | | (Phone)<br>(Fax) |
| (Name)<br>(Title) | | (Phone)<br>(Fax) |

In Witness Whereof, I have hereunto subscribed my name and affixed the seal of the Organization, if applicable, this 26 day of January 20 05.

William H Baker
[Signature]

Name: William H. Baker Jr
[Print the name of the signer]

Title: Secratary- Treasure
[Print the title of the signer]

[Signature]

Name:

ACC002944
AGRA TECH.

[Print the name of the signer]

Title: _____

[Print the title of the signer]

Mar. 2005

ATI

B.O.D.

July 2003
ATI
B.O.D.

Agra-Technologies, Inc.

# Board Meeting

July 23, 2003

Held at the Corporate Offices @ 5800 N. Dodge Ave. Bldg.A

Flagstaff, AZ 86004

Due to the special circumstances of the meeting, as the first meeting of significance since the resurrection of the company on June 3, 2003, and the abundance of matters to be brought before the Board, Mr. Pierson was asked by Chairman Wall, to Chair the meeting.

Meeting called to order, all Directors in attendance. Mr. Pierson announced proper notice had been provided, as well as notice of a Special Meeting of the Shareholders. Mr. Pierson further noted that a quorum for both meetings had been met, and the Special Meeting of the Shareholders would take place immediately following the conclusion of the Board Meeting.

Mr. Wall all Mr. Pierson revisit the status of ATI and recognize the current needs of the company to reform and restructure its plan, its board and its management. Mr. Pierson reaffirmed his status as a standing Director, and Mr. Wall reaffirmed his status as a Director and tendered his resignation as Chairman of the Board.

Mr. Pierson recognized Mr. Corona's absence from the Board and as Secretary and moved to consider Richard A. Campbell to replace Mr. Corona on the Board.

Following the election of Mr. Campbell to the Board, Mr. Pierson moved to (a) reaffirm W.H. Baker & Associates as the in house accounting and (b) to elect William H. Baker to the position of Secretary of the company.

Next Mr. Pierson asked Mr. Baker to review the current financial position of the company. Mr. Pierson advised the company had reestablished its banking relations with Wells Fargo, and the PP Ltd/Agra-Tech Incorporated account at B of A was effectively closed.

Next Mr. Pierson asked the Board to approve the purchase agreement with Galleon Technology & Development Corp. for a licensing of the PMR Technology developed by GTD.

Next Mr. Pierson asked the Board to approve the implementation of a Platinum Fund Project crafted by RAC and jointly modified and amended by mutual agreement with Tim Thomis and Alan Clark.

Next Mr. Pierson asked the Board to approve a significant Consulting Agreement with Dr. Boris Levinsky.

Next Mr. Pierson asked the Board to approve the company's plans for inclusion in a humanitarian Ag project for the Georgian Region of Russia.

Next Mr. Pierson asked the Board to approve the company's plans for inclusion in a humanitarian Ag project for Mexico.

Next Mr. Pierson asked the Board to approve the company's involvement with the development of a sustainable ag program, in conjunction with a bio-remediation schedule for Canada and FNSFSC Ontario.

Next Mr. Pierson asked the Board to examine and consider approval of the issuance of shares from the company's treasury, equivalent amounts of stock to those shareholders having purchased stock in Peru Partners, Ltd / Agra-Tech Incorporated during the period of time Agra-Technologies, Inc. managed that corporation under the expectation of "ATI" having been acquired by PP Ltd.

Next Mr. Pierson asked for the Board to approve an agency/commission agreement for Southport Capital Partners Ltd., allowing for a 3% commission/fee to be paid to Southport for any financing it may bring to or cause to occur for ATI.

Next Mr. Pierson provided the Board with some insight as to the past and present financial investment attitudes/offers from the Wall Street financial arena.

Next Mr. Pierson put forth the complex acquisition package offered by D&B Enterprises, LLC for review and approval. Mr. Baker provided ATI financial statements illustrating the impact of the slated acquisition.

Mr. Campbell recommended the company issue a letter updating the shareholders of the current and forward status of the company, and to distribute the stock certificates issued on Agra-Tech Incorporated, as soon as it is corporately feasible.

Next Mr. Pierson asked if there was any further business to be brought before the Board.

There being no further business to be brought before the Board at this time, the meeting was Mr. Campbell motioned to close, Mr. Wall seconded, and the meeting was closed.

Call for ATI Special Shareholders Meeting to approve the actions of the Board.

Current issued: 4,303,050

Shareholders called to accumulate over 51%:

Carlos R. Wall @ 1,008,883

Richard Campbell @ 238,000

William Pierson @ 950,293

Total of 53% 2,242,176

Agra Technologies, Inc.
BOARD OF DIRECTORS' RESOLUTION FOR ENGAGING NEW ACCOUNTANT

RESOLVED, that, on July 23, 2003, the contract between this Corporation and William H. Baker & Associates, the accountants for this Corporation, shall be renewed, and it is

FURTHER RESOLVED, that the President of this Corporation is hereby authorized to enter into the Letter of Agreement submitted by the firm of William H. Baker & Associates, on the terms and conditions set out in that letter, a copy of which is attached to the minutes of this meeting.

The undersigned, Sandra L. Pierson, certifies that I am the duly appointed Assistant Secretary of Agra Technologies Corporation and that the above is a true and correct copy of a resolution duly adopted at a meeting of the directors thereof, convened and held in accordance with law and the Bylaws of said Corporation on July 23, 2003, and that such resolution is now in full force and effect.

IN WITNESS THEREOF, I have affixed my name as Assistant Secretary of Agra Technologies Corporation and have attached the seal of Agra Technologies Corporation to this resolution.

Sandra L. Pierson

Sandra L. Pierson
Assistant Secretary
Dated: August 1, 2003.
(SEAL)

Agra Technologies, Inc.
BOARD OF DIRECTORS' RESOLUTION ADDING AN OFFICER

Upon a duly made and seconded motion, a majority of the directors of the Board of Directors of Agra Technologies Corporation voted to adopt the following resolution: RESOLVED, that Mr. William Baker is hereby elected/appointed to the office Secretary of this Corporation effective immediately.

The undersigned, Sandra L. Pierson , certifies that I am the duly appointed Assistant Secretary of Agra Technologies Corporation and that the above is a true and correct copy of a resolution duly adopted at a meeting of the directors thereof, convened and held in accordance with law and the Bylaws of said Corporation on July 23, 2003, and that such resolution is now in full force and effect.

IN WITNESS THEREOF, I have affixed my name as Secretary of Agra Technologies Corporation and have attached the seal of Agra Technologies Corporation to this resolution.

Sandra L. Pierson

Sandra L. Pierson
Assistant Secretary
Dated: August 1, 2003.

(SEAL)

MINUTES OF
A MEETING OF
THE BOARD OF DIRECTORS
OF
AGRA TECHNOLOGIES, INC.

A meeting of the Board of Directors of AGRA TECHNOLOGIES, INC. (the Company) was held at the Company's principal offices on October 28, 2004, immediately following the Company's Special Shareholders' Meeting. All directors were present in person or by telephone.

Upon motion duly made, seconded, and unanimously approved, the following persons were elected officers of the Company, to serve until their resignation, removal from office, or until their respective successors are elected and qualified:

President and CEO: William J. Pierson

Executive President: Richard A. Campbell

Secretary-Treasurer: William Baker

The Board next discussed several operational issues.

There being no further business to come before the Meeting, on motion duly made, seconded, and unanimously approved, the Meeting was adjourned.

William Baker

William Baker, Secretary

# *MINUTES OF THE BOARD OF DIRECTORS MEETING OF AGRA TECHNOLOGIES, INC.*

A regular meeting of the Board of Directors of the above corporation was held on April 30, 2004 at 10:00 am at the corporation's place of business.

The purpose of the meeting: Regular business agenda.

**I. QUORUM.** A quorum was declared present based on the presence of the following Directors: William Pierson, Richard Campbell, and Carlos Wall (Via Phone).

The following corporate actions were taken by appropriate motions duly made, seconded, and adopted by the unanimous vote of the Directors entitled to vote (unless a higher voting approval is stated)

**II. ELECTION OF CHAIRPERSON AND SECRETARY.** William Pierson was appointed chairperson of the meeting, and William H. Baker, Jr. was appointed as secretary to prepare a record of the proceedings.

**III. REPORTS.**

- Report by William H. Baker, Jr..
Corporate Taxes and Pool of Capital doctrine for PMR project. Various Memos For Accounting Standards.

- Report by William Pierson.
Special funding possibilities include 1)Nouvas for interm mezzanine financing. 2) RP&C for Standby Letter of Credit to finance platinum in-quart requirements. 3) Brian de Thorpe Millard for investment banking support to finance platinum in-quart requirements.

- Report by William Pierson.
Employee Benefits the company will provide are health insurance and worker compensation insurance.

- Report by William H. Baker, Jr..
Casualty and Liability insurance current coverage and needed coverage.

- Report by William Pierson.
Platinum Project Status. Getting Last Of Equipment In. Mixing Tanks Are Longest Item Out

At 4-6 Weeks. Projected start date of June 1 or June 15.

- Report by Carlos Wall (Via Phone).
A discussion reviewing Agramate Multi-Advance Note and Milisic resolving legal issue with Agramate Resources Corp.

- Report by Richard Campbell.
Common Stock valuation for Nouvas and general market purposes. Book value $0.52. Market Value $1.65.

**IV. ADOPTION OF DOCUMENTS/PLANS.**

The attached Memo - Pool Of Capital Doctrine adopted by a unanimous vote of the Directors.

The attached Memo - Various Accounting Standandards adopted by a unanimous vote of the .

**V. FINANCIAL STATEMENTS PRESENTATION.** The financial statements for the quarter ending January 31, 2004, as prepared by the corporation's Treasurer, William H. Baker, Jr., were approved. Highlights of the financial statements included: Balance Sheet, Income Statement, Statement Of Cash Flows.

**VI. AUTHORIZATION OF CORPORATE ACTION.** The Officers and Directors were authorized to take all actions and to sign all documents reasonably needed to:

- Establish a group health plan as reflected in the attached explanation.

- Directors and Officers. Proceed with Nouvas at $1.65 per share for Common Stock valuation.
- Review and determine what options Agra-Technologies can take to cure the Multi-Advance Note with Agramate Resources Corp.

There being no further business, the meeting was duly adjourned.

William H. Baker, Jr.
Secretary

**ACC002820**
AGRA TECH.

MINUTES OF THE SPECIAL MEETING
OF THE SHAREHOLDERS OF
AGRA TECHNOLOGIES, INC.

Pursuant to the Notice of Special Meeting of Shareholders, a Special Meeting of Shareholders of AGRA TECHNOLOGIES, INC. (the "Company") was held on October 28, 2004, at 10:00 A.M. at Little America Hotel in Flagstaff, Arizona.

William J. Pierson, the Company's President, presided over the Meeting as Chairman. William Baker, the Company's Secretary, acted as the Secretary of the Meeting.

Mr. Pierson presented his opening remarks and introduced the officers and directors who were present.

The Secretary presented and read a copy of the Notice of the Meeting, which was mailed to each shareholder, addressed to such shareholder at the address given to him by the Company. The Secretary was directed to insert into the Minute Book, for the purposes of reference, a copy of said Notice.

The Chairman of the Meeting, appointed Linda Scott-Thomas as the Inspector of Election.

The President then directed all persons acting as proxies, or shareholders who had not already done so, to file their written proxies with the Secretary. Any shareholder wishing to revoke such proxy was requested to do so by delivering a proxy revocation to the Secretary.

The Inspector of Election informed the President and the Meeting that a total of 10,330,261 shares out of a total of 12,942,101 shares, representing a quorum, were present for the transaction of all business to come before the Meeting.

Upon motion duly made, seconded, and approved, the following persons were elected as directors of the Company, to serve until their respective resignation or removal from office, or until their respective successors are elected and qualified:

| Name | For | Against | Abstain |
|---|---|---|---|
| Carlos R. Wall | 10,330,261 | -0- | -0- |
| William J. Pierson | 10,330,261 | -0- | -0- |
| Richard A. Campbell | 10,330,261 | -0- | -0- |



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The Chairman next discussed an Equity Incentive Plan which had been adopted by the Company's Board of Directors and asked the Shareholders to approve and ratify the Plan. On motion duly made and seconded, the shareholders of the Company voted to approve and ratify the Plan. The Inspector of Election reported that 10,330,261 shares voted for it. Having received greater than a majority vote, the motion passed.

The Chairman then opened the Meeting to a discussion of the Company. The Chairman and Messrs. Campbell and Baker each discussed matters regarding the operation and status of the Company. Each person took questions from the shareholders.

On motion duly made and seconded, the shareholders of the Company moved by acclamation to approve and ratify all past actions of the Board of Directors to the date hereof.

There being no further business to come before the Meeting, upon motion duly made, seconded, and unanimously approved, the Meeting was adjourned.

William Baker

By:

William Baker
Secretary

AGRA-TECHNOLOGIES, INC.
5800 Dodge Ave.
Flagstaff, Arizona 86004

# NOTICE

SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON OCTOBER 28, 2004

**TO OUR SHAREHOLDERS**:

Notice is hereby given that a Special Meeting of Shareholders (the "Meeting") of AGRA-TECHNOLOGIES, INC. (the "Company") will be held at the Little America Hotel, 2515 Butler, Flagstaff, Arizona 86004, on October 28, 2004, at 10:00 AM, local time, and at any adjournment thereof, on all matters coming before said meeting.

The Meeting is for the purpose of considering and acting upon:

1. The reelection of the following to the Board of Directors, to serve until their resignation or removal from office, or until their respective successor is elected and qualified:

   Carlos R. Wall

   William J. Pierson

   Richard A. Campbell

2. Approval of an Equity Incentive Plan:

3. To consider and act upon any matters which may properly come before the Meeting or any adjournment thereof. The Board of Directors is not aware of any business to come before the Meeting:

Any action may be taken on any one of the foregoing proposals at the Meeting on the date specified above or on any date or dates to which the Meeting may be adjourned. Only shareholders of record as of the close of business on September 28, 2004 are entitled to notice of and to vote at the meeting.

AGRA-TECHNOLOGIES, INC.

William J. Pierson

By: William J. Pierson
President

Dated: October 7, 2004

ACC002901
AGRA TECH.

Sept. 2004
ATI
B.O.D.

# *MINUTES OF THE BOARD OF DIRECTORS MEETING OF AGRA TECHNOLOGIES, INC.*

A regular meeting of the Board of Directors of the above corporation was held on September 22, 2004 at 10:00am at the corporation's place of business.

The purpose of the meeting: Regular Business Review May 1, 2004 To September 21, 2004.

**I. QUORUM.** A quorum was declared present based on the presence of the following Directors: William Pierson, Richard Campbell, and Carlos Wall (Via Phone).

The following corporate actions were taken by appropriate motions duly made, seconded, and adopted by the unanimous vote of the Directors entitled to vote (unless a higher voting approval is stated).

**II. ELECTION OF CHAIRPERSON AND SECRETARY.** William Pierson was appointed chairperson of the meeting, and William Baker was appointed as secretary to prepare a record of the proceedings.

**III. REPORTS.**

- Report by William Baker.
April 30, 2004 Minutes.

- Report by William Pierson.
Carlos Wall Stock Transaction. Mr. Wall has offered to return his stock in the company at $0.40 per share, with $.15 to Agramate debt reduction and $.25 to Mr. Wall. ATI would sell the stock to others at an increased value. Mr. Pierson reviewed with D.Wagner, Corporate Counsel, for proper legal procedure, and reviewed with T.Thomas for marketability. The transaction is legal and in Mr. Wall and ATI's best interest. There would be no guarantee of performance on ATI's part.

- Report by William Pierson.
Status of Luepp Rd Plant. Aqusition of Electric Panels, EcoBasic Grinder and accessories, Varian ICP analyzer, Kenworth Water Truck. Pulverizing operations should beging in 2 weeks.

- Report by Richard Campbell.
Current status of European PPM and Agra Tech, AG. Agra Tech, AG is legally organized in

Cham, Switzerland. Promotional efforts have been well received in Europe for the PPM. Non-US investors would purchase 1 unit at $1.65 per unit, and receive 1 share of ATI and 1 share of Agra Tech, AG. Final stage of subscription agreement is being drafted. Mr. Campbell plans on a promotional trip with expectations to sell out units placement, raising approximately $1,650,000 US.

- Report by William Pierson.
Acquisition of 5800 N. Dodge property and formation of Reliance Land Company, LLC. ATI's former landlord, Hugh McCullough approched Mr. Pierson with a proposal to purchase land for $625,000, $25,000 debt forgiveness, $125,000 down, $475,000 1st mortgage @ 4% for 5 years, $3,500 per month. ATI organized Reliance Land Company, LLC as a 100% owned subsidiary to purchase the land. W.Baker noted the LLC helps with assets protection and may give additional financing flexibility in the furure. Related to the property, Glory Enterprises, LLC will be relocating its operations to 5800 N. Dodge asap.

- Report by Richard Campbell.
Status of Imperial Dairy Products, Inc. (IDP) and Jay Mason. IDP has entered into a purchase agreement for 640 acres in the Imperial Valley CA, acquired cows, and is arranging financing. Mr. Campbell is negotiating for ATI a 10%-20% ownership, and delivering agicultural mineral products to the dairy operations, and a percentage of other joint venture opportunities. IDP anticipates startup operations in 45 days.

- Report by William Pierson.
Review of Corporate Business Plan. Mr. Pierson noted the addition of two key technical employees/consultants, Daniel Sexton as Plant Engineer and Peter Gillespie as Chief Technical Advisor. (resumes attached) The Luepp Rd facility will ad capacity for aqua regia in the next several weeks. Subsequent to Mr. Pierson's visit to Sabin metals with R.Wiedenger of Galleon, additional improvements will deferr PMR processing to begin approximately November 1st. Due to other possible PMR activities in No. Az, we may need to build another processing facility in another area of No. Az.

- Report by William Pierson.
Milisic Settlement. ATI approved attorneys to prepare a settlement agreement that had been verbally accepted by all parties. Essentially, a total of $162,500, $50,000 down with equal 6 quarterly payments of $18,750. These payments to Milisic will be accounted as payments to the Agramate Multi-Advance Note. This verbal approval was communicated to Mr. Pierson via our attorney, and to Mr. Wall via the Milisic family. Mr. Wall signed the agreement. The Milisic party has subsequently decided to alter the agreement. ATI is awaiting the new proposal, which Mr. Pierson believes will still be acceptable, but unknown at this time.

- Report by William Pierson.
Shareholder meeting is scheduled for October 28th, 2004 at Little America, Flagstaff Arizona. Notice and agend has been sent to all shareholders. Legal counsel, D.Wagner is



ACC002864
AGRA TECH.

arriving Sept 27 to review and support the preparation for the Annual Meeting. Board of Directors meeting to follow the Annual Meeting.

- Report by William Pierson.
Employee meeting scheduled at Luepp Rd today at 3:30 pm. Mr. Pierson will review personell (who is who) and the company's current status as it relates to the employees at Luepp Rd.

- Report by Carlos Wall (Via Phone).
Mr. Wall offered congradulations on the hard work and progress that has been made by all here in Arizona for the company.

**IV. APPROVAL OF ACTIONS SECTION.** The actions and undertakings of the Directors, Officers, Employees, and Agents of the corporation were approved with respect to:

- All actions subsequent to the last meeting of the Board of Directors.

- The purchase of EcoBasics, Inc. grinding system, Varian, Inc. Vista-Pro ICP analyzer, Various electic panels and control systems, Kenworth Water Truck, Reliance Land Company, LLC's acquisition of 5800 N. Dodge Ave.

- 1) Formation of Reliance Land Company, LLC as a 100% wholly owned subsidiary. 2) Approval to proceed with Carlos Wall stock transaction (Carlos Wall abstained). 3) Approval of 25,000 shares to Peter Gillespie in recognition of his "long-term" approch on his proposal. 4) Approval of 1st quarter, July 31, 2004 financial statements. 5) Approve the formation of Agra Tech, AG and ATI's subsequent 20% ownership.

**V. FINANCIAL STATEMENTS PRESENTATION.** The financial statements for the year ending April 30, 2004, as prepared by the corporation's Treasurer, William Baker, were approved. Highlights of the financial statements included: Balance Sheet, Income Statement, Statement of Cash Flows, Supporting Schedules, Discussion and Analysis, and Notes to Financial Statements.

**VI. ISSUANCE OF STOCK.** The issuance of stock was approved as follows:

| | | |
|---|---|---|
| Name: | Peter Gillespie | |
| Shares: | 25,000.00 | |
| Amount: | $25.00 | |
| TOTAL: | Shares: | 25,000.00 |
| | Amount: | $25.00 |

**VII. BORROWING RESOLUTION.** The corporation was authorized to borrow $613,000.00

from Hugh and Pauline McCullough - $475,000 1st mortgage for 5800 N. Dodge. $30,000 unsecured for purchase of Kenworth Water Truck and Ford Supercab truck. $108,000 on best terms possible for Varian, Inc. ICP analyzer..

The Officers are authorized to take all actions and to sign all documents reasonably needed to carry out this loan transaction.

**VIII. ESTABLISH BANKING RELATIONSHIP.** The Officers are authorized to open accounts with First State Bank, for a local community bank presence. The form of resolution as provided by the bank was adopted and a copy is attached. The attached bank form of resolution states the names of the persons who are authorized to sign checks and drafts.

**IX. NEXT MEETING.** The next meeting of the Board of Directors and Shareholders will be held on October 28, 2004, at 1:00 pm, at Little America, Flagstaff, AZ.

There being no further business, the meeting was duly adjourned.

William Baker
Secretary-Treasurer

Tab “3”

*5800 N. Dodge Ave. Bldg. A*
*Flagstaff, Arizona 86004*
*928-526-2275 Fax: 2269*
*bbaker@agra-technologies.com*
William H. Baker
Chief Financial Officer

July 6, 2006

To: Gary Clapper, Special Investigator
Re: File No. 7586

Enclosed are the documents you requested. They include all we have from January 2001 to May 2003. As per your request we are still copying documents subsequent to May 2003. However, I do have to request guidance from our corporate counsel, as subsequent to May 2003 we were no longer associated with the company. We will deliver additional documents subsequent to May 2003 as per the guidance we receive from our counsel.

I am fairly certain you are quite busy with lots of various responsibilities. When we spoke on the phone previously, I inquired if you actually need documents subsequent to May 2003, and what are you looking for in order to assist in pinning down what you may need. You were not in a position that you could discuss any of the issues. I truly had not considered your predicament, forgive my naivety.

We are a fairly small company, and do not have extra folks readily available to retrieve, copy, and deliver. During the time January 2001 to April 2003, we have virtually no activity, and the bulk of what you have received is related to Peru-Partners, ltd./AGRA-TECH, Incorporated. This is copies of all the documents we have. Due to the fact that as of May 2003 we were no longer involved with the Peru-Partners, ltd/AGRA-TECH, Incorporated (renamed to Mintexx) company, any other records we had at that time were forwarded to Galleon Technology and Development Corporation.

Enclosed is an invoice.

If you need to contact me directly, I am available at the above phone and email on this letterhead. We fully intend to cooperate with you.

Respectfully,

William H. Baker, Jr.
Chief Financial Officer
Secretary-Treasurer

# Invoice

Agra Technologies, Inc.
5800 Dodge Ave.
Building A
Flagstaff, AZ 86004

Voice: 928-526-2275
Fax: 928-526-2269

Invoice Number: 301

Invoice Date: Jul 6, 2006

Page: 1

Sold To:
Arizona Corporation Commission
1300 West Washington, Third Fl
Phoenix, AZ 85007

Ship to:

| Customer ID | Customer PO | Payment Terms | |
|---|---|---|---|
| Az Corp Commission | | C.O.D. | |
| **Sales Rep ID** | **Shipping Method** | **Ship Date** | **Due Date** |
| | US Mail | | 7/6/06 |

| Quantity | Item | Description | Unit Price | Extension |
|---|---|---|---|---|
| | | 10 Hours Copy Time | | 100.00 |
| | | 500+ Copies | | 50.00 |

| | |
|---|---|
| Subtotal | 150.00 |
| Sales Tax | |
| Total Invoice Amount | 150.00 |
| Payment/Credit Applied | |
| **TOTAL** | 150.00 |

Check/Credit Memo No:

For FedEx Express shipments only.

111

200

**FedEx Express** *US Airbill*

FedEx Tracking Number 8526 0175 2053

Form ID No. 0215 **Recipient's Copy**

**1 From** This portion can be removed for Recipient's records.

Date 7/7/06 FedEx Tracking Number 852601752053

Sender's Name Phone

Company

Address Dept./Floor/Suite/Room

City State ZIP

RECEIVED JUL 10 2006 ARIZONA CORP. COMMISSION SECURITIES DIVISION

**2 Your Internal Billing Reference**

**3 To**

Recipient's Name Phone

Company

Recipient's Address Dept./Floor/Suite/Room

We cannot deliver to P.O. boxes or P.O. ZIP codes.

Address

To request a package be held at a specific FedEx location, print FedEx address here.

City State ZIP

RECEIVED JUL 10 2006 ARIZONA CORP. COMMISSION SECURITIES DIVISION

8526 0175 2053

RECIPIENT: PEEL HERE

See back for peel and stick application instructions.

NO POUCH NEEDED.

**4a Express Package Service** *Packages up to 150 lbs.*

- ☐ FedEx Priority Overnight — Next business morning*
- ☒ FedEx Standard Overnight — Next business afternoon*
- ☐ FedEx First Overnight — Earliest next business morning delivery to select locations* (* To most locations)
- ☐ FedEx 2Day — Second business day*
- ☐ FedEx Express Saver — Third business day*

FedEx Envelope rate not available. Minimum charge: One-pound rate

**4b Express Freight Service** *Packages over 150 lbs.*

- ☐ FedEx 1Day Freight* — Next business day**
- ☐ FedEx 2Day Freight — Second business day**
- ☐ FedEx 3Day Freight — Third business day**

** To most locations

* Call for Confirmation:

**5 Packaging** * Declared value limit $500

- ☐ FedEx Envelope*
- ☐ FedEx Pak* — Includes FedEx Small Pak, FedEx Large Pak, and FedEx Sturdy Pak
- ☒ FedEx Box
- ☐ FedEx Tube
- ☐ Other

**6 Special Handling** Include FedEx address in Section 3.

- ☐ **SATURDAY Delivery** — Available ONLY for FedEx Priority Overnight, FedEx 2Day, FedEx 1Day Freight, and FedEx 2Day Freight to select ZIP codes
- ☐ **HOLD Weekday at FedEx Location** — Not available for FedEx First Overnight
- ☐ **HOLD Saturday at FedEx Location** — Available ONLY for FedEx Priority Overnight and FedEx 2Day to select locations

**Does this shipment contain dangerous goods?** One box must be checked.

- ☒ No
- ☐ Yes — As per attached Shipper's Declaration
- ☐ Yes — Shipper's Declaration not required
- ☐ Dry Ice — Dry Ice, 9, UN 1845 ____ x ____ kg
- ☐ Cargo Aircraft Only

Dangerous goods (including Dry Ice) cannot be shipped in FedEx packaging.

**7 Payment** *Bill to:* Enter FedEx Acct. No. or Credit Card No. below.

- ☒ Sender — Acct. No. in Section 1 will be billed.
- ☐ Recipient
- ☐ Third Party
- ☐ Credit Card
- ☐ Cash/Check

Obtain Recip. Acct. No. ☐

Total Packages: 1 Total Weight: Total Charges: Credit Card Auth.

[1]Our liability is limited to $100 unless you declare a higher value. See the *FedEx Service Guide* for details.

**8 Sign to Authorize Delivery Without a Signature**

By signing you authorize us to deliver this shipment without obtaining a signature and agree to indemnify and hold us harmless from any resulting claims.

**Questions? Visit our Web site at fedex.com**

or call 1.800. GoFedEx 1.800.463.3339.

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466

Tab “4”

5800 N. Dodge Ave. Flagstaff, AZ 86004
P: 928.526.2275 F: 928.526.2269
bbaker@agra-technologies.com
www.agra-technologies.com

RECEIVED
JUL 25 2006
ARIZONA CORPORATION COMMISSION
SECURITIES DIVISION

July 24, 2006

To: Gary Clapper
Re: File No. 7586

The following documents and records are being provided as per Exhibit A of the subpoenafor Agra-Technologies, Inc. (ATI) and Reliance Land Company, LLC (RLC):

Request #1.
Articles of Incorporation – ATI.
Bylaws – ATI.
Annual Reports 2001 to 2006 – ATI.
Article of Organization – RLC
Operating Agreement – RLC
D&B Purchase Agreement – ATI
Nouvas Partners Agreement – ATI
Board of Director meetings – ATI.
Annual meeting documents ATI.

Request #2.
Names, addresses, phone numbers of Directors and Officers

Request #3.
Quarterly Balance Sheet – ATI Jan 2001 to Jul 2006.
Quarterly Income Statement – ATI Jan 2001 to Jul 2006.
Quarterly Balance Sheet – RLC Jul 2004 to Jul 2006.
Quarterly Income Statement – RLC Jul 2004 to Jul 2006.
Audited consolidated financial statements and notes, April 2004, 2005, and Oct 2005.
Annual consolidated financial statements and notes April 2006, not audited.

Request #4.
Fixed Asset schedule – ATI
Fixed Asset schedule – RLC
Promissory notes ATI.
Promissory notes – RLC.

Request #5.
Documents submitted…None submitted.

Request #6
Payroll journal Jan 2001 to Apr 2002 ATI.
Payroll journal May 2003 Dec 2005 ATI.
Yearly earnings report Jan 2004 to Dec 2004 ATI.
Yearly earnings report Jan 2005 to Dec 2005 ATI
Yearly earnings report Jan 2006 to Jun 2006 ATI.
Officer W2s 2003, 2004, 2005 ATI.
Officer and director 1099s 2003, 2004, 2005 ATI.

Request #7
Form 1120 2000 ATI
Form 1120 2001 ATI
Form 1120 2002 ATI
Form 1120 2003 ATI

Form 1120 2004 ATI
Form 1065 2004 RLC
Form 1065 2005 RLC

Request #8. Cash Receipts Journal Jan 2001 to April 2002 ATI.
Cash Receipts Journal May 2003 To Jul 2006 ATI.
Cash Receipts Journal May 2004 to Jul 2006 RLC.
Customer ledgers Jan 2001 to Apr 2002 ATI.
Customer ledgers May 2003 to Jul 2006 ATI.
Customer ledgers May 2004 to Jul 2006 RLC.
Customer master files ATI
Customer master files RLC.
Cash disbursements journal Jan 2001 to Apr 2002 ATI.
Cash disbursements journal May 2003 to Jul 2006 ATI.
Cash disbursements journal May 2004 to Jul 2006 RLC.
Check register Jan 2001 to Apr 2002 ATI.
Check register May 2003 to Jul 2006 ATI.
Check Register May 2004 to Jul 2006 RLC.
Sales journal Jan 2001 to Apr 2002 ATI.
Sales journal May 2003 to Jul 2006 ATI.
Sales journal May 2004 to Jul 2006 RLC.
Purchase journal Jan 2001 to Apr 2002 ATI.
Purchase journal May 2003 to Jul 2006 ATI.
Purchase journal May 2004 to Jul 2006 RLC.
Vendor master list ATI.
Vendor master list RLC.
Vendor ledgers Jan 2001 to Apr 2002 ATI.
Vendor ledgers May 2003 to Jul 2006 ATI.
Vendor ledgers May 2004 to Jul 2006 RLC.
General journal Jan 2001 to Apr 2002 ATI.
General journal May 2003 to Jul 2006 ATI..
General journal May 2004 to Jul 2006 RLC.
General ledger Jan 2001 to Apr 2006 ATI.
General ledger May 2003 to Jul 2006 ATI.
General ledger May 2004 to Jul 2006 RLC
Chart of Accounts ATI.
Chart of Accounts RLC.

Request #9. First State Bank checking ststements
Wells Fargo checking statements
Bank of America checking statements
Chase Bank checking statements.
First State Bank money market savings
Wells Fargo savings
Bank of America savings
May 2003 to Jun 2006

Request #10. None. No advertisements, etc. for potential or actual investors.

Request #11. Agramin label.
Customer sales contracts.

Request #12. www.agra-technologies.com
The Company

Precious metals
Agriculture
Logins.

Request #13. None. None have been offered or sold stock.

Request #14. None.

Request #15. None.

Request #16. None.

Request #17. Shareholder list.

Request #18. None.

928-526-2275
fax 928-526-2269

**William H. Baker**
Chief Financial Officer

Agra
T E C H

Agra Technologies, Inc.
5800 Dodge Avenue, Bldg. A
Flagstaff, AZ 86004
email: bBaker@agra-technologies.com

# Invoice

Agra Technologies, Inc.
5800 Dodge Ave.
Building A
Flagstaff, AZ 86004

Invoice Number: 307

Invoice Date: Jul 24, 2006

Voice: 928-526-2275
Fax: 928-526-2269

Page: 1

Duplicate

Sold To:
Arizona Corporation Commission
1300 West Washington, Third Fl
Phoenix, AZ 85007

Ship to:

RECEIVED
JUL 25 2006
ARIZONA CORP. COMMISSION
SECURITIES DIVISION

| Customer ID | Customer PO | Payment Terms | |
|---|---|---|---|
| Az Corp Commission | | C.O.D. | |
| **Sales Rep ID** | **Shipping Method** | **Ship Date** | **Due Date** |
| | US Mail | | 7/24/06 |

| Quantity | Item | Description | Unit Price | Extension |
|---|---|---|---|---|
| 527.00 | | Copies For #1 Exhibit A | 0.10 | 52.70 |
| 2.00 | | Copies For #2 Exhibit A | 0.10 | 0.20 |
| 105.00 | | Copies For #3 Exhibt A | 0.10 | 10.50 |
| 249.00 | | Copies For #4 Exhibit A | 0.10 | 24.90 |
| 175.00 | | Copies For #6 Exhibit A | 0.10 | 17.50 |
| 126.00 | | Copies For #7 Exhibit A | 0.10 | 12.60 |
| 2,884.00 | | Copies For #8 Exhibit A | 0.10 | 288.40 |
| 331.00 | | Copies For #9 Exhibit A | 0.10 | 33.10 |
| 1,676.00 | | Copies For #11 Exhibit A | 0.10 | 167.60 |
| 4.00 | | Copies For #12 Exhibit A | 0.10 | 0.40 |
| 15.00 | | Copies For #18 Exhibit A | 0.10 | 1.50 |
| 41.50 | | Hours Copying & Printing | 10.00 | 415.00 |

Jim

| | |
|---|---|
| Subtotal | 1,024.40 |
| Sales Tax | |
| Total Invoice Amount | 1,024.40 |
| Payment/Credit Applied | |
| **TOTAL** | 1,024.40 |

Check/Credit Memo No:

**COMMISSIONERS**
JEFF HATCH-MILLER - Chairman
WILLIAM A. MUNDELL
MIKE GLEASON
KRISTIN K. MAYES
BARRY WONG

BRIAN C. McNEIL
EXECUTIVE DIRECTOR

MATTHEW J. NEUBERT
DIRECTOR

SECURITIES DIVISION
1300 West Washington, Third Floor
Phoenix, AZ 85007
TELEPHONE: (602) 542-4242
FAX: (602) 594-7470
E-MAIL: securitiesdiv@azcc.gov

**ARIZONA CORPORATION COMMISSION**

July 27, 2006

William Baker
AGRA Technologies, Inc.
5800 N. Dodge, Bldg A
Flagstaff, AZ 86004

**RE: August 8, 2006 Examination and Supplemental Production**

Dear Mr. Baker:

Thank you for personally delivering two boxes of documents to our office on July 25. As we discussed, I am temporarily postponing your examination under oath currently scheduled for August 8, 2006 at 1:00 p.m. This will enable you to attend your previously scheduled obligation and enable us to further evaluate the adequacy of your supplemental production in part, in light of my July 12 letter to you regarding the same.

In the meantime, please consider both the subpoena for documents and information and ATI, and the subpoena to you for your testimony to be outstanding. As we discussed, I anticipate re-scheduling your examination in the near future.

Finally, I am in receipt of your copying invoices numbered 301 and 307 totaling $1,174.40. First, please provide us with Agra-Technologies, Inc.'s tax identification number. Second, it appears that the time you have spent copying the documents is excessive (i.e., 10 hours to copy 500 pages), especially in light of the fact such records should have been readily available for copying under A.R.S. § 10-1601. Finally, provide me with documentation that substantiates the time spent copying the provided documents, including the copier's name, time sheets, reasons for length of time it took to copy documents, etc. for our business office.

Sincerely,

Mike Dailey
Enforcement Attorney
Securities Division
(602) 542-0722

Tab “5”

## Michael Dailey

**From:** Wm Baker [bbaker@agra-technologies.com]
**Sent:** Friday, September 22, 2006 11:19 AM
**To:** Michael Dailey
**Subject:** FW: Agra Website Log In
**Attachments:** ACC Mike Dailey Web Log In.doc; ATI.Area Logins.44.xls

Mr. Dailey,

Here Is A Login ID And Password For You. Attached Is A Letter Briefly Explaining How We Use The Website, And A Workbook With Who Has Been Given Access To The Website.

Respectfully,
Bill Baker

---

**From:** Rebekah J. Torres [mailto:rtorres@agra-technologies.com]
**Sent:** Friday, September 22, 2006 9:03 AM
**To:** 'Wm Baker'
**Subject:** RE: Log In

Bill,

The following is the standard message that I send out with the Login information.

---

Dear Mr. Dailey,

I have issued you a Login to the Agra-Technologies website (www.agra-technologies.com). Please note we track website access and ask you not to share your Login with others. If you would like someone else to have access, please contact me and I will be happy to create a unique Login.

Please click LOGINS from the Main Menu. The following Login is valid for Areas 2 & 3.

User name: mdailey

Password: ati.1158

Thank you,

Rebekah J. Torres
Corporate Administrator
Agra Technologies, Inc.
5800 N. Dodge Ave.
Flagstaff, AZ 86004-2936
Ph: (928) 526-2275
Fax: (928) 526-2269

---

**From:** Wm Baker [mailto:bbaker@agra-technologies.com]
**Sent:** Thursday, September 21, 2006 5:04 PM
**To:** 'Rebekah Torres'
**Subject:** Log In

Rebekah,

I Need A Login ID For Michael Dailey. Both Areas, Due Diligence And Unit Holder Updates. I Would Like To Give That To Him This AM If Possible.

Thank You,
Bill Baker

5800 N. Dodge Ave. Flagstaff, AZ 86004
P: 928.526.2275 F: 928.526.2269
bbaker@agra-technologies.com
www.agra-technologies.com

September 21, 2006

To: Mike Dailey

Re: File No. 7586

The attached email has an ID and password for you to use. These will get you into the website. It will be good for two weeks. If you need more time, please let me know, and I can have it extended.

The login section has only two active areas, area 3, a due diligence area and area 2, an ore contract area. Area 1 and 4 are inactive.

Area 2 – This area is used by the agents who sell ore contracts and communicates with the unit holders. They post updates from time to time here. The only folks who can access this area are the unit holders who are given an ID and password by the agent.

Area 3 – This area is a due diligence site that we have created. You will find corporate documents such as Articles of Incorporation, by-laws and the like. Additionally, there is our audited financial statements and other quarterly financial information. This area is also protected. You must have an ID and password to log in. This is only given out to potential capital investors, such as Capital Corp, which you are familiar with. It is not used as a solicitation advertisement, rather as a way to facilitate presenting corporate information to funding sources.

Also attached is a spreed sheat with IDs and passwords that have been given to potential capital partners, and IDs and passwords that the agents have requested for unit holders. Of course, this is all confidential information, and must be respected as such.

Respectfully,

William H. Baker, Jr.
Chief Financial Officer
Secretary-Treasurer

## PROTECTED WEBSITE LOGIN

**ADMIN SITE:** Area 3 - http://www.agra-technologies.com/cgi-bin/lockedareaDD/admin/home.cgi?id=home

USERNAME: dgettler PASSWORD: ati.8485

**LOCKED AREAS:** 1-Shareholders, 2-Ore Contracts, 3-Due Diligence, 4-ATI Internal

**CD VERSIONS:** ATI Presents CD.1, ATI Presents CD.2, ATI Presents CD.3, ATI Presents CD.4

Approved Users
Not Deleted Check w/Bill P.
Suggest Deletion Check w/Bill P.
Deleted Check w/ Bill P.

| PRO SW ISSUED | DELETED | 30 DAYS | BY | CD | V. | USERNAME | PASSWORD | ASSIGNMENT | SALUTATION | EMAIL |
|---|---|---|---|---|---|---|---|---|---|---|
| 06/01/11 | | NO | BP | YES | 1 | ati.presents.10 | ati.5050 | Nigel Atkinson | | |
| 06/01/11 | | NO | BP | YES | 1 | ati.presents.11 | ati.5051 | John Harrison & Simon Beardsmore | | |
| 06/01/11 | | NO | BP | YES | 1 | ati.presents.12 | ati.5052 | Chris Grove & Peter Tavner | | |
| 06/01/11 | | NO | BP | YES | 1 | ati.presents.13 | ati.5053 | Max Audley & Geoff Butterfield | | |
| 06/01/11 | | NO | BP | YES | 1 | ati.presents.14 | ati.5054 | Chilton Taylor & Diane Gwilliam | | |
| 06/01/11 | | NO | BP | YES | 1 | ati.presents.15 | ati.5055 | Nigel Christie | Nigel | nchristie@rpcint.co.uk |
| 06/01/11 | | NO | BP | YES | 1 | ati.presents.16 | ati.5056 | Andrew Smith | | |
| 06/01/11 | | NO | BP | YES | 1 | ati.presents.17 | ati.5057 | Arthur Davey & Geoffrey Woodhouse | | |
| 06/01/11 | | NO | BP | YES | 1 | ati.presents.23 | ati.5063 | Jerry Hodges & Larry Raille | Jerry & Larry | jerry@mindbodyhealth.com |
| 06/01/11 | | NO | DG | NO | * | dgettler | ati.8485 | Douglas Gettler | Doug | dgettler@agra-technologies.com |
| 06/01/11 | | NO | DG | NO | * | wpierson | ati.0015 | Willlam Pierson | Bill | wpierson@agra-technologies.com |
| 06/01/11 | | NO | DG | NO | * | bbaker | ati.2999 | William Baker | Bill | bbaker@agra-technologies.com |
| 06/01/11 | | NO | DG | NO | * | edwinruh | ati.7676 | Edwin Ruh | Edwin | ultique@aol.com |
| 06/01/11 | | NO | DG | NO | * | nchristie | ati.7371 | Nigel Christie | Nigel | nchristie@rpcint.co.uk |
| 06/01/11 | | NO | DG | NO | * | hhuening | ati.4691 | Hans Huening | John | hhuening@t-online.de |
| 06/01/11 | | NO | DG | NO | * | dwagner | ati.0304 | David Wagner | David | dwaa2000@yahoo.com |
| 06/01/11 | | NO | DG | NO | * | nickkraft | admin3244 | Nick Kraft | Nick | nkraft@indigo8.com |
| 06/01/11 | | NO | DR | NO | * | dgreyes | ati.2157 | Danny Reyes | Danny | dreyes@agra-technologies.com |
| 06/01/11 | | NO | RT | NO | * | rtorres | ati.3964 | Rebekah Torres | Rebekah | rtorres@agra-technologies.com |
| 06/01/11 | | NO | DG | NO | * | bmillard | ati.2030 | Brian Millard | Brian | brian.dethorpemillard@virgin.net |
| 06/01/11 | | NO | RT | NO | * | mmichaud | ati.3168 | Mickey Michaud | Mickey | mpmichaud@cox.net |
| 06/01/18 | | YES | BP | YES | 3 | ati.presents.40 | dd.9431 | Kurt Schaller | Kurt | kurt.schaller@gmail.com |
| 06/01/18 | | YES | BP | YES | 3 | ati.presents.41 | dd.7146 | Kurt Schaller | Kurt | kurt.schaller@gmail.com |
| 06/01/18 | | YES | BP | YES | 3 | ati.presents.42 | dd.2837 | Kurt Schaller | Kurt | kurt.schaller@gmail.com |
| 06/01/18 | | YES | BP | YES | 3 | ati.presents.43 | dd.6578 | Kurt Schaller | Kurt | kurt.schaller@gmail.com |
| 06/01/18 | | YES | BP | YES | 3 | ati.presents.44 | dd.1287 | Helmut Huening | Helmut | huening@t-online.de |
| 06/01/18 | | YES | BP | YES | 3 | ati.presents.45 | dd.4862 | Helmut Huening | Helmut | huening@t-online.de |
| 06/01/18 | | YES | BP | YES | 3 | ati.presents.46 | dd.5915 | Helmut Huening | Helmut | huening@t-online.de |
| 06/01/18 | | YES | BP | YES | 3 | ati.presents.47 | dd.8912 | Hans Huening | John | hhuening@t-online.de |
| 06/01/18 | | YES | BP | YES | 4 | ati.presents.48 | dd.3791 | Larry Yurcho | Larry | lyurcho@turnerstone.com |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 06/01/18 | YES | BP | YES | 4 | ati.presents.49 | dd.2364 | Larry Yurcho | Larry | lyurcho@turnerstone.com |
| 06/01/25 | YES | BP | YES | 3 | ati.presents.50 | dd.1590 | Marvin Bernstein | Marvin | |
| 06/02/02 | YES | JH | YES | 3 | ati.presents.51 | dd.4631 | Helmut Huening | Helmut | huening@t-online.de |
| 06/02/02 | YES | JH | YES | 3 | ati.presents.52 | dd.7928 | Helmut Huening | Helmut | huening@t-online.de |
| 06/02/02 | YES | JH | YES | 3 | ati.presents.53 | dd.2927 | Helmut Huening | Helmut | huening@t-online.de |
| 06/02/02 | YES | JH | YES | 3 | ati.presents.54 | dd.5183 | Helmut Huening | Helmut | huening@t-online.de |
| 06/02/02 | YES | JH | YES | 3 | ati.presents.55 | dd.8436 | Helmut Huening | Helmut | huening@t-online.de |
| 06/02/02 | YES | JH | YES | 3 | ati.presents.56 | dd.3964 | Helmut Huening | Helmut | huening@t-online.de |
| 06/02/02 | YES | JH | YES | 3 | ati.presents.57 | dd.1094 | Helmut Huening | Helmut | huening@t-online.de |
| 06/02/02 | YES | JH | YES | 3 | ati.presents.58 | dd.6482 | Helmut Huening | Helmut | huening@t-online.de |
| 06/02/02 | YES | JH | YES | 3 | ati.presents.59 | dd.4128 | Helmut Huening | Helmut | huening@t-online.de |
| 06/02/02 | YES | JH | YES | 3 | ati.presents.60 | dd.9173 | Helmut Huening | Helmut | huening@t-online.de |
| 06/02/15 | YES | BP | NO | * | jcarson | dd.4751 | | | |
| 06/04/07 | YES | DC | NO | * | punruh | dd.1298 | Paul Unruh | Paul | |
| 06/04/12 | YES | DC | NO | * | rbollinger | dd.4398 | Richard Bollinger | Richard | rbollinger@capxpartners.com |
| 06/04/19 | YES | JH | NO | * | rschuhmertl | dd.5645 | Richard Schuhmertl | Richard | schuhmertl@earthlink.net |
| 06/05/04 | YES | BP | NO | * | dcashatt | dd.8673 | Denny Cashatt | Denny | dcashatt@istarnevada.com |
| 06/05/07 | YES | DG | NO | * | hujakubowski | dd.2332 | Hans Ulrich Jakubowski | Hans | |
| 06/05/08 | NO | RT | NO | * | bwasiliew | ati.2011 | Bob Wasiliew | Bob | bwasiliew@agra-technologies.com |
| 06/07/05 | YES | BP | NO | * | jfitz | dd.3576 | Jeff Fitz | Jeff | jwf023@aol.com |
| 06/07/06 | YES | BP | NO | * | jmcleod | dd.4928 | Jerry McLeod | Jerry | mcprojects@gmail.com |
| 06/08/03 | YES | BP | NO | * | wclinton | dd.6621 | Wayne Clinton | Wayne | wayne@cficfunding.com |
| 06/08/30 | YES | BP | NO | * | grussell | dd.7392 | Greg Russell | Greg | |
| 06/08/31 | YES | DG | NO | * | rghervescu | dd.8319 | Rod Ghervescu | Rod | |
| 06/09/14 | YES | BP | NO | * | jtrow | dd.1793 | James D. Trow, CPA | Jim | jtrow4@yahoo.com |
| 06/09/18 | YES | BP | NO | * | nsmyth | dd.5392 | Nigel Smyth | Nigel | nsb@mailvault.biz |
| 06/09/22 | YES | BP | NO | * | mdailey | ati.1158 | Mike Dailey | Mike | |

| COMPANY |
| --- |
| Nabarro Wells |
| NUMIS |
| BDO Accounting |
| Fagre Benson |
| Baker Tilly |
| ATI |
| Colin-Stewart |
| Moore Stevens |
| Alpine Trading, LLC |
| ATI |
| ATI |
| ATI |
| ATI |
| ATI |
| ATI |
| ATI |
| Indigo8 |
| ATI |
| ATI |
| Business Advisory Consultants Limited |
| Turner, Stone & Company, L.L.P |

ACC011339
AGRA TECH.

Turner, Stone & Company, L.L.P

ATI
VP of Smith Barney

Investment Tracking Contact

Arizona Corporation Commission

ACC011340
AGRA TECH.

Tab “6”

5800 N. Dodge Ave. Flagstaff, AZ 86004
P: 928.526.2275 F: 928.526.2269
bbaker@agra-technologies.com
www.agra-technologies.com

September 22, 2006

To: Mike Dailey

Re: File No. 7586

I am responding to your letter dated September 15, 2006. As I discussed with you on the phone, I will send any additional documentation that is requested. I, (we) here at Agra-Technologies believe that there is nothing to hide from you, accordingly I (we) genuinely intend to fully comply with the subpoena that is open for documents and information. Any omission of information is truly an oversight. As you note in your letter, should any documents appear to be absent from what I (we) produce for you, it will certainly be addressed when brought to my (our) attention.

I must first address your second paragraph. Agra sold ore at $200 per ton, with a 50 ton minimum, as per the "Ore Rights & Mining Agreements" that were previously provided to the ACC. There was absolutely no stock associated with the sale, nor even slightly inferred with the sale of ore. In fact, the intent of the agreement was to not create a securities issue, rather create a straight forward contract sale. Neither I, nor Mr. Pierson, are aware of any arrangement by "Thomis", " Hodges", or "Paille", that would tie the sale of Agra-Technologies, Inc. common stock to the sale of ore. All sales of ore are reported as revenue, as was also provided to you. All issuance of common stock during the period you requested, are for non-cash services rendered. You will note the specific line item on the Statement of Cash Flows and Statement of Stockholder Equity that state the issuance of common stock for services rendered, not for cash. These are supported by the general ledger information also provided. You will note that there is no corresponding entry in any cash account for the issuance of common stock, only the recording of services rendered. Most of the time frame we are looking at has been audited, so you can rely that it is the truth.

We are aware that certain stock has transferred owners. This occurred when one of the Company founders resigned from the Board of Directors due to age related health reasons. The ex-Director also notified us that he wanted to sell his stock if at all possible. Obviously, so that he would have some money to retire with. Agra put the ex-Director in touch with Mr. Thomis. Many of the folks who purchased ore were interested in owning stock in Agra-Technologies; however, we did not have any offerings registered to provide any stock, nor did we want to appear to entice or solicit any of the people who had purchased ore. This situation with an ex-director who owned stock that he wanted to sell, and Mr. Thomis knowing folks who were interested in buying seems to be a good fit. Agra was absolutely not involved with any of the transactions, except to accommodate the cancellation of sold certificates and issuance of new certificates as we received instructions.

The only irregularity that I have heard of, may be Mr. Campbell purchasing approximately 60,000 shares of common stock from a shareholder, Mr. Deitering, at $0.50 per share, then reselling those shares at a higher price. Being that Agra was not involved in the transaction, there is not any documentation available from us. I am not clear as to why Mr. Campbell did not have Mr. Dietering contact the higher priced buyer, except for the obvious profit motive. I believe that may be a type of "insider" trading. But again, there was absolutely no involvement by Agra-Technologies with this transaction.

Unfortunately, Mr. Thomis died last year. There are quite a number of Ore Unitholders to communicate with. At that time, Mr. Hodges and Mr. Paille stepped in to help with facilitating a solution to Mr. Thomis' death. This was done with the suppot/approval of Mr. Thomis and Agra-Technologies management. They did a marvelous job of putting the unitholders records together and regularly communicating with them. Additionally, we are aware that they finished helping the ex-Director selling his stock. The stock transfers were again, independent of Agra's influence, nor did we receive any benefit, cash or otherwise, from those transactions.

After that brief discussion addressing the stock sale issue, you will find the following:

General Agent Agreements for all who sold ore:

1 – PGM Marketing, LLC (Tim Thomis and Alan Clark)
2 – Alpine Trading, LLC Jerry Hodges and Larry Paille)
3 – Cinder Mountain Company (Jerry Hodges)
4 – New Age Ventures (Larry Paille)
5 – EDA Enterprises, LLC (Alan Clark)
6 – Southport, Ltd (Mark Brown)
7 – There are a couple of Ore sales complete by Mr. Campbell on behalf of Agra-Technologies.
a) Strategic Trust/Thunder Mountain, LLC (David Woodard) Previously Delivered
b) Investment Synergies (Harvey Bank) Previously Delivered
c) Ivan Offer (A friend of Mr. Campbell's son. Mr. Campbell instructed a commission be paid to his son's business (Design Network Associates) Previously Delivered
8 – Ore contract information packet. (Created by Richard Campbell) Tim Thomis took about 6 packets. We do not know if he ever used these, doubtful. No other general agent used these.

Royalty Agreements for:
EDA Enterprises, LLC (Alan Clark)
SSC Management, LLC (Tim Thomis)
D&B Enterprises, LLC (Richard Campbell & William Pierson)
Brian Lewis
Harvey Bank

Accounting/Financial Records:
Bank Statements May to Aug 2006
Cash Receipts Journal May to Aug 2006
Purchase Journal May to Aug 2006
Cash Disbursements Journal May to Aug 2006
Detail General Ledger May to Aug 2006
General Journal May to Aug 2006
Consolidated Financial Statement July 31, 2006

Ore Contracts July to Sept 25, 2006
Laxmi Holdings
Hoffa Boggart
Schloo Family Trust
John Dixon
Various letters of address updates from customers
Richard Campbell notice of change to the contract

Platinum Advisory Group, LLC's purchase agreement of 1,358,883 shares of common stock and note receivable from Carlos Wall.

Platinum Rental Fund Independent Agreements
Larry Paille (Imatire Engineering Services, LLC)
Carlos Wall (no activity occurred)
Platinum Rental Fund packet. (Created by Richard Campbell, no management or board approval)
Dragonfly Enterprises platinum rental fund agreement (previously delivered)
Dragonfly conversion to ore contract
Imatire Investments rental fund

Misc Agreements
Technology License Agreement – Galleon Technology & Development Corp.
Distribution of ATI Products Agreement – Fertile Harvest
Joint Venture Agreement – Eagle Mountain Holding, LLC
Investment Agreement – Embassy Investments (Alan Clark)
Joint Venture Agreement – Kalahari Mineral Holdings, ltd.
Capital Corp Proposal & Leaflets

Internal Documents
Board of Directors Minutes Sept. 13, 2006
Management Meeting Minutes
Divisional Objectives 1st Qtr 2006

Email WJP & RAC discussion with Bob Wasiliew
WJP response to RAC demands and irresponsible actions
Arizona Precious Metals (Richard Campbell) letter to Capital Corp
Email from Doug Gettler registering a complaint on Richard Campbell activities
Email from RAC that he is taking Silver King, and attempts to spread discord inside Agra
Letter from Alan Clark stating he has been involved with PGMs since before 2002, W.Baker response
Various emails, memos, etc.

As per our discussion, we will waive the invoices for previous copying in return for the ACC copying the documents from our first two productions.

Respectfully,

William H. Baker, Jr.
Chief Financial Officer
Secretary-Treasurer

## Michael Dailey

**From:** Wm Baker [bbaker@agra-technologies.com]
**Sent:** Thursday, September 28, 2006 2:29 PM
**To:** Michael Dailey
**Subject:** RE: Agra-Technologies

Mike,

I Was Just Dialing You. Thanks For The Response. Then Monday Afternoon Bill Pierson Will Drop Off Some Documents For You.

Bill Baker

---

**From:** Michael Dailey [mailto:MDailey@azcc.gov]
**Sent:** Thursday, September 28, 2006 2:12 PM
**To:** Wm Baker
**Subject:** RE: Agra-Technologies

Bill:

Either way would be great. Again, I appreciate your assistance.

Mike Dailey

---

**From:** Wm Baker [mailto:bbaker@agra-technologies.com]
**Sent:** Thursday, September 28, 2006 1:09 PM
**To:** Michael Dailey
**Subject:** Agra-Technologies

Michael Dailey,

We Have Some Documents That We Will Put In The Mail Tonight. However, Bill Pierson Will Be In Phoenix On Monday. His Schedule Would Allow Him To Drop These Documents By In The Afternoon On Monday. That Would Save Us Some Postage.

Let Me Know Which You Would Prefer.

I Will Also Attempt To Call On The Phone If You Do Not Respond To This Email Soon.

Respectfully,
Bill Baker

========== This footnote confirms that this email message has been scanned to detect malicious content. If you experience problems, please e-mail postmaster@azcc.gov
==========

Tab “7”

5800 N. Dodge Ave. Flagstaff, AZ 86004
P: 928.526.2275 F: 928.526.2269
bbaker@agra-technologies.com
www.agra-technologies.com

October 9, 2006

To: Mike Dailey

Re: Documents

Enclosed are two binders of documents. The originals were at Quarles & Brady law firm being copied for our lawsuit with Richard Campbell. They were returned to us last Tuesday. There are two binders: RAC Attack ATI Legal and ATI Attack RAC. I believe these include the information you are requesting.

You can reach me at the office (928) 526-2275, or the cell phone at (928) 380-2999

Respectfully,

William H. Baker, Jr.
Chief Financial Officer
Secretary-Treasurer

RECEIVED
OCT 10 2006
SECURITIES DIVISION

# Additional Internal Communications

OCT 10 2006
SECURITIES

ACC012746
AGRA TECH.

Tab “8”

Align top of FedEx Shipping Label or ASTRA Label here

102306085910

MICHAEL DAILEY

Phone: 2-0128 10/23/2006 08:59

1 of 1

Sender: AGRA-TECH 852601751756

Part # 156257-435 RIT 08/06

FedEx STANDARD OVERNIGHT MON

emp# 416813 20OCT06

Deliver By: 23OCT06

TRK# 8526 0175 1756 FORM 0215

A1

PHX

85007 -AZ -US 98 DGLA

NO POUCH NEEDED.

See back for peel and stick application instructions.

RECIPIENT: PEEL HERE

200

**FedEx Express US Airbill** FedEx Tracking Number 8526 0175 1756

Form ID No. 0215 — Recipient's Copy

**1 From** This portion can be removed for Recipient's records.

Date 10-20-06 FedEx Tracking Number 852601751756

Sender's Name TOM BAKER Phone

Company AGRA-TECH INCORPORATED

Address 3200 N. DUPONT Dept./Floor/Suite/Room

City FLAGSTAFF State ZIP

RECEIVED OCT 23 2006 ARIZONA CORP. COMMISSION SECURITIES DIVISION

**2 Your Internal Billing Reference**

**3 To**

Recipient's Name Michael Dailey Phone 602 542-4242

Company Az Corp Commission

Recipient's Address 1300 W. Washington Third Floor

We cannot deliver to P.O. boxes or P.O. ZIP codes. Dept./Floor/Suite/Room

Address

To request a package be held at a specific FedEx location, print FedEx address here.

City Phoenix State AZ ZIP 85007

**4a Express Package Service** — Packages up to 150 lbs. * To most locations

- [ ] FedEx Priority Overnight — Next business morning*
- [x] FedEx Standard Overnight — Next business afternoon*
- [ ] FedEx First Overnight — Earliest next business morning delivery to select locations*
- [ ] FedEx 2Day — Second business day*
- [ ] FedEx Express Saver — Third business day*

FedEx Envelope rate not available. Minimum charge: One-pound rate

**4b Express Freight Service** — Packages over 150 lbs. ** To most locations

- [ ] FedEx 1Day Freight* — Next business day**
- [ ] FedEx 2Day Freight — Second business day**
- [ ] FedEx 3Day Freight — Third business day**

* Call for Confirmation:

**5 Packaging** * Declared value limit $500

- [x] FedEx Envelope*
- [ ] FedEx Pak* — Includes FedEx Small Pak, FedEx Large Pak, and FedEx Sturdy Pak
- [ ] FedEx Box
- [ ] FedEx Tube
- [ ] Other

**6 Special Handling** — Include FedEx address in Section 3.

- [ ] SATURDAY Delivery — Available ONLY for FedEx Priority Overnight, FedEx 2Day, FedEx 1Day Freight, and FedEx 2Day Freight to select ZIP codes
- [ ] HOLD Weekday at FedEx Location — Not available for FedEx First Overnight
- [ ] HOLD Saturday at FedEx Location — Available ONLY for FedEx Priority Overnight and FedEx 2Day to select locations

Does this shipment contain dangerous goods? One box must be checked.

- [ ] No
- [ ] Yes — As per attached Shipper's Declaration
- [ ] Yes — Shipper's Declaration not required
- [ ] Dry Ice — Dry Ice, 9, UN 1845 ____ x ____ kg
- [ ] Cargo Aircraft Only

Dangerous goods (including Dry Ice) cannot be shipped in FedEx packaging.

**7 Payment** Bill to: Enter FedEx Acct. No. or Credit Card No. below.

- [ ] Sender — Acct. No. in Section 1 will be billed.
- [ ] Recipient
- [ ] Third Party
- [ ] Credit Card
- [ ] Cash/Check
- [ ] Obtain Recip. Acct. No.

Total Packages 1 Total Weight 1 Total Charges

Credit Card Auth.

†Our liability is limited to $100 unless you declare a higher value. See the *FedEx Service Guide* for details.

**8 Sign to Authorize Delivery Without a Signature**

By signing you authorize us to deliver this shipment without obtaining a signature and agree to indemnify and hold us harmless from any resulting claims.

(Questions? Visit our Web site at fedex.com or call 1.800.GoFedEx 1.800.463.3339.

SRF=Rev. Date 11/03•Part #152279•©1994–2003 FedEx•PRINTED IN U.S.A.

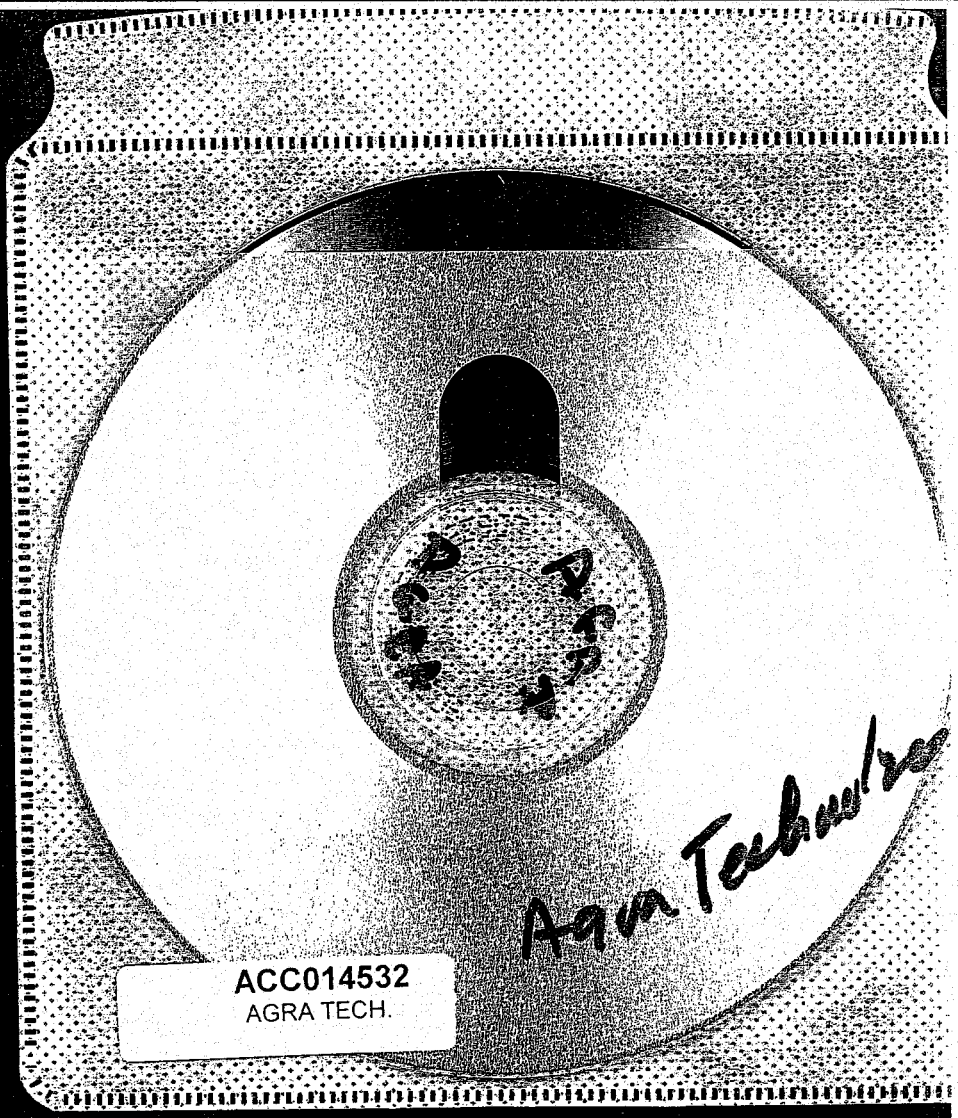
466

8526 0175 1756

ACC014531

AGRA TECH.

Align bottom of Peel and Stick Airbill here.




ACC014532
AGRA TECH.

5800 N. Dodge Ave. Flagstaff, AZ 86004
P: 928.526.2275 F: 928.526.2269
bbaker@agra-technologies.com
www.agra-technologies.com

October 19, 2006

Michael Dailey
AZ Corporation Commission
1300 W. Washington, Third Floor
Phoenix, AZ 85007

Dear Michael,

Please find enclosed the requested spreadsheets located on the disc.

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

Respectfully,

William H. Baker, Jr.
Chief Financial Officer
Secretary-Treasurer

Tab “9”

102005093008

MICHAEL DAILEY

Phone: 2-0128

Sender: AGRA-TECH

10/20/2006 09 30

1 of 1

852601751767

FedEx STANDARD OVERNIGHT FRI

emp# 406391 190CT06

Deliver By: 200CT06

TRK# 8526 0175 1767 FORM 0215 A1

PHX

85007 -AZ-US 98 DGLA

NO POUCH NEEDED.

See back for peel and stick application instructions.

RECIPIENT: PEEL HERE

FedEx. Express US Airbill

FedEx Tracking Number 8526 0175 1767

Form ID No. 0215 Recipient's Copy

**1 From** This portion can be removed for Recipient's records.

Date 10-13-06 FedEx Tracking Number 852601751767

Sender's Name Wm Baker Phone

Company

Address

City State

RECEIVED OCT 20 2006 AZ CORP. COMMISSION SECURITIES DIVISION

**2 Your Internal Billing Reference**

**3 To**

Recipient's Name Michael Dailey Phone 602 542-4242

Company Az Corp Commission

Recipient's Address 1300 W. Washington Third Floor

We cannot deliver to P.O. boxes or P.O. ZIP codes. Dept/Floor/Suite/Room

Address

To request a package be held at a specific FedEx location, print FedEx address here.

City Phoenix State Az ZIP 85007

**4a Express Package Service** — Packages up to 150 lbs. *To most locations

- [ ] FedEx Priority Overnight — Next business morning*
- [x] FedEx Standard Overnight — Next business afternoon*
- [ ] FedEx First Overnight — Earliest next business morning delivery to select locations*
- [ ] FedEx 2Day — Second business day*
- [ ] FedEx Express Saver — Third business day*

FedEx Envelope rate not available. Minimum charge: One-pound rate

**4b Express Freight Service** — Packages over 150 lbs. **To most locations

- [ ] FedEx 1Day Freight* — Next business day**
- [ ] FedEx 2Day Freight — Second business day**
- [ ] FedEx 3Day Freight — Third business day**

*Call for Confirmation:

**5 Packaging** — *Declared value limit $500

- [x] FedEx Envelope*
- [ ] FedEx Pak* — Includes FedEx Small Pak, FedEx Large Pak, and FedEx Sturdy Pak
- [ ] FedEx Box
- [ ] FedEx Tube
- [ ] Other

**6 Special Handling** — Include FedEx address in Section 3.

- [ ] SATURDAY Delivery — Available ONLY for FedEx Priority Overnight, FedEx 2Day, FedEx 1Day Freight, and FedEx 2Day Freight to select ZIP codes
- [ ] HOLD Weekday at FedEx Location — Not available for FedEx First Overnight
- [ ] HOLD Saturday at FedEx Location — Available ONLY for FedEx Priority Overnight and FedEx 2Day to select locations

Does this shipment contain dangerous goods? One box must be checked.

- [ ] No
- [ ] Yes — As per attached Shipper's Declaration
- [ ] Yes — Shipper's Declaration not required
- [ ] Dry Ice — Dry Ice, 9, UN 1845 ____ x ____ kg
- [ ] Cargo Aircraft Only

Dangerous goods (including Dry Ice) cannot be shipped in FedEx packaging.

**7 Payment** Bill to: Enter FedEx Acct. No. or Credit Card No. below.

- [x] Sender — Acct. No. in Section 1 will be billed.
- [ ] Recipient
- [ ] Third Party
- [ ] Credit Card
- [ ] Cash/Check

Obtain Recip. Acct. No. [ ]

Total Packages 1 Total Weight .5 Total Charges Credit Card Auth.

*Our liability is limited to $100 unless you declare a higher value. See the *FedEx Service Guide* for details.

**8 Sign to Authorize Delivery Without a Signature**

By signing you authorize us to deliver this shipment without obtaining a signature and agree to indemnify and hold us harmless from any resulting claims.

Questions? Visit our Web site at fedex.com or call 1.800.GoFedEx 1.800.463.3339.

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466

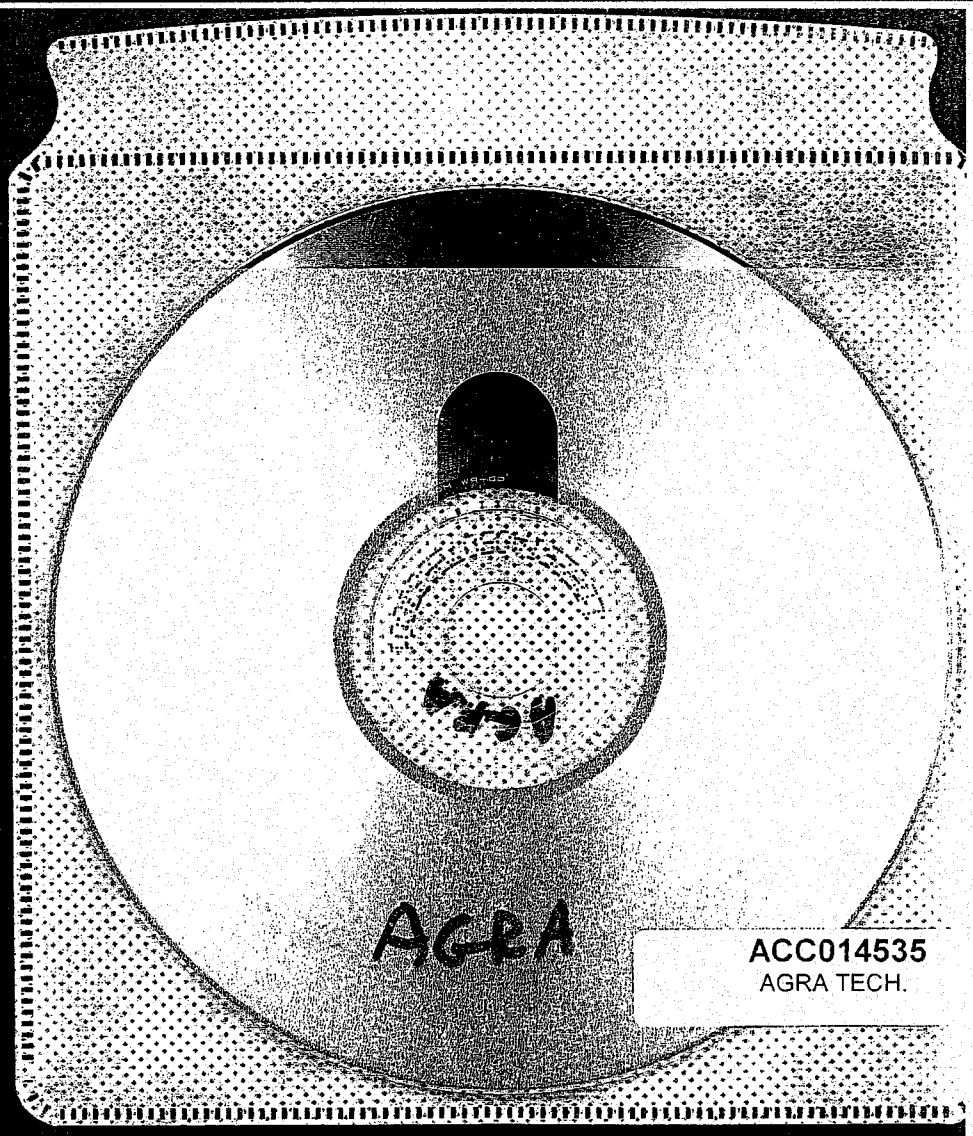
8526 0175 1767

ACC014534

AGRA TECH.

031012144

SIGN TO AUTHORIZE DELIVERY WITHOUT A SIGNATURE




ACC014535
AGRA TECH.

Tab “10”

## Michael Dailey

**From:** Wm Baker [bbaker@agra-technologies.com]
**Sent:** Friday, October 27, 2006 1:17 PM
**To:** Michael Dailey
**Subject:** Agra-technologies
**Attachments:** ACC Agent's CD confirm.doc

Mike,

Attached Is A Letter Sent To The Agents Related To The Ore Contracts. We Want You To Know That We Are Complying With The Order.

Respectfully,
Bill Baker

5800 N. Dodge Ave. Flagstaff, AZ 86004
P: 928.526.2275 F: 928.526.2269
wpierson@agra-technologies.com
www.agra-technologies.com

October 23, 2006

Larry Paille
Jerry Hodges
Alan Clark

Subject: ACC Order to Cease & Desist

Gentlemen:

By now you should have received the same order to Cease and Desist, as Bill Baker and I and our wives have received. Apparently this Order did not include you Alan, but I am including you in this Corporate Confirmation.

As you know, the Company had made the decision to discontinue sales of Ore, and to work with its financial interests to capitalize the Business Plan and the interim operating needs of the Company, excluding the sale of Ore. Therefore, while we had made the decision not to sell Ore prior to this Notice, I want to further confirm the Company's intent to comply with this "Order" issued by the ACC.

We have Hans Huening in Germany, at the present, and he will update the Financial Group "Accept", regarding our current progress. We have Kurt Schaller in Germany/Switzerland working with a Private Bank, in association with the Eagle Holdings Group. We have had the Chairman, CEO and other technical support management of a TSX Public Company visit this week, to put forth an offer to participate with ATI. We have a combined group from Utah and Nevada that is in review of our Company's current status, and is requesting to meet within the next week to 10 days, to propose and offer to finance the Corporate Business Plan.

In association with our current progress, the Company is seeking to fund the Business Plan, in an effort to get out of the box of daily demands to meet payables, meet payroll, meet the demands of a baseless lawsuit, support the filing of legitimate lawsuit for fiduciary breaches of an Officer and a Director, and advance the technological aspects of PMR from the complex mineral resource, "Sheep Hill". And this will be managed in association with standard business practices, common to standard and ordinary Capital Financing.

The use of the "Ore Rights Contract", as developed by Richard Campbell, Tim Thomis and Alan Clark, while having passed muster with our SEC Corporate Counsel and our SEC Auditors has not met with full approval from the ACC. The Company has never had a private placement offer. Therefore, we have no comment regarding the "Order", in this regard.

I thank you for your efforts of the past, and I regret this action taken by the ACC, but there are aspects of their concerns that deserve to be addressed. I am confident your continued support, in conjunction with the full examination by the ACC of the facts supporting what this Company has represented it intended to do, has done and is currently committed to doing, will serve to clearly evidence our corporate integrity. At this point of our own Corporate Investigation, it has become painfully evident we are suffering from comments made and actions taken by one of our own.

I can not address all of the concerns represented in the C & D Order, but I can speak to those we have identified thus far, as Corporate Misstatements of Fact. It has been identified by some we have conferred with, that the same individual who crafted to 2002 Investment Profile, represented the "Rollover Option" without Corporate Approval, crafted the overly generous Platinum Rental Fund and authorized its premature use, guaranteed the Mexican Ore Concentrates alternative in May of 2005, insisted on ATI's pursuit of Capital Corp when the Company had no financial capacity to pursue Capital Corp, hired Garry Dolbow for questionable purpose, engaged Kalahari under questionable conditions/circumstances, has apparently overstated ore values, and this Company's capabilities to recover precious metals to many of our Shareholders and Ore Contract Owners.

The "Order" allows for us to be heard, and to formally address these claims and accusations. Bill Baker and I will be requesting to be heard. Even though the Company has not relied on Ron Weidner or the Galleon Technology for the recovery of precious metals from our resources since early May of 2005, the vast majority of the investigation is based upon the inability to successfully implement the Galleon Process. We have been told "THE" reason for the Cease and Desist Order, was due to our disclosure of recent sales of our Ore. Even though the Company has made it clear it is no longer attempting to implement the Galleon Process, the ACC apparently still has concerns that Ore Purchasers may still be being misled, and or less than fully informed of the risk's associated with the Company's ability to process their Ore, and provide anything close to the level of returns some, if not most of the Ore Owner's would be anticipating.

As you are well aware, the Company has made it a policy not to communicate directly with the Ore Owners in the Precious Metals Recovery Project. However, since many of those Ore Owners had expressed a desire to purchase stock in ATI when they originally visited with us here in Flagstaff, when Carlos Wall decided to sell off his holdings in the Company, his shares were picked up by those Owners having previously requested stock. Those having dual ownership may have received Corporate Information, not made available for non-shareholders. Due to this mixed status, it has become extremely difficult to keep the information appropriately disseminated, but I know we have made significant efforts in this regard to maintain these distinctions.

This is an extremely difficult time for the Company. As we disclose our status of being sued, suing others, being investigated by the ACC and now this C & D Order, it has become more and more difficult to manage the Company's Affairs and to continue to present a formidable Business Plan to the Financial Community for capitalization. We currently seek the funding of the General Business Plan of the Company, as previously referenced in the communication. However the Company is dealing with major financial resources. The Company has represented its current resources, current technologies, current capabilities, its past inabilities, its current financial position and its current management to each of these, with the exception of its European financial interests. For the moment, we must rely on John Huening and Kurt Schaller to properly address our embroiled status as best they can, to the European financial interests.

I am sorry to writing to you under such difficult circumstances, but it is what it is, and we are dealing with it, in association with a concerted effort on the part of everyone here to bring this Company into a successful operating mode.

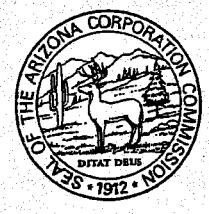
Sincerely,

William J. Pierson, President

Tab “11”

COMMISSIONERS
JEFF HATCH-MILLER - Chairman
WILLIAM A. MUNDELL
MIKE GLEASON
KRISTIN K. MAYES
BARRY WONG

BRIAN C. McNEIL
EXECUTIVE DIRECTOR




MATTHEW J. NEUBERT
DIRECTOR

SECURITIES DIVISION
1300 West Washington, Third Floor
Phoenix, AZ 85007
TELEPHONE: (602) 542-4242
FAX: (602) 594-7470
E-MAIL: securitiesdiv@azcc.gov

**ARIZONA CORPORATION COMMISSION**

**Via Certified Mail, Return Receipt Requested**

Mr. William J. Pierson
6710 Lynk Lane
Flagstaff, Arizona 86004-1404

**Re: Agra Technologies, Inc.** **File No. 7852**

Dear Mr. Pierson:

Enclosed you will find a Subpoena Duces Tecum directed to you in your personal capacity, which requires your appearance before the Securities Division on October 10, 2006. In lieu of personal appearance, you may provide the requested documents by the due date by mailing them to **Gary R. Clapper**, Securities Division, Arizona Corporation Commission, 1300 West Washington Street, Third Floor, Phoenix, Arizona 85007. Testimony concerning your documents will be scheduled at a later time, if necessary.

Should you not have any documents responsive to the subpoena, please provide written confirmation to that effect.

Should you have any questions regarding this subpoena, please feel free to contact me at (602) 364-1660 or (602) 542-4242.

Very truly yours,

GRC by V Sandoval

Gary R. Clapper
Special Investigator

# SUBPOENA

## SECURITIES DIVISION
## ARIZONA CORPORATION COMMISSION

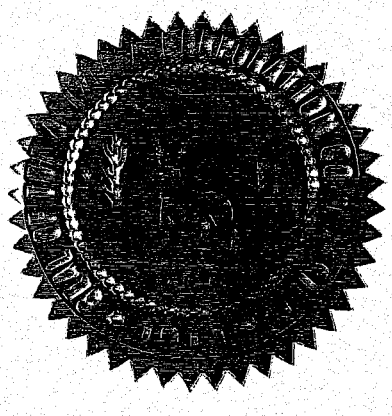
**TO** **Mr. William J. Pierson**
**6710 Lynx Lane**
**Flagstaff, Arizona 86004-1404**

**In the matter of**

Agra Technologies, Inc., **file number** 7582

**involving possible violations of the Securities Act and/or Investment Management Act of Arizona.**

PURSUANT TO A.R.S. §44-1823 AND A.R.S. §44-3133, YOU ARE HEREBY REQUIRED to appear before **Gary R. Clapper** of the Securities Division of the Arizona Corporation Commission at 1300 West Washington, Third Floor, Phoenix, Arizona 85007, on the 10th day of October, 2006 at 10:00 AM, to PRODUCE THE DOCUMENTS SPECIFIED IN EXHIBIT "A", which is attached and incorporated by reference.



The seal of the Arizona Corporation Commission is affixed hereto, and the undersigned, a member of said Arizona Corporation Commission, or an officer designated by it, has set her hand at Phoenix, Arizona this 20th day of September, 2006.

Julie Coleman
Assistant Chief Counsel of Enforcement
Securities Division

Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting Linda Hogan, Executive Assistant to the Executive Director, voice phone number 602/542-3931, e-mail lhogan@azcc.gov. Requests should be made as early as possible to allow time to arrange the accommodation.

Pursuant to A.R.S. §44-1825 and A.R.S. §44-3133, failure to comply with this subpoena may result in the application for a finding of contempt.

Pursuant to A.A.C. R14-4-305, any person required to appear at a formal interview may be represented by legal counsel.

## AFFIDAVIT OF SERVICE (INDIVIDUAL)

State of Arizona )
County of _____ ) ss.:

_____, being duly sworn, deposes and says:

I, for the Securities Division of the Arizona Corporation Commission, Phoenix, Arizona, served an original of this subpoena by:

_____ Personal Service on the person named in the subpoena.

_____ Leaving a copy at the dwelling house of the person named in the subpoena with a person of suitable age (not less than 16 years of age) and discretion, then residing there.

_____ Leaving a copy at the usual place of business or employment of the person named in the subpoena with an employee, express or implied agent, supervisor, owner, officer, partner, or other similar person of suitable age and discretion (not less than 16 years of age).

_____ Leaving a copy with an agent authorized by express or implied appointment or by law to receive process for the person named in the subpoena.

_____ Mailing a copy, by certified mail with return receipt requested, in an envelope addressed to the last known dwelling house or usual place of abode or last known business address, postage prepaid.

Name of Person Served: _____

Relationship to Person Named: _____

Place of Service: _____

Time and Date of Service: _____

Service Performed by: _____

Title: _____

Signature of Affiant: _____

Sworn to before me this _____ day of _____, _____.

_____
Notary Public

_____
Commission Expires

## AFFIDAVIT OF SERVICE (BUSINESS ENTITY)

State of Arizona )
County of _____ ) ss.:

_____, being duly sworn, deposes and says:

I, for the Securities Division of the Arizona Corporation Commission, Phoenix, Arizona, served an original of this subpoena by:

_____ Leaving a copy with an employee, of suitable age and discretion, (not less than 16 years of age) at any place of business of the corporation, partnership, trust, limited liability company, association, or other business entity.

_____ Leaving a copy with any officer or director of a corporation, managing or general partner of a partnership, trustee of a trust, member of a member-managed limited liability company, manager of a manager-managed limited liability company or any authorized representative of an association or other business entity.

_____ Leaving a copy with an agent authorized by express or implied appointment or by law to receive process for the entity named in the subpoena.

_____ Mailing a copy, by certified mail with return receipt requested, in an envelope addressed to the last known business address, postage prepaid.

Name of Person Served: _____

Relationship to Entity Served: _____

Place of Service: _____

Time and Date of Service: _____

Service Performed by: _____

Title: _____

Signature of Affiant: _____

Sworn to before me this _____ day of _____, _____.

_____
Notary Public

_____
Commission Expires

## Exhibit "A"

From the period beginning January 1, 2002 to the present, all documents, contracts, agreements, written lists, records, books, correspondence, e-mails, and any other papers, whether stored on electronic media or otherwise, in your personal possession or reasonably ability to obtain, incident or relating to:

**A.** AGRA-TECHNOLOGIES, INC. (a/k/a "AGRA-TECHNOLOGIES INCORPORATED" and "ATI") (hereafter, "**AGRA**");

**B.** WILLIAM JAY PIERSON (a/k/a "WILLIAM J. PIERSON" and "BILL PIERSON"), and/or SANDRA LEE PIERSON (a/k/a "SANDY PIERSON") (hereafter collectively, "**PIERSON**");

**C.** RICHARD ALLEN CAMPBELL (a/k/a "DICK CAMPBELL") (hereafter, "**CAMPBELL**");

**D.** TIMOTHY THOMIS (a/k/a "TIM THOMIS") and LARISSA THOMIS, and any of their related business entities (hereafter collectively, "**THOMIS**");

**E.** JERRY J. HODGES, and any of his related business entities (hereafter collectively, "**HODGES**");

**F.** LAWRENCE KEVIN PAILLE, and any of his related business entities (a/k/a "LARRY PAILLE") (hereafter collectively, "**PAILLE**"); and

**G.** BiSan;

including, but not limited to:

1. All contracts, agreements, documents, e-mails stored on your home, personal or work computer, correspondence, memorandums or other documents either executed or exchanged, by or between: (a) **PIERSON**; and (b) **CAMPBELL, THOMIS, HODGES, PAILLE**, or any **AGRA** investor including, without limitation, any **AGRA** stock or shareholders or purchasers; any **AGRA** "Ore Rights & Mining Agreement" unit purchasers or holders; and/or any **AGRA** "Platinum Rental Agreement" purchasers or holders.

2. All employment contracts or agreements, and the records of the terms and amount of commissions, salaries, bonuses, draws, fees, loans, reimbursement, distributions, refunds, redemptions or any other compensation, benefit or consideration of any kind paid to, or obtained by **PIERSON** from or through **AGRA**.

3. All federal and state tax returns prepared or filed by **PIERSON** including, without limitation, any related documents, correspondence or amendments.

4. All bank or other depository institution accounts in the name of, or for the benefit of **PIERSON**, whether open or closed, including:

a. the name of the bank or depository institution and address of the branch at which the account is located;

b. the name and number of each account;
c. the names of all signatories on each account;

5. All documents concerning any civil, criminal or administration actions or lawsuits filed by or against **AGRA**, **PIERSON, BAKER** or **CAMPBELL**, in any federal, state, administrative or self-regulatory agency forum including, without limitation, any litigation involving the Kalahari process.

6. All documents executed or exchanged by or between: (a) Barron Mining and Technology, Barron Mining Corporation, Keith Brecheisen or the Brecheisen Trust; and (b) **AGRA, PIERSON, CAMPBELL, BiSan** or **BAKER**.

7. All documents including, without limitation, a written list with supporting documents, identifying or relating to all technologies or processes purchased, licensed, invented or developed by **AGRA** for the purpose of recovering, obtaining or extracting all precious or valuable metals from volcanic cinders or other ore including, without limitation, all platinum group metals, gold or silver.

8. All documents including, without limitation, a written list with supporting documents, identifying all precious metals actually recovered, extracted or produced either using or implementing any technology or process identified in response to paragraph 7 above from any **AGRA** owned or leased ore or material including, without limitation, **AGRA**'s Sheep Hill volcanic cinders.

9. All documents identifying or relating to any and all agricultural fertilizer, soil additive or amendments or product including, without limitation, Agramin, Agramate or Agrasol, actually produced and sold by **AGRA** and/or its Agriculture Division.

7005 0390 0000 4464 8095

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com®

OFFICIAL USE

| | | |
|---|---|---|
| Postage | $ | |
| Certified Fee | | |
| Return Receipt Fee (Endorsement Required) | | Postmark Here |
| Restricted Delivery Fee (Endorsement Required) | | |
| Total Postage & Fees | | |

Sent To Mr. William J. Pierson

Street, Apt. No., or PO Box No. 6710 Lynk Lane

City, State, ZIP+4 Flagstaff, Arizona 86004-1404

PS Form 3800, June 2002 See Reverse for Instructions

UNITED STATES POSTAL SERVICE

First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

• Sender: Please print your name, address, and ZIP+4 in this box •

Arizona Corporation Commission
Securities Division
1300 W. Washington - 3rd Floor
Phoenix, AZ 85007

SEP 27 2006

SECURITIES DIVISION

Attn: Mike Dalton

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mr. William J. Pierson
6710 Lynk Lane
Flagstaff, Arizona 86004-1404

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature
X S L Pierson
☒ Agent
☐ Addressee

B. Received by (Printed Name)
S L Pierson

C. Date of Delivery
9-25-06

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

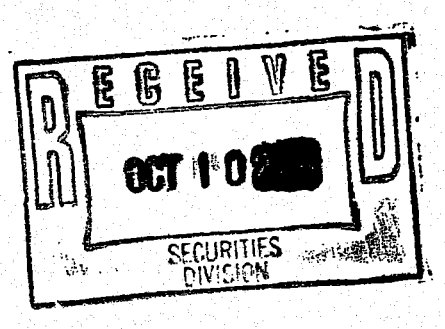
4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number
(Transfer from service label) 7005 0390 0000 4464 8095

PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-1540

Tab “12”

William J. Pierson
Sandra L. Pierson
BiSan




October 9, 2006

Documents provided per ACC Request.

1. Imatire Contract and attached are photos of Fink Art sold to them.

2. Employment contract for William J. Pierson with Agra-Technologies. Per Agra-Technologies Board meeting held Sept. , 2006, voted

3. Personal Tax Returns :
   Federal only 2002 (State not available)
   Federal and State Returns 2003
   Federal and State Returns 2004
   Federal and State Returns 2005

4. Bank Account List for all open and closed accounts from 2002 to present. List of amounts of deposits made to Wells Fargo #7419703882 and First State Bank #2004076 not from Agra-Technologies, Inc.

5. Actions Filed:

6. Agreements: Personal agreement between Pierson's and Campbell for D & B Imatire and BiSan ( Bill and Sandy Pierson) ( Provided per #2)

7. Documents on Technologies:

8. Results:

9. Agricultural Sales:

Sec - 9

I was not prepared for this question. However this covers our history of R&D. Consequently, it will provide several more pounds of documentation. Any R&D will be provided ASAP.

Please note:
Even though the majority of your questions have asked for personal documents, several have been ATI corporate. I have been deeply involved in providing the SEC with everything other than our accounting data, which has been provided by Mr. Baker.

ACC014371
AGRA TECH.

9
Ag Division

ACC014372
AGRA TECH.

Tab “13”

COMMISSIONERS
MARC SPITZER - Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
MIKE GLEASON
KRISTIN K. MAYES

BRIAN C. McNEIL
EXECUTIVE DIRECTOR

ARIZONA CORPORATION COMMISSION

MATTHEW J. NEUBERT
DIRECTOR

SECURITIES DIVISION
1300 West Washington, Third Floor
Phoenix, AZ 85007-2996
TELEPHONE: (602) 542-4242
FAX: (602) 594-7470
SecuritiesDiv@azcc.gov

# Fax Cover Sheet

# of pages (including Cover Sheet) 05

Date Sent Thursday, July 13, 2006 3:07:46 PM

**TO:** William Baker and/or Custodian of Records, Agra

**PHONE:**
**FAX:** 1-928-526-2269

**FROM:** J. Micheal Dailey

**PHONE:** 602-542-0722
**FAX:** 602-594-7478

**NOTES:**
Cover letter dated July 13, 2006 and attached Exhibit "A", original to follow by certified mail.

***WARNING***

THE INFORMATION TRANSMITTED BY THIS FACSIMILE IS CONSIDERED CONFIDENTIAL AND IS INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR ENTITY NAMED. IF THE READER OF THIS MESSAGE IS NOT THE INTENDED RECIPIENT, OR THE EMPLOYEE OR AGENT RESPONSIBLE TO DELIVER TO THE INTENDED RECIPIENT, YOU SHOULD BE AWARE THAT ANY DISSEMINATION, DISTRIBUTION OR COPYING OF THIS COMMUNICATION IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS COMMUICATION IN ERROR, PLEASE IMMEDIATELY NOTIFY US BY TELEPHONE,

COMMISSIONERS
JEFF HATCH-MILLER - Chairman
WILLIAM A. MUNDELL
MARC SPITZER
MIKE GLEASON
KRISTIN K. MAYES

BRIAN C. McNEIL
EXECUTIVE DIRECTOR

MATTHEW J. NEUBERT
DIRECTOR

SECURITIES DIVISION
1300 West Washington, Third Floor
Phoenix, AZ 85007
TELEPHONE: (602) 542-4242
FAX: (602) 594-7470
E-MAIL: securitiesdiv@azcc.gov

ARIZONA CORPORATION COMMISSION

July 13, 2006

**VIA CERTIFIED MAIL & FACSIMILE (928/526-2269)**
AGRA Technology, Inc.
William Baker and/or Custodian of Records
5800 N. Dodge, Bldg A
Flagstaff, AZ 86004

**RE: Outstanding Subpoena**

Dear Mr. Baker:

Thank you for your letter to Gary Clapper dated July 6, 2006 and production of some of the documents identified in the subpoena. As stated in your letter, however, you have not provided us with all of the information and documents identified in the subpoena including, but not limited to, those generated from May 2003 to the present. A copy of Exhibit "A" to the subpoena is attached for your easy reference. Because we are in possession of many documents: (1) previously issued by Agra and/or its purported predecessors or successors in interest; and (2) generated pursuant to their Arizona business dealings, that were not produced by you on July 10, I strongly urge you to promptly re-evaluate your production efforts.

Note that under A.R.S. § 44-1822, the Securities Division of the Arizona Corporation Commission has the authority to conduct an investigation to determine whether any person has violated, or is about to violate the Securities Act. Under A.R.S. § 44-1823(A), the Division may issue subpoenas to obtain documents and information for the purpose of such an investigation. Under applicable authority, you have the duty to produce the documents and information in your actual possession, but also that which is in your reasonable ability to obtain. Please also be advised the failure to completely, and timely comply with the outstanding subpoena could give rise to an action for contempt. *See e.g.*, A.R.S. § 44-2025(A); A.R.S. § 44-2031; Rule 6(d), Ariz. R. Civ. P.

In a further effort to avoid litigation, please deliver to our office all of the remaining documents and information identified in the subpoena no later than Thursday, July 27, 2006 by 5:00 p.m. MST. To that end, please also find a new subpoena directing you to appear and provide testimony at the Securities Division's offices at 1300 West Washington, 3rd Floor, Phoenix, Arizona 85007 on August 8 at 1:00 p.m. MST. Other information regarding the testimony subpoena is being provided to you under separate letter on this same date.

If you have already retained counsel in this matter, please have him or her immediately contact me regarding your compliance with the subpoena. In the absence of such contact, I must necessarily presume that Agra and its principals are representing themselves and I will continue to communicate with you regarding this matter. If you or your attorney have any questions regarding the above or the attached Subpoena, please feel free to contact the undersigned at (602) 542-0722.

Thank you for your cooperation in this matter.

Sincerely,

Mike Dailey
Enforcement Attorney
Securities Division
(602) 542-0722

Copy

**Exhibit "A"**

From the period beginning January 1, 2001 to the present, all documents, contracts, agreements, records, books, correspondence, e-mails, and any other papers, whether stored on electronic media or otherwise, incident or relating to Agra-Technologies, Inc., a/k/a "Agra-Tech, Inc.," f/k/a Peru Partners, Ltd. (collectively, "AGRA"), Mintexx, Inc. ("MINTEXX"), and Reliance Land Company ("RELIANCE"), including, but not limited to:

1. Articles of incorporation or organization, bylaws, and annual reports, including any amendments, and any merger or asset purchase or sale agreements;

2. Names, addresses, and telephone numbers of all past and present officers and directors, general or limited partners or managing members;

3. All financial statements, annual and quarterly financial reports, whether audited or unaudited, with accompanying footnotes and any auditor's reports;

4. All assets and liabilities currently held by AGRA, MINTEXX, and RELIANCE;

5. All documents submitted for the purpose of compliance, reporting, or seeking exemptions from registration with any state or federal securities agency, including, without limitation, any licenses or permits;

6. All records of the terms and amount of commissions, salaries, bonuses, draws, fees, loans, reimbursement, distributions, or any other compensation paid to any name listed in response to paragraph 2;

7. All state and federal tax returns, including any applications, forms, or correspondence;

8. All accounting records and books of original entry including but not limited to, cash receipts journal, cash disbursements journal, sales journals, general journal, subsidiary journals, general ledger, subsidiary ledgers, and chart of accounts;

9. All bank or other depository institution accounts in the name of, or for the benefit of AGRA, MINTEX, and RELIANCE, whether open or closed, including:

   a. the name of the bank or depository institution and address of the branch at which the account is located;
   b. the name and number of each account;
   c. the names of all signatories on each account;

10. All advertisements, correspondence, circulars, offering memoranda, newsletters, prospectuses, tax opinions, legal opinions, reports, brochures, flyers, handouts, or any other records made available to potential or actual investors;

11. Copies of all advertisements, announcements, infomercials, or press releases, that appeared in any media, including newspapers, trade journals, magazines, radio, television, or on the Internet;

12. All information provided through the Internet, including copies of all web pages, and all addresses of web sites, news groups, and email addresses;

13. Names, addresses, and telephone numbers of all individuals or entities that have been offered or sold investments or stock in or relating to AGRA, MINTEX, and RELIANCE;

14. Documents relating to each individual or entity listed in paragraph 13 including any contracts, agreements, forms, subscriptions, agreements, notes, questionnaires, records of investment status, checks, wire transfers, receipts, account statements, tax information, and any correspondence, e-mails, updates, or other communications;

15. The amounts and dates of each investment or agreement for each individual or entity listed in paragraph 13;

16. The amounts and dates of any interest, earnings, distributions, dividends, stock splits, spin-offs, rescission, refund, or any other form of returns to each individual or entity listed in paragraph 13;

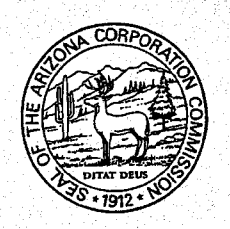
17. Names and addresses of all shareholders or members of AGRA, MINTEX, and RELIANCE including the amount of shares or units held and a sample share certificate or other evidence of ownership; and

18. Complete copies of any and all forms of investment or stock offerings.

Tab “14”

COMMISSIONERS
JEFF HATCH-MILLER - Chairman
WILLIAM A. MUNDELL
MIKE GLEASON
KRISTIN K. MAYES
BARRY WONG

BRIAN C. McNEIL
EXECUTIVE DIRECTOR




MATTHEW J. NEUBERT
DIRECTOR

SECURITIES DIVISION
1300 West Washington, Third Floor
Phoenix, AZ 85007
TELEPHONE: (602) 542-4242
FAX: (602) 594-7470
E-MAIL: securitiesdiv@azcc.gov

**ARIZONA CORPORATION COMMISSION**

September 15, 2006

**VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED**
William H. Baker, Jr.
Agra-Technologies, Inc.
5800 N. Dodge, Bldg A
Flagstaff, AZ 86004

**RE: SUBPOENA FOR DOCUMENTS**

Dear Mr. Baker:

As you know, our investigation of this matter is continuing, including our evaluation of your first and supplemental production of documents. Based on the same, it appears that you have not provided us with all of the information and documents identified in Exhibit "A" to the Agra subpoena.

First, we know that Agra sold/issued the "Ore Rights & Mining Agreements," Agra stock (i.e., 2000 shares for each Unit purchaser at $1.65 per share, or $3,000, etc.) and "Platinum Rental Agreements" in part, through: (a) Timothy Thomis (a/k/a "Tim Thomis") and/or LARISSA THOMIS, and their myriad of business entities (hereafter collectively, "**THOMIS**"); (b) Jerry J. Hodges, and his related business entities (hereafter collectively, "**HODGES**"); (c) Lawrence Kevin Paille (a/k/a "Larry Paille"), and his related business entities (hereafter collectively, "**PAILLE**").

Your first and second productions, however, appears to contain a glaring absence of documents relating to **THOMIS**, **HODGES** and **PAILLE**, including, without limitation, all contracts, agreements, e-mails, letters or other documents executed or exchanged, by an between Agra and its employees, and **THOMIS**, **HODGES** and **PAILLE.** Thus, I strongly urge you to re-evaluate your production efforts and produce all such contracts, agreements, e-mails, letters or other documents regarding the same.

Also, please identify the names, addresses and telephone numbers of all persons or entities that have purchased Agra stock pursuant to the offer to sell the same to Unit purchasers as noted above (i.e., 2000 shares for each Unit purchaser at $1.65 per share), including all related documents. This request also applies to any Platinum Rental Agreements sold by Agra and/or **THOMIS**, **HODGES** and **PAILLE.**

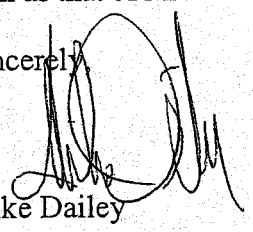
I also want any documents relating to Edwin Ruh, Jr., who I understand was recently added to the Agra Board including, without limitation, any communications to or from Unit or stock purchasers regarding Mr. Ruh. Identify what he does at Agra, the terms and conditions of his employment, etc.

Further, please provide me with Agra's discovery response to Mr. Campbell's "Request for Discovery No. 1" that I have enclosed with this letter. If the documents relating to this request are voluminous or duplicative with respect to your previous productions, please immediately advise me or Gary Clapper. In such case, we request that either you or your Campbell lawsuit attorneys let us review such documents prior to any copying to prevent undue cost to both you and our office.

Finally, I remind you that Agra's obligation to produce documents and information identified in the subpoena under A.R.S. §§ 44-1822 & 44-1823 is ongoing. Thus, produce any and all documents that have been generated since your last supplemental production on July 25, such as any new, recent or future Ore Right/Mining Agreement Units, stock or Platinum Rental Agreement sales or purchases.

Please respond in writing and with a supplemental production of documents in accordance with this specific request for information no later than October 1.[1] In the meantime, please consider both the subpoena for documents and information to Agra, and the subpoena to you for your testimony to be outstanding. As we discussed, I anticipate re-scheduling your examination in the near future, as well as that of Mr. Pierson.

Sincerely,



Mike Dailey
Enforcement Attorney
Securities Division
(602) 542-0722

Enclosure

[1] Pursuant to A.R.S. §44-1825, failure to comply with this subpoena may result in the application for a finding of contempt. Pursuant to A.A.C. R14-4-305, any person required to appear at a formal interview may be represented by legal counsel.

Peter Strojnik, 6464
THE LAW FIRM OF PETER STROJNIK
3030 North Central Avenue, Suite 1401
Phoenix, Arizona 85012
Telephone: 602-297-3019
Facsimile: 602-296-0135
e-mail: Strojnik@aol.com; lawyer@strojnik.com
Attorney for Plaintiffs

IN THE IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

IN AND FOR THE COUNTY OF MARICOPA

| | |
|---|---|
| RICHARD CAMPBELL, and SONDRA CAMPBELL, husband and wife,<br><br>Plaintiffs,<br><br>vs.<br><br>AGRA TECHNOLOGIES, INC.<br><br>Defendants. | NO. CV 2006-009755<br><br>**PLAINTIFFS' / COUNTERDEFENDANTS' REQUEST FOR DISCOVERY NO 1**<br><br>**TO**<br><br>**DEFENDANT / COUNTERCLAIMANT** |
| AGRA TECHNOLOGIES, INC.<br><br>Counterclaimant,<br><br>vs.<br><br>RICHARD CAMPBELL, and SONDRA CAMPBELL, husband and wife,<br><br>Counterdefendants. | |

**TO: AGRA Technologies, Inc. and its lawyers:**



ACC011304
AGRA TECH.

Please respond to the following Discovery Requests within the time specified by the Arizona Rules of Civil Procedure.

## DEFINITIONS

"**Affiliate(s)**" means any individual, corporation, partnership or other entity that, directly or indirectly (e.g., through any number of successive tiers) controls (e.g., a parent organization), is controlled by (e.g., a subsidiary organization) or is under common control with (e.g., a brother/sister organization) of the Defendant. It also means directors, officers, managers, agents, or independent consultants of the Defendant or its Affiliate.

"**Complete File**" means the documentation, communication, notes, memos, papers, documents, correspondence, e-mails, or other information maintained on any Media regarding or relating to the subject matter no matter where located, how maintained.

"**Complete Corporate File**" means the entirety of the corporation records, including without limitation: (1) all versions and amendments of the Articles of Incorporation; all versions and amendments of the Bylaws; (3) minutes of Shareholder meetings; (4) minutes of the meetings of the board of directors; (5) stock ledgers; (6) Unit Holder ledgers; (7) Shareholder subscription agreements, contracts and correspondence; (8) Unit Holder subscription agreements, contracts and correspondence; (9) Financial Records including, without limitation (a) Federal and State tax returns for the past 5 years, (b) monthly, quarterly and annual financial reports, (c) financial disclosure documents, (d) Complete File maintained by Your accountant, (e) applications for credit, and (f) any other document containing financial information relating to Defendant.

"**Defense**" or "**Defenses**" means to include any justification, excuse, denial or affirmative defense raised by You under the heading "Affirmative Defenses" on pages 6 and 7 of Your Defendant's Answer To Plaintiff's First Amended Verified Complaint.

"**Document**" or "**Documentation**" includes every "writing", "recording" and "photograph" as those terms are defined in Rule 1001, Ariz.R.Evid.

"**Investment Documentation**" means any Documentation related to raising of investment funds by You, including without limitation the marketing materials, sales materials, investment materials, business projections, business plans, subscription agreements, shareholder agreements, Documents, financial disclosures, and other Investment Documentation, including Documentation with third party investment individuals and companies such as Timothy Thomis, Larry Paille, Jerry Hodges, Alpine Investments, and the like.

"**Media**" means any drawing, writing, diskette, hard drive, CD, or means whereby electronic data or writing of any kind and description is stored or from which such data or writing is reproducible.

"**Investor**" shall mean any person who paid, contributed, or otherwise transferred money to Defendant or any Affiliate of Defendant in exchange for Shares in Defendant or any Affiliate of Defendant, or in exchange for rights in Unit(s).

"**Share**" means a fractional corporate interest in Defendant or any of its Affiliates.

"**Shareholder**" means a holder of Shares of the Defendant or any of its Affiliates.

"**Unit**" shall mean the piece of Sheep Hill Cinders sold to Investors for a price.

"**Unit Holder**" means a person who purchased a Unit.

"**You**" or "**Defendant**" shall mean to include Defendant and includes Your agents, employees, Your attorneys, Your accountants, Your investigators, Your Affiliates and anyone acting on your behalf.

"**Your Ore**" means the material within Sheep Hill and Cochrane Hill, and any other material to which You have mining rights.

## INSTRUCTIONS

1. All information is to be divulged which is in the possession of the individual or corporate party, his attorneys, investigators, agents, employees, or other representatives of the named party.

2. When an individual interrogatory calls for an answer which involves more than one part, each part of the answer should clearly set out so that it is understandable.

## NON-UNIFORM INTERROGATORIES

**NON-UNIFORM INTERROGATORY NO. 1:**

Please describe the entire scientific and factual basis for the following statement contained in Your 2002 Company Investment Profile:

> The Company has studied several processes purported to be capable of recovering the precious metals identified in its resources, but only in the past year has the process developed with Galleon Technology and Development Corp proven to be both economically feasible and agriculturally compatible.



ACC011306
AGRA TECH.

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AGRA TECH.

**NON-UNIFORM INTERROGATORY NO. 2:**

Please state the precise amounts of platinum group metals or other precious metals (iridium, osmium, palladium, platinum, rhodium, and ruthenium) and/or other precious metals (gold or silver) that You have recovered from Your Ore at any time. Please specify the amount of the metal recovered; the source of the ore from which the metal was recovered (Sheep Hill ,Cochrane Hill or other source); and the present location of the metal.



ACC011308
AGRA TECH.

**NON-UNIFORM INTERROGATORY NO. 3:**

Please state each and every fact and legal justification for your affirmative defenses of: (1) Failure to state a claim upon which relief can be granted; (2) waiver, estoppel, unclean hands, fraud, and/or latches; (3) assumption of risk and comparative fault; (4) statute of limitations; and (5) failure to mitigate damages.



ACC011309
AGRA TECH.

**NON-UNIFORM INTERROGATORY NO. 4:**

Please describe in detail the "confidential information" and "trade secret information" referenced in, inter alia, Paragraphs 7, 19, 52, 63 and 71 of Your counterclaim.

**NON-UNIFORM INTERROGATORY NO. 5:**

Please describe the factual and legal basis of the allegation that the means referenced in paragraph 53 were "improper".



ACC011311
AGRA TECH.

## REQUESTS FOR PRODUCTION OF DOCUMENTS

**REQUEST FOR PRODUCTION OF DOCUMENTS NO. 1**

Please produce all versions of the AGRA Technology website (http://www.agra-technologies.com/) from its inception to the present, including the portions requiring login and password.

**REQUEST FOR PRODUCTION OF DOCUMENTS NO. 2**

Please produce the Complete Files relative to the recovery of any platinum group metals or other precious metals from Your Ore.

**REQUEST FOR PRODUCTION OF DOCUMENTS NO. 3**

Please produce the Complete File relative to the issuance of Your shares to Plaintiff and other Shareholders.

**REQUEST FOR PRODUCTION OF DOCUMENTS NO. 4**

Please produce the Complete File relative to the investigation of You any governmental authority, including without limitation the Securities Division of the Arizona Corporation Commission.



ACC011312
AGRA TECH.

**REQUEST FOR PRODUCTION OF DOCUMENTS NO. 5**

Please produce the Complete File(s) comprising the "confidential and trade secret information" referenced, *inter alia*, in Paragraphs 7, 52, 63 and 71 of your Counterclaim.

**REQUEST FOR PRODUCTION OF DOCUMENTS NO. 6**

Please produce the Complete File regarding the transaction(s) referenced in paragraphs 11-13 of your Counterclaims relating to D & B Enterprises.

**REQUEST FOR PRODUCTION OF DOCUMENTS NO. 7**

Please produce the Complete Corporate File.

**REQUEST FOR PRODUCTION OF DOCUMENTS NO. 8**

Please produce the Complete File regarding Capital Corporation referenced in Paragraphs 22-24 of Your counterclaim.

**REQUEST FOR PRODUCTION OF DOCUMENTS NO. 9**

Please produce the Complete Files relative to each of the "contractual relationships" referenced in paragraph 59 of Your counterclaim.

**REQUEST FOR PRODUCTION OF DOCUMENTS NO. 10**

Please produce the Investment Documentation.

RESPECTFULLY SUBMITTED this 11 day of September, 2006.

PETER STROJNIK, P.C.

Peter Strojnik
Attorneys for the Plaintiffs

The original of the foregoing
mailed electronically to:

Lonnie J. Williams, Jr., Esq.
Carrie M. Francis, Esq.
Quarles & Brady Streich Lang LLP
Two North Central Avenue
Phoenix, Arizona 85004-2391
*L. Williams@quarles.com; CFrancis@quarles.com*



ACC011314
AGRA TECH.

Tab “15”

COMMISSIONERS
JEFF HATCH-MILLER - Chairman
WILLIAM A. MUNDELL
MIKE GLEASON
KRISTIN K. MAYES
BARRY WONG

BRIAN C. McNEIL
EXECUTIVE DIRECTOR

MATTHEW J. NEUBERT
DIRECTOR

SECURITIES DIVISION
1300 West Washington, Third Floor
Phoenix, AZ 85007
TELEPHONE: (602) 542-4242
FAX: (602) 594-7470
E-MAIL: securitiesdiv@azcc.gov

ARIZONA CORPORATION COMMISSION

September 18, 2006

**VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED**
William H. Baker, Jr.
Agra-Technologies, Inc.
5800 N. Dodge, Bldg A
Flagstaff, AZ 86004

**RE: SUBPOENA FOR DOCUMENTS**
**File No. 7586**

Dear Mr. Baker:

We did not receive website related documents from Agra, and hardly any investor e-mails or communications, although the same were specifically requested in our original subpoena. Thus, please find enclosed a subpoena to Indigo8, who I understand is the web host or ISP for the Agra website, for your review. Under A.R.S. § 13-3016(G), any challenge to the subpoena must be filed with 14 days.

Sincerely,

Mike Dailey
Enforcement Attorney
Securities Division
(602) 542-0722

Enclosure

Tab “16”

## Michael Dailey

**From:** Wm Baker [bbaker@agra-technologies.com]
**Sent:** Thursday, September 28, 2006 2:29 PM
**To:** Michael Dailey
**Subject:** RE: Agra-Technologies

Mike,

I Was Just Dialing You. Thanks For The Response. Then Monday Afternoon Bill Pierson Will Drop Off Some Documents For You.

Bill Baker

---

**From:** Michael Dailey [mailto:MDailey@azcc.gov]
**Sent:** Thursday, September 28, 2006 2:12 PM
**To:** Wm Baker
**Subject:** RE: Agra-Technologies

Bill:

Either way would be great. Again, I appreciate your assistance.

Mike Dailey

---

**From:** Wm Baker [mailto:bbaker@agra-technologies.com]
**Sent:** Thursday, September 28, 2006 1:09 PM
**To:** Michael Dailey
**Subject:** Agra-Technologies

Michael Dailey,

We Have Some Documents That We Will Put In The Mail Tonight. However, Bill Pierson Will Be In Phoenix On Monday. His Schedule Would Allow Him To Drop These Documents By In The Afternoon On Monday. That Would Save Us Some Postage.

Let Me Know Which You Would Prefer.

I Will Also Attempt To Call On The Phone If You Do Not Respond To This Email Soon.

Respectfully,
Bill Baker

========== This footnote confirms that this email message has been scanned to detect malicious content. If you experience problems, please e-mail postmaster@azcc.gov
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Tab “17”

## Michael Dailey

**From:** Michael Dailey
**Sent:** Thursday, October 05, 2006 5:33 PM
**To:** 'Wm Baker'
**Cc:** Gary Clapper
**Subject:** Agra Subpoena

**Attachments:** Baker letter re Subpoena 10-6-06.pdf

Bill:

Attached is a letter dated for tommorow re: a few additional requests for information. I am out of the office until next Tuesday. Please e-mail me at any time with any questions as I always check my work e-mail. Thank you.

Sincerely,

Mike Dailey
Staff Attorney
Arizona Corporation Commission, Securities Division
1300 W. Washington, 3rd Floor
Phoenix, AZ 85007
(602) 542-0722 (direct line)

Note: This e-mail may contain PRIVILEGED and CONFIDENTIAL information and is intended only for the use of the specific individual(s) to whom it is addressed. If you are not an intended recipient of this e-mail, you are hereby notified that any unauthorized use, dissemination or copying of this e-mail or the information contained in it or attached to it is strictly prohibited. If you have received this e-mail in error, please delete it and immediately notify the person named above by reply e-mail. THANK YOU.

Baker letter re Subpoena 10-6-...

**COMMISSIONERS**
JEFF HATCH-MILLER - Chairman
WILLIAM A. MUNDELL
MIKE GLEASON
KRISTIN K. MAYES
BARRY WONG

BRIAN C. McNEIL
EXECUTIVE DIRECTOR

MATTHEW J. NEUBERT
DIRECTOR

SECURITIES DIVISION
1300 West Washington, Third Floor
Phoenix, AZ 85007
TELEPHONE: (602) 542-4242
FAX: (602) 594-7470
E-MAIL: securitiesdiv@azcc.gov

**ARIZONA CORPORATION COMMISSION**

October 6, 2006

**VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED**
William H. Baker, Jr.
Agra-Technologies, Inc.
5800 N. Dodge, Bldg A
Flagstaff, AZ 86004

**RE: SUBPOENA FOR DOCUMENTS**

Dear Mr. Baker:

Thank you for your October 2 production of documents as they more easily explain Agra's current predicament and Richard Campbell's apparent contribution to the same. I am in the process of reviewing these new documents, in particular, the financial documents such as the Agra general ledgers you provided. To help us review the same and complete our investigation more expeditiously, please provide us with such financial information (i.e., general ledgers, and any other such electronically stored financial information you may have regarding Agra's business dealings) on CD's or floppy discs.

As for Mr. Campbell, I noted in William Pierson's June 5 email to Dean Picket that references Mr. Campbell's e-mails to Mr. Pierson urging Agra to sue Ron Weidner/Galleon for fraud. Apparently other Campbell e-mails to his Agra lawsuit attorney Peter Strojnik also discuss suing Mr. Weidner/Galleon, how much such lawsuit would cost, what he thinks of the technology they sold Agra, etc. Please provide me with such Mr. Campbell drafted e-mails at your earliest convenience.

Finally, we are working on making you copies of all the documents you have provided us. Any delay is result of the fact our in office copy personal and temp replacement are not working due to health or family reasons. My hope is to have such documents ready in the next few weeks, including copies of all documents you recently and/or will produce. I anticipate possibly including with such copies an affidavit for your execution that identifies with particularity the documents you provided and which establishes their authenticity without having to conduct an examination under oath to establish the same.

Please send me an e-mail or call if you have any questions. Thank you for your assistance.

Sincerely,

Mike Dailey
Enforcement Attorney
Securities Division
(602) 542-0722

Enclosure

Tab “18”

## Michael Dailey

**From:** Michael Dailey
**Sent:** Monday, October 16, 2006 2:22 PM
**To:** 'Wm Baker'
**Cc:** Gary Clapper
**Subject:** RE: Agra-Technologies

**Tracking:**

| Recipient | Delivery | Read |
|---|---|---|
| 'Wm Baker' | | |
| Gary Clapper | Delivered: 10/16/2006 2:22 PM | Read: 10/16/2006 2:22 PM |

Bill, we do not use Peachtree so to be safe, please send us the information in both Peachtree and exported to Excel format. If you have already shipped them, I will see if we can use the format provided and get back to you. For your information, I am still trying to get copies of the documents you provided to us, and will let you know as soon as they are ready. Thank you. Mike Dailey

---

**From:** Wm Baker [mailto:bbaker@agra-technologies.com]
**Sent:** Monday, October 16, 2006 12:34 PM
**To:** Michael Dailey
**Subject:** Agra-Technologies

Michael Daily,

I Have Not Forgotten The Files On CD For You. I Plan To Send Those Down On Fed Ex Today. We Use Peachtree Software, Which You Probably Have There. I Can Make A Backup, And You Can Restore. Or The Other Option Is For Me To Export The Ledgers And Reports To An Excel File.

Respectfully,
Bill Baker

Tab “19”

**COMMISSIONERS**
JEFF HATCH-MILLER - Chairman
WILLIAM A. MUNDELL
MIKE GLEASON
KRISTIN K. MAYES
BARRY WONG

BRIAN C. McNEIL
EXECUTIVE DIRECTOR

MATTHEW J. NEUBERT
DIRECTOR

SECURITIES DIVISION
1300 West Washington, Third Floor
Phoenix, AZ 85007
TELEPHONE: (602) 542-4242
FAX: (602) 594-7470
E-MAIL: securitiesdiv@azcc.gov

**ARIZONA CORPORATION COMMISSION**

November 14, 2006

**VIA U.S. MAIL & E-MAIL**

Carrie M. Francis
Quarles & Brady Streich Lang, L.L.P.
One Renaissance Square, Two North Central Avenue
Phoenix, Arizona 85004-2391

Peter Strojnik
3030 North Central Avenue, Suite 1401
Phoenix, Arizona 85012

Geoffrey S. Kercsmar, Esq.
The Kercsmar Law Firm P.C.
3260 N. Hayden Road, Suite 204
Scottsdale, Arizona 85251

**RE: In re Agra-Technologies, Inc., et al., Docket No. S-20484A-06-0669**

Dear Carrie, Peter and Geoff:

As you know, the Security Division's ("Division") investigation of this matter is ongoing. Also, all materials in my investigative file are confidential under A.R.S. § 44-2042, the work-product and attorney-client privileges. Such documents and information are non-discoverable by you in this administrative action absent an order of production of the documents that I intend to use at a hearing shortly before the hearing, or a limited waiver by the Division prior to hearing.

This case is *extremely unique* in that thus far, Carrie's clients, and one of Geoff's clients (Larry Paille) have produced thousands of pages of unambiguous and frank documents that, if shared with each of you, could result in a cost effective and speedy resolution of this matter. In Carrie's and Geoff's case, it is highly likely that they have no idea what their clients have already produced. Similarly, I strongly believe that Peter's grasp of the Division's case is severely hampered by both the limited amount of documents his client has produced and/or by merely relying on what his client has told him about his previous conduct.

As I informed Carrie and Peter, I obtained a limited authorization for the disclosure of documents and information ("limited authorization") from the Director of Securities that permitted me to give Campbell a copy of the documents he initially provided me in response to his subpoena. I provided Campbell with the documents he provided me and, in return, Campbell provided me with a foundation affidavit regarding the same.[1]

[1] I am still awaiting Mr. Campbell's revised foundation affidavit.

I have also informed Carrie and Peter that I previously agreed to provide Carrie's clients with copies of the voluminous amounts of documents they provided in response to the subpoena I issued to Agra because: (1) the initial subpoena cover letter we sent to Agra mistakenly stated that the Securities Division would pay for copies of documents and related expenses, despite the fact that our policy is to not pay the target of an investigation for such documents and no statute, rule or regulation requires us to do so; and (2) I desired Mr. Baker to execute a standard form foundation and custodian affidavit similar to Mr. Campbell. Mr. Pierson also provided me with some documents under a subpoena I issued to him in his individual capacity which I am also going to voluntarily provide to Carrie.

I am still awaiting Mr. Hodge's documents. However, given Mr. Paille's apparently robust production which we are still reviewing, I *may* similarly seek a limited authorization for the disclosure to Geoff of the documents produced to us by Mr. Paille, in part, based on whether you make certain "sharing" assurances discussed below.

It has taken considerable effort and expense on my part to obtain the 2 existing limited authorizations, review the documents, etc. Although it may appear that I am negotiating with myself somewhat by voluntarily disclosing some of my documents in my file without yet receiving anything in return, I do not see any benefit in this particular, isolated case for any of us by having you defend you clients in the dark. Particularly, I see no real benefit for any of us in forcing Peter to merely rely on what his client tells him about this matter.

I am only providing Carrie with copies of the documents provided to me by her clients.[2] I will not make copies of, for instance, all of Agra's and Mr. Campbell's documents for each of you. Thus, please confirm at your earliest convenience that you will share with each other the documents that your clients have produced to our office. By doing so, we can all get on the same page rather quickly, and I will have more freedom to, if necessary: (1) share with you specific documents we deem relevant at a great savings of time and effort for you; (2) discuss any additional claims I may be forced to make via an amended TC&D if this case does not settle early on; and (3) the validity of your clients' claimed affirmative defenses.

If you have any questions regarding this or another issue, please give me a call on my direct line listed below.

Sincerely,

Mike Dailey
Enforcement Attorney
(602) 542-0722 (Direct Line)

---

[2] Along with the copies of her clients' documents, I am also providing Carrie with 2 proposed standard form affidavits to establish the foundation for her clients' documents in lieu of expensive and time consuming examinations under oath regarding the same. I will work with her and her clients regarding the completion of such affidavits. However, because even hearsay evidence is admissible in our administrative proceeding under A.R.S. § 41-1062(A)(1), A.R.S. § 44-1973(B) and A.A.C. R14-3-109(K), I do not anticipate any problems procuring such affidavits from her clients. *Also, e.g.*, *Coulter v. Industrial Com'n of Ariz*, 198 Ariz. 384, 10P.3d 642 (App. 2000).

Tab “20”

COMMISSIONERS
JEFF HATCH-MILLER - Chairman
WILLIAM A. MUNDELL
MIKE GLEASON
KRISTIN K. MAYES
BARRY WONG

BRIAN C. McNEIL
EXECUTIVE DIRECTOR

MATTHEW J. NEUBERT
DIRECTOR

SECURITIES DIVISION
1300 West Washington, Third Floor
Phoenix, AZ 85007
TELEPHONE: (602) 542-4242
FAX: (602) 594-7470
E-MAIL: securitiesdiv@azcc.gov

**ARIZONA CORPORATION COMMISSION**

November 14, 2006

**VIA HAND DELIVERY**

Carrie M. Francis
Quarles & Brady Streich Lang, L.L.P.
One Renaissance Square, Two North Central Avenue
Phoenix, Arizona 85004-2391

**RE: In re Agra-Technologies, Inc., et al., Docket No. S-20484A-06-0669**

Dear Carrie:

As I promised, with this letter I am providing you with the documents produced by both Agra and Mr. Pierson, along with affidavits for their execution to establish foundation for the same. I hope the affidavits also give you a frame of reference at least as to when they were produced.

I have bundled and hand numbered the bundles of Agra documents to match the number of the Agra production identified in the Agra/Baker custodian affidavit.

The only one which may give you pause is paragraph 7 relating to Agra's fourth production of documents. As to that one, my office help bates labeled the documents out of order. However, Gary Clapper, my special investigator, and I have painstakingly made sure that all of the documents within the bates range identified in paragraph 7 of the Agra/Baker affidavit have been provided to you.

Let me know if you have any questions, and look forward to speaking to you about this matter at your earliest convenience.

Sincerely,

Mike Daley
Enforcement Attorney
(602) 542-0722 (Direct Line)

Enclosures (Agra and Pierson Docs, and Agra/Baker and Pierson foundation affidavits)

Tab “21”

Quarles & Brady Streich Lang LLP

One Renaissance Square
Two North Central Avenue
Phoenix, Arizona 85004-2391
Tel 602.229.5200
Fax 602.229.5690
www.quarles.com

*Attorneys at Law in:*
*Phoenix and Tucson, Arizona*
*Naples and Boca Raton, Florida*
*Chicago, Illinois*
*Milwaukee and Madison, Wisconsin*

Carrie M. Francis
Writer's Direct Dial: 602.229.5728
E-Mail: cfrancis@quarles.com

November 21, 2006

**VIA FACSIMILE AND MAIL**

Mike Dailey
Arizona Corporation Commission
Securities Division
1300 West Washington, Third Floor
Phoenix, AZ 85007

RE: Securities Division Investigation Docket No. S-20484A-06-0669

Dear Mr. Dailey:

We have reviewed the documents submitted by Agra-Technologies, Inc. in response to the Securities Division's investigative subpoenas. These four boxes of documents were provided to our office on November 14. It appears that some privileged documents were inadvertently produced. ER 4.4(b) states that a lawyer who receives a document he knows or reasonably should know was sent by mistake needs to notify the sender promptly so that the sender has a reasonable opportunity to take protective measures. Comment 2 to ER 4.4 states that the receiving lawyer is "required" to stop reading the document as soon as it is clear that it was sent inadvertently.

Accordingly, pursuant to E.R. 4.4(b) and the comments thereto, we hereby request that you refrain from examining the following privileged materials and return all copies of the documents to our office:

ACC012840-12842
ACC012845-12848
ACC012865
ACC012867
ACC012872
ACC012873-12875
ACC012876-12877
ACC012901-12902
ACC012913
ACC012916-12917

ACC012918
ACC012919-12920
ACC012921-12923
ACC012924
ACC012933
ACC012935-12936
ACC012956
ACC012958
ACC012959-12560
ACC012972
ACC012984
ACC013012
ACC013024
ACC013051
ACC013084
ACC013119-13121
ACC013123
ACC013125-13126
ACC013186
ACC013188
ACC013292-013295
ACC013296-13298
ACC013309-13310
ACC013313-13315
ACC013318-13320
ACC013326-13327
ACC013328
ACC013347-13348
ACC013355-13356
ACC013359
ACC013363
ACC013368-13370
ACC013373
ACC013375
ACC13553
ACC013558-13561
ACC013563
ACC013576
ACC013621
ACC013622
ACC0013623-013637
ACC013633-13634

ACC013679-13680
ACC013681-13682
ACC013720

If the documents can be redacted and returned, we will do so with a privilege log explaining the redactions. Frankly, we are quite surprised that you had not notified us or Agra-Technologies, Inc. of this issue prior to this late date. Nonetheless, we would appreciate receipt of all copies of the documents listed herein on or before November 30.

If you have any questions or comments, please feel free to call me.

Very truly yours,

QUARLES & BRADY STREICH LANG LLP

Carrie M. Francis

CMF:clj

Tab “22”

COMMISSIONERS
JEFF HATCH-MILLER - Chairman
WILLIAM A. MUNDELL
MIKE GLEASON
KRISTIN K. MAYES
BARRY WONG

BRIAN C. McNEIL
EXECUTIVE DIRECTOR

MATTHEW J. NEUBERT
DIRECTOR

SECURITIES DIVISION
1300 West Washington, Third Floor
Phoenix, AZ 85007
TELEPHONE: (602) 542-4242
FAX: (602) 594-7470
E-MAIL: securitiesdiv@azcc.gov

**ARIZONA CORPORATION COMMISSION**

November 29, 2006

**VIA U.S. MAIL & E-MAIL**

Carrie M. Francis
Quarles & Brady Streich Lang, L.L.P.
One Renaissance Square, Two North Central Avenue
Phoenix, Arizona 85004-2391

**RE: In re Agra-Technologies, Inc., et al., Docket No. S-20484A-06-0669**

Dear Carrie:

This letter responds to yours dated November 21, 2006 and your claim that Agra-Technologies, Inc. ("Agra") inadvertently disclosed privileged documents to the Securities Division. Your letter fails to contain an appropriate analysis of why you believe that the 107 pages of documents identified in your letter are: (1) privileged as to this matter in the first instance; and (2) why you believe such documents were "inadvertently" disclosed by Agra. As a result, please provide me with your factual and legal analysis regarding: (1) privilege; and (2) inadvertency at your earliest convenience.

In the meantime, and to maintain the status quo, no one in our Office will review the documents identified in your letter until this issue is resolved.

Finally, to better assist us in evaluating your claim of inadvertent disclosure of privileged documents, please also provide me with a detailed privilege log similar to that used by litigants in regular civil cases under Rule 26.1(f), Ariz. R. Civ. P.[1]

For your information, I will be out of the office at a conference until next week. Thank you.

Sincerely,

Mike Dailey
Enforcement Attorney
(602) 542-0722 (Direct Line)

Cc: Peter Strojnik and Geoffrey S. Kercsmar

---

[1] Because they derive from an entirely distinct process, the rules of civil procedure for discovery do not apply in administrative proceedings. *See, e.g., Pacific Gas and Elec. Co.,* 746 F.2d 1383, 1387 (9th Cir. 1984); *Silverman v. Commodity Futures Trading Comm'n,* 549 F.2d. 28, 33 (7th Cir. 1977); *NLRB v. Vapor Blast Mfg. Co.,* 287 F.2d 402, 407 (7th Cir. 1961).

## Michael Dailey

**From:** Michael Dailey
**Sent:** Wednesday, November 22, 2006 3:19 PM
**To:** 'cfrancis@quarles.com'
**Cc:** 'Strojnik@aol.com'; 'gsk@klfirm.com'; Gary Clapper
**Subject:** Agra

Carrie:

I am in receipt of your letter dated November 21, 2006 regarding various documents purportedly inadvertantly disclosed by Agra to the Securities Division. I am out of the office until next week. I will try to formaly respond to you letter as soon as possible.

Thank you.

Mike Dailey
Staff Attorney
Arizona Corporation Commission, Securities Division
1300 W. Washington, 3rd Floor
Phoenix, AZ 85007
(602) 542-0722 (direct line)

This message and any of the attached documents contain information from the Office of the Securities Division of the Arizona Corporation Commission, that may be confidential and/or privileged. If you are not the intended recipient, you may not read, copy, distribute, or use this information, and no privilege has been waived by your inadvertent receipt. If you have received this transmission in error, please notify the sender by reply e-mail and then delete this message. Thank you.

Tab “23”

Quarles & Brady Streich Lang LLP

One Renaissance Square
Two North Central Avenue
Phoenix, Arizona 85004-2391
Tel 602.229.5200
Fax 602.229.5690
www.quarles.com

*Attorneys at Law in:*
*Phoenix and Tucson, Arizona*
*Naples and Boca Raton, Florida*
*Chicago, Illinois*
*Milwaukee and Madison, Wisconsin*

Carrie M. Francis
Writer's Direct Dial: 602.229.5728
E-Mail: cfrancis@quarles.com

November 30, 2006

**VIA FACSIMILE AND MAIL**

Mike Dailey
Arizona Corporation Commission
Securities Division
1300 West Washington, Third Floor
Phoenix, AZ 85007

RE: Securities Division Investigation Docket No. S-20484A-06-0669

Dear Mr. Dailey:

Thank you for your November 29 letter, wherein you agreed to refrain from reviewing the identified privileged documents. We have continued to review the documents submitted by AGRA-Technologies, Inc. in response to the Securities Division's investigative subpoenas. These four boxes of documents were provided to our office on November 14. In addition to those documents identified in my letter to you dated November 21, it appears that some additional privileged documents were inadvertently produced.

Accordingly, pursuant to E.R. 4.4(b) and the comments thereto, we hereby request that you refrain from examining the following privileged materials and return all copies of the documents to our office:

| | | |
|---|---|---|
| ACC011761 | ACC012786-12788 | ACC012930-12931 |
| ACC011764-11765 | ACC012789 | ACC012937-12938 |
| ACC011766 | ACC012790-12791 | ACC012952-12953 |
| ACC011799 | ACC012792 | ACC012971 |
| ACC011818-11820 | ACC012793-12794 | ACC013050 |
| ACC011821 | ACC012795-12797 | ACC013122 |
| ACC011929-11933 | ACC012798-12800 | ACC0133187 |
| ACC011934 | ACC012801 | ACC013291 |
| ACC011936 | ACC012802 | ACC013299-13300 |
| ACC012020-12022 | ACC012804 | ACC013307-13308 |

ACC12030-12032
ACC012044-12046
ACC012053
ACC012078-12081
ACC012082-12084
ACC012086-12087
ACC012752-12753
ACC012758
ACC012767-12769
ACC012772
ACC012774
ACC012778
ACC012780-12782
ACC012783-12785
ACC012805-12806
ACC012807-12810
ACC012811
ACC012812
ACC012813-12814
ACC012816-12817
ACC012821
ACC012843-12844
ACC012851-12852
ACC012855-12856
ACC012863-12864
ACC012878-12879
ACC012911-12912
ACC012925-12926
ACC013311-13312
ACC013316-13317
ACC013324-13325
ACC013345-13346
ACC013349-13350
ACC013357-13358
ACC013361-13362
ACC013364-13365
ACC013372
ACC013374
ACC013562
ACC013646
ACC013655-13656

As indicated with the other identified documents, if the documents can be redacted and returned, we will do so. Per your November 29, 2006, letter we are also in the process of preparing a privilege log detailing the basis for the privilege claims and will have this log to you by early next week.

If you have any questions or comments, please feel free to call me.

Very truly yours,

QUARLES & BRADY STREICH LANG LLP

Carrie M. Francis

CMF:clj

Tab “24”

COMMISSIONERS
JEFF HATCH-MILLER - Chairman
WILLIAM A. MUNDELL
MIKE GLEASON
KRISTIN K. MAYES
BARRY WONG

BRIAN C. McNEIL
EXECUTIVE DIRECTOR

MATTHEW J. NEUBERT
DIRECTOR

SECURITIES DIVISION
1300 West Washington, Third Floor
Phoenix, AZ 85007
TELEPHONE: (602) 542-4242
FAX: (602) 594-7470
E-MAIL: securitiesdiv@azcc.gov

ARIZONA CORPORATION COMMISSION

December 8, 2006

**VIA U.S. MAIL & E-MAIL**

Carrie M. Francis
Quarles & Brady Streich Lang, L.L.P.
One Renaissance Square, Two North Central Avenue
Phoenix, Arizona 85004-2391

**RE: *In re Agra-Technologies, Inc., et al.*, Docket No. S-20484A-06-0669**

Dear Carrie:

This letter responds to yours dated November 30, 2006, and another claim set forth therein that Agra-Technologies, Inc. ("Agra") mistakenly disclosed other privileged documents to the Securities Division pursuant to its investigative subpoena. *See e.g.*, *In re Steinhardt Partners, L.P.*, 9 F.3d 230, 234-235 (2nd Cir. 1993)(held that the defendant had waived its work product privilege when it voluntarily submitted a privileged memorandum to the SEC pursuant to its investigation; court found the disclosure to have been voluntary despite the fact that it was made in response to an SEC subpoena, because no compulsory legal process had been necessary to compel production to the SEC).

Again, please provide me with a detailed analysis, with an appropriate citation to the documents, applicable law and undisputed facts why you believe that the documents identified in your November 30 letter are: (1) privileged as to this matter in the first instance (i.e., corporate privilege, fifth amendment, etc.); and (2) why you believe such documents were "involuntarily" produced by Agra. *See, e.g.*, *Throop v. F.E. Young & Co.*, 94 Ariz. 146, 157-58, 382 P.2d 560, 567-68 (1963). Evidentiary privileges are narrowly construed because they operate to deprive the fact finder of information that is relevant to the issues before it and the search for truth. *Independent Redistricting Commission v. Fields*, 206 Ariz. 130, 136, 75 P.3d 1088, 1094 (App. 2003).

Importantly, please redact any claimed privileged information from all of the documents at issue, and produce all portions thereof that clearly constitute admissible, non-hearsay, pre-existing business records that contain material facts, witness statements and admissions against interest, for instance, under Rule 801(d)(2), Ariz. R. Evid.[1] I do not recall seeing any

[1] Factual information communicated by the client to the lawyer is not necessarily immunized from discovery from the client. The privilege simply precludes compelling the lawyer to reveal it. Zork Hardware v. Gottlieb, 170 Ariz. 5, 6, 821 P.2d 272, 273 (App. 1991). Thus, the transmittal of pre-existing documents to counsel does not make them subject to the attorney-client privilege. *State ex rel. Corbin v. Weaver*, 140 Ariz. 123, 129, 680 P.2d 833, 839 (App. 1984). My recollection of the documents indicates that they largely comprise pre-existing business records including, for instance, corporate minutes. *See e.g.*, A.R.S. § 10-1601 (Corporate Records).

communications from your firm to Agra in the documents identified in your letters. I also do not recall that the documents contained any legal advice or attorney opinions as to either the separate *Campbell v. Agra* lawsuit, or this matter. We did not ask Agra for any privileged information, nor did we subpoena your firm for such information. Importantly, none of the documents provided by Agra were stamped or otherwise indicated as being subject to any privilege or that Agra believed they were confidential. Thus, none of the documents referred to in your letters are likely privileged as to this matter.

More importantly, as to the *many* documents identified in both your November 21 and 30 letters, also provide me with a detailed factual and legal analysis as to why you believe that any privileges allegedly applicable to the documents have not been waived by Agra by disclosing them to the Division, a stranger to the separate *Campbell v. Agra* lawsuit, at least as to the instant matter. As to the waiver issue, a privilege must be claimed by the holder or it is waived. *Tripp v. Chubb*, 69 Ariz. 31, 35, 208 P.2d 312, 314 (1949). For instance, a client waives the attorney-client privilege by disclosing documents protected by the privilege to third parties. *Ulibarri v. Superior Court*, 184 Ariz. 382, 385, 909 P.2d 449, 452 (App. 1995), *review vacated as improperly granted*, 186 Ariz. 419, 924 P.2d 109 (1986); *State v. Sucharew*, 205 Ariz. 16, 22, 66 P.3d 59, 65 (App. 2003)(same).

The overwhelming weight of analogous authority holds that a privilege holder waives any privileges applicable to documents produced to a government investigatory body like the Division in order to obtain favorable treatment as to such investigation. *See, In re Qwest Communications International, Inc.*, 450 F.3d 1179, 1187-1201 (10th Cir. 2006)(after conducting comprehensive survey of the law of waiver in these circumstances, court held that company had waived attorney-client and work-product privileges it had with respect to documents produced to the SEC and DOJ in connection with those agencies respective civil and criminal investigations of company and, thus, such documents were discoverable by private plaintiffs in their securities class action); *In re McKesson HBOC, Inc. v. Superior Court*, 9 Cal.Rptr. 812, 817-821 (Cal. App. 2004)(corporation that was the target of U.S. Attorney and SEC securities fraud investigation waived its attorney-client and work-product privileges as to audit reports and interview memoranda that had been prepared by its attorneys to analyze whether it committed securities fraud, by providing such materials to the government pursuant to a confidentiality agreement and, thus, such documents were discoverable by private plaintiff litigants); *In re Kidder Peabody Securities Litigation*, 168 F.R.D. 459, 472 (S.D.N.Y. 1996)("when a corporation provides an otherwise privileged internal investigative report to the SEC as part of an effort to obtain favorable treatment, it waives the privilege both for the report and for those underlying documents necessary for the Commission to evaluate the reliability and accuracy of the report...This conclusion follows inexorably from the fact that the corporation necessarily surrenders any reasonable expectation of confidentiality for those documents when it proffers a report that relies on the other documents..."). As noted by the 3rd Circuit Court of Appeals:

> When a party discloses protected materials to a government agency investigating allegations against it, it uses those materials to forestall prosecution (if the charges are unfounded) or to obtain lenient treatment (in the case of well-founded allegations). These objectives, however rational, are foreign to the objectives underlying the work-product doctrine. Moreover, an exception for disclosures to government agencies is not necessary to further the doctrine's purposes; attorneys are still free to prepare their cases without fear of disclosure to an adversary as long as they and their clients refrain from making such disclosures themselves.

*Westinghouse Electric Corporation v. Republic of Philipines*, 951 F.2d 1414, 1429 (3rd Cir. 1991)(held that companies that voluntarily disclosed documents to investigation agencies waived attorney-client and work-product privileges as to such documents); *In re Syncor Erisa Litigation*, 229 F.R.D. 636, 646-47 (C.D.Cal. 2005)(collecting cases, court held that, "defendant Syncor (and Cardinal) waived the attorney-client privilege and the work product protection when it disclosed Cardinal's due diligence and Syncor's internal investigation documents to the Government. First, by voluntarily turning those documents over to the Government, Syncor (and Cardinal) acted in a manner 'to gain tactical or strategic advantage.' Thus, waiving the attorney-client privilege and work product doctrine were to the benefit of Syncor (and Cardinal), and done with their complete, knowing and full consent.").

Here, Mr. Baker, acting in his authorized capacity as Agra's custodian of records, Treasurer, Director, Chief Financial Officer and accountant methodically produced documents to the Division in response to the Division's subpoena on 8 separate occasions over a period of almost 4 months from July 7, 2006 to October 27, 2006. These productions, including those made by Mr. Pierson, were accompanied by detailed cover letters and other handwritten statements precisely identifying and categorizing what Agra and Mr. Pierson intended to provide the Division.

Agra has still not objected to any aspect of the Division's subpoena. Prior to your letters, Agra had never indicated either orally or in writing that any of the documents that it produced to the Division were subject to any privilege, that such documents were inadvertently produced or that they were otherwise confidential. In short, this is not a case where a mistake was made, and few clearly privileged documents were unintentionally disclosed or slipped in with other discoverable documents.

Indeed, the letter by which Agra voluntarily provided the Division with the documents identified in your November 21 letter expressly states:

> Enclosed are two binders of documents. The originals were at Quarles & Brady law firm being copied for our lawsuit with Richard Campbell. They were returned to us last Tuesday. There are two binders: RAC Attack ATI Legal, and ATI Attack RAC. I believe these include the information you were requesting.[2]

This letter is strong proof that Agra did not mistakenly or inadvertently produce the documents identified in your November 21 letter. Another Agra letter unambiguously states, "I, (we) at Agra-Technologies believe that there is nothing to hide from you, accordingly I (we) genuinely intend to fully comply with the subpoena that is open for documents and information." Given my good faith production to you of the Agra documents Agra provided to us (despite the confidentiality statute) in an effort to get all parties on board as to the undisputed facts, you are now aware that these types of admissions and/or statements are present throughout the other Agra documents provided to the Division.

Applied here, the many e-mails and letters exchanged between Mr. Baker and Mr. Pierson and our Office since the Division issued the subpoena unambiguously demonstrate Agra's intent to

---

[2] Given the plain language of your letters, and your firm's representation of Agra as to the separate *Campbell v. Agra* lawsuit at all times relevant, please advise as to what precautions your firm and/or Agra implemented, if any, to protect the alleged privileged or confidential nature of the two binders of documents that contained the 107 pages of documents in your November 21 letter, and referred to in your November 30 letter.

provide the Division with any document requested by the Division and/or that they deemed relevant to the Division's investigation, whether such documents were deemed privileged or confidential as to the *Campbell v. Agra* lawsuit or not. For instance, Agra did not object to the subpoena issued to Agra's ISP and web designer despite ample opportunity to do so. Agra also provided us with login information to access documents contained in portions of its password protected website. Agra also provided us with financial information in electronic form to better assist our forensic accountants in analyzing their use of investor money. Indeed, Agra even voluntarily produced to the Division all of the allegedly confidential "trade secret" documents that form the basis of Agra's misappropriation of trade secret counterclaim against Mr. Campbell in the separate *Campbell v. Agra* lawsuit.[3] In light of these facts, Agra voluntarily and knowingly provided documents to the Division in an effort to obtain favorable treatment from the Division such that any privileges applicable to the documents identified in your letters have been waived as to the instant matter.

The totality of the documents provided by Agra also demonstrate that it knowingly, intentionally and voluntarily provided the Division with the documents identified in your letters, in part, in an effort to get the Division to adopt its belief that Mr. Campbell is solely responsible for Agra's alleged securities violations. By way of limited example, on of Agra's investor updates states:

> **Agra Technologies, Inc Update – October 30, 2006**
>
> Prepared by: Jerry Hodges and Larry Paille
>
> **Fallout from the Dick Campbell Lawsuit:**
>
> The lawsuit filed by Dick Campbell has resulted in an investigation of Agra-Tech by the Arizona Corporation Commission (ACC).
>
> Once Agra-Tech started looking into the actions of Dick Campbell there were a number of questionable actions that were discovered and they were clearly not in the best interest of Agra-Tech. His actions have forced Agra-Tech to file a lawsuit against Dick Campbell.
>
> Some of Dick's questionable activities are Corporate misstatements of fact, represented the "Rollover Option" without Corporate Approval, crafted the overly generous Platinum Rental Fund and authorized its premature use, guaranteed the Mexican Ore Concentrates alternative in May of 2005, hired Garry Dolbow for questionable purpose, engaged Kalahari under questionable conditions/circumstances, has apparently overstated ore values, and the Company's capabilities to recover precious metals to many of our Shareholders and Ore Contract Owners.
>
> **Current ACC Investigation:**
>
> The Arizona Corporation Commission (ACC) has requested information from Agra-Tech, as well as its agents. Agra-Tech and the agents have fully complied with the investigation and have provided thousands of documents for their review.

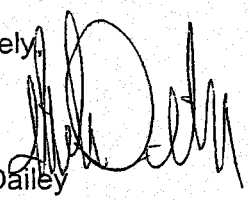
[3] Although the Government is not in business of extracting precious metals from rock, this fact alone further belies any Agra claim of privilege or confidentiality.

It appears that, at a minimum, Agra, as the purported privilege holder, impliedly waived any applicable privileges for failing to take any precautions to prevent the disclosure of such allegedly privileged documents to third-parties in the first instance. At all times relevant, I repeatedly asked Mr. Baker as to whether Agra had retained counsel for this matter. From at least July 25, 2007 when Mr. Baker first hand delivered documents to me through to his October 27, 2006 e-mail regarding Agra's agents and salespersons, I was never informed that either Agra had retained counsel in this matter, or that the documents provided to me were subject to any privilege. Given your firm's representation of Agra at all times relevant in the *Campbell v. Agra* lawsuit, Agra apparently could have easily retained your firm as counsel for this matter and/or seek legal advice as to whether it should or should not provide certain documents to the Division. It did not. Thus, Agra's intentional and at a minimum, reckless disregard for the allegedly privileged nature of the documents identified in your letter likely mandates a finding of waiver as a matter of fact and law.

In conclusion, I believe that your continuing to advance the statements made in your letters may not be in the best interests of either your clients or their investors. In light of the foregoing, and because I have still not received your response to my November 29 letter, it appears that Agra may be improperly delaying the resolution of the true issues in this matter, as prohibited in part by ER4.4(a).[4] Nevertheless, if your clients insist on pursuing the issues raised by your November 21 and 29 letters, I look forward to reviewing your responses to my letters, and I hope that we can resolve such issues in quick and cost effective manner.

Thank you.

Sincerely,



Mike Dailey
Enforcement Attorney
(602) 542-0722 (Direct Line)

Cc: Peter Strojnik and Geoffrey S. Kercsmar

[4] In this regard, also re-evaluate the many denials contained in your client's Answer. The claims asserted against your clients are largely based on: (a) unambiguous applicable law; and (b) your clients own documents. The existing TC&D includes essentially a verbatim recitation of the undisputed facts contained in such documents, without subjective interpretation. The documents that I provided you should enable you to better admit some or all of the factual claims in the TC&D in good faith, and such amended Answer would greatly contribute to a faster, fair and more cost effective resolution of this matter to the benefit of your clients, the investors and the Division.

Tab “25”

Quarles & Brady Streich Lang LLP

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Two North Central Avenue
Phoenix, Arizona 85004-2391
Tel 602.229.5200
Fax 602.229.5690
www.quarles.com

*Attorneys at Law in:*
*Phoenix and Tucson, Arizona*
*Naples and Boca Raton, Florida*
*Chicago, Illinois*
*Milwaukee and Madison, Wisconsin*

Carrie M. Francis
Writer's Direct Dial: 602.229.5728
E-Mail: cfrancis@quarles.com

December 12, 2006

Mike Dailey, Esq.
Arizona Corporation Commission
Securities Division
1300 West Washington, Third Floor
Phoenix, AZ 85007

RE: Securities Division Investigation Docket No. S-20484A-06-0669

Dear Mr. Dailey:

Enclosed is the privilege log you requested, which includes the details necessary to establish the privileged nature of the communications previously cited to you. It took longer than expected to have this document log ready for you, as I was out sick most of last week. The communications were inadvertently disclosed in that Bill Baker did not intend to waive the cited privileges when he produced documents to the Arizona Corporation Commission, nor can he waive privileges maintained by the company or Bill Pierson.

After you review the log, please return the cited privilege documents to our office and we will provide redacted versions, if possible. We too would like to expedite this process. If you have any further questions or comments, please feel free to call Lonnie Williams or me.

Very truly yours,

QUARLES & BRADY STREICH LANG LLP

Carrie M. Francis

CMF:clj

Enclosure

**PRIVILEGE LOG RELATING TO DOCUMENTS PRODUCED TO ACC BY AGRA-TECHNOLOGIES, INC.**

| BATES NUMBERS | DATE | TO/CC | FROM | DESCRIPTION | PRIVILEGE ASSERTED |
|---|---|---|---|---|---|
| ACC011761 | Undated | Lonnie Williams, Esq.<br>Carrie Francis, Esq. | William Pierson | Redact handwritten strategy notes | Attorney-Client Work Product |
| ACC011764-11765 | 6/5/06 | Draft for legal counsel review | William Pierson | Draft letter responding to Dick Campbell 5/24/06 e-mail | Attorney-Client Work Product |
| ACC011766 | Undated | Lonnie Williams, Esq.<br>Carrie Francis, Esq. | Williams Pierson | Redact handwritten strategy notes | Attorney-Client Work Product |
| ACC011799 | Undated | Lonnie Williams, Esq.<br>Carrie Francis, Esq. | William Pierson | Redact handwritten strategy notes | Attorney-Client Work Product |
| ACC011818-11819 | Undated | Lonnie Williams, Esq.<br>Carrie Francis, Esq. | William Pierson | Redact handwritten strategy notes | Attorney-Client Work Product |
| ACC011821 | Undated | Lonnie Williams, Esq.<br>Carrie Francis, Esq. | William Pierson | Redact handwritten strategy notes | Attorney-Client Work Product |
| ACC011929-11933 | 6/5/06 | Dean Pickett, Esq.<br>David Wagner, Esq.<br>Douglas Gettler<br>William Baker | William Pierson | E-mail re 6/5/06 demand letter | Attorney-Client Work Product |
| ACC011934 | 6/5/06 | David Wagner, Esq.<br>Dean Pickett, Esq.<br>Edwin Ruh<br>Douglas Gettler<br>William Baker | William Pierson | Redact e-mail re Richard Campbell statements | Attorney-Client Work Product |
| ACC011936 | 6/5/06 | David Wagner, Esq.<br>Dean Pickett, Esq.<br>Edwin Ruh | William Pierson | Redact e-mail re Richard Campbell statements | Attorney-Client Work Product |

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|---|---|---|---|---|---|
| | | Douglas Geller<br>William Baker | | | |
| ACC012020-12022 | 9/13/06 | Agra Board of Directors | William Pierson<br>William Baker | Redact sections D and E from Board of Directors meeting minutes relating to legal advice | Attorney-Client Work Product |
| ACC012030-12032 | 9/15/06 | Agra Board of Directors | William Pierson<br>William Baker | Handwritten Board of Director meeting minutes - redact section relating to legal advice | Attorney-Client Work Product |
| ACC012044-12046 | 9/13/06 | Agra Board of Directors | William Pierson<br>William Baker | Draft Board of Director meeting minutes - redact sections D and E relating to legal advice | Attorney-Client Work Product |
| ACC012053 | Undated | Lonnie Williams, Esq.<br>Carrie Francis, Esq. | William Pierson | Diagram relating to projects and funding | Attorney-Client Work Product |
| ACC012078-12081 | 8/21/06 | Lonnie Williams, Esq. | William Baker | E-mail re Campbell complaint | Attorney-Client Work Product |
| ACC012082-12084 | 7/3/06 | Lonnie Williams, Esq.<br>Carrie Francis, Esq. | William Pierson | Memo re timeline | Attorney-Client Work Product |
| ACC012086-12087 | 6/28/06 | | David Wagner, Esq. | Draft response letter | Attorney-Client Work Product |
| ACC012752-12753 | 6/7/06 | David Wagner, Esq.<br>Dean Pickett, Esq. | William Pierson | E-mail re response letter | Attorney-Client Work Product |
| ACC012758 | 6/14/06 | Bill Pierson | David Wagner, Esq. | E-mail re response letter | Attorney-Client Work Product |
| ACC012758 | 6/15/06 | David Wagner, Esq.<br>William Baker<br>Douglas Gettler | William Pierson | E-mail re response letter | Attorney-Client Work Product |

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|---|---|---|---|---|---|
| ACC012767-12769 | 6/20/06 | David Wagner, Esq.<br>Douglas Gettler<br>William Baker | William Pierson | E-mail re response letter | Attorney-Client<br>Work Product |
| ACC012772 | 6/21/06 | David Wagner, Esq.<br>Douglas Gettler<br>William Baker | William Pierson | Redact e-mail re Campbell's request to Onyx Group | Attorney-Client<br>Work Product |
| ACC012774 | 6/21/06 | William Baker<br>David Wagner, Esq. | William Pierson | Redact e-mail re Campbell's request to Onyx Group | Attorney-Client<br>Work Product |
| ACC012778 | 6/21/06 | William Baker<br>David Wagner, Esq. | William Pierson | Redact E-mail re Campbell's request to Onyx Group | Attorney-Client<br>Work Product |
| ACC012778 | 6/26/06 | William Baker<br>David Wagner, Esq. | William Pierson | Redact e-mail re Campbell's request to Onyx Group | Attorney-Client<br>Work Product |
| ACC012780-12782 | 6/26/06 | William Pierson<br>Douglas Gettler<br>David Wagner, Esq. | William Baker | E-mail re Campbell's wage claim | Attorney-Client<br>Work Product |
| ACC012780 | 6/27/06 | William Baker<br>Douglas Gettler<br>David Wagner, Esq. | William Pierson | E-mail re Campbell's wage claim | Attorney-Client<br>Work Product |
| ACC012783-12784 | 6/27/06 | William Baker<br>Douglas Gettler<br>David Wagner, Esq. | William Pierson | E-mail re Campbell's wage claim | Attorney-Client<br>Work Product |
| ACC012783 | 6/27/06 | David Wagner, Esq.<br>William Pierson<br>William Baker | Douglas Gettler | E-mail re Campbell's wage claim | Attorney-Client<br>Work Product |
| ACC012784-12785 | 6/26/06 | William Pierson<br>Douglas Gettler<br>David Wagner, Esq. | William Baker | E-mail re Campbell's wage claim | Attorney-Client<br>Work Product |

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|---|---|---|---|---|---|
| ACC012786-12787 | 6/27/06 | William Pierson<br>Dean Pickett, Esq.<br>Douglas Gettler | David Wagner, Esq. | E-mail with attached draft response to Strojnik's demand letter | Attorney-Client Work Product |
| ACC012789<br>ACC012790-91 | 6/27/06 | William Pierson<br>William Baker<br>David Wagner, Esq. | Douglas Gettler | E-mail re Campbell's wage claim | Attorney-Client Work Product |
| ACC012790 | 6/27/06 | David Wagner, Esq.<br>Douglas Gettler<br>Dean Pickett, Esq.<br>William Baker | William Pierson | E-mail re conference call with Attorney Wagner | Attorney-Client Work Product |
| ACC012792 | 6/27/06 | William Pierson<br>Douglas Gettler<br>David Wagner, Esq. | William Baker | E-mail re response letter to Campbell's wage claim | Attorney-Client Work Product |
| ACC012793-12794 | 6/27/06 | William Pierson<br>David Wagner, Esq.<br>William Baker | Douglas Gettler | E-mail re conference call with Attorney Wagner | Attorney-Client Work Product |
| ACC012793 | 6/27/06 | David Wagner, Esq.<br>Douglas Gettler<br>Dean Pickett, Esq.<br>William Baker | William Pierson | E-mail re conference call with Attorney Wagner | Attorney-Client Work Product |
| ACC012793 | 6/28/06 | William Pierson<br>William Baker<br>David Wagner, Esq. | Douglas Gettler<br>. | E-mail re conference call with Attorney Wagner | Attorney-Client Work Product |
| ACC12796-12797 | 6/27/06 | William Pierson<br>William Baker<br>David Wagner, Esq.` | Douglas Gettler | E-mail re conference call with Attorney Wagner | Attorney-Client Work Product |
| ACC012795-12796 | 6/27/06 | David Wagner, Esq.<br>Douglas Gettler<br>Dean Pickett, Esq.<br>William Baker | Wililiam Pierson | E-mail re conference call with Attorney Wagner | Attorney-Client Work Product |

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|---|---|---|---|---|---|
| ACC012795 | 6/28/06 | Douglas Gettler<br>David Wagner, Esq.<br>William Baker | William Pierson | E-mail re conference call with Attorney Wagner | Attorney-Client Work Product |
| ACC012799-12800 | 6/27/06 | William Pierson<br>William Baker<br>David Wagner, Esq. | Douglas Gettler | E-mail re conference call with Attorney Wagner | Attorney-Client Work Product |
| ACC012799 | 6/27/06 | David Wagner, Esq.<br>Douglas Gettler<br>Dean Pickett, Esq.<br>William Baker | William Pierson | E-mail re conference call with Attorney Wagner | Attorney-Client Work Product |
| ACC012798-12799 | 6/28/06 | William Pierson<br>William Baker<br>David Wagner, Esq. | Douglas Gettler | E-mail re conference call with Attorney Wagner | Attorney-Client Work Product |
| ACC012798 | 6/28/06 | Douglas Gettler<br>David Wagner, Esq.<br>William Baker | William Pierson | E-mail re conference call with Attorney Wagner | Attorney-Client Work Product |
| ACC012798 | 6/28/06 | William Pierson<br>David Wagner, Esq.<br>William Baker | Douglas Gettler | E-mail re conference call with Attorney Wagner | Attorney-Client Work Product |
| ACC012801 | 6/28/06 | William Pierson<br>William Baker | Douglas Gettler | E-mail re phone conference with Attorney Pickett | Attorney-Client Work Product |
| ACC012802 | 6/29/06 | William Pierson<br>David Wagner, Esq.<br>William Baker | Douglas Gettler | E-mail re draft response | Attorney-Client Work Product |
| ACC012804 | 6/29/06 | Douglas Gettler<br>William Pierson<br>William Baker<br>David Wagner, Esq.<br>Kristin Oddy, Esq | Dean Pickett, Esq. | E-mail re response letter | Attorney-Client Work Product |

| | | | | | |
|---|---|---|---|---|---|
| ACC012804 | 6/29/06 | Dean Pickett, Esq.<br>Douglas Gettler<br>William Baker<br>David Wagner, Esq.<br>Kristin Oddy, Esq. | William Pierson | E-mail re response letter | Attorney-Client<br>Work Product |
| ACC012805-12806 | 7/1/06 | William Pierson<br>David Wagner, Esq. | Dean Pickett, Esq. | E-mail re Complaint | Attorney-Client<br>Work Product |
| ACC012805 | 7/1/06 | David Wagner, Esq.<br>Dean Pickett, Esq. | William Pierson | E-mail re Complaint | Attorney-Client<br>Work Product |
| ACC012807-12810 | 7/3/06 | David Wagner, Esq.<br>Dean Pickett, Esq.<br>Douglas Gettler<br>William Baker | William Pierson | E-mail re timeline | Attorney-Client<br>Work Product |
| ACC012811 | 7/5/06 | David Wagner, Esq.<br>William Pierson | William Baker | E-mail re return of property | Attorney-Client |
| ACC012812 | 7/6/06 | David Wagner, Esq.<br>William Pierson<br>Dean Pickett, Esq. | William Baker | E-mail re return of property | Attorney-Client |
| ACC012813-12814 | 7/7/06 | William Pierson<br>David Wagner, Esq. | Dean Pickett, Esq. | E-mail re selection of counsel | Attorney-Client |
| ACC012813 | 7/7/06 | Dean Pickett, Esq.<br>Willam Baker | William Pierson | E-mail re selection of counsel | Attorney-Client |
| ACC012816 | 7/7/06 | William Pierson<br>William Baker<br>David Wagner, Esq.<br>Kristin Oddy, Esq. | Dean Pickett, Esq. | E-mail re return of auto | Attorney-Client |
| ACC012816 | 7/7/06 | Dean Pickett, Esq.<br>William Baker | William Pierson | E-mail re return of auto | Attorney-Client |
| ACC012821 | 7/11/06 | David Wagner, Esq.<br>William Baker | William Pierson | E-mail re offer to Denny Cashatt | Attorney-Client<br>Work Product |

| | | | | | |
|---|---|---|---|---|---|
| | | Douglas Gettler | | | |
| ACC013646 | 7/7/06 | William Pierson<br>William Baker<br>David Wagner, Esq.<br>Kristin Oddy, Esq. | Dean Pickett, Esq. | E-mail re return of auto | Attorney-Client |
| ACC013655-13656 | 6/9/06 | Alex Walker, Esq. (Nataco)<br>William Pierson<br>David Wagner, Esq. | Dean Pickett, Esq. | E-mail re shareholder meeting | Attorney-Client<br>Work Product |
| ACC012840-12842 | Undated | Lonnie Williams, Esq.<br>Carrie Francis, Esq. | William Pierson | Index re defense strategy | Attorney-Client<br>Work Product |
| ACC012843-12844 | Undated | | William Pierson | Tab sheets corresponding to defense strategy memo | Work Product |
| ATI012845 | Undated | Lonnie Williams, Esq.<br>Carrie Francis, Esq. | William Pierson | Redact handwritten strategy notes and those from Paralegal Smith | Attorney-Client<br>Work Product |
| ATI012846-12848 | Undated | Lonnie Williams, Esq.<br>Carrie Francis, Esq. | William Pierson | Redact handwritten strategy notes | Attorney-Client<br>Work Product |
| ACC012851-12852 | Undated | | William Pierson | Tab sheets corresponding to defense strategy memo | Work Product |
| ACC012855-12856 | Undated | | William Pierson | Tab sheets corresponding to defense strategy memo | Work Product |
| ACC012863-12864 | Undated | | William Pierson | Tab sheets corresponding to defense strategy memo | Work Product |
| ATI012865 | Undated | Lonnie Williams, Esq.<br>Carrie Francis, Esq. | William Pierson | Redact handwritten strategy notes | Attorney-Client<br>Work Product |

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|---|---|---|---|---|---|
| ATI012867 | Undated | Lonnie Williams, Esq.<br>Carrie Francis, Esq. | William Pierson | Handwritten notes re strategy | Attorney-Client<br>Work Product |
| ATI012872 | Undated | Lonnie Williams, Esq.<br>Carrie Francis, Esq. | William Pierson | Redact handwritten strategy notes | Attorney-Client<br>Work Product |
| ATI012873-12875 | 7/3/06 | Lonnie Williams, Esq.<br>Carrie Francis, Esq. | William Pierson | Memo re timeline | Attorney-Client<br>Work Product |
| ATI012878-12879 | Undated | | William Pierson | Tab sheets corresponding to defense strategy memo | Work Product |
| ATI012901 | 9/26/05 | | William Pierson | Redact handwritten strategy notes and Paralegal Smith's handwritten note | Attorney-Client<br>Work Product |
| ATI012911-12912 | Undated | | William Pierson | Tab sheets corresponding to defense strategy memo | Work Product |
| ATI012913 | Undated | Lonnie Williams, Esq.<br>Carrie Francis, Esq. | William Pierson | Handwritten note re strategy | Attorney-Client |
| ACC012916-12917 | Undated | Lonnie Williams, Esq.<br>Carrie Francis, Esq. | William Pierson | Handwritten notes re strategy | Attorney-Client |
| ACC012918 | Undated | Lonnie Williams, Esq.<br>Carrie Francis, Esq. | William Pierson | Redact handwritten strategy notes and those from Paralegal Smith | Attorney-Client<br>Work Product |
| ACC012919-12920 | Undated | Lonnie Williams, Esq.<br>Carrie Francis, Esq. | William Pierson | Handwritten notes re 5/24/06 letter | Attorney-Client |
| ACC012921-12923 | Undated | Lonnie Williams, Esq.<br>Carrie Francis, Esq. | William Pierson | Redact handwritten strategy notes and those from Paralegal Smith | Attorney-Client<br>Work Product |
| ACC012924 | Undated | Sandra Smith,<br>Paralegal | Sandra Smith,<br>Paralegal | Redact handwritten note | Attorney-Client<br>Work Product |

| | | | | | |
|---|---|---|---|---|---|
| ACC012925-12926 | Undated | | William Pierson | Tab sheets corresponding to defense strategy memo | Work Product |
| ACC012930-12931 | Undated | | William Pierson | Tab sheets corresponding to defense strategy memo | Work Product |
| ACC012935 | 7/14/06 | Lonnie Williams, Esq.<br>Carrie Francis, Esq. | William Pierson | Redact handwritten strategy notes | Attorney-Client<br>Work Product |
| ACC012937-12938 | Undated | | William Pierson | Tab sheets corresponding to defense strategy memo | Work Product |
| ACC012952-12953 | Undated | | William Pierson | Tab sheets corresponding to defense strategy memo | Work Product |
| ACC012956 | Undated | Lonnie Williams, Esq.<br>Carrie Francis, Esq. | William Pierson | Index re defense strategy memo | Attorney-Client<br>Work Product |
| ACC012958-12960 | Undated | Lonnie Williams, Esq.<br>Carrie Francis, Esq. | William Pierson | Handwritten notes correlating with defense strategy memo | Attorney-Client<br>Work Product |
| ACC012971 | Undated | | William Pierson | Tab sheet corresponding to defense strategy memo | Work Product |
| ACC012972 | Undated | Lonnie Williams, Esq.<br>Carrie Francis, Esq. | William Pierson | Handwritten note correlating with defense strategy memo | Attorney-Client<br>Work Product |
| ACC012984 | Undated | Lonnie Williams, Esq.<br>Carrie Francis, Esq. | William Pierson | Handwritten note correlating with defense strategy memo | Attorney-Client<br>Work Product |
| ACC013012 | Undated | Lonnie Williams, Esq.<br>Carrie Francis, Esq. | William Pierson | Handwritten notes correlating with defense | Attorney-Client<br>Work Product |

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|---|---|---|---|---|---|
| | | | | strategy memo | |
| ACC013024 | Undated | Lonnie Williams, Esq.<br>Carrie Francis, Esq | William Pierson | Handwritten note correlating with defense strategy memo | Attorney-Client Work Product |
| ACC013050 | Undated | | William Pierson | Tab sheet corresponding to defense strategy memo | Work Product |
| ACC013051 | Undated | Lonnie Williams, Esq.<br>Carrie Francis, Esq. | William Pierson | Handwritten note correlating with defense strategy memo | Attorney-Client Work Product |
| ACC013084 | Undated | Lonnie Williams, Esq.<br>Carrie Francis, Esq. | William Pierson | Handwritten note correlating with defense strategy memo | Attorney-Client Work Product |
| ACC013119-13121 | Undated | Lonnie Williams, Esq.<br>Carrie Francis, Esq. | William Pierson | Handwritten notes re strategy | Attorney-Client |
| ACC013122 | Undated | | William Pierson | Tab sheet corresponding to defense strategy memo | Attorney-Client |
| ACC013123 | Undated | Lonnie Williams, Esq.<br>Carrie Francis, Esq. | William Pierson | Handwritten note correlating with defense strategy memo | Attorney-Client Work Product |
| ACC013125-13126 | Undated | Lonnie Williams, Esq.<br>Carrie Francis, Esq. | William Pierson | Handwritten notes re strategy | Attorney-Client |
| ACC013186 | Undated | Lonnie Williams, Esq.<br>Carrie Francis, Esq. | William Pierson | Handwritten note correlating with defense strategy memo | Attorney-Client Work Product |
| ACC013187 | Undated | | | Tab sheet corresponding to defense strategy memo | Work Product |
| ACC013188 | Undated | Lonnie Williams, Esq. | William Pierson | Handwritten note | Attorney-Client |

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|---|---|---|---|---|---|
| | | Carrie Francis, Esq. | | correlating with defense strategy memo | Work Product |
| ACC013291 | Undated | | William Pierson | Tab sheet corresponding to defense strategy memo | Work Product |
| ACC013292 | Undated | Lonnie Williams, Esq.<br>Carrie Francis, Esq. | William Pierson | Handwritten note correlating with defense strategy memo | Attorney-Client<br>Work Product |
| ACC013293-13295 | Undated | Lonnie Williams, Esq.<br>Carrie Francis, Esq. | William Pierson | Index re defense strategy memo | Attorney-Client<br>Work Product |
| ACC013296-13298 | 7/3/06 | Lonnie Williams, Esq.<br>Carrie Francis, Esq. | William Pierson | Memo re timeline | Attorney-Client<br>Work Product |
| ACC013299-13300 | Undated | | William Pierson | Tab sheets corresponding to defense strategy memo | Work Product |
| ACC013307-13308 | Undated | | William Pierson | Tab sheets corresponding to defense strategy memo | Work Product |
| ACC013309-13310 | 6/5/06 | Draft letter for legal counsel review | William Pierson | Draft letter - not sent per advice from counsel | Attorney-Client<br>Work Product |
| ACC013311-13312 | Undated | | William Pierson | Tab sheets corresponding with defense strategy memo | Work Product |
| ACC013313-13314 | Undated | | Sandra Smith, Paralegal | Redact handwritten notes | Attorney-Client |
| ACC013316-13317 | Undated | | | Tab sheets corresponding with defense strategy memo | Work Product |
| ACC013318-13319 | Undated | Lonnie Williams, Esq.<br>Carrie Francis, Esq. | William Pierson | Redact handwritten strategy notes | Attorney-Client<br>Work Product |

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|---|---|---|---|---|---|
| ACC013324-13325 | Undated | | William Pierson | Tab sheets corresponding with defense strategy memo | Work Product |
| ACC013326 | Undated | Lonnie Williams, Esq. Carrie Francis, Esq. | William Pierson | Redact handwritten strategy notes | Attorney-Client Work Product |
| ACC013328 | Undated | Lonnie Williams, Esq. Carrie Francis, Esq. | William Pierson | Redact handwritten strategy notes and those from Paralegal Smith | Attorney-Client Work Product |
| ACC013347-13348 | 6/17/06 | Draft letter for legal counsel review | William Pierson | Draft response letter - not sent upon advice from counsel | Attorney-Client |
| ACC013345-13346 | Undated | | William Pierson | Tab sheets corresponding to defense strategy memo | Work Product |
| ACC013349-13350 | Undated | | William Pierson | Tab sheets corresponding to defense strategy memo | Work Product |
| ACC013355 | Undated | Lonnie Williams, Esq. Carrie Francis, Esq. | William Pierson | Redact handwritten strategy notes | Attorney-Client Work Product |
| ACC013357-13358 | Undated | | William Pierson | Tab sheets corresponding to defense strategy memo | Work Product |
| ACC013359 | Undated | Lonnie Williams, Esq. Carrie Francis, Esq | William Pierson | Handwritten note correlating with defense strategy memo | Attorney-Client Work Product |
| ACC013361-13362 | Undated | | William Pierson | Tab sheets corresponding to defense strategy memo | Work Product |
| ACC013363 | Undated | Lonnie Williams, Esq. Carrie Francis, Esq. | William Pierson | Redact handwritten strategy notes and those | Attorney-Client Work Product |

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|---|---|---|---|---|---|
| | | | | by Paralegal Smith | |
| ACC013364-13365 | Undated | | William Pierson | Tab sheets corresponding to defense strategy memo | Work Product |
| ACC013368-13370 | Undated | Lonnie Williams, Esq. Carrie Francis, Esq. | William Pierson | Handwritten notes re ore sales | Attorney-Client |
| ACC013372 | Undated | | William Pierson | Tab sheets corresponding to defense strategy memo | Work Product |
| ACC013373 | Undated | Lonnie Williams, Esq. Carrie Francis, Esq. | William Pierson | Index re defense strategy memo | Attorney-Client Work Product |
| ACC013374 | Undated | | William Pierson | Tab sheet corresponding to defense strategy memo | Work Product |
| ACC013375 | Undated | Lonnie Williams, Esq. Carrie Francis, Esq. | William Pierson | Handwritten note correlating with defense strategy memo | Attorney-Client Work Product |
| ACC013553 | Undated | Lonnie Williams, Esq. Carrie Francis, Esq. | William Pierson | Handwritten note correlating with defense strategy memo | Attorney-Client Work Product |
| ACC013558 | Undated | | Sandra Smith, Paralegal | Redact handwritten note | Attorney-Client |
| ACC013562 | | | William Pierson | Tab sheet corresponding with defense strategy memo | Work Product |
| ACC013563 | Undated | Lonnie Williams, Esq. Carrie Francis, Esq. | William Pierson | Handwritten note correlating with defense strategy memo | Attorney-Client Work Product |
| ACC013576 | Undated | Lonnie Williams, Esq. Carrie Francis, Esq. | William Pierson | Handwritten note correlating with defense | Attorney-Client Work Product |

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|---|---|---|---|---|---|
| | | | | strategy memo | |
| ACC013621-13622 | Undated | Lonnie Williams, Esq.<br>Carrie Francis, Esq. | William Pierson | Handwritten notes correlating with defense strategy memo | Attorney-Client Work Product |
| ACC013623-13637 | Undated | Lonnie Williams, Esq.<br>Carrie Francis, Esq. | William Pierson | Redact handwritten strategy notes | Attorney-Client Work Product |
| ACC013679 | Undated | | Sandra Smith, Paralegal | Redact handwritten note | Attorney-Client |
| ACC013681 | 6/26/06 | William Pierson<br>David Wagner, Esq. | William Baker | Redact e-mail re balance sheet and notes from Paralegal Smith | Attorney-Client Work Product |
| ACC013720 | 8/2/06 | | Sandra Smith, Paralegal | E-mail re documents | Attorney-Client Work Product |

Tab “26”

**COMMISSIONERS**
JEFF HATCH-MILLER - Chairman
WILLIAM A. MUNDELL
MIKE GLEASON
KRISTIN K. MAYES
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BRIAN C. McNEIL
EXECUTIVE DIRECTOR

MATTHEW J. NEUBERT
DIRECTOR

SECURITIES DIVISION
1300 West Washington, Third Floor
Phoenix, AZ 85007
TELEPHONE: (602) 542-4242
FAX: (602) 594-7470
E-MAIL: securitiesdiv@azcc.gov

**ARIZONA CORPORATION COMMISSION**

December 21, 2006

**VIA E-MAIL & U.S. MAIL**

Lonnie Williams
Carrie M. Francis
Quarles & Brady Streich Lang, L.L.P.
One Renaissance Square, Two North Central Avenue
Phoenix, Arizona 85004-2391

**RE: In re Agra-Technologies, Inc., et al., Docket No. S-20484A-06-0669**

Dear Mr. Williams and Ms. Francis:

This letter responds to Mr. William's pre-hearing conference comments and Ms. Francis' letter dated December 12, 2006 regarding your clients' alleged inadvertent disclosure of privileged documents.

As a preliminary matter, Ms. Francis' December 12 letter is essentially non-responsive to the detailed factual and legal analysis contained in my December 8 letter to Carrie.

**1. Waiver.**

First, as to the waiver issue, you stated, without factual or legal support, that Bill Baker cannot waive privileges maintained by Agra or Mr. Pierson. Do you have any case law that states that Agra's long time Chief Financial Officer, Secretary, Treasurer, Director, accountant, substantial owner and designated officer/director that responded to the Division's subpoena to Agra's "custodian of records" cannot waive any privileges on behalf of Agra?

Second, your letter suggests that at least Mr. Pierson has the power to waive any privileges as to his own and Agra's documents. I agree. On this point, I also have several documents demonstrating that Mr. Pierson oversaw and was intricately involved in Agra's document production. By way of limited example, Mr. Pierson provided the Division with a handwritten letter that states:

> I have been deeply involved in providing the ACC with everything other than our accounting data, which has been provided by Mr. Baker.[1]

Can we at least agree that Mr. Pierson, as Agra's Chief Executive Officer, President and founder has the ability to waive any privileges on behalf of himself and Agra?

[1] Please see A.R.S. § 44-1992 relating to the filing of false and misleading statements with the Commission.

**2. Applicable Privileges/Privilege Log.**

Third, I do not believe your privilege log is sufficiently detailed to respond to the same. By way of limited example, it lists that many documents are attorney-client privileged, but not as to what particular lawsuit. Are they privileged as to a lawsuit against Galleon/Ron Weidner? Mr. Pierson has repeatedly claimed that a lawsuit against Galleon/Ron Weidner is not warranted. Indeed, I do not believe any respondents have filed a lawsuit against Galleon/Ron Weidner. Do the documents relate to the separate *Campbell v. Agra* lawsuit? If so, I understand that Agra's counterclaims against Mr. Campbell have been dismissed such that the claims in Carrie's November 21 and 29 letters should be reevaluated. Do such documents related to the Coconino County Kalahari (KMH) lawsuit? I understand the Kalahari lawsuit is was dismissed. Do the documents contain pre-existing facts vs. legal analysis? Do the documents pre-date any particular lawsuit?

In short, please greatly increase the detail of the description of the documents. Thus, if you are interested in resolving this issue short of an expensive and time consuming hearing regarding the same, please provide me with a more detailed privilege log.

**3. Redacted Documents.**

I do not understand why I have not received redacted documents. I do not believe that all portions of the documents at issue are allegedly privileged. Without waiving any of the Division's rights or arguments, and solely in an effort to amicably resolve your issue, I suggest that if you redact out the allegedly privileged information from the documents, it *may* be that this issue is moot and/or that the Division will agree to continue solely using the redacted documents.

**4. Any Other Related Issues or Arguments.**

Your letter appears to merely respond to some of my arguments in generic/short fashion. Other than privilege and waiver, please advise if you have any other basis to preclude the Division from using the documents at issue? Also, will you agree that your clients have waived any privileges as to this administrative proceeding only, and not to any other litigation? In summary, if I am missing something, please let me know.

Sincerely,

Mike Dailey
Staff Attorney
Securities Division

Tab “27”

## Michael Dailey

**From:** Francis, Carrie [CFRANCIS@quarles.com]
**Sent:** Friday, December 22, 2006 3:23 PM
**To:** Michael Dailey
**Subject:** FW: Agra - supplemental privilege log

**Attachments:** 2063044_1.DOC¤

2063044_1.DOC
(53 KB)

<<2063044_1.DOC¤>>

Mike

We found a few more documents to add to the privilege log previously provided to you. Please put these additional documents aside until our meeting in early January.

Thanks for your anticipated cooperation.

Carrie M. Francis
Quarles & Brady LLP
2 N. Central Ave.
Phoenix, Arizona 85004-2391
Tel 602-229-5728
Fax 602-420-5028

-----Original Message-----
From: Smith, Sandra
Sent: Friday, December 22, 2006 12:50 PM
To: Francis, Carrie; Jones, Carol
Subject: Agra - supplemental privilege log

This electronic mail transmission and any attachments are confidential and may be privileged.
They should be read or retained only by the intended recipient. If you have received this transmission in error, please notify the sender immediately and delete the transmission from your system. In addition, in order to comply with Treasury Circular 230, we are required to inform you that unless we have specifically stated to the contrary in writing, any advice we provide in this email or any attachment concerning federal tax issues or submissions is not intended or written to be used, and cannot be used, to avoid federal tax penalties.

**SUPPLEMENTAL PRIVILEGE LOG RELATING TO DOCUMENTS PRODUCED TO ACC BY AGRA-TECHNOLOGIES, INC.**

| BATES NUMBERS | DATE | TO/CC | FROM | DESCRIPTION | PRIVILEGE ASSERTED |
|---|---|---|---|---|---|
| ACC013836-13837<br>ACC013839-13840 | 7/28/06 | William Pierson<br>David Wagner, Esq. | Scott Zerlaut, Esq. | E-mail re Kalahari Mineral Holdings litigation | Attorney-Client Work Product |
| ACC013835 | 7/28/06 | Scott Zerlaut, Esq.<br>David Wagner, Esq. | William Pierson | E-mail re Kalahari Mineral Holdings litigation | Attorney-Client |
| ACC013835 | 7/28/06 | William Pierson | Scott Zerlaut, Esq. | E-mail re Kalahari Mineral Holdings litigation | Attorney-Client |
| ACC013838 | 5/11/06 | William Pierson<br>David Wagner, Esq. | Scott Zerlaut, Esq. | E-mail re Kalahari Mineral Holdings litigation | Attorney-Client |
| ACC013838 | 5/11/06 | Scott Zerlaut, Esq. | William Pierson | E-mail re Kalahari Mineral Holdings litigation | Attorney-Client |

Tab “28”

COPY

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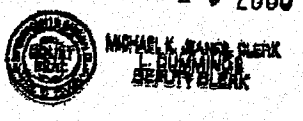

Peter Strojnik, 6464
THE LAW FIRM OF PETER STROJNIK
3030 North Central Avenue, Suite 1401
Phoenix, Arizona 85012
Telephone: 602-297-3019
Facsimile: 602-296-0135
e-mail: Strojnik@aol.com; lawyer@strojnik.com
Attorney for Plaintiffs

IN THE IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

IN AND FOR THE COUNTY OF MARICOPA

| | |
|---|---|
| RICHARD CAMPBELL, and SONDRA CAMPBELL, husband and wife<br>Plaintiff,<br>vs.<br>AGRA TECHNOLOGIES, INC.<br>Defendants. | NO. CV 2006-009755<br>**FIRST AMENDED VERIFIED COMPLAINT**<br>(As of Right)<br>**Wages**<br>**Breach of Contract**<br>**Action For Money Due On Loan**<br>**Pattern of Unlawful Activity in Violation of State Statute A.R.S. 13-2314.04**<br>**Fraud In The Sale Of Securities ARS §44-1991** |



ACC011193
AGRA TECH.

Now comes Plaintiff and alleges and complains against Defendants the following:

## JURISDICTIONAL ALLEGATIONS AND VENUE

1. Plaintiffs, Richard and Sondra Campbell (cumulatively "Campbell") are husband and wife residing in Maricopa County, State of Arizona.
2. Defendant AGRA Technologies, Inc. ("ATI") is a Nevada Corporation authorized to and doing business in the State of Arizona.

## GENERAL ALLEGATIONS

3. ATI holds itself out as having two Divisions engaged in advanced mineral processing: Precious Metals and Agriculture.
4. ATI is in the business of "seeking business partners to further both product development and marketing".
5. The events that give rise to this Complaint occurred in the State of Arizona, County of Maricopa.
6. In late 2000, AGRA's director and majority shareholder, Bill Pierson ("Pierson"), met with one Ronald Weidner ("Weidner") of Galleon Technology and Development Corp ("Galleon") who claimed to have a technology to extract precious metals – including platinum – from AGRA's Sheep Hill cinders.
7. Sometime in 2002 in reliance on the efficiency of the Galleon Process, AGRA began selling investment units to the public. The Company Investment Profile makes the following representation:

> The Company has studied several processes purported to be capable of recovering the precious metals identified in its resources, but only in the past year has the process developed with Galleon Technology and



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Development Corp proven to be both economically feasible and agriculturally compatible.

8. Upon information and belief, the Galleon Process uses hydrochloric acid in its extraction process, and is ineffective to recover platinum from volcanic cinders.

9. In July of 2003, Plaintiff acquired shares of AGRA stock ("AGRA Securities") in exchange for the agreed upon value of $8,179,000; one half of the value of the stock, or $4,089,500, was allocated to the value of the Plaintiff shares.

10. Campbell was elected a director of ATI on July 23, 2003.

11. On 04-21-06, at a meeting with Pierson and certain assayers Bob Waisilew and Bob Gunnison, Campbell discovered that the use of HCl in the Galleon Process may be ineffective to recover PGM's.

12. In the event that the Galleon Process were ineffective to process precious metals ores, the statement in the Company Investment Profile that "the process developed with Galleon Technology and Development Corp proven to be both economically feasible and agriculturally compatible" would be inaccurate.

13. On June 5, 2006, Campbell issued a letter to the Board of Directors of ATI requesting that the Board commission an independent study regarding the Galleon Technology and to advise all investors of this action. (Exhibit "A")

14. On June 7, 2006, counsel for ATI responded, seeking to obtain more information (Exhibit "B")

15. On June 13, 2006, counsel for ATI received the additional information needed. (Exhibit "C")



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16. On June 15, 2006, counsel for ATI issued a fax indicating that he still needed additional information. (Exhibit "D")

17. The correspondence from ATI made it clear that ATI had no interest in conducting an independent investigation into the truthfulness of its Company Investment Profile, and that it intended to continue selling precious metals interests and shares of ATI stock based on the potentially false statement.

18. On June 15, 2006, Campbell resigned as an officer and director of ATI. (Exhibit "E")

19. On June 22, 2006, Campbell demanded that ATI pay him the outstanding wages. (Exhibit "F")

20. The wages outstanding as of the date of this filing are:

| | | |
|---|---|---|
| **Wages and Vacation Pay** | | |
| | Past Due Wages | 45,000.00 |
| | 5 Weeks Unused Vacation | 18,750.00 |
| **Advances** | | |
| | Advance Against Expenses | -5,000.00 |
| **Expenses** | | |
| | 03-01-06 to 03-31-06 | 1,181.28 |
| | 04-01-06 to 04-30-06 | 2,036.16 |
| | 05-01-06 to 05-31-06 | 1,624.71 |
| | 06-01-06 to 06-15-06 | 1,166.82 |
| | **TOTAL** | **64,758.97** |

21. The demand for wages was made pursuant to the January 3, 2005, Employment Agreement between Campbell and ATI, a copy of which is attached to Exhibit "F".

22. ATI refused to pay Campbell the wages due.

23. On June 22, 2006, Campbell forwarded to Alpine Investments, a funding group for ATI, the Notice of Events at AGRA Technologies. (Exhibit "G")



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24. During his association with ATI, Campbell made the following loans to ATI ("Campbell Loans"):

| | | |
|---|---|---|
| 7/29/2005 | Loan | 40,000 |
| 10/25/2005 | Loan | 5000 |
| 11/4/2005 | Loan | 50,000 |
| 4/12/2006 | Loan | 15,000 |
| 4/26/2006 | Loan | 25,000 |
| | **TOTAL** | **135,000** |

25. Campbell Loans remain unpaid.

26. ATI has refused to make payments to Campbell, upon information and belief, because Campbell's demand that a disclosure of potentially misleading information would have the effect of foreclosing ATI from any further sales of securities and funding endeavors, and potentially exposing the remaining directors to serious criminal and civil liabilities.

27. ATI's refusal to pay wages to Campbell is a direct result of ATI's desire and intent to harm Campbell in retribution for Campbell's suggestion that the potential misstatements in the raising of funds be disclosed to purchasers of AGRA securities.

28. Plaintiff is entitled to an award of punitive damages under the rationale expressed by the Arizona Appellate Bench, that is, AGRA's wrongful conduct was guided by evil motives or willful or wanton disregard of the interests of the Plaintiff. Punitive damages should be assessed in this case to punish AGRA and to deter others from engaging in similar conduct.

29. AGRA's net worth is stated to be $11,366,514. Exhibit "H". Therefore, in light of the egregious conduct by AGRA and the intentional withholding of wages as a retaliatory action for disclosure of potentially fraudulent precious metals recovery process, the



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appropriate amount of punitive damages should approximate 25% of AGRA's net worth, or no less than $2,800,000.00.

**COUNT ONE**
(Wages)

30. Plaintiff realleges all allegations heretofore set forth.

31. The term "wages" as used herein has the same meaning as the term "wages" defined in ARS §23-350(5) "Wages" means nondiscretionary compensation due an employee in return for labor or services rendered by an employee for which the employee has a reasonable expectation to be paid whether determined by a time, task, piece, commission or other method of calculation. Wages include sick pay, vacation pay, severance pay, commissions, bonuses and other amounts promised when the employer has a policy or a practice of making such payments.)

32. Pursuant to ARS §23-355, Campbell is entitled to treble the amount of wages due.

33. Defendant acted with malice and the intent to harm Plaintiff. Therefore, Plaintiff is entitled to punitive damages in an amount no less than $2,800,000.00.

34. This matter arises out of contract, entitling Plaintiff to costs and attorney's fees pursuant to A.R.S. § 12-341.01 which attorneys fees shall be no less than $109,759.00 in the event of a default or otherwise.

WHEREFORE, Plaintiff prays for judgment as follows:

A. For judgment for treble the amount of wages due in the amount of $194,276.91; and

B. For costs and attorney's fees pursuant to ARS § 12-341.01; and



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C. For pre-and post judgment interest at the highest legal rate; and

D. For such other relief as the Court may deem just and proper.

**COUNT TWO**
(Breach of Employment Contract)

35. Plaintiff realleges all allegations heretofore set forth.

36. Defendant breached the employment contract with Plaintiff, entitling Plaintiff to damages.

37. Defendant breached the express terms of the employment contract, and the implied covenant of good faith and fair dealing.

38. Plaintiff has been damages in the amount of $64,758.97 by the Defendant's breach.

39. Defendant acted with malice and the intent to harm Plaintiff. Therefore, Plaintiff is entitled to punitive damages in an amount no less than $2,841,628.50.

40. This matter arises out of contract, entitling Plaintiff to costs and attorney's fees pursuant to A.R.S. § 12-341.01 which attorneys fees shall be no less than $109,759.00 in the event of a default or otherwise.

WHEREFORE, Plaintiff prays for judgment as follows:

A. For damages in the amount of amount of $64,758.97; and

B. For costs and attorney's fees pursuant to ARS § 12-341.01; and

C. For pre-and post judgment interest at the highest legal rate; and

D. For such other relief as the Court may deem just and proper.

**COUNT THREE**
(Action for Money Due On Loans)

41. Plaintiff realleges all allegations heretofore set forth.

42. Defendant owes Plaintiff $135,000.00 for loans made.



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43. Plaintiff has been damages in the amount of $135,000.00 by the Defendant's failure to pay.

44. Defendant acted with malice and the intent to harm Plaintiff. Therefore, Plaintiff is entitled to punitive damages in an amount no less than $2,800,000.00.

45. This matter arises out of contract, entitling Plaintiff to costs and attorney's fees pursuant to A.R.S. § 12-341.01 which attorneys fees shall be no less than $109,759.00 in the event of a default or otherwise.

WHEREFORE, Plaintiff prays for judgment as follows:

A. For damages in the amount of amount of $135,000.00; and

B. For costs and attorney's fees pursuant to ARS § 12-341.01; and

C. For pre-and post judgment interest at the highest legal rate; and

D. For such other relief as the Court may deem just and proper.

**COUNT FOUR**

Pattern of Unlawful Activity in Violation of State Statute
A.R.S. 13-2314.04

46. Plaintiff realleges all allegations heretofore set forth.

47. Plaintiff was a purchaser of AGRA Securities for the amount of $4,089,500.

48. The sales of AGRA securities were conducted by Defendant and its agents through the use of misstatements regarding the process for recovery of platinum from volcanic cinders.

49. In making the sale of AGRA Securities, Defendant, through its agents and employees, made untrue statement of material fact and/or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, including the making of the statement in the 2002 Company Investment Profile.



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50. Defendant made untrue statements of material fact and/or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, including the making of the statement in the 2002 Company Investment Profile, to other investors and purchasers of AGRA Securities, including some of the investors whose names appear in the attached Exhibit "T" which is by this reference incorporated herein.

51. AGRA's *modus operandi* in the sale of AGRA Securities as set forth above discloses a course of illegal conduct with common external organizing principle including the sales of AGRA Securities to Plaintiff and others similarly situated.

52. The illegal acts committed by Defendant with respect to Plaintiff and others similarly situated are related in that they have the same or similar purposes, results, participants, victims or methods of commission and are otherwise interrelated by distinguishing characteristics, to wit:

A. Defendants committed fraud in the sales of AGRA Securities to Plaintiff and others similarly situated; and

B. Defendant used *inter alia*, the 2002 Investment Profile in the fraudulent sales of AGRA Securities; and

C. Defendant used the same or similar misleading statements in the sales of the AGRA Securities, to wit, the 2002 Investment Profile; and

D. In selling the AGRA Securities to the public, Defendant committed the same underlying chargeable or indictable offenses:



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i. Intentional or reckless fraud in the sale of securities, *see* A.R.S. § 13-2301(D)(4)(xviii);

ii. Scheme and artifice to defraud, *see* A.R.S. § 13-2301(D)(4)(xx); and

E. Defendant caused Plaintiff and innocent third party investors the same type of damage, to with, the loss or impairment of the investment; and

F. Defendant's intent in the sales of AGRA Securities was for Plaintiff and others similarly situated to take action based on a false premise, to wit, the efficacy of the Galleon Process; and

G. The result of Defendant's scam was to obtain money and/or services by false pretenses; and

H. The participant in the frauds described above were always Defendant and its agents and employees; and

I. The method of commission of the illegal acts involved the same act of misleading the parties relative to the existence of a workable platinum extraction process;

J. The proceeds of the frauds described above were used for the benefit of Defendant and its present officers, directors and employees.

53. The misconduct committed by Defendant demonstrates a series of related predicates involving the Plaintiffs and others similarly situated extending over a substantial period of time.

54. By its very nature, Defendant's misconduct projects into the future with a threat of repetition.



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55. Defendant's *modus operandi* discloses a course of illegal conduct with common external organizing principle including the affairs of the entire AGRA Technologies, Inc. ore processing enterprise.

56. Defendant committed a scheme and artifice to defraud Plaintiff and those similarly situated through the commission of frauds, misrepresentations, omissions, and concealments hereinabove set forth.

57. Plaintiff has been damages to their property as a direct and consequential result of Defendant's commission of the schemes and artifices alleged above.

58. Defendant's illegal, unlawful and fraudulent conduct is indictable under the provisions of Title 13 of the Arizona Criminal Code as follows:

A. Intentional or reckless fraud in the sales of securities; and

B. Scheme and artifice to defraud; and

C. Illegal control of an enterprise; illegally conducting an enterprise.

59. Plaintiff has been damaged by Defendant's Pattern of Unlawful Activities in violation of State Statute.

60. Plaintiff is entitled to an imposition of an Involuntary Trusteeship as defined in A.R.S. § 13-2314.04 (D)(6).

61. Plaintiff is entitled to treble damages pursuant to A.R.S. § 13-2314.04.

WHEREFORE, Plaintiff prays for judgment as follows:

A. For damages in the amount of $4,089,500, trebled to $12,268,500.00; and

B. For the imposition of the involuntary trusteeship pursuant to A.R.S. § 13-2314.04 (D)(6); and



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C. For costs and attorney's fees; and

D. For such other and further relief as the Court may deem just and proper.

**COUNT FIVE**
Fraud In The Sale Of Securities
ARS §44-1991

62. Plaintiff realleges all allegations heretofore set forth.

63. In making the sale of AGRA Securities, Defendant, through its agents and employees, made untrue statement of material fact and/or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, including the making of the statement in the 2002 Company Investment Profile, in violation of A.R.S. §44-1991.

64. Plaintiff has been damaged by Defendant's fraud in the sale of AGRA securities in an amount no less than $4,089,500.

65. The sales of AGRA Securities were intentional violation of the law by Defendant and its officers, directors, employees and agents, designed with evil intent and reckless disregard for the rights of purchasers, including the Plaintiff herein.

66. Plaintiff is entitled to an award of punitive damages.

WHEREFORE, Plaintiff prays for judgment as follows:

A. For damages in the amount of $4,089,500; and

B. For punitive damages in an amount to be determined by the Court, but in no event less than $2,800,000.00; and

C. For costs and attorney's fees; and

D. For such other and further relief as the Court may deem just and proper.



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RESPSCTFULLY SUBMITTED this 10th day of August, 2006.

PETER STROJNIK, P.C.

Peter Strojnik
Attorneys for the Plaintiffs

## VERIFICATION

The undersigned Richard Campbell, plaintiff in the above cause, does hereby make this unsworn declaration under the penalty of perjury, and does hereby state that he has read the allegations in the above Verified Complaint, and that the allegations stated therein are true and correct to the best of his knowledge, memory and belief.

DATE:_____

Richard Campbell



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66. Plaintiff is entitled to an award of punitive damages.

WHEREFORE, Plaintiff prays for judgment as follows:

A. For damages in the amount of $8,179,000; and

B. For punitive damages in an amount to be determined by the Court, but in no event less than $2,800,000.00; and

C. For costs and attorney's fees; and

D. For such other and further relief as the Court may deem just and proper.

RESPSCTFULLY SUBMITTED this 9th day of August, 2006.

PETER STROJNIK, P.C.

Peter Strojnik
Attorneys for the Plaintiffs

## VERIFICATION

The undersigned Richard Campbell, plaintiff in the above cause, does hereby make this unsworn declaration under the penalty of perjury, and does hereby state that he has read the allegations in the above Verified Complaint, and that the allegations stated therein are true and correct to the best of his knowledge, memory and belief.

DATE: 08-09-06

Richard Campbell



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The original of the foregoing filed
With the Clerk of the Court
This 10th day of August, 2006

With a copy mailed to:

Lonnie J. Williams, Jr., Esq.
Carrie M. Francis, Esq.
Quarles & Brady Streich Lang LLP
Two North Central Avenue
Phoenix, Arizona 85004-2391
*And by e-mail L. Williams@quarles.com; CFrancis@quarles.com*

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COPY

SEP - 5 2006

MICHAEL K. JEANES, CLERK
O. CARDENAS
DEPUTY CLERK

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Phoenix, AZ 85004-2391
TELEPHONE 602.229.5200

Attorneys for AGRA-Technologies, Inc.

Lonnie J. Williams, Jr. (#005966)
Carrie M. Francis (#020453)

**IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**

**IN AND FOR THE COUNTY OF MARICOPA**

| | |
|---|---|
| Richard Campbell and Sondra Campbell, husband and wife,<br>Plaintiffs,<br>vs.<br>AGRA-Technologies, Inc.,<br>Defendant. | No. CV 2006-009755<br><br>**DEFENDANT'S ANSWER TO PLAINTIFFS' FIRST AMENDED VERIFIED COMPLAINT**<br><br>**AND** |
| AGRA-Technologies, Inc.,<br>Counterclaimant,<br>vs.<br>Richard A. Campbell and Sondra Campbell, husband and wife,<br>Counter Defendants. | **AGRA-TECHNOLOGIES, INC.'S COUNTERCLAIMS**<br><br>Assigned to the Honorable Judge Colin F. Campbell |

AGRA Technologies, Inc. ("AGRA"), for its Answer to Plaintiffs' First Amended Verified Complaint, hereby admits, denies, and alleges as follows:

**JURISDICTIONAL ALLEGATIONS AND VENUE**

1. Upon information and belief, AGRA admits the allegations in Paragraph 1 of Plaintiffs' First Amended Verified Complaint.

2. AGRA admits the allegations in Paragraph 2 of Plaintiffs' First Amended Verified Complaint.

## GENERAL ALLEGATIONS

3. AGRA denies the allegations in Paragraph 3 of Plaintiffs' First Amended Verified Complaint.

4. AGRA denies the allegations in Paragraph 4 of Plaintiffs' First Amended Verified Complaint.

5. AGRA denies the allegations in Paragraph 5 of Plaintiffs' First Amended Verified Complaint.

6. AGRA denies the allegations in Paragraph 6 of Plaintiffs' First Amended Verified Complaint.

7. AGRA denies the allegations in Paragraph 7 of Plaintiffs' First Amended Verified Complaint.

8. AGRA denies the allegations in Paragraph 8 of Plaintiffs' First Amended Verified Complaint.

9. AGRA denies the allegations in Paragraph 9 of Plaintiffs' First Amended Verified Complaint.

10. AGRA admits the allegations in Paragraph 10 of Plaintiffs' First Amended Verified Complaint.

11. AGRA denies the allegations in Paragraph 11 of Plaintiffs' First Amended Verified Complaint.

12. AGRA denies the allegations in Paragraph 12 of Plaintiffs' First Amended Verified Complaint.

13. AGRA denies the allegations in Paragraph 13 of Plaintiffs' First Amended Verified Complaint. The detailed Exhibit A speaks for itself.

14. AGRA denies the allegations in Paragraph 14 of Plaintiffs' First Amended Verified Complaint. The detailed Exhibit B speaks for itself.

15. AGRA denies the allegations in Paragraph 15 of Plaintiffs' First Amended Verified Complaint. The detailed Exhibit C speaks for itself.

. . .



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16. AGRA denies the allegations in Paragraph 16 of Plaintiffs' First Amended Verified Complaint. The detailed Exhibit D speaks for itself.

17. AGRA denies the allegations in Paragraph 17 of Plaintiffs' First Amended Verified Complaint.

18. AGRA denies the allegations in Paragraph 18 of Plaintiffs' First Amended Verified Complaint.

19. AGRA denies the allegations in Paragraph 19 of Plaintiffs' First Amended Verified Complaint. The detailed Exhibit F speaks for itself.

20. AGRA denies the allegations in Paragraph 20 of Plaintiffs' First Amended Verified Complaint.

21. AGRA denies the allegations in Paragraph 21 of Plaintiffs' First Amended Verified Complaint.

22. AGRA denies the allegations in Paragraph 22 of Plaintiffs' First Amended Verified Complaint.

23. AGRA denies the allegations in Paragraph 23 of Plaintiffs' First Amended Verified Complaint. The detailed Exhibit G speaks for itself.

24. AGRA denies the allegations in Paragraph 24 of Plaintiffs' First Amended Verified Complaint.

25. AGRA denies the allegations in Paragraph 25 of Plaintiffs' First Amended Verified Complaint.

26. AGRA denies the allegations in Paragraph 26 of Plaintiffs' First Amended Verified Complaint.

27. AGRA denies the allegations in Paragraph 27 of Plaintiffs' First Amended Verified Complaint.

28. AGRA denies the allegations in Paragraph 28 of Plaintiffs' First Amended Verified Complaint.

29. AGRA denies the allegations in Paragraph 29 of Plaintiffs' First Amended Verified Complaint.

**COUNT ONE**

(Wages)

30. AGRA incorporates by reference all other paragraphs of its Answer.

31. Paragraph 31 of Plaintiffs' First Amended Verified Complaint is a legal conclusion and requires no response.

32. AGRA denies the allegations in Paragraph 32 of Plaintiffs' First Amended Verified Complaint.

33. AGRA denies the allegations in Paragraph 33 of Plaintiffs' First Amended Verified Complaint.

34. AGRA denies the allegations in Paragraph 34 of Plaintiffs' First Amended Verified Complaint.

**COUNT TWO**

(Breach of Employment Contract)

35. AGRA incorporates by reference all other paragraphs of its Answer.

36. AGRA denies the allegations in Paragraph 36 of Plaintiffs' First Amended Verified Complaint.

37. AGRA denies the allegations in Paragraph 36 of Plaintiffs' First Amended Verified Complaint.

38. AGRA denies the allegations in Paragraph 37 of Plaintiffs' First Amended Verified Complaint.

39. AGRA denies the allegations in Paragraph 38 of Plaintiffs' First Amended Verified Complaint.

40. AGRA denies the allegations in Paragraph 39 of Plaintiffs' First Amended Verified Complaint and, therefore, denies the same.

**COUNT THREE**

(Action for Money Due on Loans)

41. AGRA incorporates by reference all other paragraphs of its Answer.

. . .

42. AGRA denies the allegations in Paragraph 42 of Plaintiffs' First Amended Verified Complaint.

43. AGRA denies the allegations in Paragraph 43 of Plaintiffs' First Amended Verified Complaint.

44. AGRA denies the allegations in Paragraph 44 of Plaintiffs' First Amended Verified Complaint.

45. AGRA denies the allegations in Paragraph 45 of Plaintiffs' First Amended Verified Complaint.

**COUNT FOUR**

(Pattern of Unlawful Activity in Violation of State Statute, A.R.S. § 13-2314.04)

46. AGRA incorporates by reference all other paragraphs of its Answer.

47. AGRA denies the allegations in Paragraph 47 of Plaintiffs' First Amended Verified Complaint.

48. AGRA denies the allegations in Paragraph 48 of Plaintiffs' First Amended Verified Complaint.

49. AGRA denies the allegations in Paragraph 49 of Plaintiffs' First Amended Verified Complaint.

50. AGRA denies the allegations in Paragraph 50 of Plaintiffs' First Amended Verified Complaint.

51. AGRA denies the allegations in Paragraph 51 of Plaintiffs' First Amended Verified Complaint.

52. AGRA denies the allegations in Paragraph 52 of Plaintiffs' First Amended Verified Complaint.

53. AGRA denies the allegations in Paragraph 53 of Plaintiffs' First Amended Verified Complaint.

54. AGRA denies the allegations in Paragraph 54 of Plaintiffs' First Amended Verified Complaint.

. . .



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55. AGRA denies the allegations in Paragraph 55 of Plaintiffs' First Amended Verified Complaint.

56. AGRA denies the allegations in Paragraph 56 of Plaintiffs' First Amended Verified Complaint.

57. AGRA denies the allegations in Paragraph 57 of Plaintiffs' First Amended Verified Complaint.

58. AGRA denies the allegations in Paragraph 58 of Plaintiffs' First Amended Verified Complaint.

59. AGRA denies the allegations in Paragraph 59 of Plaintiffs' First Amended Verified Complaint.

60. AGRA denies the allegations in Paragraph 60 of Plaintiffs' First Amended Verified Complaint.

61. AGRA denies the allegations in Paragraph 61 of Plaintiffs' First Amended Verified Complaint.

**COUNT FIVE**

(Fraud in the Sale of Securities, A.R.S. § 44-1991)

62. AGRA incorporates by reference all other paragraphs of its Answer.

63. AGRA denies the allegations in Paragraph 63 of Plaintiffs' First Amended Verified Complaint.

64. AGRA denies the allegations in Paragraph 64 of Plaintiffs' First Amended Verified Complaint.

65. AGRA denies the allegations in Paragraph 65 of Plaintiffs' First Amended Verified Complaint.

66. AGRA denies the allegations in Paragraph 66 of Plaintiffs' First Amended Verified Complaint.

**AFFIRMATIVE DEFENSES**

1. By alleging the matters set forth below under the heading "Affirmative Defenses," AGRA does not thereby allege or admit that AGRA has the burden of proof



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and/or the burden of persuasion with respect to any of those matters.

2. Plaintiffs' First Amended Verified Complaint fails to state a claim upon which relief can be granted against AGRA.

3. Plaintiffs' claims are barred by the doctrines of waiver, estoppel, unclean hands, fraud, and/or laches.

4. Plaintiffs' claims are barred, and the amount of recoverable damages is reduced by, the doctrines of assumption of risk and comparative fault.

5. AGRA alleges the applicable statutes or other periods of limitations may bar Plaintiffs' claims.

6. AGRA alleges Plaintiffs failed to mitigate or offset their damages, if any.

7. AGRA's actions were taken in good faith and for just cause and at no time did they act wrongfully or with malice or reckless indifference towards Plaintiffs.

8. If Plaintiffs suffered any injury as the result of AGRA's conduct, then their own unreasonable conduct was a contributing and proximate cause of their claimed injury, such that any recovery, if any, must be reduced in proportion to the relative degree of fault that they contributed to their injury pursuant to A.R.S. § 12-2506(C).

9. Plaintiffs bring this action against AGRA without substantial justification and, therefore, AGRA is entitled to an award of its attorneys' fees and costs pursuant to A.R.S. § 12-349, § 12-341.01(C), Ariz. R. Civ. P. 11 and/or other statutes and rules if the Court finds that this matter was brought in bad faith.

10. AGRA reserves the right to supplement or amend any part of its Answer, including its affirmative and additional defenses, based on completion of discovery in this lawsuit.

11. As and for other affirmative defenses, AGRA incorporates herein by reference those affirmative defenses required to be set forth by Rule 8(c), Arizona Rules of Civil Procedure.

**WHEREFORE**, having fully answered Plaintiffs' First Amended Verified Complaint, AGRA prays for judgment as follows:



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A. That Plaintiffs' First Amended Verified Complaint is dismissed with prejudice and that Plaintiffs take nothing thereby.

B. An award of its costs and attorneys' fees pursuant to A.R.S. §§ 12-341, 12-341.01 and 12-349(A), together with interest thereon at the highest rate provided by law from the date of entry of judgment until paid; and

C. For such further relief that the Court deems just and proper.

## COUNTERCLAIMS

AGRA for its counterclaims against Richard Campbell and Sondra Campbell alleges as follows:

## PARTIES, JURISDICTION, AND VENUE

1. Counterclaimant, AGRA is an Nevada corporation, authorized to and doing business in the State of Arizona.

2. Counter Defendants Richard and Sondra Campbell are, and were at all material times, a married couple residing in Maricopa County, Arizona.

3. All acts alleged to have been committed by Counter Defendant Richard A. Campbell ("Campbell") were committed on behalf of, and for the benefit of, the marital community.

4. The events set forth herein occurred in the State of Arizona.

5. This Court has jurisdiction of this matter under A.R.S. § 12-123; venue properly lies in this Court under A.R.S. § 12-401.

## GENERAL ALLEGATIONS

6. AGRA is an agricultural business that conducts mineral recovery.

7. Since the inception of its business, AGRA has developed and maintained confidential and trade secret information including, but not limited to, business plans, financial statements and projections, applications for capital or other financing, operating forms (including contracts) and procedures, payroll and personnel records, marketing materials and plans, proposals, software codes and computer programs, project lists, project files, price information, cost information, information relating to its formulae,



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processes, methods of manufacture, machines, compositions, customer lists, sales or marketing manuals, methods of providing services, special price tables or schedules, and inventions of AGRA or any of AGRA's affiliates (the "Confidential Information").

8. Like any service-oriented business, AGRA's customer relations and hard-won goodwill is all important.

9. Exposure of AGRA's Confidential Information and trade secrets or interference with its affiliates, customers or employees will cause injury and loss.

**COUNTER DEFENDANT RICHARD A. CAMPBELL**

10. On July 23, 2003 Campbell entered into a five year agreement not to compete with D&B Enterprises International (hereinafter the "Non-Compete Agreement").

11. On this same date, July 23, 2003, AGRA purchased the assets of D&B Enterprises International ("D&B").

12. As a result of this purchase, AGRA assumed all rights and benefits D&B possessed under the Non-Compete Agreement.

13. In the Non-Compete Agreement, Campbell specifically agreed that he would not, directly or indirectly, solicit the business of any customer of AGRA [D&B] of whom he had knowledge, contact with, or access to information regarding, for a period of five (5) years.

14. On this same date, July 23, 2003, Campbell was elected a board member of AGRA.

15. On January 3, 2005, Plaintiff Richard Campbell signed an Employment Agreement with AGRA (hereinafter the "Employment Agreement") and became AGRA's Executive Vice President.

16. In the Employment Agreement, Campbell agreed (1) to devote his full business efforts and time to AGRA and that all of the benefits and profits arising from or incidental to all such work services belonged to AGRA, (2) not to render commercial or professional services of any nature unless he has obtained written approval from the



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AGRA board, (3) not to directly or indirectly engage or participate in any business that is competitive in any manner with AGRA's business during his employment or for a period of one year after his termination, (4) not to have obligations conflicting with AGRA's business operations or interests during his employment, and (5) not to disclose any Confidential Information, trade secrets or other proprietary information of AGRA.

17. Throughout his employment with AGRA, Campbell's primary responsibilities included the solicitation of AGRA's business, key alliances, capital funding, key personnel and the development and maintenance of AGRA's customer relationships and goodwill.

18. Campbell has had significant contact with a significant portion of AGRA's project contacts, alliance members, investors, financing leads, and customers.

19. During his employment, Campbell also had access to, and created, Confidential Information, and proprietary and trade secret information, about every aspect of AGRA's business, which is the property of AGRA.

20. During his employment, Campbell participated in the negotiation and performance of the terms and conditions of the contracts by and between AGRA and its clients/alliances.

21. During his employment, specifically, Campbell participated, had access to and was provided a copy of AGRA's business plan and project negotiations including, but not limited to project proposals with The Silver King Mining Company, American Guinea Mining Corporation, New Verde River Mining Company, Golden Anvil, Colomo Mine, the Black Sands Africa projects, Jim Trowe, Bob Gunnison and Gary Dolbow.

22. On September 1, 2005, AGRA directors met with Capital Corporation ("Capital") in Orlando, Florida.

23. On September 28, 2005, Capital sent an Investment Proposal to AGRA. Campbell reviewed or received a copy of this same correspondence.

24. On October 25, 2005, AGRA accepted Capital's Investment Proposal. Campbell participated in this acceptance on behalf of AGRA.



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25. On November 23, 2005, Campbell, and others, caused Arizona Precious Metals L.L.C. ("APM") to be incorporated in Nevada.

26. APM is a direct competitor of AGRA.

27. On November 28, 2005, Campbell, and others, caused Southwest Metals L.L.C. ("Southwest") to be incorporated in Nevada.

28. Campbell is identified as a Managing Member of Southwest with the Nevada Secretary of State.

29. Southwest is a direct competitor of AGRA.

30. As an agent of APM and Southwest, Campbell has, directly and indirectly, solicited business from customers and affiliates of AGRA.

31. As an agent of APM and Southwest, Campbell has, directly and indirectly, solicited financing from lending institutions affiliated with AGRA.

32. On April 7, 2006, Campbell on behalf of APM contracted with New Verde River Mining Company for the purchase of a laboratory facility and consulting services.

33. On or before April 8, 2006, AGRA informed Campbell of its prior communications with Captial.

34. On May 8, 2006, members of AGRA, including Campbell, met with Capital Merchant Banking President, Gilles A. Herard Jr.

35. At this same meeting, Capital requested a revised business plan from AGRA.

36. On May 15, 2006, Campbell met with other board members of AGRA to revise AGRA's business plan per Capital's request.

37. On May 24, 2006, Campbell authored and sent correspondence on behalf of APM to Capital, requesting a meeting to discuss APM obtaining capital or other project financing.

38. Campbell's correspondence sets forth in that that APM is working on business opportunities with (1) The Silver King Mining Company of Arizona, (2) American Guinea Mining Corporation, and (3) New Verde River Mining Company.



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39. On May 30, 2006, William H. Baker, CFO of AGRA, and Douglas Gettler, AGRA board member, author letters to William Pierson, President and CEO of AGRA and AGRA's board of directors outlining Campbell's infractions.

40. On or about May 31, 2006, Campbell acting as an agent of APM enters into a contract with The Silver King Mining Company.

41. During this same time frame, upon information and belief, Campbell, was negotiating on behalf of APM with American Guinea Mining Corporation and Golden Anvil.

42. On June 15, 2006, Campbell resigns his board member status and employment with AGRA.

43. The above-referenced actions taken by Campbell were taken during the course of his employment with AGRA, and for the benefit of, APM or Southwest.

44. Campbell took all of the actions described herein intentionally, maliciously, and for the purpose of causing substantial harm to AGRA and to put AGRA at a great competitive disadvantage.

**COUNTERCLAIM ONE**

**(Breach of Contract — Non Compete Agreement)**

45. AGRA realleges and incorporates the paragraphs set forth above.

46. In taking the actions described above, Campbell has breach his Non-Compete Agreement.

47. As a result of Campbell's breach of his Non-Compete Agreement, AGRA sustained and will continue to sustain damages to be proven at trial.

**COUNTERCLAIM TWO**

**(Breach of Contract — Employment Agreement)**

48. AGRA realleges and incorporates the paragraphs set forth above.

49. In taking the actions described above, Campbell has breach his Employment Agreement.

. . .

50. As a result of Campbell's breach of his Employment Agreement, AGRA sustained and will continue to sustain damages to be proven at trial.

**COUNTERCLAIM THREE**

**(Misappropriation of Trade Secrets — Arizona Trade Secrets Act)**

51. AGRA realleges and incorporates by reference the paragraphs set forth above.

52. AGRA's Confidential Information, including, but not limited to, business plans, financial statements and projections, applications for capital or other financing, operating forms (including contracts) and procedures, payroll and personnel records, marketing materials and plans, proposals, software codes and computer programs, project lists, project files, price information, cost information, information relating to its formulae, processes, methods of manufacture, machines, compositions, customer lists, sales or marketing manuals, methods of providing services, special price tables or schedules, and inventions of AGRA or any of AGRA's affiliates, as well as other confidential information compiled and maintained by AGRA, constitute trade secrets within the meaning of A.R.S. § 44-404(4). These items have independent economic value because they are not generally known to, and not readily ascertainable by proper means, by other persons who can obtain economic value from their use. AGRA has made and continues to make reasonable efforts to maintain the secrecy of these items.

53. Campbell has misappropriated AGRA's trade secrets by acquiring the trade secrets by improper means.

54. Campbell has misappropriated AGRA's trade secrets by disclosing or using AGRA's trade secrets which he acquired by improper means, without AGRA's consent.

55. Campbell has misappropriated AGRA's trade secrets by disclosing or using AGRA's trade secrets without AGRA's consent, when he knew or had reason to know that the trade secrets were acquired through improper means, and were acquired under circumstances giving rise to a duty to maintain their secrecy or limit their use.

56. Campbell has acted willfully and maliciously in misappropriating AGRA's trade secrets, to the damage of AGRA.

57. As result of Campbell's misappropriation of AGRA's trade secrets, AGRA has sustained and will continue to sustain damages to be proven at trial.

**COUNTERCLAIM FOUR**

**(Intentional Interference with Business Expectancies)**

58. AGRA realleges and incorporates by reference the paragraphs set forth above.

59. At all times mentioned herein, Campbell was aware that AGRA had contractual relationships with various clients/affiliates.

60. Despite Campbell's awareness of the various contracts alleged herein, Campbell intentionally sought to cause the termination and/or interference with those contractual relationships.

61. As a result of Campbell's intentional acts, AGRA has sustained and will continue to sustain damages to be proven at trial.

**COUNTERCLAIM FIVE**

**(Unfair Competition)**

62. AGRA realleges and incorporates by reference the paragraphs set forth above.

63. Campbell has misappropriated AGRA's trade secrets and/or used AGRA's customer information for his personal benefit and to the detriment of AGRA.

64. Campbell's misappropriations and/or use of AGRA's customer information has provided him, APM and Southwest with an unfair competitive advantage over AGRA.

65. As a proximate result of Campbell's unfair competition, AGRA has sustained and will continue to sustain damages to be proven at trial.

. . .

. . .

. . .

## COUNTERCLAIM SIX

**(Breach of Implied Covenant of Good Faith and Fair Dealing )**

66. AGRA realleges and incorporates by reference the paragraphs set forth above.

67. The agreements between AGRA and Campbell contained implied covenants of good faith and fair dealing which imposed upon Campbell a duty to act in good faith and to deal fairly with AGRA at all times, and to refrain from undertaking actions designed to deprive AGRA of the benefits of its respective bargains with Campbell.

68. Campbell has engaged in the conduct described above in bad faith. The conduct of Campbell constitutes a breach of the implied covenant of good faith and fair dealing.

69. As a result of this breach, AGRA has sustained and will continue to sustain damages to be proven at trial.

## COUNTERCLAIM SEVEN

**(Conversion)**

70. AGRA realleges and incorporates by reference the paragraphs set forth above.

71. AGRA's Confidential Information, and other proprietary and trade secret information constitutes a valuable asset of AGRA. Campbell's conduct, as hereinbefore described, constitutes an unlawful exercise of domain and control over AGRA's property right to that asset, and conversion of that asset.

72. As a result of these improper acts by Campbell, AGRA has sustained and will continue to sustain damages to be proven at trial.

73. The acts by Defendants as described above were willful, malicious, and done with an evil intent to undermine AGRA's business. As such, AGRA is entitled to an award of exemplary and punitive damages against Campbell to punish Campbell and to deter similar conduct by others.

. . .

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## COUNTERCLAIM EIGHT

**(Breach of Fiduciary Duty)**

74. AGRA realleges and incorporates by reference the paragraphs set forth above.

75. Campbell as an agent of AGRA owed the company a fiduciary duty of good faith, loyalty and fair dealing.

76. Included within Campbell's fiduciary duty to AGRA, was a duty to disclose information that was relevant to the affairs of AGRA.

77. Included within Campbell's fiduciary duty to AGRA, was a duty to act solely for the benefit of AGRA in all matters.

78. In taking the actions described above, Campbell has breach his fiduciary duties to AGRA.

79. As a result of Campbell's breach of his fiduciary duties, AGRA sustained and will continue to sustain damages to be proven at trial.

## COUNTERCLAIM NINE

**(Usurption of Corporate Opportunities)**

80. AGRA realleges and incorporates by reference the paragraphs set forth above.

81. Campbell, as a senior executive of AGRA, was obligated to offer all corporate opportunities to AGRA first, if he wished to pursue such opportunities for his personal benefit.

82. In taking the actions described above, Campbell usurped AGRA's business opportunities for his own personal gain, without first bringing these opportunities to AGRA.

83. As a result, AGRA sustained and will continue to sustain damages to be proven at trial.

## JURY TRIAL DEMAND

84. AGRA hereby requests a trial by jury on all of its legal claims.



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AGRA TECH.

**WHEREFORE**, AGRA prays for judgment against Counter Defendants as follows:

A. An Order permanently enjoining and restraining Counter Defendants, their agents, employees, affiliates, and all those acting in concert with them, from:

(1) Disclosing or using any of AGRA's Confidential Information, and other proprietary or trade secret information;

(2) Removing, altering, erasing, deleting, and destroying any documents or records in their possession, custody, or control, which were disclosed to, or created by, Campbell during his employment with AGRA and requiring him to return all such documents or records to AGRA; and

(3) Directly or indirectly, soliciting the business of any customer of AGRA of whom Campbell had knowledge, contact with, or access to information regarding during his employment with AGRA, for a period of five (5) years following the issuance of an order prohibiting the same.

B. For compensatory consequential, and/or restitutionary damages according to proof at trial, including actual loss and the unjust enrichment Counter Defendants gained by the above-described conduct;

C. For punitive damages in an amount sufficient to punish Counter Defendants and to deter Counter Defendants and others from such conduct in the future;

D. For exemplary damages pursuant to A.R.S. § 44-403(B);

E. For attorneys' fees pursuant to the contract(s) between the parties and/or A.R.S. § 44-403(B);

F. For costs and attorneys' fees pursuant to A.R.S. §§ 12-341 and 12-341.01(A);

G. For prejudgment interest, calculated at the maximum rate allowed by law;

H. For interest on the foregoing at the legal rate from the date of judgment until paid in full; and

I. For such other and further relief as the Court may deem just and appropriate.



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AGRA TECH.

DATED this 5th day of September, 2006.

QUARLES & BRADY STREICH LANG LLP
Renaissance One
Two North Central Avenue
Phoenix, AZ 85004-2391

By: _____
Lonnie J. Williams, Jr.
Carrie M. Francis

Attorneys for AGRA-Technologies, Inc.

ORIGINAL filed with the Clerk of the Superior Court on this the 5th day of September, 2006.

COPY of the foregoing mailed this 5th day of September, 2006 to:

Peter Strojnik, Esq.
The Law Firm of Peter Strojnik
3030 N. Central Avenue, Suite 1401
Phoenix, AZ 85012
Attorney for Plaintiffs/Counter Defendants

_____

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AGRA TECH.

Tab “29”

**Gary Clapper**

**From:** Jerry Hodges [jerry@mindbodyhealth.com]
**Sent:** Thursday, October 06, 2005 7:21 PM
**To:** Jerry Hodges
**Subject:** ATI Update
**Attachments:** ATI-Update10-06-2005.doc

Hi,

See attached ATI Update file!!!

Enclosed is the latest update from our visit to Agra-Tech on Friday, September 30, 2005.

This is by far the most exciting update we have had to date. Agra-Tech has the KMH process currently working incredible well in 6 ton batches. The most astonishing part is they are now able to extract more than just Platinum from the ore. How about Gold, Silver and Platinum!!!

The next exciting piece of information that is truly a first; we have preliminary yield numbers and for your convenience we have included an "Estimated Return Table" where you can see what your return per unit will be in US Dollars.

Bottom-line there are some really neat things happening at Agra-Tech...

Take care,
Jerry Hodges & Larry Paille

AGRA-TECH UPDATE, OCTOBER 2, 2005

**Prepared by: Jerry Hodges and Larry Paille**
**Date: 10/02/05**

**Shares versus units:**

There is some confusion among investors regarding shares and units.

**Units** - refer to the mining contracts; one unit is 50 tons of ore and $10,000. When purchasing a unit, an investor does NOT get ownership in the company, but does get a portion of the sales of precious metals extracted from the ore. The formula defining the split between the investor and Agra Technologies is defined in the mining contract.

**Shares** - refer to Agra-Technologies capital stock. When shares are purchased, ownership in the company is purchased. The shares allow the investor to enjoy the capital gains of the stock, and/or the dividends the stock produces. Agra Technologies stock is available only thru the stock offer, and is the result of the previous owner wishing to liquidate his shares of stock.

**Developing the payout process:**

We have gotten our book-keeping / payout system in place. All investors are currently in the new system, and it is ready to start generating checks. Currently check amounts have to be entered manually; we are continuing to work on automating that part of the process.

We will be doing some test runs later in the month to verify the system is fully functional and ready to go. We expect to have the system tested and fully ready to go by the end of October.

It is important that we have your current "payable to" information for the checks and the current address you want the checks / funds sent to. If there is any question in your mind that we don't have your current info, please send it to us immediately.

**Agra-Tech stock offering:**

The stock offer has been extended to all people eligible per the original requirements, and then was extended to any mining contract investor who had expressed interest by placing their name on the "want additional stock" list.

At this point in time, there are more people on the "want to purchase stock with cash" list to consume the remaining stock. No more people will be added to the list and it is unlikely that any additional shares will be available for purchase with a new promissory note signed with Imatire Engineering Services. All investors who signed a promissory note with Tim, then signed a replacement promissory note with Imatire, have had their shares reserved and will get their stock.

Nobody will be allowed to increase quantity of stock to be purchased beyond the quantity currently shown on the list. Stock will be sold on a first-come, first-served basis until all available shares are consumed. As with the first round of purchases, there were people who did not follow through with their intention to purchase, or purchased less than their stated amount. The extent of this phenomenon will determine whether there will be shares left over, or whether the shares will be consumed before we get completely through the "cash purchase" list.

Since stock will be issued on a first-come, first-served basis, the sooner you get your payment in, the better chance you have of getting your stock. We expect all stock to be sold by mid-October.

The first share certificates have been issued by Agra-Tech. Once payments arrive, Agra-Tech is notified of the completed transaction, then the transfer agent is notified and she prepares the new certificates. The certificates are mailed out as soon as they are completed. All share certificates should be issued by the end of the year.

**IRA transfer process update:**

The IRA transfer process with Fiserv is complete and is working! We have now transferred a number of funds and stand ready to perform more transfers as requested. Please let Jerry or Larry know if you are interested in pulling funds from your Fiserv self-directed IRA.

There are other self-directed IRAs available; however, due to the time required to set up the transfer process, we do not have the time at this point, to set up the process with other self-directed IRAs. Therefore, at this time we can only execute the transfer if you have a self-directed IRA with Fiserv.

**Meeting with Dick (Friday 09/30/05):**

Agra Technologies main focus is to get the facility operational so that revenue can be generated to fund the operation of the company, as well as pay off the mining contract investors. Everyone is very pleased with the performance of the alternate process; and furthermore, preliminary testing shows the alternate process will produce results at least as good as the Galleon process.

From the technical perspective, everything is looking very, very good! Everyone at Agra-Tech is excited about the prospects of the company and believes we are just around the corner from getting the facility in production.

The biggest problem at this point is getting the short-term funding to get the equipment and make the facility modifications to get the facility converted over to the new process. This problem is not a "showstopper", but will only limit how fast the facility can be converted. Therefore, any new unit sales will speed up the process of getting the plant converted and into full production.

**Current pilot plant status:**

Peter Gillespie is continuing to perform the analysis from the most recent 6 ton test. During the analysis, he found there was one area that needed improvement. There are a couple of elements, manganese and sulfur, which interfere with the precious metal recovery. These elements will bond with the platinum, gold, and silver; and therefore, prevent the metals from precipitating out. These elements, which naturally occur in the water, must be controlled in order to maximize the yield.

In Peter's words, these "tramps of the periodic table" must be occupied with an escort, so they will leave the platinum, gold, and silver alone. Peter has a process to do just that; however, the process uses strong chemicals, which cannot be disposed of without neutralization. Agra-Tech is very concerned about keeping the "green" nature of the process, so that all outputs from the process can be safely released.

Peter has developed a second process, which uses much more environmentally friendly chemicals. That process is currently being tested. He is confident that a week's worth of work will have the problem solved.

The 6 ton test yield analysis will be completed within two weeks. Preliminary results from the 6 ton test indicate the yield is better than the previous 1 ton test, which was run in early August.

A list of equipment has been identified, as well as plant modifications, in order to get the plant converted over to the new process. Those modifications and equipment installation will occur during October and November.

The biggest challenge at this point is in trying to purchase all this equipment and expedite delivery with the limited funding that is currently available. If anyone is interested in purchasing additional mining contracts, that will most definitely accelerate the plant turn-on because of the additional funding it provides Agra-Tech. We know the process does work; therefore, the risk is virtually zero. Let us know if you are interested in purchasing more mining contracts. We would also be glad to set up a meeting with Bill and Dick, followed by a plant tour, for anyone interested in purchasing more mining contracts.

Bill, Dick, and Peter's confidence is at an all time high since the technical risks have virtually been eliminated. Now, it is just a matter of time to get the modifications done and get the plant running!

**Estimated plant schedule:**

The current schedule is to have the plant in production by the end of this year. That will put the **estimated** first Phase-I payout in the February/March timeframe.

Agra-Tech's goal is to accelerate the schedule as much as possible; however, the schedule presented in this update is considered reasonable at this point in time.

Please keep in mind these schedules are **estimates** based on the best information at this point in time and are subject to change.

**Estimated yield:**

The following table shows the estimated yield, based on current test data. **These numbers are estimates and are based on the best information to date.** The 100% yield number is the expected yield; yields ranging from 50% of target to 200% of target are also shown.

| ESTIMATED RETURN CHART | |
|---|---|
| Yield | Estimated return |
| 50% of target | $54,358 |
| 60% of target | $57,629 |
| 70% of target | $60,901 |
| 80% of target | $64,172 |
| 90% of target | $67,444 |
| 100% of target | $70,358 |
| 110% of target | $71,993 |
| 120% of target | $73,629 |
| 130% of target | $75,265 |
| 140% of target | $76,901 |
| 150% of target | $78,536 |
| 160% of target | $80,172 |
| 170% of target | $81,808 |
| 180% of target | $83,444 |
| 190% of target | $85,079 |
| 200% of target | $86,715 |

**Assumptions:**

1. Expected yield is "100% of target"
2. Returns based on current price of metals
3. Returns are estimates and not guaranteed

**Investors return calculation:**

This is where the excitement begins!!! Since day one, platinum has been the focus with the Galleon process, but since Agra-Tech has changed over to the new KMH process, they have been able to get gold and silver from the same ore. With the KMH process, Agra-Tech was initially able to extract platinum at about the same level as the Galleon process but then realized that by running a few more process steps, they were able to not only get platinum, but also gold and silver. Agra-Tech is currently implementing the necessary additional process steps to extract all three metals from the ore.

With the new KMH process the breakdown of the total 100% yield in US dollars is as follows, Platinum is about 40% of the overall yield. Gold is around 38% and Silver comes in around 22%. In total percentages broken down into ounces, Silver is about 96%, Gold is 2.5% and Platinum is 1.5%.

By doing this, Agra-Tech is giving the unit holders a huge bonus to their returns on investment. By adding gold and silver, the returns are increased by 35% over just the platinum only returns.

To extract just the platinum, the cost of processing is less than if all three metals are extracted. In the long run, both Agra-Tech and the Unit Holders make a very nice return on their investment and this is the way it should be.

At some point in time last year Tim offered Unit Holders an extra 10% bonus to Phase-I and Phase-II Unit Holders for having to wait longer than one year for their returns. In lieu of the 10% bonus, Agra-Tech is willing to pay all unit holders back based on the output of all metals (platinum, gold and silver). As you can easily see this is much greater than the 10% bonus we would get on just platinum and I don't know how you feel about this, but as far as I am concerned, I'm willing to except gold and silver in place of the 10% platinum bonus.

Bottom-line, Agra-Tech will calculate the return based on all metals (silver, gold, and platinum) from "gross minus processing cost", which is the same $10,000 per unit as it always was.

This is a BIG deal, as it generates a very nice return for the investor, as well as for Agra-Tech. This is one of many examples where Agra-Tech has treated their investors and partners fairly; and therefore, is an excellent company to be investing in.

**Sales of additional mining contracts:**

Mining contracts are still being accepted. This is an excellent opportunity to make any additional investments. Based on the latest meeting with Bill Pierson and Dick Campbell, the outlook of the company is super. The new mining contract investment revenue will be used to buy equipment and make the necessary plant modifications to convert the plant from the old Gallon process to new KMH process and continue to fund the company operation until they get into full production.

Existing Phase-I and Phase-II investors may continue to use the roll-over contract for new mining contract investments. New investors and Phase-IV investors may continue to use the Phase-IV (non-roll-over) contracts for additional investments.

Anyone interested in purchasing more mining contracts should contact either Jerry or Larry; the correct mining contract will then be emailed to the investor. The investor will print the contract, fill it in, and send it to the specified address with a check payable to Agra Technologies, Inc.

Through Agra-Tech we would like to extend a $500 commission or referral fee for each new $10,000 Ore Mining Unit you bring into Agra-Tech. Yes, this means you will receive $500 US for each new unit you sell. This offer is good from this date, October 7, 2005, forward and doesn't cover anything in the past. So get out there and make yourself some extra money and also help Agra-Tech get into production sooner. Getting into production sooner also means payouts will also happen sooner. If you need help with the sale (contracts, sales material, personal support, etc.) we will be glad to work with you.

**Contact information:**


| | |
|---|---|
| Sedona address: | Alpine Trading, LLC<br>51 bell Rock Plz, Suite A, PMB 350<br>Sedona, AZ 86351-9038 |
| Jerry's office phone: | (928) 284-2668 |
| Jerry's cell phone: | (303) 898-9840 |
| Jerry's email: | jerry@mindbodyhealth.com |
| Larry's office phone: | (928) 284-2659 |
| Larry's email: | lkpaille@aol.com<br>larry@mindbodyhealth.com **< NOTE: New email address!** |

Tab “30”

**Agra-Tech Update Summary - July 14, 2006:**

I know many investors are starting to get uptight with Agra-Techs progress and I feel this would be a good time to take a look at the companies' history to give you a better understanding of why things are taking much longer than what was first expected when you came into this project.

**Company History:**

Agra Technologies Inc was formed on May 1, 1998, as a Nevada Corporation. The company was founded with the sole intention of developing alternative soil and plant amendments which could address conditions accompanying modern farming practices that threaten the quality of our foods and environment. Global mineral depletion and desertification of farmland has lowered plant health and crop yields, increasing dependence on and application of traditional fertilizers and pesticides. In turn, ground penetration of these products has contaminated both soil and underground water supplies, while surface runoff has damaged nearby water sources. As such, a pressing need for more intelligent use of our agricultural resources is very apparent.

The first four years, 1998 to 2001, of the companies activities were devoted to agricultural research and development. During that time the company developed both commercial (farm) and consumer (garden) lines of pellet, powder, and liquid products in two categories: Agra Minerals (complex minerals) for soil application and Agra Humics (humates, humic acids, and mixes including either with complex minerals) for application, depending on the product, to either soil or plant.

While the founders were aware of the precious metals in the volcanic cinders during these years, they were not aware of a technology for their extraction nor were they motivated to find one. However, they understood that in a conservative agricultural industry dominated by industrial powerhouses, barriers to entry are significant. While the problems and inefficiencies of traditional NPK fertilizers (Nitrogen, Phosphorus, and Potassium) were well documented, the commercial and consumer education necessary to influence accepted practices would require much time and money to create awareness, build brand recognition, and acquire market share.

By comparison, precious metals are non-differentiated and global market demand outstrips supply. There are ready markets for any quantity of metals produced, and futures markets support forward sale and hedging activities. While the value of precious metals was certainly attractive, the differences from the agricultural marketplace and the amount of capitalization required were key in the decision to change focus and create a Precious Metals Division. The emergence of a commercially viable technology was the final piece needed to make this move.

Precious Metals: Starting in 2002, the Company evaluated numerous technologies claiming to be capable of extracting the primary target metals: Silver, Gold and Platinum. In considering how best to recover these metals, the Company established criteria for an acceptable technology. First and foremost, it had to be environmentally friendly and capable of maintaining ecological principles and the agricultural qualities of the complex mineral resources. It was decided only technologies proven to incorporate these criteria would be acceptable. The selection would not rely wholly upon representative assays.

Agra-Tech started focusing on the Galleon in-quart process, as that process seemed to show the most promise and in 2003 they struck a licensing deal with Galleon. Once the deal was signed, laboratory work continued, with the focus of scaling up the process for production.

Lab work continued to show promising results with the Galleon process; however, a larger facility was needed to truly demonstrate commercial feasibility. As most of you are aware, the Ore Rights and Mining Agreement developed by Tim Thomis, Richard Campbell and Alan Clark were used to generate the funds necessary to build the pilot plant located at 66 Leupp Road, Flagstaff, AZ.

Construction of the pilot plant was started in late 2003 and early 2004 and the plant was completed in the first quarter of 2005. At this point everything looked like it was a go. But as they started scaling up the process it became apparent that the Galleon process was extremely sensitive to a number of process parameters, which made it extremely difficult to get good repeatable results. At this time, it would have been very easy for ATI to throw up their hands and say "well guys, it didn't work" and walk away. But this is where they showed their guts, moral fiber, responsibility and accountability not only to the project but also the investors that had put up their hard earned money to make this project work.

The Company has invested significant effort and resources developing both acquired and proprietary technologies using metal in-quarts, chemical catalysts, reagents and ore fusions. Hoping to recover a variety of precious metals, ATI has continued to evaluate alternative technologies. Recognizing the processing facilities could use conventional methods to effectively process more traditional, concentrated ores (non-cinder) from third parties, the Company agreed to pursue this avenue, after a strong presentation supporting the feasibility and benefits was made to the Company by Richard Campbell, May 2, 2005. This possibility was seen as a way to diversify, adding an additional facet to longer-term strategy. While the Company does have at least three alliances it has recently developed for this purpose, the initial move in this direction, as presented by Mr. Campbell, was never completed.

From working with the Galleon process they knew there were retrievable precious metals in the cinders so they set out on a search looking for another way to get to them. Within a short period of time another process was discovered by Garry Dolbow, in association with Richard Campbell that looked promising, the KMH process. Test work was done with this process, but the end result was that it did not live up to the claims made by KMH and that process also had to be scrapped.

From mid-2005 to the present, ATI has applied its hard-earned experience and acquired expertise to develop two proprietary technologies for concentrating and collecting Platinum and other PGMs from the volcanic cinders. CLP technology, which we have called the Gil-Was process, employs complex leaching and chemical processed. LTF technology, Low-Temp Fusion process, employs a fusion process to amalgamate cinders and chemicals. Fusion is defined in the mining industry as the liquefying and merging of materials with heat.

The technologies are quite different in production costs and timing, use of equipment and facilities, and capacities for processing ore (input) and recovering precious metals

(output). Employing both technologies at the same time provides a number of synergistic benefits, resulting in an effective and complementary utilization of corporate resources and other assets.

On the plus side having your own in-house process is the best of all worlds, because you no longer have to share part of you profits with an outside source. Another major plus for this process is that they don't need Platinum in-quart, like the Galleon process, which is a huge financial factor when it comes time to go into full production. Another plus, they are able to identify many more of the "Platinum Group Metals" (Platinum, Palladium, Rhodium, etc.) as well as Gold and Silver with these new processes.

Corporate strategy has evolved as experience has been acquired, relationships have grown, and opportunities have presented themselves. Responses to challenges have resulted in the continual re-focusing on founding principles and re-setting of priorities, aligning the demands of the present with plans for the future. While sole focus on precious metals is required in the near and medium terms, the development of recovery technologies has been carefully managed to protect the future potential for agricultural production and maintain environmental responsibility.

**Inspectorates:**

There has been a real mystery surrounding the plant process audits and at this time I would like to clear this up of you. At this time the Inspectorate Group has run two (2) process audits. This group is an independent company that specializes in process verification. The first audit was run and the results didn't match what Peter Gillespie at ATI results were showing. So, everyone felt that another audit should be run in case there was a problem with the first test. The second Inspectorate audit wasn't any better than the first one and the people running the audit finally indicated their equipment, nor their approach to the analytical, was sufficient for testing the Agra-Tech materials for platinum or the platinum group metals.

The bottom-line to all of this, Agra-Tech wasted a lot of time, energy, effort and money on tests that the Inspectorate Group wasn't fully capable of analyzing. They have since sent the audit materials to Becquerel Laboratories in Ontario, Canada, considered one of the world's best, and they got a similar positive results to what Agra-Tech's lab results have been showing all this time. This problem with the audits done by the Inspectorate Group was the main thing that has slowed the funding from Capital Corp.

**Current Plant and Process Status:**

There are two main development activities that are currently being pursued at the pilot facility.

Agra-tech is continuing testing of a new variant of a chemical leach process. Bob Wasiliew started investigation of this new process a couple of weeks ago and was very excited about the prospects of this new variation. This new variation was yielding about three (3) times the amount of metal dropped. What remained to be done was to do the assay on the metal to determine how much of the precipitate are indeed precious metal. By now I feel sure Bob has done this and hope to get the results from him soon.

Currently, Bob is running optimization tests on this new variation. This is being done to determine how sensitive the process is, bell curve, as well as optimizing the process.

In addition, Agra-Tech is investigating a variation of the low temperature fusion process. Preliminary results are showing great promise. At this point, Agra-Tech is performing initial yield tests to verify the performance of this process variation. Once that is verified, the scaling up process and process sensitivity tests will be run.

Currently there are three different processes that are showing good potential for production. Once testing is completed on all three processes, the actual production process will be selected and the facility will be modified to meet the requirements of the selected process. Once that is done, the plant will be ready for production. Process development is expected to be completed by the end of the summer, at which time they can work on the necessary plant modifications. Once the process development and plant modifications are completed the plant can be put into production within a very short time frame.

**Plant Status:**

The new grinders were being tested while we were there for the tour. Agra-Tech was running a capacity test to determine the actual grinding capacity of the grinders (tons/hours). Because all the plumbing is not fully installed, the test was being done with some manual intervention.

Agra-Tech will complete the testing of the grinders within the next couple of weeks and make any necessary adjustments. After that, the grinder manufacturer will come out to the site for the final adjustments. The final adjustments by the manufacturer are expected to further increase the capacity of the grinders.

The grinders that are currently at the site have enough capacity to start limited production. Three manufacturers are currently developing larger capacity grinders to fully satisfy the production requirements of the facility. Larger capacity grinders will be needed for Agra-Tech to accommodate its planned production schedule.

**Sheep Hill Ore Analysis:**

Most of the recent testing has been in small quantities of a few pounds each. Agra-Tech has found the results to be inconsistent due to a phenomenon called "nuggetization". This is a phenomenon where the precious metals in an ore body are found in clumps instead of being spread homogeneously throughout the ore body.

To get a better indication of the true quantity of precious metals in the Sheep Hill ore body, additional verification tests will be run at 1000 lbs. of ore per test.

**New Personnel Added:**

Agra-Tech has added new personnel to the lab, Philip Olivier. Phil has been in the mining industry for a number of years and was Head Chemist for one of the World's top mining companies in South Africa. He will be taking the lead position for analyzing and determining our best approach to process and recovery. Peter Gillespie will continue as an Advisor in chemistry, with plans to return to the foreground of Agricultural aspects of

the Company. Philip, as our Chief Chemist, in charge of analytical development, will be an excellent addition to the ATI team, and will really assist with precious metals recovery.

**Taking the Stock Public:**

Agra-Tech is still preparing to take the company public on the AIM exchange in London. Timing is the only question at this time. This exchange was chosen for a couple of reasons:

1. The AIM Exchange is known worldwide as the best exchange to list a company this is doing precious metals mining.
2. They also have much better rules and controls over how a stock is traded than the US exchanges. One such rule prevents the stock from being "shorted / sold short" without owning the stock.

**Stockholder Meeting:**

Everyone wants to know when Agra-Tech is going to have a stockholders meeting? I will have to take responsibility for jumping the gun on this one by putting it in the last update. Personally don't think they are going to be able to have one until later in the year, possibly in the fall or early winter. As you well know it takes a lot of time, energy, effort and along with money to put something like a stockholders meeting together, especially at a time when they need to put all funds and focus towards getting the pilot plant up and running. I feel that once they receive the needed funds and complete the pilot plant they will start working on having a stockholder meeting.

**Keeping a Positive Attitude:**

This update should get both new and old investors up to speed on what has been happening at Agra-Tech since its inception. Please don't lose sight of the reason you invested and continue to look at it in a positive manner. At this time Agra-Tech needs your help, not your hate, or bad vibes. Don't forget, they have moved further and faster over the past six months than at any other time since this project started. With a modest amount of money and a little more time Agra-Tech will be in production.

Continued support of Agra-Tech will make everyone a winner. Support means giving Agra-Tech a little more time to complete the plant and process development. Once complete, Agra-Tech can and will start production, which will also start the payouts to investors.

Any distractions outside of completing the process development and getting the plant into production will serve no purpose other than delaying the payouts even further. These distractions will be detrimental to Agra-Tech and the investors, and will serve no good purpose.

You have to understand that Agra-Tech is working diligently to get into production, for the benefit of the investors as well as themselves. So, please continue to provide Agra-Tech your total support, so that we can all benefit from the huge financial rewards that are coming.

Remember, this is a time where you as an investor, by either owning stock or as an Ore Unit Holder, can help Agra-Tech.

**New Contact Information:**

I feel at this time I need to clear the air, because there are rumors floating around out there that since I have moved away from Sedona that I am backing out of my duties with Agra-Tech. This is totally incorrect information and personally I would like to know where it is coming from...

I'm not that far from the ATI plant and office. Last Monday, July 10th, I had a meeting with Bill Pierson and I left Saint George, UT around 8:00 am, had a four hour meeting and returned home before dark.

Since I took over this position I have been totally dedicated to Agra-Tech, Bill Pierson and all of the people that work at both the office and plant. And just for the record, I want you to know that all the people at Agra-Tech are just as dedicated as I am to seeing this project through to the end. Like us, as ore unit holders and stock holders, they personally have a lot tied up in this project and because they totally believe in what Agra-Tech is doing they have given a lot of their own personal time to see this project through to the end. I personally don't know where you could go to get a more dedicated group of people working on a project.

Please make note of my new contact info below:

Jerry Hodges
473 S River Rd 1-266
Saint George, UT 84790-2115
Office Phone: 435-673-5580
Cell phone: 303-898-9840
Email address: jerry@mindbodyhealth.com

Tab “31”

95
Si

Shorall McGoldrick Brinkmann
3030 north central avenue · suite 1000
phoenix, az 85012
602.230.5400
602.230.5432 (fax)
smb@smbattorneys.com

Scott M. Zerlaut, #014714
Attorneys for Plaintiff

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FILED

COCONINO COUNTY SUPERIOR COURT

STATE OF ARIZONA

| | |
|---|---|
| AGRA-TECHNOLOGIES, INC., a foreign corporation,<br><br>Plaintiff,<br><br>vs.<br><br>KALAHARI MINERAL HOLDINGS, LTD., a foreign corporation; JOHN DOES 1-5; ABC BUSINESSES 1-5,<br><br>Defendants. | Case No.: CV2006-0140<br><br>**COMPLAINT**<br><br>**Causes of Action:**<br><br>1. Declaratory relief<br>2. Rescission<br>3. Conversion<br>4. Unjust enrichment<br>5. Breach of contract<br>6. Fraud<br>7. Negligent Misrepresentation |

Plaintiff Agra-Technologies, Inc. ("Agra-Tech") alleges the following:

1. Plaintiff Agra-Tech is a foreign corporation in good standing and doing business in Coconino County.

2. Defendant Kalahari Mineral Holdings, Ltd. ("KMH"), is a foreign corporation doing business in Coconino County.

3. The contract alleged in this complaint was to be performed, at least in part, in Coconino County.

4. This Court has venue and jurisdiction.

5. Agra-Tech and KMH entered into a joint venture agreement on July 20, 2005. The joint venture is called Kagra Ventures.

6. Agra-Tech loaned KMH $25,000 pursuant to the joint venture agreement.

**COUNT I**
**(Declaratory Relief)**

7. Agra-Tech realleges and incorporates the foregoing allegations.

8. A justiciable controversy exists between the parties about whether there was a sufficient meeting of the minds, and therefore whether they entered into an enforceable contract.

9. Agra-Tech requests this Court to declare whether the contract is enforceable, and if so, the parties' respective rights and obligations.

**COUNT II**
**(Rescission)**

10. Agra-Tech realleges and incorporates the foregoing allegations.

11. Agra-Tech alleges that Defendant KMH fraudulently induced it to enter into the joint venture agreement, that KMH misrepresented its intent or ability to adequately perform under the agreement, and that KMH failed to adequately perform under the agreement.

12. As a consequence of the foregoing, Agra-Tech demands that the joint venture agreement be rescinded, and that it be placed back into its condition before executing the agreement, including the return of all monies transferred to KMH by Agra-Tech under the agreement.

**COUNT III**
**(Conversion)**

13. Agra-Tech realleges and incorporates the foregoing allegations.

14. Defendant KMH wrongfully holds money and property rightfully belonging to Agra-Tech, contrary to Agra-Tech's rights to possess, use, and control that property.

15. As a result of the foregoing, Agra-Tech is entitled to replevin and restitution for the value of the converted property.

## COUNT IV
## (Unjust Enrichment)

16. Agra-Tech realleges and incorporates the foregoing allegations.

17. Defendant KMH has been unjustly enriched by its possession and use of the $25,000 that Agra-Tech loaned and transferred to it in anticipation of KMH's adequate performance under the contract and a total of $498,400 which were allocated by Agra-Tech under the Joint Venture Agreement..

18. Defendant KMH has retained this money in spite of its failure to adequately perform under the contract, and has been unjustly enriched thereby, causing impoverishment to Agra-Tech.

19. Agra-Tech is entitled to restitution in the amount of the $25,000 loan, plus the $498,400 that Agra-Tech allocated to it under the Joint Venture Agreement..

.

## COUNT V
## (Breach of Contract)

20. Agra-Tech realleges and incorporates the foregoing allegations.

21. Defendant KMH materially breached the joint venture agreement by failing to adequately perform.

22. Defendant KMH also prevented and impaired Agra-Tech's ability to enjoy the benefits and entitlements of their bargain, thus breaching the implied duty of good faith and fair dealing.

23. Defendant KMH's breach of contract has caused Agra-Tech to suffer direct and consequential damages, including but not limited to direct pecuniary loss.

## COUNT VI
## (Fraud)

24. Agra-Tech realleges and incorporates the foregoing allegations.

25. Defendant KMH made intentional, material misrepresentations about its intent and ability to perform under the joint venture agreement, as well as about its actual performance under

the contract. This material misrepresentations, include, but are not limited to, that KMH was in possession of a technology which was capable of providing commercial processing of Agra-Tech's materials, that the KMH process could be quickly adopted by Agra-Tech, and that the cost of this adoption of the technology was quantifiable prior to the entry of the parties into the Joint Venture Agreement. However, none of these representations were true.

26. Defendant KMH intended Agra-Tech to rely upon these misrepresentations.

27. Agra-Tech reasonably, justifiably, and foreseeably relied upon Defendant KMH's misrepresentations to its detriment, causing it to enter into a contract that it otherwise would not have entered, and to rely upon KMH's assurances of adequate performance.

28. Defendant KMH's conduct alleged above constitutes common law fraud and violates Ariz. Rev. Stat. Ann. § 44-1991(A).

29. Defendant KMH's fraudulent misrepresentations caused Agra-Tech to suffer direct and consequential damages.

**COUNT VII**
**(Negligent Misrepresentation)**

30. Agra-Tech realleges and incorporates the foregoing allegations.

31. Defendant KMH negligently misrepresented material facts about its intent and ability to perform under the joint venture agreement, as well as about its actual performance under the contract.

32. Defendant KMH intended Agra-Tech to rely upon these representations.

33. Agra-Tech reasonably, justifiably, and foreseeably relied upon Defendant KMH's misrepresentations to its detriment, causing it to enter into a contract that it otherwise would not have entered, and to rely upon KMH's assurances of adequate performance.

34. Defendant KMH's negligent misrepresentations caused Agra-Tech to suffer direct and consequential damages.

WHEREFORE, Plaintiff Agra-Technologies, Inc., requests judgment as follows:

a. Awarding it replevin or restitution in an amount to be proven at trial;

b. Awarding its direct and consequential damages in an amount to be proven at trial;

c. Alternatively, rescinding the parties' contract and awarding restitution or damages in an amount to return them to their precontractual status;

d. Alternatively, declaring the enforceability of the contract, and the parties' respective rights and obligations under it;

e. Awarding Plaintiff's taxable costs and reasonable attorneys fees incurred prosecuting these claims;

f. Awarding such additional relief as this Court determines appropriate.

Dated this 28th day of February, 2006.

SHORALL McGOLDRICK BRINKMANN

By_____
Scott M. Zerlaut
Attorneys for Plaintiff

6. Agra-Tech loaned KMH $25,000 pursuant to the joint venture agreement.

**COUNT I**
**(Declaratory Relief)**

7. Agra-Tech realleges and incorporates the foregoing allegations.

8. A justiciable controversy exists between the parties about whether there was a sufficient meeting of the minds, and therefore whether they entered into an enforceable contract.

9. Agra-Tech requests this Court to declare whether the contract is enforceable, and if so, the parties' respective rights and obligations.

**COUNT II**
**(Rescission)**

10. Agra-Tech realleges and incorporates the foregoing allegations.

11. Agra-Tech alleges that Defendant KMH fraudulently induced it to enter into the joint venture agreement, that KMH misrepresented its intent or ability to adequately perform under the agreement, and that KMH failed to adequately perform under the agreement.

12. As a consequence of the foregoing, Agra-Tech demands that the joint venture agreement be rescinded, and that it be placed back into its condition before executing the agreement, including the return of all monies transferred to KMH under the agreement.

**COUNT III**
**(Conversion)**

13. Agra-Tech realleges and incorporates the foregoing allegations.

14. Defendant KMH wrongfully holds money and property rightfully belonging to Agra-Tech, contrary to Agra-Tech's rights to possess, use, and control that property.

15. As a result of the foregoing, Agra-Tech is entitled to replevin and restitution for the value of the converted property.



ACC013825
AGRA TECH.

## COUNT IV
## (Unjust Enrichment)

16. Agra-Tech realleges and incorporates the foregoing allegations.

17. Defendant KMH has been unjustly enriched by its possession and use of the $25,000 that Agra-Tech loaned and transferred to it in anticipation of KMH's adequate performance under the contract.

18. Defendant KMH has retained this money in spite of its failure to adequately perform under the contract, and has been unjustly enriched thereby, causing impoverishment to Agra-Tech.

19. Agra-Tech is entitled to restitution in the amount of $25,000.

## COUNT V
## (Breach of Contract)

20. Agra-Tech realleges and incorporates the foregoing allegations.

21. Defendant KMH materially breached the joint venture agreement by failing to adequately perform.

22. Defendant KMH also prevented and impaired Agra-Tech's ability to enjoy the benefits and entitlements of their bargain, thus breaching the implied duty of good faith and fair dealing.

23. Defendant KMH's breach of contract has caused Agra-Tech to suffer direct and consequential damages, including but not limited to direct pecuniary loss.

## COUNT VI
## (Fraud)

24. Agra-Tech realleges and incorporates the foregoing allegations.

25. Defendant KMH made intentional, material misrepresentations about its intent and ability to perform under the joint venture agreement, as well as about its actual performance under the contract.

26. Defendant KMH intended Agra-Tech to rely upon these misrepresentations.

27. Agra-Tech reasonably, justifiably, and foreseeably relied upon Defendant KMH's misrepresentations to its detriment, causing it to enter into a contract that it otherwise would not have entered, and to rely upon KMH's assurances of adequate performance.

28. Defendant KMH's fraudulent misrepresentations caused Agra-Tech to suffer direct and consequential damages.

**COUNT VII**
**(Negligent Misrepresentation)**

29. Agra-Tech realleges and incorporates the foregoing allegations.

30. Defendant KMH negligently misrepresented material facts about its intent and ability to perform under the joint venture agreement, as well as about its actual performance under the contract.

31. Defendant KMH intended Agra-Tech to rely upon these representations.

32. Agra-Tech reasonably, justifiably, and foreseeably relied upon Defendant KMH's misrepresentations to its detriment, causing it to enter into a contract that it otherwise would not have entered, and to rely upon KMH's assurances of adequate performance.

33. Defendant KMH's negligent misrepresentations caused Agra-Tech to suffer direct and consequential damages.

WHEREFORE, Plaintiff Agra-Technologies, Inc., requests judgment as follows:

a. Awarding it replevin or restitution in an amount to be proven at trial;

b. Awarding its direct and consequential damages in an amount to be proven at trial;

c. Alternatively, rescinding the parties' contract and awarding restitution or damages in an amount to return them to their precontractual status;

d. Alternatively, declaring the enforceability of the contract, and the parties' respective rights and obligations under it;



ACC013827
AGRA TECH.

e. Awarding Plaintiff's taxable costs and reasonable attorneys fees incurred prosecuting these claims;

f. Awarding such additional relief as this Court determines appropriate.

Dated this ____ day of July, 2005.

SHORALL McGOLDRICK BRINKMANN

By_____
Scott M. Zerlaut
Attorneys for Plaintiff



ACC01382
AGRA TECH

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Scott M. Zerlaut, #014714
Attorneys for Plaintiff

COCONINO COUNTY SUPERIOR COURT

STATE OF ARIZONA

| | |
|---|---|
| AGRA-TECHNOLOGIES, INC., a foreign corporation,<br><br>Plaintiff,<br><br>vs.<br><br>KALAHARI MINERAL HOLDINGS, LTD., a foreign corporation; JOHN DOES 1-5; ABC BUSINESSES 1-5,<br><br>Defendants. | Case No.: _____<br><br>**COMPLAINT**<br><br>**Causes of Action:**<br><br>1. Declaratory relief<br>2. Rescission<br>3. Conversion<br>4. Unjust enrichment<br>5. Breach of contract<br>6. Fraud<br>7. Negligent Misrepresentation |

Plaintiff Agra-Technologies, Inc. ("Agra-Tech") alleges the following:

1. Plaintiff Agra-Tech is a foreign corporation in good standing and doing business in Coconino County.

2. Defendant Kalahari Mineral Holdings, Ltd. ("KMH"), is a foreign corporation doing business in Coconino County.

3. The contract alleged in this complaint was to be performed, at least in part, in Coconino County.

4. This Court has venue and jurisdiction.

5. Agra-Tech and KMH entered into a joint venture agreement on July 20, 2005. The joint venture is called Kagra Ventures.



ACC013824
AGRA TECH.

Tab “32”

----- Forwarded Message ----
From: Jerry Hodges <jerry@mindbodyhealth.com>
To: Jerry Hodges <jerry@mindbodyhealth.com>
Sent: Monday, October 30, 2006 9:59:38 AM
Subject: ATI Update 10-30-06

## Agra Technologies, Inc Update – October 30, 2006

Prepared by: Jerry Hodges and Larry Paille

### Fallout from the Dick Campbell Lawsuit:

The lawsuit filed by Dick Campbell has resulted in an investigation of Agra-Tech by the Arizona Corporation Commission (ACC).

Once Agra-Tech started looking into the actions of Dick Campbell there were a number of questionable actions that were discovered and they were clearly not in the best interest of Agra-Tech. His actions have forced Agra-Tech to file a lawsuit against Dick Campbell.

Some of Dick's questionable activities are Corporate misstatements of fact, represented the "Rollover Option" without Corporate Approval, crafted the overly generous Platinum Rental Fund and authorized its premature use, guaranteed the Mexican Ore Concentrates alternative in May of 2005, hired Garry Dolbow for questionable purpose, engaged Kalahari under questionable conditions/circumstances, has apparently overstated ore values, and the Company's capabilities to recover precious metals to many of our Shareholders and Ore Contract Owners.

### Current ACC Investigation:

The Arizona Corporation Commission (ACC) has requested information from Agra-Tech, as well as its agents. Agra-Tech and the agents have fully complied with the investigation and have provided thousands of documents for their review.

There are three issues the ACC is concerned with. The first is the status of the Ore Contracts. The ACC is claiming the Ore Contracts are a security; and therefore, they should fall under the securities regulations. This issue has been confused by the stock purchase activities that were happening at the same time. The Ore Contracts were reviewed by Agra-Tech's SEC corporate counsel and the SEC auditors and were found to NOT be a security; however, the ACC is not coming to the same conclusion as the SEC counsel and auditors.

The second issue is the sale of Agra-Tech stock. These sales were from one private owner to another; and therefore, is a perfectly legal activity.

The third issue is whether investors are being misled. There have been a lot of mining scams in the past, and the ACC is assuming this is just another scam. Agra-Tech has received a number of reports from independent laboratories confirming the extraction of precious metals. In fact, the process is working well enough that Agra-Tech is moving it into production without further modification. All updates, like this one, are created with the best information from conversations with Agra-Tech personnel and observations from plant visits. The updates are written conservatively, as it is not the intention of the

agents or Agra-Tech to mislead, misinform, or deceive anyone. Since we have been doing the updates there has never been any over-stating of returns; all information presented has been based on evidence provided to the agents and further de-rated to provide further insurance the returns were not over-stated.

The only thing Agra-Tech and the agents have been very wrong about is the timetable to get the facility into production. The schedule information was also conservatively reported; however, it has taken far longer to get the plant in production than anyone ever anticipated.
Nobody has given up; instead, research has continued on new technologies and on enhancements to existing processes in order to develop a process to profitably process the ore purchased by the investors.

**Latest ACC actions:**

The ACC has recently placed a "cease and desist" order with Agra-Tech to stop any further sales of Ore Contracts and sale of stock. Agra-Tech was informed the only reason for this order was the sale of a few recent Ore Contracts.

The ACC has also contacted the securities divisions in other states where investors reside. Investors may be receiving phone calls asking about their Agra-Tech investment. The purpose of the calls is to determine if Agra-Tech or its agents acted improperly. The correct thing to do is to answer the questions honestly.

The "cease and desist" order has also provided an opportunity for Agra-Tech and its agents to have a hearing with the ACC. This is welcomed as it provides an opportunity for Agra-Tech to correct a number of misstatements made by the ACC.

**Agra-Tech's Status:**

This is an extremely difficult time for Agra-Tech. As they disclose the status of being sued, suing others, being investigated by the ACC and now the cease and desist order, it has become more and more difficult to manage the Company's affairs and to continue to present a formidable Business Plan to the Financial Community for capitalization. Agra-Tech is currently seeking the funding of the General Business Plan of the Company and is dealing with major financial resources.

Agra-Tech is diligently working on getting the pilot plant into production so that Ore Contract holders can begin to receive payments on their investments. Agra-Tech is fully committed to honoring all contracts with them. When this investigation is completed, Agra-Tech and its agents are confident that no wrong-doing will be found with any of the present Agra-Tech personnel and agents.

**TECHNICAL STUFF:**

**Personnel Status:**

Bob Wasiliew, a Canadian citizen, has completed his required return to Canada . He has a new visa and has re-entered the US for another year of working for Agra-Tech.

Philip Olivier, previously the chief chemist and analyst for Anglo American's Platinum Group, has just returned to Agra-Tech for another one month stay. Philip will be working with Bob by running the ICP machine and performing the analysis on the many test run samples that have been generated.

The timing of Philip's latest visit was selected so that Philip was here during the official audited process run, which started on October 18. Philip will be performing the internal analysis of the product produced by this audited process run.

**Process Status:**

The self-certification run was completed at the end of September. The results were good and the outside lab reports have been received by Agra-Tech. The reports show the process is returning commercially viable quantities of precious metals; therefore, Agra-Tech has scheduled the official, third-party audited process run.

The Inspectorate America Corporation has been selected to perform the independent audit of Agra-Tech's process. There are two reasons for this: 1) this is the same organization that performed previous audits, and 2) their audit reports are recognized around the world.

What Agra-Tech discovered from previous audits is the internal Inspectorate labs are not really set up to perform platinum group metals analysis. This resulted in questionable results from their lab. For this process run, the samples will be sent to the Inspectorate labs in a different format, which should produce more accurate results. The beads, which are the actual precious metals that have been extracted from the ore, will be sent to the Inspectorate labs this time instead of the previous solutions. Previously, the bead was dissolved in an acid solution and that solution was sent to the labs. When the bead is dissolved in an acid solution, the end results depend on the concentrations of acids used, and if the combination of acids is

different from what the lab normally uses, the results can be erroneous. By sending the actual bead to the lab, the lab can use the acids and concentrations they normally use; therefore, producing more accurate results.

Beads will also be sent to two other independent laboratories. One of the labs, Becquerel in Canada , is well known for their ability to provide accurate readings on platinum group metals. Becquerel uses a different analysis technique that takes a little longer, but provides very accurate results.

Larry Paille was present during the first metal drop of this audited process run. The beads that were produced were of the expected weight; therefore, the expectation is the laboratories will report results similar to what was found during the previous self-verification run.

**Plans to Move Forward:**

Agra-Tech is very pleased with the results of the latest process runs and is moving as fast as they can to get this process into production. The current yield is high enough to easily be profitable for Agra-tech as well as the investor. This has been confirmed by a number of independent laboratory reports.

The limiter to getting the plant into production is funding; however, there is a lot of interest in Agra-Tech by major funding groups. There are approximately a half-dozen groups that are in active negotiations with Agra-Tech.

The current ACC investigation is a concern for funding. Agra-Tech is informing all potential investors of the lawsuit and investigation status, so they are fully aware of the current situation.

## Funding Status:

Due to the cease and desist order, mining contracts and stock purchases are no longer available.

Agra-Tech is currently in the process of re-financing their Leupp Road property. That deal is expected to close in November. The equity from that property will be used to provide operating expenses until one or more of the major funding deals closes.

There are a number of groups that are in active negotiations with Agra-Tech for major funding deals. Some of these groups have been in negotiations for a number of months now and others are the result of more recent contacts.

Once major funding is received, Agra-Tech can accelerate the process to get the pilot facility into production. Once production is started, ore contract processing and payouts will begin.

## Jerry's Contact Info:

Cinder Mountain
473 S River Rd 1-266
Saint George, UT 84790-2115

435-673-5580 (Office/Home)
303-898-9840 (Cell)
jerry@mindbodyhealth.com

## Larry's Contact Info:

Imatire Engineering Services
51 Bell Rock Plaza Ste A #135
Sedona, AZ 86351-9038

928-284-4221 (Office/Home)
928-451-2782 (Cell)
lkpaille@msn.com

Tab “33”

## LAWRENCE PAILLE

**From:** "wjp@ati" <wpierson@agra-technologies.com>
**To:** "Edwin Ruh" <ruhjred@ksg.harvard.edu>; "Douglas Gettler" <dgettler@agra-technologies.com>; <bbaker@agra-technologies.com>
**Cc:** "Wagner" <dwaa2000@yahoo.com>; "Lonnie J. Williams" <lwilliams@quarles.com>
**Sent:** Friday, October 27, 2006 5:00 PM
**Attach:** ATI.Shareholder Ltr 9.22.06.doc
**Subject:** Shareholder Update

Gentlemen:

As you can see by the date of file name, this letter has been pushed to the back burner more than once, due to the fire fight we have been confronted with from May through today.

We have been highly involved in dealing with all of this from Campbell to the ACC, and all points in between. And those points include Shareholders, Ore Contract Owners, Lenders our main Bank and those with whom we are currently involved with to fund the capital requirements of our stated Business Plan.

In the face of the challenges you see addressed in the Shareholder Update, we have just conveyed $25,000 to Glory Enterprises, LLC toward the $5,000.000 acquisition of their Company. We will be arranging for a hearing with the ACC, and we expect to be able to set the record straight.

I keep saying it, we are greatly challenged and over tasked, but no one wants to quit. If I have managed to do anything right in the last eight years, I have apparently surrounded myself with folks who don't just want a job. They actually care about what we are doing, and they want to get this Company cranking. I love 'em. They worry when I worry, they strive to improve themselves and what they set about to for this Company, and nearly everyone of them prays for this Company to achieve the mission statement and goals set out in the Corporate Business Plan. This is not as common as it once was in American Business.

I would ask you to review this letter for corrections, deletions (go easy on me Lonnie, some of this stuff really needs to get out there) and any pertinent comments or insertions you feel need to be added. We are woefully remiss in communicating with our Shareholders, and I would like to get this on its way early next week.

Thank you, and may your weekend be restful and revitalizing.

wjp

## LAWRENCE PAILLE

**From:** "wjp@ati" <wpierson@agra-technologies.com>
**To:** "LAWRENCE PAILLE" <lkpaille@msn.com>; "Jerry Hodges" <jerry@mindbodyhealth.com>
**Cc:** "Williams, Lonnie J. Jr." <LWILLIAM@quarles.com>; "Wagner" <dwaa2000@yahoo.com>; "Edwin Ruh" <ruhjred@ksg.harvard.edu>; "Douglas Gettler" <dgettler@agra-technologies.com>; <bbaker@agra-technologies.com>
**Sent:** Sunday, October 29, 2006 5:21 PM
**Attach:** ATI-Update10-27-2006.doc
**Subject:** Your update & suggested minor modifications in red

Larry & Jerry:

It appears to me you have grasped the general, as well as much of the specific issues and activities of the Company. I think the red line items will help with both fact and clarity.

Thank you for your efforts with assisting folks with better understanding where we are, why and what we are doing to take care of our commitment to them.

Sincerely,

wjp

## LAWRENCE PAILLE

**From:** "wjp@ati" <wpierson@agra-technologies.com>
**To:** "Williams, Lonnie J. Jr." <LWILLIAM@quarles.com>
**Cc:** <bbaker@agra-technologies.com>; "Douglas Gettler" <dgettler@agra-technologies.com>; "B Wasiliew" <bwasiliew@agra-technologies.com>; "PETER GILLESPIE" <pgillespie@agra-technologies.com>; "RonaldWeidner" <raweid@tampabay.rr.com>; "Jerry Hodges" <jerry@mindbodyhealth.com>; "LAWRENCE PAILLE" <lkpaille@msn.com>
**Sent:** Monday, October 30, 2006 9:21 AM
**Subject:** ACC Hearing

Dear Lonnie:

Please call today, at your earliest convenience. Those of us who were named in the recent C&D Order will need to file our responses Mon/Tues next week, to comply with the deadline of the 8th (at least this is our estimate). Each of us wishes to request a hearing, but we believe the ACC and the hearing would be best served if they would allow ATI to be represented in a hearing, which would allow the four of us to be present, and thus be in a position to answer all of the question the panel may have for the Company.

I realize this is a divide and conquer mode at present, but in the interest of time, economics, further business interruption (thus preventing ATI from its stated goals in performing for the Ore Contract Owners) and in providing more complete responses at the hearing, we would all like to be present and collectively responding.

If this is not possible, then Bill Baker and I would like to at least be allowed to be there for the same Corporate hearing. If they will not allow BB and I to come before them Corporately, then we all need to know about our ability to bring witnesses to support our denials.

BB and I need to meet with you ASAP, via phone or in your offices., as we do not want to file our responses or supply information in support of those responses without reviewing this with you.

Thanks Lonnie,

wjp

Tab “34”

SILICON INVESTOR

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---

To: goldrush2001 who wrote (10960) 10/27/2006 2:47:31 PM
From: Tim Hall Respond to 10961 of 11075

FYI

Temporary cease and desist is at: http://www.ccsd.cc.state.az.us/enforcement/Actions/2006/Oct18-06.pdf

The new release today is not yet working at Az Corp Com site, but should be soon. Summary below.
Platinum from cinders? Don't believe it, says state

By CYNDY COLE
Sun Staff Reporter
10/25/2006
[ archive | email this story ]

A Flagstaff-based company has sold $9.8 million in stock to at least 200 investors worldwide as part of a fraudulent platinum mining scheme, Arizona securities officials said Tuesday after temporarily shutting down future investments.

The company's chief financial officer said Agra-Technologies Inc. never sold stock and never did anything fraudulent.

But a former vice president is suing the company, alleging securities fraud.

State investigators found that investors in at least 20 states and beyond were promised big dividends in some cases for buying into a secret new mining process that the Arizona Corporation Commission's Securities Division has called unproven.

Sales staff at Agra-Technologies told some investors the value of their investments would increase anywhere from 4,900 percent to 9,900 percent and that the dividends they received would be enough to cover their monthly living expenses, investigators found.

"In an effort to raise funds from current and potential investors, respondents tout the acquisition of other technologies to extract gold, silver and other rare platinum group metals such as palladium and rhodium," Corporation Commission spokeswoman Heather Murphy wrote in a statement. "The (Securities) Division alleges that the respondents have yet to extract any precious metals with an economically viable process."

Investors were buying 50 tons of cinders at a time and paying the company to leach out precious metals in a mining operation they were told was virtually risk-free and set to make tens of millions of dollars, the Securities Division found.

This is the second time a business claiming Sheep Hill, located east of Flagstaff, holds substantial enough amounts of precious metals to make mining profitable has come under scrutiny.

Investors lost $1 million in a previous mining operation there that the Securities Division called a mining scam.

Agra-Technologies told investors they could typically get around 250 ounces of platinum per 50 tons of cinders, the Securities Division said in a temporary cease and desist order against the company released Tuesday.

Agra-Technologies Chief Financial Officer Bill Baker denied selling stock, making specific promises of profits and other securities violations.

"The cinders we have sold and they've asked us to stop selling the cinders," he said.

Sales staff at Agra-Technologies would show prospective investors bars of precious metals said to have been mined in Flagstaff that had actually been mined elsewhere, the Securities Division said.

The company's own vice president, Richard Allen Campbell, sued Agra-Technologies for securities fraud this summer and told the company's chief executive officer, William Jay Pierson, that the so-called special mining process they were purportedly using "had no chance in hell of ever working," according to documents filed in the case.

Campbell is no longer with the company, said a man who answered the phone Tuesday at Agra-Technologies.

Agra-Technologies had plans to attract $40 million more in investment, the Securities Division said.

Pierson and wife Sandra Lee Pierson, of Flagstaff, Campbell and wife Sondra Jane Campbell, of Glendale, William (Bill) H. Baker Jr. and wife Patricia M. Baker, of Flagstaff, Jerry J. Hodges of Saint George, Utah, and Lawrence Kevin Paille of Sedona have been listed as members of Agra-Technologies named in Corporation Commission's cease-and-desist order.

They are not registered to offer or sell securities within or from Arizona, Murphy said.

This is not the first time Richard Campbell's company has had a run-in with the Arizona Corporation Commission.

Campbell was the vice president of a company named Mariah International, he's said.

In 1993, Richard Campbell said Mariah had recovered 8.3 ounces of gold from 114 tons of cinders.

He asked investors for $3.5 million to build a mill 22 miles east of Flagstaff.

Mariah was also known as M.G. Natural Resources, which went by three other names, including Xenolix Technologies, Inc., the Arizona Corporation Commission said in 2001.

The Arizona Corporation Commission ordered Xenolix to offer refunds to 100 investors who had put $1.7 million into Xenolix, saying the company claimed to have a patented technology for extracting gold and other precious metals from volcanic cinders and misled investors about its ability to economically produce precious metals from the cinders.

Cyndy Cole can be reached at 913-8607 or at ccole@azdailysun.com.

Cyndy Cole

Environment, growth, county reporter

Arizona Daily Sun

Flagstaff, Arizona

office 928 913 8607

To: goldrush2001 who wrote (10960) 10/28/2006 1:36:07 PM
From: ijre Read Replies (1) | Respond to 10962 of 11075

I agree as I said there appears to be a group or one promoter who is buying up all the stock that is available. Of course this is the intelligent method. Prior to any significant move in the shares the cheap stock must be bought. The price movements prior to the present movement resulted in large fluctuations which only helped traders and not the stock holders. I presume this group has also approached the old insiders and purchased their shares. It appears to have also approached individuals who obtained the stock at fire sale prices from Dale. I wonder if individuals such as Paunch have been

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# From cinders to gold?

*9/18/05*
Arizona Daily Sun

complete article

By Cyndy Cole

The volcanic cinders around the San Francisco Peaks have always held gold, platinum and silver.

And since the 1980s, a succession of companies have set up shop in the rocks around Flagstaff, promising investors they would use special technology to leach precious metals from the cinders thrown down on roads for traction.

It has never been profitable, according to the Arizona Corporation Commission, the state mining department and a Nevada securities investigator.

Now another company near Sheep Hill east of Flagstaff says it has found a way to turn a profit extracting gold, platinum and silver from volcanic remnants.

Its vice president was an officer in one of the companies that 20 years ago promised the same thing.

But this time, says Agra-Technologies Vice President Richard Campbell, the results will be different.

REGULATORS INTERVENE

Campbell, of the Valley, was the vice president of a company named Mariah International, according to Daily Sun articles from 1993 and his own acknowledgment. In 1993, Campbell said Mariah had recovered 8.3 ounces of gold from 114 tons of cinders. He asked investors for $3.5 million to build a mill 22 miles east of Flagstaff.

Mariah is named in a Department of Mines report called "Arizona Mining Scams and Unassayable Ore Projects of the Late 20th Century. "

Another company, Pantel Mineral, sued Richard and Sondra Campbell in 1994, accusing them and other Mariah International directors of securities fraud. The case was settled out of court.

Mariah was also known as M.G. Natural Resources, which went by three other names, including Xenolix Technologies, Inc., the Arizona Corporation Commission said in 2001.

The Arizona Corporation Commission ordered Xenolix to offer refunds to all 100 investors who'd put $1.7million into Xenolix, saying the company claimed to have a patented technology for extracting gold and other precious metals from the company's volcanic cinders and misled investors about its ability to economically produce precious metals from the cinders.

The state of Utah revoked Xenolix's stock.

NOT FEASIBLY RECOVERABLE

John Nelson, a criminal investigator for the Nevada Secretary of State's securities division, said his office investigated other companies 15 years ago that said they were mining gold from the cinders of Sheep Hill and other nearby cinder cones.

"We actually did some gold and platinum samples and there just was not anything there... there's one to two parts per billion of gold and platinum. It's just not (economically) feasibly recoverable," Nelson said. "It's 10 to 100 times not enough to do massive heap leaching."

In other words, the flecks of precious metals in the mountains of cinder are too few and too small to cover the costs of obtaining them.

"There's no known technology ... for extracting precious minerals from basically a waste product," Arizona Corporation Commission spokeswoman Heather Murphy said.

That's doubly the case for platinum.

MAKING SOIL ADDITIVES

Agra-Technologies operates far out on Leupp Road, across the street from Star School, with a business office at 5800 N. Dodge Avenue. The Leupp Road plant has been there less than a year, he said.

Despite Campbell's description of his company's interest in producing precious metals, Agra-Technologies is primarily interested in agriculture, said Chief Financial Officer William Baker. It is grinding up volcanic cinders to make soil additives that farmers and gardeners can use to improve their soil.

Star School Director Mark Sorensen said he was leery of the Agra-Technologies facility across the street until his new neighbors told him they were producing special soils and soil enrichment products, which he welcomed.

When Agra-Technologies had a small spill from a 10,000-gallon tank labeled "hydrochloric acid," no one ever notified Sorensen.

The spill was perhaps 20 or 30 gallons of 30 percent hydrochloric acid, according to what the plant operators told the Arizona Department of Environmental Quality.

The person who notified ADEQ said it was much larger.

"There wasn't any risk of any kind of off-site release or threat to groundwater," ADEQ director Steve Owens said.

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Tab “35”

*5800 N. Dodge Ave. Bldg. A*
*Flagstaff, Arizona 86004*
*928-526-2275 Fax: 2269*
*soilmin@infomagic.net*

William H. Baker
Chief Financial Officer

May 4 2004

To: Loraine
Re: Insurance Quotes

These are the companies:
No's

1) Auto Owners
2) Employer's Mutual
3) Contractor Bonding & Insurance

Quotes:

1) Unknown (he was embarrassed to say) $1,000,000
2) R.P.S. Risk Placement Services – An indication of $9,900 annual premium with Great Divide insurance.

This was quoted on $1,500,000 annual sales. $1,000,000 liability.

Respectfully,

William H. Baker, Jr.
Chief Financial Officer

**Leavitt Group of Northern Arizona**
2530 E 7th Ave
Flagstaff, AZ 86004
(928)526-3223
(928)527-0072 fax

# fax

**5/5/2004**

| | |
|---|---|
| To: AGRA | Attn: Bill Baker |
| Fax #: 526-2269 | # pages including cover: 4 |
| From: Lorraine | |

Re: SUBMISSION04 quote for AGRA

Hi Bill:

Per our tele-con, please complete the attached application and fax it back to me asap.

Thx. L

Faxed 5/5/04
4:14pm

Request a Quote from Lorraine
@ Leavitt.

# PRODUCT LIABILITY
## SUPPLEMENTAL QUESTIONNAIRE

GSG Guilford Specialty group

**PREPARATION INSTRUCTIONS**

1) ANSWER ALL QUESTIONS. IF THE ANSWER TO ANY QUESTIONS IS NONE, PLEASE STATE NONE.
2) APPLICATION MUST BE SIGNED AND DATED BY OWNER, PARTNER OR OFFICER.
3) BROCHURES, COPIES OF GUARANTEES, WARRANTIES AND HOLD HARMLESS AGREEMENTS FURNISHED BY THE NAMED INSUREDS SHOULD ACCOMPANY THE APPLICATION.
4) THE LATEST 10K AND 10Q, OR IF A PRIVATELY HELD BUSINESS, LATEST AUDITED FINANCIAL STATEMENT AND LATEST QUARTER INCOME REPORT SHOULD BE FURNISHED.

## 1. APPLICANT INFORMATION

A) NAME (FIRST NAMED INSURED AND OTHER NAMED INSUREDS)

Agra Technologies, Inc.

B) LIST ALL APPLICANTS' WEB SITES:

## 2. DESCRIPTION OF OPERATIONS

Agricultural Mineral Products. Grind cinders down to talc powder. Package the talc powder in 1 ton sacks, 50 lb sacks, shelf containers, and Bulk water sales from well

## 3. SPECIFIED PRODUCTS AND COMPLETED OPERATIONS

A) ONLY THOSE PRODUCTS AND SERVICES SPECIFIED BELOW WILL BE CONSIDERED FOR COVERAGE. REFER TO KEY BELOW

| PRODUCTS (SPECIFIC CATEGORY) | APPLICANT ACTS AS A/AN: | | | | | NO. OF YEARS | % GROSS SALES | DOES APPLICANT | | PRODUCTS SOLD TO | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | M | W | R | I | MR | | | INSTALL | REPAIR/ SERVICE | W | R | MC | C | O |
| Agramin | X | | | | | 7 | -0- | No | No | X | | | | X |
| Bulk water | X | | | | | 1 | 1% | NO | NO | | | | X | X |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |

M = MANUFACTURER R = RETAILER MR = MANUFACTURER'S REP OTHER (SPECIFY) Farmers

W = WHOLESALER I = IMPORTER C = CONSUMER-DIRECT

| | | YES | NO |
|---|---|---|---|
| B) | HAVE YOU DISCONTINUED OR ARE YOU CONSIDERING DISCONTINUING ANY PRODUCT TO BE COVERED BY THIS INSURANCE? | ☐ | ☒ |
| | IF YES, PLEASE DESCRIBE: | | |
| C) | ARE ANY NEW PRODUCTS PLANNED FOR SALE DURING THE NEXT 12 MONTHS? | ☐ | ☒ |
| D) | DO YOU IMPORT COMPONENT PARTS? | ☐ | ☒ |
| E) | DO YOU EXPORT PRODUCTS OR HAVE FOREIGN OPERATIONS? | ☐ | ☒ |
| F) | DO YOU KNOW IF ANY OF YOUR PRODUCTS OR SERVICES ARE USED IN CONNECTION WITH AIRCRAFT/MISSILES/AEROSPACE? | ☐ | ☒ |
| G) | ARE ANY OF YOUR PRODUCTS OR SERVICES SUBJECT TO REGISTRATION/REGULATION/REVIEW BY ANY GOVERNMENTAL AGENCY? | ☐ | ☒ |

PLEASE EXPLAIN ANY "YES" ANSWERS:



ACC002849
AGRA TECH.

## 4. SALES HISTORY

A) TOTAL SALES OR RECEIPTS FOR ALL PRODUCTS AND SERVICES
PAST 12 MONTHS $ 3,566,999 1ST PRIOR YEAR $ -0- 2ND PRIOR YEAR $ -0-

DESCRIBE ANY SIGNIFICANT CHANGE IN PRODUCT SALES MIX BETWEEN ANY PRIOR YEAR AND NEXT YEAR'S PROJECTION:

| | YES | NO |
|---|---|---|
| B) DO YOU WISH TO PROVIDE YOUR CUSTOMERS WITH VENDORS COVERAGE? | ☐ | ☒ |

IF YES, NAME OF VENDOR:

YOUR PRODUCT:

## 5. OPERATIONS, ADDITIONAL LIABILITIES & UNIQUE CHARACTERISTICS

| | | |
|---|---|---|
| A) DO OTHERS MANUFACTURE, ASSEMBLE, PACKAGE OR INSTALL PRODUCTS UNDER YOUR NAME OR LABEL? | ☐ | ☒ |
| B) DO YOU MANUFACTURE, ASSEMBLE, PACKAGE OR INSTALL PRODUCTS FOR OTHERS UNDER THEIR NAME OR LABEL? | ☐ | ☒ |
| PLEASE EXPLAIN ANY "YES" ANSWERS: | | |
| C) HAVE YOU SOLD ANY BUSINESS IN WHICH YOU RETAINED LIABILITIES? | ☐ | ☒ |
| IF SO, PLEASE FURNISH DETAILS INCLUDING LIST OF PRODUCTS MANUFACTURED, ASSEMBLED, PACKAGED OR INSTALLED BY YOU PRIOR TO THE DATE SOLD: | | |
| D) HAVE YOU ACQUIRED OR DIVESTED ANY BUSINESS OPERATIONS WITHIN THE LAST 5 YEARS? | ☒ | ☐ |
| IF SO, PLEASE DESCRIBE YOUR OBLIGATIONS FOR PAST, PRESENT AND FUTURE LIABILITIES: LOANS PAYABLE ONLY | | |
| E) CAN YOU IDENTIFY YOUR PRODUCT FROM THOSE OF COMPETITORS? | ☒ | ☐ |
| HOW? No one else grinds to our finesess. Cinders are unique to Flagstaff | | |
| PLEASE EXPLAIN ANY "NO" ANSWERS: | | |

## 6. CLAIMS HISTORY – FIVE YEARS OR MORE (LOSS RUNS MUST BE FURNISHED)

A) TOTAL AGGREGATES LOSSES, INCLUDING DEFENSE COSTS:

| POLICY PERIOD | NO. OF CLAIMS | TOTAL AMOUNTS PAID INDEMNITY | TOTAL AMOUNTS PAID EXPENSE | AMOUNTS IN RESERVE INDEMNITY | AMOUNTS IN RESERVE EXPENSE | VALUATION DATE |
|---|---|---|---|---|---|---|
| NONE | | | | | | |

B) DESCRIBE INDIVIDUAL LOSSES, VALUED $25,000 OR MORE, INCLUDING DEFENSE COSTS:
NONE

| | YES | NO |
|---|---|---|
| C) ARE YOU AWARE OF ANY OTHER OCCURRENCES, INCIDENTS, CONDITIONS, DEFECTS OR SUSPECTED DEFECTS, WHICH MAY RESULT IN CLAIMS AGAINST YOU? | ☐ | ☒ |

IF YES, GIVE DETAILS:



IFG-P-APPSUP 0303

ACC002850
AGRA TECH.

## 7. DESIGN, QUALITY CONTROL, RECORDKEEPING, WARNINGS & CLAIM DEFENSE

| | | YES | NO |
|---|---|---|---|
| A) | WHO DESIGNS YOUR PRODUCTS? Founding Directors with Scientists | | |
| B) | DO YOU REQUIRE COPIES OF CERTIFICATES EVIDENCING DESIGN OR ARCHITECTS AND ENGINEERS ERRORS AND OMISSIONS INSURANCE TO BE KEPT IN YOUR FILES? | ☒ | ☐ |
| | IF YES, ARE YOU NAMED AS AN ADDITIONAL INSURED ON THE ARCHITECTS AND ENGINEERS E&O POLICY? | ☐ | ☒ |
| | IF YES, WILL YOU RECEIVE 30 DAYS NOTICE OF CANCELLATION IF THE E&O POLICY IS CANCELLED? | ☐ | ☒ |
| C) | ARE YOUR PRODUCTS DESIGNED, TESTED, LABELED AND MANUFACTURED TO MEET OR EXCEED ALL APPLICABLE GOVERNMENT AND INDUSTRY STANDARDS? | ☐ | ☒ |
| D) | WHAT GOVERNMENT/INDUSTRY STANDARDS MUST YOUR PRODUCTS MEET (I.E. OSHA, UL, ANSI, ASME)? IDENTIFY TOP 3 STANDARDS (INCL. STANDARD NUMBERS). 1)____ 2)____ 3)____ | | |
| E) | ARE DESIGNS REVIEWED, TESTED AND VERIFIED BY OTHERS OUTSIDE OF THE COMPANY? | ☒ | ☐ |
| F) | DO YOU HAVE A QUALITY CONTROL PROGRAM? | ☒ | ☐ |
| G) | IF YOU HAVE A QUALITY CONTROL PROGRAM, IS IT WRITTEN? | ☐ | ☒ |
| H) | WHICH OF THE FOLLOWING ELEMENTS DOES YOUR QUALITY CONTROL PROGRAM INCLUDE: | | |
| | 1) WRITTEN SPECIFICATIONS/REQUIREMENTS FOR SUPPLIERS OF RAW MATERIALS AND/OR COMPONENTS? | ☒ | ☐ |
| | 2) TESTS OF MATERIALS AND COMPONENTS RECEIVED FROM SUPPLIERS TO DETERMINE CONFORMANCE? | ☐ | ☒ |
| | 3) ARE PRODUCTS TESTED AT VARIOUS STAGES TO VERIFY CONFORMANCE WITH WRITTEN STANDARDS? | ☐ | ☒ |
| | 4) ARE FINISHED PRODUCTS TESTED TO VERIFY THEY MEET PERFORMANCE REQUIREMENTS? | ☒ | ☐ |
| | 5) DO YOU RETAIN YOUR RECORDS OF TEST RESULTS? | ☒ | ☐ |
| | 6) HOW LONG DO YOU RETAIN YOUR RECORDS? 7yrs | | |
| I) | DO YOUR RECORDS INDICATE WHEN EACH PRODUCT WAS MANUFACTURED? | ☒ | ☐ |
| J) | DO YOUR RECORDS SHOW TO WHOM AND THE DATE EACH PRODUCT WAS SOLD? | ☒ | ☐ |
| K) | DO YOUR RECORDS SHOW WHO SUPPLIED THE COMPONENT PARTS GOING INTO YOUR PRODUCTS? | ☒ | ☐ |
| L) | DO YOU REQUIRE CERTIFICATES FROM YOUR SUPPLIERS EVIDENCING PRODUCTS LIABILITY INSURANCE? | ☐ | ☒ |
| M) | ARE YOU ISO 9000 (9001, 9002, 9004) AND/OR QS9000 REGISTERED? | ☐ | ☒ |
| | IF YES, WHO IS THE REGISTRAR (I.E. TUV)? | | |
| N) | DO YOU EVER DRAW PLANS, DESIGNS OR SPECIFICATIONS FOR ANY PRODUCTS(S) FOR OTHERS? | ☐ | ☒ |
| | IF YES, DO YOU CARRY DESIGN OR ARCHITECTS AND ENGINEERS ERRORS AND OMISSIONS INSURANCE? | ☐ | ☐ |
| O) | DOES LEGAL COUNSEL PERIODICALLY REVIEW ALL INSTRUCTIONS, OPERATING MANUALS, ADVERTISEMENTS AND WARRANTIES TO AVOID MISUNDERSTANDINGS RELATIVE TO PRODUCT SAFETY OR INTENDED USE? | ☐ | ☒ |
| | HOW OFTEN? | | |
| P) | DO YOU MAINTAIN RECORDS OF CHANGES IN DESIGNS, ADVERTISEMENTS AND SALES BROCHURES? | ☒ | ☐ |
| Q) | DO YOU HAVE A SPECIFIC PROGRAM TO WITHDRAW KNOWN OR SUSPECTED DEFECTIVE PRODUCTS FROM THE MARKET? | ☐ | ☒ |
| R) | HAVE YOU EVER RECALLED (EITHER VOLUNTARILY OR INVOLUNTARILY) OR ARE YOU CONSIDERING RECALLING ANY KNOWN OR SUSPECTED DEFECTIVE PRODUCTS FROM THE MARKET? | ☐ | ☒ |
| | IF YES, PLEASE FURNISH DETAILS: | | |
| S) | DO YOU FURNISH ANY GUARANTEES, WARRANTIES, OR HOLD HARMLESS AGREEMENTS? | ☐ | ☒ |
| | IF YES, PLEASE FURNISH DETAILS: | | |
| T) | LIST YOUR MEMBERSHIPS IN ANY INDUSTRY PRODUCT-STANDARD ORGANIZATIONS | | |
| | 1) 2) 3) 4) | | |

**NOTICE TO KENTUCKY, NEW YORK AND OHIO APPLICANTS:** ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT ACT, WHICH IS A CRIME AND IN NEW YORK PUNISHABLE BY A FINE OF UP TO $5,000.

Applicant warrants and agrees that the above answers and all attachments are in all respects true and shall be deemed material and are made to induce the Company to issue a policy, that the Company will rely on the same when issuing a policy, and that all pertinent information has been fully disclosed. The applicant understands that submission of this information creates no obligation on the part of the Company to provide insurance either on the basis requested or on any other basis.

| | |
|---|---|
| DATE COMPLETED | X 5-5-04 |
| PRINT NAME | X William H. Baker Jr |
| SIGNED BY | X [signature] |
| TITLE | X Secretary, Treasurer, CFO |



ACC002851
AGRA TECH.

**Agra Technologies, Inc.**
**Consolidated Balance Sheet**
**January 31, 2004**

| ASSETS | | | |
|---|---|---|---|
| Current Assets | | | |
| Cash & Eqivilants | $ | 435,170 | |
| Accounts Receivable | | 60 | |
| Inventory | | 1,030 | |
| Other Current Assets | | 41,904 | |
| Total Current Assets | | | 478,164 |
| Property, Plant, and Equipment, Net | | | 3,392,464 |
| Mineral Reserves, Net | | | 500,000 |
| Other Assets, Net | | | 5,642,132 |
| Total Assets | | | $ 10,012,760 |

| LIABILITIES AND STOCKHOLDER EQUITY | | | |
|---|---|---|---|
| Current Liabilities | | | |
| Accounts Payable | $ | 73,961 | |
| Notes Payable | | 39,258 | |
| Acrrued Expenses | | 2,695 | |
| Total Current Liabilities | | | 115,914 |
| Long-Term Liabilities | | | |
| Notes Payable | | 675,775 | |
| Deferred Income Taxes | | 414,329 | |
| Stockholder Loans | | 2,814,144 | |
| Total Long-Term Liabilities | | | 3,904,248 |
| Total Liabilities | | | 4,020,163 |
| Stockholder Equity | | | |
| Common Stock-12,553,601 Issued | | 9,303 | |
| Paid-in Capital | | 7,138,608 | |
| Distribution | | (322,943) | |
| Treasury Shares 60,000 | | (56,833) | |
| Retained Earnings | | (775,537) | |
| Total Capital | | | 5,992,598 |
| Total Liabilities & Capital | | | $ 10,012,760 |

Un-Audited

ACC002852
AGRA TECH.

Agra Technologies, Inc.
Income Statement
For the Nine Months Ending January 31, 2004

| | Current Quarter | Year to Date |
|---|---|---|
| **Total Revenues** | $ 846,295 | $ 2,604,950 |
| Cost of Sales | | |
| Cost of Product Sold | 18,308 | 42,353 |
| Depreciation Costs | 15,559 | 29,445 |
| Total Cost of Sales | 33,867 | 71,798 |
| **Gross Profit** | 812,428 | 2,533,152 |
| Research and Development | 6,570 | 13,570 |
| Selling and Administrative Expenses | 383,265 | 1,031,782 |
| Total Expenses | 389,835 | 1,045,352 |
| **Operating Profit** | 422,593 | 1,487,800 |
| Other Income (Expense) | | |
| Loss on Sale of Asset | (781) | (781) |
| Interest Income & Other | 1,113 | 1,113 |
| Interest Expense | (25,536) | (68,571) |
| Depreciation, Amortization | (2,768) | (8,931) |
| Total Other Income (Expense) | (27,973) | (77,171) |
| Income Before Taxes | 394,620 | 1,410,629 |
| Provision For Income Taxes | (6,606) | (414,444) |
| **Net Income** | $ 388,014 | $ 996,185 |
| Earnings Per Share | $ 0.03 | $ 0.08 |
| Average Shares Outstanding | 12,553,601.00 | 12,553,601.00 |

ACC002853
AGRA TECH.

Un-Audited

Agra Technologies, Inc.
Statement of Cash Flow
For the nine Months Ended January 31, 2004

| | Current Quarter | Year to Date |
|---|---|---|
| **Cash Flows from operating activities:** | | |
| Net Income | $ 388,014 | $ 996,185 |
| Adjustments to reconcile net income to net cash provided by operating activities | | |
| Accum. Depreciation | 19,667 | 64,467 |
| Accounts Receivable | (60) | (60) |
| Inventory | (1,030) | (1,030) |
| Deferred Income Taxes | 6,606 | 414,329 |
| Other Current Assets | (15,489) | (21,725) |
| Assets For Sale | (19,650) | (19,650) |
| Accounts Payable | 62,401 | 73,961 |
| Other Current Liabilities | 21 | 41,424 |
| Total Adjustments | 52,467 | 551,717 |
| Net Cash provided by Operations | 440,481 | 1,547,901 |
| **Cash Flows from investing activities** | | |
| Used For | | |
| Capital Investments | (203,254) | (3,477,363) |
| Mineral Reserve | - | (500,000) |
| Other Noncurrent Assets | - | (5,641,582) |
| Proceeds From | | |
| Disposal of Assets | 20,431 | 20,431 |
| Net cash used in investing | (182,823) | (9,598,514) |
| **Cash Flows from financing activities** | | |
| Proceeds From | | |
| Notes Payables Payable Increase | 32,903 | 638,465 |
| Stockholder Loans Increase | 125 | 3,115,230 |
| Common Stock- 5,000,000 Issued | - | 5,000 |
| Paid-in Capital | - | 5,098,221 |
| Used For | | |
| Notes Payables Payable (Decrease) | (9,539) | (19,523) |
| Stockholder Loans (Decrease) | (25,196) | (351,611) |
| Net cash used in financing | (1,708) | 8,485,783 |
| **Net increase <decrease> in cash** | $ 255,950 | $ 435,170 |
| **Summary** | | |
| Cash Balance at End of Period | $ 435,170 | $ 435,170 |
| Cash Balance at Beg of Period | (179,220) | - |
| Net Increase <Decrease> in Cash | $ 255,950 | $ 435,170 |

Un-Audited

Agra Technologies, Inc.
Income Statement
For the Nine Months Ending January 31, 2004

| | Current Quarter This Year | Current Quarter Last Year | Year to Date This Year | Year to Date Last Year |
|---|---|---|---|---|
| **Total Revenues** | $ 846,295 | $ - | $ 2,604,950 | $ - |
| Cost of Sales | | | | |
| Cost of Product Sold | 18,308 | - | 42,353 | - |
| Depreciation Costs | 15,559 | - | 29,445 | - |
| Total Cost of Sales | 33,867 | - | 71,798 | - |
| **Gross Profit** | 812,428 | - | 2,533,152 | - |
| Research and Development | 6,570 | - | 13,570 | - |
| Selling and Administrative Expenses | 383,265 | 11,250 | 1,031,782 | 11,250 |
| Total Expenses | 389,835 | 11,250 | 1,045,352 | 11,250 |
| **Operating Profit** | 422,593 | (11,250) | 1,487,800 | (11,250) |
| Other Income (Expense) | | | | |
| Loss on Sale of Asset | (781) | - | (781) | - |
| Interest Income & Other | 1,113 | - | 1,113 | - |
| Interest Expense | (25,536) | - | (68,571) | - |
| Depreciation, Amortization | (2,768) | - | (8,931) | - |
| Total Other Income (Expense) | (27,973) | - | (77,171) | - |
| Income Before Taxes | 394,620 | (11,250) | 1,410,629 | (11,250) |
| Provision For Income Taxes | (6,606) | - | (414,444) | - |
| **Net Income** | $ 388,014 | $ (11,250) | $ 996,185 | $ (11,250) |
| Earnings Per Share | $ 0.03 | $ (0.00) | $ 0.08 | $ (0.00) |
| Average Shares Outstanding | 12553601 | 4303050 | 12553601 | 4303050 |

ACC002855
AGRA TECH.

Un-Audited

Agra Technologies, Inc.
Five Year Financial Highlights-Income Statement
As of April 30

| | Jan 2004-Ytd | 2003 | 2002 | 2001 | 2000 | 1999 |
|---|---|---|---|---|---|---|
| Revenues | $ 2,604,950 | $ - | $ - | $ 500 | $ 57,850 | $ 213,524 |
| Cost of Goods Sold | 71,798 | - | 12,750 | - | - | 80,737 |
| Gross Profit | 2,533,152 | - | (12,750) | 500 | 57,850 | 132,787 |
| Reasearch and Development | 13,570 | - | 692,095 | - | - | - |
| Selling and Administrative Expenses | 1,031,782 | 45,000 | 239,144 | 57,176 | 186,861 | 259,962 |
| Operating Profit | 1,487,800 | (45,000) | (943,989) | (56,676) | (129,011) | (127,175) |
| Other Income (Expense) | | | | | | |
| Interest Income | 1,113 | | | | | |
| Gain(Loss) Asset Sale | (781) | - | (340,085) | - | 22,530 | - |
| Depr, Amort, Deplete | (8,931) | - | (10,109) | (1,503) | (4,816) | (17,203) |
| Interest Expense | (68,571) | - | (31,899) | - | 20,713 | (63,296) |
| Total Other | (77,170) | - | (382,093) | (1,503) | 38,427 | (80,499) |
| Income Before Taxes | 1,410,630 | (45,000) | (1,326,082) | (58,179) | (90,584) | (207,674) |
| Provision For Income Taxes | (414,444) | - | - | - | - | - |
| Net Income | $ 996,186 | $ (45,000) | $ (1,326,082) | $ (58,179) | $ (90,584) | $ (207,674) |
| Total Assets | $ 10,012,760 | $ 323,493 | $ 323,493 | $ 2,216,909 | $ 1,768,690 | $ 2,139,384 |
| Total Liabilities | $ 3,929,771 | $ 107,526 | $ 107,526 | $ 642,861 | $ 689,663 | $ 2,138,684 |
| Shareholder Equity | $ 5,992,597 | $ 216,135 | $ 216,135 | $ 1,574,048 | $ 1,079,027 | $ 700 |
| Average Shares Outstanding | 12,553,601 | 4,303,050 | 4,303,050 | 4,122,410 | 3,782,910 | 2,572,657 |
| Net Income(Loss) Per Share | $0.08 | ($0.01) | ($0.31) | ($0.01) | ($0.02) | ($0.08) |

Agra Technologies, Inc.
Five Year Financial Highlights-Balance Sheet
As of April 30

| | Jan 2004 Ytd | 2003 | 2002 | 2001 | 2000 | 1999 |
|---|---|---|---|---|---|---|
| Assets: | | | | | | |
| Current Assets | | | | | | |
| Cash & Equivilants | $ 435,170 | $ - | $ - | $ 171 | $ 7,364 | $ 12,828 |
| Accounts Receivable | 60 | - | - | - | - | 9,706 |
| Inventory | 1,030 | - | - | 12,750 | 6,378 | 6,378 |
| Other | 41,904 | - | - | 3,000 | 5,000 | 2,203 |
| Total Current Assets | 478,164 | - | - | 15,921 | 18,742 | 31,115 |
| Property, Plant, & Equipment, Net | 3,392,464 | - | - | 306,251 | 287,572 | 275,271 |
| Mineral Reserves, Net | 500,000 | - | - | 500,000 | - | 765,783 |
| Other Assets | 5,642,132 | 550 | 323,490 | 1,394,737 | 1,462,376 | 1,067,215 |
| Total Assets | $ 10,012,760 | $ 550 | $ 323,490 | $ 2,216,909 | $ 1,768,690 | $ 2,139,384 |
| Liabilities & Stockholder Equity: | | | | | | |
| Current Liabilities | | | | | | |
| Accounts Payable | $ 73,961 | $ - | $ - | $ 194,767 | $ 97,119 | $ 42,183 |
| Current Notes Payable | 39,258 | - | - | 158,000 | 158,000 | 1,381,774 |
| Accruals | 2,695 | - | - | - | - | 456,158 |
| | 115,914 | - | - | 352,767 | 255,119 | 1,880,115 |
| Long Term Debt | 3,489,919 | 107,359 | 107,359 | 290,094 | 284,544 | 206,969 |
| Other Liabilities | 414,329 | - | - | - | 150,000 | 51,600 |
| Total Liabilities | 4,020,162 | 107,359 | 107,359 | 642,861 | 689,663 | 2,138,684 |
| Stockholder Equity | | | | | | |
| Common Stock | 7,147,911 | 2,044,690 | 1,999,690 | 1,974,689 | 1,421,489 | 208,374 |
| Treasury Stock | (56,833) | (56,833) | (56,833) | - | - | - |
| Retained Earnings | (1,098,480) | (2,094,666) | (1,726,726) | (400,641) | (342,462) | (207,674) |
| Total Stockholder Equity | 5,992,598 | (106,809) | 216,131 | 1,574,048 | 1,079,027 | 700 |
| Total Liabilities and Equity | $ 10,012,760 | $ 550 | $ 323,490 | $ 2,216,909 | $ 1,768,690 | $ 2,139,384 |

Agra Technologies, Inc.
Five Year Financial Highlights-Statement of Cash Flows
As of April 30

| | Jan 2004-Ytd | 2003 | 2002 | 2001 | 2000 | 1999 |
|---|---|---|---|---|---|---|
| Net Income | $ 996,185 | $ (45,000) | $(1,326,082) | $ (58,179) | $ (90,584) | $ (207,674) |
| Adjustments: | | | | | | |
| Depreciation Amortization Adjustment | 64,467 | | | | | |
| (Increase) Decrease in Current Assets | (42,465) | - | (15,204) | (4,372) | 6,909 | (18,287) |
| Increase (Decrease) in Current Liabilities | 115,385 | - | (352,767) | 97,648 | (1,624,996) | 1,880,115 |
| Total Adjustments | 137,387 | - | (367,971) | 93,276 | (1,618,087) | 1,861,828 |
| Cash Provided by (Used By) Operations | 1,133,572 | (45,000) | (1,694,053) | 35,097 | (1,708,671) | 1,654,154 |
| Cash Flows From (Used) By Investing Activities | | | | | | |
| Capital Investments | (9,618,944) | - | (323,490) | (451,040) | (407,462) | (2,108,269) |
| Asset Dispositions | 20,431 | - | 2,200,988 | - | 765,783 | - |
| Net Cash From (Used) By Investing Activities | (9,598,513) | - | 1,877,498 | (451,040) | 358,321 | (2,108,269) |
| Cash Flows From (Used) By Financing Activities | | | | | | |
| Proceeds From | | | | | | |
| Notes Payable Increase | 3,753,695 | - | - | 5,550 | 77,575 | 206,969 |
| Other Liability Increase | 414,329 | - | - | | 98,400 | 51,600 |
| Common Stock Increase | | - | | - | - | 208,374 |
| Paid In Capital Increase | 5,103,221 | 45,000 | 25,001 | 553,200 | 1,213,115 | - |
| Used For | | | | | | |
| Notes Payable Decrease | (371,134) | - | - | - | - | - |
| Other Liability Decrease | - | - | - | (150,000) | - | - |
| Purchase of Treasury Stock | - | - | (56,833) | - | - | - |
| Net Cash From (Used) By Financing Activities | 8,900,111 | 45,000 | (31,832) | 408,750 | 1,389,090 | 466,943 |
| Net Increase(Decrease) in Cash | $ 435,170 | $ - | $ 151,613 | $ (7,193) | $ 38,740 | $ 12,828 |
| Summary | | | | | | |
| Ending Cash | $ 435,170 | $ - | $ - | $ 171 | $ 7,364 | $ 12,828 |
| Beginning Cash | - | - | (171) | (7,364) | (12,828) | - |
| Net Increase(Decrease) in Cash | $ 435,170 | $ - | $ (171) | $ (7,193) | $ (5,464) | $ 12,828 |

HP LaserJet 3100
Printer/Fax/Copier/Scanner

SEND ERROR REPORT for
AGRA TECHNOLOGIES
928 526 2269
May-5-04 4:10PM

| Job | Start Time | Usage | Phone Number or ID | Type | Pages | Mode | Status |
|---|---|---|---|---|---|---|---|
| 616 | 5/ 5 4:09PM | 0'00" | 19285270072..... | Send..... | 0/ 4 | ..... | Canceled by Operator..... 943 |

Total 0'00" Pages Sent: 0 Pages Printed: 0

**PRODUCT LIABILITY**
**SUPPLEMENTAL QUESTIONNAIRE**

GSG Guilford Specialty group

**PREPARATION INSTRUCTIONS**

1) ANSWER ALL QUESTIONS. IF THE ANSWER TO ANY QUESTIONS IS NONE, PLEASE STATE NONE.
2) APPLICATION MUST BE SIGNED AND DATED BY OWNER, PARTNER OR OFFICER.
3) BROCHURES, COPIES OF GUARANTEES, WARRANTIES AND HOLD HARMLESS AGREEMENTS FURNISHED BY THE NAMED INSURED SHOULD ACCOMPANY THE APPLICATION.
4) THE LATEST 10K AND 10Q, OR IF A PRIVATELY HELD BUSINESS, LATEST AUDITED FINANCIAL STATEMENT AND LATEST QUARTERLY INCOME REPORT SHOULD BE FURNISHED.

**1. APPLICANT INFORMATION**

A) NAME (FIRST NAMED INSURED AND OTHER NAMED INSUREDS)
Agra Technologies, Inc.

B) LIST ALL APPLICANTS' WEB SITES:

**2. DESCRIPTION OF OPERATIONS**
Agricultural Mineral Products. Grind cinders down to talc powder. Package the talc powder in 1 ton sacks, 50 lb sacks, shelf containers. And Bulk water sales from well

**3. SPECIFIED PRODUCTS AND COMPLETED OPERATIONS**

A) ONLY THOSE PRODUCTS AND SERVICES SPECIFIED BELOW WILL BE CONSIDERED FOR COVERAGE. REFER TO KEY BELOW

| PRODUCTS (SPECIFIC CATEGORY) | APPLICANT ACTS AS AN: M | W | R | I | MR | NO OF YEARS | % GROSS SALES | COSS APPLICANT INSTALL | REPAIR/ SERVICE | PRODUCTS SOLD TO: W | R | MC | C | O |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Pagcamin | X | | | | | 7 | -0- | NO | NO | X | | | | X |
| Bulk water | X | | | | | 1 | 1% | NO | NO | | | | X | X |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |

M = MANUFACTURER R = RETAILER MR = MANUFACTURER'S REP OTHER (SPECIFY) Farmers
W = WHOLESALER I = IMPORTER C = CONSUMER-DIRECT

B) HAVE YOU DISCONTINUED OR ARE YOU CONSIDERING DISCONTINUING ANY PRODUCT TO BE COVERED BY THIS INSURANCE? YES ☐ NO ☒

IF YES, PLEASE DESCRIBE:

C) ARE ANY NEW PRODUCTS PLANNED FOR SALE DURING THE NEXT 12 MONTHS? ☐ ☒
D) DO YOU IMPORT COMPONENT PARTS? ☐ ☒
E) DO YOU EXPORT PRODUCTS OR HAVE FOREIGN OPERATIONS? ☐ ☒
F) DO YOU KNOW IF ANY OF YOUR PRODUCTS OR SERVICES ARE USED IN CONNECTION WITH AIRCRAFT/MISSILES/AEROSPACE? ☐ ☒
G) ARE ANY OF YOUR PRODUCTS OR SERVICES SUBJECT TO REGISTRATION/REGULATION/REVIEW BY ANY GOVERNMENTAL AGENCY? ☐ ☒

PLEASE EXPLAIN ANY "YES" ANSWERS:

IFG-P-APPSUP 0303

# PRODUCT LIABILITY
## SUPPLEMENTAL QUESTIONNAIRE

GSG Guilford Specialty group

**PREPARATION INSTRUCTIONS**

1) ANSWER ALL QUESTIONS. IF THE ANSWER TO ANY QUESTIONS IS NONE, PLEASE STATE NONE.
2) APPLICATION MUST BE SIGNED AND DATED BY OWNER, PARTNER OR OFFICER.
3) BROCHURES, COPIES OF GUARANTEES, WARRANTIES AND HOLD HARMLESS AGREEMENTS FURNISHED BY THE NAMED INSUREDS SHOULD ACCOMPANY THE APPLICATION.
4) THE LATEST 10K AND 10Q, OR IF A PRIVATELY HELD BUSINESS, LATEST AUDITED FINANCIAL STATEMENT AND LATEST QUARTER INCOME REPORT SHOULD BE FURNISHED.

## 1. APPLICANT INFORMATION

A) NAME (FIRST NAMED INSURED AND OTHER NAMED INSUREDS)

Agra Technologies, Inc.

B) LIST ALL APPLICANTS' WEB SITES:

## 2. DESCRIPTION OF OPERATIONS

Agricultural Mineral Products. Grind cinders down to talc powder. Package the talc powder in 1 ton sacks, 50 lb sacks, shelf containers. And Bulk water sales from well

## 3. SPECIFIED PRODUCTS AND COMPLETED OPERATIONS

A) ONLY THOSE PRODUCTS AND SERVICES SPECIFIED BELOW WILL BE CONSIDERED FOR COVERAGE. REFER TO KEY BELOW

| PRODUCTS (SPECIFIC CATEGORY) | APPLICANT ACTS AS A/AN: | | | | | NO OF YEARS | % GROSS SALES | DOES APPLICANT | | PRODUCTS SOLD TO | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | M | W | R | I | MR | | | INSTALL | REPAIR/ SERVICE | W | R | MC | C | O |
| Agramin | X | | | | | 7 | -0- | No | No | X | | | | X |
| Bulk water | X | | | | | 1 | 1% | NO | NO | | | | X | X |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |

M = MANUFACTURER R = RETAILER MR = MANUFACTURER'S REP OTHER (SPECIFY) Farmers

W = WHOLESALER I = IMPORTER C = CONSUMER-DIRECT

| | | YES | NO |
|---|---|---|---|
| B) | HAVE YOU DISCONTINUED OR ARE YOU CONSIDERING DISCONTINUING ANY PRODUCT TO BE COVERED BY THIS INSURANCE? | ☐ | ☒ |
| | IF YES, PLEASE DESCRIBE: | | |
| C) | ARE ANY NEW PRODUCTS PLANNED FOR SALE DURING THE NEXT 12 MONTHS? | ☐ | ☒ |
| D) | DO YOU IMPORT COMPONENT PARTS? | ☐ | ☒ |
| E) | DO YOU EXPORT PRODUCTS OR HAVE FOREIGN OPERATIONS? | ☐ | ☒ |
| F) | DO YOU KNOW IF ANY OF YOUR PRODUCTS OR SERVICES ARE USED IN CONNECTION WITH AIRCRAFT/MISSILES/AEROSPACE? | ☐ | ☒ |
| G) | ARE ANY OF YOUR PRODUCTS OR SERVICES SUBJECT TO REGISTRATION/REGULATION/REVIEW BY ANY GOVERNMENTAL AGENCY? | ☐ | ☒ |
| | PLEASE EXPLAIN ANY "YES" ANSWERS: | | |

## 4. SALES HISTORY

A) TOTAL SALES OR RECEIPTS FOR ALL PRODUCTS AND SERVICES
PAST 12 MONTHS $ 3,566,999 1ST PRIOR YEAR $ -0- 2ND PRIOR YEAR $ -0-

DESCRIBE ANY SIGNIFICANT CHANGE IN PRODUCT SALES MIX BETWEEN ANY PRIOR YEAR AND NEXT YEAR'S PROJECTION:

| | YES | NO |
|---|---|---|
| B) DO YOU WISH TO PROVIDE YOUR CUSTOMERS WITH VENDORS COVERAGE? | ☐ | ☒ |

IF YES, NAME OF VENDOR:

YOUR PRODUCT:

## 5. OPERATIONS, ADDITIONAL LIABILITIES & UNIQUE CHARACTERISTICS

| | | |
|---|---|---|
| A) DO OTHERS MANUFACTURE, ASSEMBLE, PACKAGE OR INSTALL PRODUCTS UNDER YOUR NAME OR LABEL? | ☐ | ☒ |
| B) DO YOU MANUFACTURE, ASSEMBLE, PACKAGE OR INSTALL PRODUCTS FOR OTHERS UNDER THEIR NAME OR LABEL? | ☐ | ☒ |

PLEASE EXPLAIN ANY "YES" ANSWERS:

| | | |
|---|---|---|
| C) HAVE YOU SOLD ANY BUSINESS IN WHICH YOU RETAINED LIABILITIES? | ☐ | ☒ |

IF SO, PLEASE FURNISH DETAILS INCLUDING LIST OF PRODUCTS MANUFACTURED, ASSEMBLED, PACKAGED OR INSTALLED BY YOU PRIOR TO THE DATE SOLD:

| | | |
|---|---|---|
| D) HAVE YOU ACQUIRED OR DIVESTED ANY BUSINESS OPERATIONS WITHIN THE LAST 5 YEARS? | ☒ | ☐ |

IF SO, PLEASE DESCRIBE YOUR OBLIGATIONS FOR PAST, PRESENT AND FUTURE LIABILITIES:
LOANS PAYABLE ONLY

| | | |
|---|---|---|
| E) CAN YOU IDENTIFY YOUR PRODUCT FROM THOSE OF COMPETITORS? | ☒ | ☐ |

HOW? No one else grinds to our finesess. Cinders are unique to Flagstaff

PLEASE EXPLAIN ANY "NO" ANSWERS:

## 6. CLAIMS HISTORY – FIVE YEARS OR MORE (LOSS RUNS MUST BE FURNISHED)

A) TOTAL AGGREGATES LOSSES, INCLUDING DEFENSE COSTS:

| POLICY PERIOD | NO. OF CLAIMS | TOTAL AMOUNTS PAID INDEMNITY | TOTAL AMOUNTS PAID EXPENSE | AMOUNTS IN RESERVE INDEMNITY | AMOUNTS IN RESERVE EXPENSE | VALUATION DATE |
|---|---|---|---|---|---|---|
| | | | | | | |
| | | | | | | |
| NONE | | | | | | |
| | | | | | | |
| | | | | | | |

B) DESCRIBE INDIVIDUAL LOSSES, VALUED $25,000 OR MORE, INCLUDING DEFENSE COSTS:
NONE

| | YES | NO |
|---|---|---|
| C) ARE YOU AWARE OF ANY OTHER OCCURRENCES, INCIDENTS, CONDITIONS, DEFECTS OR SUSPECTED DEFECTS, WHICH MAY RESULT IN CLAIMS AGAINST YOU? | ☐ | ☒ |

IF YES, GIVE DETAILS:

## 7. DESIGN, QUALITY CONTROL, RECORDKEEPING, WARNINGS & CLAIM DEFENSE

| | | YES | NO |
|---|---|---|---|
| A) | WHO DESIGNS YOUR PRODUCTS? Founding Directors with Scientists | | |
| B) | DO YOU REQUIRE COPIES OF CERTIFICATES EVIDENCING DESIGN OR ARCHITECTS AND ENGINEERS ERRORS AND OMISSIONS INSURANCE TO BE KEPT IN YOUR FILES? | ☒ | ☐ |
| | IF YES, ARE YOU NAMED AS AN ADDITIONAL INSURED ON THE ARCHITECTS AND ENGINEERS E&O POLICY? | ☐ | ☒ |
| | IF YES, WILL YOU RECEIVE 30 DAYS NOTICE OF CANCELLATION IF THE E&O POLICY IS CANCELLED? | ☐ | ☒ |
| C) | ARE YOUR PRODUCTS DESIGNED, TESTED, LABELED AND MANUFACTURED TO MEET OR EXCEED ALL APPLICABLE GOVERNMENT AND INDUSTRY STANDARDS? | ☐ | ☒ |
| D) | WHAT GOVERNMENT/INDUSTRY STANDARDS MUST YOUR PRODUCTS MEET (I.E. OSHA, UL, ANSI, ASME)? IDENTIFY TOP 3 STANDARDS (INCL. STANDARD NUMBERS). 1)_____ 2)_____ 3)_____ | | |
| E) | ARE DESIGNS REVIEWED, TESTED AND VERIFIED BY OTHERS OUTSIDE OF THE COMPANY? | ☒ | ☐ |
| F) | DO YOU HAVE A QUALITY CONTROL PROGRAM? | ☒ | ☐ |
| G) | IF YOU HAVE A QUALITY CONTROL PROGRAM, IS IT WRITTEN? | ☐ | ☒ |
| H) | WHICH OF THE FOLLOWING ELEMENTS DOES YOUR QUALITY CONTROL PROGRAM INCLUDE: | | |
| | 1) WRITTEN SPECIFICATIONS/REQUIREMENTS FOR SUPPLIERS OF RAW MATERIALS AND/OR COMPONENTS? | ☒ | ☐ |
| | 2) TESTS OF MATERIALS AND COMPONENTS RECEIVED FROM SUPPLIERS TO DETERMINE CONFORMANCE? | ☐ | ☒ |
| | 3) ARE PRODUCTS TESTED AT VARIOUS STAGES TO VERIFY CONFORMANCE WITH WRITTEN STANDARDS? | ☐ | ☒ |
| | 4) ARE FINISHED PRODUCTS TESTED TO VERIFY THEY MEET PERFORMANCE REQUIREMENTS? | ☒ | ☐ |
| | 5) DO YOU RETAIN YOUR RECORDS OF TEST RESULTS? | ☒ | ☐ |
| | 6) HOW LONG DO YOU RETAIN YOUR RECORDS? 7 yrs | | |
| I) | DO YOUR RECORDS INDICATE WHEN EACH PRODUCT WAS MANUFACTURED? | ☒ | ☐ |
| J) | DO YOUR RECORDS SHOW TO WHOM AND THE DATE EACH PRODUCT WAS SOLD? | ☒ | ☐ |
| K) | DO YOUR RECORDS SHOW WHO SUPPLIED THE COMPONENT PARTS GOING INTO YOUR PRODUCTS? | ☒ | ☐ |
| L) | DO YOU REQUIRE CERTIFICATES FROM YOUR SUPPLIERS EVIDENCING PRODUCTS LIABILITY INSURANCE? | ☐ | ☒ |
| M) | ARE YOU ISO 9000 (9001, 9002, 9004) AND/OR QS9000 REGISTERED? | ☐ | ☒ |
| | IF YES, WHO IS THE REGISTRAR (I.E. TUV)? _____ | | |
| N) | DO YOU EVER DRAW PLANS, DESIGNS OR SPECIFICATIONS FOR ANY PRODUCT(S) FOR OTHERS? | ☐ | ☒ |
| | IF YES, DO YOU CARRY DESIGN OR ARCHITECTS AND ENGINEERS ERRORS AND OMISSIONS INSURANCE? | ☐ | ☐ |
| O) | DOES LEGAL COUNSEL PERIODICALLY REVIEW ALL INSTRUCTIONS, OPERATING MANUALS, ADVERTISEMENTS AND WARRANTIES TO AVOID MISUNDERSTANDINGS RELATIVE TO PRODUCT SAFETY OR INTENDED USE? | ☐ | ☒ |
| | HOW OFTEN? | | |
| P) | DO YOU MAINTAIN RECORDS OF CHANGES IN DESIGNS, ADVERTISEMENTS AND SALES BROCHURES? | ☒ | ☐ |
| Q) | DO YOU HAVE A SPECIFIC PROGRAM TO WITHDRAW KNOWN OR SUSPECTED DEFECTIVE PRODUCTS FROM THE MARKET? | ☐ | ☒ |
| R) | HAVE YOU EVER RECALLED (EITHER VOLUNTARILY OR INVOLUNTARILY) OR ARE YOU CONSIDERING RECALLING ANY KNOWN OR SUSPECTED DEFECTIVE PRODUCTS FROM THE MARKET? | ☐ | ☒ |
| | IF YES, PLEASE FURNISH DETAILS: _____ | | |
| S) | DO YOU FURNISH ANY GUARANTEES, WARRANTIES, OR HOLD HARMLESS AGREEMENTS? | ☐ | ☒ |
| | IF YES, PLEASE FURNISH DETAILS: | | |
| T) | LIST YOUR MEMBERSHIPS IN ANY INDUSTRY PRODUCT-STANDARD ORGANIZATIONS | | |
| | 1) 2) 3) 4) | | |

**NOTICE TO KENTUCKY, NEW YORK AND OHIO APPLICANTS:** ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT ACT, WHICH IS A CRIME AND IN NEW YORK PUNISHABLE BY A FINE OF UP TO $5,000.

Applicant warrants and agrees that the above answers and all attachments are in all respects true and shall be deemed material and are made to induce the Company to issue a policy, that the Company will rely on the same when issuing a policy, and that all pertinent information has been fully disclosed. The applicant understands that submission of this information creates no obligation on the part of the Company to provide insurance either on the basis requested or on any other basis.

DATE COMPLETED X 5-5-04

PRINT NAME X William H. Baker Jr

SIGNED BY X [signature]

TITLE X Secretary, Treasurer, CFO



ACC002862
AGRA TECH.

Tab “36”

## LAWRENCE PAILLE

**From:**
**To:** "'LAWRENCE PAILLE'" <lkpaille@msn.com>
**Cc:** <bbkaer@agra-technologies.com>; "'William Pierson'" <wpierson@agra-technologies.com>
**Sent:** Saturday, August 26, 2006 12:55 PM
**Subject:** RE: ATI investigation

SO if the methods of extraction are as you have presented, why are there no payoffs, even below that expected, even attempts. There has been no ore processed. Apparently, you have not even found an independent company that will support your findings. Why are the profits so far, only the commissions on the investments? Why were we (the investors) not told the commissions were 25%? Why did Richard Campbell leave the company? What did Richard Campbell know? Why were we the investors not informed? Why are you presenting methods from Mr. Gillespie, when his methods have been found to be false? Why would the investors not be shown the assay reports? Did you present financials for the company to the people who have already purchased shares? Did you know that you took money from people who did not meet the financial requirements in the laws of the State of Arizona to make these types of risky investments? Did you care? I was never asked, was anyone else? Why is there no death certificate for Timothy Thomis? Is there an alias? Is he even dead?

These are just some of the questions going through my head. I gave you all the money my father left me and now I feel like a complete idiot, not "a friend." I am not concerned about whether this is a security or not. I am concerned that I have been given a bunch of lies or half-truths or major omissions at best. Larry, I trusted your judgment and it is beginning to look like I am wrong ; in critical care and dying. She really needed some of her money and received no help. While all investments are risky, we can't even sell these. I myself have been out of work due to a blood clot and could really use some of my money. You presented with such conviction that at worse I thought I would get my money back with no gain. I always thought your predictions were high, but never did I think this was a scam. Now I am truly not so sure. Larry, I can only hope you are as clueless as I have been. I have yet to speak to the investigator, but with all this in my mind, I am not sure what to say. With hope but a lot of sadness,

---

**From:** LAWRENCE PAILLE [mailto:lkpaille@msn.com]
**Sent:** Thursday, August 24, 2006 11:40 AM
**To**
**Cc:** bbkaer@agra-technologies.com; William Pierson
**Subject:** ATI investigation

This investigation is likely the result of an investor complaining to the SEC. Because of the complaint, the SEC is required to look into the matter.

I am only aware of two investors that have been contacted; you are one of the investors. I was made awar of the contact with the other investor yesterday. As a result, I arranged a conference call with Agra-Tech fo that investor; below is a summary of that call:

The conference call was with Bill Baker, the chief financial officer of Agra-Tech.

This investigation was likely started by an investor.

The most likely direction of the investigation is to determine whether the mining contracts are a security, which means the contracts would then be regulated by the SEC. The mining contracts were carefully set up to NOT be a security; and therefore, not fall under SEC jurisdiction.

The mining contracts are simply a purchase of 50 tons of ore for each unit. The unit holder further authorizes Agra-Tech to process the ore and pay the unit holder per the formula defined in the contract. Yo are NOT purchasing any equity in the company; this is a critical point.

The other point that will be important to the SEC is whether Agra-Tech directly solicited you for this

investment. This was not the case, as you were made aware of this investment through Cindy and I (you were made aware of this investment through your friends).

The other thing the SEC will be looking at is where the funds went. They will be looking at whether the funds went to the company officers to buy personal items, such as homes and cars. What they will find is that all the funds were used properly; that is, to build the pilot facility.

Agra-Tech has nothing to hide and is fully cooperating with the investigation. Agra-Tech has been through a number of financial audits in preparation of going public. Agra-Tech is highly confident the books will look impeccable and no problems will be found.

- Bill Baker's recommendation is to answer the questions to the best of your ability. Agra-Tech is in contact with their legal council in order to get a recommendation from them as to how the investors should respond; this was requested by the other investor that has been contacted.

It is my belief, and Agra-Tech's belief, the investigation will not cause any problems, or jeopardize Agra-Tech or your investment in any way.

I have been working with Agra-Tech very closely over the past year and have witnessed Agra-Tech's actions and decisions personally. I can confidently say that all of the Agra-tech personnel have been operating with the highest of ethical standards. I have been very impressed with the ethics of the company, especially with the CEO (Bill Pierson), and am 100% confident that this SEC investigation will not be a problem. I have seen the ethics of the company officers by their actions, and I could not be more impressed. I have no concerns or worries about this investigation.

Feel free to give me a call if you have any questions regarding this matter.

Take care,
Larry Paille
928-284-4221

## LAWRENCE PAILLE

**From:** "wjp@ati" <wpierson@agra-technologies.com>
**To:** "LAWRENCE PAILLE" <lkpaille@msn.com>
**Cc:** "Douglas Gettler" <dgettler@agra-technologies.com>; <bbaker@agra-technologies.com>
**Sent:** Sunday, August 27, 2006 1:25 PM
**Subject:** Re: Proposed response to

Larry,

You have done a stand up job of responding to ınd I am so very thankful for your support. Even though the quality of your responses are of the level they are, I doubt they can take the place of the financial deficit she speaks of in this attack on you and on ATI. She has every right to be disappointed in ATI, but I hurt for and with you when we are personally questioned regarding our credibility and intent.

There are different reasons for why certain assay reports were not shared publicly, but basically no company publishes its assay results for public view. We have shared recovery assay reports with you, when and as they were deemed reliable. And as you stated, some of the certified results we have acquired have indicated a given process was productive, but not productive enough to move into production with. We are currently certifying the CLP, I am taking samples from the plant to Tucson this evening, for additional testing with HiFEIS. Testing from our last HiFEIS runs is being done by third party labs in Texas. Don Nelson is working on our material in GA., and we plan to review our process with Don within the next few weeks. I will have our latest assay certifications from Bob Wasileiw with me on Tuesday for you and for Greg. These still need to remain confidential, as providing this kind of information to the public can do more harm than good, for a mining company. Based upon this information, you are able to inform others in the project of both the positive and the negative status of the project, which you have done a stellar job of thus far.

I am not aware of, nor do I believe there is any requirement for someone buying Ore from us to be certified as an accredited investor. I understand that those having bought Ore from us, has simultaneously contracted with us to process. that Ore, with the hope the Ore will produce significant precious metals. This is precisely why we are still working diligently to position the Company to accomplish this for them. As you know, we have never been more confident we have at least one viable process now, and as we work to further define and certify it, we have never been more financially challenged. But, we hope to begin to repair this next week. But, I digress. To the point of qualified investors, if ATI wanted to sell shares to an investor without registering an Offer, it could only do so to "Accredited Investors". ATI has not sold securities. The Ore Contract was reviewed by the AICPA at the request of Ivan Braverman, an SEC qualified CPA, and the AICPA agreed with us that the Ore Contract was exactly what the Company has represented. We have sold Ore, and we have recorded the revenue from that sale. We also show that we have "Processing Contracts" on our books, for processing at a future date.

Tim Thomis held himself out to be a certified financial planner, having a larger client base in his trust business and select investments. Tim Thomis crafted the Ore Contract, and negotiated his contract with Richard Campbell.

Larry, I am just grateful we have a process coming together now that has all the indications it is capable meeting all of the necessary criteria of environmental concerns and economic viability.

wjp

NOTE: The ATI Business Plan is not normally intended for public distribution. It is not, nor was it ever intended to be a tool to influence an Ore Contract Owner. It's primary use is for presentation as an extensive and sophisticated representation ( what the Company plans to do over the coming five years, from the date represented on the plan's cover page. Several plans have been put together over the past few years. They have been modified for a number of reasons, some of which I will list here.

1. Changes processes, and or estimated rates of projected recovery, and or metals to be recovered.
2. Changes in alliances.
3. Changes in Capital Funding structures

—— Original Message ——
**From:** LAWRENCE PAILLE

**To:** William Pierson
**Sent:** Sunday, August 27, 2006 12:06 PM
**Subject:** Proposed response to

Bill,
See below my proposed response to I - There are two questions that I could use a little help with:
1. nn asks why assay reports haven't been shared with investors
2 .... claims laws were broken by selling mining contracts to people who did not meet financial requirements (but also stated she doesn't care whether mining contracts are a security or not)

My understanding is the mining contracts are simply a private contract between Agra-Tech and the investor, who purchases 50 tons of ore and can have Agra-Tech process the ore and split the payout per the defined formula. Since it is a private contract, there are no State of Arizona requirements. However, if the investor was buying interest in the company, it would be regulated as a security, and the accredited/non-accredited investor requirements would then apply.

You can see my responses to these questions below in red.

Let me know what you think, and I will send the response to . 'lease review my response to the Dick Campbell questions and make sure I have responded properly.
Thanks,
Larry Paille
928-284-4221

Please refer to my comments shown below in red:

—— Original Message ——
**From:**
**To:** 'LAWRENCE PAILLE'
**Cc:** bbkaer@agra-technologies.com ; 'William Pierson'
**Sent:** Saturday, August 26, 2006 12:55 PM
**Subject:** RE: ATI investigation

SO if the methods of extraction are as you have presented, why are there no payoffs, even below that expected, even attempts.

Agra-Tech has attempted to start production several times, but problems have been encountered with the scaling up process. The first attempt was with the original Galleon process, then later with an internally developed process. In both cases, there were reduced yields and inconsistent results. That forced a stop on the ramp-up process, and put Agra-Tech back into process debug. The mining contract payout formula favors the investors; if the yield is low, the investor gets the lion's share of the proceeds while Agra-Tech gets a minimal amount and potentially nothing. Low yields do not allow Agra-Tech to generate enough revenue to pay the expenses, which will ultimately be bad for the investors. The yield needs to be high enough for Agra-Tech to continue operations. And unfortunately, process costs are higher than originally anticipated.

There has been no ore processed.

There has been no mining contract ore processed. All ore processed has been small process development test runs where the metal generated has been destroyed as part of the assaying of the metal produced.

Apparently, you have not even found an independent company that will support your findings.

This question was answered in the July 2006 update and is repeated below.

The original independent analysis used a company called the Inspectorate Group. They are an internationally known company that does refinery inspections, among other things, to insure the refiners are not cheating their customers. Agra-Tech employed the Inspectorate Group on two occasions to monitor two complete process runs at Agra-Tech. The results of the Inspectorate reports did not agree with Agra-Tech's internal testing. It was later admitted by the Inspectorate Group that their analysis lab was not really set up to do analysis on the platinum group metals. This cost Agra-Tech about 6 months in technological and funding progress. Samples were then sent to Becquerel Labs in Canada. This company is set up to do platinum metal group analysis; unfortunately the analysis takes longer and is more expensive. Test results from Becquerel Labs does confirm Agra-Tech's internal testing, and these independent tests are currently being used as part of packages to acquire the additional funding necessary to complete the process development and process ramp-up into production.

Why are the profits so far, only the commissions on the investments?

You purchased your units on 3/18/05 and 5/08/05, which was when Tim was still alive. At that point, I was not aware of the gross commission paid to Tim, only that I received a $500/unit referral fee. That was disclosed to you as well as that this is an investment, and as such there are no guarantees. I presented the information to you as honestly as possible, even down-playing yields and schedules to present the most conservative view of the investment. Unfortunately, there were technical difficulties that pushed the schedule out beyond the safety factor that I had built into the schedule.

Tim passed away on May 29, 2005; at that point, Jerry and I assumed the general agent position. The mining contract commissions pays the referral fees (the same fee that I got from Tim for your units) and any business expenses incurred by Jerry and I. The business related expenses include postage, office supplies, long-distance phone service, fuel costs, and meeting related expenses with investors; these expenses are not trivial. Half of the net commission is the only source of income I have; recall that I quit my job in Colorado on August 1, 2005 to assist Agra-Tech with this project. The net commission payments have allowed me to pay my expenses, including rent and utilities in Sedona, while still making house and utility payments in Colorado for 8 months, as that is how long it took to sell my house in Colorado. Jerry and I are not getting wealthy on commissions; in fact, this past year has been a financial drain primarily due to the length of time it took to sell my house in Colorado. I still don't regret the decision, as Jerry and I are helping facilitate this program and our financial reward will come along with all the other investors when the mining contracts pay out.

I have further allowed Agra-Tech to suspend monthly payments from the platinum rental fund so that they can better fund their operation and purchase the necessary equipment to get the pilot plant into production. At this time, I as well as Jerry, am receiving no income, commission or otherwise, from Agra-Tech simply because there are no mining contracts being sold. I am not profiting from Agra-Tech and will need to get another source of income by the end of the year in order to pay my monthly expenses.

The mining contract funds and all other Agra-Tech income are being used very wisely at Agra-Tech. The focus is to ge the pilot plant into production and start generating revenue. All unnecessary expenses are already cut. The officers of the company are not using the funds for their own profit; in fact, quite the opposite. Some are loaning their personal funds to the company to help get the plant into production.

Why were we (the investors) not told the commissions were 25%?

Actually, nobody has asked that question to Jerry or I. The commission payments have allowed Jerry and I to work full time on the Agra-Tech program without other income, which has been necessary since Tim's passing. However, the current level of commission payments, due to slow sales, are far below our monthly expenses. Jerry and I are doing this to help move this program to successful completion, as we both have significant investments in this program, alon with all the other investors. We are perfectly happy receiving our profits from the mining contract payouts, along with a the other investors.

Both Jerry and I are committed to the success of the program and we are planning to hang in there until it is done. For me, that means another source of passive income will be required by the end of the year.

Why did Richard Campbell leave the company?

Dick resigned.

What did Richard Campbell know?

Unfortunately, that is not the correct question. The correct question is what did Dick do? Dick resigned because he was to be voted out by the board of directors on the following day. He was voted out because his actions were not in the best interest of the company. When this was discovered, immediate action was taken by Bill Pierson and the rest of the board. Currently, there is a pending legal action against Dick.

Unfortunately, Dick's actions clearly hurt Agra-Tech from the funding perspective as well as the schedule perspective.

Why were we the investors not informed?

An update is being prepared now; the information that is to be presented to the investors must be well thought out due to the pending legal action. The concern is to make sure the information is presented in a complete and truthful manner without causing problems for the pending legal action.

Why are you presenting methods from Mr. Gillespie, when his methods have been found to be false?

This question was answered in the July 2006 update. There is no false information that is being presented (see the previous comments about the Inspectorate reports).

Since the last update, there are a number of new process variations that are being considered. These variations are being considered to solve the problems that still remain, which include low and inconsistent yield, cost to ramp-up the process, and time required to get the process into production. Each variation has its own advantages and disadvantages. Each process variation is currently being tested to determine its feasibility. Some of the processes require expensive equipment for volume production, and some variations can more quickly be put into production with minimal additional equipment or plant modifications.

Because Agra-Tech is in need of additional capital, there is a significant advantage to selecting a process that requires minimal additional equipment or plant modifications; therefore, Agra-Tech is focusing on those options.

There have been many technical improvements made in the past several months. At this point, the final testing has not been completed. Agra-Tech feels their chemical leach process has been significantly improved with recent developments, and as a result, will be conducting a independently audited process run on that new process variation. What they have discovered is the reaction must be allowed to continue for a couple of weeks instead of a few hours. That means a tank farm must be set up to accommodate the increased processing time.

No false or misleading information has ever been presented to any investor. This is a research and development project; nobody else is currently doing this. As such, delays and changes in direction are to be expected as new discoveries are made.

Why would the investors not be shown the assay reports?

All information that has been released by Agra-Tech has been made available to all investors.

Did you present financials for the company to the people who have already purchased shares?

Current business plans have always been available for any investor who asks for it. The last update of the business plan was done in July 2006.

Did you know that you took money from people who did not meet the financial requirements in the laws of the State of Arizona to make these types of risky investments?

To the best of my knowledge, no laws have been broken. Please be more specific with your allegations so that I can look into it.

Did you care?

Yes, I do. I consider you a friend and do not want you, or anybody else, to lose your money. I am doing everything I can to facilitate the success of Agra-Tech. At this point, that primarily means connecting Agra-Tech with funding sources that can provide sufficient capital to allow Agra-Tech to quickly get the plant into production and start paying off the mining contracts.

I was never asked, was anyone else? Why is there no death certificate for Timothy Thomis? Is there an alias? Is he even dead?

Tim died while having lunch with his wife. Tim, or his estate, is no longer receiving funds from Agra-Tech. Payments to Tim stopped on May 29, 2005 (the day of his death) since he was no longer providing the agreed upon services to Agra-Tech.

These are just some of the questions going through my head. I gave you all the money my father left me and now I feel like a complete idiot, not "a friend." I am not concerned about whether this is a security or not. I am concerned that I have been given a bunch of lies or half-truths or major omissions at best. Larry, I trusted your judgment and it is beginning to look like I am wrong.

I'm truly sorry you feel the way you do. I presented this opportunity to you believing that it could truly help your life. I still believe Agra-Tech will pay off as expected; unfortunately, it will be a little longer before the payouts start. I think it is quite possible the payouts can start around the end of the year. I can't give you any guarantees because the schedule is based on funding and the results of the remaining testing.

The latest developments at Agra-Tech are very exciting! They are making tremendous technical progress and are closer than ever to getting into production.

I presented the Agra-Tech information truthfully and conservatively. I explained it was an investment, and might not work, and that needed to be part of your criteria to make your investment. My intention was not to pressure you.

in critical care and dying. She really needed some of her money and received no help.

is on the re-sale list; when I get a buyer, her unit can be transferred to the new owner and gets her $10,000.

Normally, Agra-Tech would buy back s unit. Unfortunately, Agra-Tech's cash-flow situation is critical now, and they are not in a position to buy back units. This could change at a future date.

While all investments are risky, we can't even sell these. I myself have been out of work due to a blood clot and could really use some of my money.

I don't have a request on file that you wish to sell one or more of your units. Let me know how many you would like to sell, and I will contact you when a buyer becomes available. Unfortunately, there are few buyers, but I will do everything I can to get your units re-sold.

You presented with such conviction that at worse I thought I would get my money back with no gain. I always thought your predictions were high, but never did I think this was a scam. Now I am truly not so sure. Larry, I can only hope you are as clueless as I have been. I have yet to speak to the investigator, but with all this in my mind, I am not sure what to say. With hope but a lot of sadness,

Unfortunately, Agra-Tech did have a huge setback with the Dick Campbell actions; this was unforeseen by everyone involved, including me. His actions seriously harmed the company, particularly with regard to funding. The good news is that he is now out of the picture and Agra-Tech is making tremendous technical progress and even more important, progress on acquiring funding. I along with everyone else at Agra-Tech, am working harder than you can imagine to make this program a success for everybody. Bill Pierson (Agra-Tech CEO) very much appreciates the investments from all investors, and fully intends to pay back all mining contracts to all investors. I have personally witnessed decisions made by Bill Pierson; he has consistently made decisions based on whether it was the right thing to do, not simply for

the bottom line. I totally trust Bill Pierson; I have seen few people with such high moral standards. I fully believe that Bill Pierson and the rest of the Agra-Tech personnel will do EVERYTHING in their power to make this program work. I am fully behind Agra-Tech, and am also doing EVERYTHING in my power to make this program work.

There have been several investors, including et (who helped you up Cathedral Rock in Sedona), who are currently working full-time in support of Agra-Tech, as a team, to get them through this critical financial period. These investors, who are working without pay, are helping Agra-Tech greatly by providing Agra-Tech with new sources of funding, among other things. The vast majority of the investors are 100% behind Agra-Tech, as they realize Agra-Tech's success will be their success.

You are welcome to call or email me at any time with questions or concerns. You are also welcome to visit Agra-Tech to check on their progress.

Take care,
Larry Paille
928-284-4221

---

**From:** LAWRENCE PAILLE [mailto:lkpaille@msn.com]
**Sent:** Thursday, August 24, 2006 11:40 AM
**To:** mnihart@pacbell.net
**Cc:** bbkaer@agra-technologies.com; William Pierson
**Subject:** ATI investigation

This investigation is likely the result of an investor complaining to the SEC. Because of the complaint, the SEC is required to look into the matter.

I am only aware of two investors that have been contacted; you are one of the investors. I was made aware of the contact with the other investor yesterday. As a result, I arranged a conference call with Agra-Tech for that investor; below is a summary of that call:

The conference call was with Bill Baker, the chief financial officer of Agra-Tech.

This investigation was likely started by an investor.

The most likely direction of the investigation is to determine whether the mining contracts are a security which means the contracts would then be regulated by the SEC. The mining contracts were carefully set up to NOT be a security; and therefore, not fall under SEC jurisdiction.

The mining contracts are simply a purchase of 50 tons of ore for each unit. The unit holder further authorizes Agra-Tech to process the ore and pay the unit holder per the formula defined in the contract. You are NOT purchasing any equity in the company; this is a critical point.

The other point that will be important to the SEC is whether Agra-Tech directly solicited you for this investment. This was not the case, as you were made aware of this investment throu , and I (you were made aware of this investment through your friends).

The other thing the SEC will be looking at is where the funds went. They will be looking at whether the funds went to the company officers to buy personal items, such as homes and cars. What they will find is that all the funds were used properly; that is, to build the pilot facility.

Agra-Tech has nothing to hide and is fully cooperating with the investigation. Agra-Tech has been through a number of financial audits in preparation of going public. Agra-Tech is highly confident the books will look impeccable and no problems will be found.

Bill Baker's recommendation is to answer the questions to the best of your ability. Agra-Tech is in contact with their legal council in order to get a recommendation from them as to how the investors should respond; this was requested by the other investor that has been contacted.

It is my belief, and Agra-Tech's belief, the investigation will not cause any problems, or jeopardize Agra-Tech or your investment in any way.

I have been working with Agra-Tech very closely over the past year and have witnessed Agra-Tech's actions and decisions personally. I can confidently say that all of the Agra-tech personnel have been operating with the highest of ethical standards. I have been very impressed with the ethics of the company, especially with the CEO (Bill Pierson), and am 100% confident that this SEC investigation will not be a problem. I have seen the ethics of the company officers by their actions, and I could not be more impressed. I have no concerns or worries about this investigation.

Feel free to give me a call if you have any questions regarding this matter.

Take care,
Larry Paille
928-284-4221

Tab “37”

Agra
TECH
*5800 N. Dodge Ave. Bldg. A*
*Flagstaff, Arizona 86004*
*928-526-2275 Fax: 2269*
*soilmin@infomagic.net*

William H. Baker
Chief Financial Officer

May 20, 2004

To: Lawrence Paille
Re: PMR Units

As per your instructions, the Ore Rights & Mining Agreement for 4 Units ($40,000) and 2 Units ($20,000) currently owned by Lawrence Paille, will be assigned/transferred to Imatire Investments, LLC. Please acknowledge this instruction below.

Should you have any questions, or have any comments, feel free to give me a call.

Respectfully,

William H. Baker, Jr.
Chief Financial Officer

I, Lawrence Paille, acknowledge and authorize the above instructions:

Lawrence K Paille
Lawrence Paille

5/20/04
Date

Tab “38”

Peter Strojnik, 6464
THE LAW FIRM OF PETER STROJNIK
3030 North Central Avenue, Suite 1401
Phoenix, Arizona 85012
Telephone: 602-297-3019
Facsimile: 602-296-0135
e-mail: Strojnik@aol.com; lawyer@strojnik.com
Attorney for Plaintiffs

IN THE IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

IN AND FOR THE COUNTY OF MARICOPA

| | |
|---|---|
| RICHARD CAMPBELL, and SONDRA CAMPBELL, husband and wife,<br><br>Plaintiffs,<br><br>vs.<br><br>AGRA TECHNOLOGIES, INC.<br><br>Defendants. | NO. CV 2006-009755<br><br>**MOTION TO STRIKE COUNTERCLAIM AND TO COMPEL**<br><br>Honorable Colin F. Campbell<br><br>Oral Argument Requested |
| AGRA TECHNOLOGIES, INC.<br><br>Counterclaimant,<br><br>vs.<br><br>RICHARD CAMPBELL, and SONDRA CAMPBELL, husband and wife,<br><br>Counterdefendants. | |

## SUMMARY OF MOTION

Defendants' / Counterclaimants' Responses to Plaintiff's discovery are devoid of any information, documentation, or disclosure. On matters dealing directly with the allegations of Defendants' Counterclaimants' counterclaims, Defendants have objected on the bases that make

it clear that they intend to pursue their claims without disclosing the basis for their claims. Defendants have likewise failed to produce their Rule 26.1 Disclosure Statement.

Plaintiff / Counterdefendant requests that

1. The Court strike the counterclaims unless Defendants Counterclaimants forthwith disclose the bases for their counterclaims; and
2. For an order compelling discovery.

This Motion is more fully supported by the following Memorandum of Points and Authorities that is by this reference incorporated herein.

## MEMORANDUM OF POINTS AND AUTHORITIES

Until his resignation on June 15, 2006, Plaintiff Richard Campbell ("Campbell") was Defendant AGRA Technologies, Inc.'s officer, director and employee. He brought his action for Wages; Breach of Contract; Action For Money Due On Loan; Pattern of Unlawful Activity in Violation of State Statute A.R.S. 13-2314.04; and Fraud In The Sale Of Securities (ARS §44-1991).

On September 5, 2006, Defendants/Counterclaimants filed their Answer to First Amended Complaint and Counterclaims for Breach of Contract; Misappropriation of Trade Secrets; Intentional Interference With Business Expectancies; Unfair Competition; Breach of Implied Covenant of Good Faith and Fair Dealing; Conversion; Breach of Fiduciary Duty; and Usurpation of Corporate Opportunity (Exhibit "A").

On September 11, 2006, Campbell submitted to ATI Request For Discovery No. 1 consisting of Non-Uniform Interrogatories 1-5 and Requests for Production of Documents 1-10. (Exhibit "B") On October 30, 2006, ATI responded to the discovery requests by responding

to no interrogatory and producing absolutely nothing (Exhibit "C").

ATI has failed to produce its Rule 26.1 Disclosure Statement[1].

**PRAYER FOR RELIEF**

1. Campbell prays for an order striking the counterclaims unless Defendants Counterclaimants forthwith disclose the bases for their counterclaims; and
2. For an order compelling discovery.

RESPECTFULLY SUBMITTED this 6th day of November, 2006.

PETER STROJNIK, P.C.

Peter Strojnik
Attorneys for the Plaintiffs/Counterdefendants

The original of the foregoing filed electronically
with the Clerk of the Court
This 6th day of November, 2006

With a copy mailed to:

Honorable Colin F. Campbell
Judge of the Superior Court
201 West Jefferson
Phoenix, Arizona 85003

Lonnie J. Williams, Jr., Esq.
Carrie M. Francis, Esq.
Quarles & Brady Streich Lang LLP
Two North Central Avenue
Phoenix, Arizona 85004-2391
*And by e-mail L. Williams@quarles.com; CFrancis@quarles.com*

[1] Campbell produced his on October 18, 2006.

Michael K. Jeanes, Clerk of Court
*** Electronically Filed ***
12/15/2006 8:00 AM

SUPERIOR COURT OF ARIZONA
MARICOPA COUNTY

CV 2006-009755 12/13/2006

HON. COLIN F. CAMPBELL

CLERK OF THE COURT
M. Sahli
Deputy

RICHARD CAMPBELL, et al. PETER STROJNIK

v.

AGRA TECHNOLOGIES INC CARRIE M FRANCIS

MINUTE ENTRY

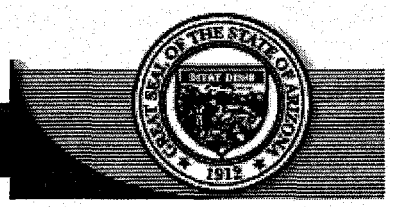
The Court has received Plaintiffs' Motion to Strike Counterclaim and to Compel.

**IT IS ORDERED** granting the Motion without objection.

case history

Superior Court of Arizona, Maricopa County

# Case Information



case history court calendar Superior Court dept. home page

Search go

| Case Information | | | |
|---|---|---|---|
| Case Number | CV2006-009755 | Judge | Campbell |
| Case Type | Civil | | |
| File Date | 6/30/2006 | Location | Downtown |

**Party Information**

| Party Name | Rel | Sex | Attorney |
|---|---|---|---|
| Richard Campbell | Plaintiff | Male | PETER STROJNIK |
| Sondra Campbell | Plaintiff | Female | PETER STROJNIK |
| Agra Technologies Inc | Defendant | | Carrie Francis |

**Case Documents**

| Filing Date | Description | Docket Date | Filing Party |
|---|---|---|---|
| 1/10/2007 | 094 - ME: Oral Argument Set | 1/10/2007 | |
| 1/9/2007 | STA - Statement | 1/10/2007 | |
| | NOTE: RULE 16G JOINT ADR | | |
| 1/2/2007 | RES - Response | 1/2/2007 | |
| | NOTE: eFile Id 39693 -- Plaintiffs Response to Defendants/Counterclaimants Motion to Vacate Court Order Dated December 13, 2006 and Motion to Strike Answer and Enter Default Pursuant to Rule 37 | | |
| 12/21/2006 | MOT - Motion | 12/27/2006 | |
| | NOTE: DEFENDANT'S/COUNTER-CLAIMANT'S TO VACATE COURT ORDER DATED DECEMBER 13 2006 AND MOTION FOR SANCTIONS | | |
| 12/15/2006 | 019 - ME: Ruling | 12/15/2006 | |
| 12/6/2006 | DCL - Declaration | 12/12/2006 | |
| | NOTE: 0F COUNSEL IN SUPPORT OF MOTION TO COMPEL | | |
| 12/6/2006 | MOT - Motion | 12/12/2006 | |
| | NOTE: TO STRIKE COUNTERCLAIM AND TO COMPEL | | |
| 9/12/2006 | ANS - Answer | 9/15/2006 | |
| | NOTE: TO COUNTERCLAIMS | | |
| 9/11/2006 | NOT - Notice | 9/14/2006 | |
| | NOTE: OF SERVICE OF FIRST AMENDED COMPLAINT ON ATTORNEY GENERAL OF THE STATE OF ARIZONA | | |
| 9/5/2006 | ANS - Answer | 9/6/2006 | |
| | NOTE: TO FIRST AMENDED VERIFIED COMPLAINT/PAID | | |
| 9/4/2006 | 019 - ME: Ruling | 9/4/2006 | |
| 8/18/2006 | 066 - ME: Case Reassigned | 8/18/2006 | |
| 8/10/2006 | NOT - Notice | 8/15/2006 | |
| | NOTE: OF CHANGE OF JUDGE | | |
| 8/10/2006 | NOT - Notice | 8/15/2006 | |
| | NOTE: OF INVOLUNTARY TRUSTEESHIP | | |
| 8/10/2006 | RES - Response | 8/15/2006 | |
| | NOTE: TO MOTION TO DISMISS | | |
| 8/10/2006 | AMC - Amended Complaint | 8/11/2006 | |
| | NOTE: FIRST/ WAGES, BREACH OF CONTRACT, ACTION FOR MONEY DUE ON LOAN, PATTERN OF UNLAWFUL ACTIVITY IN VIOLATION OF STATE STATUTE ARS 13-2314.04, FRAUD IN THE SALE OF SECURITIES ARS 44-1991 | | |
| 8/2/2006 | MTD - Motion To Dismiss | 8/7/2006 | |
| | NOTE: AND OR MOTION TO STRIKE PLAINTIFFS VERIFIED COMPLAINT | | |
| 7/24/2006 | NUS - Notice Of Removal Us District Court | 7/26/2006 | |
| 7/10/2006 | AFM - Affidavit of Service Registerd/Certified Mail | 7/12/2006 | |
| | NOTE: AGRA TECHNOLOGIES INC SERVED 07/03/06 | | |

| | | |
|---|---|---|
| 6/30/2006 | COM - Complaint | 7/6/2006 |
| 6/30/2006 | CCN - Cert Arbitration - Not Subject | 7/6/2006 |

**Case Calendar**

| Date | Time | Event |
|---|---|---|
| 2/14/2007 | 16:00 | Oral Argument |

**Judgments**

There are no judgments on file

Tab “39”

## LAWRENCE PAILLE

**From:** "wjp@ati" <wpierson@agra-technologies.com>
**To:** "Douglas Gettler" <dgettler@agra-technologies.com>; <jerry@mindbodyhealth.com>
**Cc:** <bbaker@agra-technologies.com>
**Sent:** Friday, August 25, 2006 8:07 AM
**Attach:** Resp to JH -ACC 8.25.06.doc
**Subject:** Re: Call from Commissioner?

Jerry,

I have attached an official response from me to you. Please see the attached memo. And while I did not directly address the question of where the ACC acquired everyone's contact information, the answer is in my mention of our having supplied over 4,000 documents. These documents covered every activity from the purchase of office supplies to the sale of Ore Contracts the Company has involved itself in from May 1, 1998 until the present.

I know I made you aware of the difficulties this caused us corporately, but we did manage it. Let me know if there is anything you feel we can do to assist you with those inquiries, but understand that we do not want to put ourselves in the position of appearing to influence or interfere with the ACC's investigation.

Thank you,

wjp

---- Original Message ----
**From:** Jerry Hodges
**To:** Bill Pierson ; Douglas Gettler
**Sent:** Thursday, August 24, 2006 6:56 PM
**Subject:** FW: Call from Commissioner?

See below email. It seems that the Arizona Securities Division is starting to contact unit holders.

I also got a call today from Roxy Smiley from BC, Canada, phone 250-727-0718, she said that the SEC called her but she didn't have time to talk with them. I'm not sure if it was the SEC or Arizona Securities Division but she said the SEC. I wonder why they are called people for Canada.

Another thought, I wonder where they are getting all the names and numbers of unit holders to call???

Jerry

---

**From:** helen london [mailto:fantasialondon@hotmail.com]
**Sent:** Thursday, August 24, 2006 10:53 AM
**To:** Jerry Hodges; Clarita clarita Riccobono; fanii london
**Subject:** RE:Call from Commissioner?

Hi Jerry,
Has something happened with the company that we have not been informed about, Clarita Ricobono who is my partner on one of the unit I owned received a call from an Arizona Securities Division yesterday August 23rd?, asking about her Agra investment, she has not returned the call, without hearing from you why this has arrisen,....please let us know if we need to be concerned, fantasia (512 459-7188)

---

Be one of the first to try Windows Live Mail.

Tab “40”

5800 N. Dodge Ave. Flagstaff, AZ 86004
P: 928.526.2275 F: 928.526.2269
wpierson@agra-technologies.com
www.agra-technologies.com

7 September 2006

Subject: Fully Secured Loan Proposal

Agra-Technologies, Inc. (ATI) is requesting a short-term loan in the minimum amount of $100,000 (one hundred thousand dollars), as an interim financial tool to bridge the gap between its current cash requirements and the Company's committed cash position for the near term.

The Company's East Flagstaff Facility Property, located on Leupp Road, has recently been appraised for $590,000 (five hundred ninety thousand dollars) and the Company currently owes Land America approximately $145,000 (one hundred forty five thousand dollars. While the Company recognizes this appraisal is far below the true market value of this property, and therefore it has engaged certified appraisers from Prescott for a second appraisal, the current appraisal does provide an equity position for the Company of $445,000 (four hundred forty five thousand dollars).

ATI will pay an annual interest rate of 10% for a minimum of 90 days, on the minimum loan amount of $100,000, or an actual greater loan amount that may be agreed. ATI will also pay a fee of one Common Stock Share per dollar of the actual loan amount, in association with the expediting of this loan. This loan is requested to be issued on or before September 15, 2006.

Supporting documents to be provided the lender are (1) An extensive Certified Appraisal completed within the last thirty days, (2) Documentation from the CFO of ATI verifying the existing debt to Land America on the property and (3) A Loan Agreement defining the actual "Loan", officially conveying secondary lender status to the lender.
It is requested and required that the lender does not record their status during the term of the loan, as ATI is in the process of securing a major loan for the Company, whereby the property will act as a portion of the collective collateral. Should the Company not repay the loan for any reason, the lender may at its option officially record its secondary position on the property, and if necessary or desired, foreclose on the property.

This "Loan Proposal" is limited to the dates, terms and conditions stipulated within this document.

*5800 N. Dodge Ave. Bldg. A*
*Flagstaff, Arizona 86004*
*928-526-2275 Fax: 2269*
*www.agra-technologies.com*

July 12, 2006

Dear Lender,

Attached is a promissory note from Agra-Technologies, Inc., the Borrower, in favor of the Lender. You will need to fill in and select the variables that pertain to you as follows:

- Principal amount you are lending.
- 9% interest, or 0% interest with a 20% common stock bonus.
- Term of the loan: 90 days for less than $100,000, 180 days for $100,000 and up.
- Your name, address, and phone number

You will receive one share of common stock for every two dollars loaned to the company, as additional consideration.

The terms and conditions of the borrowing are to be consistent with the memo sent out on July 10, 2006 which is attached. Notes are backed by all assets and operations of Agra-Technologies, Inc. and its subsidiaries. The proceeds from this borrowing is bridge capital to cover company overhead, acquire appropriate processing equipment, and initiate commercial production.

Please fill in the appropriate information on the promissory note. Make your check payable to Agra-Technologies, Inc. in US dollars.

We will sign and date the promissory note, and return the original to you along with your stock certificate.

Thank you for your support.

Respectfully,
William H. Baker, Jr.
Chief Financial Officer
Secretary-Treasurer

# Promissory Note

Date: _____ 2006

Principal Amount: $_____ $5,000USD minimum, $2,000,000USD maximum

Interest Rate: __9%, or __0%, 20% common stock bonus. Check one

Term: __ 90 days less than $100,000USD, or __ 180 days $100,000USD and over. Check one.

**Consideration**. For value received, the Borrower, Agra-Technologies, Inc., a Nevada corporation, whose address is 5800 N. Dodge Avenue, City of Flagstaff, County of Coconino, State of Arizona jointly and severally promises to pay to the Lender at the following address:_____, the principal amount borrowed, _____US dollars, at the rate of interest, _____ percent per annum, and according to the terms herein.

**Payment**. Principal and interest shall be payable in lawful money of the United States. All interest shall accrue to the date of maturity. The principal and accrued interest balloon payment is to be made at the address of the Lender, _____ _____, in the amount of, _____ dollars US ($_____), due ____ days from Borrower's acknowledgement of this promissory note.

**Common Stock.** Borrower will issue to the Lender one share of Agra-Technologies, Inc. common stock for every two dollars of principal on this promissory note.

**Prepayment.** Payment in advance may be made in any amounts in which event interest shall be prorated accordingly.

**Non-Payment.** Should any payment of principal and interest due hereunder not be paid as it matures, the amount of such installment which has matured shall, at the option of the holder of this note, bear interest at the maximum legal rate from its maturity date until paid.

**Acceleration.** Should default occur in payment of any installment when due, then the total sum remaining unpaid hereunder shall become immediately due and payable at the option of the Lender or holder of this note and bear interest at the maximum legal rate per annum until paid. Should Borrower suffer upon himself for more than 15 days without removal or elimination any attachment, garnishment, execution, assignment for benefit of creditors, receivership, bankruptcy, judgment lien, or commit any act of bankruptcy; then the Borrower shall be considered in default and be subject to acceleration.

**Jurisdiction:** This agreement is governed by the laws of the State of Arizona.

We, the undersigned, hereby acknowledge terms and conditions of this Promissory Note.

Borrower:
Agra-Technologies, Inc.
5800 N. Dodge Ave.
Flagstaff, AZ 86004
Phone: (928) 526-2275
Fax: (928) 526-2269

Lender:
_____
_____
_____
_____
_____

_____
William Pierson Date
President
Chief Executive Officer

_____
William H. Baker, Jr. Date
Secretary-Treasurer
Chief Financial Officer