ORIGINAL

0000176459

Transcript Exhibit(s)

Docket #(s): S-20906A-14-0063

Arizona Corporation Commission
DOCKETED
JAN 13 2017
DOCKETED BY

RECEIVED
AZ CORP COMMISSION
DOCKET CONTROL
2017 JAN 13 P 2: 33

Exhibit #: S160-S169; S171; S173; S174; S176a; S176b; S178a; S178b;

Part 7 of 12

ROSHKA DEWULF & PATTEN, PLC
ATTORNEYS AT LAW
ONE ARIZONA CENTER
400 EAST VAN BUREN STREET
SUITE 800
PHOENIX, ARIZONA 85004
TELEPHONE NO 602-256-6100
FACSIMILE 602-256-6800

October 26, 2012

VIA U. S. MAIL & FACSIMILE (602-714-8120)

Mr. Gary Clapper, Senior Special Investigator
Securities Division
Arizona Corporation Commission
1300 W. Washington Street, 3rd Floor
Phoenix, AZ 85007

Re: Subponeas to Michael Bersch and ER Financial and Advisory Services

Dear Mr. Clapper:

This letter responds to the subponeas issued by the Arizona Corporation Commission Securities Division to ER Financial and Advisory Services, LLC ("ER") and Mr. Michael Bersch. Mr. Bersch and Mr. Wanzek would like very much to cooperate in your review of this matter. However, after consultation with counsel, Mr. Bersch, and Mr. David Wanzek as custodian of records for ER, respectfully invoke their constitutional right to remain silent under the 5th Amendment to the United States Constitution and Article II § 10 of the Arizona Constitution.

Regardless, as a practical matter it is our understanding that the vast majority of the records were returned to Concordia Finance Co., Ltd., a California corporation ("Concordia"). Copies of the UPS receipts for the boxes shipped to Concordia are attached as Exhibit A. We suggest you direct any inquiries to Concordia.

Please let me know if you have any questions or concerns about this letter.

Very truly yours,

Timothy J. Sabo
For the Firm

TJS:da
Encl.

EXHIBIT
S-160
ADMITTED

Exhibit

"A"

UPS Next Day Air
UPS Worldwide Express

Shipping Document

See Instructions on back. Visit UPS.com or call 1-800-PICK-UPS (800-742-5877) for additional information and UPS Tariff/Terms and Conditions.

TRACKING NUMBER 1Z 268 9W5 22 1000 5853

SHIPMENT FROM

SHIPPER'S UPS ACCOUNT NO. 2689W5

REFERENCE NUMBER

NAME Amanda

TELEPHONE [redacted]

COMPANY DAVID WANZEK CPA LLC

STREET ADDRESS [redacted]

CITY AND STATE [redacted]

ZIP CODE AZ [redacted]

2 EXTREMELY URGENT DELIVERY TO

NAME Christine Camacho

TELEPHONE

COMPANY Concordia Finance

STREET ADDRESS [redacted]

DEPT./FLR.

CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL) [redacted] CA

ZIP CODE [redacted]

3 WEIGHT	WEIGHT Enter "LTR" if Letter: 5.10	DIMENSIONAL WEIGHT If Applicable	LARGE PACKAGE ☐	4 SHIPPER RELEASE ☐
5 TYPE OF SERVICE	☒ NEXT DAY AIR	☐ EXPRESS (INT'L)		CHARGES
	FOR WORLDWIDE EXPRESS SHIPMENTS Mark an "X" in this box if shipment only contains documents of no commercial value.	☐ DOCUMENTS ONLY		$
6 OPTIONAL SERVICES	☐ SATURDAY PICKUP See Instructions.	☐ SATURDAY DELIVERY See Instructions.		$
	☐ DECLARED VALUE FOR CARRIAGE Contact your carrier for liability exceeding $25,000. Shipments exceeding $50,000 for declared value must be shipped via freight.	$ AMOUNT		$
	☐ C.O.D. Enter amount to be collected and attach completed UPS C.O.D. tag to package.	$ AMOUNT		$
7 ADDITIONAL HANDLING CHARGE	☐ An Additional Handling Charge applies for certain items. See Instructions.			$
TOTAL CHARGES				$
8 METHOD OF PAYMENT	☒ BILL SHIPPER'S ACCOUNT NUMBER (SECTION 1)	BILL RECEIVER ☐ / BILL THIRD PARTY ☐ (DOMESTIC ONLY) (RECORD ACCOUNT NO. IN SECTION 9)	CREDIT CARD ☐ American Express Diner's Club MasterCard Visa	CHECK ☐

9 RECEIVER'S/THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO. EXPIRATION DATE

THIRD PARTY'S COMPANY NAME

STREET ADDRESS

CITY AND STATE ZIP CODE

The shipper hereby certifies that it is familiar with all applicable laws and regulations governing shipment of this package, including but not limited to those prohibiting or relating to the export of certain commodities, technology or software, and that no part of the shipment will be exported or re-exported in violation of such laws or regulations. Diversion contrary to U.S. law is prohibited.

10 SHIPPER'S SIGNATURE X Amanda Sanwar

DATE OF SHIPMENT 11/22/10

All shipments are subject to the terms contained in the UPS Tariff/Terms and Conditions of Service, which are available at ups.com and local UPS offices.

01018112026051 1/07 8

SHIPPER'S COPY

ACC000281
BERSCH

UPS Next Day Air
UPS Worldwide Express
Shipping Document

See instructions on back. Visit UPS.com or call 1-800-PICK-UPS (800-742-5877) for additional information and UPS Tariff/Terms and Conditions.

TRACKING NUMBER J213 048 295 8

SHIPMENT FROM
SHIPPER'S UPS ACCOUNT NO. 2689WS
REFERENCE NUMBER

NAME [redacted] TELEPHONE
COMPANY David Wanzek CPA
STREET ADDRESS [redacted]
CITY AND STATE [redacted] ZIP CODE AZ [redacted]

EXTREMELY URGENT DELIVERY TO
NAME Christine Carlacho TELEPHONE
COMPANY Concordia Finance
STREET ADDRESS [redacted] DEPT./FLR.
CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL) [redacted] ZIP CODE CA [redacted]

	Weight (Enter "LTR" if Letter)	Dimensional Weight if Applicable	Large Package	Shipper Release	Charges
3 Weight	5 lbs				
5 Type of Service	☑ Next Day Air		☐ Express (Int'l)		$
	For Worldwide Express Shipments Mark an "X" in this box if shipment only contains documents of no commercial value.		☐ Documents Only		
6 Optional Services	☐ Saturday Pickup		☐ Saturday Delivery		$
	☐ Declared Value for Carriage	$ Amount			$
	☐ C.O.D.	$ Amount			$
7 Additional Handling Charge	☐ An Additional Handling Charge applies for certain items. See instructions.				$
Total Charges					$

8 Method of Payment: ☑ Bill Shipper's Account Number (in Section 1) ☐ Bill Receiver (domestic only) ☐ Bill Third Party (domestic only) ☐ Credit Card (American Express, Diner's Club, MasterCard, Visa) ☐ Check

9 Receiver's/Third Party's UPS Acct. No. or Major Credit Card No. | Expiration Date

Third Party's Company Name
Street Address
City and State | Zip Code

10 Shipper's Signature X Amanda Sullivan | Date of Shipment 11/29/11

All shipments are subject to the terms contained in the UPS tariff/Terms and Conditions of Service, which are available at ups.com and local UPS offices.

01B491120 1/07 5

SHIPPER'S COPY

UPS Next Day Air
UPS Worldwide Express
Shipping Document

See instructions on back. Visit UPS.com or call 1-800-PICK-UPS (800-742-5877) for additional information and UPS Tariff/Terms and Conditions.

TRACKING NUMBER J213 048 298 5

1 SHIPMENT FROM
SHIPPER'S UPS ACCOUNT NO. 2689WS
REFERENCE NUMBER

NAME Amanda TELEPHONE
COMPANY David Wanzek CPA
STREET ADDRESS [redacted]
CITY AND STATE [redacted] ZIP CODE AZ [redacted]

2 EXTREMELY URGENT DELIVERY TO
NAME Christine C. TELEPHONE
COMPANY Concordia Finance
STREET ADDRESS [redacted] DEPT./FLR.
CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL) [redacted] ZIP CODE CA [redacted]

	Weight (Enter "LTR" if Letter)	Dimensional Weight if Applicable	Large Package	Shipper Release	Charges
3 Weight	7 lbs				
5 Type of Service	☑ Next Day Air		☐ Express (Int'l)		$
	For Worldwide Express Shipments Mark an "X" in this box if shipment only contains documents of no commercial value.		☐ Documents Only		
6 Optional Services	☐ Saturday Pickup		☐ Saturday Delivery		$
	☐ Declared Value for Carriage	$ Amount			$
	☐ C.O.D.	$ Amount			$
7 Additional Handling Charge	☐ An Additional Handling Charge applies for certain items. See instructions.				$
Total Charges					$

8 Method of Payment: ☑ Bill Shipper's Account Number (in Section 1) ☐ Bill Receiver (domestic only) ☐ Bill Third Party (domestic only) ☐ Credit Card (American Express, Diner's Club, MasterCard, Visa) ☐ Check

9 Receiver's/Third Party's UPS Acct. No. or Major Credit Card No. | Expiration Date

Third Party's Company Name
Street Address
City and State | Zip Code

10 Shipper's Signature X Amanda Sullivan

ACC000282
BERSCH

UPS Next Day Air
UPS Worldwide Express

Shipping Document

See instructions on back. Visit UPS.com or call 1-800-PICK-UPS (800-742-5877) for additional information and UPS Tariff/Terms and Conditions.

TRACKING NUMBER J213 048 286 9

SHIPMENT FROM

SHIPPER'S UPS ACCOUNT NO. 2689W5

REFERENCE NUMBER

NAME Amanda TELEPHONE

COMPANY David Wanzek CPA

STREET ADDRESS [redacted]

CITY AND STATE [redacted] ZIP CODE AZ [redacted]

2 EXTREMELY URGENT DELIVERY TO

NAME Christine Camacho TELEPHONE

COMPANY Concordia Finance

STREET ADDRESS [redacted] DEPT./FLR.

CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL) [redacted] CA ZIP CODE [redacted]

	WEIGHT (Enter "LTR" if Letter)	DIMENSIONAL WEIGHT (If Applicable)	LARGE PACKAGE	4 SHIPPER RELEASE	CHARGES
3 WEIGHT	5.1 lbs				
5 TYPE OF SERVICE	☒ NEXT DAY AIR		☐ EXPRESS (INT'L)		$
	FOR WORLDWIDE EXPRESS SHIPMENTS Mark an "X" in this box if shipment only contains documents of no commercial value.		☐ DOCUMENTS ONLY		
6 OPTIONAL SERVICES	☐ SATURDAY PICKUP See instructions.		☐ SATURDAY DELIVERY See instructions.		$
	☐ DECLARED VALUE FOR CARRIAGE Contents are insurable and protected up to $100 for declared value over $100, see instructions.	$ AMOUNT			$
	☐ C.O.D. If C.O.D., only amount to be collected and which contained UPS C.O.D. tag in package.	$ AMOUNT			$
7 ADDITIONAL HANDLING CHARGE	☐ An Additional Handling Charge applies for certain items: See instructions.				$
TOTAL CHARGES					$
8 METHOD OF PAYMENT	☐ BILL SHIPPER'S ACCOUNT NUMBER (IN SECTION 1)	☐ BILL RECEIVER (DOMESTIC ONLY) ☐ BILL THIRD PARTY (RECORD ACCOUNT NO. IN SECTION 9)	☐ CREDIT CARD American Express Diner's Club MasterCard Visa		☐ CHECK

9 RECEIVER'S/THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO. EXPIRATION DATE / /

THIRD PARTY'S COMPANY NAME

STREET ADDRESS

CITY AND STATE ZIP CODE

10 SHIPPER'S SIGNATURE X Amanda Sanchez

All shipments are subject to the terms contained in the UPS Tariff/Terms and Conditions of Service, which are available at ups.com and local UPS offices.

DATE OF SHIPMENT 11/24/10

010191120 1/07 S

SHIPPER'S COPY

UPS Next Day Air
UPS Worldwide Express

Shipping Document

See instructions on back. Visit UPS.com or call 1-800-PICK-UPS (800-742-5877) for additional information and UPS Tariff/Terms and Conditions.

TRACKING NUMBER J213 048 290 3

SHIPMENT FROM

SHIPPER'S UPS ACCOUNT NO. 2689W5

REFERENCE NUMBER

NAME Amanda TELEPHONE

COMPANY David Wanzek CPA

STREET ADDRESS [redacted]

CITY AND STATE [redacted] ZIP CODE AZ [redacted]

EXTREMELY URGENT DELIVERY TO

NAME Christine Camacho TELEPHONE

COMPANY Concordia Finance

STREET ADDRESS [redacted] DEPT./FLR.

CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL) [redacted] CA ZIP CODE [redacted]

	WEIGHT (Enter "LTR" if Letter)	DIMENSIONAL WEIGHT (If Applicable)	LARGE PACKAGE	4 SHIPPER RELEASE	CHARGES
3 WEIGHT	5.1 lbs				
5 TYPE OF SERVICE	☒ NEXT DAY AIR		☐ EXPRESS (INT'L)		$
	FOR WORLDWIDE EXPRESS SHIPMENTS Mark an "X" in this box if shipment only contains documents of no commercial value.		☐ DOCUMENTS ONLY		
6 OPTIONAL SERVICES	☐ SATURDAY PICKUP See instructions.		☐ SATURDAY DELIVERY See instructions.		$
	☐ DECLARED VALUE FOR CARRIAGE Contents are insurable and protected up to $100 for declared value over $100, see instructions.	$ AMOUNT			$
	☐ C.O.D. If C.O.D., only amount to be collected and which contained UPS C.O.D. tag in package.	$ AMOUNT			$
7 ADDITIONAL HANDLING CHARGE	☐ An Additional Handling Charge applies for certain items. See instructions.				$
TOTAL CHARGES					$
8 METHOD OF PAYMENT	☐ BILL SHIPPER'S ACCOUNT NUMBER (IN SECTION 1)	☐ BILL RECEIVER (DOMESTIC ONLY) ☐ BILL THIRD PARTY (RECORD ACCOUNT NO. IN SECTION 9)	☐ CREDIT CARD American Express Diner's Club MasterCard Visa		☐ CHECK

9 RECEIVER'S/THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO. EXPIRATION DATE / /

THIRD PARTY'S COMPANY NAME

STREET ADDRESS

CITY AND STATE ZIP CODE

10 SHIPPER'S SIGNATURE X Amanda Sanchez

All shipments are subject to the terms contained in the UPS Tariff/Terms and Conditions of Service, which are available at ups.com and local UPS offices.

DATE OF SHIPMENT 11/24/10

ACC000283
BERSCH

UPS Next Day Air
UPS Worldwide Express
Shipping Document

See instructions on back. Visit UPS.com or call 1-800-PICK-UPS (800-742-5877) for additional information and UPS Tariff/Terms and Conditions.

TRACKING NUMBER 1Z13 048 28 7 8

SHIPMENT FROM
SHIPPER'S UPS ACCOUNT NO. 2689W5
REFERENCE NUMBER

NAME Amanda TELEPHONE
COMPANY David Wanzek CPA
STREET ADDRESS [redacted]
[redacted] AZ [redacted]

EXTREMELY URGENT DELIVERY TO
NAME Christine Camacho TELEPHONE
COMPANY Concordia Finance
STREET ADDRESS [redacted] DEPT./FLR.
CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL) [redacted] CA [redacted] ZIP CODE

3 WEIGHT: Enter "LTR" if Letter — 6 lbs; DIMENSIONAL WEIGHT if Applicable; LARGE PACKAGE ☐; 4 SHIPPER RELEASE ☐

5 TYPE OF SERVICE: ☒ NEXT DAY AIR; ☐ EXPRESS (INT'L); FOR WORLDWIDE EXPRESS SHIPMENTS Mark an "X" in this box if shipment only contains documents of no commercial value. ☐ DOCUMENTS ONLY

6 OPTIONAL SERVICES: ☐ SATURDAY PICKUP; ☐ SATURDAY DELIVERY; ☐ DECLARED VALUE FOR CARRIAGE $ AMOUNT; ☐ C.O.D. $ AMOUNT

7 ADDITIONAL HANDLING CHARGE: ☐ An Additional Handling Charge applies for certain items. See instructions.

TOTAL CHARGES $

8 METHOD OF PAYMENT: ☒ BILL SHIPPER'S ACCOUNT NUMBER (IN SECTION 1); ☐ BILL RECEIVER; ☐ BILL THIRD PARTY (DOMESTIC ONLY); ☐ CREDIT CARD (American Express, Diner's Club, MasterCard, Visa); ☐ CHECK

9 RECEIVER'S/THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO. EXPIRATION DATE
THIRD PARTY'S COMPANY NAME
STREET ADDRESS
CITY AND STATE ZIP CODE

10 SHIPPER'S SIGNATURE X Amanda Camacho
All shipments are subject to the terms contained in the UPS Tariff/Terms and Conditions of Service, which are available at ups.com and local UPS offices.
DATE OF SHIPMENT 11/24/10

010101120 1/07 S SHIPPER'S COPY

UPS Next Day Air
UPS Worldwide Express
Shipping Document

See instructions on back. Visit UPS.com or call 1-800-PICK-UPS (800-742-5877) for additional information and UPS Tariff/Terms and Conditions.

TRACKING NUMBER 1Z 268 W5 22 1000 6398

SHIPMENT FROM
SHIPPER'S UPS ACCOUNT NO. 2689W5
REFERENCE NUMBER

NAME Amanda TELEPHONE [redacted]
COMPANY DAVID WANZEK CPA LLC
STREET ADDRESS [redacted]
CITY AND STATE [redacted] ZIP CODE AZ [redacted]

EXTREMELY URGENT DELIVERY TO
NAME Christine Camacho TELEPHONE
COMPANY Concordia Finance
STREET ADDRESS [redacted] DEPT./FLR.
CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL) [redacted] CA [redacted] ZIP CODE

3 WEIGHT: Enter "LTR" if Letter — 6.2 lbs; DIMENSIONAL WEIGHT if Applicable; LARGE PACKAGE ☐; 4 SHIPPER RELEASE ☐

5 TYPE OF SERVICE: ☒ NEXT DAY AIR; ☐ EXPRESS (INT'L); FOR WORLDWIDE EXPRESS SHIPMENTS Mark an "X" in this box if shipment only contains documents of no commercial value. ☐ DOCUMENTS ONLY

6 OPTIONAL SERVICES: ☐ SATURDAY PICKUP; ☐ SATURDAY DELIVERY; ☐ DECLARED VALUE FOR CARRIAGE $ AMOUNT; ☐ C.O.D. $ AMOUNT

7 ADDITIONAL HANDLING CHARGE: ☐ An Additional Handling Charge applies for certain items. See instructions.

TOTAL CHARGES $

8 METHOD OF PAYMENT: ☒ BILL SHIPPER'S ACCOUNT NUMBER (IN SECTION 1); ☐ BILL RECEIVER; ☐ BILL THIRD PARTY (DOMESTIC ONLY); ☐ CREDIT CARD (American Express, Diner's Club, MasterCard, Visa); ☐ CHECK

9 RECEIVER'S/THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO. EXPIRATION DATE
THIRD PARTY'S COMPANY NAME
STREET ADDRESS
CITY AND STATE ZIP CODE

10 SHIPPER'S SIGNATURE X Amanda Camacho
All shipments are subject to the terms contained in the UPS Tariff/Terms and Conditions of Service, which are available at ups.com and local UPS offices.
DATE OF SHIPMENT 11/23/10

ACC000284
BERSCH

UPS Next Day Air®
UPS Worldwide Express℠

Shipping Document

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TRACKING NUMBER 1Z 268 9W5 22 1000 6389

1 SHIPMENT FROM

SHIPPER'S UPS ACCOUNT NO. 2689W5

REFERENCE NUMBER

NAME Amanda

TELEPHONE [redacted]

COMPANY DAVID WANZEK CPA LLC

STREET ADDRESS [redacted]

CITY AND STATE [redacted]

ZIP CODE AZ [redacted]

2 EXTREMELY URGENT DELIVERY TO

NAME Christine Camacho

TELEPHONE

COMPANY Concordia Finance

STREET ADDRESS [redacted]

DEPT./FLR.

Residential Delivery

CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL) [redacted] CA [redacted]

3 WEIGHT — Weight: Enter "LTR" if Letter: 5.65 lbs; Dimensional Weight if Applicable; Large Package ☐; 4 Shipper Release ☐

5 Type of Service — ☒ Next Day Air; ☐ Express (INT'L); For Worldwide Express Shipments Mark an "X" in this box if shipment only contains documents of no commercial value. ☐ Documents Only

6 Optional Services — ☐ Saturday Pickup (See Instructions.); ☐ Saturday Delivery (See Instructions.); ☐ Declared Value for Carriage (Optional and available only protected up to $100. For declared value over $100, see instructions.) $ _____ Amount; ☐ C.O.D. (If C.O.D., enter amount to be collected and attach completed UPS C.O.D. tag to package.) $ _____ Amount

7 Additional Handling Charge — ☐ An Additional Handling Charge applies for certain items. See instructions.

Total Charges

8 Method of Payment — Bill Shipper's Account Number (In Section 1); Bill Receiver; Bill Third Party (Domestic Only); Credit Card (American Express, Diner's Club, MasterCard, Visa) (Record Account No. in Section 9); Check ☐

9 Receiver's/Third Party's UPS Acct. No. Or Major Credit Card No. — Expiration Date

Third Party's Company Name

Street Address

City And State — Zip Code

10 Shipper's Signature X Amanda

All shipments are subject to the terms contained in the UPS Tariff/Terms and Conditions of Service, which are available at ups.com and local UPS offices.

Date of Shipment 11/23/10

0101011202608 1/07 8

SHIPPER'S COPY

UPS Next Day Air®
UPS Worldwide Express℠

Shipping Document

See instructions on back. Visit UPS.com® or call 1-800-PICK-UPS® (800-742-5877) for additional information and UPS Tariff/Terms and Conditions.

TRACKING NUMBER 1Z 268 9W5 22 1000 6405

1 SHIPMENT FROM

SHIPPER'S UPS ACCOUNT NO. 2689W5

REFERENCE NUMBER

NAME Amanda

TELEPHONE [redacted]

COMPANY DAVID WANZEK CPA LLC

STREET ADDRESS [redacted]

CITY AND STATE [redacted]

ZIP CODE AZ [redacted]

2 EXTREMELY URGENT DELIVERY TO

NAME Christine Camacho

TELEPHONE

COMPANY Concordia Finance

STREET ADDRESS [redacted]

DEPT./FLR.

Residential Delivery

CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL) [redacted] CA [redacted]

3 WEIGHT — Weight: Enter "LTR" if Letter: 6.15 lbs; Dimensional Weight if Applicable; Large Package ☐; 4 Shipper Release ☐

5 Type of Service — ☒ Next Day Air; ☐ Express (INT'L); For Worldwide Express Shipments Mark an "X" in this box if shipment only contains documents of no commercial value. ☐ Documents Only

6 Optional Services — ☐ Saturday Pickup (See Instructions.); ☐ Saturday Delivery (See Instructions.); ☐ Declared Value for Carriage (Optional and available only protected up to $100. For declared value over $100, see instructions.) $ _____ Amount; ☐ C.O.D. (If C.O.D., enter amount to be collected and attach completed UPS C.O.D. tag to package.) $ _____ Amount

7 Additional Handling Charge — ☐ An Additional Handling Charge applies for certain items. See instructions.

Total Charges

8 Method of Payment — Bill Shipper's Account Number (In Section 1); Bill Receiver; Bill Third Party (Domestic Only); Credit Card (American Express, Diner's Club, MasterCard, Visa) (Record Account No. in Section 9); Check ☐

9 Receiver's/Third Party's UPS Acct. No. Or Major Credit Card No. — Expiration Date

Third Party's Company Name

Street Address

City And State — Zip Code

10 Shipper's Signature X Amanda

All shipments are subject to the terms contained in the UPS Tariff/Terms and Conditions of Service, which are available at ups.com and local UPS offices.

Date of Shipment 11/23/10

ACC000285
BERSCH

UPS Next Day Air
UPS Worldwide Express℠

Shipping Document

See instructions on back. Visit UPS.com® or call 1-800-PICK-UPS® (800-742-5877) for additional information and UPS Tariff/Terms and Conditions.

TRACKING NUMBER 1Z 268 W5 22 1000 5880

SHIPMENT FROM

SHIPPER'S UPS ACCOUNT NO. 2689W5

REFERENCE NUMBER

NAME Amanda TELEPHONE [redacted]

COMPANY DAVID WANZEK CPA LLC

STREET ADDRESS [redacted]

CITY AND STATE [redacted] ZIP CODE AZ [redacted]

EXTREMELY URGENT DELIVERY TO

NAME Christine Camacho TELEPHONE

COMPANY Concordia Finance

STREET ADDRESS [redacted] DEPT./B.P.

CITY AND [redacted] CA [redacted]

3 WEIGHT — Enter "LTR" if Letter: 4.55 lbs — DIMENSIONAL WEIGHT If Applicable — LARGE PACKAGE ☐ — 4 SHIPPER RELEASE ☐

5 TYPE OF SERVICE — ☒ NEXT DAY AIR — ☐ EXPRESS (INT'L) — FOR WORLDWIDE EXPRESS SHIPMENTS Mark an "X" in this box if shipment only contains documents of no commercial value. ☐ DOCUMENTS ONLY

CHARGES

6 OPTIONAL SERVICES — ☐ SATURDAY PICKUP — ☐ SATURDAY DELIVERY — ☐ DECLARED VALUE FOR CARRIAGE $ AMOUNT — ☐ C.O.D. $ AMOUNT

7 ADDITIONAL HANDLING CHARGE — ☐ An Additional Handling Charge applies for certain items. See Instructions.

TOTAL CHARGES $

8 METHOD OF PAYMENT — ☒ BILL SHIPPER'S ACCOUNT NUMBER (SECTION 1) — ☐ BILL RECEIVER — ☐ BILL THIRD PARTY — ☐ CREDIT CARD (American Express, Diner's Club, MasterCard, Visa) — ☐ CHECK

9 RECEIVER'S/THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO. — EXPIRATION DATE

THIRD PARTY'S COMPANY NAME

STREET ADDRESS

CITY AND STATE — ZIP CODE

10 SHIPPER'S SIGNATURE X Amanda Samaniz

All shipments are subject to the terms contained in the UPS Tariff/Terms and Conditions of Service, which are available at ups.com and local UPS offices.

DATE OF SHIPMENT 11/23/10

0101911202809 1/07 S

SHIPPER'S COPY

UPS Next Day Air
UPS Worldwide Express℠

Shipping Document

See instructions on back. Visit UPS.com® or call 1-800-PICK-UPS® (800-742-5877) for additional information and UPS Tariff/Terms and Conditions.

TRACKING NUMBER 1Z 268 W5 22 1000 5862

SHIPMENT FROM

SHIPPER'S UPS ACCOUNT NO. 2689W5

REFERENCE NUMBER

NAME Amanda TELEPHONE [redacted]

COMPANY DAVID WANZEK CPA LLC

STREET ADDRESS [redacted]

CITY AND STATE [redacted] ZIP CODE AZ [redacted]

EXTREMELY URGENT DELIVERY TO

NAME Christine Camacho TELEPHONE

COMPANY Concordia Finance

STREET ADDRESS [redacted] DEPT./B.P.

CITY AND [redacted] CA [redacted]

3 WEIGHT — Enter "LTR" if Letter: 6.70 lbs — DIMENSIONAL WEIGHT If Applicable — LARGE PACKAGE ☐ — 4 SHIPPER RELEASE ☐

5 TYPE OF SERVICE — ☒ NEXT DAY AIR — ☐ EXPRESS (INT'L) — FOR WORLDWIDE EXPRESS SHIPMENTS Mark an "X" in this box if shipment only contains documents of no commercial value. ☐ DOCUMENTS ONLY

CHARGES

6 OPTIONAL SERVICES — ☐ SATURDAY PICKUP — ☐ SATURDAY DELIVERY — ☐ DECLARED VALUE FOR CARRIAGE $ AMOUNT — ☐ C.O.D. $ AMOUNT

7 ADDITIONAL HANDLING CHARGE — ☐ An Additional Handling Charge applies for certain items. See Instructions.

TOTAL CHARGES $

8 METHOD OF PAYMENT — ☒ BILL SHIPPER'S ACCOUNT NUMBER (SECTION 1) — ☐ BILL RECEIVER — ☐ BILL THIRD PARTY — ☐ CREDIT CARD (American Express, Diner's Club, MasterCard, Visa) — ☐ CHECK

9 RECEIVER'S/THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO. — EXPIRATION DATE

THIRD PARTY'S COMPANY NAME

STREET ADDRESS

CITY AND STATE — ZIP CODE

10 SHIPPER'S SIGNATURE X Amanda Samaniz

All shipments are subject to the terms contained in the UPS Tariff/Terms and Conditions of Service, which are available at ups.com and local UPS offices.

DATE OF SHIPMENT 11/23/10

ACC000286
BERSCH

UPS Next Day Air
UPS Worldwide Express℠

Shipping Document

See instructions on back. Visit UPS.com® or call 1-800-PICK-UPS® (800-742-5877) for additional information and UPS Tariff/Terms and Conditions.

TRACKING NUMBER 1Z 268 W5 22 1000 5899

SHIPMENT FROM

SHIPPER'S UPS ACCOUNT NO. 2689W5

REFERENCE NUMBER

NAME Amanda

TELEPHONE [redacted]

COMPANY DAVID WANZEK CPA LLC

STREET ADDRESS 1Z [redacted]

CITY AND STATE [redacted]

ZIP CODE AZ [redacted]

2 EXTREMELY URGENT DELIVERY TO

NAME Christine Carracho

TELEPHONE

COMPANY Concordia Finance

STREET ADDRESS [redacted]

DEPT./FLR.

CITY A[redacted] (INTERNATIONAL) CA

ZIP CODE [redacted]

3 WEIGHT — Enter "LTR" if Letter: 5.60LBS

DIMENSIONAL WEIGHT — If Applicable

LARGE PACKAGE ☐

4 SHIPPER RELEASE ☐

5 TYPE OF SERVICE — ☒ NEXT DAY AIR ☐ EXPRESS (INT'L)

FOR WORLDWIDE EXPRESS SHIPMENTS Mark an "X" in this box if shipment only contains documents of no commercial value. ☐ DOCUMENTS ONLY

CHARGES $

6 OPTIONAL SERVICES — ☐ SATURDAY PICKUP See instructions. ☐ SATURDAY DELIVERY See instructions. $

☐ DECLARED VALUE FOR CARRIAGE $ AMOUNT $

☐ C.O.D. $ AMOUNT $

7 ADDITIONAL HANDLING CHARGE — ☐ An Additional Handling Charge applies for certain items. See instructions. $

TOTAL CHARGES $

8 METHOD OF PAYMENT — ☒ BILL SHIPPER'S ACCOUNT NUMBER (IN SECTION 1) ☐ BILL RECEIVER ☐ BILL THIRD PARTY (DOMESTIC ONLY) (RECORD ACCOUNT NO. IN SECTION 9) ☐ CREDIT CARD American Express Diner's Club MasterCard Visa ☐ CHECK

9 RECEIVER'S/THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO. EXPIRATION DATE

THIRD PARTY'S COMPANY NAME

STREET ADDRESS

CITY AND STATE ZIP CODE

The shipper authorizes UPS to act as forwarding agent for export control and customs purposes. The shipper certifies that these commodities, technology or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. law is prohibited.

10 SHIPPER'S SIGNATURE X Amanda Salvucci

All shipments are subject to the terms contained in the UPS Tariff/Terms and Conditions of Service, which are available at ups.com and local UPS offices.

DATE OF SHIPMENT 11/23/10

0101011202809 1/07 5

SHIPPER'S COPY

UPS Next Day Air
UPS Worldwide Express℠

Shipping Document

See instructions on back. Visit UPS.com® or call 1-800-PICK-UPS® (800-742-5877) for additional information and UPS Tariff/Terms and Conditions.

TRACKING NUMBER 1Z 268 W5 22 1000 5844

SHIPMENT FROM

SHIPPER'S UPS ACCOUNT NO. 2689W5

REFERENCE NUMBER

NAME Amanda

TELEPHONE [redacted]

COMPANY DAVID WANZEK CPA LLC

STREET ADDRESS

CITY AND STATE [redacted]

ZIP CODE AZ [redacted]

EXTREMELY URGENT DELIVERY TO

NAME Christine Carracho

TELEPHONE

COMPANY Concordia Finance

STREET ADDRESS [redacted]

DEPT./FLR.

CITY AND STATE (INTERNATIONAL) CA

ZIP CODE [redacted]

3 WEIGHT — Enter "LTR" if Letter: 4.75LBS

DIMENSIONAL WEIGHT — If Applicable

LARGE PACKAGE ☐

4 SHIPPER RELEASE ☐

5 TYPE OF SERVICE — ☒ NEXT DAY AIR ☐ EXPRESS (INT'L)

FOR WORLDWIDE EXPRESS SHIPMENTS Mark an "X" in this box if shipment only contains documents of no commercial value. ☐ DOCUMENTS ONLY

CHARGES $

6 OPTIONAL SERVICES — ☐ SATURDAY PICKUP See instructions. ☐ SATURDAY DELIVERY See instructions. $

☐ DECLARED VALUE FOR CARRIAGE $ AMOUNT $

☐ C.O.D. $ AMOUNT $

7 ADDITIONAL HANDLING CHARGE — ☐ An Additional Handling Charge applies for certain items. See instructions. $

TOTAL CHARGES $

8 METHOD OF PAYMENT — ☒ BILL SHIPPER'S ACCOUNT NUMBER (IN SECTION 1) ☐ BILL RECEIVER ☐ BILL THIRD PARTY (DOMESTIC ONLY) (RECORD ACCOUNT NO. IN SECTION 9) ☐ CREDIT CARD American Express Diner's Club MasterCard Visa ☐ CHECK

9 RECEIVER'S/THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO. EXPIRATION DATE

THIRD PARTY'S COMPANY NAME

STREET ADDRESS

CITY AND STATE ZIP CODE

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10 SHIPPER'S SIGNATURE X Amanda Salvucci

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DATE OF SHIPMENT 11/23/10

ACC000287
BERSCH

UPS Next Day Air
UPS Worldwide Express

Shipping Document

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TRACKING NUMBER J213 048 291 2

SHIPMENT FROM

SHIPPER'S UPS ACCOUNT NO. 2689WS

REFERENCE NUMBER

NAME Amanda Samons TELEPHONE

COMPANY David Wanzek CPA

[redacted]

CITY AND STATE [redacted] AZ [redacted]

EXTREMELY URGENT DELIVERY TO

NAME Christine Camacho TELEPHONE

COMPANY Concordia Finance

STREET ADDRESS [redacted] DEPT./FLR.

CITY [redacted] CA [redacted]

3 WEIGHT	Enter "LTR" if Letter: 5lbs	DIMENSIONAL WEIGHT If Applicable	LARGE PACKAGE ☐	4 SHIPPER RELEASE ☐
5 TYPE OF SERVICE	☒ NEXT DAY AIR	☐ EXPRESS (INT'L)		CHARGES
	FOR WORLDWIDE EXPRESS SHIPMENTS Mark an "X" in this box if shipment only contains documents of no commercial value.	☐ DOCUMENTS ONLY		$
6 OPTIONAL SERVICES	☐ SATURDAY PICKUP See Instructions.	☐ SATURDAY DELIVERY See Instructions.		$
	☐ DECLARED VALUE FOR CARRIAGE	$ AMOUNT		$
	☐ C.O.D.	$ AMOUNT		$
7 ADDITIONAL HANDLING CHARGE	☐ An Additional Handling Charge applies for certain items. See Instructions.			$
TOTAL CHARGES				$
8 METHOD OF PAYMENT	☒ BILL SHIPPER'S ACCOUNT NUMBER (IN SECTION 1)	☐ BILL RECEIVER ☐ BILL THIRD PARTY (DOMESTIC ONLY) (RECORD ACCOUNT NO. IN SECTION 9)	☐ CREDIT CARD American Express Diner's Club MasterCard Visa	☐ CHECK

9 RECEIVER'S/THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO. EXPIRATION DATE /

THIRD PARTY'S COMPANY NAME

STREET ADDRESS

CITY AND STATE ZIP CODE

10 SHIPPER'S SIGNATURE X Amanda Samons

All shipments are subject to the terms contained in the UPS Tariff/Terms and Conditions of Service, which are available at ups.com and local UPS offices.

DATE OF SHIPMENT 11/29/10

010101120 1/07 S

SHIPPER'S COPY

UPS Next Day Air
UPS Worldwide Express

Shipping Document

See instructions on back. Visit UPS.com or call 1-800-PICK-UPS (800-742-5877) for additional information and UPS Tariff/Terms and Conditions.

TRACKING NUMBER J213 048 294 9

SHIPMENT FROM

SHIPPER'S UPS ACCOUNT NO. 2689WS

REFERENCE NUMBER

NAME Amanda Samons TELEPHONE

COMPANY David Wanzek CPA

STREET ADDRESS [redacted]

CITY AND STATE [redacted] AZ [redacted] ZIP CODE

EXTREMELY URGENT DELIVERY TO

NAME Christine Camacho TELEPHONE

COMPANY Concordia Finance

STREET ADDRESS [redacted] DEPT./FLR.

CITY AND STATE [redacted] CA [redacted]

3 WEIGHT	Enter "LTR" if Letter: 6lbs	DIMENSIONAL WEIGHT If Applicable	LARGE PACKAGE ☐	4 SHIPPER RELEASE ☐
5 TYPE OF SERVICE	☒ NEXT DAY AIR	☐ EXPRESS (INT'L)		CHARGES
	FOR WORLDWIDE EXPRESS SHIPMENTS Mark an "X" in this box if shipment only contains documents of no commercial value.	☐ DOCUMENTS ONLY		$
6 OPTIONAL SERVICES	☐ SATURDAY PICKUP See Instructions.	☐ SATURDAY DELIVERY See Instructions.		$
	☐ DECLARED VALUE FOR CARRIAGE	$ AMOUNT		$
	☐ C.O.D.	$ AMOUNT		$
7 ADDITIONAL HANDLING CHARGE	☐ An Additional Handling Charge applies for certain items. See Instructions.			$
TOTAL CHARGES				$
8 METHOD OF PAYMENT	☒ BILL SHIPPER'S ACCOUNT NUMBER (IN SECTION 1)	☐ BILL RECEIVER ☐ BILL THIRD PARTY (DOMESTIC ONLY) (RECORD ACCOUNT NO. IN SECTION 9)	☐ CREDIT CARD American Express Diner's Club MasterCard Visa	☐ CHECK

9 RECEIVER'S/THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO. EXPIRATION DATE /

THIRD PARTY'S COMPANY NAME

STREET ADDRESS

CITY AND STATE ZIP CODE

10 SHIPPER'S SIGNATURE X Amanda Samons

All shipments are subject to the terms contained in the UPS Tariff/Terms and Conditions of Service, which are available at ups.com and local UPS offices.

DATE OF SHIPMENT 11/29/10

ACC000288
BERSCH

****
*** TX REPORT ***
****

TRANSMISSION OK

TX/RX NO	1304
RECIPIENT ADDRESS	6027148120
DESTINATION ID	
ST. TIME	10/26 14:23
TIME USE	07'52
PAGES SENT	11
RESULT	OK

ROSHKA DEWULF& PATTEN

ROSHKA DEWULF & PATTEN, PLC
ATTORNEYS AT LAW
ONE ARIZONA CENTER
400 EAST VAN BUREN STREET
SUITE 800
PHOENIX, ARIZONA 85004
TELEPHONE NO 602-256-6100
FACSIMILE NO 602-256-6800

ACC000289
BERSCH

Writer's Direct Dial Number
(602) 256-6100

Client Name
ER.I nancial.ACC

October 26, 2012

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PLEASE DELIVER THE FOLLOWING PAGES TO:

NAME	COMPANY	FASCIMILE NO.
Mr. Gary Clapper	**Securities Division ACC**	**602-7 -8120**

RE: Subpoenas to Michael Bersch and ER Financial and Advisory Servic

TOTAL NUMBER OF PAGES INCLUDING THIS COVER PAGE: 11

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ROSHKA DEWULF & PATTEN, PLC
ATTORNEYS AT LAW
ONE ARIZONA CENTER
400 EAST VAN BUREN STREET
SUITE 800
PHOENIX, ARIZONA 85004
TELEPHONE NO 602-256-6100
FACSIMILE NO 602-256-6800

Writer's Direct Dial Number
(602) 256-6100

Client Name
ER.Financial.ACC

October 26, 2012

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PLEASE DELIVER THE FOLLOWING PAGES TO:

NAME	COMPANY	FASCIMILE NO.
Mr. Gary Clapper	**Securities Division ACC**	**602-714-8120**

RE: Subpoenas to Michael Bersch and ER Financial and Advisory Services

TOTAL NUMBER OF PAGES INCLUDING THIS COVER PAGE: 11
IF YOU DO NOT RECEIVE ALL PAGE(S), PLEASE CALL: (602) 256-6100 – **Deborah Amaral**

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ROSHKA DEWULF & PATTEN

ROSHKA DEWULF & PATTEN, PLC
ATTORNEYS AT LAW
ONE ARIZONA CENTER
400 EAST VAN BUREN STREET
SUITE 800
PHOENIX, ARIZONA 85004

Received
OCT 30 2012
Arizona Corp. Commission
Securities Division

Mr. Gary Clapper, Senior Special
Investigator
Securities Division, 3rd Floor
Arizona Corporation Commission
1300 West Washington Street
Phoenix, Arizona 85007

ACC000291
BERSCH

Snell & Wilmer
L.L.P.
LAW OFFICES
One Arizona Center, 400 E. Van Buren, Suite 1900
Phoenix, Arizona 85004-2202
602.382.6000

COMMISSIONERS
SUSAN BITTER SMITH, Chairman
BOB STUMP
BOB BURNS
DOUG LITTLE
TOM FORESE

BEFORE THE ARIZONA CORPORATION COMMISSION

In the matter of:

CONCORDIA FINANCING COMPANY, LTD, a/k/a "CONCORDIA FINANCE," ER FINANCIAL & ADVISORY SERVICES, LLC, LANCE MICHAEL BERSCH, and DAVID JOHN WANZEK and LINDA WANZEK, husband and wife, Respondents.	Docket No. S-20906 A-14-0063 **AFFIDAVIT OF DAVID JOHN WANZEK**

STATE OF FLORIDA)
) ss.
County of Osceola)

DAVID JOHN WANZEK, having been duly sworn upon his oath, deposes and says:

1. I submit this affidavit in support of the Motion to Compel by Respondents ER Financial & Advisory Services, LLC ("ER LLC"), Lance Michael Bersch, David John Wanzek, and Linda Wanzek (collectively, the "ER Respondents") in this docket.

2. I make this affidavit based on my own personal knowledge of the facts and review of pertinent records.

3. I am over 18 years of age and competent to testify.

4. In 2010, Concordia Financing Company, Ltd. ("Concordia") instructed us to return titles to them to change the addresses on the titles. The titles were stored in binders that included

EXHIBIT
S-161
ADMITTED

the titles and other paperwork, which may have included contracts, notes and records. We removed the documents from the binders and sent Concordia the entire contents of each binder.

5. Concordia stated that they would return the documents as soon as they changed the addresses on the titles.

6. Given the volume of paper in the binders and Concordia's promise to return the documents, we did not retain copies of these records.

7. Concordia never returned the documents from the binders that we sent them.

8. The documents from the binders were sent to Concordia in November 2010, by shipping approximately 15 UPS packages to Concordia's offices.

9. The UPS shipping records for those packages are attached as Attachment 1 to this affidavit.

10. The UPS shipping records indicate that the packages weighed a total of 83.8 pounds.

11. We never received copies of many of the contracts. ER LLC's role as custodian of the titles was to maintain the original vehicle titles. The original contracts were kept by Concordia. We only received copies of a contract when we specifically requested it.

12. The ER Respondents have few files or documents in their possession regarding the matters alleged in the Notice of Opportunity in this docket. The total amount of documents we have is less than one box. Many of the records were sent to Concordia as set forth above. Other documents were lost due to the passage of time.

13. In addition, I suffered a hard drive failure in approximately late 2009 or early 2010 that resulted in a loss of records. Records on the hard drive that were lost included a mailing list and copies of certain communications between Concordia and ER LLC.

14. Mr. Michael Bersch and I asked Mr. Kenneth Crowder, the CEO of Concordia, whether we or Concordia needed any licenses for the Truck Financing Contracts and Servicing Agreements. Mr. Kenneth Crowder advised us that no licenses were needed due to the nature of

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L.L.P.
LAW OFFICES
One Arizona Center, 400 E. Van Buren, Suite 1900
Phoenix, Arizona 85004-2202
602.382.6000

the contracts, and that their lawyer had confirmed this. This would have been early in our relationship with Concordia, sometime in the 1990's.

15. In addition, when a customer asked whether the contracts were "securities", Mr. Kenneth Crowder assured Mr. Bersch and me that Concordia's lawyer had looked at it and the contracts were not securities.

16. On one occasion, Mr. Bersch and I were present when Mr. Kenneth Crowder spoke to Concordia's lawyer on the phone. Mr. Kenneth Crowder and the attorney discussed the issue of whether any licenses were needed to offer the contracts. Based on this conversation, we understood that no licenses were needed. I do not know if the attorney knew that we were listening, but Mr. Kenneth Crowder was aware of it. I do not remember the exact language of the conversation or the date, because the conversation occurred over 15 years ago.

DATED this 9 day of February, 2015

DAVID JOHN WANZEK

SUBSCRIBED AND SWORN to before me this 9th day of February, 2015 by David John Wanzek

Christina Rochelle Clement
Notary Public
Mohave County, Arizona
My Comm. Expires 10-31-17

Notary Public

My commission expires: 10-31-2017

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Phoenix, Arizona 85004-2202
602.382.6000

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SABOT\SWDMS\20969167.1

ATTACHMENT 1

UPS Next Day Air
UPS Worldwide Express

Shipping Document

See Instructions on back. Visit UPS.com® or call 1-800-PICK-UPS® (800-742-5877) for additional information and UPS Tariff/Terms and Conditions.

TRACKING NUMBER 1Z 268 9W5 22 1000 5853

SHIPMENT FROM

2689W5

REFERENCE NUMBER

NAME: Amanda
TELEPHONE: 928-453-7377

COMPANY: DAVID WANZEK CPA LLC

STREET ADDRESS

CITY AND STATE: LAKE HAVASU CITY
ZIP CODE: AZ 86403-5696

EXTREMELY URGENT DELIVERY TO

NAME: Christine Camacho
TELEPHONE

COMPANY: Concordia Finance

STREET ADDRESS: 3633 Inland Empire Blvd. Ste. 700
DEPT./FLR.

CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL): Ontario, CA
ZIP CODE: 91764

5 WEIGHT	WEIGHT Enter "LTR" if Letter: 5.10	DIMENSIONAL WEIGHT If Applicable	LARGE PACKAGE ☐	4 SHIPPER RELEASE ☐
5 SERVICE	☒ NEXT DAY AIR	☐ EXPRESS (INT'L)		CHARGES
	FOR WORLDWIDE EXPRESS SHIPMENTS Mark an "X" in this box if shipment only contains documents of no commercial value.	☐ DOCUMENTS ONLY		$
6	☐ SATURDAY PICKUP See instructions.	☐ SATURDAY DELIVERY See instructions.		$
OPTIONAL SERVICES	☐ DECLARED VALUE FOR CARRIAGE Optional for carriage only, provided up to $100. For declared value over $100, see instructions.	$ AMOUNT		$
	☐ C.O.D. Y.E.S.: only content to be charged and attach completed UPS C.O.D. tag to package	$ AMOUNT		$
7 ADDITIONAL HANDLING CHARGE	☐ An Additional Handling Charge applies for certain items. See instructions.			$
TOTAL CHARGES				$
8 METHOD OF PAYMENT	BILL SHIPPER'S ACCOUNT NUMBER ☒ IN SECTION 1	BILL RECEIVER / BILL THIRD PARTY (DOMESTIC ONLY) ☐	CREDIT CARD ☐ American Express Diner's Club MasterCard Visa (RECORD ACCOUNT NO. IN SECTION 9)	CHECK ☐

9 RECEIVER'S/THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO. EXPIRATION DATE

THIRD PARTY'S COMPANY NAME

STREET ADDRESS

CITY AND STATE ZIP CODE

The shipper authorizes UPS to act as forwarding agent for export control and customs purposes. The shipper certifies that these commodities, technology or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. law is prohibited.

10 SHIPPER'S SIGNATURE X Amanda Sanchez

DATE OF SHIPMENT 11/22/10

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0101011202609 1/07 8

SHIPPER'S COPY

UPS Next Day Air
UPS Worldwide Express

Shipping Document

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TRACKING NUMBER J213 048 295 8

SHIPMENT FROM

SHIPPER'S UPS ACCOUNT NO. 2689WS

REFERENCE NUMBER

NAME [redacted] TELEPHONE

COMPANY David Wanzek CPA

STREET ADDRESS 2153 McCulloch

CITY AND STATE Lake Havasu AZ ZIP CODE 86403

EXTREMELY URGENT DELIVERY TO

NAME Christine Camacho TELEPHONE

COMPANY Concordia Finance

STREET ADDRESS 3633 Inland Empire Blvd # 700 DEPT./FLR.

CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL) Ontario, CA ZIP CODE 91764

WEIGHT Enter "LTR" if Letter	DIMENSIONAL WEIGHT If Applicable	LARGE PACKAGE	SHIPPER RELEASE
5 lbs			

CHARGES

- NEXT DAY AIR — EXPRESS (INT'L) — $
- FOR WORLDWIDE EXPRESS SHIPMENTS Mark an "X" in this box if shipment only contains documents of no commercial value. — DOCUMENTS ONLY
- SATURDAY PICKUP — SATURDAY DELIVERY — $
- DECLARED VALUE FOR CARRIAGE — $ AMOUNT — $
- C.O.D. — $ AMOUNT — $
- An Additional Handling Charge applies for certain items. See instructions. — $
- $

METHOD OF PAYMENT: BILL SHIPPER'S ACCOUNT NUMBER (X) — BILL RECEIVER — BILL THIRD PARTY — CREDIT CARD — American Express, Diner's Club, MasterCard, Visa — CHECK

RECEIVER'S/THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO. — EXPIRATION DATE

THIRD PARTY'S COMPANY NAME

STREET ADDRESS

CITY AND STATE — ZIP CODE

SHIPPER'S SIGNATURE X Christine Sanchez — DATE OF SHIPMENT 11/29/11

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010191128 1/07 $

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UPS Worldwide Express

Shipping Document

See instructions on back. Visit UPS.com or call 1-800-PICK-UPS (800-742-5877) for additional information and UPS Tariff/Terms and Conditions.

TRACKING NUMBER J213 048 298 5

1 SHIPMENT FROM

SHIPPER'S UPS ACCOUNT NO. 2689WS

REFERENCE NUMBER

NAME Amanda TELEPHONE

COMPANY David Wanzek CPA

STREET ADDRESS 2153 McCulloch

CITY AND STATE Lake Havasu AZ ZIP CODE 86403

2 EXTREMELY URGENT DELIVERY TO

NAME Christine C. TELEPHONE

COMPANY Concordia Finance

STREET ADDRESS 3633 Inland Empire Blvd # 700 DEPT./FLR.

CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL) Ontario, CA ZIP CODE 91764

WEIGHT Enter "LTR" if Letter	DIMENSIONAL WEIGHT If Applicable	LARGE PACKAGE	SHIPPER RELEASE
7 lbs			

CHARGES

- NEXT DAY AIR — EXPRESS (INT'L) — $
- FOR WORLDWIDE EXPRESS SHIPMENTS Mark an "X" in this box if shipment only contains documents of no commercial value. — DOCUMENTS ONLY
- SATURDAY PICKUP — SATURDAY DELIVERY — $
- DECLARED VALUE FOR CARRIAGE — $ AMOUNT — $
- C.O.D. — $ AMOUNT — $
- An Additional Handling Charge applies for certain items. See instructions. — $
- $

METHOD OF PAYMENT: BILL SHIPPER'S ACCOUNT NUMBER (X) — BILL RECEIVER — BILL THIRD PARTY — CREDIT CARD — American Express, Diner's Club, MasterCard, Visa — CHECK

RECEIVER'S/THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO. — EXPIRATION DATE

THIRD PARTY'S COMPANY NAME

STREET ADDRESS

CITY AND STATE — ZIP CODE

SHIPPER'S SIGNATURE X Christine Sanchez

UPS Next Day Air
UPS Worldwide Express
Shipping Document

ee instructions on back. Visit UPS.com or call 1-800-PICK-UPS (800-742-5877) x additional information and UPS Tariff/Terms and Conditions.

TRACKING NUMBER J213 048 286 9

SHIPMENT FROM
SHIPPER'S UPS ACCOUNT NO. 2689W5
REFERENCE NUMBER

NAME Amanda TELEPHONE
COMPANY David Wanzek CPA
STREET ADDRESS 2153 McCulloch
CITY AND STATE Lake Havasu City, AZ ZIP CODE 86403

2 EXTREMELY URGENT DELIVERY TO
NAME Christine Camacho TELEPHONE
COMPANY Concordia Finance
STREET ADDRESS 3633 Inland Empire Blvd. DEPT./FLR. #700
CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL) Ontario, CA ZIP CODE 91764

3 WEIGHT: 5 lbs | DIMENSIONAL WEIGHT If Applicable | LARGE PACKAGE ☐ | 4 SHIPPER RELEASE ☐

5 TYPE OF SERVICE: ☑ NEXT DAY AIR ☐ EXPRESS (INT'L)
FOR WORLDWIDE EXPRESS SHIPMENTS Mark an "X" in this box if shipment only contains documents of no commercial value. ☐ DOCUMENTS ONLY

6 OPTIONAL SERVICES: ☐ SATURDAY PICKUP See instructions. ☐ SATURDAY DELIVERY See instructions.
☐ DECLARED VALUE FOR CARRIAGE $ AMOUNT
☐ C.O.D. If C.O.D., enter amount to be collected and attach completed UPS C.O.D. tag to package. $ AMOUNT

7 ADDITIONAL HANDLING CHARGE: ☐ An Additional Handling Charge applies for certain items. See instructions.

TOTAL CHARGES

8 METHOD OF PAYMENT: BILL SHIPPER'S ACCOUNT NUMBER (IN SECTION 1) ☑ | BILL RECEIVER ☐ | BILL THIRD PARTY ☐ | CREDIT CARD ☐ (DOMESTIC ONLY; RECORD ACCOUNT NO. IN SECTION 9) | American Express Diner's Club MasterCard Visa | CHECK ☐

CHARGES $

9 RECEIVER'S/THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO. EXPIRATION DATE
THIRD PARTY'S COMPANY NAME
STREET ADDRESS
CITY AND STATE ZIP CODE

10 SHIPPER'S SIGNATURE X Amanda Zavala DATE OF SHIPMENT 11/24/10

All shipments are subject to the terms contained in the UPS Tariff/Terms and Conditions of Service, which are available at ups.com and local UPS offices.

01010112D 1/07 S SHIPPER'S COPY

UPS Next Day Air
UPS Worldwide Express
Shipping Document

ee instructions on back. Visit UPS.com or call 1-800-PICK-UPS (800-742-5877) x additional information and UPS Tariff/Terms and Conditions.

TRACKING NUMBER J213 048 290 3

SHIPMENT FROM
SHIPPER'S UPS ACCOUNT NO. 2689W5
REFERENCE NUMBER

NAME Amanda TELEPHONE
COMPANY David Wanzek CPA
STREET ADDRESS 2153 McCulloch Blvd.
CITY AND STATE Lake Havasu City, AZ ZIP CODE 86403

EXTREMELY URGENT DELIVERY TO
NAME Christine Camacho TELEPHONE
COMPANY Concordia Finance
STREET ADDRESS 3633 Inland Empire Blvd. DEPT./FLR. #700
CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL) Ontario, CA ZIP CODE 91764

3 WEIGHT: 5 lbs | DIMENSIONAL WEIGHT If Applicable | LARGE PACKAGE ☐ | 4 SHIPPER RELEASE ☐

5 TYPE OF SERVICE: ☑ NEXT DAY AIR ☐ EXPRESS (INT'L)
FOR WORLDWIDE EXPRESS SHIPMENTS Mark an "X" in this box if shipment only contains documents of no commercial value. ☐ DOCUMENTS ONLY

6 OPTIONAL SERVICES: ☐ SATURDAY PICKUP See instructions. ☐ SATURDAY DELIVERY See instructions.
☐ DECLARED VALUE FOR CARRIAGE $ AMOUNT
☐ C.O.D. If C.O.D., enter amount to be collected and attach completed UPS C.O.D. tag to package. $ AMOUNT

7 ADDITIONAL HANDLING CHARGE: ☐ An Additional Handling Charge applies for certain items. See instructions.

TOTAL CHARGES

8 METHOD OF PAYMENT: BILL SHIPPER'S ACCOUNT NUMBER (IN SECTION 1) ☑ | BILL RECEIVER ☐ | BILL THIRD PARTY ☐ | CREDIT CARD ☐ (DOMESTIC ONLY; RECORD ACCOUNT NO. IN SECTION 9) | American Express Diner's Club MasterCard Visa | CHECK ☐

CHARGES $

9 RECEIVER'S/THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO. EXPIRATION DATE
THIRD PARTY'S COMPANY NAME
STREET ADDRESS
CITY AND STATE ZIP CODE

10 SHIPPER'S SIGNATURE X Amanda Zavala DATE OF SHIPMENT 11/24/10

All shipments are subject to the terms contained in the UPS Tariff/Terms and Conditions of Service, which are available at ups.com and local UPS offices.

UPS Next Day Air
UPS Worldwide Express™

Shipping Document

See instructions on back. Visit UPS.com® or call 1-800-PICK-UPS® (800-742-5877) for additional information and UPS Tariff/Terms and Conditions.

TRACKING NUMBER 1Z213 048 267 8

SHIPMENT FROM
SHIPPER'S UPS ACCOUNT NO. 2689W5
REFERENCE NUMBER

NAME Amanda TELEPHONE
COMPANY David Wanzek CPA
STREET ADDRESS 2153 McCulloch Blvd
CITY AND STATE Lake Havasu City AZ ZIP CODE 86403

EXTREMELY URGENT DELIVERY TO
NAME Christine Camacho TELEPHONE
COMPANY Concordia Finance
STREET ADDRESS 3633 Inland Empire Blvd DEPT./FLR. #700
CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL) Ontario, CA ZIP CODE 91764

3 WEIGHT Enter "LTR" if Letter: 6 lbs | DIMENSIONAL WEIGHT If Applicable | LARGE PACKAGE | 4 SHIPPER RELEASE

5 TYPE OF SERVICE: [X] NEXT DAY AIR [ ] EXPRESS (INT'L) — CHARGES
FOR WORLDWIDE EXPRESS SHIPMENTS Mark an "X" in this box if shipment only contains documents of no commercial value. [ ] DOCUMENTS ONLY

6 OPTIONAL SERVICES: [ ] SATURDAY PICKUP [ ] SATURDAY DELIVERY
[ ] DECLARED VALUE FOR CARRIAGE $ AMOUNT
[ ] C.O.D. $ AMOUNT

7 ADDITIONAL HANDLING CHARGE: [ ] An Additional Handling Charge applies for certain items. See instructions.

8 METHOD OF PAYMENT: [X] BILL SHIPPER'S ACCOUNT NUMBER (IN SECTION 1) [ ] BILL RECEIVER [ ] BILL THIRD PARTY (DOMESTIC ONLY) [ ] CREDIT CARD (RECORD ACCOUNT NO. IN SECTION 9) American Express Diner's Club MasterCard Visa [ ] CHECK

9 RECEIVER'S/THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO. EXPIRATION DATE
THIRD PARTY'S COMPANY NAME
STREET ADDRESS
CITY AND STATE ZIP CODE

10 SHIPPER'S SIGNATURE X Amanda Stevens DATE OF SHIPMENT 11/24/10

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Shipping Document

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TRACKING NUMBER 1Z 268 965 22 1000 6398

SHIPMENT FROM
SHIPPER'S UPS ACCOUNT NO. 2689W5
REFERENCE NUMBER

NAME Amanda TELEPHONE 928-453-7377
COMPANY DAVID WANZEK CPA LLC
STREET ADDRESS
CITY AND STATE LAKE HAVASU CITY ZIP CODE AZ 86403-5695

EXTREMELY URGENT DELIVERY TO
NAME Christine Camacho TELEPHONE
COMPANY Concordia Finance
STREET ADDRESS 3633 Inland Empire Blvd. DEPT./FLR. #700
CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL) Ontario, CA ZIP CODE 91764

3 WEIGHT Enter "LTR" if Letter: 6.2 lbs | DIMENSIONAL WEIGHT If Applicable | LARGE PACKAGE | 4 SHIPPER RELEASE

5 TYPE OF SERVICE: [X] NEXT DAY AIR [ ] EXPRESS (INT'L) — CHARGES
FOR WORLDWIDE EXPRESS SHIPMENTS Mark an "X" in this box if shipment only contains documents of no commercial value. [ ] DOCUMENTS ONLY

6 OPTIONAL SERVICES: [ ] SATURDAY PICKUP [ ] SATURDAY DELIVERY
[ ] DECLARED VALUE FOR CARRIAGE $ AMOUNT
[ ] C.O.D. $ AMOUNT

7 ADDITIONAL HANDLING CHARGE: [ ] An Additional Handling Charge applies for certain items: See instructions.

8 METHOD OF PAYMENT: [X] BILL SHIPPER'S ACCOUNT NUMBER (IN SECTION 1) [ ] BILL RECEIVER [ ] BILL THIRD PARTY (DOMESTIC ONLY) [ ] CREDIT CARD (RECORD ACCOUNT NO. IN SECTION 9) American Express Diner's Club MasterCard Visa [ ] CHECK

9 RECEIVER'S/THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO. EXPIRATION DATE
THIRD PARTY'S COMPANY NAME
STREET ADDRESS
CITY AND STATE ZIP CODE

10 SHIPPER'S SIGNATURE X Amanda Stevens DATE OF SHIPMENT 11/23/10

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Shipping Document

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TRACKING NUMBER 1Z 268 9W5 22 1000 6389

SHIPMENT FROM
SHIPPER'S UPS ACCOUNT NO. 2689W5
REFERENCE NUMBER

NAME Amanda TELEPHONE 928-453-7377
COMPANY DAVID WANZEK CPA LLC
STREET ADDRESS
CITY AND STATE LAKE HAVASU CITY ZIP CODE AZ 86403-5695

2 EXTREMELY URGENT DELIVERY TO
NAME Christine Camacho TELEPHONE
COMPANY Concordia Finance
STREET ADDRESS 3633 Inland Empire Blvd. #700 DEPT./FLR. Residential Delivery
CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL) Ontario, CA ZIP CODE 91764

3 WEIGHT: Enter "LTR" if Letter: 5.6 lbs | DIMENSIONAL WEIGHT If Applicable | LARGE PACKAGE ☐ | 4 SHIPPER RELEASE ☐

5 DELIVERY SERVICES: ☒ NEXT DAY AIR ☐ EXPRESS (INT'L) — CHARGES
FOR WORLDWIDE EXPRESS SHIPMENTS Mark an "X" in this box if shipment only contains documents of no commercial value. ☐ DOCUMENTS ONLY $

6 OPTIONAL SERVICES: ☐ SATURDAY PICKUP See instructions. ☐ SATURDAY DELIVERY See instructions. $
☐ DECLARED VALUE FOR CARRIAGE $ AMOUNT $
☐ C.O.D. $ AMOUNT $

7 ADDITIONAL HANDLING CHARGE: ☐ An Additional Handling Charge applies for certain items. See instructions. $
TOTAL CHARGES $

8 METHOD OF PAYMENT: ☒ BILL SHIPPER'S ACCOUNT NUMBER (SECTION 1) ☐ BILL RECEIVER ☐ BILL THIRD PARTY (DOMESTIC ONLY) ☐ CREDIT CARD (RECORD ACCOUNT NO. IN SECTION 9) American Express Diner's Club MasterCard Visa ☐ CHECK

9 RECEIVER'S/THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO. EXPIRATION DATE
THIRD PARTY'S COMPANY NAME
STREET ADDRESS
CITY AND STATE ZIP CODE

The shipper authorizes UPS to act as forwarding agent for export control and customs purposes. The shipper certifies that these commodities, technology or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. law is prohibited.

10 SHIPPER'S SIGNATURE X Amanda Sanchez DATE OF SHIPMENT 11/29/10

All shipments are subject to the terms contained in the UPS Tariff/Terms and Conditions of Service, which are available at ups.com and local UPS offices.

0101811202808 1/07 8 SHIPPER'S COPY

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UPS Worldwide Express
Shipping Document

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TRACKING NUMBER 1Z 268 9W5 22 1000 6405

SHIPMENT FROM
SHIPPER'S UPS ACCOUNT NO. 2689W5
REFERENCE NUMBER

NAME Amanda TELEPHONE 928-453-7377
COMPANY DAVID WANZEK CPA LLC
STREET ADDRESS
CITY AND STATE LAKE HAVASU CITY ZIP CODE AZ 86403-5695

2 EXTREMELY URGENT DELIVERY TO
NAME Christine Camacho TELEPHONE
COMPANY Concordia Finance
STREET ADDRESS 3633 Inland Empire Blvd. #700 DEPT./FLR. Residential Delivery
CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL) Ontario, CA ZIP CODE 91764

3 WEIGHT: Enter "LTR" if Letter: 6.1 lbs | DIMENSIONAL WEIGHT If Applicable | LARGE PACKAGE ☐ | 4 SHIPPER RELEASE ☐

5 DELIVERY SERVICES: ☒ NEXT DAY AIR ☐ EXPRESS (INT'L) — CHARGES
FOR WORLDWIDE EXPRESS SHIPMENTS Mark an "X" in this box if shipment only contains documents of no commercial value. ☐ DOCUMENTS ONLY $

6 OPTIONAL SERVICES: ☐ SATURDAY PICKUP See instructions. ☐ SATURDAY DELIVERY See instructions. $
☐ DECLARED VALUE FOR CARRIAGE $ AMOUNT $
☐ C.O.D. $ AMOUNT $

7 ADDITIONAL HANDLING CHARGE: ☐ An Additional Handling Charge applies for certain items. See instructions. $
TOTAL CHARGES $

8 METHOD OF PAYMENT: ☒ BILL SHIPPER'S ACCOUNT NUMBER (SECTION 1) ☐ BILL RECEIVER ☐ BILL THIRD PARTY (DOMESTIC ONLY) ☐ CREDIT CARD (RECORD ACCOUNT NO. IN SECTION 9) American Express Diner's Club MasterCard Visa ☐ CHECK

9 RECEIVER'S/THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO. EXPIRATION DATE
THIRD PARTY'S COMPANY NAME
STREET ADDRESS
CITY AND STATE ZIP CODE

The shipper authorizes UPS to act as forwarding agent for export control and customs purposes. The shipper certifies that these commodities, technology or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. law is prohibited.

10 SHIPPER'S SIGNATURE X Amanda Sanchez DATE OF SHIPMENT 11/29/10

All shipments are subject to the terms contained in the UPS Tariff/Terms and Conditions of Service, which are available at ups.com and local UPS offices.

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UPS Worldwide Express
Shipping Document

See instructions on back. Visit UPS.com or call 1-800-PICK-UPS (800-742-5877) for additional information and UPS Tariff/Terms and Conditions.

TRACKING NUMBER 1Z 268 W5 22 1000 5880

SHIPMENT FROM
SHIPPER'S UPS ACCOUNT NO. 2689W5

REFERENCE NUMBER

NAME Amanda TELEPHONE 928-453-7377

COMPANY DAVID WANZEK CPA LLC

STREET ADDRESS

CITY AND STATE LAKE HAVASU CITY ZIP CODE AZ 86403-5695

EXTREMELY URGENT DELIVERY TO

NAME Christine Camacho TELEPHONE

COMPANY Concordia Finance

STREET ADDRESS 3633 Inland Empire Blvd. DEPT./FLR. #700

CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL) Ontario, CA ZIP CODE 91764

3 WEIGHT Enter "LTR" if Letter: 4.55 lbs | DIMENSIONAL WEIGHT If Applicable | LARGE PACKAGE ☐ | SHIPPER RELEASE ☐

5 TYPE OF SERVICE: ☒ NEXT DAY AIR ☐ EXPRESS (INT'L) — CHARGES $

FOR WORLDWIDE EXPRESS SHIPMENTS Mark an "X" in this box if shipment only contains documents of no commercial value. ☐ DOCUMENTS ONLY

6 OPTIONAL SERVICES: ☐ SATURDAY PICKUP ☐ SATURDAY DELIVERY $

☐ DECLARED VALUE FOR CARRIAGE $ AMOUNT $

☐ C.O.D. $ AMOUNT $

7 ADDITIONAL HANDLING CHARGE: ☐ An Additional Handling Charge applies for certain items. See instructions. $

TOTAL CHARGES $

8 METHOD OF PAYMENT: ☒ BILL SHIPPER'S ACCOUNT NUMBER (SECTION 1) ☐ BILL RECEIVER ☐ BILL THIRD PARTY (DOMESTIC ONLY) (RECORD ACCOUNT NO. IN SECTION 9) ☐ CREDIT CARD American Express Diner's Club MasterCard Visa ☐ CHECK

9 RECEIVER'S/THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO. EXPIRATION DATE /

THIRD PARTY'S COMPANY NAME

STREET ADDRESS

CITY AND STATE ZIP CODE

The shipper authorizes UPS to act as forwarding agent for export control and customs purposes. The shipper certifies that these commodities, technology or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. law is prohibited.

10 SHIPPER'S SIGNATURE X Amanda Samaniz DATE OF SHIPMENT 11/22/10

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Shipping Document

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TRACKING NUMBER 1Z 268 W5 22 1000 5862

SHIPMENT FROM
SHIPPER'S UPS ACCOUNT NO. 2689W5

REFERENCE NUMBER

NAME Amanda TELEPHONE 928-453-7377

COMPANY DAVID WANZEK CPA LLC

STREET ADDRESS

CITY AND STATE LAKE HAVASU CITY ZIP CODE AZ 86403-5695

EXTREMELY URGENT DELIVERY TO

NAME Christine Camacho TELEPHONE

COMPANY Concordia Finance

STREET ADDRESS 3633 Inland Empire Blvd. DEPT./FLR. #700

CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL) Ontario, CA ZIP CODE 91764

3 WEIGHT Enter "LTR" if Letter: 6.70 lbs | DIMENSIONAL WEIGHT If Applicable | LARGE PACKAGE ☐ | SHIPPER RELEASE ☐

5 TYPE OF SERVICE: ☒ NEXT DAY AIR ☐ EXPRESS (INT'L) — CHARGES $

FOR WORLDWIDE EXPRESS SHIPMENTS Mark an "X" in this box if shipment only contains documents of no commercial value. ☐ DOCUMENTS ONLY

6 OPTIONAL SERVICES: ☐ SATURDAY PICKUP ☐ SATURDAY DELIVERY $

☐ DECLARED VALUE FOR CARRIAGE $ AMOUNT $

☐ C.O.D. $ AMOUNT $

7 ADDITIONAL HANDLING CHARGE: ☐ An Additional Handling Charge applies for certain items. See instructions. $

TOTAL CHARGES $

8 METHOD OF PAYMENT: ☒ BILL SHIPPER'S ACCOUNT NUMBER (SECTION 1) ☐ BILL RECEIVER ☐ BILL THIRD PARTY (DOMESTIC ONLY) (RECORD ACCOUNT NO. IN SECTION 9) ☐ CREDIT CARD American Express Diner's Club MasterCard Visa ☐ CHECK

9 RECEIVER'S/THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO. EXPIRATION DATE /

THIRD PARTY'S COMPANY NAME

STREET ADDRESS

CITY AND STATE ZIP CODE

The shipper authorizes UPS to act as forwarding agent for export control and customs purposes. The shipper certifies that these commodities, technology or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. law is prohibited.

10 SHIPPER'S SIGNATURE X Amanda Samaniz DATE OF SHIPMENT 11/22/10

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UPS Next Day Air
UPS Worldwide Express
Shipping Document

See instructions on back. Visit UPS.com or call 1-800-PICK-UPS (800-742-5877) for additional information and UPS Tariff/Terms and Conditions.

TRACKING NUMBER 1Z 268 W5 22 1000 5899

SHIPMENT FROM
SHIPPER'S UPS ACCOUNT NO. 2689W5

REFERENCE NUMBER

NAME Amanda
TELEPHONE 928-453-7377
COMPANY DAVID WANZEK CPA LLC
STREET ADDRESS 1720
CITY AND STATE LAKE HAVASU CITY
ZIP CODE AZ 86403-5695

EXTREMELY URGENT DELIVERY TO
NAME Christine Camacho
TELEPHONE
COMPANY Concordia Finance
STREET ADDRESS 3633 Inland Empire Blvd. Ste. 700
DEPT./FLR.
CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL) Ontario, CA
ZIP CODE 91764

3 WEIGHT Enter "LTR" if Letter: 5.6 lbs
DIMENSIONAL WEIGHT If Applicable
LARGE PACKAGE
4 SHIPPER RELEASE

5 TYPE OF SERVICE
☒ NEXT DAY AIR
☐ EXPRESS (INT'L)
FOR WORLDWIDE EXPRESS SHIPMENTS Mark an "X" in this box if shipment only contains documents of no commercial value.
☐ DOCUMENTS ONLY

6 OPTIONAL SERVICES
☐ SATURDAY PICKUP See instructions.
☐ SATURDAY DELIVERY See instructions.
☐ DECLARED VALUE FOR CARRIAGE Contents are automatically insured up to $100. For declared value over $100, see instructions. $ AMOUNT
☐ C.O.D. If C.O.D., enter amount to be collected and attach completed UPS C.O.D. tag to package. $ AMOUNT

7 ADDITIONAL HANDLING CHARGE
☐ An Additional Handling Charge applies for certain items. See instructions.

TOTAL CHARGES

8 METHOD OF PAYMENT
☒ BILL SHIPPER'S ACCOUNT NUMBER IN SECTION 1
☐ BILL RECEIVER (DOMESTIC ONLY)
☐ BILL THIRD PARTY (DOMESTIC ONLY) SECOND ACCOUNT NO. IN SECTION 9
☐ CREDIT CARD American Express Diner's Club MasterCard Visa
☐ CHECK

9 RECEIVER'S/THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO. EXPIRATION DATE
THIRD PARTY'S COMPANY NAME
STREET ADDRESS
CITY AND STATE ZIP CODE

The shipper authorizes UPS to act as forwarding agent for export control and customs purposes. The shipper certifies that the commodities, technology or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. law is prohibited.

10 SHIPPER'S SIGNATURE X Amanda Sanchez
DATE OF SHIPMENT 11/22/10

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Shipping Document

See instructions on back. Visit UPS.com or call 1-800-PICK-UPS (800-742-5877) for additional information and UPS Tariff/Terms and Conditions.

TRACKING NUMBER 1Z 268 W5 22 1000 5844

SHIPMENT FROM
SHIPPER'S UPS ACCOUNT NO. 2689W5

REFERENCE NUMBER

NAME Amanda
TELEPHONE 928-453-7377
COMPANY DAVID WANZEK CPA LLC
STREET ADDRESS
CITY AND STATE LAKE HAVASU CITY
ZIP CODE AZ 86403-5695

EXTREMELY URGENT DELIVERY TO
NAME Christine Camacho
TELEPHONE
COMPANY Concordia Finance
STREET ADDRESS 3633 Inland Empire Blvd. Ste. 700
DEPT./FLR.
CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL) Ontario, CA
ZIP CODE 91764

3 WEIGHT Enter "LTR" if Letter: 4.75 lbs
DIMENSIONAL WEIGHT If Applicable
LARGE PACKAGE
4 SHIPPER RELEASE

5 TYPE OF SERVICE
☒ NEXT DAY AIR
☐ EXPRESS (INT'L)
FOR WORLDWIDE EXPRESS SHIPMENTS Mark an "X" in this box if shipment only contains documents of no commercial value.
☐ DOCUMENTS ONLY

6 OPTIONAL SERVICES
☐ SATURDAY PICKUP See instructions.
☐ SATURDAY DELIVERY See instructions.
☐ DECLARED VALUE FOR CARRIAGE Contents are automatically insured up to $100. For declared value over $100, see instructions. $ AMOUNT
☐ C.O.D. If C.O.D., enter amount to be collected and attach completed UPS C.O.D. tag to package. $ AMOUNT

7 ADDITIONAL HANDLING CHARGE
☐ An Additional Handling Charge applies for certain items. See instructions.

TOTAL CHARGES

8 METHOD OF PAYMENT
☒ BILL SHIPPER'S ACCOUNT NUMBER IN SECTION 1
☐ BILL RECEIVER (DOMESTIC ONLY)
☐ BILL THIRD PARTY (DOMESTIC ONLY) SECOND ACCOUNT NO. IN SECTION 9
☐ CREDIT CARD American Express Diner's Club MasterCard Visa
☐ CHECK

9 RECEIVER'S/THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO. EXPIRATION DATE
THIRD PARTY'S COMPANY NAME
STREET ADDRESS
CITY AND STATE ZIP CODE

The shipper authorizes UPS to act as forwarding agent for export control and customs purposes. The shipper certifies that the commodities, technology or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. law is prohibited.

10 SHIPPER'S SIGNATURE X Amanda Sanchez
DATE OF SHIPMENT 11/22/10

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UPS Next Day Air
UPS Worldwide Express
Shipping Document

See instructions on back. Visit UPS.com® or call 1-800-PICK-UPS® (800-742-5877) for additional information and UPS Tariff/Terms and Conditions.

TRACKING NUMBER J213 048 291 2

SHIPMENT FROM
SHIPPER'S UPS ACCOUNT NO. 2689WS
REFERENCE NUMBER

NAME Amanda Samons TELEPHONE
COMPANY David Wanzek CPA
STREET ADDRESS 2153 McCulloch Blvd
CITY AND STATE Lake Havasu AZ ZIP CODE 86403

2 EXTREMELY URGENT DELIVERY TO
NAME Christine Camacho TELEPHONE
COMPANY Concordia Finance
STREET ADDRESS 3633 Inland Empire Blvd. #700 DEPT./FLR.
CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL) Ontario, CA ZIP CODE 91764

3 WEIGHT Enter "LTR" if Letter: 5 lbs | DIMENSIONAL WEIGHT if Applicable | LARGE PACKAGE ☐ | 4 SHIPPER RELEASE ☐

5 TYPE OF SERVICE: ☒ NEXT DAY AIR ☐ EXPRESS (INT'L)
FOR WORLDWIDE EXPRESS SHIPMENTS Mark an "X" in this box if shipment only contains documents of no commercial value. ☐ DOCUMENTS ONLY

6 OPTIONAL SERVICES: ☐ SATURDAY PICKUP ☐ SATURDAY DELIVERY
☐ DECLARED VALUE FOR CARRIAGE $ AMOUNT
☐ C.O.D. $ AMOUNT
7 ADDITIONAL HANDLING CHARGE: ☐ An Additional Handling Charge applies for certain items. See instructions.
TOTAL CHARGES

CHARGES $ / $ / $ / $ / $ / $

8 METHOD OF PAYMENT: ☒ BILL SHIPPER'S ACCOUNT NUMBER ☐ BILL RECEIVER ☐ BILL THIRD PARTY (DOMESTIC ONLY) ☐ CREDIT CARD (American Express, Diner's Club, MasterCard, Visa) ☐ CHECK
IN SECTION 9 RECORD ACCOUNT NO. IN SECTION 9

9 RECEIVER'S/THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO. EXPIRATION DATE
THIRD PARTY'S COMPANY NAME
STREET ADDRESS
CITY AND STATE ZIP CODE

The shipper authorizes UPS to act as forwarding agent for export control and customs purposes. The shipper certifies that these commodities, technology or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. law is prohibited.

10 SHIPPER'S SIGNATURE X Amanda Samons DATE OF SHIPMENT 11/29/10

All shipments are subject to the terms contained in the UPS Tariff/Terms and Conditions of Service, which are available at ups.com and local UPS offices.

01010120 1/07 B SHIPPER'S COPY

UPS Next Day Air
UPS Worldwide Express
Shipping Document

See instructions on back. Visit UPS.com® or call 1-800-PICK-UPS® (800-742-5877) for additional information and UPS Tariff/Terms and Conditions.

TRACKING NUMBER J213 048 294 9

SHIPMENT FROM
SHIPPER'S UPS ACCOUNT NO. 2689WS
REFERENCE NUMBER

NAME Amanda Samons TELEPHONE
COMPANY David Wanzek CPA
STREET ADDRESS 2153 McCulloch
CITY AND STATE Lake Havasu AZ ZIP CODE 86403

2 EXTREMELY URGENT DELIVERY TO
NAME Christine Camacho TELEPHONE
COMPANY Concordia Finance
STREET ADDRESS 3633 Inland Empire Blvd. #700 DEPT./FLR.
CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL) Ontario, CA ZIP CODE 91764

3 WEIGHT Enter "LTR" if Letter: 6 lbs | DIMENSIONAL WEIGHT if Applicable | LARGE PACKAGE ☐ | 4 SHIPPER RELEASE ☐

5 TYPE OF SERVICE: ☒ NEXT DAY AIR ☐ EXPRESS (INT'L)
FOR WORLDWIDE EXPRESS SHIPMENTS Mark an "X" in this box if shipment only contains documents of no commercial value. ☐ DOCUMENTS ONLY

6 OPTIONAL SERVICES: ☐ SATURDAY PICKUP ☐ SATURDAY DELIVERY
☐ DECLARED VALUE FOR CARRIAGE $ AMOUNT
☐ C.O.D. $ AMOUNT
7 ADDITIONAL HANDLING CHARGE: ☐ An Additional Handling Charge applies for certain items. See instructions.
TOTAL CHARGES

CHARGES $ / $ / $ / $ / $ / $

8 METHOD OF PAYMENT: ☒ BILL SHIPPER'S ACCOUNT NUMBER ☐ BILL RECEIVER ☐ BILL THIRD PARTY (DOMESTIC ONLY) ☐ CREDIT CARD (American Express, Diner's Club, MasterCard, Visa) ☐ CHECK
IN SECTION 9 RECORD ACCOUNT NO. IN SECTION 9

9 RECEIVER'S/THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO. EXPIRATION DATE
THIRD PARTY'S COMPANY NAME
STREET ADDRESS
CITY AND STATE ZIP CODE

The shipper authorizes UPS to act as forwarding agent for export control and customs purposes. The shipper certifies that these commodities, technology or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. law is prohibited.

10 SHIPPER'S SIGNATURE X Amanda Samons DATE OF SHIPMENT 11/29/10

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DEPARTMENT OF CORPORATIONS

Supporting a Fair and Secure Financial Services Marketplace for all Californians

Jan Lynn Owen
California Corporations Commissioner
Los Angeles, California

IN REPLY REFER TO:
FILE NO: Alpha

November 8, 2012

Kenneth Crowder or Custodian of Records
Concordia Financing Company, LTD
9302 Pittsburgh Ave., Suite 220
Rancho Cucamonga, CA 91730

Dear Mr. Crowder:

Enclosed please find a Subpoena Duces Tecum that requires you to produce certain documents and records at the time and place specified therein.

Your personal appearance will not be required at this time provided that the documents are produced at or before the date specified.

Documents required by the Subpoena Duces Tecum should be accompanied by a list identifying, in summary fashion, such documents. Please place a mark on all documents submitted by you identifying such documents as being provided by you in response to the item number in the subpoena.

If any documents called for are not furnished, list such documents, indicate their location and the reason for their non-production. If any documents are withheld because of a claim of attorney-client privilege, the list of withheld documents should identify (a) the attorney and client involved; (2) all persons or entities shown on the document to have received or sent the document; and (c) all persons or entities known by you to have been furnished the document or informed of its substance.

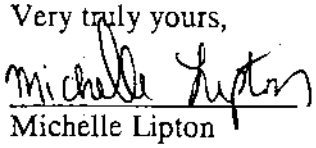
In so much as your appearance is not now being required, in your letter transmitting the documents please state that a diligent search has been made for the subpoenaed documents and that the documents transmitted constitute all documents called for by the subpoena.

ACC011993
BERSCH

• Securities • Franchises • Off-Exchange Commodities • Investment and Financial Services •
• Independent Escrows • Consumer and Commercial Finance Lending • Residential Mortgage Lending •

If you have any questions concerning your rights and duties, you may wish to consult counsel. If you have any questions concerning the Subpoena Duces Tecum or the documents required to be produced pursuant thereto, please call the undersigned at the phone number provided below.

Very truly yours,



Michelle Lipton
Sr. Corporations Counsel
(213) 576-7591
Enforcement Division

BEFORE THE
DEPARTMENT OF CORPORATIONS
OF THE
STATE OF CALIFORNIA

In the matter of the investigation and examination of:

Concordia Financing Company, LTD

SUBPOENA [ ]

SUBPOENA DUCES TECUM [X]

and of its books, records, documents and other papers pursuant to § 25531(c) of the Corporations Code and §§ 11180-11182 of the Government Code.

TO: Kenneth Crowder, President or Custodian of Records
Concordia Financing Company, LTD
[redacted]
[redacted] CA [redacted]

YOU ARE ORDERED TO:

[ ] Appear in person as a witness in this matter

[X] Produce the records described in the accompanying declaration Before the California Corporations Commissioner appointed Representative(s), Becky Gutierrez, Legal Analyst
At [redacted], California, on
The 7th day of December, 2012 at 10:00 o'clock a.m.

For failure to attend and/or to produce such materials, you may be deemed liable for the penalties provided by law.

Dated on November 8, 2012, at Los Angeles, California.

JAN LYNN OWEN
California Corporations Commissioner

By Michelle Lipton
MICHELLE LIPTON
Sr. Corporations Counsel

You may be entitled to witness fees and mileage for attendance pursuant to the Subpena or Subpena Duces Tecum. A form upon which to make your claim is available from any office of the Department of Corporations.

ATTACHMENT "A"

This request covers all Concordia Financing Company, LTD, Concordia Finance, Concordia Financial Company, Concordia Financial Company, Inc, Concordia Financial Company, LTD ("CONCORDIA") and Concordia investor ("CONCORDIA INVESTOR") documents in your possession, custody, or control, as described below, and covers the period from **January 1, 2002 to the date of production**. In lieu of originals, copies may be submitted that have been certified as true and correct by the custodian of records.

DOCUMENTS TO BE PRODUCED

1. Certificates of partnership, partnership agreements, articles of incorporation or organization, bylaws, and operating agreements, including any amendments;

2. Records of all pre-organization or corporate meetings, committee meetings, shareholder or member meetings, board of director meetings, or other business meetings, including minutes, resolutions adopted or proposed, agendas, and all information used or presented at these meetings;

3. All assets and liabilities currently held by or for the benefit of CONCORDIA;

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

5. Names, addresses, and telephone numbers of all shareholders, members, or partners, including the amount of shares, units, or interest held and a sample share certificate or other evidence of ownership;

6. Names, addresses, telephone numbers, and position of all past and present employees, independent contractors, or other agents;

7. Records of all salaries, bonuses, reimbursement, distributions, draws, loans, or any other compensation, whether monetary or otherwise, paid to the individuals listed in response to Request Nos. 4 through 6;

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

9. All documents filed with any governmental agency related to the conduct of business, the formation of affiliated businesses, the renewal or maintenance of status as a legal entity, or the dissolution of the business;

10. All documents submitted for the purpose of compliance, reporting, or seeking exemptions from registration with any state or federal securities agency;

11. All documents concerning inquiries, investigations, or actions by any state or federal governmental agency;

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

13. 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;

14. All bank or other depository institution accounts in the name of, or for the benefit of CONCORDIA or any CONCORDIA INVESTOR, 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; and
    (c) the names of all signatories on each account;

15. 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;

16. All advertisements, announcements, infomercials, or press releases that appeared in any media including, but not limited to, newspapers, trade journals, magazines, radio, television, or the internet;

17. All information provided through the internet including, but not limited to, copies of all web pages, addresses of web sites, news groups, and email addresses;

18. All lists of prospective investors, including sales lead lists, demographic lists, and any other source of investor names, whether drafted by, purchased by, or obtained for the benefit of CONCORDIA;

19. All lists of persons who attended seminars, classes, or meetings held or sponsored by or on behalf of CONCORDIA, its affiliates or agents;

20. Names, addresses, and telephone numbers of all individuals or entities that have been offered or sold investments in or service agreements with CONCORDIA;

21. All contracts or agreements between CONCORDIA and any person or entity identified in response to Request Nos. 19 through 21, above, records of all payments made to such persons or entities, and any communications, whether written or electronic, between CONCORDIA or ER FINANCIAL, on the one hand, and any such person or entity, on the other hand;

22. Documents relating to each individual or entity listed in Request No. 22, above, including any contracts, forms, subscriptions, agreements, notes, questionnaires, records of investment status, checks, wire transfers, receipts, account statements, tax information, and any correspondence, updates, or other communications;

23. The amounts and dates of each investment for each individual or entity listed in Request No. 22, above;

24. 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 Request No. 22, above;

25. All correspondence between CONCORDIA and ER FINANCIAL, whether in document or electronic form;

26. All correspondence between CONCORDIA and any client of or entity referred to CONCORDIA by ER FINANCIAL, whether in document or electronic form;

27. Copies of all agreements between CONCORDIA and ER FINANCIAL;

28. Copies of all agreements between CONCORDIA and any client of or entity referred to CONCORDIA by ER FINANCIAL;

29. Records of all securities held, issued, purchased, or traded by or on behalf of CONCORDIA or any CONCORDIA INVESTOR, including any brokers, underwriters, market makers, clearing firm, or other entities used in each transaction;

30. Records of any mergers, acquisitions, spin-offs, or predecessor entities; and

31. All internal reports and any reports provided to shareholders, members, or partners.

UNITED STATES OF AMERICA
DEPARTMENT OF CORPORATIONS
OF THE STATE OF CALIFORNIA

In the matter of the Investigation and Examination of:

Concordia Financing Company, Ltd.

COPY

320 WEST 4TH STREET
SUITE 750
LOS ANGELES, CALIFORNIA

EXAMINATION UNDER OATH OF KENNETH CROWDER

TUESDAY, APRIL 30, 2013

9:15 A.M.

BARBARA SMALL, CSR
LICENSE NUMBER 13345

CALIFORNIA REPORTING, LLC
52 LONGWOOD DRIVE
SAN RAFAEL, CA 94901
(415) 457-4417

EXHIBIT
S-163
ADMITTED

APPEARANCES

FOR THE DEPARTMENT:

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BY: MR. STEPHEN J. WOMACK
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FOR THE DEPONENT:

Malek & Malek
BY: MR. STEVEN GOURLEY
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ALSO PRESENT: MR. PETER Y.S. MOCK, CPA
Department of Corporations

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PROCEEDINGS

MS. KIM: Mr. Crowder, my name Sophie Kim, and I'm an attorney for the California Corporations Commissioner in the matter of the investigation and examination of Concordia Financing Company, Limited, et al.

Can you please state your full name for the record?

THE WITNESS: Kenneth Irwin Crowder.

MS. KIM: Can you please spell your last name for the record.

THE WITNESS: C-r-o-w-d-e-r.

MS. KIM: Mr. Crowder, have you ever been deposed before?

THE WITNESS: Yes.

MS. KIM: This is part of an inquiry to determine if there's been full compliance with securities laws of the State of California and the State of Arizona. Participating in this examination will be members of the Securities Division of the Arizona Corporation Commission who are here pursuant to California Government Code Section 11180.5, which states in relevant part:

At the request of the Department of this state, any other state may assist in conducting an

investigation of any unlawful activity that involves matters within or reasonably related to the jurisdiction of the Department, as well as Arizona Revised Statute 44-1822.

Persons present for the California Department of Corporations are myself and Peter Mock, Senior Enforcement Examiner.

Present for the Securities Division of the Arizona Corporation Commission are Stephen Womack, Enforcement Attorney; and Gary Clapper, Senior Special Investigator.

Would you please administer the oath?

(Whereupon Kenneth Crowder was duly sworn and testified as follows:)

EXAMINATION

BY MS. KIM:

Q The reporter will go off the record at my direction. If you or your attorney would like to go off the record, just tell me and I will try to accommodate you.

The reporter will also note for the record each time you consult with your attorney before answering. This is done to ensure that there is an

1 accurate record.

2 Since your testimony is being recorded by a
3 reporter, please respond verbally as opposed to nodding
4 or shaking your head.

5 Also, it's important that only one of us
6 speak at a time, so I request that you please wait
7 until I finish asking a question before you speak, and
8 I will give you the same courtesy and wait until you
9 have finished before I speak.

10 If you don't hear a question, or if you don't
11 understand a question, please say so and the reporter
12 will repeat it or I will explain it.

13 You have taken an oath to testify here under
14 penalty of perjury as if you were in a court of law.
15 Do you understand?

16 A Yes.

17 Q Are you on any medication today?

18 A Yes.

19 Q Do the medications affect your ability to
20 understand or answer any questions?

21 A No.

22 Q Is there any reason that you can think of that you
23 will not be able to answer any of my questions fully or
24 truthfully?

25 A No.

1 Q Have you ever seen Examination Exhibit Number 1?
2 MR. GOURLEY: Could you identify that for the
3 record?
4 MS. KIM: Yes. That is the subpoena to
5 Kenneth Crowder, CEO and President of Concordia
6 Financing Company, Ltd.
7 (Whereupon Exhibit Number 1
8 was marked and is attached hereto.)
9 BY MS. KIM:
10 Q Do you recognize this document?
11 A Yes.
12 Q Are you the Custodian of Records for Concordia
13 Financing Company, Ltd. doing business as Concordia
14 Finance?
15 A No.
16 Q In what capacity then are you appearing today?
17 Are you appearing as the CEO and president of Concordia
18 Finance?
19 A I am the Chairman of the Board and CEO.
20 Q Are you responding to the subpoena to Kenneth
21 Crowder, CEO and Custodian of Records?
22 A No.
23 I'm sorry, clarify the question.
24 Q Yes. The subpoena as you've been --
25 Are you appearing today as Kenneth Crowder,

1 CEO and Custodian of Records as it states here on the
2 subpoena?
3 MR. GOURLEY: May I see that?
4 MS. KIM: Yes.
5 MR. GOURLEY: In short, he's appearing
6 because he was subpoenaed. And we didn't challenge how
7 he was designated; just that he needed to be here to
8 testify. And he is CEO and Chairman, but he's not
9 specifically Custodian of Records. My understanding is
10 that the corporation through prior counsel has provided
11 voluminous documents to the department pursuant to a
12 Subpoena Duces Tecum that was issued November,
13 December? Over three months ago.
14 BY MS. KIM:
15 Q Do you have the authority to certify records on
16 behalf of the company?
17 MR. GOURLEY: I'd say that's a legal
18 question. He certainly has the ability to identify
19 them.
20 BY MS. KIM:
21 Q Now I would like to ask you just a few questions
22 about your background.
23 A Okay.
24 Q Have you ever used any other name?
25 A No.

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BERSCH

1 Q What is your date of birth?
2 A August 25, 1938.
3 Q And your place of birth?
4 A Kansas City, Kansas.
5 Q What is your marital status?
6 A Married.
7 Q Your wife's name?
8 A Linda Crowder.
9 Q What is your current home address?
10 A 1200 Grand Canyon Way, Brea, B-r-e-a, California.
11 Zip -- do you want the Zip number?
12 Q Sure.
13 A 92821.
14 Q And how long have you resided there?
15 A Since 1981.
16 Q Where did you reside immediately prior to your
17 current home?
18 A In the city of Buena Park. I don't recall the
19 address.
20 Q Could you please state your educational history
21 from high school forward?
22 A Bachelor's in physics from U.C. Riverside.
23 Master's in physics from Long Beach, Cal State Long
24 Beach. And additional graduate, postgraduate classes.
25 Q Please state your work history from the last 15

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BERSCH

1 years forward.
2 A Last 15 years I have been retired except for my
3 affiliation with Concordia.
4 Q Are you -- oh, you said that you were currently
5 now.
6 Your participation in Concordia. Could you
7 please describe your participation in Concordia?
8 A Until 2003, I managed Concordia, I was the
9 president, and at that time I began to hand off to my
10 son, which culminated by 2006, so there was a reduced
11 responsibility between 2003, 2006. And I have been
12 inactive since 2006. Or I shouldn't say inactive, but
13 minimal participation.
14 Q Do you hold or have you ever held any state
15 licenses other than a driver's license?
16 A I don't recall any.
17 Q Are you registered with any state agency?
18 A No.
19 Q Are any of the companies that you worked for
20 registered with the Arizona Corporation Commission as a
21 securities broker or dealer?
22 A No. Not that I know of.
23 Q Are any of the companies that you have worked for
24 registered with the California Department of
25 Corporations as a securities broker or dealer?

1 A No.
2 Q Have you ever been subject to any investigation or
3 disciplinary action under any license?
4 MR. GOURLEY: Can we break that up into one?
5 BY MS. KIM:
6 Q How about, have you been the subject of any
7 investigation under any license?
8 A Not that I recall.
9 Q Have you ever been the subject of any disciplinary
10 action under your license?
11 A Not that I recall.
12 Q Have you ever filed for bankruptcy?
13 A No.
14 Q Have you ever been convicted of any crime other
15 than a minor traffic offense?
16 A No.
17 Q Have you ever been arrested?
18 A Yes.
19 Q Have you ever been indicted?
20 A I'm not sure I know what indicted --
21 MR. GOURLEY: Have any official governmental
22 processes been taken against you for a violation of
23 law?
24 THE WITNESS: I was arrested. Is that an
25 indictment?

1 MR. GOURLEY: No, not necessarily. They have
2 to come up with the indictment either before or after
3 that. What was the --
4 THE WITNESS: I went to court and found not
5 guilty.
6 MR. GOURLEY: What was it, can you tell us?
7 THE WITNESS: It was a driving. Driving --
8 MR. GOURLEY: Under the influence?
9 THE WITNESS: Under the influence.
10 BY MS. KIM:
11 Q And were you charged with any other crimes?
12 A No. The record was expunged.
13 MR. GOURLEY: How old were you?
14 THE WITNESS: About 39.
15 MR. GOURLEY: Okay.
16 BY MS. KIM:
17 Q Have you ever been a defendant in a civil lawsuit?
18 A No.
19 Q Have you ever been the subject of an investigation
20 by a government agency?
21 A Yes. You're referring now to my personal life as
22 opposed to Concordia; is that correct? I want
23 clarification.
24 Q Correct.
25 A Yes. Okay.

1 Q And the answer to that question was?
2 A Yes.
3 Q What was the subject of the investigation?
4 A I held a secret clearance from 1958 through 1993
5 that involved many investigations over the years.
6 MR. GOURLEY: I'm sorry. Were you being
7 investigated or were you investigating?
8 THE WITNESS: I was being investigated by the
9 security clearance or for the purpose of the security
10 clearance.
11 MR. GOURLEY: Okay.
12 MR. WOMACK: As a background check?
13 THE WITNESS: Correct.
14 BY MS. KIM:
15 Q Where do you hold any bank accounts?
16 A I'm sorry?
17 Q Where do you hold any bank accounts?
18 A Where?
19 Q Yes.
20 A I have one account with Chase. I have one account
21 with Northrop Grumman Federal Credit Union.
22 You're including credit union?
23 MR. WOMACK: Yes.
24 THE WITNESS: And one account with the Orange
25 County Teachers Credit Union.

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BERSCH

1 I think that's it. I'm not positive that's
2 it, but I believe that's it.
3 BY MS. KIM:
4 Q Were you ever previously employed with Northrop
5 Grumman?
6 A Yes.
7 Q And what was your occupation there?
8 A I was hired as an engineer, and I became an
9 engineering manager, engineering team leader, program
10 manager. I had several titles through the years. 23
11 years.
12 Q You say 23 years? From when to when?
13 A From 1970 to 1993.
14 Q Since when did you become the CEO of Concordia?
15 A I founded the company in 1994.
16 Q Have you ever been an officer or director of any
17 other corporation other than Concordia?
18 A I'm on the board of directors of a company in
19 Hawaii.
20 Q What is the name of the company?
21 A Mera, M-e-r-a.
22 Q And what sort of company is it?
23 A It currently is -- I guess the product is sea
24 salt. The current product.
25 Q Does Mera manufacture sea salt?

1 A That's why I stumbled also. We -- it is located
2 in a park set up by the state on the Big Island. It
3 receives water pumped by the state from 2,000 feet
4 below the surface. That water is evaporated. The
5 remainder is the sea salt. That sea salt then is
6 processed and bottled and sold.
7 Q Okay. Have you ever been a managing member of any
8 LLC?
9 A No.
10 Q Have you ever been a partner, general partner or
11 limited partner in any partnership?
12 A Not that I recall.
13 Q Are you connected to any business other than the
14 ones that were previously mentioned?
15 A Not today.
16 Q Then at any point prior to today were you a --
17 were you connected to any business other than the ones
18 that we mentioned?
19 A Would you clarify "connected"?
20 Q Associated with or working with?
21 A I don't understand the question. Or yes, there
22 were numerous businesses I've been associated or
23 connected to. It's a broad term.
24 Q Have you spoken to anyone other than your attorney
25 about the subpoena sent to you by the department?

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1 A Yes.
2 Q Who did you speak about the subpoena with?
3 A I don't recall names.
4 MR. GOURLEY: Excuse me, but you have spoken
5 to the other people who are to appear --
6 THE WITNESS: Yes.
7 MR. GOURLEY: -- here today and tomorrow?
8 THE WITNESS: I've spoken to them. I've
9 spoken to friends. I've spoken to my wife. I've
10 spoken to numerous people.
11 BY MS. KIM:
12 Q Do you recall what was said?
13 MR. GOURLEY: I'm sorry, let me interpose
14 here. With respect to anything said in the presence of
15 other counsel and the three other people whom I also
16 represent here today, I assert the attorney-client
17 privilege and instruct you not to answer.
18 I think I probably will tell him about the
19 marital privilege as well. But any other friends and
20 things like that, he's free to discuss that with you.
21 THE WITNESS: I'm not sure what your question
22 is asking for. I certainly informed my wife that I was
23 subpoenaed and showed her the subpoena. I told her
24 that -- roughly what I expected the case was.
25 I told friends who were planning to call me

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BERSCH

today or visit today.

And of course, I've discussed it with my son who is on board tomorrow, and with Armen who is this afternoon.

MR. WOMACK: I have a few follow-up questions. Steve Womack with the Arizona Securities Division.

EXAMINATION

BY MR. WOMACK:

Q I wasn't real clear, and forgive me if you answered this, about your work history predating Concordia. You founded it in 1994?

A Correct.

Q What were you doing immediately prior to founding Concordia?

A I retired from Northrop in 1993.

Q As a physicist?

A My title was actually engineer, but my degree is in physics.

Q How long did you work for Northrop?

A 1970. I believe it was July of 1970. And my retirement was either booked as the end of August or first part of September of 1993.

Q From 1970 going forward, did you have any other

1 work experience with the finance industry? Banks,
2 savings and loans, mortgage? Any experience such as
3 that?
4 A As a consumer.
5 Q But -- but not as an employee?
6 A No.
7 Q Or owning a company that dealt in extending loans?
8 A No.
9 MR. WOMACK: I'd like to show you what we'll
10 mark as Exhibit 2, I guess. That's simple enough.
11 (Whereupon Exhibit Number 2
12 was marked and is attached hereto.)
13 BY MR. WOMACK:
14 Q Do you recognize this document?
15 MR. GOURLEY: Can I look at it before he
16 answers questions on it?
17 BY MR. WOMACK:
18 Q Concordia produced this --
19 MR. GOURLEY: Excuse me. I would like to be
20 able to review this document before you ask him any
21 questions.
22 MR. WOMACK: Okay.
23 MR. GOURLEY: Thank you.
24 (Brief pause.)
25 MR. GOURLEY: If you want to review it for a

1 second.

2 THE WITNESS: It's been a long time.

3 MR. GOURLEY: Give us just a couple seconds.

4 (Witness reviewing document.)

5 THE WITNESS: Okay.

6 BY MR. WOMACK:

7 Q I'll ask questions again, now that you've had a

8 chance to review.

9 Do you recognize this document?

10 A Yes.

11 Q Did you draft this document?

12 A Yes.

13 Q And you used this in conjunction with Concordia

14 Finance?

15 A Yes.

16 Q Is this the complete document? Was it a flier?

17 Or is this a section of a larger document, do you

18 recall?

19 A This was a standalone document.

20 Q Okay. On the second page under the heading

21 "personnel."

22 A Yes.

23 Q Who is "the loan manager" referring to?

24 A His name was Ernest Stein. S-t-e-i-n.

25 Q And immediately below that paragraph there's

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1 reference to a second employee, a collections
2 specialist. Who's the collections specialist?
3 A I recall her first name was Norma. I don't recall
4 her last name.
5 Q Was she an employee?
6 A Yes.
7 Q Did she have any ownership interest in Concordia?
8 A No.
9 Q Did Mr. Stein?
10 A Did he --
11 Q Did Mr. Stein have any ownership interest in
12 Concordia?
13 A No.
14 Q They're just employees?
15 A Yes.
16 MR. GOURLEY: Excuse me just a second. I
17 know that we're now causing problems for the most
18 important person in the room. You're answering before
19 he finishes. And when they overcome like that, this
20 young lady has problems with it. Okay? So, I know
21 you're anxious to give a question, and I know you're
22 anxious to get out of here, give an answer, but, well,
23 I'm advising you.
24 Sorry, Mr. Womack.
25 MR. WOMACK: That's perfectly fine.

BY MR. WOMACK:

Q Part of my goal here today is to understand the business of Concordia. And at this point I'm wondering how a physicist/engineer from Northrop began a finance company. How did that idea germinate in your head?

A The brother of a friend was in the business of selling used trucks. And he needed additional capital to finance the sale of those trucks.

Q And he told you about that need?

A Yes.

Q Did you personally have the capital to finance those trucks?

A We started the company together. Half the stock was issued to him and half the stock was issued to me. I started -- I put in $60,000 and he put in $60,000 worth of drop paper.

Q I'm sorry?

A Drop paper.

So the initial capitalization was 120,000.

Q What is that person's name?

A Fred Wiseman. W-i-s-e-m-a-n.

Q Is he still with Concordia?

A No.

Q Was he ever an employee of Concordia?

A No.

1 Q Prior to creating or founding Concordia, you had
2 no experience in the finance industry as a worker?
3 A Not as a worker.
4 Q How is it that you became a board member of Mera?
5 A That's a long story.
6 Q Can we have the short version first?
7 A I am unsure of the dates, so the dates I give will
8 be approximate.
9 In approximately the year 2000, my
10 brother-in-law was working for a company by the name of
11 Aqua Search. They were looking for a board member.
12 There was a dispute by the stockholders. The intent
13 was to remove the current board and replace it with a
14 new board. I was evaluated by the board that was
15 intending to take over. And they asked me to join the
16 board.
17 Q Does Mera have anything to do with the extension
18 of loans or financing?
19 A No.
20 Q Let's talk a little about Concordia now.
21 Do you currently have an ownership in
22 Concordia?
23 A Yes.
24 Q And what is that ownership?
25 A I believe it's 450,000 shares. And I believe

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BERSCH

1 there are approximately 650,000 total that are issued.
2 Q I'll show you that.
3 MR. GOURLEY: Are you going to mark it?
4 MR. WOMACK: Not yet. I need to know what
5 we're going to do with it first.
6 THE WITNESS: Okay.
7 BY MR. WOMACK:
8 Q Do you recognize the document I handed you
9 entitled Concordia Finance Company, Ltd. Stockholder
10 Ledger?
11 A I have not seen that before.
12 Q This is after your time?
13 A Correct.
14 Q Have you had any day-to-day involvement in
15 Concordia since 2006?
16 A Any? A brief period in 2008.
17 Q Okay. Do you have -- does Concordia have
18 stockholder meetings?
19 A None in the last several years.
20 Q I don't want to put words in your mouth, but I
21 want to figure out whether we're on horseback. Looking
22 at this document I hand you, you don't have the
23 information, the knowledge to determine whether this is
24 an accurate document; is that true?
25 A I cannot verify that it's accurate. I do

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1 recognize the names.
2 MR. WOMACK: I'll mark it as an exhibit.
3 MR. CLAPPER: Gary Clapper with the
4 Securities Division of the Corporation Commission of
5 Arizona.
6 You said you went back for a brief period in
7 2008 to help at Concordia Finance. Why did you go
8 back?
9 THE WITNESS: My son was unable to continue
10 for a period of time. And I took his place during that
11 time.
12 MR. CLAPPER: So you were actually running
13 the day-to-day operations in 2008?
14 THE WITNESS: For a period of time, yes.
15 MR. CLAPPER: Do you know how long? What
16 time of the year?
17 THE WITNESS: Yes. It was August.
18 MR. CLAPPER: Just in August?
19 THE WITNESS: I continued -- there was a -- I
20 phased out, he phased in over the next two months.
21 MR. CLAPPER: Okay.
22 That's it, Stephen.
23 MR. WOMACK: I'm going to hand you what we're
24 marking as Exhibit 2? Where are we?
25 3. 3.

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BERSCH

1 (Whereupon Exhibit Number 3
2 was marked and is attached hereto.)
3 MR. WOMACK: While you're looking at that,
4 can we go off the record for a moment?
5 (Discussion off the record.)
6 MR. WOMACK: Let's go back on the record.
7 Mr. Crowder, we're back on the record. You
8 understand that you're still under oath?
9 THE WITNESS: Yes.
10 BY MR. WOMACK:
11 Q Before we went off, we were looking at what's been
12 marked as Exhibit 3. Could you identify Exhibit 3 for
13 me?
14 A I can read the title if that's what you wish.
15 Q Sure.
16 A Action by Written Consent of the Shareholders of
17 Concordia Finance Company, Ltd.
18 Q And is that your handwriting or signature above
19 the line "Ken Crowder - President" at the bottom of the
20 page?
21 A That appears to be my signature.
22 Q Do you recall this written consent?
23 A Not specifically.
24 Q Is this the sort of thing that Concordia would
25 have kept in its business records?

A Yes.
Q Or kept as a matter of its operations?
A Yes.
Q The second paragraph, there's reference to you, Fred Wiseman. Is this the -- this is the person that founded Concordia with you; correct?
A That's correct.
Q There are new board members elected. This document seems to be reporting the election of new board members including Michael Bersch and David Wanzek; is that correct?
A That appears to be what it says.
Q Do you recall that event?
A I recall it happens.
Q Is February 4, 2000 an approximate date according to your recollection?
A Approximate, yes.
Q How did you first meet Michael Bersch?
A I might him through David Wanzek.
Q How did you first meet David Wanzek?
A He is my nephew.
Q He is the son of a sister or brother?
A He is the husband of my sister's daughter.
Q What's your sister's name?
A Beverly Ruth Garst. G-a-r-s-t.

1 Q And what is her daughter's name?
2 A Linda Wanzek. I don't recall middle name.
3 Q For clarification, the Linda Crowder referenced in
4 the second paragraph is a different Linda?
5 A That's my wife.
6 Q Linda Crowder is your wife?
7 A That's correct.
8 Q Did you have discussions with David Wanzek before
9 he was elected to the board about joining Concordia?
10 A Most likely. I don't recall.
11 Q You don't recall the content of those discussions?
12 A Not specifics.
13 Q Do you recall the reasons he was elected to the
14 board?
15 A Not specifics.
16 Q Do you recall generalities?
17 A Yes.
18 Q What are those general reasons he was elected to
19 the board?
20 A When we began the company in '94, it was clear
21 that we needed to find qualified investors. David and
22 Michael were a part of Buttke, Bersch & Wanzek. And
23 because I knew David, I mentioned to him that we were
24 looking for qualified investors. I'm not sure
25 "qualified" is the right term, but investors who are

1 wealthy. They had many clients who are wealthy. And
2 discussion followed from there.
3 When they were able to bring investors to us,
4 we suggested maybe they would like to be on the board.
5 And at some point they were elected to the board.
6 Q And your association with Michael Bersch is
7 through David Wanzek?
8 A That's correct.
9 Q At the point that they were elected to the board,
10 they had already found investors in Concordia for you?
11 A I believe that's true. I don't recall when the
12 first investor came on board.
13 Q How long did they serve on the board?
14 A I don't recall.
15 Q Do you recall whether they're still on the board?
16 A They are not.
17 Q When you -- do you recall if they were on the
18 board in 2006?
19 A I do not.
20 Q Do you think it was more recent that they left the
21 board? Or some time ago?
22 A I think it was prior to 2006, but --
23 Q Prior?
24 A I believe so, but I don't recall.
25 Q Do you know who the current officers of Concordia

are?

A Officers?

Q Yes.

A My son, Chris Crowder, Christopher Crowder, is probably the only officer of the company. I'm Chairman of the Board. I'm not sure that's considered an officer or director.

Q I didn't ask a complete question. Board officers.

MR. GOURLEY: I'm sorry. Then you've got me confused. We're talking about board members?

MR. WOMACK: Well, maybe we can go about it this way:

BY MR. WOMACK:

Q Do you know how many board members there are?

A I do not.

Q Okay. Are there board members that are not officers of the board?

A Myself. I would not consider myself an officer.

Q When you mentioned Chris, you were talking about his role as the president of the company, so he would be an officer of Concordia?

A Correct. And a board member.

Q Does he serve any specific office on the board?

A Secretary.

Q In addition to you and Chris, who else is on the

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1 board?
2 A No one else that I'm aware of.
3 Q As Chairman of the Board you would be aware of.
4 A I would think so.
5 Q Is there a reason you might hesitate?
6 A The state requires a filing of the board members
7 each year. And if Chris in the last few years asked me
8 if we'd put somebody on the board, I might have said
9 yes and don't recall that.
10 Q And I believe your testimony was the board hasn't
11 met in some time?
12 A That's correct.
13 Q At some point after you and Mr. Wiseman founded
14 Concordia, did you seek shareholders? "You" being
15 Concordia.
16 A Please repeat the question.
17 Q You and Mr. Wiseman founded Concordia; correct?
18 A Correct.
19 Q You put in 60,000, he put in 60,000; right?
20 A Correct.
21 Q Did you seek additional capital to fund the
22 business of Concordia after that?
23 A Yes.
24 Q And what was the first step in seeking additional
25 capital?

A I informed friends and family that we're interested in finding traditional capital.

Q And did you do that, did you seek to sell shares in Concordia to raise money at that point?

A I sought to borrow money.

Q Okay. And what was the financial instrument that you used?

A A note. A promissory note.

Q Promissory note?

A Yes.

Q At some point we'll get to the investors that you touched on a moment ago in the discussion of Wanzek and Bersch.

I believe there's stockholders in Concordia in addition to you and Mr. Wiseman; am I incorrect in that?

A I believe that's true.

Q Who oversaw the issuance of that stock?

A Those specific shares, I was the acting president.

Q Okay.

A And Chairman of the Board.

Q And the issuance came after the seeking out promissory notes?

A I don't believe that's quite correct as stated.

Q Did they take place around the same time?

1 A (No audible response.)
2 Q I'm not trying to catch you. I'm trying to
3 understand how this business Concordia got funded.
4 A Okay.
5 Q I'm clear on the 60 plus 60. We'll spend a lot of
6 time on these investors through Bersch and Wanzek. I
7 hear about the promissory notes and I know you can't
8 speak to it because you haven't been active in the
9 day-to-day, but Concordia has produced information
10 suggesting there's stockholders, and that information
11 suggests that there's two waves of stockholders; in the
12 '90s and then again in 2000.
13 I don't know about the facts surrounding
14 those. I'm hoping you as president and board member
15 does know.
16 A Okay.
17 Q So there was in fact an issuance of stock?
18 A That's correct.
19 Q And when was the initial issuance of stock, do you
20 recall?
21 A I don't recall the date.
22 Q Shortly after you founded Concordia?
23 A No.
24 Q Sometime after?
25 A Yes.

1 MR. GOURLEY: Don't try to remember something
2 you don't remember.
3 BY MR. WOMACK:
4 Q I don't want this to be a memory exam. I'm just
5 trying --
6 A I understand.
7 Q -- to figure out.
8 A I'm trying to think of how I can help you
9 without --
10 Q Giving me more information than I've already asked
11 about?
12 A I don't care -- no. I don't want -- I don't want
13 to misinform you.
14 Q Right. Right.
15 MR. GOURLEY: Well.
16 BY MR. WOMACK:
17 Q In 1995 was there an issuance of stock, to your
18 recollection?
19 A In 1995 we had, I believe, 10 or 11 note holders,
20 and I issued each of them some stock.
21 Q So in addition to having the promissory note, they
22 got shares in Concordia?
23 A Correct.
24 Q Were -- okay.
25 That issuance, was it all within a month or

1 two? Or did you have a broker out there trying to
2 market shares in stock?
3 A There was no broker.
4 Q Okay.
5 A It was -- the stock was issued within a month or
6 two, yes.
7 Q And then again was there an issuance of stock in
8 the year 2000?
9 A That's approximately the right time, but I can't
10 verify that it was that time. It was -- it was in
11 approximately 2000.
12 Q And why was there this second issuance?
13 A We had grown to a point where we had several
14 dealers very interested in our service and we needed
15 more capital to provide service to other dealers.
16 Q When we're talking about dealers, you're talking
17 about truck sales?
18 A Correct.
19 Q You can't sit in a roomful of securities
20 regulators and talk about dealers without qualifying
21 that.
22 A I'm sorry.
23 Q Were the shareholders of the second issuance also
24 promissory note holders?
25 A I don't recall whether any note holders also

1 bought shares or not. It's possible.

2 MR. GOURLEY: Can we go off the record for

3 just a second?

4 MR. WOMACK: Sure.

5 (Discussion off the record.)

6 MR. GOURLEY: We can go back on record.

7 MR. WOMACK: We're back on the record.

8 Mr. Crowder, you understand you're still

9 under oath?

10 THE WITNESS: Yes.

11 BY MR. WOMACK:

12 Q Immediately before going off the record, you

13 mentioned that you began to deal with more and more

14 truck dealers.

15 A Correct.

16 Q How did that association develop?

17 A Initially, Fred Wiseman was a truck -- had a truck

18 sales business. And we only handled his paper.

19 As we got additional capital and we chose to

20 grow, we then went to other dealers and asked them if

21 they were interested, and we got a positive response.

22 So then it was only a matter of how much capital could

23 we raise in order to serve other dealers.

24 Q Describe for me how that transaction would work.

25 Presumably we've got a truck buyer, we've got a truck

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1 seller, and we have the finance end of it. Did you
2 only hear from the sellers? Did the buyers approach
3 you? Can you explain how that transaction develops?
4 A Freightliner had, I think, five lots in the
5 Los Angeles, Fontana area. Fontana especially. They
6 were one of our first dealers.
7 The arrangement was that we inform the dealer
8 that we were in the business of purchasing conditional
9 sales contracts. The dealer then would forward to us
10 the application of a potential buyer. We would review
11 within 24 hours, most of the time, and inform the
12 dealer that if he closed the deal, we would be
13 interested.
14 He would then close the deal eventually. He
15 would send us title and all the appropriate
16 documentation so that we would become legal owner. We
17 would then submit him the check. So he closed the
18 deal. We purchased the paper.
19 Q When you say "owner," you're talking about the
20 contract? Your -- Concordia wasn't on the title as
21 owner of the vehicle; correct?
22 A Yes, we were legal owner. The buyer was the
23 registered owner.
24 Q Okay.
25 MR. GOURLEY: If -- that's after the

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1 transaction is complete?
2 THE WITNESS: After the transaction, right.
3 By purchasing the contract we had the right to have
4 that title modified to put us as the legal owner.
5 BY MR. WOMACK:
6 Q What kind of trucks were these?
7 A Class 8 only.
8 Q And just --
9 A Typically four years old, four to five years old.
10 Q Just the tractors, not the trailers?
11 A Just the tractor. We did do a few trailers, but
12 not too many.
13 Q They were used, four to five years?
14 A Correct.
15 Q And typically what's the range of purchase prices
16 you were dealing with? I'm not going to tie you down
17 to a number. Just so I understand what we're talking
18 about.
19 A In 1994, we were looking at roughly 15,000 each,
20 and usually a little older vehicle. By the year 2000,
21 we were looking at more like 20 to 25,000 each as base
22 price. The contract would be slightly above that
23 because of taxes and various charges that were
24 necessary. We would then buy the contract at discount.
25 Q You mentioned that "we would evaluate the

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1 application," understanding in this situation "we" is
2 Concordia. Was there someone in the office of
3 Concordia that evaluated, whose position it was to
4 evaluate those applications?
5 A The initial person was Ernest Stein, the person I
6 referred to. Ernie was very involved, his resume, he
7 was very involved in the closing of bank spec in the
8 crunch of -- what was it, '89 and '90. He was -- he
9 was -- he went from bank to bank as a loan officer in
10 '89 to '90.
11 Q I want to apologize up-front because I don't want
12 this question to sound insulting and I'm worried that
13 the way I'm going to word it will, but I'm wondering
14 what, other than your $60,000 seed money, you brought
15 to Concordia. What did you contribute on a day-to-day
16 basis while you were at Concordia?
17 A Management.
18 Q People management.
19 A People and strategy.
20 Q How many employees did you have, let's say in '95?
21 A Two.
22 Q Two. You and Fred?
23 A No. Ernie and Norma.
24 Q Ernie and Norma. Fred never was an employee. He
25 was only --

1 A That's correct.
2 MR. GOURLEY: Would you ask that again?
3 THE WITNESS: I'm sorry.
4 MR. GOURLEY: And would you slow down.
5 BY MR. WOMACK:
6 Q Fred was never an employee of Concordia; correct?
7 A Correct.
8 Q He was only a board member; is that right?
9 A Correct.
10 Q You were president of Concordia at that time;
11 right?
12 A Correct.
13 Q And did you pull a salary as president?
14 A Yes.
15 Q So you would be an employee of Concordia?
16 A Correct.
17 Q So in addition to you, there were two others?
18 A That's correct.
19 Q Let's fast forward to the year 2000 when there's
20 this second issuance. About how many employees were at
21 Concordia? In ball park. Again, I don't need -- I'm
22 not going to hold you to an exact number, but ball
23 park?
24 A Eight or nine.
25 Q Eight or nine.

1 In 2006, about the time you were stepping
2 back, about how many employees were there in Concordia?
3 A 14 or 15.
4 Excuse me, if I may clarify. That's in
5 addition to myself and my son.
6 Q Okay, okay. I'm glad for that clarification.
7 Did the shareholders have any influence on
8 the day-to-day operations of Concordia?
9 A No.
10 Q Did the promissory note holders have any input on
11 the day-to-day operations of Concordia?
12 A Not directly.
13 Q And let me ask it this way: If there were any
14 employees that were shareholders or promissory note
15 holders, excluding them, does that change your
16 responses? You're a shareholder --
17 A I don't understand the question.
18 Q Well, you're a shareholder?
19 A Yes.
20 Q And you at this time had a huge impact on the
21 day-to-day operations.
22 A Absolutely.
23 Q Excluding you, excluding people in that type of
24 situation, shareholders that aren't also either on the
25 board or employed by Concordia --

1 A Okay.
2 Q -- would they have any influence on the day-to-day
3 operations of Concordia?
4 A Not directly.
5 Q Would they indirectly influence the operations?
6 A They were mostly family and friends. Family and
7 friends influence my thinking, and my thinking then
8 would definitely have an influence on the company.
9 Q In their business capacities as shareholders
10 though, they did not have direct or indirect influence?
11 A That's correct.
12 Q Is the same true for the promissory note holders?
13 A I'm sorry, I thought you were referring to the
14 promissory note -- what was the question? Oh,
15 shareholders and promissory note.
16 Q Correct.
17 A I believe most of the promissory note holders also
18 held shares, while I was responsible.
19 Q Okay. And so they wouldn't have had --
20 A They would --
21 Q -- in their business capacity --
22 A Correct.
23 Q -- influence over --
24 MR. WOMACK: We're doing it again. We're
25 juggling here.

1 BY MR. WOMACK:
2 Q The promissory note holders wouldn't have direct
3 or indirect influence over the day-to-day operations of
4 Concordia; is that correct?
5 A Yes.
6 MR. WOMACK: I'm going to show you what we're
7 marking as Exhibit 4, entitled Minutes of the Board of
8 Directors of Concordia Financing Company.
9 (Whereupon Exhibit Number 4
10 was marked and is attached hereto.)
11 THE WITNESS: Okay.
12 BY MR. WOMACK:
13 Q Have you ever seen this document before?
14 A I don't recall.
15 Q Do you recall the event described in the document?
16 A Yes.
17 Q Do you believe that the description is accurate?
18 A It appears to be. I can't confirm the numbers.
19 Q You see at the bottom there are four signature
20 blocks.
21 A Correct.
22 Q You didn't sign your line. Could there be a
23 meeting without you of the board of directors of
24 Concordia?
25 A It would be possible.

1 Q Do you think these decisions might have been made
2 without you?
3 A No.
4 Q These decisions -- okay. You were in on the event
5 described in this document?
6 A Yes.
7 Q In the paragraph numerated 1, "all portfolio
8 investment monies," do you see that phrase?
9 A Yes.
10 Q What are portfolio investment monies?
11 A We had two documents that were offered to
12 accredited investors. One was the sales and service
13 agreement. And the other was the custodial agreement.
14 The investment under the sales and service
15 agreement had some interest rate which had initially
16 been 12 percent, but as we got more investors
17 interested, we then agreed to change it to 10 percent.
18 I believe the earlier finder's fees and trail, I
19 believe they changed at this time as well. I believe
20 they were hired initially.
21 Q And the finder's fees you're referencing, are
22 those discussed in the paragraph numerated 2?
23 A Correct.
24 Q Were those finder's fees -- what were those
25 finder's fees paid for?

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1 A The first time a new investor was brought in, or
2 if that investor, portfolio investor, added additional
3 significant, significant amounts of money, the finder's
4 fee was paid for the person, to the person who brought
5 them to the company.
6 Q And it was a one-time payment?
7 A Yes.
8 Q And the portfolio investors, only those investing
9 through the sales and servicing and custodial
10 agreements; correct?
11 A Yes. They would sign the sales and service
12 agreement and they would sign the custodial agreement.
13 Q When we're talking about these investors and this
14 investment that's in Exhibit 4, we're not talking about
15 promissory note holders?
16 A Correct.
17 Q Are we talking about shareholders?
18 A I don't recall any shareholders also being
19 portfolio investors.
20 Q But if we're talking about them, it would be
21 because they signed a sales and servicing agreement,
22 not because they had stock in Concordia; is that right?
23 A Correct.
24 Q Earlier when you said that the interest in number
25 1 was changed from 12 to 10 percent, was that interest

1 changed on preexisting contracts? Or is that just
2 going forward after January 20, 2004?
3 A My recollection is that it was only on contracts
4 going forward.
5 Q And the same is true for the finder's fee
6 percentages?
7 A Correct.
8 Q Staying in paragraph 2, I'm reading, "5 percent
9 with a trail of 1 percent custodial fee." Do you see
10 that?
11 A Yes.
12 Q What do you mean by "a trail"?
13 A It was a term that I believe was suggested by
14 David and/or Michael of reflecting the one-time fee and
15 then an annual fee so long as they were custodian of
16 the documents. So this would be a recurring annual
17 fee.
18 Q Would this be in addition to any fees that might
19 be paid through the custodial agreement?
20 A I don't recall that document well enough to say
21 "yes" or "no."
22 Q Okay. But the one percent isn't a lingering
23 finder's fee, if I could put it in those terms?
24 A I don't believe so.
25 Q Finder's fee paid once, when they're first brought

1 in.

2 MR. GOURLEY: Is that a question?

3 MR. WOMACK: Yes.

4 THE WITNESS: Finder's fee is paid once, when

5 they're brought in.

6 BY MR. WOMACK:

7 Q In the last couple of years, have you been

8 involved in any of the bookkeeping of Concordia?

9 A No.

10 Q Haven't reviewed the books on a detailed level?

11 A No.

12 Q Have you reviewed the books at all?

13 A Not directly.

14 Q Have you indirectly?

15 A My son has told me in summary fashion bottom

16 lines.

17 Q Okay.

18 MR. WOMACK: We've been going for about an

19 hour and a half, and this is -- I'm about to shift

20 subjects, so if you need a break.

21 THE WITNESS: I would like one.

22 MR. WOMACK: Let's go off the record for five

23 minutes.

24 (A recess was held from 10:28 to 10:39 a.m.)

25 MR. WOMACK: We're back on the record.

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1 Mr. Crowder, you understand you're still
2 under oath?
3 THE WITNESS: Yes, I do.
4 BY MR. WOMACK:
5 Q I told you we were going to go on to another
6 subject, but during the break I thought of a few more
7 questions regarding the transactions between buyer,
8 seller and Concordia.
9 What kind of documents, in addition to the
10 application, if any, did you get from the buyers and
11 sellers?
12 MR. GOURLEY: We're talking about trucks
13 here.
14 MR. WOMACK: Right. I'm using "sellers" of
15 trucks rather than "dealers."
16 THE WITNESS: The seller, using that term,
17 provided us with the information that he got from his
18 potential buyer, whatever that information was. We let
19 the seller know what kind of information we wanted in
20 order to do a proper evaluation.
21 Q Did you have a standard application that you
22 provided sellers? "You" being Concordia.
23 A I don't recall having a standard. We tried to
24 work with the seller. Whatever his standard was, we
25 would look at it. If it wasn't acceptable, we would

1 suggest something different.
2 Q And did Concordia maintain files that held those
3 buyer applications and any supporting information if
4 such supporting information was necessary?
5 A Yes.
6 Q Did the truck seller provide any information on
7 the trucks?
8 A At the time that we evaluated the truck's sale, we
9 would be interested in the truck as well as the buyer.
10 Q And that's exactly what I was wondering. You not
11 only evaluated the buyer, you evaluated the vehicle?
12 A That is correct.
13 Q And who did that evaluation? The vehicle
14 evaluation.
15 A Someone in the office would talk to the dealer
16 about the vehicle. And then there is also a source, if
17 you know the VIN number, that you can find what
18 information is available that way.
19 Q Research a database, that sort of thing?
20 A Correct.
21 Q Was there any background investigation of the
22 buyers in addition to the application?
23 A Not a background search, no.
24 Q Any Concordia investigation outside of the
25 information the buyer or the seller provided?

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1 A Yes.
2 Q What kind of investigation occurred there?
3 A Job history. I might contact whoever he gave us
4 as reference.
5 Q And when you did so, what types of things was
6 asked of these references?
7 A Most former employers would volunteer information
8 as opposed to us having standard questions.
9 Q Were they character-type references?
10 A The most important question I would ask is, does
11 he show up for work when you ask him to show up?
12 These are independent owner drivers that are
13 buying the vehicles. And if the dispatcher said that
14 he should show up at 6:30 and the guy always showed up
15 at 6:15, I considered that a high recommendation. If
16 he'd say he should show up at 6:30 and he showed up at
17 8, I'd consider that unlikely to be a good job for him.
18 He's likely to have trouble.
19 Q Did you -- was there an investigation to verify
20 income of the buyers on the part of Concordia?
21 A In some cases.
22 Q Why in some and not others?
23 A Loan to value was the primary driver.
24 Q Explain that further to me.
25 A If the dealer was selling a, reseller, if the

1 seller was selling a truck for, say, 25,000, and the
2 buyer is putting down 50 percent, then I could be
3 assured that if I had to repossess, I could get my
4 money back.
5 Q And all of the paper product of this
6 investigation, do you know what I mean by that?
7 A I believe so.
8 Q That was maintained physically in files in
9 Concordia's offices?
10 A So long as I was president, we maintained seven
11 years.
12 Q And that was your document destruction policy,
13 seven years?
14 A I'm not sure we destroyed it at seven years.
15 Q Okay. Okay.
16 MR. GOURLEY: Do you want to look at my
17 garage and see how far back my tax records go?
18 BY MR. WOMACK:
19 Q After the transaction occurs, the monies, did
20 Concordia wire money to the dealer as a part of the
21 sale of the truck?
22 Concordia is in the business of financing
23 truck sales; right? I don't want to -- I might not be
24 using the proper terms. But Concordia is in the
25 business of financing truck sales. Somebody's got to

1 get the money that Concordia is sending out. Who does
2 Concordia send that money to?
3 A Concordia purchases the paper from the seller.
4 Q Okay.
5 A The seller closes the deal. Concordia buys the
6 paper, the conditional sales contract.
7 Q And in buying it, the purchase price is paid how?
8 A By check.
9 Q Mailed to the -- is it ever someone other than the
10 dealer that the contract is being purchased from?
11 A I don't believe so.
12 Q Okay.
13 And did Concordia maintain records of those
14 transactions?
15 A Yes.
16 Q When you were at Concordia on a day-to-day basis,
17 was there an employee dedicated to internal
18 bookkeeping? Employee or employees?
19 A Yes.
20 Q Did you ever use outside sources for bookkeeping
21 or accounting work?
22 A What constitutes outside?
23 Q Someone not an employee of Concordia?
24 A The reason I'm hesitating is in '96 we used a lady
25 part-time and her job was to come in two days a week

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1 and catch any mistakes that were made. The bookkeeping
2 was generally done in the office by one of the
3 employees, full-time employees, as opposed to
4 out-sourcing a part-time person who has a higher skill
5 level.
6 Q Did Concordia, between '94 and 2006, employ an
7 accounting firm to review or maintain the books of
8 Concordia?
9 A Yes.
10 Q And what accounting firms did Concordia use?
11 A I don't recall the names.
12 Q Do you recall where they were located?
13 A The first one I believe -- well --
14 MR. GOURLEY: Don't.
15 MR. WOMACK: For my satisfaction, "located"
16 can mean Southern California versus Arizona.
17 THE WITNESS: They were all within a 50-mile
18 radius.
19 BY MR. WOMACK:
20 Q Of Concordia's office?
21 A Of Concordia's offices.
22 Q Did Concordia during that same time period ever
23 employ, either as an employee, part-time employee or
24 independent contractor, Michael Bersch?
25 A No.

1 Q Did they ever employ or hire as an independent
2 contractor David Wanzek?
3 A No.
4 Q Did --
5 MR. GOURLEY: I'm sorry. Is this -- I'm
6 sorry to interrupt, but is this as bookkeepers,
7 accountants? Or is this any hiring the person?
8 MR. WOMACK: My question went to bookkeepers
9 and accounting. Is that what you understood I was
10 asking?
11 THE WITNESS: I thought you were looking for
12 more direct employee relationship.
13 David was -- I believe did our taxes several
14 years as a CPA.
15 BY MR. WOMACK:
16 Q And the entity that Concordia dealt with was David
17 Wanzek, CPA?
18 A Correct.
19 Q As opposed to his accounting firm, the Buttke,
20 Wanzek & Bersch?
21 A The entity was, Buttke, Bersch & Wanzer.
22 Q How many years did Buttke, Bersch & Wanzer do
23 Concordia taxes?
24 A I don't recall.
25 Q Every year?

1 A Every year for a period of time, but I don't
2 recall when they started.
3 Q Were they doing the taxes when you stepped down
4 from day-to-day operations?
5 A I believe they were.
6 Q Did ER Financial Service ever provide financial
7 services to Concordia?
8 A ERF was created, as I understand it, by Wanzek and
9 Bersch to separate the books from Buttke, Bersch &
10 Wanzer.
11 Q But Concordia never hired ERF for any financial
12 services?
13 A ERF was the entity that we paid for the services
14 referred here as finder's fees and custodial fees.
15 Q Okay. ERF never did Concordia's taxes?
16 A Correct.
17 Q Did ERF ever come in and do a bookkeeping review?
18 A No.
19 Q Is that how you all refer to ER Financial, is
20 "ERF"?
21 A Yes.
22 Q So if I say "ERF" from here on out, you know what
23 I'm talking about?
24 A Yes.
25 Q What kind of data or information did Concordia

1 maintain, whether -- and we've talked about paper
2 information and files. I'm talking about electronic
3 data now, regarding the truck sale transactions, as
4 opposed to anything with shareholders, promissory
5 notes, et cetera.
6 Regarding truck sale transactions, what kind
7 of electronic data did Concordia maintain while you
8 were there?
9 A I believe it was about the year 2000 that we had a
10 software program that would track all of that, in
11 software.
12 Q And it would -- describe the things it would
13 track.
14 A Vehicle information such as VIN number. Any
15 descriptive of the vehicle. Number of axles, et
16 cetera. And who the buyer was, addresses, phone
17 numbers, contacts. Information we might need in case
18 of a repo.
19 Q So it would track payments, buyer payments?
20 A I don't believe that was in the same software.
21 Q Did --
22 A I don't recall, I don't recall it being in the
23 same software. It might have been.
24 Q The buyers paid Concordia; correct?
25 A Correct.

1 Q Typically on a monthly basis?
2 A Correct.
3 Q Did they ever not pay on a monthly basis? If they
4 were performing to the contract. I understand that
5 some contracts may have failed, some buyers may have
6 been slow making payments, but the goal was to pay on a
7 monthly basis?
8 A Correct.
9 Q Was there some software that tracked those monthly
10 payments?
11 A Yes.
12 Q And would that software indicate a declining
13 outstanding balance, for example?
14 A Yes.
15 Q Did it indicate any other information regarding
16 the transaction?
17 A The software changed over the years. The initial
18 software I used was very simplistic. In '96 we
19 upgraded to another software. I forget the title. And
20 then again later we upgraded another time as we grew
21 and required more information.
22 Q Do you recall what software was being operated
23 when you left Concordia?
24 A Between 2003 and 2006, I believe it was chosen to
25 go to a service, which meant that we didn't have the

1 server on-site. The server was a part of the service.
2 Q Who was that service provider?
3 A I don't recall. I was not part of the decision to
4 go that way. That was part of the transition.
5 Q Okay. The information was being captured and
6 recorded though --
7 A Correct.
8 Q In-house or with people that Concordia contracted
9 to maintain that specific information?
10 A That's my understanding.
11 Q Did you ever have cause, you personally, to
12 question the performance of a given contract? A truck
13 sale contract?
14 A That question is very broad. I'm not sure what
15 you're asking.
16 Q Were you ever made aware of a buyer failing to
17 make payments?
18 A Absolutely.
19 Q Would you have been the person informed of that
20 fact? Or was that you became aware as a manager and
21 there was someone else in charge of nonperforming
22 contracts?
23 A Certainly at the beginning in '94, '95, '96, I
24 would have been the person that made the decision
25 whether to go after that truck or not. I think that's

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1 what you're asking.
2 Q Yeah.
3 A Later, it became less direct as it became more
4 obvious what the standard would be for deciding to
5 pursue or not pursue a particular repossession.
6 Q When you were weighing those decisions, did you
7 feel like you had at your immediate access, without
8 external investigation, the information you needed to
9 decide whether it was a performing contract?
10 A If I understand your question, the answer is yes,
11 I had that information.
12 Q If you needed to know if someone was making a
13 payment, you could talk to somebody in-house as to
14 whether they had made their payment?
15 A Correct.
16 Q I'm unpacking my earlier bad question, is what
17 this line is.
18 If you needed to know whether a truck had
19 depreciated beyond the balance owed, could you get that
20 information?
21 A There is a service that you can subscribe to where
22 if you give them the VIN, they will tell you what
23 similar -- it's called the Black Book -- what similar
24 trucks have sold for at auction and at retail level.
25 It's intended to be similar to the Kelly Blue Book, but

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1 it is not that accurate.
2 And initially we couldn't afford the service,
3 but eventually we did. As we grew, we found that it
4 was reasonable to sign up to that. So by -- by about
5 2006 or somewhere thereabouts, we signed up for that
6 service, we could access that information.
7 MS. KIM: When you say "we," when we signed
8 up for that, to acquire that service, who are you
9 referring to?
10 THE WITNESS: That's the collective "we"
11 Concordia.
12 MS. KIM: I see. Any individual names that
13 you could remember?
14 THE WITNESS: Myself. My son.
15 MS. KIM: And you stated that someone
16 in-house was responsible for evaluating pretty much the
17 creditworthiness of the buyer; is that correct? Did I
18 understand that correctly?
19 THE WITNESS: That is generally true.
20 MS. KIM: Okay. Who was primarily
21 responsible for evaluating the creditworthiness of the
22 buyer?
23 THE WITNESS: I don't recall by month and
24 who was in charge each month. It changed over the
25 years.

1 MS. KIM: Were you involved in that
2 decision-making?
3 THE WITNESS: Most deals we looked at were
4 black or white.
5 MS. KIM: And by "black and white" what are
6 you referring to? What was the standard?
7 THE WITNESS: There were some people trying
8 to buy trucks that couldn't finance a Big Mac.
9 MR. GOURLEY: And we're not talking about the
10 big Mack truck.
11 THE WITNESS: And we're not talking about big
12 Mack truck. We're talking about financing a hamburger.
13 Many of the applications were just totally
14 unacceptable.
15 There was a gray area. And if it was in the
16 gray area, then they were instructed to bring it to a
17 higher level for decision.
18 MS. KIM: Can I also ask you a clarification
19 question about the ER Financial? I believe you stated
20 that at some point Wanzek and Bersch needed to separate
21 from their accounting firm? Could you clarify as to
22 why that you believe they had to do that, and create
23 ERF?
24 A Buttke, Bersch & Wanzek was a CPA firm. As part
25 of that firm they wanted to keep the CPA business

1 independent of their suggestions to their clients or
2 anyone else that they happened to know as to what
3 investments were available. That's my understanding of
4 it.
5 What we know is that when we sent a check for
6 finder's fees or custodial fees or whatever, we sent it
7 to ERF. We did not send it to Buttke, Bersch & Wanzek.
8 MS. KIM: "We," you mean collectively
9 Concordia?
10 THE WITNESS: Collectively Concordia, yes.
11 MS. KIM: Thank you.
12 BY MR. WOMACK:
13 Q Did you receive a regular reporting that would
14 indicate, you personally, receive a regular reporting,
15 monthly, weekly, you tell me if there's any regularity,
16 regarding how many truck sale contracts were performing
17 and how many were not?
18 A Yes.
19 Q And that was a standard part of the operations of
20 Concordia, to monitor that?
21 A Yes.
22 Q And within all of the bookkeeping, whether paper
23 or digital and the recording, et cetera, not only
24 payments and outstanding balance, but interest was
25 recorded?

1 A Yes.
2 Q Indicated?
3 You spoke a bit ago about these Sales --
4 Sale -- Sale of Contracts and Servicing Agreements.
5 For brevity sake, is it appropriate within Concordia's
6 nomenclature to call those the portfolio investors?
7 A Yes.
8 Q So I'm going to refer to them as the portfolio
9 investors. Do you know who I'm talking about?
10 A That sounds good to me.
11 Q Was there ever a Sale of Contracts and Servicing
12 Agreement entered into that didn't have an accompanying
13 custodial agreement?
14 A No.
15 Q Part of the package.
16 A Yes. However, in a few cases, I think we did
17 not -- they chose us as the custodian.
18 Q The investor chose you?
19 A The person with the portfolio chose Concordia as
20 the custodian.
21 Q I'm going to hand you three files, and it's going
22 to take you a bit to look through there.
23 A Am I supposed to read all of this?
24 Q I'm going to ask real global questions about this.
25 I'm not going to trick you and say, "What did you say

1 on the fourth page, third line?"
2 A Okay.
3 (Witness reading documents.)
4 BY MR. WOMACK:
5 Q It's my understanding you didn't participate in
6 the production of documents in response to the
7 California Department of Corporations's subpoena?
8 MR. GOURLEY: I'm sorry. What was the
9 question?
10 BY MR. WOMACK:
11 Q Did you participate in the production of
12 documents?
13 A No.
14 Q I'll just represent to you that these were
15 documents produced to California in response to a
16 subpoena duces tecum.
17 Are the records within these files, do they
18 generally look familiar to you?
19 A The forms look familiar.
20 Q And they appear to be Concordia forms?
21 A Yes.
22 MR. WOMACK: Let's label the Nevaril Number
23 5.
24 (Whereupon Exhibit Number 5
25 was marked and is attached hereto.)

1 MR. WOMACK: The
2 Patricola Number 6.
3 (Whereupon Exhibit Number 6
4 was marked and is attached hereto.)
5 MR. WOMACK: And the Talbott Number 7.
6 (Whereupon Exhibit Number 7
7 was marked and is attached hereto.)
8 BY MR. WOMACK:
9 Q And turning to Exhibit Number 5, on the very first
10 page it appears to be a photocopy of a file with a
11 number in the upper left-hand corner.
12 Was it Concordia's practice to identify
13 portfolio investors by a number?
14 A This numbering system is not familiar to me.
15 Q It's not?
16 A Correct.
17 Q While you were involved in the day-to-day
18 operations of Concordia, you all didn't use this type
19 of numbering sequence?
20 A We used a -- we used a numbering system. I don't
21 recognize this particular numbering system.
22 Q Okay.
23 If you'll just look through the second page
24 of Exhibit 5. Actually the third. One more. I wasn't
25 counting the jacket. The document titled Second

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1 Amendment to Sale of Contracts and Servicing Agreement.
2 A Yes.
3 Q At the top of it do you see where it says,
4 "Effective as of December 1, 2011"?
5 A Yes.
6 Q Were you involved in the second amendments?
7 A No. Not directly. I was informed.
8 Q You were informed, but you didn't -- did you have
9 any influence over the nature of the amendments?
10 A My son discussed it with me, Armen discussed it
11 with me in advance, generally what they were intending
12 to do. I had no objection to what they were intending
13 to do. I did not directly influence how they did it.
14 Q Did you have any knowledge of the details
15 regarding the second amendment?
16 A No.
17 Q If you will flip back behind that document, there
18 is a document titled Amendment to Sale of Contracts,
19 and I'm assuming this would be the first amendment? At
20 the outset it says, "Effective February 1, 2009." Do
21 you have any particular knowledge of the first
22 amendment to Sale of Contracts and Servicing Agreement?
23 A No. Same answer.
24 Q This is after you left Concordia?
25 A Correct.

1 Q Flip deeper into the exhibit and you'll arrive at
2 a document entitled Concordia Financing Company, Ltd.
3 Sale of Contracts and Servicing Agreement. Have you
4 found it?
5 A I believe so.
6 Q Do you have particular knowledge regarding this
7 form, Sale of Contracts and Servicing Agreement? And
8 by that I mean this contract as opposed to the one that
9 the Nevarils actually signed.
10 A It appears to be the same document that we used
11 for standard setting up of portfolios.
12 Q Do you know who drafted this contract?
13 A Rick Knecht.
14 Q N-e-t?
15 A K-n-e-c-h-t. K-n-e-e-c-t, I think it is.
16 Q I'm going to refer to him as Rick.
17 Is Rick an attorney?
18 A Yes.
19 Q Was he Concordia's attorney?
20 A Yes.
21 Q Was he associated with a large law firm? Or was
22 he a solo?
23 A I'm not sure. I got his name and number as a
24 referral from the attorney we'd been using for general
25 purpose.

1 Q Okay.

2 And immediately behind this contract is a

3 custodial agreement. Do you see that?

4 A I'm familiar with it.

5 Q I want to have them both in front of you because

6 the questions regard both of them.

7 But starting with the Sale of Contracts and

8 Servicing Agreement, did you all internally just refer

9 to this as the sale agreement? Give me a shorthand so

10 I don't have to read the long name for this document.

11 A Portfolio agreement.

12 Q Portfolio agreement. That's what we'll call it.

13 How many different versions of the portfolio

14 agreement were there?

15 A Other than amendments for specific individuals,

16 there's only one form.

17 Q Okay.

18 A That I'm aware of.

19 Q And you would have been aware of it up through

20 2006?

21 A Some -- somewhere between 2003, 2006, it might

22 have changed, but I'm not aware of it changing.

23 Q If you will see on the first page, paragraph 1.1?

24 MR. GOURLEY: Are we back to the portfolio

25 agreement?

1 MR. WOMACK: Portfolio agreement.
2 THE WITNESS: Yes.
3 BY MR. WOMACK:
4 Q Paragraph 1.1. There's reference to an Exhibit A?
5 A Yes.
6 Q The Exhibit A to this agreement, which is the very
7 last page of the portfolio agreement, appears to be
8 blank.
9 A Yes.
10 Q We'll go through some other agreements to compare
11 them. And let me know if you disagree with this
12 statement. But the ones I have seen, Exhibit A has
13 always been blank.
14 A Yes.
15 Q Was the information discussed in paragraph 1.1
16 ever contained in an Exhibit A?
17 A Ever? I believe it was on occasion.
18 Q Do you know why paragraph 1.1 is in this contract?
19 A Yes.
20 Q What the business thinking behind its inclusion
21 is?
22 A Yes.
23 Q And what is that?
24 A That --
25 MR. GOURLEY: Wait. Did you get your

1 understanding of that from an attorney?
2 THE WITNESS: Yes.
3 BY MR. WOMACK:
4 Q Do you have a personal understanding of why you as
5 a businessman would want the information that was to be
6 contained in Exhibit A in a client file?
7 A Yes.
8 MR. GOURLEY: Okay. But did you get that
9 information from your attorney?
10 THE WITNESS: Maybe I don't understand the
11 question.
12 MR. WOMACK: I can -- I can set the
13 foundation.
14 MR. GOURLEY: Okay.
15 BY MR. WOMACK:
16 Q You were actively involved in evaluating whether
17 the contracts were performing; correct?
18 A Yes.
19 Q And both at the outset of the contract and in the
20 evaluation of the performance of the contract, I
21 believe you've discussed today not only an evaluation
22 of the buyer, but also that truck the buyer was
23 purchasing; correct?
24 A Prior to purchasing the contract, we would do
25 that, we would assess.

1 Q And at some point, you subscribed to a service
2 that gave maybe not a perfect, but a general value for
3 the vehicles?
4 A It was possible to get that information, if we
5 chose to.
6 Q Oh. And you never did subscribe?
7 A We did subscribe eventually.
8 Q Okay.
9 A But we didn't always check, we didn't check on
10 every truck to see what that information would provide.
11 We did it selectively as needed.
12 Q And you had the contracts as defined in 1.1, those
13 certain truck, tractor and/or trailer conditional sales
14 contracts, in your files; is that correct? In
15 Concordia's files?
16 A The title and the contracts were in the hands of
17 the custodian, not Concordia. That was the purpose of
18 the custodian.
19 MR. GOURLEY: Excuse me. May I have a moment
20 with my client to find out exactly what weight came
21 across in the conversation with the attorney? We may
22 be willing to waive that. We may -- it may be it has
23 to be in there -- I don't want to waive it, but I do
24 want to get this.
25 THE WITNESS: You don't have to do it off the

1 record. I can clarify it.
2 MR. GOURLEY: No, definitely you don't want
3 to do that.
4 Excuse us just a second.
5 (Discussion off the record.)
6 MR. WOMACK: Mr. Crowder, we're back on
7 record. Do you understand you're still under oath?
8 THE WITNESS: Yes.
9 BY MR. WOMACK:
10 Q Let me ask you again, why is Exhibit A attached to
11 the contract that's Exhibit 5?
12 A The original intent was to provide a record of
13 those contracts assigned to that portfolio.
14 Q I'm going to ask this question again because I
15 genuinely don't remember your answer, and it was
16 seconds ago, but I mentioned that I've not seen a
17 contract with an Exhibit A that had any information.
18 And I believe you said most didn't; is that correct?
19 Am I paraphrasing accurately?
20 A That is correct.
21 Q Why didn't they?
22 A Because we had to substitute contracts on a
23 monthly basis based on status of performance of those
24 contracts that were assigned to that portfolio. It
25 became burdensome to keep changing amendment or Exhibit

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1 A. Therefore, we provided it by letter so long as the
2 portfolio investor agreed. So we sent him a monthly
3 statement instead of revising Exhibit A
4 Q And Concordia sent that directly to the investor?
5 A That's correct.
6 MS. KIM: Before the investor signed the
7 portfolio agreement, did they get any written proof
8 that there were performing contracts already to be
9 assigned to them?
10 THE WITNESS: Proof would be verbal. Only
11 verbal evidence.
12 MS. KIM: So there was no written, say, list
13 of performing contracts that the investor was given
14 prior to their signing?
15 THE WITNESS: That's correct.
16 BY MR. WOMACK:
17 Q Did the investor have any input as to which
18 contracts were associated, which truck sale contracts
19 were associated with their agreement?
20 A No.
21 Q Did Concordia track which trucks or sale contracts
22 were associated with a particular investor's agreement?
23 A Yes.
24 Q So that was in the books, so to speak?
25 A Yes.

1 Q And for clarification, when you said that they had
2 to be changed out on a monthly basis, I don't want to
3 put words in your mouth, but I think we can get through
4 this a little faster if I attempt to and you tell me if
5 I was successful or not, you're not saying that for
6 each investor the trucks were being exchanged out, but
7 Concordia as a business would have trucks coming and
8 going or contracts performing and nonperforming, and
9 there were enough investors who were influenced by
10 that, that you went through this letter notification of
11 new truck contracts.
12 From your expression I'm going to take that,
13 that you didn't follow that.
14 A I did follow that.
15 Q Okay.
16 A But you would be incorrect with that statement.
17 Q So it was on an -- each investor would roll
18 through several trucks?
19 A That's correct.
20 Q Do you have an idea of the percentage of truck
21 sale contracts that failed?
22 MR. GOURLEY: At what point in time?
23 MR. WOMACK: Any given year. I mean --
24 THE WITNESS: Failure and nonperforming or
25 poorly performing are really different categories.

1 BY MR. WOMACK:
2 Q Well, describe for me "poorly performing."
3 A Poorly performing would be two months behind.
4 Q "Nonperforming"?
5 A Three or more.
6 Q "Failure."
7 A Had to repossess.
8 Q In 2006, what percentage of the truck contracts
9 were poorly performing?
10 A I don't know.
11 Q Ball park?
12 A I don't know.
13 Q Can you ball park a percentage for any of those
14 three categories?
15 A Not for 2006.
16 Q For 2005?
17 A If we go back to 2000, 2003, somewhere in that
18 vicinity.
19 Q Okay.
20 A Approximately our net loss was estimated to be 10
21 percent per contract, or 10 percent of the contracts.
22 Q Describe for me what you mean by that. I'm not
23 following. 10 percent of the -- the -- well, going to
24 Exhibit 5 --
25 A If we had $10 million worth of contracts, we would

1 probably lose $1 million out of the 10. I think that's
2 what I meant.
3 Maybe I should think about that a little
4 longer.
5 Q Get back to me if you change your mind on that.
6 A Yes, I will -- it is not 10 percent in dollars.
7 10 percent of the trucks.
8 Q Okay. Okay. Would that be more than 10 percent
9 in dollars?
10 A No. But I need to clarify what I mean by that, is
11 that out of $10 million, $1 million worth of contracts
12 would be in question. We would take a loss of some
13 amount. I did not mean to imply that we would lose a
14 million dollars.
15 Q Oh, thank you for that clarification.
16 And those three categories, poorly
17 performing, nonperforming and fail, I believe those
18 were the three categories, would be in that 10 percent?
19 A The failed would be 10 percent.
20 Q Okay. Okay.
21 Do you have an idea of what percentage were
22 poorly performing during the 2000-2003 time period?
23 A I do not.
24 Q Nonperforming?
25 A I do not.

1 Q Help me understand how this worked. If I'm an
2 investor, and we're speaking very generically so I
3 understand it may not apply to any one person, but I'm
4 trying to get a base-level comprehension here. Was
5 there a set amount of investment dollars that I would
6 need to bring to the table?
7 A There's a minimum amount of $100,000.
8 Q Over that, it could be any amount, but the minimum
9 was 100?
10 A Yes.
11 Q If I invest 100,000 with Concordia, what is done
12 with that money?
13 A He signed a sales and service agreement,
14 acknowledges the $100,000. And then Concordia goes
15 through its inventory of contracts and comes as close
16 as possible to 100,000 and assigns those to the
17 investor.
18 Q This inventory, are they contracts that have
19 already been purchased by Concordia?
20 A Correct. If there's a shortfall, then it is noted
21 as cash waiting for investment.
22 Q And what was done with that shortfall?
23 A It was kept as a record until it could be replaced
24 with a contract.
25 Q Okay.

1 So let's say, and I understand, we're trying
2 to keep it simple, I understand this is outside the
3 range of tractors you're dealing with. But let's say
4 we found one for $95,000, and that contract failed.
5 Concordia would go to its inventory and find a new one
6 to associate with my Sale of Contracts and Servicing
7 Agreement? How were they changed out?
8 A Oh. I could answer that question.
9 Q Okay.
10 A Every month we would look at the nonperforming
11 contracts, an agreement with this sales and servicing
12 agreement. If it was nonperforming, three months or
13 more overdue, behind in payments, we would then ask for
14 a return of that contract from the custodian and
15 replace it with another contract, on a month-to-month
16 basis.
17 MR. CLAPPER: Can I ask one then?
18 In that same light, say Steve is an investor,
19 he puts 100,000 in, and there's so many trucks
20 assigned, say he's supposed to get 4,000 a month in a
21 return; was there ever a month that because of these
22 nonperforming, poorly performing, that Concordia did
23 not have the money coming in, in that portfolio, to pay
24 that investor?
25 THE WITNESS: During the time I was involved,

1 an investor never missed a check, if that's what you're
2 asking.
3 MR. CLAPPER: But if that portfolio wasn't
4 bringing income in to pay that investor, how was the
5 investor paid the 4,000?
6 THE WITNESS: They were paid based on the
7 total amount, whether they had a contract or not. I
8 believe that's your question.
9 MR. CLAPPER: Right. But where would that
10 money come from if it didn't come from the income from
11 their portfolio?
12 THE WITNESS: Wouldn't that be an
13 auditor-type question? I'm not sure what you are
14 asking.
15 MR. CLAPPER: To pay that 4,000, if their
16 portfolio wasn't bringing the money in, what money did
17 Concordia use to pay that investor for that money?
18 THE WITNESS: Total cash flow.
19 I'm not sure. I have a feeling you're
20 asking -- you're trying to ask a question I don't
21 understand.
22 MR. WOMACK: I'm going to get to that. If we
23 don't address it, feel free to jump in again.
24 MR. CLAPPER: Okay.
25 (Discussion off the record.)

1 MR. WOMACK: Let's go back on the record.
2 Mr. Crowder, do you understand we're on the record --
3 THE WITNESS: Yes.
4 MR. WOMACK: And you're still under oath.
5 THE WITNESS: Yes.
6 MR. GOURLEY: You're supposed to wait for him
7 to finish his questions.
8 MR. WOMACK: You understand you're still
9 under oath; correct?
10 THE WITNESS: Yes.
11 BY MR. WOMACK:
12 Q We were speaking generally of the Sale of
13 Contracts and Servicing Agreement, or the portfolio
14 agreement, and more particularly about the association
15 of specific trucks to the portfolio agreements for each
16 given investor.
17 A Yes.
18 Q And I'm struggling with the numbers, the
19 accounting of it. If I invest a certain amount and the
20 great proportion of that amount goes to a specific set
21 of contracts, truck sales, the interest through the
22 portfolio agreement that the investor is being paid, or
23 I'm being paid, does it not come from the buyer's truck
24 payments?
25 A Does it not come from. Not necessarily.

1 Q Where else might the source of the investor
2 payments, from where else might the source of the
3 investor payments come?
4 A The interest you see is significantly larger than
5 the payment to the investor. Truck sales, once we
6 repossessed, it becomes asset of Concordia. Thus,
7 sales provides cash flow. So cash flow is coming from
8 several sources, in addition to discount reserve.
9 Q And what was the source of monies in the discount
10 reserve?
11 A Discount from the dealer.
12 Q Okay. And the seller of the truck?
13 A Correct.
14 Q Now, when a nonperforming contract, truck sale
15 contract, is replaced with a performing contract, that
16 investor's principal has nothing to do with the
17 purchase of the second -- the performing contract; is
18 that correct?
19 A I believe you said -- I believe you made an
20 incorrect statement.
21 Q Okay.
22 A I'm not sure I understood the statement.
23 Q Okay. The investor, the original principal
24 investment goes to purchase those truck contracts that
25 are originally associated with the portfolio agreement;

1 is that correct?
2 A The original investment is assigned contracts
3 which may hold for a month, may hold for six months.
4 Q But the original dollars into Concordia don't go
5 to the original purchase of the truck contracts?
6 MR. GOURLEY: Now you've got me confused.
7 BY MR. WOMACK:
8 Q The investor invests 100,000 with Concordia.
9 Concordia -- does Concordia then take that 100,000 and
10 go to the dealer and say, "I want to buy some contracts
11 that get me as close to 100,000 as possible"?
12 A No.
13 Q Those contracts are already in Concordia's
14 portfolio?
15 A Correct.
16 Q Okay. They get associated with the portfolio
17 agreement?
18 A That's correct. We assign it to the portfolio.
19 Q And per that portfolio agreement, the investor is
20 paid interest?
21 A Correct.
22 Q The source of monies for that interest are the
23 truck payments? The monthly payments on the truck
24 contracts; or the reserve you spoke of; or, what was
25 the third?

1 A The sale of existing inventory of repossessed
2 trucks.
3 Q Okay. Earlier you said that the investor has no
4 input as to which trucks get associated with their
5 portfolio agreement. Is that true throughout the life
6 of the portfolio agreement?
7 A Yes.
8 Q We're going to move off of that topic, and to
9 paragraph 1.4, if you can get that in front of you.
10 MR. GOURLEY: We're talking about the sale?
11 MR. WOMACK: It's page 2 of the portfolio
12 agreement.
13 BY MR. WOMACK:
14 Q Custodian. Why did Concordia use a custodian with
15 these agreements?
16 A My recollection is that it was felt the investor
17 would feel more comfortable if they had access to those
18 contracts when they wanted access.
19 Q And by "those contracts" you mean the conditional
20 sales contracts?
21 A Correct. Especially the pink sale, equivalent of
22 the pink sale. Registration.
23 Q In this particular contract that's Exhibit 5, ERF
24 is the custodian?
25 A Correct.

1 Q Earlier you mentioned that at times an investor
2 selected Concordia to be the custodian.
3 A Correct.
4 Q Do you recall whether an investor ever selected a
5 wholly independent third party to operate as a
6 custodian?
7 A I believe one investor chose Chino Commercial
8 Bank.
9 Q Chino, C-h-i-n-o?
10 A Yes.
11 Q Do you recall that investor's name?
12 A I do not. I just recall there was a time when
13 that happened.
14 Q Did most investors choose ERF?
15 A Most of the investors were brought to us by ERF
16 and chose ERF as the custodian.
17 Q Do you recall, in the course of your day-to-day
18 involvement with Concordia, did ERF function as the
19 custodian for those contracts in which they were named
20 custodian?
21 A Yes.
22 Q And they held the files that they were supposed to
23 hold?
24 A That's correct.
25 Q And they did so pursuant to the custodial

1 agreement that's also part of Exhibit 5?
2 A That's correct.
3 Q Did, to your recollection, every person or entity
4 that functioned as a custodian function pursuant to a
5 custodial agreement?
6 A As far as I know. I'm not aware of any
7 complaints. I think that's what you are --
8 Q No. I just -- we had talked earlier that the
9 portfolio agreement and the custodial agreement go
10 together.
11 A Correct.
12 Q There was no custodian out there, to your
13 recollection, that operated pursuant to an agreement
14 that was not in the form of the custodial agreement in
15 Exhibit 5?
16 A I think that's correct.
17 Q One form.
18 Is that a "yes"?
19 A We used one form.
20 Q If you could get 4, 5 and 6.
21 I didn't do that right. 5, 6 and 7 in front
22 of you side by side. I've got a question about
23 paragraph 2 in each of these agreements. And I think
24 if we had them all side by side --
25 MR. GOURLEY: Now, which agreement?

1 Portfolio agreement?
2 MR. WOMACK: The portfolio agreement.
3 And when you get them all laid out, I
4 really --
5 THE WITNESS: Sale of contracts?
6 MR. GOURLEY: Yes, sale of contracts.
7 MR. WOMACK: Let me know when you're ready.
8 THE WITNESS: I believe I'm ready.
9 BY MR. WOMACK:
10 Q When you look at Exhibit 5, paragraph -- the
11 portfolio agreement, paragraph 2, it seems to describe
12 the situation in which you described earlier that there
13 is a, in this case I think it was $50,000 investment,
14 48,000 and some change were associated with truck
15 sales. And 1,900 and some change was held over for
16 further investment. Do you see that?
17 A Yes.
18 Q In Exhibit 6, when you go to paragraph 2, the
19 wording's changed slightly.
20 A Yes.
21 Q Why the change?
22 A This was in '08, I believe, which was after my
23 time.
24 Q Okay. Let's put Exhibit 6 aside.
25 THE WITNESS: Steve won't let me guess.

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BERSCH

1 MR. GOURLEY: That's right.
2 MR. WOMACK: I'm going to hand you what will
3 be marked Exhibit 8.
4 (Whereupon Exhibit Number 8
5 was marked and is attached hereto.)
6 MR. WOMACK: If you wouldn't mind taking a
7 moment to look through Exhibit 8. And when you're
8 ready, let me know.
9 MR. GOURLEY: If you could tell us at any
10 specific place you're going to focus on, it would
11 probably --
12 MR. WOMACK: It's going to be that same
13 paragraph.
14 MR. GOURLEY: Okay.
15 MR. WOMACK: Of the portfolio agreement. The
16 portfolio agreement in Exhibit 8 is dated 2001, and so
17 I think he might be better able to discuss it.
18 THE WITNESS: Okay.
19 BY MR. WOMACK:
20 Q In Exhibit 5, the portfolio agreement at paragraph
21 2 provides the dollars and cents breakdown of the
22 investment principal associated with trucks and dollars
23 and cents remainder.
24 A Correct.
25 Q In Exhibit 8, paragraph 2 has been reworded.

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A Yes.

Q My question is this: Why the change to paragraph 2?

A It was tedious and felt not helpful. In Exhibit 5, which was one of the early versions, the principal amount of 48,094.55 was the sum of those contracts which were initially assigned to that portfolio. The 1,905.45 was the cash balance difference.

So if I can give you an example, if we had three $25,000 contracts and one 20,000, that would add to 95, plus 5,000 cash, to reach the hundred thousand investment. Okay?

The fact that by the time we had some experience, we were changing contracts every month, for almost every portfolio. It became tedious to try to keep updating, amending the portfolio.

So it was agreed that this language would be adequate, and the updating would occur by letter.

Q Would investment principal invested through Exhibit 5 be treated differently than principal invested through Exhibit 8?

A Exhibit A was not used really.

Q I'm sorry, the Number 8, not the letter "A."

A Oh, Exhibit 8?

MR. GOURLEY: That's what this is. This is

1 part of Exhibit 8.
2 THE WITNESS: Oh, okay. Restate the
3 question.
4 BY MR. WOMACK:
5 Q Did principal -- was principal invested through
6 Exhibit 5 treated differently than principal invested
7 through Exhibit 8?
8 A No.
9 Q Just a rewording?
10 A Yes.
11 Q In paragraph 2; right?
12 A Yes.
13 Q The procedure behind paragraph 2 did not change?
14 A Correct.
15 Q Do you have any knowledge as to whether that
16 procedure changed after you left the day-to-day
17 operations at Concordia?
18 A I have no knowledge if it changed after I left.
19 Q One final question on paragraph 2, and focusing on
20 Exhibit 5, this $1,900 remainder, was that put in
21 escrow? Or was it deposited in a general fund? Or was
22 that just a bookkeeping entry?
23 The monies weren't divided out; right?
24 A Correct. It was a bookkeeping entry.
25 Q The same types of bookkeeping entries were being

1 maintained by Concordia for investments invested
2 pursuant to the form that's in Exhibit 8; is that
3 correct?
4 A That's correct. I believe that's correct.
5 Q Did Concordia ever not provide a custodian the
6 documents required by the custodial agreement?
7 MR. GOURLEY: Now you've got me.
8 BY MR. WOMACK:
9 Q We spoke of the documents provided custodians
10 pursuant to the custodial agreement. Was there ever an
11 instance where Concordia didn't send the documents to
12 the custodian?
13 A Are you asking if there are clerical errors?
14 Q No. I'm asking if there was an event, and I don't
15 have anything in mind, I'm trying to find out
16 information here, I'm not trying to trip you up, I'm
17 genuinely asking, where that package of documents that
18 Concordia is supposed to send to the custodian didn't
19 get sent to the custodian?
20 A None that I'm aware of.
21 Q And when you say it that way, am I correct in
22 paraphrasing that you would have considered the failure
23 to send those documents a clerical error? It was
24 procedure to send the documents to the custodian.
25 A It was standard procedure to send those documents

1 to the custodian as needed, during the month, as
2 needed.
3 MR. GOURLEY: Counsel, I have a question of
4 timing here.
5 At one o'clock we're going to be taking
6 another witness.
7 MR. WOMACK: Right. I think we can wrap it
8 up in 15.
9 MR. GOURLEY: I hope so, because I'm going to
10 need to eat in between.
11 (Discussion off the record.)
12 MR. WOMACK: Let's resume the questioning
13 here.
14 BY MR. WOMACK:
15 Q I'm not going to mark this document yet, but
16 please look through it and tell me whether you
17 recognize it.
18 A I recognize it's similar to something that I
19 recall, if it's not the actual thing that I recall.
20 Q Did Concordia create this document? Or -- yeah.
21 A No.
22 Q Do you know who did?
23 A I would have to know for sure that it was the one
24 that I'm thinking of, and I can't -- I can't say that I
25 know for sure that it's the one I'm thinking of.

1 Q Would Concordia have in its files the one you are
2 thinking of?
3 A I would have a copy on my computer. I can't say
4 whether Concordia has it still or not. This is 2001.
5 MR. GOURLEY: Are you representing that it
6 came as part of the discovery?
7 MR. WOMACK: It did not. That's why -- I
8 don't -- I'm trying to find out where this came from.
9 MR. GOURLEY: Okay.
10 MR. WOMACK: It, to me, looks like a
11 PowerPoint presentation, slides from a PowerPoint
12 presentation.
13 MR. GOURLEY: And it says Bersch on it.
14 MR. WOMACK: Well, that's the Arizona
15 Corporation Commission Bates numbering.
16 MR. GOURLEY: Oh, really? Thank you.
17 MR. WOMACK: Well, let's go ahead and mark
18 this Exhibit 9.
19 (Whereupon Exhibit Number 9
20 was marked and is attached hereto.)
21 MR. WOMACK: There are page numbers on
22 Exhibit 9 and I'll represent to you there is no page 1.
23 I don't know where page 1 is. I'm not trying to
24 withhold a part of the document. I just don't have it.
25 MR. GOURLEY: That's too bad. It might have

1 said, "prepared by Michael Bersch," or George Jones or
2 something.
3 BY MR. WOMACK:
4 Q If you could turn to the internal page number 7 on
5 Exhibit 9.
6 A Yes.
7 Q Do you see the second bullet point beginning
8 "Servicing Agreements"?
9 A Yes.
10 Q There is printed "12 percent a year," it's crossed
11 out, and then "10 percent."
12 It's my understanding that at one point,
13 based on the portfolio agreements, Concordia paid 12
14 percent per year, but then pursuant to board minutes in
15 a previous exhibit, that was reduced to 10 percent?
16 A Correct.
17 Q So those numbers are correct; is that true?
18 A Correct.
19 Q Page 5 of Exhibit 9. The bottom bullet point
20 beginning "Concordia raises capital." Does that
21 accurately reflect what Concordia was doing, that
22 bullet point?
23 A I'm not an attorney.
24 Q It reads: "Concordia raises capital to purchase
25 these contracts from investors in the form of Servicing

1 Agreements." And then there's a parenthetical.
2 It was my understanding that you testified
3 that Concordia had purchased the contracts and then
4 when an investor transferred that principal to
5 Concordia, those contracts were associated with the
6 portfolio agreement. That's not the same, or do you
7 think that that is the same as raising capital to
8 purchase contracts from investors in the form of
9 service agreements?
10 MR. GOURLEY: Well, it looks to me like a
11 typo.
12 THE WITNESS: It's not the language I would
13 use, and you're asking me if I agree with it, so I am
14 having difficulty saying yes or no.
15 BY MR. WOMACK:
16 Q What language would you use?
17 A (No audible response.)
18 Q If I'm an investor and I got this PowerPoint
19 presentation, and afterwards I say, "Mr. Crowder,
20 explain this to me, this final bullet point," how would
21 you explain it to me?
22 A Concordia raises capital by means of the sales and
23 service agreements. And that capital is used to
24 purchase conditional sales contracts which are assigned
25 to portfolios.

1 Q So Concordia would pool the investment principal,
2 and from that pool, and the other two sources we talked
3 about, go out and buy these truck contracts; correct?
4 A Slightly. The pool is used for that purpose.
5 It's not the sole source of income, because we have
6 payments every month.
7 Q Okay.
8 A We also have the sale of trucks every month. So
9 it's a partially true statement, or incompletely true.
10 MR. WOMACK: Okay, I'm going to try to power
11 on through here. And if everybody -- if you have
12 questions, just wait till I get through my final bit,
13 and then --
14 I'm going to show you these two agreements
15 before we -- not agreements -- documents before we
16 enter them into evidence as well.
17 (Whereupon Exhibit Numbers 10 and 11
18 were marked and is attached hereto.)
19 BY MR. WOMACK:
20 Q Do either of those documents look familiar to you?
21 I understand that on one there's some handwriting, but
22 excluding that handwriting. The printed material.
23 A I can't -- I can't recall seeing them or not
24 seeing them. It's possible that I have seen them.
25 Q Is it possible that Concordia created them?

1 A No.
2 Q It's not possible. Concordia did not create
3 these?
4 A Not to my knowledge. Nor this.
5 Q You said "this." You reached for Exhibit 9.
6 Concordia did not create Exhibit 9?
7 A Correct.
8 Q And Concordia did not create what's been marked as
9 Exhibit 10?
10 A Correct.
11 Q And Concordia did not create Exhibit 11?
12 A Correct, to the best of my knowledge.
13 Q If such documents were created in-house while you
14 were involved in the day-to-day operations, would they
15 need to be run by you for approval first?
16 A Not necessarily, but very likely.
17 Q Did any employee of Concordia, someone on salary,
18 solicit investment or go out and try to raise
19 investment in Concordia?
20 A Myself.
21 Q You spoke to individuals encouraging them to
22 invest?
23 A Friends and family, yes.
24 Q But you didn't use 9, 10 and 11?
25 A Correct.

1 Q Was there anyone else that engaged in those kind
2 of activities for Concordia, employee of Concordia?
3 Did Chris go out and --
4 A I don't believe any employee of Concordia did that
5 with these documents.
6 Q Would you know if ERF used these documents?
7 A I have seen similar things created by them.
8 Q Do you know who at ERF -- those similar documents
9 you saw used by ERF, was Michael Bersch using those
10 documents?
11 A I can't say it was Michael or David. It was one
12 or the other.
13 Q Okay.
14 A Possibly both.
15 MR. WOMACK: Let's take a three-minute break
16 and then we may be done, but I want to pow-wow for
17 three.
18 MR. GOURLEY: Sure.
19 (A recess was taken from 12:09 to 12:12 p.m.)
20 MR. WOMACK: We're back on the record. Do
21 you understand you're still under oath, Mr. Crowder?
22 THE WITNESS: Yes.
23 BY MR. WOMACK:
24 Q One last line of questions.
25 Did the buyers of the trucks have to provide

1 Concordia insurance for the vehicles?
2 A Yes.
3 Q Or proof of insurance?
4 And was that maintained in Concordia's files?
5 A Yes.
6 Q Would the failure to maintain that insurance
7 negatively impact a contract? Is that a --
8 A If we were aware of it, yes.
9 MR. WOMACK: I have no further questions.
10 MS. KIM: I just have a couple closing
11 questions.
12 Have you answered every question truthfully?
13 THE WITNESS: Yes.
14 MS. KIM: Is there anything else that you
15 would like to tell us about the topics that we went
16 over here today?
17 MR. GOURLEY: Do you want to hear some
18 attorney-client privileged information? No.
19 MS. KIM: Thank you.
20 So I propose the following stipulations:
21 The court reporter will forward the original
22 transcript from today's proceeding with a
23 self-addressed stamped envelope to you at your address
24 of record for review. You will have 30 days from
25 receipt to review and to make any changes. Upon

1 completing reviewing and listing any changes, if any,
2 you will sign the transcript, and within 10 days of
3 signing the transcript, your counsel will advise all
4 other counsel, in writing, of any changes you made
5 while reviewing the transcript.
6 However, I caution you that any changes that
7 you make of a substantive nature, such as changing an
8 answer from a "yes" to a "no," I or any other attorney
9 may comment upon those change in the event of a trial,
10 and it could affect your credibility.
11 If you do not sign the transcript within the
12 time frame and if the witness, you, do not provide
13 notice of any changes within the time frame; or if the
14 original executed transcript becomes lost or otherwise
15 unavailable, the parties agree that a certified copy of
16 the transcript may be used for all purposes as if it
17 were duly executed and corrected, correct original
18 transcript.
19 MR. GOURLEY: So stipulated.
20 MS. KIM: Thank you.
21 (Whereupon the deposition concluded at 12:15 p.m.)
22
23
24
25

ACC012131
BERSCH

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)

I, KENNETH CROWDER, the witness herein, hereby certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this _____ day of _____, 2013 at _____, California.

_____
THE WITNESS

ACC012132
BERSCH

CERTIFICATE OF REPORTER

I, BARBARA SMALL, a Certified Shorthand Reporter of the State of California, do hereby certify:

That I am a disinterested person herein; that the foregoing hearing was reported in shorthand by me, Barbara Small, a Certified Shorthand Reporter of the State of California and thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said hearing nor in any way interested in the outcome of said hearing.

IN WITNESS WHEREOF, I have hereunto set my hand this 14th day of May, 2013.

Barbara Small

BARBARA SMALL, CSR

License No. 13345

ACC012133
BERSCH

BEFORE THE
DEPARTMENT OF CORPORATIONS
OF THE
STATE OF CALIFORNIA

In the matter of the investigation and examination of:

Concordia Financing Company, LTD

SUBPOENA [X]

SUBPOENA DUCES TECUM [ ]

and of its books, records, documents and other papers pursuant to § 25531(c) of the Corporations Code and §§ 11180-11182 of the Government Code.

TO: Kenneth Crowder, CEO and Custodian of Records
Concordia Financing Company, LTD
9302 Pittsburgh Ave., Suite 220
Rancho Cucamonga, CA 91730

YOU ARE ORDERED TO:

[X] Appear in person as a witness in this matter:

[ ] Produce the records described in the accompanying declaration

Before the Commissioner of Corporations' appointed Representative(s), Michelle Lipton, Esq.
At 320 West 4th Street, Suite 750, Los Angeles, California, on
The 30th day of April, 2013 at 9:00 o'clock a.m.

For failure to attend and/or to produce such materials, you may be deemed liable for the penalties provided by law.

Dated on March 5, 2013, at Los Angeles, California.

JAN LYNN OWEN
California Corporations Commissioner

By Michelle Lipton
MICHELLE LIPTON
Sr. Corporations Counsel

ACC012134
BERSCH

You may be entitled to witness fees and mileage for attendance pursuant to the Subpoena or Subpoena Duces Tecum. A form upon which to make your claim is available from any office of the Department of Corporations.

Michelle Lipton, Senior Corporations Counsel (213) 576-7591 California Department of Corporations 320 West 4th Street, Suite 750 Los Angeles, California 90013-2344 ATTORNEY FOR (*Name*):	
BEFORE THE DEPARTMENT OF CORPORATIONS OF THE STATE OF CALIFORNIA	
In the matter of the investigation and examination of CONCORDIA FINANCING COMPANY, LTD and of its books, records, documents and other papers pursuant to § 25531(c) of the CORPORATIONS CODE, §§ 11180 - 11182 of the GOVERNMENT CODE.	
PROOF OF SERVICE	FILE NUMBER: Alpha

1. At the time of service I was at least 18 years of age and not a party to this action, and I served copies of the (*specify document(s)*): COVER LETTER, dated March 5, 2013; SUBPOENA

2. a. Party served: Kenneth Crowder, an individual

   b. Person served: Same as party in item 2a.

   c. Address: 1200 Grand Canyon
   Brea, California 92821

3. I served the party in item 2
   ☑ by personal delivery (1) on (*date*): 03/13/2013
   (2) at (*time*): 06:43 p.m.

4. Person serving (*name, address, and telephone No.*):

   Sidney Foster
   Ace Attorney Service, Inc.
   310 West 3rd Street
   Santa Ana, California 92701
   (714) 543-4220

   f. Fee for service: $

   c. Registered California process server.
   (1) Employee or independent contractor.
   (2) Registration No.: PSC2724
   (3) County: ORANGE

5. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

   Date: March 14, 2013

   (*signature*)

#980637GP

PROOF OF SERVICE

DEPARTMENT OF CORPORATIONS

Supporting a Fair and Secure Financial Services Marketplace for all Californians

Jan Lynn Owen
California Corporations Commissioner
Los Angeles, California

IN REPLY REFER TO:
FILE NO: Alpha

March 5, 2013

Kenneth Crowder
Christopher Crowder
Armen J. Dekmejian
Concordia Financing Company, LTD
9302 Pittsburgh Ave., Suite 220
Rancho Cucamonga, CA 91730

Dear Sirs:

Enclosed please find a Subpoena that requires your personal appearance to testify in the examination and investigation of Concordia Financing Company, LTD.

If you have any questions concerning your rights and duties, you may wish to consult counsel. If you have any questions concerning the Subpoena, please call the undersigned at the phone number provided below.

Very truly yours,

Michelle Lipton

Michelle Lipton
Sr. Corporations Counsel
(213) 576-7591
Enforcement Division

ACC012136
BERSCH

Δπ EXHIBIT 2
Deponent K. Crowder
Date 4-30-13 Rptr. BJS
WWW.DEPOBOOK.COM

CONCORDIA FINANCE

INVESTING IN TRANSPORTATION

- 1.0% Per Month
- Doubles in Under 6 Years
- Guaranteed
- Monthly Check
- Monthly Report
- 140,000 Trucks in California
- 25,000 Sell Used Every Year
- 7,500 Sell Used in the Los Angeles Area
- Contracts Under $25,000 are Typical
- $300,000 Buys You Over 10 Contracts
- California Market is $500,000,000

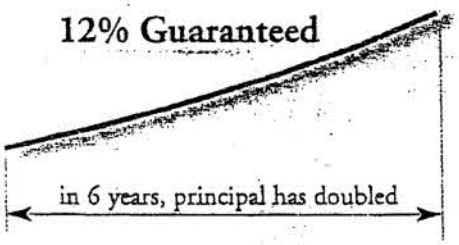
Concordia Finance specializes in the financial needs of the commercial used truck market. The banking world today is changing, becoming more focused on specific industry groups and less focused on geography. The result has been that several of the smaller industries have been ignored as individual banks struggle to gain competitive advantages in the larger markets. Opportunity is thus created for the small company which has the expertise to step into one of these disregarded segments. Concordia has been doing this since June of 1994.

Investment Opportunity

Since 1994 Concordia Finance has been buying truck ("big rig") conditional sales contracts from dealers and collecting the payments. Concordia investors receive net 1.0% EACH MONTH in interest for providing the necessary capital. Concordia qualifies the buyer, purchases the contract from the dealer and collects the payments. The investor then receives a check or the money is credited to his account. This is done under a service agreement with the investor. Concordia guarantees each contract. If any go into repossession, Concordia will replace it with one of equal or greater value.

If your money is left in and the interest is allowed to accrue, the principal will double in less than five years.

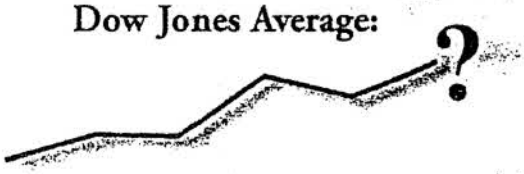
Concordia: 12% Guaranteed



Concordia's Place In the Market

In 1993 the founders recognized a need to fund the less than perfect commercial buyer. This is usually a truck driver with five to ten years experience and wants to own his own rig. He may have adequate personal credit but has no commercial credit. Since the truck will be used for business, banks can not provide a consumer loan. Very few sources are available. Most contracts are for about twenty thousand dollars. The driver might save the money and pay cash, very difficult, or lease, very expensive. Concordia Finance does not require a commercial credit history; it does require good personal credit.

Dow Jones Average:



will the DJIA double in 6 years?

Concordia Finance

- Services All Contracts
- Replaces Any Non-Performing Contracts
- Provides Monthly Report and Check
- Has Contracts Available For Purchase Now

Personnel

The loan manager is a former bank vice president who was in charge of truck loans. He reviews and approves each contract considered by Concordia and keeps on top of collections. Typically, 90% of all accounts are paid at least a week ahead of the due date.

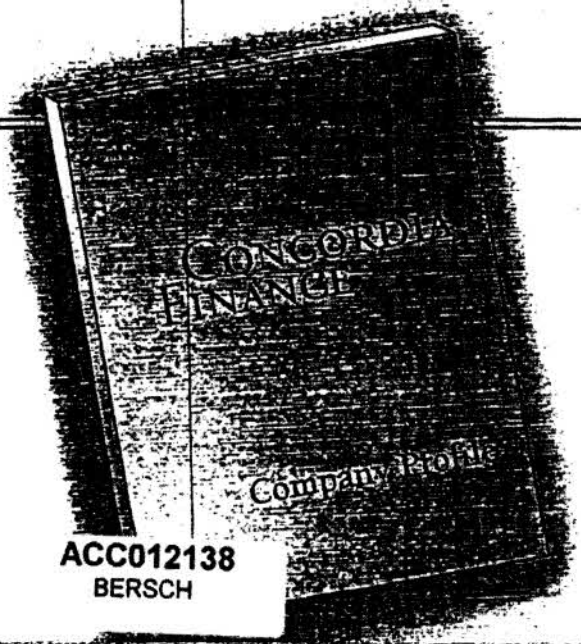
The second employee is a collections specialist. She has been trained at Concordia and now has over four years experience with an excellent record. The third employee is the receptionist and is being trained as a collections specialist. As Concordia grows, these people will be supplemented. With the continuing shrinking of the job market in the banking industry, recruitment of outstanding talent is not a problem.

History

Concordia Financing Co., Ltd. doing business as (dba) Concordia Finance is incorporated in the state of California. Concordia is strategically located in Fontana California on Valley Blvd.

Along Valley Blvd numerous dealers of tractors, trailers, truck repair, parts and supplies have made this a center known by all truckers in the southwest. This section of Valley Blvd is about 3 miles long, runs parallel to Interstate 10 and provides convenient access via freeway ramp.

Ken Crowder
President



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and Financial Statement

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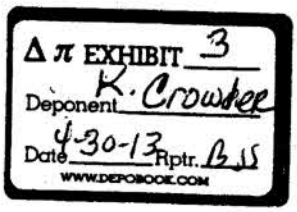
[redacted] CALIFORNIA [redacted] – FAX [redacted]



ACTION BY WRITTEN CONSENT
OF THE SHAREHOLDERS OF
CONCORDIA FINANCE CO., LTD.

The undersigned shareholders of Concordia Financing Co., Ltd. A California corporation, constituting a majority of the shareholders required to approve the action taken hereby, consent to the following action of the board of directors without a meeting:

WHEREAS,It is in the best interest of the corporation and the shareholders to re-affirm the officers Ken Crowder - President, Fred Wiseman - Secretary, and also to elect a new Board of Directors: Ken Crowder, Fred Wiseman, Michael Bersch, and David Wanzek. Linda Crowder and Carolyn Wiseman are replaced.

Dated: February 4, 2000

Ken Crowder

Ken Crowder - President

Δπ EXHIBIT 4
Deponent K. Crowder
Date 4-30-13 Rptr. BJS
WWW.DEPOBOOK.COM

MINUTES
OF THE BOARD OF DIRECTORS OF
CONCORDIA FINANCING CO., LTD.

The undersigned directors of Concordia Financing Co., Ltd. a California Corporation, consider the following actions to be in the best interest of the Corporation, and hereby agree and resolve:

1) to set interest on all portfolio investment monies received after 1/20/04 at 10%, and

2) it is in the interest of the corporation to set finders fees on all investment monies received after 1/20/04 at 5% with a trail of 1% custodial fee per annum on all contracts held by ER Financial.

3) Christopher Crowder shall be appointed to fill the vacant seat on the Board of Directors.

_____ date_____
Kenneth Crowder, Director

_____ date 2/2/04
Dave Wanzek, Director

_____ date 2/2/04
Michael Bersch, Director

_____ date 2/2/04
Christopher Crowder, Secretary

920-184

Δ π EXHIBIT 5
Deponent K. Clowder
Date 4-30-13 Rptr. RJ
WWW.DEPOBOOK.COM

NEVARIL

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CONCORDIA finance

ACCT. NO. 920-000184

NAME: Frank & Joy Nevaril

ADDRESS: [redacted]

[redacted] AZ [redacted]

TYPE OF ACCT: Collateral - Check

OPEN DATE: 08/20/98

CONTRACT ON FILE: Yes

AMENDMENT ON FILE: Yes

CHECK PAYABLE TO: Nevaril, Joyce

ADDRESS: same as above

NOTES:

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SECOND AMENDMENT TO SALE OF CONTRACTS AND SERVICING AGREEMENT

Effective as of *December 1, 2011,* the Sale of Contracts and Servicing Agreement ("Agreement") executed on *August 20, 1998,* by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Frank & Joyce Nevaril* is hereby amended in the following respects:

RECITALS

A. WHEREAS on or about *August 20, 1998,* Concordia and *Frank & Joyce Nevaril* entered into a Sale of Contracts and Servicing Agreement, a copy of which is attached hereto as Exhibit "A"; and

B. WHEREAS effective February 1, 2009, the parties entered into an Amendment of the Sale of Contracts and Servicing a copy of which Amendment is attached hereto as Exhibit "B"; and

C. WHEREAS Concordia has suffered financial reverses and is insolvent and cannot repay the full amount *Frank & Joyce Nevaril's* investment balance. *Frank & Joyce Nevaril* is familiar with Concordia's financial conditions and has determined any attempt to collect the full amount of the investment balance would be a useless act which would produce nothing and it would be spending good money to no positive end.

NOW, THEREFORE, the parties hereto agree as follows:

AGREEMENT

1. Because of Concordia's financial condition where its total liabilities significantly exceed the fair market value of its total assets, 55% of the investment balance as of February 1, 2009, is hereby cancelled as a bad debt as there is no

reasonable possibility that any enforced collection efforts will result in the cancelled amount of the Agreement being covered. Accordingly, the investment amount under the Agreement shall be reduced from *$66,079.46* to $11,079.46.

2. Section 1.4 of the Agreement shall be deleted in its entirety and the following language inserted instead: "Custodian" means ER Financial or Concordia at the election of *Frank & Joyce Nevaril*. In the event that *Frank & Joyce Nevaril* fails to elect the custodian, Concordia will be the Custodian.

3. Section 3.1 of the Agreement shall be deleted in its entirety and the following inserted instead: Concordia is insolvent and even though it may have sufficient financial liquidity over the next year to make payments to investors, it will continue to be or characterized as insolvent. To the best of Concordia's knowledge and belief, the dealers and the customers named in the contracts are solvent.

4. Section 4.2 of the Agreement shall be deleted in its entirety.

5. Section 7, including subsections 7.1, 7.2 and 7.3 of the Agreement shall be deleted in its entirety.

6. Section 11.1 (d) of the Agreement shall be deleted in its entirety.

7. Section 11.1 (e) of the Agreement shall be deleted in its entirety.

8. Section 11.2(d) of the Agreement shall be deleted in its entirety.

9. Section 11.2(e) of the Agreement shall be deleted in its entirety and the following inserted instead: Assign or transfer the Contracts to Investor or a third party directed by Investor.

10. Except as amended by this Second Amendment and the previous

Amendment to Sale of Contracts and Servicing Agreement, the terms and conditions of the original Agreement as amended shall remain in full force and effect.

11. By execution of this Second Amendment, Frank & Joyce Nevaril hereby releases Concordia, its officers, directors, agents and employees, from any and all liability under the original Agreement except as herein amended.

12. Neither this Second Amendment nor the previous Amendment nor the underlying Agreement may be orally changed or amended. Any further changes shall be effective only upon the execution of a written agreement signed by the parties hereto.

CONCORDIA FINANCING CO. LTD,
a California Corporation

By: _____
Christopher Crowder
President

INVESTOR

By: Joyce Nevaril TEE
Frank & Joyce Nevaril
Joyce Nevaril TTEE

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AMENDMENT TO SALE OF CONTRACTS AND SERVICING AGREEMENT

Effective February 1, 2009, the Sale of Contracts and Servicing Agreement, previously executed on August 20, 1998 by and between Frank and Joyce Nevaril and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

RECITALS

A. WHEREAS on or about August 20, 1998 Frank and Joyce Nevaril and Concordia entered into the Sale of Contracts and Servicing Agreement where under, among other things, Concordia was to make certain monthly payments; and

B. WHEREAS Concordia has, as a matter of practice, been paying Frank and Joyce Nevaril monthly an amount equal to a 1% percent return (12% per annum simple interest) on the total "purchase price" as that term is defined;

C. WHEREAS due to current economic conditions, it is no longer practicable for Concordia to continue making the interest payments without jeopardizing its ability to remain a going concern; and

D. WHEREAS Frank and Joyce Nevaril desires to continue to receive regular monthly payments;

NOW, THEREFORE, the parties hereto agree as follows:

AGREEMENT

1. Paragraphs 6. 2 and 6.3 of the Sale of Contracts and Servicing Agreement are deleted.

2. In place thereon, Concordia will continue to pay to Frank and Joyce Nevaril monthly payments in an amount equal to the interest payments Concordia has

been making to Frank and Joyce Nevaril. These monthly payments shall, however constitute, and be characterized as, a repayment of the principal of the purchase price as that term is defined in the Sale of Contracts and Servicing Agreement .

3. Except as amended by this Agreement, the terms and conditions of the Sale of Contract and Servicing Agreement shall remain in full force and effect.

4. Neither this Amendment nor the underlying Sale of Contract and Servicing Agreement may be orally changed or amended. Any changes shall be effective only upon the execution of a written agreement by the parties hereto.

CONCORDIA FINANCING CO. LTD,
a California Corporation

By: _____
Christopher Crowder
President & COO

INVESTOR

By: Joyce Nevaril TTEE
Frank and Joyce Nevaril

Nevaril

(MAKE A COPY OF EACH CHECK AND PLACE IN THIS FILE)

INVESTMENT FLOW

DATE OF ACTION	AMOUNT	ACCOUNT ACTION
08/21/98	$50,000.00	Initial Investment
12/31/98	$25,000.00	added investment
01/06/99	$25,000.00	added investment

TOTAL: $100,000.00

FRANK NEVARIL
JOYCE NEVARIL
[redacted] AZ [redacted]

91-2/1221 271 6398

DATE Jan 6, 99

PAY TO THE ORDER OF Concordia Finance $25,000.00

Twenty five thousand and no/100 DOLLARS

BANK ONE.
Bank One, Arizona, NA
Mohave Valley Office (271)
Mohave Valley, Arizona

MEMO

Joyce Nevaril

⑆122100024⑆ 6398 ⑈0683⑈ 4168⑈

ONTARIO, CA 91764

INLAND COMMUNITY BANK N.A.
MAIN BRANCH
851 W. FOOTHILL BLVD. • RIALTO, CA 92376

DATE 01/6/99	DOLLARS	CENTS
COIN	Ø	
CURRENCY		
CHECKS (List each separately) 1 91-2	25000	00
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TOTAL FROM OTHER SIDE		
PLEASE RE-ENTER TOTAL HERE	25000	00

DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL. A HOLD FOR UNCOLLECTED FUNDS MAY BE PLACED ON FUNDS DEPOSITED BY CHECK OR SIMILAR INSTRUMENTS. THIS COULD DELAY YOUR ABILITY TO WITHDRAW SUCH FUNDS. THE DELAY, IF ANY, WOULD NOT EXCEED THE PERIOD OF TIME PERMITTED BY LAW.

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$ 25000 00

⑆122241831⑆ 001⑈109280⑈ 009

FRANK NEVARIL
JOYCE NEVARIL
[redacted]
[redacted] AZ [redacted]

91-2/1221 271 6300

DATE Aug 21, 1998

PAY TO THE ORDER OF Concordia Finance $ 50,000.00

Fifty Thousand and no/100 DOLLARS

BANK ONE.
Bank One, Arizona, NA
Mohave Valley Office (271)
Mohave Valley, Arizona

MEMO

Joyce Nevaril

⑆122100024⑆ 6300⑈0683⑈4888⑈

DEPOSIT TICKET

CONCORDIA FINANCE
2920 INLAND EMPIRE BLVD., STE 103
ONTARIO, CA 91764

INLAND COMMUNITY BANK N.A.
MAIN BRANCH
851 W. FOOTHILL BLVD. • RIALTO, CA 92376

DATE 8-25-98	DOLLARS	CENTS
COIN	0	
CURRENCY		
CHECKS (List each separately) 1 91-2	50000	00
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TOTAL FROM OTHER SIDE		
PLEASE RE-ENTER TOTAL HERE	50000	00

DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL. A HOLD FOR UNCOLLECTED FUNDS MAY BE PLACED ON FUNDS DEPOSITED BY CHECK OR SIMILAR INSTRUMENTS. THIS COULD DELAY YOUR ABILITY TO WITHDRAW SUCH FUNDS. THE DELAY, IF

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$ 50 000 00

⑆122241831⑆ 001⑈109280⑈ 009

CONCORDIA FINANCING CO., LTD.

Sale of Contracts and Servicing Agreement

This Sale of Contracts and Servicing Agreement ("Agreement") is entered into to be effective as of August 20, 1998 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and Frank and Joyce Nevaril, a husband and wife ("Investor") hereinafter collectively referred to as "the parties."

RECITALS

A. Concordia desires to obtain short term financing by factoring, selling and assigning to Investor certain truck (tractor and/or trailer) conditional sales contracts, and Concordia is willing to service such contracts for Investor.

B. Investor desires to purchase conditional sales contracts from Concordia on the terms and conditions stated herein, including but not limited to the mutual condition that Concordia service such contracts.

THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS

1.1 "Contracts" means those certain truck (tractor and/or trailer) conditional sales contracts listed in Exhibit A attached hereto, including all Substitute Contracts.

1.2 "Contract Default" means any of the following: a Customer fails to provide the insurance required by the Contract for a vehicle within 30 days after notice of the requirement to do so; a Customer fails to make three (3) consecutive monthly payments under the Contract; a Customer files any form of bankruptcy proceeding, or such proceeding is filed against a customer; a repossession is ordered for a vehicle under a Contract; or an insurance claim is made with respect to a vehicle under a Contract for repairs in excess of 25% of the value of the vehicle; or a Customer Dispute.

1.3 "Credit Problem" means the Customer is unable to pay trade debts due to insolvency and/or the filing of a Petition in Bankruptcy.

1.4 "Custodian" means E R Financial and Advisory Services, who shall hold the originally executed Contracts, with transferable title documents, pursuant to the terms of the Agreement.

1.5 "Customer" means the account debtor under a Contract.

1.6 "Customer Dispute" means any claim by Customer against Concordia, of any kind whatsoever, valid or invalid, that reduces the amount collectible from Customer by Investor.

1.7 "Dealer" means an existing licensed truck dealer who is named as the payee under a Contract and who has sold the Contract, at a discount, to Concordia.

1.8 "Default" shall have the meaning set forth in Section 11 hereof.

1.9 "Purchase Price" shall have the meaning set forth in Section 2 hereof.

1.10 "Substitute Contract" means a Contract having no known Contract Default which is delivered to the Custodian for transfer to Investor for the purpose of Investor replacing an existing Contract having an equal or lesser principal balance for which a Contract Default has occurred.

2. SALE OF CONTRACTS

Concordia hereby sells, assigns and transfers to Investor those Contracts described in Exhibit A, which the parties agree have an aggregate unpaid principal amount of $ 48,094.55 as of the date hereof, for a purchase price of $ 48,094.55 (the "Purchase Price"). An additional amount of $1,905.45 is held for investment.

3. WARRANTIES

As an inducement for Investor to enter into this Agreement, and with full knowledge that the truth and accuracy of the warranties in this Agreement are being relied upon by Investor, Concordia warrants and covenants that:

3.1 Concordia's business is solvent, and to the best knowledge of Concordia, without any duty to investigate, the Dealers and the Customers named in the Contracts are solvent.

3.2 Concordia is the lawful owner of, and has good and undisputed title to, the Contracts.

3.3 Each Contract offered for sale to Investor is an accurate and undisputed statement of indebtedness by Customer for a sum certain of which is due and payable in

accordance with the terms of such Contract, and, to the best knowledge of Concordia, is not subject to any defenses which would preclude payment by the Customer in accordance with the terms of the Contract.

3.4 To the best knowledge of Concordia, each Contract offered for sale to Investor is an accurate statement of a bonafide sale, deliver and acceptance of merchandise or performance of service by Dealer to Customer.

3.5 Concordia does not own, control or exercise dominion over, in any part or way whatsoever, the business of any Dealer having Contracts which are factored by Concordia to Investor under this Agreement.

3.6 Prior to purchasing a Contract from any Dealer, Concordia conducts a credit check of the Customer to determine the payment risk. The Contracts represent commercial sales, which means that the underlying vehicles will be used for business purposes and that the sales and the Contracts are governed by the California Commercial Code or the Commercial Code of the applicable state where the Dealer is located.

3.7 Within ten (10) business days after Concordia receives knowledge of any Contract Default, Concordia shall transfer and assign a Substitute Contract to Investor to replace the Contract having a Contract Default, by delivering such originally executed Substitute Contract to the Custodian with executed title transfer documents, and, within 2 business days after receipt of such Substitute Contract and related documents, the Custodian shall place the Contract having the Contract Default in the U.S. mail for return to Concordia.

4. CUSTODIAN; DEFAULT

4.1 Upon execution of this Agreement, the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the assignment and transfer of the Contracts and title to the vehicles to Investor, shall be delivered by Concordia to the Custodian with a copy of this Agreement. The Custodian shall hold the Contracts for the benefit of Concordia and Investor. Contracts shall from time to time be released by the Custodian to Concordia, upon receipt of Concordia's written representation, a copy of which shall be mailed to Investor by Concordia as part of the monthly report required by Section 6.2 hereof, that the Contract to be released either (a) has been paid in full and must be returned to the Customer, or (b) has incurred a Contract Default and is to be concurrently replaced with a substitute Contract.

4.2 Upon any Default under this Agreement by Concordia, Investor shall concurrently notify Concordia and the Custodian of the Default, describing the Default specifically and in detail, and providing Concordia thirty (30) days from the date such written notice is received by Concordia to cure such Default. If Concordia fails to cure such Default within such 30-day cure period, Investor may, at its option, unilaterally instruct the Custodian to release to Investor the originally executed Contracts and all executed assignments then in the

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possession of the Custodian. Upon receipt of such originally executed Contracts and executed assignments, Investor may, at his option, and in addition to all other remedies available to Investor, file the title instruments and effect the legal transfer of title to Investor.

4.3 Assuming no Default by Concordia under this Agreement, the Custodian shall continue to hold the originally executed Contracts and all executed assignments of title until the earlier of (a) receipt of written instructions signed by both Concordia and Investor providing for the disposition of such Contracts and assignments, (b) the payment in full, and release of all the Contracts to Concordia for return to the Customers.

5. FUNDING

Concurrently with the execution of this Agreement by the parties, and the delivery of the originally executed Contracts and executed title transfer documents by Concordia to the Custodian, Investor shall wire or deliver to Concordia funds in the full amount of the Purchase Price.

6. SERVICING AGREEMENT

6.1 Investor hereby engages and hires Concordia as its servicing agent for all servicing matters related to the Contracts, including but not limited to sending monthly invoices to Customers for payment, the collection of payments, correspondence and telephone communication with any Customer in default, imposition and collection of late payment fees and NSF check charges, initiation at Concordia's sole discretion of all collection decisions, actions and activities, including repossession, retention of attorneys or collection agents, making repairs to damaged vehicles, reselling repossessed vehicles and all other matters and decisions relating to the Contracts and the vehicles covered by the Contracts, as if in all respects Concordia remained the owner of the Contracts and had sole authority with respect to the collection and disposition of the Contracts.

6.2 As part of its responsibility as servicing agent for the Contracts, Concordia shall send monthly reports to Investor, together with Concordia's check for payment of funds then due to Investor from collected funds received by Concordia. The monthly servicing reports will report, for each Contract, the principal collected, the principal balance, and the interest due to Investor.

6.3 As its fee for servicing each Contract, Concordia shall be entitled to retain, during the entire term of the Contract, (a) all late payment fees, (b) all NSF charges, and (c) all interest and other fees or charges in excess of that amount required to pay Investor a 1% per month return (12% per annum, simple interest) on the then existing principal balance due under the Contracts. Subject only to a Default under this Agreement by Concordia, and Concordia's failure to cure such Default within thirty (30) days after receipt of written notice from Investor describing such default in detail, the appointment of Concordia as the servicing agent for the Contracts under this Agreement is irrevocable and can be modified only with the prior written

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consent of Concordia, which consent may be withheld by Concordia for any reason whatsoever without regard to any standard of reasonableness.

7. SUBSEQUENT SALE OF CONTRACTS BY INVESTOR

7.1 Any attempt by Investor to sell, transfer or assign Investor's interest in any or all of the Contracts shall be void ab initio, unless prior to such sale, transfer or assignment (a) Investor first offers such Contracts to Concordia for purchase for 95% of the then existing principal balance due under the Contracts, and (b) Concordia fails to purchase such Contracts within ninety (90) days after receipt of written notice from Investor of Investor's intention to sell the Contracts, which notice shall specifically reference this Section 7 and describe the Contracts which Investor intends to sell, the identity, address and telephone number of the prospective purchaser (the "Prospective Purchaser") and the terms of the proposed sale.

7.2 If Concordia elects to purchase the Contracts from Investor under Section 7.1, nothing contained herein shall preclude or prohibit the subsequent or concurrent sale by Concordia of the Contracts to the Prospective Purchaser, and in the event of such sale Concordia shall be entitled to retain any profit upon sale without any obligation to Investor.

7.3 If Concordia elects not to purchase the Contracts from Investor under Section 7.1, and Investor subsequently sells the Contracts to the Prospective Purchaser, then the Prospective Purchaser shall be bound by the terms of this Agreement, including but not limited to the servicing provisions of Section 6 hereof.

8. INVESTOR ACKNOWLEDGMENTS

Investor hereby acknowledges that the Contracts, if compared to other contracts which were rated under industry standards from "A" to "D", with "A" being high quality with financially strong Customers and/or considerable excess value in the vehicles subject to the Contracts; and "D" being low quality with substantially weaker Customers and much less protection in the value of the vehicles, the Contracts would probably be considered "C" or "D" grade. For that reason, delinquent Contracts will not be unusual and there may be a large number of Substitute Contracts. Investor further acknowledges the importance of utilizing an experienced servicing agent for such Contracts and for that reason specifically agrees that (a) the requirement under this Agreement that Concordia be retained as the servicing agent during the entire term of the Contracts is a material condition to Concordia's willingness to enter this Agreement, and (b) the servicing fees to be paid to Concordia hereunder are fair and reasonable.

9. ARBITRATION

At the election of either party, any controversy, claim or dispute of any kind or nature, arising out of or relating to this Agreement, or breach hereof, shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and any judgment awarded or rendered by the arbitrator(s), may be entered in any

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court having jurisdiction hereof. All costs of arbitration, together with any legal, court, investigation, accounting, shall be paid by the losing party.

10. TERM AND TERMINATION

10. Term. This Agreement shall continue in effect until the earlier of (a) the mutual agreement of the parties to terminate the Agreement, as evidenced in a writing signed by both parties or (b) the payment in full of all the Contracts.

10.2 Termination Upon Default. Notwithstanding the foregoing, upon the occurrence of any Default by either party, and the defaulting party's failure to cure such Default within thirty (30) days after receipt of written notice from the non-defaulting party describing the Default in detail, then upon the election of the non-defaulting party and upon effective written notice to the defaulting party, this Agreement shall terminate.

11. DEFAULT AND REMEDIES

11.1 Default. Any one or more of the following shall constitute a default of this Agreement ("Default"):

(a) Either party fails to pay any amount to the other party when due;

(b) Either party breaches any term, provision, covenant, warranty or representation under this Agreement, any amendment hereto, or any other agreements or contracts between the parties;

(c) A receiver or trustee is appointed for any or all of the assets of either party;

(d) Either party becomes insolvent, ceases business operations, or is unable to pay debts as they mature, makes a general assignment for the benefit of creditors or voluntarily files under bankruptcy or similar law(s);

(e) Any involuntary petition in bankruptcy is filed against either party and is not dismissed within 60 days;

(f) Any levies of attachment, executions, tax assessment or similar process is issued against either party and is not released within thirty (30) days thereof; and/or

(g) Any document, statement, writing, warranty, representation, report, certificate, financial statement made or delivered by either party to the other is incorrect, false, untrue or misleading in any material respect whatever.

11.2 Remedies After Default. In the event of any Default by Concordia has not been cured within 30 days after notice of such Default is received by Concordia, which notice to be effective must specifically describe the default, Investor may do any one or more of the following:

(a) Notify the Custodian to release all the originally executed Contracts and title transfer instruments to Investor.

(b) Directly notify any Customers and effect collections of Contracts and collect such Contracts, without payment of any further servicing fee to Concordia.

(c) Request Concordia to assemble the Contracts and all records pertaining to the Contracts and deliver them to Investor.

(d) Subject to subparagraph (e) below, exercise any other rights and/or remedies available to Investor under law or equity.

(e) Assign, transfer or sell the Contracts to a third party, but only after complying with Section 7 hereof, which shall survive any termination of the Agreement and any Default by Concordia.

11.3 Cumulative Rights. All rights, remedies and powers granted to the parties in this Agreement, or in any other agreement given by one party to the other, are cumulative and may be exercised singularly or concurrently with such other rights as the parties may have.

12. MISCELLANEOUS

12.1 Power of Attorney. In order to carry out the servicing requirements of this Agreement, Investor grants to Concordia an irrevocable power of attorney, coupled with an interest, authorizing and permitting Concordia (acting through any of its employees, attorneys or agents) at any time, at Concordia's option, with or without notice to Investor, to do any or all of the following in Investor's name or otherwise, its special attorney in fact, or agent, with power to:

(a) insert Concordia's remittance address on all Contracts purchased by Investor and being collected by Concordia;

(b) receive, open and dispose of all mail addressed to Investor from any Customer;

(c) endorse the name of Investor, or Investor's fictitious trade name, on any checks or other evidences of payment that may come into the possession of Concordia on Contracts purchased by Investor or pursuant to default on any other documents relating to

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any of the Contracts, and including but not limited to, amendments, notices to customers and any other documents necessary to carry out the purposes of this Agreement;

(d) in Concordia's name, as servicing agent for Investor, or otherwise, demand, sue for, collect, and give releases for any and all monies due or to become due on Contracts;

(e) compromise, prosecute, or defend any action, claim or proceeding as to said Contracts;

(f) from time to time offer a trade discount to a Customer exclusive of Concordia's normal business practice with said customer; and

(g) to do any and all things Concordia deems necessary and proper to carry out the purpose(s) of this Agreement.

12.2 Hold Harmless. Concordia agrees to indemnify and hold Investor harmless against any and all claims, losses, expenses, costs, obligations, liabilities, and attorneys' fees Investor may incur by reason of (i) Concordia's breach of or failure to perform any of its warranties, guarantees, commitments, or covenants in this Agreement; or (ii) Concordia's collecting or attempting to collect any Contracts.

12.3 Binding on Future Parties. This Agreement inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties.

12.4 Written Waiver. A party may not waive its rights and remedies unless the waiver is in writing and signed by that party. A waiver of a party of any right or remedy under this Agreement on one occasion is not a waiver of any other right on that occasion, nor the waiver of that or any other right on any subsequent occasion.

12.5 Legal Fees. The prevailing party shall be entitled to receive all attorney's fees, costs and/or expenses ("Legal Fees") incurred by such party in enforcing this Agreement and any documents prepared in connection herewith, and/or protecting, preserving or enforcing any right granted under this Agreement, whether or not suit is brought. In any lawsuit, arbitration or other proceeding, including any and all appeals therefrom, the prevailing party shall be entitled to recover its Legal Fees wherever applicable.

12.6 California Law. This Agreement shall be governed by and construed both as to validity and performance and enforced in accordance with the laws of the State of California, without giving effect to the choice of law principles thereof.

12.7 Invalid Provisions. If any provision(s) of this Agreement shall be declared illegal, contrary to law or policy, or otherwise unenforceable, it is agreed that such provision

shall be disregarded and that all other provisions of this Agreement shall remain in full force and effect as though such provision(s) had not been incorporated herein.

12.8 Entire Agreement. This Agreement, and any exhibits and schedules attached hereto, constitutes the entire agreement of the parties and supersedes all other prior agreements, understandings, representations and warranties, whether written or oral. This Agreement may be amended only by written agreement executed by the parties.

12.9 Notice. All notices, requests, demands, and other communications (collectively Notices) given or made pursuant to this Agreement shall be given if sent by telex, telecopy, fax, first class mail or by registered or certified mail, return receipt requested, postage and fees prepaid, or equivalent private messenger/delivery service offering signature acknowledgement by recipient (Fedex, UPS, etc.), or by personal delivery, to the address listed below, new addresses provided by the parties, or wherever located:

If to Concordia: Concordia Financing Co., Ltd.
[redacted]
[redacted], California [redacted]
Fax: [redacted]
ATTN: Ken Crowder

If to Investor: Frank or Joyce Nevaril
[redacted]
[redacted], AZ [redacted]

12.10 Waiver of Jury Trial. FN KC *(Initial)* BOTH INVESTOR AND CONCORDIA ACKNOWLEDGE THE EXTREME COST ATTENDANT TO TRIAL BY JURY, AND THEREFORE BOTH CLIENT AND CONCORDIA WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING OR TRANSACTION RELATING TO THIS AGREEMENT OR ANY AGREEMENT(S) RELATED HERETO.

Executed this 20th day of August 1998, at Ontario, California.

Concordia: Concordia Financing Co., Ltd.
a California corporation

By: K. H. Crowder
Kenneth Crowder
President

Investor: Frank Nevaril
Joyce Nevaril

Exhibit A:

List of Contracts

Name of Customer	Dealer	Principal Amount As of _____, 19__

Total: $_____

CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of August 20, 1998 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), Frank and Joyce Nevaril, a husband and wife ("Investor"), and E R Financial and Advisory Service, an Arizona company ("Custodian"), collectively referred to herein as "the parties".

RECITALS

A. Concordia and Investor have entered into a Sale of Contracts and Servicing Agreement dated August 20, 1998 (the "Sale"). Concordia is selling certain Contracts to Investor and servicing such Contracts for the benefit of both Investor and Concordia. All terms used herein shall have the meanings set forth in the Sale Agreement. A true and exact copy of the Sale Agreement has been delivered to Custodian, and all the terms and provisions of the Sale Agreement are incorporated herein by this reference.

B. The Sale Contract requires the appointment of a custodian to hold the originally executed Contracts and title documents.

C. Concordia and Investor wish to appoint Custodian as the custodian under the Sale Contract, and Custodian is willing to serve in such capacity under the terms of this Agreement.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, including the mutual covenants herein contained, the parties hereto agree as follows:

1. Appointment of Custodian. The parties hereby appoint Custodian as the custodian described in the Sale Contract, and Custodian hereby accepts such appointment.

2. Delivery of Documents to Custodian. Concurrent with the execution of this Agreement, Concordia shall transfer to Custodian the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the arrangement and transfer of the Contracts and title to the vehicles to Investor. All Substitute Contracts delivered by Concordia to Custodian shall also be originally executed and shall be accompanied by evidences of title and separate assignments as provided herein for the Contracts.

3. Holding Period. Custodian shall hold the Contracts and related documents for the benefit of Concordia and Investor, for the period described in Section 4.3 of the Sale Agreement.

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BERSCH

4. Rights, Duties and Responsibilities of Custodian. It is understood and agreed that the duties of the Custodian are purely administrative in nature, and that:

4.1 Custodian's responsibilities shall be limited to those described in Sections 3.7 and 4 of the Sale Agreement.

4.2 Custodian shall not be responsible for the performance by Concordia or Investor of any of their respective obligations under this Agreement or under the sale Agreement.

4.3 Custodian shall be under no duty or responsibility to determine the accuracy or validity of any Contracts or other documents delivered to Custodian. Custodian shall be entitled to rely upon the accuracy, act in reliance upon the contents, and assume the genuineness of, any notice, instruction, certificate, signature, instrument or other document which is given to Custodian pursuant to this Agreement or the Sale Agreement without the necessity of Custodian verifying the truth or accuracy thereof. Custodian shall not be obligated to make any inquiry as to the authority, capacity, existence or identity of any person purporting to give any such notice or instructions or to execute any such certificate, instrument or other document.

4.4 Custodian shall not be liable for any action taken or omitted hereunder, or for the misconduct of any employee, agent or attorney appointed by it, except in the case of Custodian's willful misconduct or negligence.

5. Amendment, Resignation, Interpleader.

5.1 This Agreement may be altered or amended only with the written consent of all the parties hereto. Custodian may resign for any reason upon thirty (30) days' written notice to both Concordia and Investor. Should Custodian resign as herein provided, after the effective date of such resignation he shall not be required to accept any additional documents but his only duty shall be to hold the documents in its possession for a period of not more than five (5) business days following the effective date of such resignation, at which time (a) if a successor custodian shall have been appointed by Concordia and Investor and written notice thereof (including the name and address of such successor custodian) shall have been given to the resigning Custodian by Concordia and Investor the Issuer and such successor custodian, then the resigning Custodian shall deliver the documents in his possession to the successor custodian, or (b) if the resigning custodian shall not have received written notice signed by Concordia and Investor custodian and a successor then the resigning Custodian shall promptly deliver all the documents in his possession back to Concordia, and the resigning Custodian shall notify Investor in writing of his transfer of such documents, whereupon, in either case, Custodian shall be relieved of all further obligations and released from all liability under this Agreement. Without limiting the provisions of Section 6 hereof, the resigning Custodian shall be entitled to be reimbursed by Concordia for any expenses incurred in connection with his resignation, and transfer of the custodial documents to a successor custodian pursuant to this Section 5.1.

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5.2 Should the parties not designate a successor custodian within 30 days of the Customer's resignation, or should any dispute arise with respect to the custodial documents, this Agreement or the Sale Agreement, Custodian may deposit the custodial documents with a court of competent jurisdiction and interplead such dispute and the parties will hold Custodian harmless and indemnify him against all consequences and expenses which may be incurred, including Custodian's reasonable attorneys' fees.

6. Fees and Expenses. Concordia shall pay Custodian a fee for his services in the amount of 0.25% per month of the principal balance, payable monthly.

7. Indemnification and Contribution.

7.1 Notwithstanding the provisions of paragraph 6, Concordia agrees to indemnify Custodian and his or its officers, directors, employees, agents and shareholders (jointly and severally the "Indemnitees") and Concordia agrees to hold them harmless from, any and all loss, liability, cost, damage and expense, including, without limitation, reasonable counsel fees, which the Indemnitees may suffer or incur by reason of any action, claim or proceeding brought or threatened against the Indemnitees arising out of or relating in any way to this Agreement or any transaction to which this Agreement relates, unless such action, claim or proceeding is the result of the willful misconduct or negligence of the Indemnitees.

7.2 The provisions of this Section 7 shall survive any termination of this Agreement, whether by transfer of the custodial documents, resignation of Custodian or otherwise.

IN WITNESS WHEREOF, the undersigned have executed this Agreement to be effective as of the day and year first above written.

Concordia: Concordia Financing Co., Ltd.
a California corporation

Kenneth Crowder
President

Investor: Frank Nevarid
Joyce Nevarid

Custodian: ER Financial and Advisory Service

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920-4879

SECOND AMENDMENT TO SALE OF CONTRACTS AND SERVICING AGREEMENT

Effective as of *December 1, 2011,* the Sale of Contracts and Servicing Agreement ("Agreement") executed on *April 1, 2008,* by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Theresa & Steven Patricola* is hereby amended in the following respects:

RECITALS

A. WHEREAS on or about *April 1, 2008,* Concordia and *Theresa & Steven Patricola* entered into a Sale of Contracts and Servicing Agreement, a copy of which is attached hereto as Exhibit "A"; and

B. WHEREAS effective February 1, 2009, the parties entered into an Amendment of the Sale of Contracts and Servicing a copy of which Amendment is attached hereto as Exhibit "B"; and

C. WHEREAS Concordia has suffered financial reverses and is insolvent and cannot repay the full amount *Theresa & Steven Patricola 's* investment balance. *Theresa & Steven Patricola* is familiar with Concordia's financial conditions and has determined any attempt to collect the full amount of the investment balance would be a useless act which would produce nothing and it would be spending good money to no positive end.

NOW, THEREFORE, the parties hereto agree as follows:

AGREEMENT

1. Because of Concordia's financial condition where its total liabilities significantly exceed the fair market value of its total assets, 55% of the investment

balance as of February 1, 2009, is hereby cancelled as a bad debt as there is no reasonable possibility that any enforced collection efforts will result in the cancelled amount of the Agreement being covered. Accordingly, the investment amount under the Agreement shall be reduced from *$107,599.32 to $25,099.32.*

2. Section 1.4 of the Agreement shall be deleted in its entirety and the following language inserted instead: "Custodian" means ER Financial or Concordia at the election of *Theresa & Steven Patricola* . In the event that *Theresa & Steven Patricola* fails to elect the custodian, Concordia will be the Custodian.

3. Section 3.1 of the Agreement shall be deleted in its entirety and the following inserted instead: Concordia is insolvent and even though it may have sufficient financial liquidity over the next year to make payments to investors, it will continue to be or characterized as insolvent. To the best of Concordia's knowledge and belief, the dealers and the customers named in the contracts are solvent.

4. Section 4.2 of the Agreement shall be deleted in its entirety.

5. Section 7, including subsections 7.1, 7.2 and 7.3 of the Agreement shall be deleted in its entirety.

6. Section 11.1 (d) of the Agreement shall be deleted in its entirety.

7. Section 11.1 (e) of the Agreement shall be deleted in its entirety.

8. Section 11.2(d) of the Agreement shall be deleted in its entirety.

9. Section 11.2(e) of the Agreement shall be deleted in its entirety and the following inserted instead: Assign or transfer the Contracts to Investor or a third party directed by Investor.

10. Except as amended by this Second Amendment and the previous Amendment to Sale of Contracts and Servicing Agreement, the terms and conditions of the original Agreement as amended shall remain in full force and effect.

11. By execution of this Second Amendment, Theresa & Steven Patricola hereby releases Concordia, its officers, directors, agents and employees, from any and all liability under the original Agreement except as herein amended.

12. Neither this Second Amendment nor the previous Amendment nor the underlying Agreement may be orally changed or amended. Any further changes shall be effective only upon the execution of a written agreement signed by the parties hereto.

CONCORDIA FINANCING CO. LTD,
a California Corporation

By: _____
Christopher Crowder
President

INVESTOR

By: _____
Theresa & Steven Patricola

RECEIVED 2012

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Effective as of *December 1, 2011*, the Sale of Contracts and Servicing Agreement ("Agreement") executed on *April 1, 2008*, by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Theresa & Steven Patricola* is hereby amended in the following respects:

RECITALS

A. WHEREAS on or about *April 1, 2008*, Concordia and *Theresa & Steven Patricola* entered into a Sale of Contracts and Servicing Agreement, a copy of which is attached hereto as Exhibit "A"; and

B. WHEREAS effective February 1, 2009, the parties entered into an Amendment of the Sale of Contracts and Servicing a copy of which Amendment is attached hereto as Exhibit "B"; and

C. WHEREAS Concordia has suffered financial reverses and is insolvent and cannot repay the full amount *Theresa & Steven Patricola 's* investment balance. *Theresa & Steven Patricola* is familiar with Concordia's financial conditions and has determined any attempt to collect the full amount of the investment balance would be a useless act which would produce nothing and it would be spending good money to no positive end.

NOW, THEREFORE, the parties hereto agree as follows:

AGREEMENT

1. Because of Concordia's financial condition where its total liabilities significantly exceed the fair market value of its total assets, 55% of the investment

amount of the Agreement being covered. Accordingly, the investment amount under the Agreement shall be reduced from *$107,599.32 to $25,099.32.*

2. Section 1.4 of the Agreement shall be deleted in its entirety and the following language inserted instead: "Custodian" means ER Financial or Concordia at the election of *Theresa & Steven Patricola* . In the event that *Theresa & Steven Patricola* fails to elect the custodian, Concordia will be the Custodian.

3. Section 3.1 of the Agreement shall be deleted in its entirety and the following inserted instead: Concordia is insolvent and even though it may have sufficient financial liquidity over the next year to make payments to investors, it will continue to be or characterized as insolvent. To the best of Concordia's knowledge and belief, the dealers and the customers named in the contracts are solvent.

4. Section 4.2 of the Agreement shall be deleted in its entirety.

5. Section 7, including subsections 7.1, 7.2 and 7.3 of the Agreement shall be deleted in its entirety.

6. Section 11.1 (d) of the Agreement shall be deleted in its entirety.

7. Section 11.1 (e) of the Agreement shall be deleted in its entirety.

8. Section 11.2(d) of the Agreement shall be deleted in its entirety.

9. Section 11.2(e) of the Agreement shall be deleted in its entirety and the following inserted instead: Assign or transfer the Contracts to Investor or a third party directed by Investor.

the original Agreement as amended shall remain in full force and effect.

11. By execution of this Second Amendment, Theresa & Steven Patricola hereby releases Concordia, its officers, directors, agents and employees, from any and all liability under the original Agreement except as herein amended.

12. Neither this Second Amendment nor the previous Amendment nor the underlying Agreement may be orally changed or amended. Any further changes shall be effective only upon the execution of a written agreement signed by the parties hereto.

CONCORDIA FINANCING CO. LTD,
a California Corporation

By: _____
Christopher Crowder
President

INVESTOR

By: _____
Theresa & Steven Patricola

920-004879

AMENDMENT TO SALE OF CONTRACTS AND SERVICING AGREEMENT

Effective February 1, 2009, the Sale of Contracts and Servicing Agreement, previously executed on April 1, 2008 by and between Theresa Patricola & Steven Patricola and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

RECITALS

A. WHEREAS on or about April 1, 2008 Theresa Patricola & Steven Patricola and Concordia entered into the Sale of Contracts and Servicing Agreement where under, among other things, Concordia was to make certain monthly payments; and

B. WHEREAS Concordia has, as a matter of practice, been paying Theresa Patricola & Steven Patricola monthly an amount equal to a 0.833% percent return (10% per annum simple interest) on the total "purchase price" as that term is defined;

C. WHEREAS due to current economic conditions, it is no longer practicable for Concordia to continue making the interest payments without jeopardizing its ability to remain a going concern; and

D. WHEREAS Theresa Patricola & Steven Patricola desires to continue to receive regular monthly payments;

NOW, THEREFORE, the parties hereto agree as follows:

AGREEMENT

1. Paragraphs 6. 2 and 6.3 of the Sale of Contracts and Servicing Agreement are deleted.

2. In place thereon, Concordia will continue to pay to Theresa Patricola & Steven Patricola monthly payments in an amount equal to the interest payments

Concordia has been making to Theresa Patricola & Steven Patricola. These monthly payments shall, however constitute, and be characterized as, a repayment of the principal of the purchase price as that term is defined in the Sale of Contracts and Servicing Agreement.

3. Except as amended by this Agreement, the terms and conditions of the Sale of Contract and Servicing Agreement shall remain in full force and effect.

4. Neither this Amendment nor the underlying Sale of Contract and Servicing Agreement may be orally changed or amended. Any changes shall be effective only upon the execution of a written agreement by the parties hereto.

CONCORDIA FINANCING CO. LTD,
a California Corporation

By: _____
Christopher Crowder
President & COO

INVESTOR

By: _____
Theresa Patricola

By: _____
Steven Patricola

LUPE LIC# 1500 0001 - CONCORDIA FINANCE (C) 2008 MEGASYS
FA.CME1 Cust Maint
PORT 0248 WE 01 CONCORDIA FINANCE 09/10/2008 09/10/2008

Class/Account :920-004879 Active COLLATERAL - CHECK Change
Customer :PATRICOLA, THERESA &
Thrift Customer
Customer Number: 4879

2. Name :PATRICOLA, THERESA & STEVEN
3. Salutation :
4. Title :
5. House Number :711
6. Street Name :PASEO GRANADA
7. Supp. Address :
8. City :LAKE HAVASU CITY
9. State Code :AZ
10. Zip Code :86406
11. Country :
12. Home Phone :
13. Work Phone :
14. Cell Phone :
15. Pager Number :
16. Fax Number :
17. Soc. Sec. No. :999-99-9999
18. Birth Date : / /
Age:
19. Drivers License:
20. Language Code :
21. Home Branch :
Statement Group:
23. Remark Code 1 :
24. Remark Code 2 :
25. Remark Code 3 :

CHANGES AT ITEM #:

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BERSCH

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:

Theresa & Steven Patricola
[redacted]
[redacted] Az [redacted]

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X [signature] ☐ Agent ☐ Addressee

B. Received by (Printed Name) T Patricola
C. Date of Delivery 3/9/09

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) 7008 1300 0000 5942 2186

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

7008 1300 0000 5942 2186

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

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

Postage	$ 5.32
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$ 5.32

Postmark Here

920-4879

Sent To Patricola, Theresa & Steven
Street, Apt. No. or PO Box No. [redacted]
City, State [redacted] AZ [redacted]

ACC012173
BERSCH

Bank of America Advantage®

1011

THERESA F. PATRICOLA
[redacted]
[redacted], AZ [redacted]

Date 4-2-08

55-33/212 NJ
92413

Pay to the order of Concoglia $25,000

Twenty-five thousand Dollars

Bank of America

ACH R/T 021200339

Memo

Theresa Patricola

⑆021200339⑆ 0095170113 28⑈1011

ACC012174
BERSCH

DANTE MICHAEL PATRICOLA, MINOR 08-05 91-2 1221 86 105
THERESA PATRICOLA, CUSTODIAN
700828759
[redacted] AZ [redacted]

DATE 4-2-08

PAY TO THE ORDER OF Concordia $ 75,000

Seventy-five thousand DOLLARS

BANK ONE. PremierOne

JPMorgan Chase Bank, N.A.
Phoenix, Arizona 85073

MEMO

Theresa Patricola

⑆122100024⑆ 700828759⑈0105

ACC012175
BERSCH

DANTE MICHAEL PATRICOLA, MINOR 08-05 91-2/1221 86 105
THERESA PATRICOLA, CUSTODIAN
700828759
[redacted], AZ [redacted]

DATE 4-2-08

PAY TO THE ORDER OF Concordia $ 75,000

Seventy-five thousand DOLLARS

BANK ONE. Premier

JPMorgan Chase Bank, N.A.
Phoenix, Arizona 85073

MEMO

Theresa Patricola MP

⑆122100024⑆ 700828759⑈0105

Bank of America Advantage

1011

THERESA F. PATRICOLA
[redacted], AZ [redacted]

Date 4-2-08 55-33/212 NJ 92413

Pay to the order of Concordia $ 25,000

Twenty-five thousand Dollars

Bank of America

ACH R/T 021200339

Memo

Theresa Patricola MP

⑆021200339⑆ 009517011328⑈1011

ACC012176
BERSCH

920-4879

STANDARD FORM TO CONFIRM ACCOUNT BALANCE INFORMATION WITH FINANCIAL INSTITUTIONS

ORIGINAL
To be mailed to accountant

Hospice of Havasu, Inc.
CUSTOMER NAME

We have provided to our accountants the following information as of the close of business on December 31, 2008 regarding our deposit and loan balances. Please confirm the accuracy of the information, noting any exceptions to the information provided. If the balances have been left blank, please complete this form by furnishing the balance in the appropriate space below. * Although we do not request nor expect you to conduct a comprehensive, detailed search of your records, if during the process of completing this confirmation additional information about other deposit and loan accounts we may have with you comes to your attention, please include such information below. Please use the enclosed envelope to return the form directly to our accountants.

Financial Institution's Name and Address

Concordia Financing Co., LTD
[redacted]
[redacted] CA [redacted]

1. At the close of business on the date listed above, our records indicated the following deposit balance(s):

ACCOUNT NAME	ACCOUNTS NO.	INTEREST RATE	BALANCE*
Custodial Agreement Dated 12-01-2005	276		$150,000.00

2. We were directly liable to the financial institution for loans at the close of business on the date listed above as follows:

ACCOUNTS NO./ DESCRIPTION	BALANCE*	DATE DUE	INTEREST RATE	DATE THROUGH WHICH INTEREST IS PAID	DESCRIPTION OF COLLATERAL

(Customer's Authorized Signature) (Date)

The information presented above by the customer is in agreement with our records. Although we have not conducted a comprehensive, detailed search of our records, no other deposit or loan accounts have come to our attention except as noted below.

(Financial Institution Authorized Signature) (Date)

(Title)

EXCEPTIONS AND/OR COMMENTS
Please include any accounts not listed above

Please return this form directly to our accountants:

Kuntz & Associates PLLC
[redacted]
[redacted] WV [redacted]

ACC012177
BERSCH

920-4879

[redacted], Az [redacted]

March 14, 2009

Mr. Chris Crowder,
President and COO
Concordia Finance LTD.
[redacted]
[redacted] CA [redacted]

Ref: Concordia Finance letter dated March 6, 2009.

Dear Mr. Crowder,

We are in receipt of the above mentioned letter stating that, "Concordia will stop accrual payment of interest on the investment amounts".

While we appreciate the circumstance surrounding this it is clear to us that Concordia's management and by extension its sales/marking representatives "failed" to act in a responsible fiduciary (prudent) manner; that is, act in a manner that would not only preserve our investment but Concordia's ongoing viability. In other words, Concordia's management had a responsibility to notify investors as early July 2007 that "times were changing" (because voluntary repossessions which by your own admission was affecting business) by providing options at that time for your investors, i.e., like withdrawal or as your letter indicates stop accrual payments, etc.). Furthermore, the letter indicates that Concordia' management "did" recognized that the market was shifting because in January 2008 three major competitors withdraw from the market.

However, what I have concluded form your letter and statements by Concordia's marketing representatives is that rather then assess market conditions and develop a strategic plan to address how Concordia would operate under these "new" dynamics," Concordia's management seemingly conducted business as usual in the "hopes" (as you state) that things would get better.

Therefore in my opinion, your letter is tantamount to an omission that Concordia's management failed their fiduciary responsibilities to their investors. In light of this, we are not interested in signing any new agreement with Concordia. Indeed, we are going on record here and now that we want our investment of $150,000 returned immediately.

Sincerely,

Steven Patricola Theresa Patricola

CC: File
David J. Wanzek – ER Financial Services
Michael Berch – ER Financial Services
Lisa Fuhrman – Select Insurance & Financial Services

CONCORDIA FINANCING CO., LTD.

Sale of Contracts and Servicing Agreement

This Sale of Contracts and Servicing Agreement ("Agreement") is entered into to be effective as of 4/1/08 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and _____, a(n) IND. ("Investor") here in after collectively referred to as "the parties." Theresa Patricola, Steven Patricola.

RECITALS

A. Concordia desires to obtain short term financing by factoring, selling and assigning to Investor certain truck (tractor and/or trailer) conditional sales contracts, and Concordia is willing to service such contracts for Investor.

B. Investor desires to purchase conditional sales contracts from Concordia on the terms and conditions stated herein, including but not limited to the mutual condition that Concordia service such contracts.

THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS

1.1 "Contracts" means those certain truck (tractor and/or trailer) conditional sales contracts listed in Exhibit A attached hereto, including all Substitute Contracts.

1.2 "Contract Default" means any of the following: a Customer fails to provide the insurance required by the Contract for a vehicle within 30 days after notice of the requirement to do so; a Customer fails to make three (3) consecutive monthly payments under the Contract; a Customer files any form of bankruptcy proceeding, or such proceeding is filed against a customer; a repossession is ordered for a vehicle under a Contract; or an insurance claim is made with respect to a vehicle under a Contract for repairs in excess of 25% of the value of the vehicle; or a Customer Dispute.

1.3 "Credit Problem" means the Customer is unable to pay trade debts due to insolvency and/or the filing of a Petition in Bankruptcy.

1.4 "Custodian" means ER Financial, who shall hold the originally executed Contracts, with transferable title documents, pursuant to the terms of the Agreement.

1.5 "Customer" means the account debtor under a Contract.

1.6 "Customer Dispute" means any claim by Customer against Concordia, of any kind whatsoever, valid or invalid, that reduces the amount collectible from Customer by Investor.

1.7 "Dealer" means an existing licensed truck dealer who is named as the payee under a Contract and who has sold the Contract, at a discount, to Concordia.

1.8 "Default" shall have the meaning set forth in Section 11 hereof.

1.9 "Purchase Price" shall have the meaning set forth in Section 2 hereof.

1.10 "Substitute Contract" means a Contract having no known Contract Default which is delivered to the Custodian for transfer to Investor for the purpose of Investor replacing an existing Contract having an equal or lesser principal balance for which a Contract Default has occurred.

2. SALE OF CONTRACTS

Concordia hereby sells, assigns and transfers to Investor those Contracts described in Exhibit A, for a purchase price of $ 100,000. (the "Purchase Price"). From time to time monies may be added or taken. The balance will be shown in Exhibit A.

3. WARRANTIES

As an inducement for Investor to enter into this Agreement, and with full knowledge that the truth and accuracy of the warranties in this Agreement are being relied upon by Investor, Concordia warrants and covenants that:

3.1 Concordia's business is solvent, and to the best knowledge of Concordia, without any duty to investigate, the Dealers and the Customers named in the Contracts are solvent.

3.2 Concordia is the lawful owner of, and has good and undisputed title to, the Contracts.

3.3 Each Contract offered for sale to Investor is an accurate and undisputed statement of indebtedness by Customer for a sum certain of which is due and payable in accordance with the terms of such Contract, and, to the best knowledge of Concordia, is not subject to any defenses which would preclude payment by the Customer in accordance with the terms of the Contract.

3.4 To the best knowledge of Concordia, each Contract offered for sale to Investor is an accurate statement of a bonafide sale, deliver and acceptance of merchandise or performance of service by Dealer to Customer.

3.5 Concordia does not own, control or exercise dominion over, in any part or way whatsoever, the business of any Dealer having Contracts, which are factored by Concordia to Investor under this Agreement.

3.6 Prior to purchasing a Contract from any Dealer, Concordia conducts a credit check of the Customer to determine the payment risk. The Contracts represent commercial sales, which means that the underlying vehicles will be used for business purposes and that the sales and

the Contracts are governed by the California Commercial Code or the Commercial Code of the applicable state where the Dealer is located.

3.7 Within ten (10) business days after Concordia receives knowledge of any Contract Default, Concordia shall transfer and assign a Substitute Contract to Investor to replace the Contract having a Contract Default, by delivering such originally executed Substitute Contract to the Custodian with executed title transfer documents, and, within 2 business days after receipt of such Substitute Contract and related documents, the Custodian shall place the Contract having the Contract Default in the U.S. mail for return to Concordia.

4. CUSTODIANS; DEFAULT

4.1 Upon execution of this Agreement, the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the assignment and transfer of the Contracts and title to the vehicles to Investor, shall be delivered by Concordia to the Custodian with a copy of this Agreement. The Custodian shall hold the Contracts for the benefit of Concordia and Investor. Contracts shall from time to time be released by the Custodian to Concordia, upon receipt of Concordia's written representation, a copy of which shall be mailed to Investor by Concordia as part of the monthly report required by Section 6.2 hereof, that the Contract to be released either (a) has been paid in full and must be returned to the Customer, or (b) has incurred a Contract Default and is to be concurrently replaced with a substitute Contract.

4.2 Upon any Default under this Agreement by Concordia, Investor shall concurrently notify Concordia and the Custodian of the Default, describing the Default specifically and in detail, and providing Concordia thirty (30) days from the date such written notice is received by Concordia to cure such Default. If Concordia fails to cure such Default within such 30-day cure period, Investor may, at its option, unilaterally instruct the Custodian to release to Investor the originally executed Contracts and all executed assignments then in the possession of the Custodian. Upon receipt of such originally executed Contracts and executed assignments, Investor may, at his option, and in addition to all other remedies available to Investor, file the title instruments and effect the legal transfer of title to Investor.

4.3 Assuming no Default by Concordia under this Agreement, the Custodian shall continue to hold the originally executed Contracts and all executed assignments of title until the earlier of (a) receipt of written instructions signed by both Concordia and Investor providing for the disposition of such Contracts and assignments, (b) the payment in full, and release of all the Contracts to Concordia for return to the Customers.

5. FUNDING

Concurrently with the execution of this Agreement by the parties, and the delivery of the originally executed Contracts and executed title transfer documents by Concordia to the Custodian, Investor shall wire or deliver to Concordia funds in the full amount of the Purchase Price.

6. SERVICING AGREEMENT

6.1 Investor hereby engages and hires Concordia as its servicing agent for all servicing matters related to the Contracts, including but not limited to sending monthly invoices to Customers for payment, the collection of payments, correspondence and telephone communication with any Customer in default, imposition and collection of late payment fees and NSF check charges, initiation at Concordia's sole discretion of all collection decisions, actions and activities, including repossession, retention of attorneys or collection agents, making repairs to damaged vehicles, reselling repossessed vehicles and all other matters and decisions relating to the Contracts and the vehicles covered by the Contracts, as if in all respects Concordia remained the owner of the Contracts and had sole authority with respect to the collection and disposition of the Contracts.

6.2 As part of its responsibility as servicing agent for the Contracts, Concordia shall send monthly reports to Investor, together with Concordia's check for payment of funds then due to Investor from collected funds received by Concordia. The monthly servicing reports will report, for each Contract, the principal collected, the principal balance, and the interest due to Investor.

6.3 As its fee for servicing each Contract, Concordia shall be entitled to retain, during the entire term of the Contract, (a) all late payment fees, (b) all NSF charges, and (c) all interest and other fees or charges in excess of that amount required to pay Investor a 0.833 per month return (10% per annum, simple interest) on the then existing principal balance due under the Contracts. Subject only to a Default under this Agreement by Concordia, and Concordia's failure to cure such Default within thirty (30) days after receipt of written notice from Investor describing such default in detail, the appointment of Concordia as the servicing agent for the Contracts under this Agreement is irrevocable and can be modified only with the prior written consent of Concordia, which consent may be withheld by Concordia for any reason whatsoever without regard to any standard of reasonableness.

7. SUBSEQUENT SALE OF CONTRACTS BY INVESTOR

7.1 Any attempt by Investor to sell, transfer or assign Investor's interest in any or all of the Contracts shall be void ab initio, unless prior to such sale, transfer or assignment (a) Investor first offers such Contracts to Concordia for purchase for 95% of the then existing principal balance due under the Contracts, and (b) Concordia fails to purchase such Contracts within ninety (90) days after receipt of written notice from Investor of Investor's intention to sell the Contracts, which notice shall specifically reference this Section 7 and describe the Contracts which Investor intends to sell, the identity, address and telephone number of the prospective purchaser (the "Prospective Purchaser") and the terms of the proposed sale.

7.2 If Concordia elects to purchase the Contracts from Investor under Section 7.1, nothing contained herein shall preclude or prohibit the subsequent or concurrent sale by Concordia of the Contracts to the Prospective Purchaser, and in the event of such sale Concordia shall be entitled to retain any profit upon sale without any obligation to Investor.

7.3 If Concordia elects not to purchase the Contracts from Investor under Section 7.1, and Investor subsequently sells the Contracts to the Prospective Purchaser, then the Prospective Purchaser shall be bound by the terms of this Agreement, including but not limited to the servicing provisions of Section 6 hereof.

8. INVESTOR ACKNOWLEDGMENTS

Investor hereby acknowledges that the Contracts, if compared to other contracts which were rated under industry standards from "A" to "D", with "A" being high quality with financially strong Customers and/or considerable excess value in the vehicles subject to the Contracts; and "D" being low quality with substantially weaker Customers and much less protection in the value of the vehicles, the Contracts would probably be considered "C" or "D" grade. For that reason, delinquent Contracts will not be unusual and there may be a large number of Substitute Contracts. Investor further acknowledges the importance of utilizing an experienced servicing agent for such Contracts and for that reason specifically agrees that (a) the requirement under this Agreement that Concordia be retained as the servicing agent during the entire term of the Contracts is a material condition to Concordia's willingness to enter this Agreement, and (b) the servicing fees to be paid to Concordia hereunder are fair and reasonable.

9. ARBITRATION

At the election of either party, any controversy, claim or dispute of any kind or nature, arising out of or relating to this Agreement, or breach hereof, shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and any judgment awarded or rendered by the arbitrator(s), may be entered in any court having jurisdiction hereof. The losing party shall pay all costs of arbitration, together with any legal, court, investigation, and accounting.

10. TERM AND TERMINATION

10.1 Term. This Agreement shall continue in effect until the earlier of (a) the mutual agreement of the parties to terminate the Agreement, as evidenced in a writing signed by both parties or (b) the payment in full of all the Contracts.

10.2 Termination Upon Default. Notwithstanding the foregoing, upon the occurrence of any Default by either party, and the defaulting party's failure to cure such Default within thirty (30) days after receipt of written notice from the non-defaulting party describing the Default in detail, then upon the election of the non-defaulting party and upon effective written notice to the defaulting party, this Agreement shall terminate.

11. DEFAULT AND REMEDIES

11.1 Default. Any one or more of the following shall constitute a default of this Agreement ("Default"):

(a) Either party fails to pay any amount to the other party when due;

(b) Either party breaches any term, provision, covenant, warranty or representation under this Agreement, any amendment hereto, or any other agreements or contracts between the parties;

(c) A receiver or trustee is appointed for any or all of the assets of either party;

(d) Either party becomes insolvent, ceases business operations, or is unable to pay debts as they mature, makes a general assignment for the benefit of creditors or voluntarily files under bankruptcy or similar law(s);

(e) Any involuntary petition in bankruptcy is filed against either party and is not dismissed within 60 days;

(f) Any levies of attachment, executions, tax assessment or similar process is issued against either party and is not released within thirty (30) days thereof; and/or

(g) Any document, statement, writing, warranty, representation, report, certificate, financial statement made or delivered by either party to the other is incorrect, false, untrue or misleading in any material respect whatever.

11.2 Remedies After Default. In the event of any Default by Concordia has not been cured within 30 days after notice of such Default is received by Concordia, which notice to be effective must specifically describe the default, Investor may do any one or more of the following:

(a) Notify the Custodian to release all the originally executed Contracts and title transfer instruments to Investor.

(b) Directly notify any Customers and effect collections of Contracts and collect such Contracts, without payment of any further servicing fee to Concordia.

(c) Request Concordia to assemble the Contracts and all records pertaining to the Contracts and deliver them to Investor.

(d) Subject to subparagraph (e) below, exercise any other rights and/or remedies available to Investor under law or equity.

(e) Assign, transfer or sell the Contracts to a third party, but only after complying with Section 7 hereof, which shall survive any termination of the Agreement and any Default by Concordia.

11.3 Cumulative Rights. All rights, remedies and powers granted to the parties in this Agreement, or in any other agreement given by one party to the other, are cumulative and may be exercised singularly or concurrently with such other rights as the parties may have.

12. MISCELLANEOUS

12.1 Power of Attorney. In order to carry out the servicing requirements of this Agreement, Investor grants to Concordia an irrevocable power of attorney, coupled with an interest, authorizing and permitting Concordia (acting through any of its employees, attorneys or agents) at

any time, at Concordia's option, with or without notice to Investor, to do any or all of the following in Investor's name or otherwise, its special attorney in fact, or agent, with power to:

(a) insert Concordia's remittance address on all Contracts purchased by Investor and being collected by Concordia;

(b) receive, open and dispose of all mail addressed to Investor from any Customer;

(c) endorse the name of Investor, or Investor's fictitious trade name, on any checks or other evidences of payment that may come into the possession of Concordia on Contracts purchased by Investor or pursuant to default on any other documents relating to any of the Contracts, and including but not limited to, amendments, notices to customers and any other documents necessary to carry out the purposes of this Agreement;

(d) in Concordia's name, as servicing agent for Investor, or otherwise, demand, sue for, collect, and give releases for any and all monies due or to become due on Contracts;

(e) compromise, prosecute, or defend any action, claim or proceeding as to said Contracts;

(f) from time to time offer a trade discount to a Customer exclusive of Concordia's normal business practice with said customer; and

(g) to do any and all things Concordia deems necessary and proper to carry out the purpose(s) of this Agreement.

12.2 Hold Harmless. Concordia agrees to indemnify and hold Investor harmless against any and all claims, losses, expenses, costs, obligations, liabilities, and attorneys' fees Investor may incur by reason of (i) Concordia's breach of or failure to perform any of its warranties, guarantees, commitments, or covenants in this Agreement; or (ii) Concordia's collecting or attempting to collect any Contracts.

12.3 Binding on Future Parties. This Agreement inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties.

12.4 Written Waiver. A party may not waive its rights and remedies unless the waiver is in writing and signed by that party. A waiver of a party of any right or remedy under this Agreement on one occasion is not a waiver of any other right on that occasion, nor the waiver of that or any other right on any subsequent occasion.

12.5 Legal Fees. The prevailing party shall be entitled to receive all attorney's fees, costs and/or expenses ("Legal Fees") incurred by such party in enforcing this Agreement and any documents prepared in connection herewith, and/or protecting, preserving or enforcing any right granted under this Agreement, whether or not suit is brought. In any lawsuit, arbitration or other proceeding, including any and all appeals therefore, the prevailing party shall be entitled to recover its Legal Fees wherever applicable.

12.6 California Law. This Agreement shall be governed by and construed both as to validity and performance and enforced in accordance with the laws of the State of California, without giving effect to the choice of law principles thereof.

12.7 Invalid Provisions. If any provision(s) of this Agreement shall be declared illegal, contrary to law or policy, or otherwise unenforceable, it is agreed that such provision shall be disregarded and that all other provisions of this Agreement shall remain in full force and effect as though such provision(s) had not been incorporated herein.

12.8 Entire Agreement. This Agreement, and any exhibits and schedules attached hereto, constitutes the entire agreement of the parties and supersedes all other prior agreements, understandings, representations and warranties, whether written or oral. This Agreement may be amended only by written agreement executed by the parties.

12.9 Notice. All notices, requests, demands, and other communications (collectively Notices) given or made pursuant to this Agreement shall be given if sent by telex, telecopy, fax, first class mail or by registered or certified mail, return receipt requested, postage and fees prepaid, or equivalent private messenger/delivery service offering signature acknowledgement by recipient (FedEx, UPS, etc.), or by personal delivery, to the address listed below, new addresses provided by the parties, or wherever located:

If to Concordia: Concordia Financing Co., Ltd.
[redacted], California [redacted]
Fax: [redacted]
ATTN: Chris Crowder

If to Investor: 711 Paseo Granada
Lake Havasu City, AZ 86406

12.10 Waiver of Jury Trial. _____ *(Initial)* BOTH INVESTOR AND CONCORDIA ACKNOWLEDGE THE EXTREME COST ATTENDANT TO TRIAL BY JURY, AND THEREFORE BOTH CLIENT AND CONCORDIA WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING OR TRANSACTION RELATING TO THIS AGREEMENT OR ANY AGREEMENT(S) RELATED HERETO.

Executed this ___ day of _____, at Ontario, California.

Concordia: Concordia Financing Co., Ltd.
a California corporation

By: _____
Christopher Crowder
Vice President

Investor: Theresa Patricia
Elmer Patenot

Exhibit A:

List of Contracts

Name of Customer	Dealer	Principal Amount As of _____ ,2005

Total: $_____

$ 100,000

CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of _____ by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), _____, sole and separate property, a(n)_____("Investor"), and ER Financial and Advisory Service, an Arizona company ("Custodian"), collectively referred to herein as "the parties". THERESA PATRICOLA + STEVEN PATRICOLA

RECITALS

A. Concordia and Investor have entered into a Sale of Contracts and Servicing Agreement dated 4/1/08 (the "Sale"). Concordia is selling certain Contracts to Investor and servicing such Contracts for the benefit of both Investor and Concordia. All terms used herein shall have the meanings set forth in the Sale Agreement. A true and exact copy of the Sale Agreement has been delivered to Custodian, and all the terms and provisions of the Sale Agreement are incorporated herein by this reference.

B. The Sale Contract requires the appointment of a custodian to hold the originally executed Contracts and title documents.

C. Concordia and Investor wish to appoint Custodian as the custodian under the Sale Contract, and Custodian is willing to serve in such capacity under the terms of this Agreement.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, including the mutual covenants herein contained, the parties hereto agree as follows:

1. Appointment of Custodian. The parties hereby appoint Custodian as the custodian described in the Sale Contract, and Custodian hereby accepts such appointment.

2. Delivery of Documents to Custodian. Concurrent with the execution of this Agreement, Concordia shall transfer to Custodian the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the arrangement and transfer of the Contracts and title to the vehicles to Investor. All Substitute Contracts delivered by Concordia to Custodian shall also be originally executed and shall be accompanied by evidences of title and separate assignments as provided herein for the Contracts.

3. Holding Period. Custodian shall hold the Contracts and related documents for the benefit of Concordia and Investor, for the period described in Section 4.3 of the Sale Agreement.

4. Rights, Duties and Responsibilities of Custodian. It is understood and agreed that the duties of the Custodian are purely administrative in nature, and that:

4.1 Custodian's responsibilities shall be limited to those described in Sections 3.7 and 4 of the Sale Agreement.

4.2 Custodian shall not be responsible for the performance by Concordia or Investor of any of their respective obligations under this Agreement or under the sale Agreement.

4.3 Custodian shall be under no duty or responsibility to determine the accuracy or validity of any Contracts or other documents delivered to Custodian. Custodian shall be entitled to rely upon the accuracy, act in reliance upon the contents, and assume the genuineness of, any notice, instruction, certificate, signature, instrument or other document which is given to Custodian pursuant to this Agreement or the Sale Agreement without the necessity of Custodian verifying the truth or accuracy thereof. Custodian shall not be obligated to make any inquiry as to the authority, capacity, existence or identity of any person purporting to give any such notice or instructions or to execute any such certificate, instrument or other document.

4.4 Custodian shall not be liable for any action taken or omitted hereunder, or for the misconduct of any employee, agent or attorney appointed by it, except in the case of Custodian's willful misconduct or negligence.

5. Amendment, Resignation, Interpleaded.

5.1 This Agreement may be altered or amended only with the written consent of all the parties hereto. Custodian may resign for any reason upon thirty (30) days' written notice to both Concordia and Investor. Should Custodian resign as herein provided, after the effective date of such resignation he shall not be required to accept any additional documents but his only duty shall be to hold the documents in its possession for a period of not more than five (5) business days following the effective date of such resignation, at which time (a) if a successor custodian shall have been appointed by Concordia and Investor and written notice thereof (including the name and address of such successor custodian) shall have been given to the resigning Custodian by Concordia and Investor the Issuer and such successor custodian, then the resigning Custodian shall deliver the documents in his possession to the successor custodian, or (b) if the resigning custodian shall not have received written notice signed by Concordia and Investor custodian and a successor then the resigning Custodian shall promptly deliver all the documents in his possession back to Concordia, and the resigning Custodian shall notify Investor in writing of his transfer of such documents, whereupon, in either case, Custodian shall be relieved of all further obligations and released from all liability under this Agreement. Without limiting the provisions of Section 6 hereof, the resigning Custodian shall be entitled to be reimbursed by Concordia for any expenses incurred in connection with his resignation, and transfer of the custodial documents to a successor custodian pursuant to this Section 5.1.

5.2 Should the parties not designate a successor custodian within 30 days of the Customer's resignation, or should any dispute arise with respect to the custodial documents, this Agreement or the Sale Agreement, Custodian may deposit the custodial documents with a court of competent jurisdiction and interplead such dispute and the parties will hold Custodian harmless and indemnify him against all consequences and expenses which may be incurred, including Custodian's reasonable attorneys' fees.

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6. Fees and Expenses. Concordia shall pay Custodian a fee for his services in the amount of 0.25% per month of the principal balance, payable monthly.

7. Indemnifications and Contribution.

7.1 Notwithstanding the provisions of paragraph 6, Concordia agrees to indemnify Custodian and his or its officers, directors, employees, agents and shareholders (jointly and severally the "Indemnities") and Concordia agrees to hold them harmless from, any and all loss, liability, cost, damage and expense, including, without limitation, reasonable counsel fees, which the Indemnities may suffer or incur by reason of any action, claim or proceeding brought or threatened against the Indemnities arising out of or relating in any way to this Agreement or any transaction to which this Agreement relates, unless such action, claim or proceeding is the result of the willful misconduct or negligence of the Indemnities.

7.2 The provisions of this Section 7 shall survive any termination of this Agreement, whether by transfer of the custodial documents, resignation of Custodian or otherwise.

IN WITNESS WHEREOF, the undersigned have executed this Agreement to be effective as of the day and year first above written.

Concordia: Concordia Financing Co., Ltd.
a California corporation

Christopher Crowder
Vice President

Investor:

Custodian:

ER Financial and Advisory Services

920-192

Δπ EXHIBIT 7
Deponent K. Clowder
Date 4-30-13 Rptr. BJS
WWW.DEPOBOOK.COM

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CONCORDIA finance

ACCT. NO. 920-000192

NAME: Talbott, Barbara A.
ADDRESS: [redacted]
[redacted] AZ [redacted]

TYPE OF ACCT: Collateral - Check
OPEN DATE: 01/01/00
CONTRACT ON FILE: Yes
AMENDMENT ON FILE: Yes

CHECK PAYABLE TO: same as above
ADDRESS:

NOTES:

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SECOND AMENDMENT TO SALE OF CONTRACTS AND SERVICING AGREEMENT

Effective as of *December 1, 2011,* the Sale of Contracts and Servicing Agreement ("Agreement") executed on *January 1, 2000,* by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Barbara A. Talbott, Trustee for the Charles R & Barbara A Talbott Living Trust* is hereby amended in the following respects:

RECITALS

A. WHEREAS on or about *January 1, 2000,* Concordia and *Barbara A. Talbott, Trustee for the Charles R & Barbara A Talbott Living Trust* entered into a Sale of Contracts and Servicing Agreement, a copy of which is attached hereto as Exhibit "A"; and

B. WHEREAS effective February 1, 2009, the parties entered into an Amendment of the Sale of Contracts and Servicing a copy of which Amendment is attached hereto as Exhibit "B"; and

C. WHEREAS Concordia has suffered financial reverses and is insolvent and cannot repay the full amount *Barbara A. Talbott, Trustee for the Charles R & Barbara A Talbott Living Trust's* investment balance. *Barbara A. Talbott, Trustee for the Charles R & Barbara A Talbott Living Trust* is familiar with Concordia's financial conditions and has determined any attempt to collect the full amount of the investment balance would be a useless act which would produce nothing and it would be spending good money to no positive end.

NOW, THEREFORE, the parties hereto agree as follows:

AGREEMENT

1. Because of Concordia's financial condition where its total liabilities significantly exceed the fair market value of its total assets, 55% of the investment balance as of February 1, 2009, is hereby cancelled as a bad debt as there is no reasonable possibility that any enforced collection efforts will result in the cancelled amount of the Agreement being covered. Accordingly, the investment amount under the Agreement shall be reduced from *$46,255.62* to $7,755.62.

2. Section 1.4 of the Agreement shall be deleted in its entirety and the following language inserted instead: "Custodian" means ER Financial or Concordia at the election of *Barbara A. Talbott, Trustee for the Charles R & Barbara A Talbott Living Trust*. In the event that *Barbara A. Talbott, Trustee for the Charles R & Barbara A Talbott Living Trust* fails to elect the custodian, Concordia will be the Custodian.

3. Section 3.1 of the Agreement shall be deleted in its entirety and the following inserted instead: Concordia is insolvent and even though it may have sufficient financial liquidity over the next year to make payments to investors, it will continue to be or characterized as insolvent. To the best of Concordia's knowledge and belief, the dealers and the customers named in the contracts are solvent.

4. Section 4.2 of the Agreement shall be deleted in its entirety.

5. Section 7, including subsections 7.1, 7.2 and 7.3 of the Agreement shall be deleted in its entirety.

6. Section 11.1 (d) of the Agreement shall be deleted in its entirety.

7. Section 11.1 (e) of the Agreement shall be deleted in its entirety.

8. Section 11.2(d) of the Agreement shall be deleted in its entirety.

9. Section 11.2(e) of the Agreement shall be deleted in its entirety and the following inserted instead: Assign or transfer the Contracts to Investor or a third party directed by Investor.

10. Except as amended by this Second Amendment and the previous Amendment to Sale of Contracts and Servicing Agreement, the terms and conditions of the original Agreement as amended shall remain in full force and effect.

11. By execution of this Second Amendment, Barbara A. Talbott, Trustee for the Charles R & Barbara A Talbott Living Trust hereby releases Concordia, its officers, directors, agents and employees, from any and all liability under the original Agreement except as herein amended.

12. Neither this Second Amendment nor the previous Amendment nor the underlying Agreement may be orally changed or amended. Any further changes shall be effective only upon the execution of a written agreement signed by the parties hereto.

CONCORDIA FINANCING CO. LTD,
a California Corporation

By: _____
Christopher Crowder
President

INVESTOR

By: Barbara A. Talbott
Barbara A. Talbott, Trustee for the
Charles R & Barbara A Talbott Living Trust

RECEIVED 2011

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AMENDMENT TO SALE OF CONTRACTS AND SERVICING AGREEMENT

Effective February 1, 2009, the Sale of Contracts and Servicing Agreement, previously executed on January 1, 2000 by and between Charles R and Barbara A Talbott, trustees for the Charles R and Barbara A Talbott Living Trust and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

RECITALS

A. WHEREAS on or about January 1, 2000 Charles R and Barbara A Talbott, trustees for the Charles R and Barbara A Talbott Living Trust and Concordia entered into the Sale of Contracts and Servicing Agreement where under, among other things, Concordia was to make certain monthly payments; and

B. WHEREAS Concordia has, as a matter of practice, been paying Charles R and Barbara A Talbott, trustees for the Charles R and Barbara A Talbott Living Trust monthly an amount equal to a 1% percent return (12% per annum simple interest) on the total "purchase price" as that term is defined;

C. WHEREAS due to current economic conditions, it is no longer practicable for Concordia to continue making the interest payments without jeopardizing its ability to remain a going concern; and

D. WHEREAS Charles R and Barbara A Talbott, trustees for the Charles R and Barbara A Talbott Living Trust desires to continue to receive regular monthly payments;

NOW, THEREFORE, the parties hereto agree as follows:

AGREEMENT

1. Paragraphs 6. 2 and 6.3 of the Sale of Contracts and Servicing Agreement are deleted.

2. In place thereon, Concordia will continue to pay to Charles R and Barbara A Talbott, trustees for the Charles R and Barbara A Talbott Living Trust monthly payments in an amount equal to the interest payments Concordia has been making to Charles R and Barbara A Talbott, trustees for the Charles R and Barbara A Talbott Living Trust. These monthly payments shall, however constitute, and be characterized as, a repayment of the principal of the purchase price as that term is defined in the Sale of Contracts and Servicing Agreement.

3. Except as amended by this Agreement, the terms and conditions of the Sale of Contract and Servicing Agreement shall remain in full force and effect.

4. Neither this Amendment nor the underlying Sale of Contract and Servicing Agreement may be orally changed or amended. Any changes shall be effective only upon the execution of a written agreement by the parties hereto.

CONCORDIA FINANCING CO. LTD,
a California Corporation

By: _____
Christopher Crowder
President & COO

INVESTOR

By: deceased in 2000
Charles R Talbott
Trustee for the Charles R and Barbara A. Talbott Living Trust

By: Barbara A. Talbott
Barbara A Talbott
Trustee for the Charles R and Barbara A. Talbott Living Trust

Talbott

(MAKE A COPY OF EACH CHECK AND PLACE IN THIS FILE)

INVESTMENT FLOW

DATE OF ACTION	AMOUNT	ACCOUNT ACTION
12/24/99	$70,000.00	Initial Investment

TOTAL: $70,000.00

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CHARLES R TALBOTT TTEE
BARBARA A TALBOTT TTEE
[redacted]
[redacted] AZ [redacted]

CMA® Cash Management Account®

0643

12/29 1989

25-80/440

PAY TO THE ORDER OF Concoria Finance Co. Ltd. $70,000.00

Seventy Thousand and No/100 DOLLARS

Merrill Lynch

BANK ONE, BANK ONE, COLUMBUS, NA Columbus, Ohio 43271

MEMO Investment

Charles R. Talbott

⑆044000804⑆ 040132050298⑈ 0643

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Two of the same contracts

CONCORDIA FINANCING CO., LTD.

Sale of Contracts and Servicing Agreement

This Sale of Contracts and Servicing Agreement ("Agreement") is entered into to be effective as of January 1, 2000 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and Charles R and Barbara A Talbott, trustees for the Charles R and Barbara A Talbott Living Trust, ("Investor") hereinafter collectively referred to as "the parties."

RECITALS

A. Concordia desires to obtain short term financing by factoring, selling and assigning to Investor certain truck (tractor and/or trailer) conditional sales contracts, and Concordia is willing to service such contracts for Investor.

B. Investor desires to purchase conditional sales contracts from Concordia on the terms and conditions stated herein, including but not limited to the mutual condition that Concordia service such contracts.

THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS

1.1 "Contracts" means those certain truck (tractor and/or trailer) conditional sales contracts listed in Exhibit A attached hereto, including all Substitute Contracts.

1.2 "Contract Default" means any of the following: a Customer fails to provide the insurance required by the Contract for a vehicle within 30 days after notice of the requirement to do so; a Customer fails to make three (3) consecutive monthly payments under the Contract; a Customer files any form of bankruptcy proceeding, or such proceeding is filed against a customer; a repossession is ordered for a vehicle under a Contract; or an insurance claim is made with respect to a vehicle under a Contract for repairs in excess of 25% of the value of the vehicle; or a Customer Dispute.

1.3 "Credit Problem" means the Customer is unable to pay trade debts due to insolvency and/or the filing of a Petition in Bankruptcy.

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1.4 "Custodian" means E R Financial and Advisory Service, who shall hold the originally executed Contracts, with transferable title documents, pursuant to the terms of the Agreement.

1.5 "Customer" means the account debtor under a Contract.

1.6 "Customer Dispute" means any claim by Customer against Concordia, of any kind whatsoever, valid or invalid, that reduces the amount collectible from Customer by Investor.

1.7 "Dealer" means an existing licensed truck dealer who is named as the payee under a Contract and who has sold the Contract, at a discount, to Concordia.

1.8 "Default" shall have the meaning set forth in Section 11 hereof.

1.9 "Purchase Price" shall have the meaning set forth in Section 2 hereof.

1.10 "Substitute Contract" means a Contract having no known Contract Default which is delivered to the Custodian for transfer to Investor for the purpose of Investor replacing an existing Contract having an equal or lesser principal balance for which a Contract Default has occurred.

2. SALE OF CONTRACTS

Concordia hereby sells, assigns and transfers to Investor those Contracts described in Exhibit A, which the parties agree have an aggregate unpaid principal amount of $69,167.49 as of the date hereof and $832.51 additional monies held for investment, for a purchase price of $70,000 (the "Purchase Price").

3. WARRANTIES

As an inducement for Investor to enter into this Agreement, and with full knowledge that the truth and accuracy of the warranties in this Agreement are being relied upon by Investor, Concordia warrants and covenants that:

3.1 Concordia's business is solvent, and to the best knowledge of Concordia, without any duty to investigate, the Dealers and the Customers named in the Contracts are solvent.

3.2 Concordia is the lawful owner of, and has good and undisputed title to, the Contracts.

3.3 Each Contract offered for sale to Investor is an accurate and undisputed statement of indebtedness by Customer for a sum certain of which is due and payable in

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accordance with the terms of such Contract, and, to the best knowledge of Concordia, is not subject to any defenses which would preclude payment by the Customer in accordance with the terms of the Contract.

3.4 To the best knowledge of Concordia, each Contract offered for sale to Investor is an accurate statement of a bonafide sale, deliver and acceptance of merchandise or performance of service by Dealer to Customer.

3.5 Concordia does not own, control or exercise dominion over, in any part or way whatsoever, the business of any Dealer having Contracts which are factored by Concordia to Investor under this Agreement.

3.6 Prior to purchasing a Contract from any Dealer, Concordia conducts a credit check of the Customer to determine the payment risk. The Contracts represent commercial sales, which means that the underlying vehicles will be used for business purposes and that the sales and the Contracts are governed by the California Commercial Code or the Commercial Code of the applicable state where the Dealer is located.

3.7 Within ten (10) business days after Concordia receives knowledge of any Contract Default, Concordia shall transfer and assign a Substitute Contract to Investor to replace the Contract having a Contract Default, by delivering such originally executed Substitute Contract to the Custodian with executed title transfer documents, and, within 2 business days after receipt of such Substitute Contract and related documents, the Custodian shall place the Contract having the Contract Default in the U.S. mail for return to Concordia.

4. CUSTODIAN; DEFAULT

4.1 Upon execution of this Agreement, the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the assignment and transfer of the Contracts and title to the vehicles to Investor, shall be delivered by Concordia to the Custodian with a copy of this Agreement. The Custodian shall hold the Contracts for the benefit of Concordia and Investor. Contracts shall from time to time be released by the Custodian to Concordia, upon receipt of Concordia's written representation, a copy of which shall be mailed to Investor by Concordia as part of the monthly report required by Section 6.2 hereof, that the Contract to be released either (a) has been paid in full and must be returned to the Customer, or (b) has incurred a Contract Default and is to be concurrently replaced with a substitute Contract.

4.2 Upon any Default under this Agreement by Concordia, Investor shall concurrently notify Concordia and the Custodian of the Default, describing the Default specifically and in detail, and providing Concordia thirty (30) days from the date such written notice is received by Concordia to cure such Default. If Concordia fails to cure such Default within such 30-day cure period, Investor may, at its option, unilaterally instruct the Custodian to release to

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Investor the originally executed Contracts and all executed assignments then in the possession of the Custodian. Upon receipt of such originally executed Contracts and executed assignments, Investor may, at his option, and in addition to all other remedies available to Investor, file the title instruments and effect the legal transfer of title to Investor.

4.3 Assuming no Default by Concordia under this Agreement, the Custodian shall continue to hold the originally executed Contracts and all executed assignments of title until the earlier of (a) receipt of written instructions signed by both Concordia and Investor providing for the disposition of such Contracts and assignments, (b) the payment in full, and release of all the Contracts to Concordia for return to the Customers.

5. FUNDING

Concurrently with the execution of this Agreement by the parties, and the delivery of the originally executed Contracts and executed title transfer documents by Concordia to the Custodian, Investor shall wire or deliver to Concordia funds in the full amount of the Purchase Price.

6. SERVICING AGREEMENT

6.1 Investor hereby engages and hires Concordia as its servicing agent for all servicing matters related to the Contracts, including but not limited to sending monthly invoices to Customers for payment, the collection of payments, correspondence and telephone communication with any Customer in default, imposition and collection of late payment fees and NSF check charges, initiation at Concordia's sole discretion of all collection decisions, actions and activities, including repossession, retention of attorneys or collection agents, making repairs to damaged vehicles, reselling repossessed vehicles and all other matters and decisions relating to the Contracts and the vehicles covered by the Contracts, as if in all respects Concordia remained the owner of the Contracts and had sole authority with respect to the collection and disposition of the Contracts.

6.2 As part of its responsibility as servicing agent for the Contracts, Concordia shall send monthly reports to Investor, together with Concordia's check for payment of funds then due to Investor from collected funds received by Concordia. The monthly servicing reports will report, for each Contract, the principal collected, the principal balance, and the interest due to Investor.

6.3 As its fee for servicing each Contract, Concordia shall be entitled to retain, during the entire term of the Contract, (a) all late payment fees, (b) all NSF charges, and (c) all interest and other fees or charges in excess of that amount required to pay Investor a 1% per month return (12% per annum, simple interest) on the then existing principal balance due under the Contracts. Subject only to a Default under this Agreement by Concordia, and Concordia's failure to cure such Default within thirty (30) days after receipt of written notice from Investor

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describing such default in detail, the appointment of Concordia as the servicing agent for the Contracts under this Agreement is irrevocable and can be modified only with the prior written consent of Concordia, which consent may be withheld by Concordia for any reason whatsoever without regard to any standard of reasonableness.

7. SUBSEQUENT SALE OF CONTRACTS BY INVESTOR

7.1 Any attempt by Investor to sell, transfer or assign Investor's interest in any or all of the Contracts shall be void ab initio, unless prior to such sale, transfer or assignment (a) Investor first offers such Contracts to Concordia for purchase for 95% of the then existing principal balance due under the Contracts, and (b) Concordia fails to purchase such Contracts within ninety (90) days after receipt of written notice from Investor of Investor's intention to sell the Contracts, which notice shall specifically reference this Section 7 and describe the Contracts which Investor intends to sell, the identity, address and telephone number of the prospective purchaser (the "Prospective Purchaser") and the terms of the proposed sale.

7.2 If Concordia elects to purchase the Contracts from Investor under Section 7.1, nothing contained herein shall preclude or prohibit the subsequent or concurrent sale by Concordia of the Contracts to the Prospective Purchaser, and in the event of such sale Concordia shall be entitled to retain any profit upon sale without any obligation to Investor.

7.3 If Concordia elects not to purchase the Contracts from Investor under Section 7.1, and Investor subsequently sells the Contracts to the Prospective Purchaser, then the Prospective Purchaser shall be bound by the terms of this Agreement, including but not limited to the servicing provisions of Section 6 hereof.

8. INVESTOR ACKNOWLEDGMENTS

Investor hereby acknowledges that the Contracts, if compared to other contracts which were rated under industry standards from "A" to "D", with "A" being high quality with financially strong Customers and/or considerable excess value in the vehicles subject to the Contracts; and "D" being low quality with substantially weaker Customers and much less protection in the value of the vehicles, the Contracts would probably be considered "C" or "D" grade. For that reason, delinquent Contracts will not be unusual and there may be a large number of Substitute Contracts. Investor further acknowledges the importance of utilizing an experienced servicing agent for such Contracts and for that reason specifically agrees that (a) the requirement under this Agreement that Concordia be retained as the servicing agent during the entire term of the Contracts is a material condition to Concordia's willingness to enter this Agreement, and (b) the servicing fees to be paid to Concordia hereunder are fair and reasonable.

9. ARBITRATION

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At the election of either party, any controversy, claim or dispute of any kind or nature, arising out of or relating to this Agreement, or breach hereof, shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and any judgment awarded or rendered by the arbitrator(s), may be entered in any court having jurisdiction hereof. All costs of arbitration, together with any legal, court, investigation, accounting, shall be paid by the losing party.

10. TERM AND TERMINATION

10. Term. This Agreement shall continue in effect until the earlier of (a) the mutual agreement of the parties to terminate the Agreement, as evidenced in a writing signed by both parties or (b) the payment in full of all the Contracts.

10.2 Termination Upon Default. Notwithstanding the foregoing, upon the occurrence of any Default by either party, and the defaulting party's failure to cure such Default within thirty (30) days after receipt of written notice from the non-defaulting party describing the Default in detail, then upon the election of the non-defaulting party and upon effective written notice to the defaulting party, this Agreement shall terminate.

11. DEFAULT AND REMEDIES

11.1 Default. Any one or more of the following shall constitute a default of this Agreement ("Default"):

(a) Either party fails to pay any amount to the other party when due;

(b) Either party breaches any term, provision, covenant, warranty or representation under this Agreement, any amendment hereto, or any other agreements or contracts between the parties;

(c) A receiver or trustee is appointed for any or all of the assets of either party;

(d) Either party becomes insolvent, ceases business operations, or is unable to pay debts as they mature, makes a general assignment for the benefit of creditors or voluntarily files under bankruptcy or similar law(s);

(e) Any involuntary petition in bankruptcy is filed against either party and is not dismissed within 60 days;

(f) Any levies of attachment, executions, tax assessment or similar process is issued against either party and is not released within thirty (30) days thereof; and/or

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(g) Any document, statement, writing, warranty, representation, report, certificate, financial statement made or delivered by either party to the other is incorrect, false, untrue or misleading in any material respect whatever.

11.2 Remedies After Default. In the event of any Default by Concordia has not been cured within 30 days after notice of such Default is received by Concordia, which notice to be effective must specifically describe the default, Investor may do any one or more of the following:

(a) Notify the Custodian to release all the originally executed Contracts and title transfer instruments to Investor.

(b) Directly notify any Customers and effect collections of Contracts and collect such Contracts, without payment of any further servicing fee to Concordia.

(c) Request Concordia to assemble the Contracts and all records pertaining to the Contracts and deliver them to Investor.

(d) Subject to subparagraph (e) below, exercise any other rights and/or remedies available to Investor under law or equity.

(e) Assign, transfer or sell the Contracts to a third party, but only after complying with Section 7 hereof, which shall survive any termination of the Agreement and any Default by Concordia.

11.3 Cumulative Rights. All rights, remedies and powers granted to the parties in this Agreement, or in any other agreement given by one party to the other, are cumulative and may be exercised singularly or concurrently with such other rights as the parties may have.

12. MISCELLANEOUS

12.1 Power of Attorney. In order to carry out the servicing requirements of this Agreement, Investor grants to Concordia an irrevocable power of attorney, coupled with an interest, authorizing and permitting Concordia (acting through any of its employees, attorneys or agents) at any time, at Concordia's option, with or without notice to Investor, to do any or all of the following in Investor's name or otherwise, its special attorney in fact, or agent, with power to:

(a) insert Concordia's remittance address on all Contracts purchased by Investor and being collected by Concordia;

(b) receive, open and dispose of all mail addressed to Investor from any Customer;

(c) endorse the name of Investor, or Investor's fictitious trade name, on any checks or other evidences of payment that may come into the possession of Concordia on Contracts purchased by Investor or pursuant to default on any other documents relating to any of the Contracts, and including but not limited to, amendments, notices to customers and any other documents necessary to carry out the purposes of this Agreement;

(d) in Concordia's name, as servicing agent for Investor, or otherwise, demand, sue for, collect, and give releases for any and all monies due or to become due on Contracts;

(e) compromise, prosecute, or defend any action, claim or proceeding as to said Contracts;

(f) from time to time offer a trade discount to a Customer exclusive of Concordia's normal business practice with said customer; and

(g) to do any and all things Concordia deems necessary and proper to carry out the purpose(s) of this Agreement.

12.2 Hold Harmless. Concordia agrees to indemnify and hold Investor harmless against any and all claims, losses, expenses, costs, obligations, liabilities, and attorneys' fees Investor may incur by reason of (i) Concordia's breach of or failure to perform any of its warranties, guarantees, commitments, or covenants in this Agreement; or (ii) Concordia's collecting or attempting to collect any Contracts.

12.3 Binding on Future Parties. This Agreement inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties.

12.4 Written Waiver. A party may not waive its rights and remedies unless the waiver is in writing and signed by that party. A waiver of a party of any right or remedy under this Agreement on one occasion is not a waiver of any other right on that occasion, nor the waiver of that or any other right on any subsequent occasion.

12.5 Legal Fees. The prevailing party shall be entitled to receive all attorney's fees, costs and/or expenses ("Legal Fees") incurred by such party in enforcing this Agreement and any documents prepared in connection herewith, and/or protecting, preserving or enforcing any right granted under this Agreement, whether or not suit is brought. In any lawsuit, arbitration or other proceeding, including any and all appeals therefrom, the prevailing party shall be entitled to recover its Legal Fees wherever applicable.

12.6 California Law. This Agreement shall be governed by and construed both as to validity and performance and enforced in accordance with the laws of the State of California, without giving effect to the choice of law principles thereof.

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12.7 Invalid Provisions. If any provision(s) of this Agreement shall be declared illegal, contrary to law or policy, or otherwise unenforceable, it is agreed that such provision shall be disregarded and that all other provisions of this Agreement shall remain in full force and effect as though such provision(s) had not been incorporated herein.

12.8 Entire Agreement. This Agreement, and any exhibits and schedules attached hereto, constitutes the entire agreement of the parties and supersedes all other prior agreements, understandings, representations and warranties, whether written or oral. This Agreement may be amended only by written agreement executed by the parties.

12.9 Notice. All notices, requests, demands, and other communications (collectively Notices) given or made pursuant to this Agreement shall be given if sent by telex, telecopy, fax, first class mail or by registered or certified mail, return receipt requested, postage and fees prepaid, or equivalent private messenger/delivery service offering signature acknowledgement by recipient (Fedex, UPS, etc.), or by personal delivery, to the address listed below, new addresses provided by the parties, or wherever located:

If to Concordia: Concordia Financing Co., Ltd.
[redacted]
[redacted], California [redacted]
Fax: [redacted]
ATTN: Ken Crowder

If to Investor: Charles and Barbara Talbott
[redacted]
[redacted], AZ [redacted]

12.10 Waiver of Jury Trial. KC BT *(Initial)* BOTH INVESTOR AND CONCORDIA ACKNOWLEDGE THE EXTREME COST ATTENDANT TO TRIAL BY JURY, AND THEREFORE BOTH CLIENT AND CONCORDIA WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING OR TRANSACTION RELATING TO THIS AGREEMENT OR ANY AGREEMENT(S) RELATED HERETO.

Executed this 3rd day of January 2000, at Ontario, California.

Concordia: Concordia Financing Co., Ltd.
a California corporation

By: Kenneth Crowder
Kenneth Crowder
President

Investor: Charles R Talbott
Charles or Barbara Talbott

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CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of January 1, 2000 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), Charles R and Barbara A Talbott, trustees for the Charles R and Barbara A Talbott Living Trust ("Investor"), and E R Financial and Advisory Service, an Arizona company ("Custodian"), collectively referred to herein as "the parties".

RECITALS

A. Concordia and Investor have entered into a Sale of Contracts and Servicing Agreement dated January 1, 2000 (the "Sale"). Concordia is selling certain Contracts to Investor and servicing such Contracts for the benefit of both Investor and Concordia. All terms used herein shall have the meanings set forth in the Sale Agreement. A true and exact copy of the Sale Agreement has been delivered to Custodian, and all the terms and provisions of the Sale Agreement are incorporated herein by this reference.

B. The Sale Contract requires the appointment of a custodian to hold the originally executed Contracts and title documents.

C. Concordia and Investor wish to appoint Custodian as the custodian under the Sale Contract, and Custodian is willing to serve in such capacity under the terms of this Agreement.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, including the mutual covenants herein contained, the parties hereto agree as follows:

1. Appointment of Custodian. The parties hereby appoint Custodian as the custodian described in the Sale Contract, and Custodian hereby accepts such appointment.

2. Delivery of Documents to Custodian. Concurrent with the execution of this Agreement, Concordia shall transfer to Custodian the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the arrangement and transfer of the Contracts and title to the vehicles to Investor. All Substitute Contracts delivered by Concordia to Custodian shall also be originally executed and shall be accompanied by evidences of title and separate assignments as provided herein for the Contracts.

3. Holding Period. Custodian shall hold the Contracts and related documents for the benefit of Concordia and Investor, for the period described in Section 4.3 of the Sale Agreement.

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4. Rights, Duties and Responsibilities of Custodian. It is understood and agreed that the duties of the Custodian are purely administrative in nature, and that:

4.1 Custodian's responsibilities shall be limited to those described in Sections 3.7 and 4 of the Sale Agreement.

4.2 Custodian shall not be responsible for the performance by Concordia or Investor of any of their respective obligations under this Agreement or under the sale Agreement.

4.3 Custodian shall be under no duty or responsibility to determine the accuracy or validity of any Contracts or other documents delivered to Custodian. Custodian shall be entitled to rely upon the accuracy, act in reliance upon the contents, and assume the genuineness of, any notice, instruction, certificate, signature, instrument or other document which is given to Custodian pursuant to this Agreement or the Sale Agreement without the necessity of Custodian verifying the truth or accuracy thereof. Custodian shall not be obligated to make any inquiry as to the authority, capacity, existence or identity of any person purporting to give any such notice or instructions or to execute any such certificate, instrument or other document.

4.4 Custodian shall not be liable for any action taken or omitted hereunder, or for the misconduct of any employee, agent or attorney appointed by it, except in the case of Custodian's willful misconduct or negligence.

5. Amendment, Resignation, Interpleader.

5.1 This Agreement may be altered or amended only with the written consent of all the parties hereto. Custodian may resign for any reason upon thirty (30) days' written notice to both Concordia and Investor. Should Custodian resign as herein provided, after the effective date of such resignation he shall not be required to accept any additional documents but his only duty shall be to hold the documents in its possession for a period of not more than five (5) business days following the effective date of such resignation, at which time (a) if a successor custodian shall have been appointed by Concordia and Investor and written notice thereof (including the name and address of such successor custodian) shall have been given to the resigning Custodian by Concordia and Investor the Issuer and such successor custodian, then the resigning Custodian shall deliver the documents in his possession to the successor custodian, or (b) if the resigning custodian shall not have received written notice signed by Concordia and Investor custodian and a successor then the resigning Custodian shall promptly deliver all the documents in his possession back to Concordia, and the resigning Custodian shall notify Investor in writing of his transfer of such documents, whereupon, in either case, Custodian shall be relieved of all further obligations and released from all liability under this Agreement. Without limiting the provisions of Section 6 hereof, the resigning Custodian shall be entitled to be reimbursed by Concordia for any expenses incurred in connection with his resignation, and transfer of the custodial documents to a successor custodian pursuant to this Section 5.1.

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5.2 Should the parties not designate a successor custodian within 30 days of the Customer's resignation, or should any dispute arise with respect to the custodial documents, this Agreement or the Sale Agreement, Custodian may deposit the custodial documents with a court of competent jurisdiction and interplead such dispute and the parties will hold Custodian harmless and indemnify him against all consequences and expenses which may be incurred, including Custodian's reasonable attorneys' fees.

6. Fees and Expenses. Concordia shall pay Custodian a fee for his services in the amount of 0.25% per month of the principal balance, payable monthly.

7. Indemnification and Contribution.

7.1 Notwithstanding the provisions of paragraph 6, Concordia agrees to indemnify Custodian and his or its officers, directors, employees, agents and shareholders (jointly and severally the "Indemnitees") and Concordia agrees to hold them harmless from, any and all loss, liability, cost, damage and expense, including, without limitation, reasonable counsel fees, which the Indemnitees may suffer or incur by reason of any action, claim or proceeding brought or threatened against the Indemnitees arising out of or relating in any way to this Agreement or any transaction to which this Agreement relates, unless such action, claim or proceeding is the result of the willful misconduct or negligence of the Indemnitees.

7.2 The provisions of this Section 7 shall survive any termination of this Agreement, whether by transfer of the custodial documents, resignation of Custodian or otherwise.

IN WITNESS WHEREOF, the undersigned have executed this Agreement to be effective as of the day and year first above written.

Concordia: Concordia Financing Co., Ltd.
a California corporation

Kenneth Crowder
President

Investor: Charles or Barbara Talbott

Custodian: E R Financial and Advisory Service

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930-000182

Δπ EXHIBIT 8
Deponent K. Crowder
Date 4-30-13 Rptr. DJJ
WWW.DEPOBOOK.COM

AMENDMENT TO SALE OF CONTRACTS AND SERVICING AGREEMENT

Effective February 1, 2009, the Sale of Contracts and Servicing Agreement, previously executed on April 9, 2001 by and between Jill Mc Claran and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

RECITALS

A. WHEREAS on or about April 9, 2001 Jill Mc Claran and Concordia entered into the Sale of Contracts and Servicing Agreement where under, among other things, Concordia was to make certain monthly payments; and

B. WHEREAS Concordia has, as a matter of practice, been paying Jill Mc Claran monthly an amount equal to a 1% percent return (12% per annum simple interest) on the total "purchase price" as that term is defined;

C. WHEREAS due to current economic conditions, it is no longer practicable for Concordia to continue making the interest payments without jeopardizing its ability to remain a going concern; and

D. WHEREAS Jill Mc Claran desires to continue to receive regular monthly payments;

NOW, THEREFORE, the parties hereto agree as follows:

AGREEMENT

1. Paragraphs 6. 2 and 6.3 of the Sale of Contracts and Servicing Agreement are deleted.

2. In place thereon, Concordia will continue to pay to Jill Mc Claran monthly payments in an amount equal to the interest payments Concordia has been making to

Jill Mc Claran. These monthly payments shall, however constitute, and be characterized as, a repayment of the principal of the purchase price as that term is defined in the Sale of Contracts and Servicing Agreement .

3. Except as amended by this Agreement, the terms and conditions of the Sale of Contract and Servicing Agreement shall remain in full force and effect.

4. Neither this Amendment nor the underlying Sale of Contract and Servicing Agreement may be orally changed or amended. Any changes shall be effective only upon the execution of a written agreement by the parties hereto.

CONCORDIA FINANCING CO. LTD,
a California Corporation

By: _____
Christopher Crowder
President & COO

INVESTOR

By: _____
Jill Mc Claran

Usually when something is cited (from a previous contract, the contract is included. I just signed a papers with NO knowledge of what paragraph 6.2 & 6.3 of the Sale contract is.

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CONCORDIA

March 6, 2009

Dear Jill Mc Claran,

The world economy has hit the financial markets in a way that could never have been anticipated only one year ago. Concordia has not been exempt, we have been hit hard too.

Fortunately Concordia was in a good position back in December of 2006. The rising price of diesel in 2007 began to create problems for our truck drivers. Between July 2007 and June of 2008 we had a record number of voluntary repossessions.

In January 2008 three companies which had competed with Concordia for deals shut their doors. The best known of these was AIG. American General, the funding company, had entered the truck finance market with the intent of selling insurance to the drivers. When these three companies closed their doors, Concordia began to see better applicants and was hopeful that the worst was over.

Then came the financial crisis of the mortgage market which has resulted in bank failures and the stock market collapse. This was unprecedented in recent times. Concordia immediately went into an internal review to examine our options. We had taken large losses over the past year and a half. We had an excess of inventory from repossessions in a market where prices were dropping.

The conclusion of the review is that for some period of time, Concordia will stop the accrual and payment of interest on the investment amounts so that we can operate successfully to maximize investors' return. During this period, Concordia will need to maintain funding levels and cash reserves and be allowed to continue to operate and collect from active contracts and properly repossess and sell the truck inventory.

Concordia has received many requests for withdrawal of funds. There have been too many for us to accommodate. Our capital is currently tied up in repossession inventory and contracts from which we are collecting. We need time to liquidate the inventory and continue to collect payments.

Our attorney is drafting a new agreement which we will ask you to sign. This should arrive by mail within the next week or two.

We are requesting that you permit us to continue servicing your accounts. We intend to send each investor a monthly check equal to the amount of interest which was formerly due. This money, however, will be classified as a return of capital.

If all investors agree, our business model predicts that we can return most, if not all, of your investment under the worst case of assumptions we can imagine.

We hope you will understand. Please be patient a little longer while we develop a formal offer.

Sincerely,

Chris Crowder
President and COO

CERTIFIED MAIL

7008 1300 0000 5942 1851

CONCORDIA

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RECEIVED
Acct #930-000
RECEIVED

RETURNED TO SENDER

- ☐ MOVED, LEFT NO ADDRESS
- ☐ FORWARDING ORDER EXPIRED
- ☐ ATTEMPTED - NOT KNOWN
- ☑ UNCLAIMED ☐ REFUSED
- ☐ NO SUCH STREET
- ☐ NO SUCH NUMBER
- ☐ INSUFFICIENT ADDRESS

RETURNED

McClaran

(MAKE A COPY OF EACH CHECK AND PLACE IN THIS FILE)

INVESTMENT FLOW

DATE OF ACTION	AMOUNT	ACCOUNT ACTION
04/09/01	$50,000.00	Initial Investment
04/01/02	$10,000.00	Added Investment
05/01/02	($30,000.00)	Separate account (Bilbao)
05/13/02	($15,000.00)	Withdrawal0

TOTAL: $15,000.00

*Note: McClaran and Bilbao use to be joint accounts. The funds were seperated on 03/01/02. Both accounts remained with a balance of $30K. Original investment date for both of these accounts in the amount of $50K was made on 04/09/01.

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DEPOSIT TICKET

CONCORDIA FINANCE
2920 INLAND EMPIRE BLVD., SUITE 103
ONTARIO, CA 91764

CHINO COMMERCIAL BANK
14345 PIPELINE AVE.
CHINO, CA 91710

DATE 4-11-01	DOLLARS	CENTS
CURRENCY		
COIN		
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TOTAL FROM OTHER SIDE		
PLEASE RE-ENTER TOTAL HERE	50,000	00

DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL. A CREDIT FOR UNCOLLECTED ITEMS MAY BE REACTIVATED IF DEPOSITED ON FINANCIAL INSTITUTION BUSINESS DAYS. SEE CURRENT DEPOSIT AGREEMENT FOR DETAILS.

$ 50,000.00

⑆122243062⑆ 001100056⑈ 11

STEPHEN P. DENNISON
MAE L. THOMPSON
[redacted]
[redacted] AZ [redacted]

91-2/1221 86
02765672

1322

Date Apr. 9, 2001

Pay to the order of Concordia Finance $ 50,000.00

Fifty thousand and no/100 dollars

BANK ONE.
Bank One, Arizona, NA
Lake Havasu Financial Center (068)
Lake Havasu City, Arizona

Memo

Mae L. Thompson MP

⑆122100024⑆ 02765672⑈ 1322

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920-9182

SECOND AMENDMENT TO SALE OF CONTRACTS AND SERVICING AGREEMENT

Effective as of *December 1, 2011*, the Sale of Contracts and Servicing Agreement ("Agreement") executed on *April 9, 2001*, by and between Concordia Financing Co., Ltd., a corporation ("Concordia"), and *Jill McClaran - Paula Bilbao* is hereby amended in the following respects:

RECITALS

A. WHEREAS on or about *April 9, 2001*, Concordia and *Jill McClaran - Paula Bilbao* entered into a Sale of Contracts and Servicing Agreement, a copy of which is attached hereto as Exhibit "A"; and

B. WHEREAS effective February 1, 2009, the parties entered into an Amendment of the Sale of Contracts and Servicing a copy of which Amendment is attached hereto as Exhibit "B"; and

C. WHEREAS Concordia has suffered financial reverses and is insolvent and cannot repay the full amount *Jill McClaran - Paula Bilbao 's* investment balance. *Jill McClaran - Paula Bilbao* is familiar with Concordia's financial conditions and has determined any attempt to collect the full amount of the investment balance would be a useless act which would produce nothing and it would be spending good money to no positive end.

NOW, THEREFORE, the parties hereto agree as follows:

AGREEMENT

1. Because of Concordia's financial condition where its total liabilities significantly exceed the fair market value of its total assets, 55% of the investment

balance as of February 1, 2009, is hereby cancelled as a bad debt as there is no reasonable possibility that any enforced collection efforts will result in the cancelled amount of the Agreement being covered. Accordingly, the investment amount under the Agreement shall be reduced from *$19,823.84* to $3,323.84.

2. Section 1.4 of the Agreement shall be deleted in its entirety and the following language inserted instead: "Custodian" means ER Financial or Concordia at the election of *Jill McClaran - Paula Bilbao* . In the event that *Jill McClaran - Paula Bilbao* fails to elect the custodian, Concordia will be the Custodian.

3. Section 3.1 of the Agreement shall be deleted in its entirety and the following inserted instead: Concordia is insolvent and even though it may have sufficient financial liquidity over the next year to make payments to investors, it will continue to be or characterized as insolvent. To the best of Concordia's knowledge and belief, the dealers and the customers named in the contracts are solvent.

4. Section 4.2 of the Agreement shall be deleted in its entirety.

5. Section 7, including subsections 7.1, 7.2 and 7.3 of the Agreement shall be deleted in its entirety.

6. Section 11.1 (d) of the Agreement shall be deleted in its entirety.

7. Section 11.1 (e) of the Agreement shall be deleted in its entirety.

8. Section 11.2(d) of the Agreement shall be deleted in its entirety.

9. Section 11.2(e) of the Agreement shall be deleted in its entirety and the following inserted instead: Assign or transfer the Contracts to Investor or a third party directed by Investor.

10. Except as amended by this Second Amendment and the previous Amendment to Sale of Contracts and Servicing Agreement, the terms and conditions of the original Agreement as amended shall remain in full force and effect.

11. By execution of this Second Amendment, Jill McClaran - Paula Bilbao hereby releases Concordia, its officers, directors, agents and employees, from any and all liability under the original Agreement except as herein amended.

12. Neither this Second Amendment nor the previous Amendment nor the underlying Agreement may be orally changed or amended. Any further changes shall be effective only upon the execution of a written agreement signed by the parties hereto.

CONCORDIA FINANCING CO. LTD,
a California Corporation

By: _____
Christopher Crowder
President

INVESTOR

By: Paula Bilbao
Jill McClaran - Paula Bilbao 4-10-12

920-009182

AMENDMENT TO SALE OF CONTRACTS AND SERVICING AGREEMENT

Effective February 1, 2009, the Sale of Contracts and Servicing Agreement, previously executed on April 9, 2001 by and between Jill McClaran - Paula Bilbao and Concordia Financing Co., Ltd., a corporation ("Concordia"), is hereby amended in the following respects:

RECITALS

A. WHEREAS on or about April 9, 2001 Jill McClaran - Paula Bilbao and Concordia entered into the Sale of Contracts and Servicing Agreement where under, among other things, Concordia was to make certain monthly payments; and

B. WHEREAS Concordia has, as a matter of practice, been paying Jill McClaran - Paula Bilbao monthly an amount equal to a 1% percent return (12% per annum simple interest) on the total "purchase price" as that term is defined;

C. WHEREAS due to current economic conditions, it is no longer practicable for Concordia to continue making the interest payments without jeopardizing its ability to remain a going concern; and

D. WHEREAS Jill McClaran - Paula Bilbao desires to continue to receive regular monthly payments;

NOW, THEREFORE, the parties hereto agree as follows:

AGREEMENT

1. Paragraphs 6. 2 and 6.3 of the Sale of Contracts and Servicing Agreement are deleted.

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2. In place thereon, Concordia will continue to pay to Jill McClaran - Paula Bilbao monthly payments in an amount equal to the interest payments Concordia has

been making to Jill McClaran - Paula Bilbao. These monthly payments shall, however constitute, and be characterized as, a repayment of the principal of the purchase price as that term is defined in the Sale of Contracts and Servicing Agreement.

3. Except as amended by this Agreement, the terms and conditions of the Sale of Contract and Servicing Agreement shall remain in full force and effect.

4. Neither this Amendment nor the underlying Sale of Contract and Servicing Agreement may be orally changed or amended. Any changes shall be effective only upon the execution of a written agreement by the parties hereto.

CONCORDIA FINANCING CO. LTD,
a California Corporation

By: _____
Christopher Crowder
President & COO

INVESTOR

By: Paula Bilbao
Stephen P Dennison
(Jill Mc Claran – Paula Bilbao)

Paula Bilbao

(MAKE A COPY OF EACH CHECK AND PLACE IN THIS FILE)

INVESTMENT FLOW

DATE OF ACTION	AMOUNT	ACCOUNT ACTION
04/09/01	$25,000.00	Initial Investment
03/01/02	$5,000.00	Added Investment

TOTAL: $30,000.00

*Note: McClaran and Bilbao use to be joint accounts. The funds were seperated on 03/01/02. Both accounts remained with a balance of $30K. Original investment date for both of these accounts in the amount of $50K was made on 04/09/01.

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:

Paula Bilbao
[redacted]
[redacted], Ca[redacted]

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X [signature] ☐ Agent ☐ Addressee

B. Received by (Printed Name) | C. Date of Delivery 3-7

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) 7008 1300 0000 5942 2339

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

7008 1300 0000 5942 2339

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	$ 5.32
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$ 5.32

Postmark Here

920-9182

Sent To Bilbao, Paula
Street, Apt. No.; or PO Box No. [redacted]
City, S[redacted], CA[redacted]

PS Form 3800, August 2006 See Reverse for Instructions

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November 15, 2006

Attn: Ana Trueba (162)

From: Jill McClaran

Please change my investment to reinvest my interest check every month instead of sending the check to me.

Thank you,

Jill M

[redacted]

#182

Christopher Crowder
Concordia Finance
[redacted]
[redacted] CA [redacted]

Dear Mr. Crowder,

I am writing to inform you that I will be removing a total of $20,000. from my account on February 28th. I would like to put the money back in at a later date (within a few months). I spoke to Lupe Contreras in the month of December and on January 13, 2003 to inform her in advance for the release of the money. Please send the check either Fed Ex or by priority mail so we can track it if it were to get lost.

If you have any questions, please call me at [redacted] or [redacted]

Thank you,

Jill McClaran

Jill McClaran
[redacted]
[redacted] CA [redacted]

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JILL McCLARAN
[redacted] CA[redacted]

LONG BEACH CA
14 JUL 2006

Concordia Finance
Christopher Crowder
[redacted]
[redacted], CA
[redacted]

Memo

From
STEVE DENNISON

To

JILL McCLARAN
[redacted]
[redacted] CALIF. [redacted]

PAULA BILBAO
[redacted]
[redacted] CALIF. [redacted]

1) SPLIT THE SAME WAY.

25,000 dm

each.

mail to their addresses.

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PRINCIPAL NOT TO be Released WITHOUT DAD'S OK
STEPHEN P. DENNISON

CONCORDIA FINANCING CO., LTD.

Sale of Contracts and Servicing Agreement

This Sale of Contracts and Servicing Agreement ("Agreement") is entered into to be effective as of 4/9, 2001 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and _____, a(n) Individual ("Investor") hereinafter collectively referred to as "the parties." → JILL McCLARAN PAULA BELBO.

RECITALS

A. Concordia desires to obtain short term financing by factoring, selling and assigning to Investor certain truck (tractor and/or trailer) conditional sales contracts, and Concordia is willing to service such contracts for Investor.

B. Investor desires to purchase conditional sales contracts from Concordia on the terms and conditions stated herein, including but not limited to the mutual condition that Concordia service such contracts.

THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS

1.1 "Contracts" means those certain truck (tractor and/or trailer) conditional sales contracts listed in Exhibit A attached hereto, including all Substitute Contracts.

1.2 "Contract Default" means any of the following: a Customer fails to provide the insurance required by the Contract for a vehicle within 30 days after notice of the requirement to do so; a Customer fails to make three (3) consecutive monthly payments under the Contract; a Customer files any form of bankruptcy proceeding, or such proceeding is filed against a customer; a repossession is ordered for a vehicle under a Contract; or an insurance claim is made with respect to a vehicle under a Contract for repairs in excess of 25% of the value of the vehicle; or a Customer Dispute.

1.3 "Credit Problem" means the Customer is unable to pay trade debts due to insolvency and/or the filing of a Petition in Bankruptcy.

1.4 "Custodian" means E R Financial and Advisory Service, who shall hold the originally executed Contracts, with transferable title documents, pursuant to the terms of the Agreement.

1.5 "Customer" means the account debtor under a Contract.

1.6 "Customer Dispute" means any claim by Customer against Concordia, of any kind whatsoever, valid or invalid, that reduces the amount collectible from Customer by Investor.

1.7 "Dealer" means an existing licensed truck dealer who is named as the payee under a Contract and who has sold the Contract, at a discount, to Concordia.

1.8 "Default" shall have the meaning set forth in Section 11 hereof.

1.9 "Purchase Price" shall have the meaning set forth in Section 2 hereof.

1.10 "Substitute Contract" means a Contract having no known Contract Default which is delivered to the Custodian for transfer to Investor for the purpose of Investor replacing an existing Contract having an equal or lesser principal balance for which a Contract Default has occurred.

2. SALE OF CONTRACTS

Concordia hereby sells, assigns and transfers to Investor those Contracts described in Exhibit A, for a purchase price of $ 50,000 (the "Purchase Price"). From time to time monies may be added or taken. The balance will be shown in Exhibit A.

3. WARRANTIES

As an inducement for Investor to enter into this Agreement, and with full knowledge that the truth and accuracy of the warranties in this Agreement are being relied upon by Investor, Concordia warrants and covenants that:

3.1 Concordia's business is solvent, and to the best knowledge of Concordia, without any duty to investigate, the Dealers and the Customers named in the Contracts are solvent.

3.2 Concordia is the lawful owner of, and has good and undisputed title to, the Contracts.

3.3 Each Contract offered for sale to Investor is an accurate and undisputed statement of indebtedness by Customer for a sum certain of which is due and payable in accordance with the terms of such Contract, and, to the best knowledge of Concordia, is not subject to any defenses which would preclude payment by the Customer in accordance with the terms of the Contract.

3.4 To the best knowledge of Concordia, each Contract offered for sale to Investor is an accurate statement of a bonafide sale, deliver and acceptance of merchandise or performance of service by Dealer to Customer.

3.5 Concordia does not own, control or exercise dominion over, in any part or way whatsoever, the business of any Dealer having Contracts which are factored by Concordia to Investor under this Agreement.

3.6 Prior to purchasing a Contract from any Dealer, Concordia conducts a credit check of the Customer to determine the payment risk. The Contracts represent commercial sales, which means that the underlying vehicles will be used for business purposes and that the sales and the Contracts are governed by the California Commercial Code or the Commercial Code of the applicable state where the Dealer is located.

3.7 Within ten (10) business days after Concordia receives knowledge of any Contract Default, Concordia shall transfer and assign a Substitute Contract to Investor to replace the Contract having a Contract Default, by delivering such originally executed Substitute Contract to the Custodian with executed title transfer documents, and, within 2 business days after receipt of such Substitute Contract and related documents, the Custodian shall place the Contract having the Contract Default in the U.S. mail for return to Concordia.

4. CUSTODIAN; DEFAULT

4.1 Upon execution of this Agreement, the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the assignment and transfer of the Contracts and title to the vehicles to Investor, shall be delivered by Concordia to the Custodian with a copy of this Agreement. The Custodian shall hold the Contracts for the benefit of Concordia and Investor. Contracts shall from time to time be released by the Custodian to Concordia, upon receipt of Concordia's written representation, a copy of which shall be mailed to Investor by Concordia as part of the monthly report required by Section 6.2 hereof, that the Contract to be released either (a) has been paid in full and must be returned to the Customer, or (b) has incurred a Contract Default and is to be concurrently replaced with a substitute Contract.

4.2 Upon any Default under this Agreement by Concordia, Investor shall concurrently notify Concordia and the Custodian of the Default, describing the Default specifically and in detail, and providing Concordia thirty (30) days from the date such written notice is received by Concordia to cure such Default. If Concordia fails to cure such Default within such 30-day cure period, Investor may, at its option, unilaterally instruct the Custodian to release to Investor the originally executed Contracts and all executed assignments then in the possession of the Custodian. Upon receipt of such originally executed Contracts and executed assignments, Investor may, at his option, and in addition to all other remedies available to Investor, file the title instruments and effect the legal transfer of title to Investor.

4.3 Assuming no Default by Concordia under this Agreement, the Custodian shall continue to hold the originally executed Contracts and all executed assignments of title until the earlier of (a) receipt of written instructions signed by both Concordia and Investor providing for the

disposition of such Contracts and assignments, (b) the payment in full, and release of all the Contracts to Concordia for return to the Customers.

5. FUNDING

Concurrently with the execution of this Agreement by the parties, and the delivery of the originally executed Contracts and executed title transfer documents by Concordia to the Custodian, Investor shall wire or deliver to Concordia funds in the full amount of the Purchase Price.

6. SERVICING AGREEMENT

6.1 Investor hereby engages and hires Concordia as its servicing agent for all servicing matters related to the Contracts, including but not limited to sending monthly invoices to Customers for payment, the collection of payments, correspondence and telephone communication with any Customer in default, imposition and collection of late payment fees and NSF check charges, initiation at Concordia's sole discretion of all collection decisions, actions and activities, including repossession, retention of attorneys or collection agents, making repairs to damaged vehicles, reselling repossessed vehicles and all other matters and decisions relating to the Contracts and the vehicles covered by the Contracts, as if in all respects Concordia remained the owner of the Contracts and had sole authority with respect to the collection and disposition of the Contracts.

6.2 As part of its responsibility as servicing agent for the Contracts, Concordia shall send monthly reports to Investor, together with Concordia's check for payment of funds then due to Investor from collected funds received by Concordia. The monthly servicing reports will report, for each Contract, the principal collected, the principal balance, and the interest due to Investor.

6.3 As its fee for servicing each Contract, Concordia shall be entitled to retain, during the entire term of the Contract, (a) all late payment fees, (b) all NSF charges, and (c) all interest and other fees or charges in excess of that amount required to pay Investor a 1% per month return (12% per annum, simple interest) on the then existing principal balance due under the Contracts. Subject only to a Default under this Agreement by Concordia, and Concordia's failure to cure such Default within thirty (30) days after receipt of written notice from Investor describing such default in detail, the appointment of Concordia as the servicing agent for the Contracts under this Agreement is irrevocable and can be modified only with the prior written consent of Concordia, which consent may be withheld by Concordia for any reason whatsoever without regard to any standard of reasonableness.

7. SUBSEQUENT SALE OF CONTRACTS BY INVESTOR

7.1 Any attempt by Investor to sell, transfer or assign Investor's interest in any or all of the Contracts shall be void ab initio, unless prior to such sale, transfer or assignment (a) Investor first offers such Contracts to Concordia for purchase for 95% of the then existing principal balance due under the Contracts, and (b) Concordia fails to purchase such Contracts within ninety (90) days after receipt of written notice from Investor of Investor's intention to sell the Contracts,

which notice shall specifically reference this Section 7 and describe the Contracts which Investor intends to sell, the identity, address and telephone number of the prospective purchaser (the "Prospective Purchaser") and the terms of the proposed sale.

7.2 If Concordia elects to purchase the Contracts from Investor under Section 7.1, nothing contained herein shall preclude or prohibit the subsequent or concurrent sale by Concordia of the Contracts to the Prospective Purchaser, and in the event of such sale Concordia shall be entitled to retain any profit upon sale without any obligation to Investor.

7.3 If Concordia elects not to purchase the Contracts from Investor under Section 7.1, and Investor subsequently sells the Contracts to the Prospective Purchaser, then the Prospective Purchaser shall be bound by the terms of this Agreement, including but not limited to the servicing provisions of Section 6 hereof.

8. INVESTOR ACKNOWLEDGMENTS

Investor hereby acknowledges that the Contracts, if compared to other contracts which were rated under industry standards from "A" to "D", with "A" being high quality with financially strong Customers and/or considerable excess value in the vehicles subject to the Contracts; and "D" being low quality with substantially weaker Customers and much less protection in the value of the vehicles, the Contracts would probably be considered "C" or "D" grade. For that reason, delinquent Contracts will not be unusual and there may be a large number of Substitute Contracts. Investor further acknowledges the importance of utilizing an experienced servicing agent for such Contracts and for that reason specifically agrees that (a) the requirement under this Agreement that Concordia be retained as the servicing agent during the entire term of the Contracts is a material condition to Concordia's willingness to enter this Agreement, and (b) the servicing fees to be paid to Concordia hereunder are fair and reasonable.

9. ARBITRATION

At the election of either party, any controversy, claim or dispute of any kind or nature, arising out of or relating to this Agreement, or breach hereof, shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and any judgment awarded or rendered by the arbitrator(s), may be entered in any court having jurisdiction hereof. All costs of arbitration, together with any legal, court, investigation, accounting, shall be paid by the losing party.

10. TERM AND TERMINATION

10.1 Term. This Agreement shall continue in effect until the earlier of (a) the mutual agreement of the parties to terminate the Agreement, as evidenced in a writing signed by both parties or (b) the payment in full of all the Contracts.

10.2 Termination Upon Default. Notwithstanding the foregoing, upon the occurrence of any Default by either party, and the defaulting party's failure to cure such Default within thirty (30) days after receipt of written notice from the non-defaulting party describing the Default in detail, then upon the election of the non-defaulting party and upon effective written notice to the defaulting party, this Agreement shall terminate.

11. DEFAULT AND REMEDIES

11.1 Default. Any one or more of the following shall constitute a default of this Agreement ("Default"):

(a) Either party fails to pay any amount to the other party when due;

(b) Either party breaches any term, provision, covenant, warranty or representation under this Agreement, any amendment hereto, or any other agreements or contracts between the parties;

(c) A receiver or trustee is appointed for any or all of the assets of either party;

(d) Either party becomes insolvent, ceases business operations, or is unable to pay debts as they mature, makes a general assignment for the benefit of creditors or voluntarily files under bankruptcy or similar law(s);

(e) Any involuntary petition in bankruptcy is filed against either party and is not dismissed within 60 days;

(f) Any levies of attachment, executions, tax assessment or similar process is issued against either party and is not released within thirty (30) days thereof; and/or

(g) Any document, statement, writing, warranty, representation, report, certificate, financial statement made or delivered by either party to the other is incorrect, false, untrue or misleading in any material respect whatever.

11.2 Remedies After Default. In the event of any Default by Concordia has not been cured within 30 days after notice of such Default is received by Concordia, which notice to be effective must specifically describe the default, Investor may do any one or more of the following:

(a) Notify the Custodian to release all the originally executed Contracts and title transfer instruments to Investor.

(b) Directly notify any Customers and effect collections of Contracts and collect such Contracts, without payment of any further servicing fee to Concordia.

(c) Request Concordia to assemble the Contracts and all records pertaining to the Contracts and deliver them to Investor.

(d) Subject to subparagraph (e) below, exercise any other rights and/or remedies available to Investor under law or equity.

(e) Assign, transfer or sell the Contracts to a third party, but only after complying with Section 7 hereof, which shall survive any termination of the Agreement and any Default by Concordia.

11.3 Cumulative Rights. All rights, remedies and powers granted to the parties in this Agreement, or in any other agreement given by one party to the other, are cumulative and may be exercised singularly or concurrently with such other rights as the parties may have.

12. MISCELLANEOUS

12.1 Power of Attorney. In order to carry out the servicing requirements of this Agreement, Investor grants to Concordia an irrevocable power of attorney, coupled with an interest, authorizing and permitting Concordia (acting through any of its employees, attorneys or agents) at any time, at Concordia's option, with or without notice to Investor, to do any or all of the following in Investor's name or otherwise, its special attorney in fact, or agent, with power to:

(a) insert Concordia's remittance address on all Contracts purchased by Investor and being collected by Concordia;

(b) receive, open and dispose of all mail addressed to Investor from any Customer;

(c) endorse the name of Investor, or Investor's fictitious trade name, on any checks or other evidences of payment that may come into the possession of Concordia on Contracts purchased by Investor or pursuant to default on any other documents relating to any of the Contracts, and including but not limited to, amendments, notices to customers and any other documents necessary to carry out the purposes of this Agreement;

(d) in Concordia's name, as servicing agent for Investor, or otherwise, demand, sue for, collect, and give releases for any and all monies due or to become due on Contracts;

(e) compromise, prosecute, or defend any action, claim or proceeding as to said Contracts;

(f) from time to time offer a trade discount to a Customer exclusive of Concordia's normal business practice with said customer; and

(g) to do any and all things Concordia deems necessary and proper to carry out the purpose(s) of this Agreement.

12.2 Hold Harmless. Concordia agrees to indemnify and hold Investor harmless against any and all claims, losses, expenses, costs, obligations, liabilities, and attorneys' fees Investor may incur by reason of (i) Concordia's breach of or failure to perform any of its warranties, guarantees, commitments, or covenants in this Agreement; or (ii) Concordia's collecting or attempting to collect any Contracts.

12.3 Binding on Future Parties. This Agreement inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties.

12.4 Written Waiver. A party may not waive its rights and remedies unless the waiver is in writing and signed by that party. A waiver of a party of any right or remedy under this Agreement on one occasion is not a waiver of any other right on that occasion, nor the waiver of that or any other right on any subsequent occasion.

12.5 Legal Fees. The prevailing party shall be entitled to receive all attorney's fees, costs and/or expenses ("Legal Fees") incurred by such party in enforcing this Agreement and any documents prepared in connection herewith, and/or protecting, preserving or enforcing any right granted under this Agreement, whether or not suit is brought. In any lawsuit, arbitration or other proceeding, including any and all appeals therefrom, the prevailing party shall be entitled to recover its Legal Fees wherever applicable.

12.6 California Law. This Agreement shall be governed by and construed both as to validity and performance and enforced in accordance with the laws of the State of California, without giving effect to the choice of law principles thereof.

12.7 Invalid Provisions. If any provision(s) of this Agreement shall be declared illegal, contrary to law or policy, or otherwise unenforceable, it is agreed that such provision shall be disregarded and that all other provisions of this Agreement shall remain in full force and effect as though such provision(s) had not been incorporated herein.

12.8 Entire Agreement. This Agreement, and any exhibits and schedules attached hereto, constitutes the entire agreement of the parties and supersedes all other prior agreements, understandings, representations and warranties, whether written or oral. This Agreement may be amended only by written agreement executed by the parties.

12.9 Notice. All notices, requests, demands, and other communications (collectively Notices) given or made pursuant to this Agreement shall be given if sent by telex, telecopy, fax, first class mail or by registered or certified mail, return receipt requested, postage and

fees prepaid, or equivalent private messenger/delivery service offering signature acknowledgement by recipient (Fedex, UPS, etc.), or by personal delivery, to the address listed below, new addresses provided by the parties, or wherever located:

If to Concordia: Concordia Financing Co., Ltd.
[redacted]
[redacted] California [redacted]
Fax: [redacted]
ATTN: Ken Crowder

If to Investor: (1) _____
_____
(2) _____

12.10 Waiver of Jury Trial. LC KD (Initial) BOTH INVESTOR AND CONCORDIA ACKNOWLEDGE THE EXTREME COST ATTENDANT TO TRIAL BY JURY, AND THEREFORE BOTH CLIENT AND CONCORDIA WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING OR TRANSACTION RELATING TO THIS AGREEMENT OR ANY AGREEMENT(S) RELATED HERETO.

Executed this 4 day of April 2003 at Ontario, California.

Concordia: Concordia Financing Co., Ltd.
a California corporation

By: Kenneth Crowder
Kenneth Crowder
President

Investor: Stephen P. McClaran
_____

(1) Jill Mcclaran
[redacted]
[redacted] Ca. [redacted]

(2) Paula Bilbao
[redacted]

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Exhibit A:

List of Contracts

Name of Customer	Dealer	Principal Amount As of _____ .2001

Total: $_____

CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of 4-9, 2001 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), /, a(n) Individual ("Investor"), and E R Financial and Advisory Service, an Arizona company ("Custodian"), collectively referred to herein as "the parties".

Jill McClerran
Paula Bilbao

RECITALS

A. Concordia and Investor have entered into a Sale of Contracts and Servicing Agreement dated 4-9, 2001 (the "Sale"). Concordia is selling certain Contracts to Investor and servicing such Contracts for the benefit of both Investor and Concordia. All terms used herein shall have the meanings set forth in the Sale Agreement. A true and exact copy of the Sale Agreement has been delivered to Custodian, and all the terms and provisions of the Sale Agreement are incorporated herein by this reference.

B. The Sale Contract requires the appointment of a custodian to hold the originally executed Contracts and title documents.

C. Concordia and Investor wish to appoint Custodian as the custodian under the Sale Contract, and Custodian is willing to serve in such capacity under the terms of this Agreement.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, including the mutual covenants herein contained, the parties hereto agree as follows:

1. Appointment of Custodian. The parties hereby appoint Custodian as the custodian described in the Sale Contract, and Custodian hereby accepts such appointment.

2. Delivery of Documents to Custodian. Concurrent with the execution of this Agreement, Concordia shall transfer to Custodian the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the arrangement and transfer of the Contracts and title to the vehicles to Investor. All Substitute Contracts delivered by Concordia to Custodian shall also be originally executed and shall be accompanied by evidences of title and separate assignments as provided herein for the Contracts.

3. Holding Period. Custodian shall hold the Contracts and related documents for the benefit of Concordia and Investor, for the period described in Section 4.3 of the Sale Agreement.

4. Rights, Duties and Responsibilities of Custodian. It is understood and agreed that the duties of the Custodian are purely administrative in nature, and that:

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4.1 Custodian's responsibilities shall be limited to those described in Sections 3.7 and 4 of the Sale Agreement.

4.2 Custodian shall not be responsible for the performance by Concordia or Investor of any of their respective obligations under this Agreement or under the sale Agreement.

4.3 Custodian shall be under no duty or responsibility to determine the accuracy or validity of any Contracts or other documents delivered to Custodian. Custodian shall be entitled to rely upon the accuracy, act in reliance upon the contents, and assume the genuineness of, any notice, instruction, certificate, signature, instrument or other document which is given to Custodian pursuant to this Agreement or the Sale Agreement without the necessity of Custodian verifying the truth or accuracy thereof. Custodian shall not be obligated to make any inquiry as to the authority, capacity, existence or identity of any person purporting to give any such notice or instructions or to execute any such certificate, instrument or other document.

4.4 Custodian shall not be liable for any action taken or omitted hereunder, or for the misconduct of any employee, agent or attorney appointed by it, except in the case of Custodian's willful misconduct or negligence.

5. Amendment, Resignation, Interpleader.

5.1 This Agreement may be altered or amended only with the written consent of all the parties hereto. Custodian may resign for any reason upon thirty (30) days' written notice to both Concordia and Investor. Should Custodian resign as herein provided, after the effective date of such resignation he shall not be required to accept any additional documents but his only duty shall be to hold the documents in its possession for a period of not more than five (5) business days following the effective date of such resignation, at which time (a) if a successor custodian shall have been appointed by Concordia and Investor and written notice thereof (including the name and address of such successor custodian) shall have been given to the resigning Custodian by Concordia and Investor the Issuer and such successor custodian, then the resigning Custodian shall deliver the documents in his possession to the successor custodian, or (b) if the resigning custodian shall not have received written notice signed by Concordia and Investor custodian and a successor then the resigning Custodian shall promptly deliver all the documents in his possession back to Concordia, and the resigning Custodian shall notify Investor in writing of his transfer of such documents, whereupon, in either case, Custodian shall be relieved of all further obligations and released from all liability under this Agreement. Without limiting the provisions of Section 6 hereof, the resigning Custodian shall be entitled to be reimbursed by Concordia for any expenses incurred in connection with his resignation, and transfer of the custodial documents to a successor custodian pursuant to this Section 5.1.

5.2 Should the parties not designate a successor custodian within 30 days of the Customer's resignation, or should any dispute arise with respect to the custodial documents,

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this Agreement or the Sale Agreement, Custodian may deposit the custodial documents with a court of competent jurisdiction and interplead such dispute and the parties will hold Custodian harmless and indemnify him against all consequences and expenses which may be incurred, including Custodian's reasonable attorneys' fees.

6. Fees and Expenses. Concordia shall pay Custodian a fee for his services in the amount of 0.25% per month of the principal balance, payable monthly.

7. Indemnification and Contribution.

7.1 Notwithstanding the provisions of paragraph 6, Concordia agrees to indemnify Custodian and his or its officers, directors, employees, agents and shareholders (jointly and severally the "Indemnitees") and Concordia agrees to hold them harmless from, any and all loss, liability, cost, damage and expense, including, without limitation, reasonable counsel fees, which the Indemnitees may suffer or incur by reason of any action, claim or proceeding brought or threatened against the Indemnitees arising out of or relating in any way to this Agreement or any transaction to which this Agreement relates, unless such action, claim or proceeding is the result of the willful misconduct or negligence of the Indemnitees.

7.2 The provisions of this Section 7 shall survive any termination of this Agreement, whether by transfer of the custodial documents, resignation of Custodian or otherwise.

IN WITNESS WHEREOF, the undersigned have executed this Agreement to be effective as of the day and year first above written.

Concordia: Concordia Financing Co., Ltd.
a California corporation

Kenneth Crowder
President

Investor:

Custodian:

E R Financial and Advisory Service

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Δ π EXHIBIT 9
Deponent K. Crowder
Date 4-30-13 Rptr. BW
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Client Concerns

- Our clients frequently express their concern about how inflation is eroding their fixed income purchasing power
- They constantly ask if there is a way to safely increase their fixed income returns from
  - Savings accounts
  - Certificates of deposits
  - Fixed interest rate annuities

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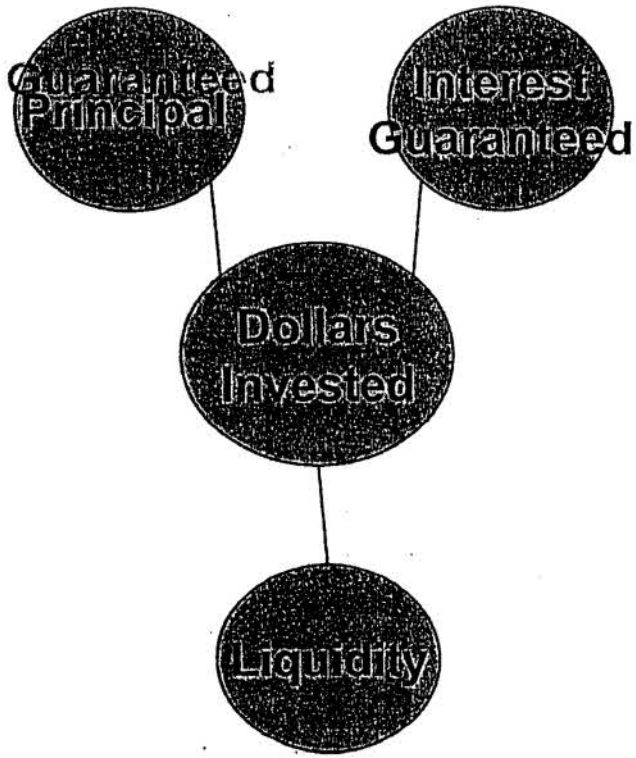
Can You Recommend Any Other Fixed Income Investments Offering



- Safety of Principal? (a guarantee against loss of principal)
- A higher guaranteed interest rate?
- Short term liquidity in the event of emergency need?

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Our Recommendation Is Concordia Servicing Agreements

- We believe clients should seriously investigate the advantages offered by serving agreements as a means of increasing their fixed income returns without undue risk (such as the stock market)
- These notes meet our client's needs regarding
  - Safety of principal
  - Higher guaranteed interest
  - Liquidity

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What Are Servicing Agreements?

- Since 1994, Concordia Finance has purchased over $10,000,000 in conditional truck sales contracts from commercial truck dealers
- These dealers sell their truck financing contracts to Concordia at a discount rate so as to receive immediate cash to replenish their truck inventory
- Concordia qualifies each truck buyer, purchases the contract from the dealer and collects the payment
- Concordia raises capital to purchase these contracts from investors in the form of Servicing Agreements (many of which are held by our present clients)

How Does Safety Of Principal Compare To Savings Accounts/CD's?

- Savings Accounts and CD's are guaranteed from one source – FDIC. Presently, FDIC has about 17 cents in its account for every dollar it is guaranteeing
- Servicing Agreements offer two guarantees
  - Investment principal is secured by collateral represented by assigned vehicle titles
  - Concordia guarantees to replace any non-performing contract with one of equal or greater value

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How Does Guaranteed Interest Rate Compare to Savings Accounts/CD's?

- Savings accounts and CD's typically pay 4% to 6% a year
- Servicing Agreements pay 1~~2%~~ 10% a year (payable ~~1%~~ a month)
- This allows investors to generally double their fixed income yield from the same amount of principal invested
- This affords them the means to offset their present loss of purchasing power due to inflation

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How Do These Guarantees Compare To Stock Market?

- Servicing Agreements pay a guaranteed ~~12%~~ 10% rate of return
- Stocks have no guaranteed rate of return
- Servicing Agreements use assigned vehicle titles as collateral to guarantee the safety of principal
- Stocks have no guarantee of principal invested (in fact, the Nasdaq lost over 30% of its stock values during 2000)
- Servicing Agreements pay a guaranteed ~~12%~~ 10% annually
- Stocks provide no guarantee but have averaged 10% over the past 20 years
- Should you be risking safety of principal in the stock market when average stock market returns yield less than servicing agreements?

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How Does Liquidity Compare to Savings Accounts/CD's?

- Our clients recognize that emergency circumstances may arise that require access to their principal
  - Savings accounts and CD's generally have a 3 month interest penalty for early withdrawal. This represents ¼ of the annual interest (or a 25% penalty). This would lower a 6% interest rate to 4.5% if early withdrawal occurred)
  - Servicing Agreements have no early withdrawal penalty

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Rate of Return Analysis

- Investing in Concordia Servicing Agreements has proven to be a safe way to increase fixed income returns for many of our clients
- A $100,000 investment contract yields $1,000 in monthly income compared to only $350 to $500 in monthly income from savings account or CD's
- Servicing Agreements provide a safety of principal guarantee and 100% liquidity in the event of emergency need
- Higher guaranteed yield to offset inflation, safety of principal backed by collateral and 100% liquidity has made Concordia Servicing Agreements the preferred fixed income investment for many of our clients

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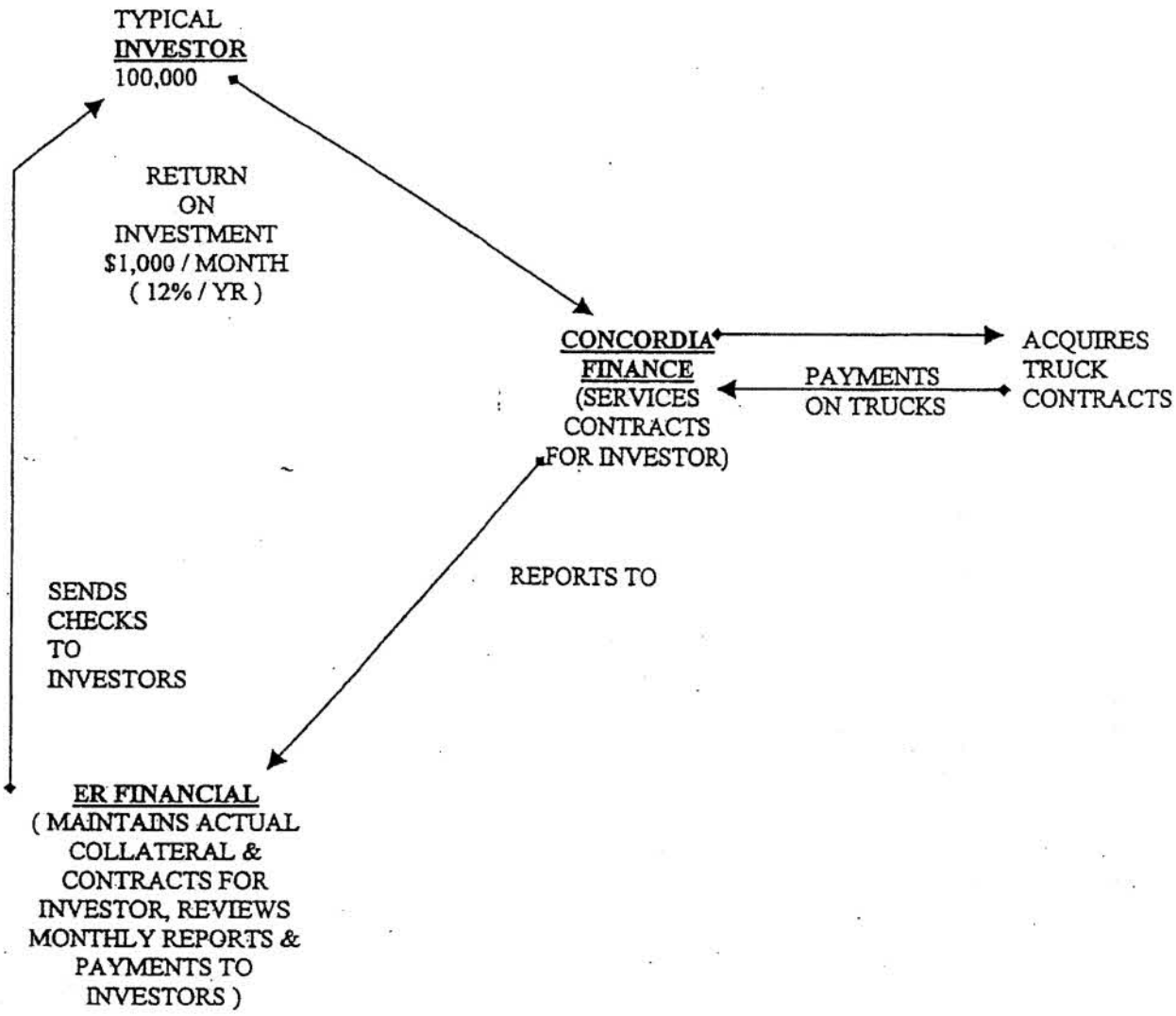
Key Benefits

- You can double your guaranteed interest rate of return without sacrificing safety of principal guarantees or liquidity
- You can lock in guaranteed returns that beat the 20 year stock market average rate of return without placing the principal at undue risk

How Do I Go About Placing Money In A Concordia Servicing Agreement?

- Inform us of what amount you would like to invest ($~~50,000~~ 100,000 minimum)
- We complete a Concordia Sales and Servicing Agreement specifying the investment amount and whether interest is to be paid monthly or left to accrue
- We send the check and agreement to them. Concordia then begins sending you monthly interest checks along with a monthly report
- Custodian holds contracts and assigned vehicle titles as investor collateral

CONCORDIA FINANCE



PRODUCT APPROVED BY
KANSAS CITY LIFE INS.
BROKER: SUNSET FINANCIAL

... to Suellen LeMay April 2007 by Michael Bersch

CONCORDIA FINANCE

Δ π EXHIBIT 11
Deponent Crowder
Date 4-30-13 Rptr. BJ
WWW.DEPOBOOK.COM

INVESTOR
$100,000

RETURN ON INVESTMENT
$1,000 / MONTH
(12% / YR)

PRODUCT APPROVED BY
KANSAS CITY LIFE INC.
BROKER: SUNSET FINANCIAL

1. INVESTOR GIVES INVESTMENT CHECK TO ER FINANCIAL

4. ER FINANCIAL GIVES INVESTOR A MONTHLY CHECK BASED ON INVESTMENT

ER FINANCIAL
MICHAEL BERSCH, CPA
DAVID WANZEK, CPA
(MAINTAINS ACTUAL COLLATERAL & CONTRACTS FOR INVESTOR, REVIEWS MONTHLY REPORTS & PAYMENTS TO INVESTORS)

CONCORDIA FINANCE
(SERVICES CONTRACTS FOR INVESTOR)

PAYMENT ON TRUCKS

ACQUIRES TRUCK CONTRACTS

2. ER FINANCIAL SENDS INVESTMENT TO CONCORDIA.
3. CONCORDIA REPORTS TO ER FINANCIAL

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WITNESS LETTER

TO: 5/14/13

Kenneth Crowder

[redacted]

[redacted] CA [redacted]

Dear Deponent,

The transcript of your deposition dated 4/30/13 reported in the above-captioned cause has been prepared and is included in this package for your inspection and signature for a period of 30 days from the date of this letter. Return the transcript in the included envelope as well as any relevant documents noted below.

Please read the transcript making any changes and/or corrections necessary. In making any changes and/or corrections, please use the following guide:

1. List each change and/or correction on the correction sheet provided at the end of the statement under oath. Signature is required at the bottom of the correction page

2. Forward the signed deponent signature page, correction sheet and copies of the pages on which changes and/or corrections have been made and a copy of this letter to:

California Reporting, LLC

[redacted]

[redacted], CA [redacted]

[redacted]

Upon receipt of the items requested in this letter, I will forward copies of the same to all Counsel.

Sincerely,

Marika Edler

UNITED STATES OF AMERICA
DEPARTMENT OF CORPORATIONS
OF THE STATE OF CALIFORNIA

In the matter of the Investigation and Examination of:

Concordia Financing Company, Ltd.

COPY

320 WEST 4TH STREET
SUITE 750
LOS ANGELES, CALIFORNIA

EXAMINATION UNDER OATH OF ARMEN J. DEKMEJIAN

TUESDAY, APRIL 30, 2013

1:30 P.M.

BARBARA SMALL, CSR
LICENSE NUMBER 13345

CALIFORNIA REPORTING, LLC
52 LONGWOOD DRIVE
SAN RAFAEL, CA 94901
(415) 457-4417

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San Francisco, California 94104.

ALSO PRESENT: MR. PETER Y.S. MOCK, CPA
Department of Corporations

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PROCEEDINGS

MS. LIPTON: Mr. Dekmejian, my name is Michelle Lipton, and I'm an attorney for the California Corporations Commissioner in the matter of the investigation and examination of Concordia Financing Company, Ltd., et al.

Can you please state your full name for the record?

THE WITNESS: Armen John Dekmejian.

MS. LIPTON: Can you please spell your last name for the record?

THE WITNESS: Yes. D-e-k-m-e-j-i-a-n.

MS. LIPTON: Mr. Dekmejian, have you ever been deposed before?

THE WITNESS: Yes.

MS. LIPTON: How many times?

THE WITNESS: Once.

MS. LIPTON: And what kind of case was that?

THE WITNESS: Traffic accident.

MS. LIPTON: This is part of an inquiry to determine if there has been full compliance with the securities laws of the State of California and the State of Arizona.

Participating in this examination will be members of the Securities Division of the Arizona

1 Corporation Commission who are here pursuant to
2 California Government Code Section 11180.5, which
3 states, in relevant part:
4 At the request of a department of this state,
5 any other state may assist in conducting an
6 investigation of any unlawful activity that involves
7 matters within or reasonably related to the
8 jurisdiction of the department, as well as Arizona
9 Revised Statute 44-1822.
10 Persons present for the California Department
11 of Corporations are myself, Michelle Lipton; and our
12 examiner, Peter Mock, who's a Senior Enforcement
13 Examiner. There's Peter.
14 Persons present for the Securities Division
15 of the Arizona Corporation Commission are Steve Womack,
16 Enforcement Attorney; and Gary Clapper, Senior Special
17 Investigator.
18 Miss Small, would you please administer the
19 oath.
20
21 (Whereupon Armen J. Dekmejian was duly sworn and
22 testified as follows:)
23 ///
24 ///
25 ////

EXAMINATION

BY MS. LIPTON:

Q The reporter will go off the record either at my direction or Steve Womack's direction. So if you or your attorney would like to go off the record, please tell us and we'll do our best to accommodate you.

The reporter will note for the record each time you consult with your attorney before answering. This is done to ensure an accurate record.

Since your testimony is being recorded by a reporter, please respond verbally, as opposed to nodding or shaking your head.

Also, it is important that only one of us speak at a time. I request that you please wait until we finish asking a question before you speak. And we will give you the same courtesy and do our best to wait until you're finished before we speak.

If you don't hear a question or simply don't understand it, say so, and the reporter will repeat it or we'll explain the question further.

You have taken an oath to testify here under penalty of perjury as if you were in a court of law. Do you understand?

A Yes.

Q Are you on any medication today or under any

1 physical disability which might interfere with your
2 ability to answer questions?
3 A No.
4 Q Is there any reason why you will not be able to
5 answer our questions fully and truthfully today?
6 A No.
7 (Whereupon Exhibit Number 12
8 was marked and is attached hereto.)
9 BY MS. LIPTON:
10 Q Have you ever seen Examination Exhibit 12?
11 A Yes.
12 Q And you're here pursuant to this subpoena today?
13 A Yes.
14 Q Are you the Custodian of Records for Concordia
15 Financing Company, Ltd. doing business as Concordia
16 Finance?
17 A No.
18 Q In what capacity are you appearing here today?
19 A As a consultant.
20 Q Now I'd like to ask you a few things about your
21 background.
22 Have you ever used any other name than what
23 you've just given us today?
24 A I've used Armen J. Dekmejian.
25 Q Any other names besides that?

1 A No.
2 Q What is your date of birth?
3 A May 16, 1961.
4 Q What is your place of birth?
5 A Inglewood, New Jersey.
6 Q What is your marital status?
7 A Single.
8 Q Have you ever been married before?
9 A No.
10 Q What is your current home address?
11 A 140 Hart, H-a-r-t, Avenue, Santa Monica,
12 California 90405.
13 Q And your current home telephone number, please?
14 A 310-392-9603.
15 Q How long have you resided at this location?
16 A Approximately 19 years.
17 Q And where did you reside immediately prior to the
18 current home address?
19 A 1644 Oakengate, O-a-k-e-n-g-a-t-e, Drive,
20 Glendale, California 91207.
21 Q Please state your educational history from high
22 school forward.
23 A SUNY Binghampton. State University of New York at
24 Binghampton. And graduated in a B.A. of political
25 science in 1983. May of '83.

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1 And then a master's in business
2 administration from U.S.C., graduating in May of '88.
3 Q Any other education?
4 A No.
5 Q Please state your work history for the last 15
6 years.
7 A Starting from 15 years ago?
8 Q Yes. Why don't you start chronologically, 15
9 years ago and then moving forward.
10 A So since 1998. 1998 I worked at Famco, which was
11 an investment management company, and I was a financial
12 analyst. And I was there until the beginning of 2001.
13 And since 2001, I've been a consultant.
14 Q Can you tell us some of the clients you consult
15 for and what your responsibilities include?
16 A Primarily I consult in the area -- it's corporate
17 advisory, in the area of operational and financial
18 restructurings, bankruptcies, crisis management, and
19 strategic planning.
20 Q And you're currently employed as a consultant?
21 A Yes.
22 Q And currently who are your clients?
23 A Presently?
24 Q Yes.
25 A Presently I have Concordia Finance, and I also

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1 have another client who is looking to purchase a large
2 commercial space out of bankruptcy, through a 336 sale.
3 So it's an individual who I'm consulting on the
4 bankruptcy side.
5 And also looking -- also consulting another
6 individual who's considering to doing due diligence on
7 an acquisition of a company.
8 Q Besides the consulting business you told us about,
9 is there any other thing you've been doing for work
10 outside the consulting business?
11 A No.
12 Q What is your business phone number?
13 A 310-418-3959.
14 Q And where is your work address?
15 A I work at the location, typically. So it's either
16 at the location of the company I'm consulting with
17 through the client, or my home at 140 Hart Avenue.
18 Q A how long have you been a consultant for
19 Concordia Finance?
20 A About six, seven years.
21 Q How many hours per week would you estimate you
22 consult with Concordia?
23 A On average, 10 to 15. Yeah.
24 Q Do you hold or have you ever held any state
25 licenses other than a driver's license?

1 A I did hold a Series 63.
2 Q And that gives you permission to do what?
3 A That was required at a company that I worked at.
4 It was required, along with a Series 7, to work in a
5 brokerage industry.
6 Q And you were a licensed broker/dealer
7 representative of FINRA at the time?
8 A Yes. And the predecessor to FINRA, NASD.
9 Q What years did you obtain the Series 63 and the
10 Series 7?
11 A It's 1994, was when I attended.
12 Q And you said you were doing the -- you were --
13 that was for Famco?
14 A It was for a company prior to Famco.
15 Q Which was?
16 A Jefferies and Company.
17 Q And when did you start with Jefferies and Company?
18 A March of '93 possibly. Early '93.
19 Q Then after Jefferies you went to Famco? Or it
20 became Famco?
21 A No. After Jefferies, I did consulting for about a
22 year. Then I went to Famco.
23 Q Any other licenses besides your broker/dealer
24 licenses?
25 A No.

1 Q Ever licensed as an investment adviser?
2 A No.
3 Q Are any of the companies you have worked for,
4 including Concordia, registered with Arizona
5 Corporation Commission as a securities broker or dealer
6 or salesman?
7 A Not that I know of.
8 Q Are any of the companies you have worked for
9 registered with the California Department of
10 Corporations as a securities broker or dealer or
11 salesman?
12 A I don't know.
13 Q Do you know if Concordia was registered in this
14 capacity?
15 A I don't know.
16 Q Have you ever been the subject of any
17 investigation or any disciplinary action under any of
18 those licenses?
19 A No.
20 Q Have you ever filed for bankruptcy?
21 A No.
22 Q Have you ever been convicted of any crime other
23 than a minor traffic offense?
24 A No.
25 Q Have you ever been arrested?

1 A Yes.
2 Q What were you arrested for?
3 A Traffic offense.
4 Q Okay.
5 Have you ever been indicted?
6 A No.
7 Q Have you ever been a defendant in a civil lawsuit?
8 A Yes.
9 Q What was that case?
10 A That was a case relating to a complaint by the
11 Department of Labor.
12 Q What year?
13 A 2005, I think.
14 Q And what was the outcome of that litigation?
15 A It was a consent judgment.
16 Q For what?
17 A I don't understand. For --
18 Q What was the outcome --
19 A What were the terms of the consent?
20 Q Yes.
21 A Oh. The terms of the consent judgment was no
22 charges, and that we -- or at least -- I don't know
23 about -- that the defendants had to adjourn from
24 violating ERISA, I think.
25 Q Being enjoined?

1 A Enjoined, yes, enjoined from violating ERISA in
2 the future. And we had to cooperate with the insurance
3 carrier to make sure that the insurance carrier pays a
4 fine.
5 Q And when you said "the defendants," did that
6 include you being enjoined?
7 A Yes.
8 Q Have you ever been the subject of an investigation
9 by any government agency?
10 A Yes.
11 Q Which agency?
12 A FINRA.
13 Q Can you tell us what happened?
14 A After I left Jefferies, I took my securities
15 licenses and I left that industry and I hung them at a
16 broker/dealer. I was not an active broker in any form.
17 I just had my accounts and my mother's and brother's
18 accounts.
19 And that firm was being investigated. So all
20 their registered reps that were affiliated with them
21 were in turn part of that investigation.
22 Q And what year was this?
23 A That was early 2011.
24 Q And what was the outcome of that investigation?
25 A No action.

1 Q Where do you hold bank accounts? Which banks?
2 A Bank accounts, Citibank.
3 Q Have you ever been an officer or director of any
4 corporation?
5 A Yes.
6 Q Which ones?
7 A Going back how far?
8 Q 15 years.
9 A 15 years. Well, my personal consulting companies.
10 I'm the president of Armen J. Dekmejian, Incorporated,
11 I-n-c. So it's Armen J. Dekmejian with an "i-n-c"
12 period.
13 And also Pacific Financial Advisers, LLC,
14 which is my consulting, professional corporation.
15 And Koar, K-o-a-r, International, LLC. And I
16 was the CFO for a short period of time.
17 Q What kind of company was that?
18 A Athletic apparel.
19 And going back 15 years, so 1998. Buffalo
20 Color Corporation. I was director. And its holding
21 company, which was Lanesboro Corporation. I was the
22 director.
23 Q Any other corporations?
24 A I believe that's it.
25 Q Have you ever been a manager or member of any LLC?

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1 A Koar International, LLC, I'm a member. And
2 Pacific Financial Advisers, I'm the president and
3 managing -- I think it's called the managing member.
4 Q And how long have you been a managing member of
5 that company?
6 A Of Pacific Financial Advisers? Since inception.
7 2003, possibly.
8 Q Are you the only managing member? Or are there
9 other managing members?
10 A I have another, there's another company, there's
11 another LLC that I'm a member of, and it's called
12 Compass Finance. But it's not active. I believe I
13 renewed it, but it's not operational.
14 Q Are there any other managing members with you at
15 the Pacific Financial Advisers, LLC?
16 A There is one. His name is Kevin Lam, L-a-m as in
17 Mary.
18 Q Any other LLCs you're associated with?
19 A No, I don't believe so.
20 Q Have you ever been a partner, general partner or a
21 limited partner in a partnership?
22 A I may have while at Jefferies. But I believe
23 those all either don't exist or there's some -- so
24 probably nothing after 1996 or '7.
25 Q Are you connected to any business other than those

1 you just mentioned?
2 A No.
3 Q Do you have any ownership or financial interest in
4 any business, organization or corporation?
5 A Yes.
6 Q Which one?
7 A Armen J. Dekmejian, Inc., which is an S
8 Corporation. And Pacific Financial Advisers, LLC. And
9 Compass Financial. And a minor -- small, minor member,
10 interest holder in Koar International, LLC.
11 Q So what percent ownership do you have in the Armen
12 J. Dekmejian, Inc. S Corp.?
13 A Sole. It's an S Corporation in which I own 100
14 percent.
15 Q And what percent ownership or financial interest
16 do you have in Pacific Financial Advisers, LLC?
17 A I believe it's 50 percent.
18 Q And does Kevin Lam own the other 50 percent?
19 A Yes.
20 Q Have you spoken to anyone other than your attorney
21 about the subpoena sent to you by the Department of
22 Corporations?
23 A Yes.
24 Q Who was it you talked to about the subpoena?
25 A I spoke to my cousin.

1 Q Is your cousin an attorney?
2 A Yes.
3 Q And you were just asking for advice?
4 A Yes.
5 I did mention it to my mom, so.
6 Q When did you speak to your cousin about the
7 subpoena?
8 A When I received the subpoena. Actually, prior to
9 that, when they tried to serve me, I think my neighbor
10 told me that somebody came, and then I spoke to him,
11 and then I received the subpoena.
12
13 EXAMINATION
14 BY MR. WOMACK:
15 Q Mr. Dekmejian, I'm Steve Womack from the Arizona
16 Corporation Commission. I'm an attorney with the
17 Securities Division. I have a few questions for you.
18 First I'd like to focus on Concordia. How
19 did you first learn of Concordia?
20 A A friend of mine referred me to the company and
21 said that, "This might be a company that could use your
22 services."
23 Q And based on that referral, did you call
24 Concordia? Or was the referral to Concordia?
25 A I don't recall if -- if they called me or I called

1 them.
2 Q Okay. Do you recall the initial conversation with
3 someone within Concordia?
4 A I don't remember.
5 Q Do you know who you contacted or who you were in
6 contact with there?
7 A I believe initially it was Ken Crowder.
8 Q And about what time was this?
9 A About six or seven years ago.
10 Q Around 2006?
11 A Yeah. So about seven years ago.
12 Q And eventually you started providing services to
13 Concordia; is that correct?
14 A Yes.
15 Q And through what entity did you provide those
16 services?
17 A Through Pacific Financial Advisers, LLC.
18 Q If I refer to that as "Pacific" or "Pacific
19 Financial" --
20 A PFA.
21 Q PFA?
22 A Yeah, PFA.
23 Q You'll know what I mean if I say "PFA"?
24 A Yes.
25 Q Is PFA's association with Concordia still ongoing?

1 A Yes.
2 Q Do you operate under a service agreement with
3 Concordia?
4 A We may have back then, but not in the past four or
5 five years.
6 Q What's your understanding of the services you're
7 providing Concordia?
8 A It's in the -- it could be divided up into two
9 areas. One, I was involved in the operational and
10 financial restructuring of the company; and also
11 involved in oversight in some of the other business
12 areas.
13 Q Could you describe some of those business areas?
14 A The servicing department.
15 The truck loan servicing department, to
16 clarify that.
17 Q Exclusively?
18 A There was -- just myself? Or were there other
19 people in the department?
20 Q Well, no. I mean were there other areas within
21 Concordia that you provided oversight?
22 A Oh. Yes. I -- in relation to that, there was the
23 repossession department. And also the financial
24 information relating to those two departments.
25 Q Managing that information? I'm not quite

1 following.
2 A It's the analysis of the information.
3 Q Oh.
4 A Might be --
5 Q And you said that you worked between 10, 15 hours
6 a week on the Concordia matter?
7 A Yes.
8 Q Has that been a consistent load throughout your
9 relationship with Concordia? Or has it fluctuated?
10 A It's fluctuated. It could be less and it could be
11 more. But I would say over the six, seven years it's
12 been about 10 to 15 hours a week.
13 Q And how does PFA bill Concordia for the services?
14 A Monthly.
15 Q When there's a fluctuation in workload, is that
16 bill broken down to hourly? Or is it --
17 A No.
18 Q Just a monthly fee?
19 A Yeah, monthly fee.
20 Q And who do you negotiate those monthly fees with?
21 A With Chris Crowder.
22 Q And do you know what position Chris Crowder fills
23 at Concordia?
24 A President.
25 Q Did you ever work for or consult directly with Ken

1 Crowder?
2 A Initially.
3 Q For about how long?
4 A (No audible response.)
5 Q An approximate answer. I'm not going to hold you
6 to the date.
7 A A couple of years.
8 Q And did that take place inside Concordia's
9 offices?
10 A At times it was inside Concordia's office.
11 Q Did I understand you correctly that you actually
12 have an office within Concordia when you're there
13 working?
14 A At times I worked in the conference room, and
15 other times if there's an office, I'd work in it.
16 Q Wherever you can fit on a day?
17 A Yeah, depending on, because they had moved a few
18 times, so.
19 Q So the first couple of years you worked with Ken
20 Crowder. Did you report directly to him?
21 A We were reporting to both Ken and Chris initially.
22 Q And then eventually that situation changed?
23 A Then to Chris.
24 Q So a couple years, so around 2008 roughly?
25 A 2007, 2008.

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1 Q On a typical day, if there is a typical day, and
2 let me know if there isn't, but on a typical day or
3 during a typical week, what kinds of things do you do
4 for Concordia? The specific duties.
5 A Review various management reports, cash position,
6 delinquency reports, loan delinquency reports, the
7 breakdowns of those.
8 In addition, reviewing the repossession
9 reports. Looking at what reports there are, seeing if
10 any sales are coming up, the monetization of
11 collateral.
12 Also, also looking at the reports that
13 relate -- there's ones that are performing and ones
14 that are not performing, so there are different reports
15 that you review on that. So would also review that.
16 And make decisions. Upon reviewing reports,
17 there's certain actions that you may need to take or
18 you may need to give instruction for a certain
19 individual to take. So we'd also do that, in those
20 different performing and nonperforming loan portfolios.
21 Q Were these reports hard copies?
22 A Yes. Yes.
23 Q And were they maintained?
24 A They were electronic and hard copies.
25 Q Were the hard copies maintained at Concordia?

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1 A Yes.
2 Q The electronic reports, were those reports that
3 you would call up through software, if you gave it a
4 certain matrix? Or were they existing digitally in
5 final report form?
6 A The reports that I would review are -- were in
7 Excel, for example.
8 Q What kind of specific information was in those
9 reports?
10 A Which?
11 Q Well, let's start with the performing and
12 nonperforming truck sale contracts.
13 A Those were different reports.
14 Q Okay.
15 A Yeah.
16 Q They weren't the same report only with a different
17 number at the end of it; they were whole different
18 reports?
19 A Different number. There may be footnotes on it.
20 That depended.
21 The -- the performing, it would be a report
22 that breaks out -- it will list the number of loans in
23 different buckets, you know, different delinquencies,
24 what are not delinquent, what are 30 days, 60 days, 90
25 days, 90 plus.

1 It would break out the number of truck loans
2 that were in each one of those buckets. It would also
3 give the total principal balance of each one of those
4 truck loans.
5 There are columns that would say if they're
6 going to roll into the next bucket within a period of
7 time.
8 And then it would be totaled at the end. And
9 then you would see the number of contracts that were
10 performing and what the principal balance was of that.
11 You would also have what the current
12 delinquency rate was as of that -- as of the prior day.
13 You file the information after you do -- and then
14 calculate the delinquency rate.
15 And then on that report it would also break
16 down a section where they're called performing, but
17 they were on the verge of becoming nonperforming, which
18 they call special handling. It's almost workout
19 section. And it would break that down into the
20 specific buckets that those would be in.
21 Q And I'm assuming it included initial principal,
22 balance, amount owed, payments, interest rates, that
23 sort of thing as well?
24 A Well, that's a different report.
25 Q Okay.

1 A Yeah, that's an individual -- that's not this
2 report that I would review. I would not review those
3 reports on a daily basis.
4 Q Why not?
5 A That's -- those reports are -- when you say
6 "individual payment balances," what are you referring
7 to?
8 Q Well, individual payments like --
9 A For an individual?
10 Q Correct. In a performing contract, the buyer is
11 making payments.
12 A Oh, an individual loan. That would be the -- one
13 of the services, one of the collectors would be
14 reviewing those on a daily basis. This report would
15 have the aggregate amount of those broken down --
16 THE WITNESS: Should I give the detail?
17 MR. GOURLEY: No.
18 MR. WOMACK: Well --
19 MR. GOURLEY: If he has a question, he'll get
20 to it.
21 BY MR. WOMACK:
22 Q And that was my question, what are the detail of
23 the reports. But --
24 MR. GOURLEY: Which report?
25 MR. WOMACK: But if I can --

1 THE WITNESS: Which report?
2 MR. WOMACK: Well, that's what I am going to
3 go to.
4 We need to be careful not to talk over each
5 other.
6 BY MR. WOMACK:
7 Q Were these, were the reports that you dealt with
8 summary reports of individual truck loans?
9 A Daily summary aggregate reports of the truck
10 loans.
11 Q So you didn't, on a daily basis, review the
12 specific details of any one truck transaction?
13 A Correct.
14 Q They're in an Excel format. Was this -- the data
15 in these reports, do you know whether it had to be
16 entered individually for each specific report? Or
17 could you call up and manipulate the data to suit your
18 function?
19 A A manager would compile that information.
20 Q For you.
21 A Yes.
22 Q Did you have access to the original data?
23 A When you --
24 Q Could you walk into the conference room, hook your
25 laptop up and start looking around Concordia's

1 information for the information you needed, for
2 example?
3 A It would be cumbersome.
4 Q We talked about you reporting to Kenneth and then
5 you reporting to Chris. I want to be sure that that's
6 the right way to describe your relation, your work
7 relationships.
8 Did they ask you questions and you set about
9 answering them? How was your -- the scope of your work
10 defined?
11 A They would give me certain job responsibilities
12 and then if I had questions, I would discuss it.
13 Q Did you have authority to direct other employees
14 of Concordia?
15 A Yes.
16 Q And I don't need the employees' names, but what
17 types of job positions did you have authority over?
18 A The servicing department, for performing loans.
19 Also the servicing department for nonperforming loans.
20 The legal department that dealt with nonperforming
21 loans. And the repossession department on the
22 repossession of collateral and the sale of collateral.
23 And also -- also the accounting as it relates to those
24 departments.
25 Q When you say "legal department," was there

1 in-house counsel or a paralegal?
2 A No.
3 Q Out-sourced service providers that were attorneys?
4 A Yes.
5 Q Is that who you dealt with?
6 A Yes.
7 Q Okay.
8 When you first arrived at Concordia, did you
9 find available the types of information you needed to
10 solve the problems they presented to you?
11 A Yes.
12 Q Throughout the course of your time at Concordia,
13 did you ever direct them to collect or maintain
14 information differently than they had before?
15 Do you understand that question?
16 A Not entirely.
17 Q Did you ever instruct someone to start recording
18 these types of numbers, or these types of events, so
19 that you could make decisions based on that new
20 information?
21 A Yes.
22 Q Describe those situations.
23 A In the area of repossessions, footnoting if the
24 repossession was an involuntary repossession or a
25 voluntary, a surrender, would be a good example.

1 Q In your position as a consultant, did you feel
2 like you needed to know the depth and breadth of
3 Concordia's business?
4 A Yes.
5 Q And did you come to know the depth and breadth of
6 Concordia's business?
7 A I believe so.
8 Q Do you have any ownership interest in Concordia?
9 A No.
10 Q Have you ever invested with Concordia?
11 A No.
12 Q Have you ever extended a loan to Concordia?
13 A No.
14 Q Are you related by birth or marriage to any
15 employee of Concordia?
16 A No.
17 Q Any board of director, any Concordia board of
18 director?
19 A No.
20 Q Any shareholder?
21 A No.
22 Q Since you've been at Concordia, has there been an
23 outside audit?
24 A Yes.
25 Q Do you recall when that was?

1 A Can you restate the question? Was it during --
2 Q When the audit -- during your relationship with
3 Concordia, when did the audit occur?
4 A I believe 2006.
5 Q Is that the only audit you're aware of?
6 A They were -- they had an audit prior to that, I
7 believe, for many years. And a financial review in
8 2009 and 2010.
9 Q Who conducted the financial review in 2009?
10 A I don't recall the name. I believe the firm was
11 acquired by another firm, so.
12 Q Was it an independent accounting firm?
13 A Yes.
14 Q Wholly independent of Concordia?
15 A Yes.
16 Q Independent of Concordia's board of directors?
17 A Yes.
18 Q Independent of any family relationship with any
19 shareholder or director of Concordia?
20 A Yes.
21 Q Did the same firm do the 2010 financial review?
22 A Yes.
23 Q Is that a Southern California firm?
24 A No.
25 Q Do you recall --

1 A I believe Florida.
2 Q Did you recommend that firm to Concordia?
3 A No.
4 Q Any idea why they went with a Florida firm?
5 A I believe it was the same firm that did the audits
6 back -- it's the firm that had done the taxes, and they
7 also had done their audits.
8 Q You know, I want you to do your best to answer
9 accurately, so I don't want to put any words in your
10 mouth, and I don't want you to guess because that
11 doesn't help us find the truth. You said, "I believe
12 it was out of Florida." Do you know --
13 A It was Florida, yes.
14 Q It wasn't from Arizona?
15 A No. Florida.
16 Q Are you familiar with the firm Buttke, Wanzek and
17 Bersch or Buttke, Bersch and Wanzek?
18 A I've heard of it.
19 Q That firm didn't do these audits or financial
20 reviews?
21 A No.
22 Q Have you seen copies of the 2006 audit?
23 A Not recently.
24 Q Would you expect that it would be on file with
25 Concordia?

1 A Yes.
2 Q Have you reviewed the financial reviews of 2009
3 and '10?
4 A Yes.
5 Q Would they also be on file with Concordia?
6 A Yes.
7 MR. MOCK: Were those audited financial
8 statement? Or when you say "financial," are those
9 audited or review or compilation, do you know?
10 THE WITNESS: It's an unaudited financial
11 review. So it's accompanied with notes, footnotes and
12 all that.
13 MR. MOCK: So you're talking about 2009 and
14 2010?
15 THE WITNESS: Yes.
16 MR. MOCK: How about 2006? Was there an
17 audited financial statement?
18 THE WITNESS: Audited. I recall audited.
19 MR. MOCK: You've seen the audited report;
20 right? Of the auditor.
21 THE WITNESS: I recall it's audited. It's
22 been a while.
23 BY MR. WOMACK:
24 Q What's your understanding of the source of monies
25 with which Concordia does business?

1 MR. GOURLEY: Do you understand that
2 question?
3 THE WITNESS: I don't understand.
4 MR. GOURLEY: Because I don't.
5 BY MR. WOMACK:
6 Q What kind of business is Concordia in?
7 A They're in the business of purchasing truck loans
8 and servicing them.
9 Q And what money do they use to purchase those loans
10 with?
11 A They have interest income. And from the
12 performing loans they have -- and principal payments,
13 which are monthly payments.
14 They also will have some interest income and
15 principal payments from the nonperforming loans,
16 collections on deficiency balances.
17 They also receive sources of funds from the
18 sale of the repossessed truck inventory.
19 They also receive proceeds from monthly
20 payments from bankruptcies.
21 MR. GOURLEY: Okay. I'm --
22 BY MR. WOMACK:
23 Q Bankruptcies in which they were the creditor?
24 A Correct.
25 MR. GOURLEY: I'm sorry. If I may interrupt

1 Steve for a second.
2 This is where I give the warning that I gave
3 to Mr. Crowder in the last one, which is, and I
4 explained to counsel, is, if you have to close your
5 eyes to remember something, it means you don't
6 remember.
7 THE WITNESS: Oh, okay.
8 MR. GOURLEY: I don't want you to try and
9 remember who was in a room or what balance sheet you
10 were looking at and what the number is. If you easily
11 remember, that's great, we want you to answer that, I
12 want them to ask those questions.
13 But my -- my experience in now 40 years as a
14 lawyer, is that when you close your eyes and try to
15 remember, you really want to cooperate with the
16 questioning attorney, is you come up with erroneous
17 information. And I don't want you to give any
18 erroneous information. So, try to stay on what you can
19 reasonably gather. And don't ever close your eyes to
20 try to remember something.
21 THE WITNESS: Okay.
22 BY MR. WOMACK:
23 Q So we talked about five sources of monies with
24 which Concordia operates. Are there any other sources?
25 A Insurance claims.

1 Q Explain that one for me.
2 A If a truck, which is the collateral, is in an
3 accident and it's totaled, the debtor, you know, who
4 has the first position on the truck loan, gets paid off
5 first.
6 Q Did they also attract investors? "They" being
7 Concordia.
8 A Concordia?
9 Q Right.
10 A I don't -- did they attract -- I don't understand.
11 Q Did third-party investors give money to Concordia
12 for investment purposes, to your knowledge?
13 A Previously, yes.
14 Q Previous to what?
15 A Many years ago.
16 Q Previous to your coming to Concordia?
17 A Prior to five, six years ago, I believe. And
18 before that.
19 Q 2006? 2007? In there?
20 A Yeah.
21 Q In your position as advising on their financial
22 condition, you would know whether there was ongoing new
23 investment; is that correct?
24 A Yes.
25 Q And do you know there isn't any?

1 A Not in the last five years.
2 Q Do you know what occurred approximately five years
3 ago that put an end to the investments?
4 A The economic meltdown. The subsequent downturn of
5 the economy.
6 Q Do you know whether there was any decision on
7 behalf of Concordia to stop soliciting investment or
8 seeking out investment?
9 A Can you rephrase the --
10 Q Did -- and I don't know if you know, so let me
11 know if you even know. Do you know whether Concordia
12 decided from this point on, "We are not going to seek
13 out additional investment"?
14 A Yes.
15 Q And what did they decide?
16 A They decided to stop seeking money.
17 Q Do you know why they made that decision?
18 A The -- there was no -- I'm assuming there was --
19 well, I don't want to assume.
20 MR. GOURLEY: Don't assume.
21 BY MR. WOMACK:
22 Q Well, this is what I'm curious about, and you let
23 me know if it's not accurate: Was there an active
24 decision to stop seeking out investment? Or did
25 investment just stop coming their way? It's not that

1 they stopped seeking it; they just stopped successfully
2 receiving it.
3 A They stopped seeking it.
4 Q Okay.
5 And if I heard you before, you've said
6 because of the economic downturn. By that do you mean
7 they stopped seeking it because the financial condition
8 in the community was such that it was a waste of their
9 time?
10 I mean what about the financial downturn
11 caused them to stop seeking an influx of money?
12 A Are you talking about the truck loan industry?
13 Q No, no. Concordia seeking investment.
14 A Yes. They did not need -- the growth in the
15 industry, truck loan industry, decreased because of the
16 economic downturn. So the need -- companies stopped
17 growing.
18 Q There are no new contracts to buy?
19 A Not -- there are less contracts to buy.
20 Q Okay. Okay.
21 A Less truck loans.
22 Q I'm getting it.
23 MR. GOURLEY: Less truck loans?
24 THE WITNESS: Yes, less truck loans.
25 ///

1 BY MR. WOMACK:
2 Q We talked a moment ago about the various reports
3 that you reviewed. Did you ever review reports that
4 tied truck contracts with investment contracts?
5 Do you understand that question? I may need
6 to bring up an exhibit.
7 A If you have --
8 Q Let's table that.
9 I'm going to show you, for the sake of
10 discussion, what was marked during Kenneth Crowder's
11 examination as Exhibit 5. You can look through the
12 entire exhibit; if you need to familiarize yourself,
13 I'm most interested in the sales contract.
14 MR. WOMACK: Steve, what did he call that
15 sales contract? A portfolio agreement?
16 MR. GOURLEY: A portfolio agreement is what
17 Ken called it.
18 THE WITNESS: And what was the question?
19 BY MR. WOMACK:
20 Q The contract you're in right there, it's titled
21 Sale of Contracts and Servicing Agreement?
22 A Yes.
23 Q Mr. Crowder referred to it as a portfolio
24 agreement.
25 MR. GOURLEY: Keep going.

1 MR. WOMACK: There it is. That's the first
2 page. And these are just general questions regarding
3 this.
4 BY MR. WOMACK:
5 Q Investors entered into this agreement and
6 companion custodial agreement. Are you familiar with
7 those transactions?
8 A Not this specific one, but I've seen these.
9 Q So you don't know Mr. Nevaril's transaction?
10 A No.
11 Q But you're familiar with the general form of the
12 contract?
13 A Correct.
14 Q All right. And that's where my questions are
15 going to, the general form of the contract.
16 In paragraph 1.1, there's reference to an
17 Exhibit A. The very last page of the portfolio
18 agreement is a form, Exhibit A. And it's my
19 understanding that truck contracts would be associated
20 with portfolio agreements, and as performing contracts
21 might become nonperforming, they were replaced. And so
22 Exhibit A was a rather fluid exhibit, even if it only
23 existed kind of theoretically.
24 I say that to say this. That's not a
25 question.

1 Was it your understanding that specific truck
2 contracts were associated with these Sale of Contracts
3 and Servicing Agreements or portfolio agreements?
4 A Yes.
5 Q In the files of the company, were they linked by
6 account number, or report, or some other way, that we
7 would know which contracts associated with which
8 portfolio agreements?
9 A Yes.
10 Q Did you ever review those reports that linked the
11 truck contracts with the portfolio agreements?
12 A More recently.
13 Q Okay.
14 I'm not going to mark this yet. If you could
15 look at that and tell me if that looks familiar.
16 A Yes.
17 Q Would this be the kind of report that links the
18 truck contracts with the portfolio agreement?
19 A I believe so.
20 MR. GOURLEY: May I see the document?
21 MR. WOMACK: Yeah.
22 I'm looking for information here. I'm not
23 trying to trap you. So let me know.
24 BY MR. WOMACK:
25 Q Are you familiar enough with that type of report

1 to discuss it today?
2 A No.
3 Q I'll take it back.
4 MR. GOURLEY: Do you want him to have Exhibit
5 5 in front of him?
6 MR. WOMACK: Not at the moment. We might
7 come back to it. We always come back to Exhibit 5.
8 Actually, let's take a quick break.
9 MR. GOURLEY: Sure.
10 (A recess was held from 2:34 to 2:43 p.m.)
11 MR. WOMACK: We're back on the record.
12 Do you understand you're still under oath?
13 THE WITNESS: Yes.
14 BY MR. WOMACK:
15 Q When you, and by "you" I mean your firm -- well,
16 let me back up.
17 Did your firm have any other consultants
18 working for Concordia?
19 A There were two others that worked up me.
20 Q What were their names?
21 A One is Kevin Lam. And the other one is Robert
22 Tam, T-a-m.
23 Q And they, as agents of your firm, also provided
24 services directly to Concordia?
25 A Yes.

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1 Q Does Robert Tam have any ownership interest in
2 PFA?
3 A No.
4 Q Is he purely an employee?
5 A No.
6 Q What is his relationship?
7 A He's a consultant.
8 Q A third-party consultant?
9 A Yes.
10 Q Do you know whether he contracted directly with
11 Concordia? Or did he contract with PFA and PFA
12 contracted with Concordia? The latter?
13 A The latter.
14 Q Why did PFA contract with Robert Tam?
15 A The way I worked, the reason why I created PFA was
16 I was working a couple years as a consultant, and many
17 of the individuals and companies that I worked with
18 recommended that I set up a company instead of calling
19 myself Armen J. Dekmejian, Inc. So I set up PFA.
20 And depending on the project that I'm working
21 on, if it's an area where it makes sense to have some
22 supplemental assistance on it, then you bring that
23 person in to work with you.
24 Q Workload required additional --
25 A Workload, industry experience. That type of

1 thing.
2 Q Did Robert Tam bring any expertise to bear with
3 Concordia that you didn't have?
4 A Yes.
5 Q And what was his unique expertise?
6 A It's -- he's more like a statistician, a loan
7 portfolio -- a loan portfolio analyst. A loan
8 portfolio analyst would be a good way to characterize
9 his expertise.
10 Q Let's back up a little bit to your licenses. Do
11 you still have those?
12 A No.
13 Q They've expired?
14 A Yes.
15 Q Of their own accord? You just didn't use them
16 anymore?
17 A I wasn't using them. And as part of that
18 investigation that I referenced, the broker/dealer and
19 I ceased.
20 Q You no longer had a broker, so you no longer had a
21 license.
22 A No.
23 Q Is that correct?
24 A Correct statement.
25 Q Did you have to take a class or a test to get

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1 those?
2 A Yes.
3 Q Do you recall the class?
4 A No.
5 Q Do you recall how long the class was?
6 A A couple months.
7 Q Okay. So more than a week then?
8 A Clarification on the question.
9 Q Sure.
10 A When I received the licenses? Or subsequent to
11 receiving the licenses?
12 Q In preparation for the test, the passage of which
13 earned you the license.
14 A Yes. Required class.
15 Q Did you get both licenses through a common test?
16 A No.
17 Q They're two separate tests?
18 A I recall.
19 Q Were they administered at the same time?
20 A No.
21 Q So you operated under one for a while and then
22 felt the need to add another license?
23 A No.
24 Q Well, how did you come about getting two?
25 A When I was at Jefferies and Company, I was a

1 research analyst. And the research analyst is not
2 allowed to interact with any clients or any of the
3 sales and trading department until both licenses --
4 both exams are taken and you pass both licenses. And
5 then they have whatever compliance rules, where then
6 you get approved to conduct business.
7 One of the licenses, I don't recall which
8 one, I took one exam first, and then I took the next
9 exam probably a week later. I'm just --
10 Q So you didn't have to take several months of class
11 for each license?
12 A No. It was a preparatory class.
13 Q Was there an ongoing education requirement?
14 A Yes.
15 Q And very broadly, what was that requirement?
16 A I believe it was annually or every other year.
17 And you would have to take continuing education
18 examinations and go to like a Sylvan -- is that what it
19 is? Sylvan?
20 Q Learning Center?
21 A Learning Center, where they're authorized by the
22 state and NASD and FINRA, subsequently, to administer
23 the exams.
24 Q In the course of your preparation in, or while
25 taking the test, or even subsequently in these

1 continuing education classes, did you study what
2 constitutes a security?
3 A Possibly back in '94.
4 Q As you sit here today, you don't remember with any
5 particularity?
6 A Correct.
7 Just for clarification, when I was at
8 Jefferies, I was a research analyst, analyzing
9 companies. I didn't interact.
10 Q You were not a salesman?
11 A I wasn't a salesman. I wasn't on golf courses or
12 anything like that.
13 Q Well, I'm sorry.
14 A Yes, I know. I know. It's...
15 Q I can't recall off the top of my head the other
16 companies. Did you ever function as a securities
17 salesman?
18 A No.
19 Q Okay.
20 A Only, only for -- I only had my own personal
21 account and my mother and my brother's account. That
22 was it.
23 Q And you no longer have either?
24 A No.
25 Q Series 7?

1 A No.
2 Q As an adviser to Concordia, did PFA discuss
3 whether or not Exhibit 5 would, and that portfolio
4 agreement in Exhibit 5 that we discussed a moment ago,
5 that form, would constitute a security?
6 A No.
7 MR. GOURLEY: Can I hear the question again?
8 BY MR. WOMACK:
9 Q As a consultant --
10 MR. WOMACK: You mean -- do you need it
11 reread?
12 MR. GOURLEY: Actually, that would be nice.
13 That way we can all be on the same question.
14 MR. WOMACK: Would you mind rereading.
15 (Record read.)
16 BY MR. WOMACK:
17 Q Is that still your answer?
18 A Yes.
19 MR. GOURLEY: Thank you for having that
20 reread. I appreciate it.
21 BY MR. WOMACK:
22 Q Did you have any opinions yourself as to whether
23 these portfolio agreements constituted securities?
24 A No.
25 Q When you, when PFA first began with Concordia, did

1 you have an opinion as to whether there was a financial
2 crisis to address? You mentioned that one of the
3 things you do is address financial crisis. Or whether
4 you were merely an out-sourcing, or responding to
5 out-sourcing of a part of their business that they
6 didn't have the expertise to address?
7 A The latter.
8 Q Did you at some point arrive at a determination
9 that there was in fact a financial crisis brewing?
10 A Can you re --
11 Q What did you think of the health of Concordia's
12 business when you arrived there?
13 A Good.
14 Q Did that opinion ever change?
15 A Yes.
16 Q About when did it change?
17 A What aspect?
18 Q Well, whatever aspect you were basing your opinion
19 on.
20 Let's go about it this way: Why did your
21 opinion change?
22 A We started to see growth slowing in 2007. So you
23 saw a slower growth rate than you saw in prior years.
24 And we started to see delinquency rates slightly
25 increasing in 2008, as well as repossessions rates.

1 So some of the statistical information showed
2 that the company wasn't growing as quick as it was.
3 And when I say "the company," the performance of the
4 loan portfolio itself.
5 Q Do by "growth rates" you mean the number of truck
6 purchase contracts out there?
7 What was growing, and what that was growing
8 began slowing?
9 A I don't recall the times, the specific times, but
10 the things that we look at to see what's growing is,
11 there's the operations of Concordia, revenue; and
12 there's also the demand for truck contracts being
13 available for purchase consideration.
14 And the demand for the truck contracts was
15 less, the growth rate was less; the quality, which we
16 determine what the quality is, didn't meet -- the
17 number that we would like, we would be interested in
18 purchasing, just wasn't out there. The demand wasn't
19 out there because of the economic crisis and downturn.
20 As a result of less purchased contracts,
21 Concordia's revenue wasn't growing as quick.
22 Q You are familiar with the interest payments
23 through the portfolio agreement in Exhibit 5?
24 A Yes.
25 Q Provided --

1 A Exhibit 5 is the servicing --
2 Q The whole packet is Exhibit 5. The servicing of
3 the portfolio agreement is what I'm talking about in
4 particular.
5 A Okay. Yes.
6 Q Assuming performing truck contracts could be
7 associated with a portfolio agreement, would that be
8 enough to generate the income necessary to make the
9 interest payments?
10 A Yes.
11 Q How is a nonperforming contract affecting the
12 ability to make the interest payments?
13 A A nonperforming contract would be, depending on
14 what stage it is, if it's nonperforming, there's --
15 what do you mean by "nonperforming"? As it relates to
16 the --
17 Q Let's say a failed contract.
18 A Okay.
19 Q Or not in the three-month danger zone. The
20 buyer's not paying anymore.
21 A Okay.
22 Q So we can call that a failed contract, or whatever
23 term you want to use.
24 A Okay. A failed contract, we would then take
25 action to try to collect, get a payoff, send out

1 default notices, a notice of intent to repossess
2 pursuant to whatever that borrower resides in,
3 different regulations in different states so you have
4 to -- we have standardized forms for those states to
5 adhere to their laws, and there are timing requirements
6 on notification prior to a repossession.
7 And once we send that out, then we will work
8 with a network of repo agents, depending, who are
9 licensed in the specific states, which is also state
10 regulated. And then they'll go and repossess the
11 collateral. Hopefully they find it, which they usually
12 do. Then we determine the best way to monetize the
13 collateral.
14 And if the truck is running, if it needs to
15 be refurbished, if it's more like a salvage, what's the
16 best avenue to monetize that collateral, and -- through
17 an action, selling it to a dealer, or just trashing it,
18 you know, selling it to a parts shop or something like
19 that.
20 And that would result in proceeds. So we
21 monetize the money, and that money would go into -- I
22 believe I explained what the -- the cash -- cash
23 generating components are of Concordia. That would be
24 one of the areas.
25 Q And would that money, once it went in to -- I've

1 enumerated seven different areas, I. Don't know if
2 that's my notes --
3 A It's around. It sounds --
4 MR. GOURLEY: I've got six.
5 BY MR. WOMACK:
6 Q Was it pooled and drawn from generally to pay --
7 A Yeah, let me make a clarification. If a
8 nonperforming contract -- once a contract becomes
9 nonperforming -- actually, you know, if it's more than
10 90 days; or if it files bankruptcy, I believe is
11 another reason; or if the truck is totaled. For those
12 reasons, and maybe others that I can't recall at this
13 time, the contract is unassigned from the portfolio
14 note. And then another contract that's performing, in
15 accordance with the agreement performing, you know, not
16 delinquent and what have you, is then assigned to
17 replace that.
18 Q Was an investor's payment under the portfolio
19 agreement dependent upon the successful assignment of
20 performing contracts?
21 MR. GOURLEY: Could you ask that again?
22 Sorry.
23 BY MR. WOMACK:
24 Q Was the investor's payment of interest, through
25 the portfolio agreement, dependent upon an assignment

1 or an association with that portfolio agreement of
2 performing truck contracts?
3 A Of performing truck contracts?
4 Q Correct.
5 A Yes.
6 Q So theoretically, to your knowledge, if investor A
7 had performing contracts, they were going to be paid
8 interest. But if investor B had nonperforming truck
9 contracts, investor B might not be paid interest?
10 A Investor B would not have nonperforming because
11 we're -- Concordia would take the nonperforming
12 contract out from investor B and replace it with a new
13 performing contract.
14 Q Where would the money to purchase the new
15 performing contract come from?
16 MR. GOURLEY: Okay, I'm going to say asked
17 and answered on that because we do have prior testimony
18 where you listed seven things. I finally figured out
19 which one I didn't have that you did have. That was
20 insurance proceeds.
21 MR. WOMACK: Is that -- is that the answer to
22 my question?
23 THE WITNESS: Can you review what was
24 answered previously?
25 MR. GOURLEY: If I may. Purchasing truck

1 loans. Interest income --
2 MR. WOMACK: Wait. Here's -- don't interrupt
3 when there's a hanging question. If you don't
4 understand, I don't mean to belabor your day, but I
5 need the answer to my question. I don't need you to
6 coach him.
7 Do you remember the question?
8 THE WITNESS: Where do the funds come from to
9 pay the portfolio notes' interest? Was that the
10 question?
11 BY MR. WOMACK:
12 Q To purchase the new contracts that would replace
13 the nonperforming contracts.
14 A Oh, okay.
15 Q Is that money the principal payments, interest on
16 the car loans, collections, and those sorts of --
17 A Yes. Yes.
18 Q Okay.
19 At some point was Concordia no longer able to
20 make the interest payments pursuant to the portfolio
21 contracts?
22 A Yes.
23 Q Portfolio agreements.
24 Why is that?
25 A It was directly attributed to the economic

1 downturn and then subsequent credit crunch. The
2 slowdown of the domestic and world economies.
3 Q People weren't buying trucks. Truck purchase
4 contracts weren't available for Concordia to buy
5 because people weren't doing business? That sort of
6 thing? I'm just trying to get a ball park here.
7 A It's -- the reason was hauling rates in the United
8 States dropped significantly. So the demand for new
9 truck, or purchases of trucks declined.
10 Also because of hauling rates dropping,
11 because of the economic downturn, you had truck drivers
12 who were working less or weren't working at all. So
13 their ability to make their payments on principal and
14 interest dropped. Or they weren't able to maintain
15 their trucks such that they can get jobs or pay their
16 insurance or --
17 In addition, on the repossession side, it's a
18 supply and demand imbalance. You had an increase in
19 repossession, repossessed collateral. So we had more
20 trucks repossessed, as well as anybody else
21 repossessing cars, trucks, you know, homes,
22 motorcycles, mobile homes. And all these people were
23 trying to sell their repossessed collateral.
24 So not only did we have more repossessions,
25 but we're receiving lower prices, sales prices, on the

1 repossessed collateral.
2 Typically if you were getting 50 cents on a
3 dollar on the repossessed truck, during this time it
4 would be much less, because everybody is trying to sell
5 their collateral, and many people were trying to sell
6 it very quick. So.
7 So there are many different areas. It had a
8 compounding negative impact on Concordia.
9 Q So these different areas, being the different
10 sources of money with which to buy new hopefully
11 performing contracts to replace the non or failed
12 performing contracts?
13 A I don't think that was the question you --
14 Q No, no, I'm --
15 I'm sorry. I didn't mean to talk over him.
16 She glared at me.
17 A I apologize. Go ahead.
18 I thought the question related to --
19 Q Let me summarize it so that I can ask the next
20 question.
21 A Okay.
22 Q I had asked, where did the money come from to buy
23 the new and hopefully performing contracts to replace
24 those that were nonperforming.
25 A Yes.

1 Q And the source was these various monthly principal
2 payment, interest, foreclosure -- or not foreclosure,
3 but repossession sales, et cetera. And it sounds like
4 the industry affected various of these sources of
5 income to buy new hopefully performing contracts to
6 replace the nonperforming contracts. Generally
7 speaking is that accurate?
8 A Yes, that's an accurate assessment of what was
9 happening.
10 Q So then at some point did the situation develop
11 wherein just -- Concordia didn't have the ability to
12 replace nonperforming contracts with the new and better
13 performing contracts?
14 A Yes.
15 Q Do you have an idea as to whether that was across
16 the board with all the investors, or some of the
17 investors and not others of the investors?
18 A My understanding, it was equal, across the board.
19 Q Okay. From the reports you've read and the kinds
20 of data you've crunched in your service to Concordia,
21 did you ever come across a report that might show
22 investor A's contract, portfolio agreement was still
23 good because the truck sale contracts associated with
24 it were still performing, while investor B's portfolio
25 agreement could no longer pay interest because the

1 trucks associated with it were not performing, and
2 there were no new hopefully better performing truck
3 contracts to associate with it?
4 A I believe that it was rebalanced so that would be
5 equal.
6 Q I'm not sure what you mean by "equal."
7 A That -- that the portfolio notes would all have a
8 similar amount of performing contracts in each one.
9 Q So in the illustration with investor A, and put
10 investor A up because they've got performing contracts,
11 investor B is down because those contracts are not
12 performing and can't be replaced; would some truck sale
13 contracts be pulled from investor A and reassociated
14 with B to reach that equality?
15 A I don't recall.
16 Q Okay.
17 A It may be a new contract would be added to
18 whatever --
19 Q B.
20 A -- portfolio that is, yeah.
21 Q And it's perfectly valid to say, "Steve, you're
22 misconceptualizing what was taking place." And I would
23 hope, if I'm describing it that way, and I am, that you
24 would say that. I'm assuming I'm not
25 misconceptualizing. That's why I worded the questions

1 that way.
2 There comes a point though, I understood,
3 that there just weren't enough new good performing
4 contracts to spread around; isn't that the case?
5 A Given the reasons that I noted.
6 Q Yeah. So yes?
7 A Yes.
8 Q And did that lead to a financial crisis within
9 Concordia?
10 A Yes.
11 Q What did Concordia do in response to that?
12 A After the initial shocks of the economic downturn,
13 as you may be aware, there were multiple ones that just
14 kept coming. Concordia took actions from the
15 operational restructuring relating to reducing costs;
16 head count reduction, consolidating positions within
17 the company, you know, reviewing vendors, other
18 cost-cutting initiatives, evaluating collection
19 procedures, adjusting for the collection process and
20 the procedures, given the new world, you know, post
21 2007.
22 Also how to be more efficient in dealing with
23 multiple bankruptcies; much larger truck repossession.
24 Truck repossessions went up significantly. Managing
25 the truck inventory was not an issue before, but then

1 we put into procedures on how to manage the inventory
2 to maximize the return on the inventory.
3 On the contract purchase side, quickly try
4 and identify some of the red flags that we were seeing
5 from the portfolio analysis and making adjustments for
6 new contracts that were being purchased.
7 So tightening -- effectively tightening
8 credit standards, which I think any institution that's
9 looking to purchase those type of truck loans would do.
10 So a lot of the operational restructuring.
11 So just not head count reduction and cost savings
12 initiatives, but hopefully some preemptive actions that
13 could possibly mitigate some of the areas of losses.
14 Q If you could refer back to Exhibit 5, I believe
15 the first document is a note sheet; the second
16 amendment. And then the third document you'll see an
17 Amendment to Sale of Contracts and Servicing Agreement.
18 A Yes.
19 Q Do you see that?
20 A Yes, I do.
21 Q Is this the product of some of those efforts to
22 minimize the financial crisis?
23 A Yes.
24 Q Were you a part of the development of this
25 amendment?

1 A Yes.
2 Q And by "this" I'm talking about the form, not
3 necessarily this particular investment.
4 A Yes.
5 Q So you're familiar with the contract?
6 A The amendments, right.
7 Q Did shareholders -- was anything done with regard
8 to shareholders or obligations to shareholders in
9 managing the financial problems of Concordia?
10 A I don't understand the --
11 Q Prior to the developments that we've been talking
12 about, these financial problems, were shareholders --
13 were they being paid anything? Or --
14 A I don't --
15 Q Any distributions to them?
16 A My recollection from the financial statements that
17 I've seen at Concordia, since I believe going back to
18 the 2006 audit, I don't recall anything in the
19 financial statements that said anything of a
20 distribution or a dividend.
21 Q Okay.
22 It's my understanding there were also a group
23 of individuals that executed promissory notes. Are you
24 familiar with any of those?
25 A The individuals? Or the --

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1 Q The promissory notes.
2 A Yes.
3 Q Was anything done with regard to the promissory
4 notes as a response to the financial challenges facing
5 Concordia?
6 A Yes.
7 Q And what was done with regard to the promissory
8 notes?
9 A They were treated -- they were treated the same
10 way as the portfolio notes.
11 Q So do you know if the terms were the same? Or the
12 terms were just other?
13 A The economic terms were the same. It may have
14 been a different document.
15 Q Okay.
16 A When I say "document," a different --
17 Q Form?
18 A Form.
19 Q Okay.
20 Well, let's go back to these portfolio
21 agreements and their amendment to them. How were the
22 terms of this amendment arrived at?
23 A Which amendment?
24 Q It's the first amendment. It doesn't say "first
25 amendment," but it comes prior in time to the --

1 A Correct.
2 Q -- that document, Exhibit 5 titled Sale of
3 Contracts and Servicing Agreement.
4 For example, paragraph 1 under the agreement,
5 there's paragraphs of the portfolio agreement that are
6 deleted.
7 A Mm-hmm.
8 Q Did you -- were you involved in the
9 decision-making recording that deletion?
10 A Cursory. We had counsel draft that agreement.
11 Q How about the terms in paragraph 2?
12 I can give you a moment to read that. I
13 don't mean to rush you through.
14 MR. GOURLEY: Are you talking about paragraph
15 actually 2?
16 MR. WOMACK: Paragraph 2 under the agreement.
17 THE WITNESS: That was part of the economic
18 strategy that we came up with.
19 BY MR. WOMACK:
20 Q And did every investor that invested through these
21 portfolio agreements have the same paragraph 2 in their
22 amendment?
23 A I have not reviewed them; however, it was my
24 understanding that all the portfolio investors received
25 the same amendment.

1 Q Okay.
2 Eventually, it would appear from the
3 documents produced, the need arose for a second
4 amendment to sale of contracts, and that's the document
5 in Exhibit 5 immediately preceding the amendment we
6 just discussed. Were you involved in the second
7 amendment?
8 A In drafting the terms, yes.
9 Q Would it be safe to say that the first amendment
10 didn't solve the financial problem?
11 A Yes.
12 Q Did the second amendment solve the financial
13 problem? Or do we know yet?
14 A Would you describe "financial" -- I don't
15 understand what you're referring to with "financial
16 problem."
17 Q The -- fair enough. Perfectly fair enough.
18 The economy was such that income or monies
19 through these various sources was dwindling, so that
20 Concordia could no longer operate under the original
21 portfolio agreements; correct?
22 A Yes.
23 Q And so there was that first amendment in an effort
24 to put Concordia in a position to continue to operate.
25 A Correct.

1 Q That didn't get the job done though. So there was
2 a need for the second amendment?
3 A Yes.
4 Q Was this designed to put Concordia in a position
5 to continue to operate?
6 A It was designed to maximize the principal return
7 to the portfolio investors.
8 Q Is a product of that the entire liquidation of
9 Concordia?
10 A Possibly.
11 Q Do you know whether Concordia intends to continue
12 doing business once the payments stipulated in the
13 second amendment have been made?
14 A At this time I don't believe we've determined
15 that.
16 The intention of the second amendment was to
17 maintain sufficient financial liquidity to service the
18 loan portfolio, because they have years, tails on them,
19 to maximize the return to note investors as opposed to
20 liquidating the company immediately.
21 Q I'm going to come back to those in a minute, so
22 please keep them in front of you, but I want to put in
23 front of you another document, which appears to be a
24 report. Are you familiar with that report?
25 A I'm not familiar with the report.

1 Q Are you familiar with the information or data
2 contained on those pages?
3 A I recognize some of the names.
4 Q But you wouldn't be able to discuss the details of
5 the data on those pages?
6 A I see the headings. It has an account number, a
7 name, an address, Social Security number; balance
8 which -- I don't know what the last heading stands for,
9 and I don't know what this balance attributes to.
10 Q This report wasn't produced for you?
11 A No.
12 Q And you haven't made decisions or given advice
13 based on this report?
14 A No.
15 Q All right.
16 A Is it the same through the whole --
17 Q It is the same. Different investors as you go
18 along. Same type of data. But if you can't --
19 A I'm unsure what the balance amount is, and I don't
20 know what this last column is. I recognize many of the
21 names as the portfolio holders.
22 Q The question -- yeah, I don't think questions on
23 this document would be fruitful, so I'm just going to
24 put that aside.
25 MR. WOMACK: Let's take another five-minute

1 break, and then it will very likely be pretty short
2 after that.
3 (A recess was held from 3:26 to 3:38 p.m.)
4 MR. WOMACK: We're back on the record. And
5 do you understand that you're still under oath?
6 THE WITNESS: Yes.
7 BY MR. WOMACK:
8 Q Monies used to pay interest payments on promissory
9 notes as well as interest payments on the portfolio
10 agreements, did they come from a common account?
11 A I believe so.
12 Q Was there an accounting supporting that common
13 account that delineated what monies within that account
14 belonged to one investor versus another? Or was it
15 just an operational account out of which interest could
16 be paid to investors? Or other.
17 A Recently it's one bank. One bank account.
18 Q It --
19 A It -- I don't recall, you know, five, six years
20 ago. I don't know.
21 Q Is there a bookkeeping, a report or digitally
22 stored data that would identify what monies in that
23 account came from where and are going to where? Or is
24 it just an operational account out of which everything
25 is paid?

1 A When you refer to "account" do you mean the bank?
2 Or do you mean internal, internal management account?
3 Or internal systems? Like internal accounting systems?
4 Q That's kind of where I'm going at. That's what I
5 mean by the bookkeeping. Are there internal records --
6 A There are internal accounting records.
7 MR. GOURLEY: Let him finish.
8 Go ahead.
9 BY MR. WOMACK:
10 Q Are there internal records that identify what
11 portion of the monies in the common bank account are to
12 be associated with this investor or this class of
13 investors as opposed to some other use or purpose?
14 A Can you --
15 Q Let me ask this: Does -- do you know how many
16 bank accounts Concordia has?
17 A Yes.
18 Q How many?
19 A They have three.
20 Q And are they designated for different purposes,
21 each of them?
22 A Yes.
23 Q So what are the three purposes?
24 A One is the checking account. One is the money
25 market account or cash. And the third was also an

1 inactive banking account with a small amount of funds.
2 Q Is the money market account used on any kind of
3 regular basis?
4 A Just for transferring excess cash to accrue
5 minimal interest now. It's just appropriate. And when
6 it's needed, then it's back to the main checking
7 account. And those two accounts are linked together at
8 the same banking institution.
9 Q So Concordia does its work through the checking
10 account, whatever that work would be, internally,
11 externally?
12 A Yes. Receipts and disbursements.
13 Q Right. And part of the disbursement is probably
14 payroll, part of it might be lease payments, whatever
15 they are for.
16 A All, all disbursements.
17 Q They come out of that checking account?
18 A All disbursements, yes.
19 Q Now, is there a record of the money in that one
20 checking account that delineates certain dollars for
21 sole use for payroll, certain dollars for sole use for
22 some other purpose, et cetera?
23 A Attached to the bank account?
24 Q Correct.
25 A So like sub accounts? Or --

1 Q Well.
2 A It's just one bank account.
3 Q Right. But I mean does Concordia make --
4 A We have our own, if you're talking about the chart
5 of accounts, like accounting, Concordia has specific
6 accounts in its accounting system that relate
7 specifically to payroll, rent, interest on portfolio
8 notes, interest on promissory notes, health insurance.
9 Q Is any money within that account earmarked
10 specifically for one of those categories that you've
11 described?
12 A Earmarked from --
13 Q Let me --
14 A -- a budgetary perspective? Or --
15 Q Let me ask it this way: And to ask the question
16 I've got to explain a little.
17 A Yeah.
18 Q Attorneys, at least in Arizona, are required to
19 keep trust accounts for our clients. And we can't draw
20 on those trust accounts until we bill the hours, we
21 invoice the clients.
22 A Mm-hmm.
23 Q I get a retainer from my client for $20,000. I
24 can't go out, take 10 of that 20 and put a down payment
25 on a car. I first have got to bill the work that earns

1 me the 20 and invoice it, and then if they pay me --
2 A I see.
3 Q But that 20 is in an account that holds a whole
4 bunch of retainer deposits. But, when I was in private
5 practice, the firm had bookkeeping records that
6 identified this 20 of the two million in the account is
7 Steve's; this 20 of the two million in the account is
8 Gary's, et cetera.
9 Does Concordia have any kind of bookkeeping
10 that identifies what's on deposit in that checking
11 account and safeguards its use for some other purpose?
12 A I don't believe it has it as specific as that. I
13 recall there is an internal schedule that says what
14 contracts are pledged and what the balance is for that
15 portfolio note holder.
16 So I don't know if that -- but it doesn't
17 sound like it has what you are characterizing. Doesn't
18 copy that as you're describing it.
19 Q In your opinion, do you think it's a fair summary
20 to say that Concordia pools its operational funds and
21 draws on those funds however necessary in the operation
22 of their company?
23 A It's -- "pool" by meaning they have a dedicated
24 bank account? Yes.
25 Q Did investor principal ever go towards something

1 other than purchasing truck contracts, to your
2 knowledge?
3 A Investor principal for --
4 Q Principal paid through one of the portfolio
5 agreements, for example.
6 A So a truck payment that would be received -- when
7 you say "investor principal" do you mean from the truck
8 loan, payment that came in, the principal plus
9 interest?
10 Q No. For example, in Exhibit 5, that's the file of
11 investor Nevaril who invested with Concordia through
12 one of these portfolio agreements. I can't recall the
13 sum. Let's say they invested 50,000, just for purposes
14 of argument.
15 Did that principal or any other investor's
16 principal ever go towards a purpose other than
17 purchasing a truck purchase agreement?
18 A I don't know.
19 Q Do you know whether Concordia would have the
20 bookkeeping procedures in place to even track that?
21 A I don't know. This was prior to.
22 Q It's prior to, but they continued to do business.
23 A The principal payments on the truck loans,
24 principal and interest payments, interest payments were
25 much higher than the -- on the truck loans was higher,

1 so the excess funds from the interest collections, plus
2 the principal paid down on the truck loans, which were
3 originally purchased by portfolio notes investment,
4 that money in turn was used to purchase new contracts.
5 And any excess interest or any excess funds went to
6 servicing the loan portfolio, providing the services to
7 service the truck loans.
8 Q Okay.
9 A I don't know if that --
10 Q Yeah, that's your answer. I understand.
11 At some point, I believe you said five to six
12 years ago, the economy started turning south.
13 A In -- yeah, five years. Yeah, five maybe.
14 Q Just on a very general level. We don't have to go
15 into the details of why it did, what was going on. But
16 generally this --
17 A 2008 is...
18 Q If an investor invested through a portfolio
19 agreement after that time, could that principal have
20 gone to pay another investor's interest and not to
21 purchase another truck contract?
22 A I -- I -- you said a hypothetical?
23 Q No, no. I'm asking.
24 A Is -- I don't recall seeing any monies coming in
25 after the debacle in the latter part of 2008. So that,

1 I'm just --
2 Q Well, that answers the question.
3 To your understanding, speaking globally
4 because we're talking about economic issues that go far
5 beyond Concordia, and I understand that; but also
6 understanding that Concordia had people like you in
7 place to track this sort of thing, was there a point at
8 which Concordia didn't have enough money from the
9 various other sources of income, monthly payments,
10 interest payment, payments on the money market, repo
11 sales, whatever they might be, to pay all of the
12 interest payments owed on the promissory notes, on the
13 portfolio agreements, and so were forced to use
14 recently invested principal through a portfolio
15 agreement to make those payments?
16 A Is -- it sounds like there are a couple different
17 scenarios. I recall that Concordia, during the
18 downturn, had sufficient amounts of excess cash and --
19 and I -- if you can repeat the question, it sounded
20 like it was a couple --
21 Q Honestly, I don't think I could repeat the
22 question.
23 Did you ever warn Concordia of any problems
24 you saw, if you saw any, in the portfolio agreements?
25 A No.

1 Q Did you ever see any?
2 A The -- the sale and servicing?
3 Q Correct.
4 A Yes, I've seen this before.
5 Q No, did you -- did you see any problems from an
6 operational standpoint with that agreement?
7 A No. I wasn't -- I've seen them. I was never
8 involved with them, other than when we were
9 restructuring the company at the beginning of 2009.
10 Q I don't know if you know this, this is just purely
11 from a procedural, operational level, you are familiar
12 with the ER Financial?
13 A Yes.
14 Q A number of investors came to Concordia through ER
15 Financial; was that a fair assessment?
16 A Yes.
17 Q When Concordia made the interest payments to those
18 investors, do you know if those payments were made to
19 the individual investors? Or were they made to ER
20 Financial to distribute to the investors?
21 A Directly to investors.
22 Q Okay.
23 MR. WOMACK: Do you have any questions before
24 I go to this final document?
25 MS. LIPTON: Which bank account would

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1 investors' interest payments come from?
2 THE WITNESS: Chino.
3 BY MR. WOMACK:
4 Q Well, I better not mark it. Yes. If you can look
5 over that document and tell me if you recognize what
6 that is.
7 A It's accounts payable history, and it relates to
8 Pacific Financial Advisers payments, and it also --
9 yes.
10 Q Did you --
11 A Wait, there's more. Let me just check.
12 Yes. Looks like it's historical payments to
13 Pacific Financial Advisers.
14 Q Do you have any reason to question the numbers in
15 the report?
16 A No. It looks like -- it looks like there may have
17 been some reversals and then they may have reissued a
18 check. That's what I'm -- you see a minus, usually
19 that's what it might be.
20 Q Is this the kind of report that Concordia would
21 maintain in their office as a normal course of
22 business?
23 A Yes. They have a full-fledged accounting system.
24 MR. WOMACK: Let's mark this as Exhibit 13.
25 ///

1 (Whereupon Exhibit Number 13
2 was marked and is attached hereto.)
3 MR. GOURLEY: What are you calling it?
4 MR. WOMACK: I'd say an accounts payable
5 history for PFA.
6 BY MR. WOMACK:
7 Q This isn't a complete history, is it?
8 A No. That's why I noted we went back to -- went
9 back to 2006, 2007.
10 Q You definitely were working before January of
11 2010.
12 A Yes, obviously.
13 Q Has PFA provided any services after December of
14 2012?
15 A Yes.
16 Q You're currently providing services?
17 A Yes, ongoing.
18 Q By January of 2010, Concordia has already gone
19 through the first amendment; correct?
20 A Yes.
21 Q And so they're trying to address the financial
22 problems they're in.
23 A Correct.
24 Q Well, let me ask this: Do you recall whether PFA
25 performed any services in October through December of

2010?

A Yes.

Q They're just not recorded in this document?

A This document is just disbursements.

Q Oh, I'm sorry.

A Yeah. Just to maybe save time, there was ongoing, on a monthly basis, consistent in the way that I characterized earlier. So if there's disbursements that are -- there's a timing issue; for example, I may be on vacation and not there to receive a check, the check may be issued the next month. It doesn't mean that Concordia didn't perform its services on a -- or, clarification -- Pacific Financial Advisers didn't perform its services on an ongoing basis.

Q If you would look at the top of the third page. And that's January of 2011.

A Yes.

Q Is that -- do you recall in part why that check is much higher than, for example, the September of 2010? Are they catching up on payments?

A It may have been -- it may have been a catch-up. It may have been because -- I think it may have been -- what date was that? That was 2010?

Q We see on the first page, 2010, the last payment or disbursement is September. And then we don't see

1 another disbursement until January of 2011. And I'm
2 trying to figure out if I'm looking at a complete
3 document.
4 A It -- there may have been a timing issue with
5 respect to me paying, me being PFA, paying my
6 consultants. And if I wasn't paying them in that
7 month, then, because it's an LLC, if Concordia paid me,
8 or paid PFA, PFA would have incurred a significant tax
9 liability based on the tax year. Because it's an LLC,
10 you would have the pass-through, it would show up as a
11 gain because I didn't have the expense on the other
12 side.
13 So you may see at year-end, so from November
14 to January, or December to January, you'll see a
15 fluctuation, but the net numbers were exactly the same.
16 I remember that case specifically because one
17 of the individuals was traveling and he wasn't -- he
18 said, "Don't pay me." And my -- my own accountant
19 said, "If you get paid, you're going to have to pay
20 that tax burden because it's a pass-through the LLC.
21 So that was the rationale behind it. I hope
22 it didn't cause any confusion or anything like that.
23 Q Well, it seems from this document that PFA was
24 paid 315,000 in 2010, 350,000 in 2011, and 200,000 in
25 2012. That's a lot of money for a company that's

1 reeling.
2 A Not when you have over -- head count reduction of
3 over 18 people.
4 And so you have to look at it from, A, the
5 head count reduction; B, what type of outside financial
6 advisers you have to bring in to do an operational
7 restructuring, crisis management, possibly bankruptcy
8 restructuring.
9 In fact, if you look at it, you'll find,
10 based on market rates in California, that it's
11 substantially less.
12 Q You say head count reduction. They laid off
13 employees?
14 A We laid off a significant number of employees from
15 2009 on.
16 Q And are you saying that some of the work that
17 those employees were doing, PFA picked up?
18 A Substantial portion.
19 For example, when you have -- you have
20 someone -- they had different individuals overseeing
21 insurance, legal. Legal --
22 Oh, there's another area of where we would
23 collect funds.
24 Q Okay.
25 A It's -- there are two areas of legal. I apologize

ACC011886
BERSCH

1 for not remembering this. There's legals relating to
2 Chapter 7 personal bankruptcies, liquidations; Chapter
3 13, personal bankruptcies, which is ones where they do
4 reorganization.
5 There's also legals relating to replevin
6 actions, which is also called claimant deliveries,
7 repossession, depending on what -- not that I'm an
8 expert, I've just learned, depending on what state,
9 they're called different things.
10 So we would also file complaints with those
11 actions with local counsel. And a lot of times that
12 would result in funds coming in to the company.
13 Q Okay.
14 A Going back to your question here, they had
15 individuals handle each one of these tasks. And, you
16 know, obviously when you're downsizing, consolidate
17 debt, you have one person overseeing that, and you
18 probably have handling, you know, maybe two clerical
19 people or staff people, and a senior supervisor
20 handling, who has experience in that area, handling
21 multiple areas.
22 It's typical strategy that if you go into a
23 company, crisis management, and looking at operational
24 restructuring, it's, you know, what you do.
25 And also, it's a consulting fee. When you

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1 downsize 18 individuals, you have health benefits, you
2 have workers' comp. As you know, in the State of
3 California is one of the highest in the United States.
4 You also have all of the payroll taxes
5 associated with all those.
6 So there's other cost savings that when you
7 look at it, the cost savings is significant.
8 MR. WOMACK: Okay. Any more questions?
9 MR. CLAPPER: Just one.
10 I know we talked about a number of different
11 databases. Did Concordia keep an Excel spread sheet or
12 any report as to when they bought a particular truck
13 contract, you know, with a description, the date, the
14 amount; is there a database for that?
15 THE WITNESS: Good question. Absolutely.
16 It's in the accounting system, and they also had
17 database reports that are printed out.
18 Also there's Excel reports and -- and there's
19 another report which, this will answer the question,
20 it's the one master report called the portfolio report.
21 And the portfolio report will detail -- will provide
22 all the details on the truck contract that was
23 purchased.
24 And the information, I won't go over the
25 whole thing because -- it will have who the -- who owns

1 the truck; who -- from what dealer it was purchased,
2 what truck model, year, VIN number, the balance of the
3 loan that's purchased, where they live, Social Security
4 number, FICO score, single, married, how many -- if
5 they have any liens against them, how many years
6 they've been a truck driver, how many years they've
7 been an owner-operator as opposed to working for a
8 long-distance company and not owning their truck, when
9 the loan was paid off, if there's a balance outstanding
10 on the loan, what's the next month's payment.
11 It's the global report that compiles
12 everything; if the loan has been paid off, if it was
13 repossessed, what the loss was on that specific loan,
14 when it was repossessed, when it was sold.
15 So it has a whole -- it consolidates all the
16 information on every single truck loan. And I believe
17 it goes back many years.
18 MR. CLAPPER: Okay. So is there a way to
19 simplify that just to get like dates, description, who
20 the borrower was, and the amount paid? Without getting
21 all these fields, where it's going to be 7,000 pages
22 long.
23 MR. GOURLEY: I don't know. I do know,
24 without you saying anything further at the moment, that
25 discovery has to identify documents. We're not

1 required to prepare a list. We're not required to run
2 data searches.
3 If you want, if the documents exist, and I
4 understand prior counsel has tried to produce those
5 documents. In fact, they had produced lists that I
6 would have objected to that they prepared solely for
7 the purpose of, I guess, your subpoena, or maybe it was
8 Arizona subpoena, I'm not sure. But whatever the
9 subpoena was, if it's there, it's there to be found,
10 and if it exists, we'll certainly be happy to provide
11 it to you.
12 MR. CLAPPER: I was trying to limit, instead
13 of getting 7,000 pages, maybe getting seven pages, to
14 make it easier.
15 MR. GOURLEY: For you.
16 THE WITNESS: It would -- the number of
17 contracts are a significant number of truck loans. So
18 if you're going to have a list of the active, the
19 performing and nonperforming truck contracts that were
20 purchased, it's a long -- it's a long sheet. It's
21 generated by our own internal computer system, and it
22 can be -- and it's downloaded into Excel. And it has
23 all those details that I explained.
24 MR. CLAPPER: Okay. So that's just called
25 a portfolio --

THE WITNESS: I would say it's called the portfolio report. They may refer to it as the total portfolio report, which may go back many years.

And it would also say if it's delinquent, how many years are left on the loan, the maturity date, that type of stuff.

MR. CLAPPER: That's my only question, Steve.

MR. WOMACK: Thank you.

MS. LIPTON: Mr. Dekmejian, have you answered every question truthfully today?

THE WITNESS: Yes.

MS. LIPTON: Is there anything else you would like to tell us about the topics we have covered today?

THE WITNESS: No.

MS. LIPTON: I propose the following stipulation:

The court reporter will forward the original transcript from today's proceeding with a self-addressed stamped envelope to you at your address of record, for your review. You will have 30 days from receipt to review and make any changes.

Upon completing the review and listing the changes, if any, you will sign the transcript. Within 10 days of signing the transcript, your counsel will advise all other counsel in writing of any changes you

made while reviewing the transcript.

However, I caution you that any changes you make of a substantive nature, such as changing an answer from a "yes" to a "no," I or any other attorney may comment upon those changes in the event of a trial, and it could affect your credibility.

If you do not sign the transcript within the time frame, and if the witness does not provide notice of any changes within the time frame, or if the original executed transcript becomes lost or otherwise unavailable, the parties agree that a certified copy of the transcript may be used for all purposes as if it were a duly executed and corrected original transcript.

MR. GOURLEY: On behalf of my client, he's willing to stipulate.

MS. LIPTON: Thank you.

MR. WOMACK: We're done today.

(Whereupon the deposition concluded at 4:10 p.m.)

ACC011892
BERSCH

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)

I, ARMEN J. DEKMEJIAN, the witness herein, hereby certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this _____ day of _____, 2013 at _____, California.

_____
THE WITNESS

ACC011893
BERSCH

CERTIFICATE OF REPORTER

I, BARBARA SMALL, a Certified Shorthand Reporter of the State of California, do hereby certify:

That I am a disinterested person herein; that the foregoing hearing was reported in shorthand by me, Barbara Small, a Certified Shorthand Reporter of the State of California and thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said hearing nor in any way interested in the outcome of said hearing.

IN WITNESS WHEREOF, I have hereunto set my hand this 14th day of May, 2013.

Barbara Small

BARBARA SMALL, CSR

License No. 13345

BEFORE THE
DEPARTMENT OF CORPORATIONS
OF THE
STATE OF CALIFORNIA

In the matter of the investigation and examination of:

Concordia Financing Company, LTD

SUBPOENA [X]

SUBPOENA DUCES TECUM [ ]

and of its books, records, documents and other papers pursuant to § 25531(c) of the Corporations Code and §§ 11180-11182 of the Government Code.

TO: Armen J. Dekmejian, Acting CFO and/or
Custodian of Records
Concordia Financing Company, LTD
[redacted]
[redacted] CA [redacted]

YOU ARE ORDERED TO:

[X] Appear in person as a witness in this matter:

[ ] Produce the records described in the accompanying declaration

Before the Commissioner of Corporations' appointed Representative(s), Michelle Lipton, Esq.
At [redacted], California, on
The 30th day of April, 2013 at 1:00 o'clock p.m.

For failure to attend and/or to produce such materials, you may be deemed liable for the penalties provided by law.

Dated on March 5, 2013, at Los Angeles, California.

JAN LYNN OWEN
California Corporations Commissioner

By Michelle Lipton
MICHELLE LIPTON
Sr. Corporations Counsel

ACC011895
BERSCH

You may be entitled to witness fees and mileage for attendance pursuant to the Subpoena or Subpoena Duces Tecum. A form upon which to make your claim is available from any office of the Department of Corporations.

Michelle Lipton, Senior Corporations Counsel (213) 576-7591 California Department of Corporations 320 West 4th Street, Suite 750 Los Angeles, California 90013-2344 ATTORNEY FOR (*Name*):	
BEFORE THE DEPARTMENT OF CORPORATIONS OF THE STATE OF CALIFORNIA	
In the matter of the investigation and examination of **CONCORDIA FINANCING COMPANY, LTD** and of its books, records, documents and other papers pursuant to § 25531(c) of the CORPORATIONS CODE, §§ 11180 - 11182 of the GOVERNMENT CODE.	
PROOF OF SERVICE	FILE NUMBER: **Alpha**

1. At the time of service I was at least 18 years of age and not a party to this action, and **I served copies** of the (*specify document(s)*):
COVER LETTER, dated March 5, 2013; SUBPOENA

2. a. Party served: **Armen J. Dekmejian, an individual**

   b. Person served: **Same as party in item 2a.**

   c. Address: [redacted]
   Santa Monica, California 90405

3. I served the party in item 2
   ☑ **by personal delivery** (1) on (*date*): **03/24/2013**
   (2) at (*time*): **06:35 p.m.**

4. Person serving (*name, address, and telephone No.*):

   Juan Rodriguez
   Ace Attorney Service, Inc.
   [redacted] California [redacted]
   [redacted]

   f. **Fee** for service: $

   c. Registered California process server.
   (1) Employee or independent contractor.
   (2) Registration No.: **2012058112**
   (3) County: **LOS ANGELES**

5. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

   Date: **March 28, 2013**

   (signature)

#980215GP

PROOF OF SERVICE

ACC011896
BERSCH

DEPARTMENT OF CORPORATIONS

Supporting a Fair and Secure Financial Services Marketplace for all Californians

Jan Lynn Owen
California Corporations Commissioner
Los Angeles, California

IN REPLY REFER TO:
FILE NO: Alpha

March 5, 2013

Kenneth Crowder
Christopher Crowder
Armen J. Dekmejian
Concordia Financing Company, LTD
[redacted]
[redacted], CA [redacted]

Dear Sirs:

Enclosed please find a Subpoena that requires your personal appearance to testify in the examination and investigation of Concordia Financing Company, LTD.

If you have any questions concerning your rights and duties, you may wish to consult counsel. If you have any questions concerning the Subpoena, please call the undersigned at the phone number provided below.

Very truly yours,

Michelle Lipton

Michelle Lipton
Sr. Corporations Counsel
[redacted]
Enforcement Division

ACC011897
BERSCH

FINANCIAL ADVISORS, LL
DEC. 2009 & JAN 2010

ACC011898
BERSCH

		Due Date	Voucher/ Check No	Inv Date/ Ck Date	PO #/ Check Amt	Balance
0003-10	FEBRUARY 2010	01/05/2010	015188 39463	01/04/2010 01/05/2010	50000.00	50000.00 0.00
0005-10		02/02/2010	015562 39798	02/01/2010 02/02/2010	25000.00	25000.00 0.00
0007-10	0007-10-PACIFIC FINANCIAL ADVI	03/04/2010	015948 40131	03/04/2010 03/04/2010	25000.00	25000.00 0.00
0011-10		04/01/2010	016299 40416	04/01/2010 04/01/2010	25000.00	25000.00 0.00
0013-10		06/01/2010	017061 41081	06/01/2010 06/01/2010	25000.00	25000.00 0.00
0015-10	0015-10-PACIFIC FINANCIAL ADVI	07/01/2010	017408 41393	07/01/2010 07/01/2010	25000.00	25000.00 0.00
0021-10	0021-10-PACIFIC FINANCIAL ADVI	08/01/2010	017760 41889	08/01/2010 08/05/2010	25000.00	25000.00 0.00
0023-10	0023-10-PACIFIC FINANCIAL ADVI	10/07/2010	018602 42525	10/04/2010 10/07/2010	25000.00	25000.00 0.00
0025-10	0025-10-PACIFIC FINANCIAL ADVI	11/04/2010	018743 42636	11/02/2010 11/04/2010	25000.00	25000.00 0.00
070110		12/02/2010	019024 42901	12/01/2010 12/02/2010	25000.00	25000.00 0.00
JULY 2010	JULY 2010	07/01/2010	017410 41393	07/01/2010 07/01/2010	15000.00	15000.00 0.00
MAY 2010	MAY 2010-PACIFIC FINANCIAL ADV	07/01/2010	017407 41393	07/01/2010 07/01/2010	-25000.00	-25000.00 0.00
SEPT 2010	SEPT 2010-PACIFIC FINANCIAL AD	05/03/2010	016697 40769	05/03/2010 05/03/2010	25000.00	25000.00 0.00
V E N D O R	T O T A L	09/09/2010	018301 42231	09/09/2010 09/09/2010	25000.00	25000.00 0.00
					315000.00	0.00 **

Program Name : FA.PAH - Accounts Payable History
Requested By : 0003ELIZABETH

Selection Parameters:

Δπ EXHIBIT 13
Deponent DEKMEJIAN
Date 4-30-13 Rptr. BJ
WWW.DEPOBOOK.COM

Vendor/ Invoice	Vendor Name/ Comment 1	Telephone Number/ Comment2	Due Date	Voucher/ Check No	Inv Date/ Ck Date	PO #/ Check Amt	Balance
PACIFI	PACIFIC FINANCIAL ADVISORS, LL						
0001-10	DEC. 2009 & JAN 2010		01/05/2010	015188	01/04/2010		50000.00
				39463	01/05/2010	50000.00	0.00
0003-10	FEBRUARY 2010		02/02/2010	015562	02/01/2010		25000.00
				39798	02/02/2010	25000.00	0.00
0005-10			03/04/2010	015948	03/04/2010		25000.00
				40131	03/04/2010	25000.00	0.00
0007-10	0007-10-PACIFIC FINANCIAL ADVI		04/01/2010	016299	04/01/2010		25000.00
				40416	04/01/2010	25000.00	0.00
0011-10			06/01/2010	017061	06/01/2010		25000.00
				41081	06/01/2010	25000.00	0.00
0013-10			07/01/2010	017408	07/01/2010		25000.00
				41393	07/01/2010	25000.00	0.00
0015-10	0015-10-PACIFIC FINANCIAL ADVI		08/01/2010	017760	08/01/2010		25000.00
				41889	08/05/2010	25000.00	0.00
0021-10	0021-10-PACIFIC FINANCIAL ADVI		10/07/2010	018602	10/04/2010		25000.00
				42525	10/07/2010	25000.00	0.00
0023-10	0023-10-PACIFIC FINANCIAL ADVI		11/04/2010	018743	11/02/2010		25000.00
				42636	11/04/2010	25000.00	0.00
0025-10	0025-10-PACIFIC FINANCIAL ADVI		12/02/2010	019024	12/01/2010		15000.00
				42901	12/02/2010	15000.00	0.00
070110			07/01/2010	017410	07/01/2010		-25000.00
				41393	07/01/2010	-25000.00	0.00
JULY 2010	JULY 2010		07/01/2010	017407	07/01/2010		25000.00
				41393	07/01/2010	25000.00	0.00
MAY 2010	MAY 2010-PACIFIC FINANCIAL ADV		05/03/2010	016697	05/03/2010		25000.00
				40769	05/03/2010	25000.00	0.00
SEPT 2010	SEPT 2010-PACIFIC FINANCIAL AD		09/09/2010	018301	09/09/2010		25000.00
				42231	09/09/2010	25000.00	0.00
V E N D O R T O T A L						315000.00	0.00 **

Program Name : FA.PAH - Accounts Payable History
Requested By : 0003ELIZABETH

Selection Parameters:

ACC011899
BERSCH

Δπ EXHIBIT 13
Deponent DEKMEJIAN
Date 4-30-13 Rptr. B.J.
WWW.DEPOBOOK.COM

Vendor/ Invoice	Vendor Name/ Comment 1	Telephone Number/ Comment2	Due Date	Voucher/ Check No	Inv Date/ Ck Date	PO #/ Check Amt	Balance

From Branch : 01
To Branch : 99

Vendor Number : PACIFI

From Invoice # :
To Invoice # : zzzzzzzzzz

From Inv. Date : 01/01/2010
To Inv. Date : 12/31/2010

Starting Time : 2:22 P.M.
Ending Time : 2:22 P.M.

ACC011900
BERSCH

Vendor/ Invoice	Vendor Name/ Comment 1	Telephone Number/ Comment2	Due Date	Voucher/ Check No	Inv Date/ Ck Date	PO #/ Check Amt	Balance
PACIFI	PACIFIC FINANCIAL ADVISORS, LL						
0001-11	0001-11-PACIFIC FINANCIAL ADVI		01/04/2011	019488	01/03/2011		35000.00
				43293	01/04/2011	35000.00	0.00
0003-11	0003-11-PACIFIC FINANCIAL ADVI		02/01/2011	019706	02/01/2011		25000.00
				43491	02/01/2011	25000.00	0.00
0005-11	0005-11-PACIFIC FINANCIAL ADVI		03/03/2011	020030	03/02/2011		25000.00
				43766	03/03/2011	25000.00	0.00
0006-11	0006-11-PACIFIC FINANCIAL ADVI		04/05/2011	020553	04/02/2011		25000.00
				44263	04/05/2011	25000.00	0.00
0007-11	0007-11-PACIFIC FINANCIAL ADVI		05/03/2011	020903	05/03/2011		25000.00
				44582	05/03/2011	25000.00	0.00
0008-11	0008-11-PACIFIC FINANCIAL ADVI		06/02/2011	021035	06/02/2011		25000.00
				44693	06/02/2011	25000.00	0.00
0009-11R	0009-11R-PACIFIC FINANCIAL ADV		06/28/2011	021308	06/27/2011		25000.00
				44937	06/28/2011	25000.00	0.00
0010-11	0010-11-PACIFIC FINANCIAL ADVI		08/02/2011	021737	08/02/2011		25000.00
				45391	08/02/2011	25000.00	0.00
0013-11			09/01/2011	021894	09/01/2011		25000.00
				45486	09/01/2011	25000.00	0.00
0015-11			10/04/2011	022373	10/03/2011		25000.00
				45939	10/04/2011	25000.00	0.00
0017-11	0017-11-PACIFIC FINANCIAL ADVI		11/01/2011	022450	11/01/2011		25000.00
				45996	11/01/2011	25000.00	0.00
0019-11	0019-11-PACIFIC FINANCIAL ADVI		12/01/2011	022714	12/01/2011		25000.00
				46250	11/30/2011	25000.00	0.00
FEB 2012	FEBRUARY 2012		12/30/2011	022974	12/30/2011		20000.00
				46504	12/30/2011	20000.00	0.00
JAN 2012	JANUARY 2012		12/30/2011	022973	12/30/2011		20000.00
				46503	12/30/2011	20000.00	0.00
V E N D O R T O T A L						350000.00	0.00 **

Program Name : FA.PAH - Accounts Payable History
Requested By : 0003ELIZABETH

Selection Parameters:

ACC011901
BERSCH

Vendor/ Invoice	Vendor Name/ Comment 1	Telephone Number/ Comment2	Due Date	Voucher/ Check No	Inv Date/ Ck Date	PO #/ Check Amt	Balance

From Branch : 01
To Branch : 99

Vendor Number : PACIFI

From Invoice # :
To Invoice # : zzzzzzzzzz

From Inv. Date : 01/01/2011
To Inv. Date : 12/31/2011

Starting Time : 2:22 P.M.
Ending Time : 2:22 P.M.

ACC011902
BERSCH

Vendor/ Invoice	Vendor Name/ Comment 1	Telephone Number/ Comment2	Due Date	Voucher/ Check No	Inv Date/ Ck Date	PO #/ Check Amt	Balance
PACIFI	PACIFIC FINANCIAL ADVISORS, LL						
	-PACIFIC FINANCIAL ADVISORS, L		07/03/2012	024496	07/03/2012		20000.00
				47962	07/03/2012	20000.00	0.00
0004-12	0004-12-PACIFIC FINANCIAL ADVI		03/01/2012	023510	03/01/2012		20000.00
				47000	03/01/2012	20000.00	0.00
0004-13			04/01/2012	023728	03/26/2012		20000.00
				47217	03/27/2012	20000.00	0.00
0005-13	0005-13-PACIFIC FINANCIAL ADVI		05/01/2012	023986	05/01/2012		20000.00
				47451	05/01/2012	20000.00	0.00
0009-13	0009-13-PACIFIC FINANCIAL ADVI		06/05/2012	024384	06/04/2012		20000.00
				47839	06/04/2012	20000.00	0.00
0011-12	0011-12-PACIFIC FINANCIAL ADVI		08/02/2012	024706	08/02/2012		20000.00
				48136	08/02/2012	20000.00	0.00
0013-12	0013-12-PACIFIC FINANCIAL ADVI		09/06/2012	025078	09/06/2012		20000.00
				48497	09/06/2012	20000.00	0.00
0015-12	0015-12-PACIFIC FINANCIAL ADVI		10/02/2012	025311	10/02/2012		20000.00
				48710	10/02/2012	20000.00	0.00
0017-12	0017-12-PACIFIC FINANCIAL ADVI		11/01/2012	025377	11/01/2012		20000.00
				48753	11/01/2012	20000.00	0.00
0018-12	0018-12-PACIFIC FINANCIAL ADVI		12/04/2012	025828	12/04/2012		20000.00
				49129	12/04/2012	20000.00	0.00
V E N D O R T O T A L						200000.00	0.00 **

Program Name : FA.PAH - Accounts Payable History
Requested By : 0003ELIZABETH

Selection Parameters:

From Branch : 01
To Branch : 99

Vendor Number : PACIFI

From Invoice # :
To Invoice # : zzzzzzzzzz

From Inv. Date : 01/01/2012
To Inv. Date : 12/31/2012

Starting Time : 2:22 P.M.

ACC011903
BERSCH

Vendor/ Invoice	Vendor Name/ Comment 1	Telephone Number/ Comment2	Due Date	Voucher/ Check No	Inv Date/ Ck Date	PO #/ Check Amt	Balance

Ending Time : 2:22 P.M.

ACC011904
BERSCH

WITNESS LETTER

TO: 5/14/13

Armen Dekmejian

[redacted]

[redacted], CA [redacted]

Dear Deponent,

The transcript of your deposition 4/30/13 reported in the above-captioned cause has been prepared and is included in this package for your inspection and signature for a period of 30 days from the date of this letter. Return the transcript in the included envelope as well as any relevant documents noted below.

Please read the transcript making any changes and/or corrections necessary. In making any changes and/or corrections, please use the following guide:

1. List each change and/or correction on the correction sheet provided at the end of the statement under oath. Signature is required at the bottom of the correction page

2. Forward the signed deponent signature page, correction sheet and copies of the pages on which changes and/or corrections have been made and a copy of this letter to:

California Reporting, LLC

[redacted]

[redacted], CA [redacted]

[redacted]

Upon receipt of the items requested in this letter, I will forward copies of the same to all Counsel.

Sincerely,

Marika Edler

UNITED STATES OF AMERICA
DEPARTMENT OF CORPORATIONS
OF THE STATE OF CALIFORNIA

In the matter of the Investigation and Examination of:

Concordia Financing Company, Ltd.

320 WEST 4TH STREET
SUITE 750
LOS ANGELES, CALIFORNIA

EXAMINATION UNDER OATH OF CHRISTOPHER CROWDER

WEDNESDAY, MAY 1, 2013

9:10 A.M.

BARBARA SMALL, CSR
LICENSE NUMBER 13345

CALIFORNIA REPORTING, LLC
52 LONGWOOD DRIVE
SAN RAFAEL, CA 94901
(415) 457-4417

APPEARANCES

FOR THE DEPARTMENT:

State of California
Department of Corporations
BY: MS. MICHELLE LIPTON
Corporations Counsel
Enforcement Division
320 West 4th Street
Suite 750
Los Angeles, California 90013

Arizona Corporation Commission
Securities Division
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FOR THE DEPONENT:

Malek & Malek
BY: MR. STEVEN GOURLEY
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San Francisco, California 94104

ALSO PRESENT: MR. PETER Y.S. MOCK, CPA
Department of Corporations

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BERSCH

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PROCEEDINGS

MS. LIPTON: Mr. Crowder, my name is Michelle Lipton. I'm an attorney for the California Corporation Commissioner in the matter of the investigation and examination of Concordia Financing Company, Ltd., et al.

Can you please state your full name for the record?

THE WITNESS: Christopher Kenneth Crowder.

MS. LIPTON: Can you please spell your last name for the record.

THE WITNESS: C-r-o-w-d-e-r.

MS. LIPTON: Mr. Crowder, have you ever been deposed before?

THE WITNESS: Not by -- yes.

MS. LIPTON: You have? And in what kind of case?

THE WITNESS: One was a debt judgment. And another was a case involving one of our customers.

MS. LIPTON: Just to let you know, this is part of an inquiry to determine if there had been full compliance with the security laws of the State of California, and also the State of Arizona.

Participating in this examination will be members of the Securities Division of the Arizona

1 Corporation Commission. They're here pursuant to
2 California Government Code Section 11180.5, which
3 states, in relevant part, quote:
4 "At the request of a department of this
5 state, any other state may assist in conducting an
6 investigation of any unlawful activity that involves
7 matters within or reasonably related to the
8 jurisdiction of the department," end quote, as well as
9 Arizona Revised Statute 44-1822.
10 Present from the Department of Corporations,
11 myself and Peter Mock. He's an examiner. Present from
12 the Securities Division of the Arizona Corporation
13 Commission are Enforcement Attorney Steve Womack and
14 Senior Special Investigator Gary Clapper.
15 Miss Small, would you please administer the
16 oath.
17
18 (Whereupon Christopher Crowder was duly sworn and
19 testified as follows:)
20
21 EXAMINATION
22 BY MS. LIPTON:
23 Q Just to let you know, any one of us could be
24 asking questions. So the court reporter goes off the
25 record at our discretion, but if you or your attorney

need a break or would like to go off the record, just let us know and we'll do our best to accommodate you. But the reporter will note for the record each time you consult with your attorney before answering. This is done to ensure an accurate record.

Since your testimony is being recorded by a reporter, please respond verbally, "yes," "no," as opposed to nodding or shaking your head.

Also, it is important that only one person at a time speaks. So please allow the question to be finished before you answer. And we'll do our best to allow you to answer before we interrupt with another question.

If you don't hear a question or simply don't understand it, say so. Either the reporter will repeat it, or we can always explain it or reask the question so you can understand it before you answer.

You have taken an oath to testify here under penalty of perjury as if you were in a court of law. Do you understand that?

A Yes.

Q Are you on any medication today or under any physical disability which might interfere with your ability to answer questions?

A No.

1 Q Is there any reason why you will not be able to
2 answer our questions fully and truthfully today?
3 A No.
4 Q This exhibit has been marked as Exhibit 14. It's
5 the Department of Corporations's subpoena that
6 requested your testimony here today.
7 (Whereupon Exhibit Number 14
8 was marked and is attached hereto.)
9 BY MS. LIPTON:
10 Q Please review it and let me know if you recognize
11 this.
12 A I recognize the first and last but not the second
13 page.
14 Q For the record, the second page is just the proof
15 of service showing that you did receive it.
16 But you admit that you've received it and
17 seen it?
18 A Yes.
19 Q And you're here today giving testimony pursuant to
20 this subpoena; correct?
21 A Correct.
22 Q This is what has been marked as Exhibit 15. It's
23 also a Department of Corporations's subpoena, but it
24 was a subpoena for business records of Concordia
25 Financing Company, Ltd. The subpoena is dated November

1 8, 2012.
2 (Whereupon Exhibit Number 15
3 was marked and is attached hereto.)
4 BY MS. LIPTON:
5 Q Can you please review this and tell us if you
6 recognize this exhibit?
7 MR. GOURLEY: Sorry. What date is that?
8 MS. LIPTON: It was dated November 28, 2012.
9 THE WITNESS: November 8.
10 MS. LIPTON: Sorry. I was trying to memorize
11 it.
12 THE WITNESS: Yes.
13 BY MS. LIPTON:
14 Q You act as the Custodian of Records for Concordia
15 Financing Company, Ltd.; isn't that true?
16 A Yes.
17 Q And you saw this subpoena when it came in and
18 reviewed it?
19 A Yes.
20 Q And when you got it, what did you do after you
21 received it?
22 A Sent a copy to my attorney.
23 Q And is your attorney Dick Lar?
24 A Yes.
25 Q And then you sought advice about it?

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1 A Correct.
2 Q And then your company and you, Concordia,
3 responded to the subpoena and produced documents to the
4 Department of Corporations a few months later; correct?
5 A I believe Dick responded to you, and we followed
6 his direction.
7 MR. GOURLEY: I'm sorry. Do you have a date
8 on which those documents were received?
9 MS. LIPTON: Peter? Do you remember when you
10 got the documents?
11 MR. MOCK: No. I have to check on it.
12 MS. LIPTON: About a couple months later I
13 gave Dick an extension.
14 MR. GOURLEY: Is there a cover letter from
15 him?
16 That's okay.
17 MR. WOMACK: I've seen one. I don't have it
18 in the room.
19 MR. GOURLEY: Okay.
20 MR. MOCK: I recall a letter from the
21 attorney saying that respond to our subpoena. I have a
22 copy of that, but I don't have it here.
23 MR. GOURLEY: I have it on my computers.
24 BY MS. LIPTON:
25 Q I would like to ask you a few questions just about

1 your background.
2 Have you ever used any other name?
3 A No.
4 Q So you just always were Christopher Crowder?
5 A Yes.
6 Q Do you go by Chris sometimes like other
7 Christophers?
8 A I do.
9 Q What is your date of birth?
10 A February 1, 1969.
11 Q And what is your place of birth?
12 A Riverside, California.
13 Q Are you married?
14 A No.
15 Q Have you ever been married?
16 A No.
17 Q What is your current home address?
18 A 20605 Broadview, all one word, Drive, Perris,
19 California. P-e-r-r-i-s.
20 Q And Zip code?
21 A 92570.
22 Q And your home telephone number, please?
23 A 951-776-0699.
24 MR. GOURLEY: That's very good. You have to
25 speak slowly. She has to get it down.

1 BY MS. LIPTON:
2 Q How long have you resided at this address in
3 Perris, California?
4 A Three and a half years.
5 Q And where did you reside prior to that location?
6 A Rancho Cucamonga, California.
7 Q Can you please state your educational history from
8 high school forward, starting with high school, the
9 year you graduated, and then college and anything else.
10 A Okay. High school was Blair in Pasadena. Then I
11 went to Pasadena City College for a short time.
12 Joined the Marines and was medicaled out
13 after six weeks.
14 Then went to Bradley University in Peoria,
15 Illinois.
16 Went to Art Center College in Pasadena for a
17 little bit before returning to Bradley. I did not
18 complete my degree at Bradley. And -- where did I go
19 from there.
20 I think that was it until I went to
21 University of Phoenix and completed my degree in 2005.
22 Q And what was your degree in?
23 A Business.
24 Q And any master's after?
25 A No.

1 Q Can you please state your work history for the
2 past 15 years? You can start with --
3 MR. GOURLEY: 15 years ago.
4 MS. LIPTON: And go in chronological order.
5 THE WITNESS: 15 years ago was, I believe I
6 was just finishing up at Disney Interactive.
7 And then I moved to Miami and worked for a
8 software company called Expert Software for a year.
9 And then I joined Concordia in 1999.
10 BY MS. LIPTON:
11 Q And you have been with Concordia since 1999?
12 A Correct.
13 Q And in what capacities?
14 A Originally it was just -- I came in and I guess
15 you could call it as a manager, overseeing and learning
16 the business. Got promoted, I guess, to operations.
17 And then eventually made president. And that's where I
18 am now.
19 Q In what year did you make president?
20 A I believe it's 2006.
21 Q So you've been president since 2006 at Concordia?
22 A Yes.
23 Q Can you please confirm your business telephone
24 number?
25 A 909-483-8101.

1 Q Do you hold or have you ever held any state
2 licenses other than your driver's license?
3 A No.
4 Q Are you registered with any state agency in any
5 capacity, including California and Arizona?
6 A No.
7 Q Are any of the companies you have worked for
8 registered with Arizona Corporation Commission as a
9 securities broker or dealer or salesman?
10 A I do not know.
11 Q Are any of the companies have you worked for
12 registered with the California Department of
13 Corporations as a securities broker, dealer or
14 salesman?
15 A I don't know.
16 Q Is Concordia Financing qualified to sell
17 securities? Did your company ever seek a permit to
18 sell securities?
19 A I don't know what was done with the original
20 establishment.
21 Q And you are not aware if any notice filings were
22 filed with the Department of Corporations on behalf of
23 Concordia?
24 A As far as the sales of securities?
25 Q Yes.

1 A No, I'm not aware.
2 Q Have you ever been the subject of any
3 investigation or any disciplinary action under any, by
4 any agency?
5 A No.
6 Q Have you ever filed for bankruptcy?
7 A No.
8 Q Have you ever been convicted of any crime other
9 than a minor traffic offense?
10 A No.
11 Q Have you ever been arrested?
12 A Yes.
13 Q And what was that for?
14 A DUI.
15 Q Have you ever been indicted?
16 A No.
17 Q Have you ever been a defendant in a civil lawsuit?
18 A No.
19 Q Where do you hold bank accounts?
20 A I have an account with Charles Schwab. And I have
21 an account with Chino Commercial Bank.
22 Q And that's your personal account?
23 A Yes.
24 Q And that's also where Concordia has its business
25 accounts; correct?

1 A Correct.
2 Q So besides being president of Concordia, have you
3 ever been an officer or director of any other
4 corporation?
5 A No.
6 Q Have you ever been a manager or member of any LLC?
7 A Yes.
8 Q What company?
9 A Expert software, I was a quality assurance
10 manager.
11 Q Have you ever been a partner, general partner or a
12 limited partner in a partnership?
13 A No.
14 Q Are you connected to any business other than the
15 two you mentioned?
16 A No.
17 Q Do you have any ownership or financial interest in
18 any business organization or corporation?
19 A No.
20 Q So you don't have any financial interest in
21 Concordia?
22 A Personally?
23 Q Own a company or --
24 A No.
25 Q Didn't own any shares?

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1 A No.
2 Q Have you spoken to anyone other than your attorney
3 about the subpoena sent to you by the Department of
4 Corporations?
5 A Yes.
6 Q Who?
7 A Armen Dekmejian who you spoke to yesterday.
8 Q And when was that? When did you speak to him
9 about the subpoenas?
10 A When we received it.
11 Q And then I gather you spoke to your attorneys
12 about it?
13 A Yes.
14 MR. GOURLEY: And I think you'll also find
15 out he spoke to his father about it.
16 THE WITNESS: Yeah. And my father.
17 MS. LIPTON: That's understandable.
18
19 EXAMINATION
20 BY MR. WOMACK:
21 Q Mr. Crowder, again, I'm Steve Womack with the
22 Arizona Corporation Commission in the Securities
23 Division. And I have a few questions for you.
24 At the outset I have some foundational
25 questions. You're probably aware that we spoke with

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1 your father and Armen yesterday, and I don't want to
2 rehash everything we talked about, but I want to lay
3 the foundation for further questions. So some of these
4 questions at the outset go to that sort of thing. Just
5 to make sure we're all on the same page.
6 Concordia is in the business of servicing
7 loans that it purchases regarding -- I'm sorry.
8 Concordia is in the business of servicing loans for the
9 purchase of class A trucks?
10 A For the purchase?
11 Q It's my understanding that Concordia purchases
12 contracts between sellers and buyers of trucks and then
13 services those contracts.
14 A Yes.
15 Q So Concordia is in the business of servicing those
16 --
17 A Correct.
18 Q -- loan contracts.
19 I want to establish what we call these
20 documents. And the set of documents between the seller
21 and buyer of the trucks we'll just call truck sale
22 contracts. Will you know what I mean --
23 A Okay.
24 Q -- if I refer to that?
25 I want to direct your attention to what

1 yesterday was marked Exhibit 6. You could familiarize
2 yourself with that. I just have some real general
3 questions regarding it at this point.
4 MR. GOURLEY: I've seen it yesterday, but I
5 will watch it as you go through it and make sure I
6 haven't forgotten anything.
7 THE WITNESS: There are --
8 MR. GOURLEY: There's no question pending.
9 He's going to ask you questions about it.
10 THE WITNESS: Okay.
11 MR. GOURLEY: Go through the whole thing.
12 MR. WOMACK: I will represent to you that
13 those are pages from an investor file produced by
14 Concordia. The second to the last document in there is
15 a document that I understand internally Concordia
16 refers to as -- correct that -- a portfolio agreement?
17 Is that the sale, the contract for sale and purchase --
18 A Correct. Sale of Contracts and Servicing
19 Agreement.
20 Q Correct. If I refer to that document as a
21 portfolio agreement, would you understand what I'm
22 referring to?
23 A Sure. Yes.
24 Q Is that how you all refer to it within Concordia?
25 A We actually call it contract and servicing

1 agreement.
2 Q Oh, okay.
3 A We call it by its name.
4 Q Well, yesterday I was informed that it was called
5 portfolio, so I'm going to continue to call it
6 portfolio agreement, if that has meaning for you.
7 A Yeah.
8 Q And it's my understanding that the investors that
9 invested through that agreement and the accompanying
10 custodial agreement are referred to as portfolio
11 investors.
12 A Correct.
13 Q Getting down the language so when we ask the
14 questions, we know what we're talking about.
15 When marketing the portfolio agreements to
16 potential investors, Concordia guaranteed the interest
17 paid through the agreement; isn't that correct?
18 A To my knowledge, Concordia never marketed it.
19 Q Okay. Fair enough.
20 Did Concordia put out publications indicating
21 that the interest would be guaranteed?
22 A No. Not to my knowledge.
23 Q I don't mean to catch you on this. Again, we're
24 still trying to develop a foundation.
25 This was what was marked as Exhibit 2

1 yesterday, a document that previous witnesses have
2 stated was created in-house by Concordia, and if you
3 look on the very first page, there's a guarantee.
4 MR. GOURLEY: This is Exhibit 1 or 2?
5 MR. WOMACK: 2.
6 THE WITNESS: I believe this is before my
7 joining the company.
8 BY MR. WOMACK:
9 Q And to your knowledge, Concordia never guaranteed
10 interest payments pursuant to the portfolio agreement?
11 A I never made a guaranty.
12 Q Do you know of sales persons making a guaranty?
13 A I don't know what anybody else said. I -- that
14 wasn't my arm.
15 Q Since 2006, you've been president; right?
16 A Correct.
17 Q So you oversaw all the departments within
18 Concordia, didn't you?
19 A Correct.
20 Q And I don't know if Concordia had internally a
21 Sales Department; did they?
22 A No.
23 Q Who did Concordia use to market these investments?
24 A We -- I guess it would be -- to say we used
25 someone as marketing I think is incorrect, because we

1 never said, "Hey, go out and --" but ERF did, ER
2 Financial did bring investors to us. And that had been
3 established long before I joined the company.
4 Q Were there any other source of new investors other
5 than ERF?
6 A Our bank brought in an investor, Chino Commercial
7 Bank, one or two investors from them.
8 I believe friends of my father had been
9 investors. Other family members are investors.
10 Q So am I correct you're describing a word-of-mouth
11 type of expansion other than ERF?
12 A Pretty much, yes.
13 Q Okay. Did you work with ERF regarding their
14 development of new investors?
15 A No.
16 Q Did you ever talk with them regarding the new
17 investors they brought in?
18 A In what capacity?
19 Q The marketing of these portfolio agreements?
20 A No. I never discussed marketing or any of that
21 kind of thing. My -- my discussions with them were
22 limited to things like, "We can't take any more money."
23 Q And why couldn't you take more money?
24 A Because we'd had enough in our cash flow, and
25 fiscally it didn't make sense to, you know, take on

1 more than we could service.
2 Q And you understand when I'm saying "you" in these
3 questions I'm referring to Concordia. If ever I mean
4 you in particular, Chris, I will try to state that.
5 A Okay.
6 Q Do you have any reason to doubt that Concordia
7 created Exhibit 2?
8 A No.
9 Q But that's not something that Concordia was
10 handing out by the time you got on board?
11 A Not that I recall. I can't say that these hadn't
12 been distributed, were continuing to be distributed. I
13 personally and none of my team under me that I can
14 recall handed them out.
15 Q Did you or anybody at Concordia ever tell ERF to
16 run their sales pitches by someone within Concordia
17 before they discussed these investments?
18 A No.
19 Q Did you or anyone else in Concordia ever ask David
20 Wanzek or Michael Bersch, "What are you telling
21 investors so that we'll know how you are representing
22 Concordia?"
23 A No.
24 Q It's my understanding, and correct me if I'm
25 wrong, that early on Concordia raised business capital

1 through selling shares; is that your understanding?
2 A No.
3 Q How do you understand that Concordia raised
4 capital?
5 A My father and his partner put in monies. And then
6 friends and family invested. And then later, shares
7 were actually established and the original investors
8 were each given a share at that time, which then later
9 was a thousand-to-thousand split.
10 Q So the shares just recognized money already put
11 in?
12 A Right.
13 MR. WOMACK: We're up to Exhibit 16?
14 MS. LIPTON: Yes.
15 MR. WOMACK: I'm going to show you what we'll
16 mark as Exhibit 16. This is a document produced by
17 Concordia in a file labeled "Shareholder List."
18 (Whereupon Exhibit Number 16
19 was marked and is attached hereto.)
20 BY MR. WOMACK:
21 Q Are you familiar with this list?
22 A Yes.
23 Q As we go down the list, let me ask questions about
24 each. I think that's the fastest way.
25 You see Jackie Burns at the very top?

1 A Yes.
2 Q Is that a family member? Friend? Acquaintance?
3 Do you know?
4 A I don't know.
5 Q Mike Burton?
6 A I don't recognize that name.
7 Q Do you recognize Brockmeier?
8 A I do recognize that as an investor, but I don't
9 know the relationship.
10 Q Geraldine Cannon, do you know her --
11 A Same question.
12 Q Same answer?
13 A Same answer, sorry.
14 Q Charles and Barbara Canterbury?
15 A Same.
16 Q You don't recognize the relationship.
17 The Collinses.
18 A Again.
19 Q These could be friends of your father or his
20 original business partner; you just don't know?
21 A Yes.
22 Q They could be somebody off the street?
23 A I -- I don't know the relationship.
24 Q You would know if it was family.
25 A Right.

1 Q And these aren't.
2 A Correct.
3 Q Kenneth Crowder, I assume you know who that is.
4 That's your father; correct?
5 A Yes.
6 Q Martin Davis?
7 A I know who he is, but. I mean I've met him as an
8 investor, but I only know him as an original investor.
9 Q Dr. Barlow and Dr. Chau?
10 THE WITNESS: Could we have a quick --
11 MR. GOURLEY: Do you recognize the name?
12 THE WITNESS: Yeah. I was just thinking --
13 MR. GOURLEY: Okay. And under what
14 circumstances? Because I don't want to go off the
15 record and he doesn't want to go off the record while
16 there's a question pending.
17 THE WITNESS: Yes. I mean, again, all of
18 these, the ones that you are going through, the ones
19 with the thousand shares, I recognize them as the
20 original investors, and those were the ones who were
21 given a share.
22 I do recognize my father as family; ER
23 Financial as David Wanzek and Michael Bersch. The
24 Wanzeks I recognize. Sun I recognize as a family
25 member. I know Nguyen/Long is friends of dad's.

1 BY MR. WOMACK:
2 Q I'm sorry, I didn't catch that name.
3 A The Nguyen/Long, it's under "Irrevocable."
4 YHL and Tafreshi, I know those are friends of
5 my dad's.
6 The rest I know just because I recognize the
7 names as investors.
8 MR. GOURLEY: Okay. Now may I take a brief
9 --
10 MR. WOMACK: Yes.
11 MR. GOURLEY: And I may be able to find out
12 something for you.
13 MR. WOMACK: Yes. We are going to go off the
14 record.
15 MR. GOURLEY: Thank you.
16 (Discussion off the record.)
17 MR. WOMACK: Okay, Mr. Crowder, we're back on
18 record. Do you understand you are still under oath?
19 THE WITNESS: Yes.
20 MR. GOURLEY: May I? Yes, without waiving
21 attorney-client privilege, what Chris's concern was,
22 that it would have been easier to identify the people
23 he did know, and whether he should just do that. And
24 that's eventually what he did do. It was not any
25 particular question about any particular investor. It

was just, "It's going to be easier for me to identify the ones I do know instead of going through all the ones I don't know. Should I do that."

MR. WOMACK: Fair enough. Fair enough.

And if it's something at that level, procedural level, feel free to ask me.

MR. GOURLEY: Do not feel free to ask him, "Is this when I talk about the $800 million in gold bullion that I've hidden in Brazil."

MR. WOMACK: "Do you want to know where I parked my Bentley."

For the record, I'm joking. We haven't uncovered a Bentley.

MR. GOURLEY: Excuse me. Off the record for just a second. I want to go off the record.

MR. WOMACK: Sure, sure. We'll go back off the record.

(Discussion off the record.)

MR. WOMACK: Let's go back on the record.

Mr. Crowder, we're back on the record. Do you understand you're still under oath?

THE WITNESS: Yes.

MR. WOMACK: I appreciate your input on how to most efficiently work through this, but I have to ask as to each individual.

1 THE WITNESS: Okay.
2 BY MR. WOMACK:
3 Q As you spoke a moment ago, I was making notes as
4 to who you were speaking to, so I suspect that the
5 names that I'm about to read will all elicit a similar
6 response from you, but I need to get that response.
7 A Very well.
8 Q I didn't record an answer as to who Dr. Barlow and
9 Dr. Chau are. Do you know the relationship there?
10 A No. I believe they know David Wanzek.
11 Q David Eltiste?
12 A Don't know.
13 Q And that is E-l-t-i-s-t-e.
14 Is that a friend of your father's?
15 A I don't know.
16 Q ER Financial we know.
17 Frank Foti, F-o-t-i?
18 A I don't know.
19 Q A friend of your father's?
20 A I don't know.
21 Q Would you know whether these next several names
22 all listed as residents of Lake Havasu City came
23 through ERF or David Wanzek or Michael Bersch? And I
24 don't want you to guess.
25 A Yeah. I don't know.

1 Q Do you know whether any of these Lake Havasu City
2 individuals are friends of your father?
3 A I don't know.
4 Q And that takes us from Foti down to Harris Living
5 Trust. You referenced the irrevocable trust earlier.
6 A Yes.
7 Q Raymond Lopez, do you know who that is?
8 A Yes.
9 Q And who is Raymond Lopez?
10 A That is the father of one of our early
11 accountants.
12 Q An out-sourced accountant?
13 A He was actually in-house.
14 Q The Magnussens, are you familiar with them?
15 A No.
16 Q Do you know if they're friends of your father?
17 A I do not.
18 Q The Macchias, M-a-c-c-h-i-a?
19 A I don't know the relation. I have spoken to him
20 and met him, but that's --
21 Q You don't know if they're preexisting friends of
22 one of the founders?
23 A (No audible response.)
24 MR. GOURLEY: You've got to speak out.
25 THE WITNESS: Oh. No.

1 MR. WOMACK: She can't record nodding.
2 MR. GOURLEY: Actually she can, but it's
3 messy.
4 BY MR. WOMACK:
5 Q Linda Mercer. Are you familiar with her?
6 A No, I'm not.
7 Q Do you know if she is related to anyone?
8 A No, I don't.
9 Q Did Concordia intentionally reach into the State
10 of Washington for investors?
11 A I don't know. These were all prior to my joining
12 the company.
13 Q Bruce and Nancy McIntosh. Are you familiar with
14 them?
15 A I have spoken to them, but I don't know their
16 relationship.
17 Q How about either Lorna or Norman Rosen?
18 A Friends of my father.
19 Q We talked about the Suns.
20 Schuringas, are you familiar with them?
21 A I have met Jack, yes. I don't know who their --
22 wait. I take that back. I believe they are contacts
23 through David Wanzek.
24 Q Do you know whether this is, this Exhibit 16 is a
25 complete list of shareholders?

1 A Yes.
2 Q Does it include shareholders that are no longer
3 shareholders?
4 A (No audible response.)
5 Q Let me tell you why I ask that question. If you
6 go clear to the right, under current shareholder,
7 number of shares column, there are individuals with
8 zero shares. Were those individuals paid off?
9 A I know in the case of Nguyen/Long, he turned those
10 in. Don't know why.
11 And the other zeros I don't know.
12 Q All right. Thank you.
13 Do you have any corrections that you want to
14 make?
15 A No.
16 Q I'm going to show you what we're marking as
17 Exhibit 17. I will represent to you that we took this
18 from a folder marked "Investor List" in Concordia's
19 production.
20 (Whereupon Exhibit Number 17
21 was marked and is attached hereto.)
22 BY MR. WOMACK:
23 Q Does this list look familiar to you?
24 A Yes.
25 Q The list at the very upper right-hand corner has

1 the line "run date: January 8, 2013." Do you believe
2 that's when this list was created?
3 A I do, yes.
4 Q Do you know whether there were investors that
5 invested prior to that date that aren't on this list
6 for any reason? For example, investors that invested
7 and were paid back?
8 A Without going through and verifying, I don't know
9 if this includes investors that are no longer with the
10 company.
11 Q It does include every investor that at least on
12 January 8, 2013 was still with the company; correct?
13 A No.
14 Q Who does it not include?
15 A There are many investors who had been paid out.
16 So this does appear to have investors that had been
17 with us historically, but that had already been paid
18 out pursuant to our second amendment.
19 Q Okay. I might have misunderstood earlier. I
20 thought you were saying that there are investors in
21 Concordia additionally that aren't listed here.
22 A No. No.
23 Q You were correcting your earlier statement in
24 which we were talking about whether this included
25 investors, historic investors that were paid off prior

1 to this date; is that what you were saying?
2 A Correct.
3 Q Okay.
4 I believe every page has the same column
5 headings. I'd just like to run through some of those
6 headings.
7 The account number. Was every investor
8 identified by an account number?
9 A Yes.
10 Q Is that true for every portfolio investor as well
11 as every promissory note investor?
12 A Yes.
13 Q Does this list contain both promissory note and
14 portfolio agreement investors?
15 A Yes.
16 Q Is there a designation in that account number that
17 would indicate whether it was a portfolio or promissory
18 note investor?
19 A 900 is note investors. I believe 910s are also
20 note investors. 920s are portfolio investors, as are
21 930s.
22 Q Customer name and address. That's
23 self-explanatory, the individuals or the customer, and
24 that's their addresses.
25 Social Security number. I'll just represent

1 to you, and I'm sure California will as well, that
2 should these documents be used later, that information
3 will be redacted.
4 What is represented under the "balance"
5 column?
6 A Those actually should be, with the exceptions of
7 the 930s, those should be zeros. What they appear to
8 represent would be the remainder of the principal after
9 the second amendment, which is to be written down.
10 Q This would be the amount of principal that
11 Concordia is not going to pay back?
12 A Correct.
13 Q We'll get into them further, but just for my own
14 understanding at the moment, the first amendment didn't
15 include a write down, but the second amendment did
16 include a write down; is that right?
17 A Correct.
18 Q And we'll -- we can unpack those further, but just
19 so I'm in the ball park.
20 Why did you a moment ago say with exception
21 to 930s?
22 A 930s are note holders that are still being paid
23 out.
24 Q Why are they still being paid out but not the
25 others?

1 A They were at a lower rate of return, or are at a
2 lower rate of return.
3 Q What rate were they being paid out?
4 A 10 percent annual.
5 Q So would it be safe to assume the 920s were the 12
6 percent investors?
7 A Yes.
8 Q Were there two different interest rates in the
9 promissory notes?
10 A I don't believe so. I honestly, I don't remember
11 why we split those up.
12 Q Okay. So you don't know why some are 900, some
13 are 910?
14 A No. The Accounting Department did that when we
15 changed software.
16 Q Let's go back to that customer file. I believe it
17 was Exhibit 6. Do you have that in front of you?
18 A Yes.
19 MR. GOURLEY: Yes.
20 BY MR. WOMACK:
21 Q We're going to work a little bit from the back to
22 the front. The last two documents of Exhibit 6 are a
23 custodial agreement. And then the portfolio agreement.
24 Is that correct?
25 A Yes, as you've termed it.

1 Q Would there ever be a reason for a portfolio
2 investor to also receive a note?
3 A Early investors who were note investors later did
4 portfolios.
5 Q Okay. So one investor might have both types of
6 investments?
7 A Correct.
8 Q Would there ever be a situation in which the
9 investor came in as a portfolio investor but was given
10 a promissory note?
11 A Not to my knowledge.
12 Q Laying the various agreements out in Exhibit 6, I
13 think you'll also find an initial amendment entitled
14 "Amendment to Sale of Contracts and Servicing
15 Agreement," and a Second Amendment?
16 MR. GOURLEY: Just for clarity's sake, what
17 is the date of the first amendment?
18 MR. WOMACK: It would appear effective
19 February 1, 2009.
20 BY MR. WOMACK:
21 Q Is that correct, Mr. Crowder?
22 A Yes.
23 MR. GOURLEY: Thank you.
24 BY MR. WOMACK:
25 Q And the date of the second amendment, effective

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1 date, December 1, 2011. Do you see that?
2 A Yes.
3 Q By way of summary, is the effect of the first
4 amendment to amend the portfolio contract in such a way
5 as to put an end to the interest payments and begin
6 making principal repayments?
7 A Yes.
8 Q Did I say that correctly?
9 A Yes.
10 Q Would you agree with that statement?
11 It's my understanding that the purpose for
12 this amendment was to address financial problems
13 Concordia was facing for a number of reasons.
14 A Yes.
15 Q We don't need to go into the details. The first
16 amendment didn't solve Concordia's financial problems;
17 right?
18 A Correct.
19 Q Hence the second amendment?
20 A Correct.
21 Q And understanding that the documents speak for
22 themselves, but by way of shorthand is it fair to say
23 the purpose of the second amendment is to reduce the
24 principal owed to the investors?
25 A Yes.

1 Q In your own mind were you all thinking of
2 effectuating some kind of informal Chapter 13 cram-down
3 type of process?
4 A What we were doing was -- yeah. Effectively doing
5 an out-of-court bankruptcy to reduce costs and maximize
6 returns, yes.
7 Q Does Concordia intend to do business after all the
8 payments are made pursuant to the second amendments?
9 A We haven't determined what's going to happen at
10 the end of repayment at this time.
11 Q With the second amendments, is Concordia solvent?
12 A Barely.
13 Q Certainly Concordia has accounts receivable that
14 it will -- that it's collecting on at the moment;
15 correct?
16 A Correct.
17 Q And these accounts are from a variety of sources;
18 foreclosure -- or not foreclosure -- repossession
19 payments, performing loans?
20 A Yes.
21 Q I understand there are some judgments being paid
22 upon; is that correct? Related to a foreclosure, et
23 cetera?
24 A Oh. Yes, yes.
25 Q Are there any other outstanding accounts

1 receivable?
2 A No. I believe you covered all of the bases.
3 Q With the performing loans, if we could assume they
4 continue to be performing, and I understand that that's
5 a big if, those loans would survive the pay-out
6 pursuant to the second amendment, wouldn't they?
7 A Yes.
8 Some would, not all. Some would.
9 Q With the promissory note holders, was there a
10 similar amendment as this initial amendment dated
11 February 1, 2009?
12 A Yes.
13 Q Did it effectuate the same?
14 A Yes.
15 Q No longer paying interest, we're now paying
16 principal?
17 A Correct.
18 Q With the promissory note holders, was there a
19 similar second amendment?
20 A Yes.
21 Q And it functioned the same way?
22 A Yes.
23 Q Were the reductions a similar percentage?
24 A Yes.
25 Q So Concordia -- strike that.

1 It's my understanding that Concordia didn't
2 pay any distributions to shareholders.
3 A Correct.
4 Q You know of no distributions paid to any
5 shareholders?
6 A Correct.
7 Q So back to the promissory note holders and
8 portfolio agreement holders. Concordia's intention was
9 to treat all the investors, regardless of which vehicle
10 they came in on, equally?
11 A Correct.
12 Q When Concordia was raising money through those
13 investors, was it Concordia's intention ever to tie a
14 specific loan for a specific vehicle to a specific
15 portfolio agreement?
16 A There's a couple questions in there. We didn't
17 raise money. Like I said, that was done out of house.
18 Yes, loans were applied or put into the
19 portfolio accounts, yes.
20 Q Let me try to go at it a different way. Concordia
21 created the contracts in Exhibit 6; correct?
22 A Correct.
23 Q And Concordia received investor principal when
24 individuals executed these contracts; correct?
25 A Right.

1 Q That's all I mean by receiving investment money.
2 A All right.
3 Q I'm not trying to trip you up on any kind of
4 sales, is my point here.
5 When I asked whether there was a specific
6 loan, truck loan, associated with a specific portfolio,
7 I get that now that I didn't ask that as elegantly as I
8 might have, did Concordia ever intend for the interest
9 that was guaranteed in Exhibit 2 to be the result of a
10 single truck sales contract associated with that
11 particular investor's portfolio agreement?
12 A It would be -- multiple contracts are pledged to
13 the portfolio.
14 Q Wasn't it one of Concordia's selling points or one
15 of the attractive aspects of investment in Concordia
16 that if a truck loan was nonperforming, that
17 nonperforming loan would be exchanged out for a new
18 loan that would hopefully be performing?
19 A Correct.
20 Q So if the initial truck sales contracts or loans
21 performed or didn't perform, that fact, performance or
22 nonperformance, didn't affect whether or not the
23 portfolio investor received his or her interest
24 payment; right?
25 A Correct.

1 MR. WOMACK: I believe we're up to Exhibit 18
2 and 19. I'm going to hand you both at the same time.
3 I will represent to you that these were found in the
4 Concordia production marked "Monthly Investor Reports."
5 (Whereupon Exhibit Numbers 18 and 19
6 Were marked and are attached hereto.)
7 BY MR. WOMACK:
8 Q If you could look through those. An investor --
9 Exhibit 18 was behind the tab indicating November,
10 2009. Exhibit 19 was behind the tab indicating
11 December, 2009.
12 Do these reports look familiar to you?
13 A I have seen them before, yes.
14 Q 18 is November, 2009. 19 is December, 2009. Can
15 we side by side looking at these exhibits track the
16 substitution of new and hopefully performing contracts
17 for the old nonperforming contracts? For example, on
18 the fourth page of Exhibit 18, the second to the top --
19 A The fourth page which has "page 5" at the bottom?
20 Or the third page which has "page 4" at the bottom?
21 Q Sorry, page 4 of Exhibit 18. The second to the
22 top is Theresa Patricola?
23 A Yes.
24 Q The first column, there's an account number. I'm
25 assuming that based on the account numbers at the

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1 bottom of the page, we just have a photocopying issue
2 and the beginning of Miss Patricola's number is 9 even
3 though 2 is the first number listed there; it just
4 didn't get photocopied?
5 A Yes.
6 Q And that's her individual account number, the type
7 of account number we were talking about before?
8 A Correct.
9 Q Following over, there's a code column, R3. Do you
10 know what that stands for?
11 A That is the investor identifier, in addition to
12 the code.
13 Q Okay.
14 A Or in addition to the investment number.
15 Q Account balance. What does that number represent?
16 A That is the total account balance, not taking into
17 effect the second amendment.
18 Q Right. These documents predate the second
19 amendment. So would that be the principal owed?
20 A Yes.
21 Q That doesn't include interest payments?
22 A No.
23 Q Value of contracts. What contracts are being
24 referred in this column?
25 A Those would be the truck contracts that are

1 pledged to the portfolio investors.
2 Q So at least in November of 2009, Miss Patricola
3 had contracts that weren't performing up to her
4 principal?
5 A Correct.
6 Q And the difference is just the difference between
7 her contracts and the performing loans?
8 A Correct.
9 Q Moving to Exhibit 19, you'll see at the very
10 bottom of the first page it says December 3, but I will
11 represent to you that we got it out of the folder that
12 included December, 2009.
13 If you could take a moment to look through
14 here, I was unable to find Miss Patricola's name on
15 this exhibit.
16 A She --
17 Q The first five pages of it.
18 A She is third down from page 4.
19 Q Third down from page 4. Okay. Good.
20 So comparing 18; see the column that says
21 "percentage"?
22 A Yes.
23 Q Would it be fair to say her loans are performing
24 at 61 percent of her value?
25 A Yeah.

1 Q Then going to Exhibit 19, that percentage has
2 fallen to 59 percent?
3 A Yes.
4 Q Now if I could direct you in Exhibit 8, the second
5 to the last page.
6 A Wait, Exhibit 8?
7 Q 18, I'm sorry.
8 A Okay.
9 Q This document says Exhibit A at the top of it, but
10 I got it out of the same folder as the reinvestment
11 balance sheets that we've been talking about.
12 A Okay.
13 Q It's my understanding that because of the turnover
14 in loan documents, Concordia didn't always attach
15 Exhibit A to their portfolio agreements, but as new
16 trucks or new loans were associated with those
17 portfolio agreements, they might send those to the
18 investors. Is that your understanding?
19 A The Exhibit As were made available to custodians.
20 Q Okay.
21 A And how the custodians communicated to their
22 people I don't know.
23 Q Fair enough. The reason Exhibit A is on the top
24 of this page, though, is to refer this to the Exhibit A
25 in the portfolio agreement; is that correct?

1 A This -- this would be related to a portfolio, yes.
2 Q Just so I will be clear, in Exhibit 6, if you go
3 back to the portfolio agreement, and I'll just point it
4 out to you on mine, see paragraph 1.1, Exhibit A?
5 A Correct.
6 Q The Exhibit A in 18 is that Exhibit A?
7 A Correct.
8 Q Okay.
9 And the second to the last page of
10 examination Exhibit 18 is Miss Patricola's truck loans
11 for November of 2009; is that right?
12 A I don't have a date here, but.
13 Q If you will tuck these types of documents behind
14 the tab November, 2009, and the reinvestment balance
15 sheet that's at the beginning of Exhibit 18, would it
16 be safe to assume that Miss Patricola's Exhibit A is
17 for that month?
18 A If they were kept together, yes.
19 Q Likewise, in Examination Exhibit 19, the second to
20 the last page -- take your time. There's no rush. I
21 realize I'm making you jump from page to page.
22 A Okay.
23 Q Are you there?
24 A Yes.
25 Q This is Miss Patricola's, the truck sale contracts

1 associated with Miss Patricola's investment for the
2 month of December, 2009; correct?
3 A As I said, if they were kept together, yes.
4 Q And we know the contracts weren't performing, as
5 we spoke a moment ago, the percentage value of the
6 truck contracts toward investment was going down.
7 A Yes.
8 Q When you compare Miss Patricola's truck contracts
9 in November to her truck contracts in December, they're
10 the same truck contracts, are they not?
11 A Yes.
12 Q They don't appear to have been switched out to
13 maximize her investment?
14 A These would be performing contracts.
15 Q When you say "these" you're talking about the
16 Exhibit A's, letter A's that we're talking about in
17 Exhibit 18 and 19?
18 A Correct.
19 Q So these don't include the nonperforming contracts
20 --
21 A Correct.
22 Q -- that make up that approximately 40 percent
23 difference?
24 A Correct.
25 MR. GOURLEY: Excuse me. I have noticed a

1 problem. She has to be able to hear you; in some sense
2 to be able to read your lips. When you do that, it
3 drives them crazy.
4 Sorry, but I thought we might have a problem
5 with an accurate transcript.
6 MR. WOMACK: Certainly.
7 BY MR. WOMACK:
8 Q Well, why in December is there not another
9 contract added to her individual portfolio? It appears
10 that we've got a 40 percent, approximately 40 percent
11 nonperforming amount, at least from November to
12 December.
13 A And this is December, 2009.
14 Q Right, right.
15 A Yeah.
16 There would not, may not have been enough
17 performing contracts to make up the difference, or
18 enough in the balance to make up the difference.
19 Q Let me ask two questions to follow up on that
20 answer.
21 By 2009, the situation is such that Concordia
22 might not have performing contracts to substitute in;
23 is that what you're saying?
24 A Right. And we had initiated the first amendment
25 as a principal pay-out as a result of excessive

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1 nonperforming assets.
2 Q Okay. This could be that reason, or you mentioned
3 a second reason, I believe, and that is there might not
4 be enough in the balance. Could you explain what that
5 means?
6 A The purchase price of the vehicle varies greatly,
7 anywhere from 10,000 upwards to 45,000. So depending
8 on what's available, you know, if -- let's say its
9 deficiency was only $5,000 and we had 25, $35,000
10 contracts, it wouldn't be pledged to that account.
11 Q I might misunderstand then the reinvestment
12 balance sheet. If we could go back to Miss Patricola
13 at the beginning of Exhibit 18, on page numbered 4.
14 A Yes.
15 Q Second to the top, the difference is 54,000 and
16 some change?
17 A Right.
18 Q Would that not be enough to buy another truck?
19 A Yes. And that's why I'm saying likely there were
20 not performing contracts available. We were seeing
21 excessive repossessions in 2009.
22 Q Staying on that same page in Exhibit 18, the
23 differences vary widely from a low of Mark Pryor at
24 about 9,800, immediately above -- well, on one of Mark
25 Pryor's investments, immediately above him there's

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1 another Mark Pryor investment where the difference is
2 415,000 and some change.
3 But if I'm understanding what I'm hearing,
4 Concordia was paying each investor a similar percentage
5 at this time. It had been their interest; because of
6 the amendment, the dollar amount didn't change, but it
7 was their principal return.
8 A Correct.
9 Q And so even though that was a principal return,
10 the origin of that number is a percentage of their
11 principal investment; right?
12 A Yes.
13 Q So far. You follow me?
14 A Mm-hmm.
15 Q But the individual investors were in radically
16 different positions regarding the performance of the
17 truck contracts associated with their portfolio
18 agreements.
19 A Yes.
20 Q Would that be a fair assessment?
21 So how were they paid the same percentages?
22 A I don't follow you.
23 Q Miss Patricola, let's say she was paid 10 percent.
24 She's paid 10 or 12, I don't recall. I mean we can dig
25 into it, but it was one or the other; right?

1 A Right.
2 Q So even though by this point she's not being paid
3 interest, she's being paid principal, that dollar
4 amount is based on that --
5 A Correct.
6 Q -- initial investment.
7 Her contracts are only down 54,000.
8 Mr. Pryor, at least with one of his contracts, was
9 being -- his repayment was set at 10 or 12 percent of
10 his original principal.
11 A Correct.
12 Q But he's down 415,000 and some change, which
13 represents a larger difference between original
14 principal invested and truck contract performance.
15 A Right.
16 Q So why isn't he being paid a different percentage
17 return?
18 A Because the first amendment was designed for us to
19 repay them at the same rate that they had been paid at
20 interest because many of our investors were using this
21 as source of income and we didn't want to shake that
22 up.
23 Q Okay. Prior to the first amendment, were there
24 ever a situation where one investor's contracts were
25 performing far below another's?

1 A There could have been, yeah.
2 Q And was that investor with the poorer performing
3 truck contracts paid a different interest rate?
4 A No. They would have been paid whatever their
5 sales and service agreement was stated to, either the
6 10 or 12 percent.
7 Q Because those interest payments weren't drawn upon
8 the success or failure of the contracts, truck
9 contracts associated with their portfolio agreement;
10 right?
11 A Correct.
12 Q They were pulled from pooled monies?
13 A Okay, you lost me there.
14 Q Well, let me ask this: What monies were used to
15 pay the interest payments for the promissory notes and
16 portfolio --
17 A Interest income. We charge 30 percent, plus we
18 take a six percent discount, so that's 32, 33 percent.
19 Q I'm going to interrupt. I -- we went through the
20 long list with Armen. So let me ask the question that
21 way. I understand there's a variety of sources of
22 money in.
23 A Yes.
24 Q And all of those dollars in were deposited in the
25 Chino checking account?

1 A Correct.
2 Q And out of that Chino checking account were not
3 investors interest payments made?
4 A Yes.
5 Q And there was no delineation between a dollar
6 coming from a truck sale contract associated with
7 Patricola as opposed to a dollar coming from a truck
8 sale contract associated with Mr. Pryor. They were
9 just deposited in the same account; right?
10 A Yes.
11 Q And they were paid out pursuant to the guaranteed
12 interest rates, not pursuant to those truck sale
13 contracts associated with the portfolio agreements;
14 correct?
15 A Correct.
16 Q There are no truck sale contract associated with
17 the promissory notes; right?
18 A No.
19 Q And so wouldn't you consider that checking account
20 at Chino Bank a pooled account?
21 A Yes.
22 MR. WOMACK: Let's take a break here. We're
23 about to change subjects. Now would be a good time.
24 (A recess was held from 10:28 to 10:35 a.m.)
25 MR. WOMACK: All right, Mr. Crowder, we're

1 back on the record. Do you understand you're still
2 under oath?
3 THE WITNESS: Yes.
4 BY MR. WOMACK:
5 Q Before you is Exhibit 10. Do you recognize this
6 document?
7 A No.
8 Q Have you ever seen it before?
9 A No.
10 Q Take a moment to review the information conveyed.
11 And when you're ready, my question is, does the
12 schematic that's Exhibit 10 communicate how investors
13 came through ER Financial to Concordia?
14 A I wouldn't have drawn it this way. There's a --
15 Q Where do you find issue?
16 A Well, I guess, in this case, investor would have
17 come from ER Financial.
18 Q So the arrow leading straight from "typical
19 investor" to "Concordia Financial," that
20 miscommunicates?
21 A Yes.
22 Q The typical investor would go through ER Financial
23 to get to Concordia?
24 A Or somebody like them, yes.
25 Q Apart from Concordia and ERF, were there any other

1 custodians that you recall?
2 A Some investors were their own custodian. Chino
3 Commercial Bank was custodian for one or two investors.
4 And I'm not sure if there were others.
5 Q The investors had a choice pursuant to the
6 custodial agreement to choose their own custodian;
7 correct?
8 A Yes.
9 Q We got dangerously close of talking over each
10 other on that exchange, so we'll just have to be more
11 careful.
12 Looking at the "Concordia finance" block and
13 the relationship between it and the "acquires truck
14 contracts" block, do you see that?
15 A Yes.
16 Q That makes sense; right?
17 A Yes.
18 Q Before you bought the truck contract and the truck
19 buyer paid Concordia?
20 A Makes payments to Concordia, correct.
21 Q So those arrows work?
22 A Yes.
23 Q Looking at the "Concordia Finance" block and the
24 "ER Financial" block, there is an arrow going from
25 Concordia Finance to ER Financial.

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1 A Yes.
2 Q And on that arrow, there's the words "reports to."
3 Do you see that?
4 A Yes.
5 Q Did Concordia Finance report to ERF?
6 A We sent investor payments to them.
7 Q Okay.
8 A As their position as custodian, although some
9 payments were sent directly to investors as it was
10 determined by them. They also, ER Financial also
11 received the Exhibit A. They would receive the truck
12 contracts, the titles.
13 Q Concordia didn't have to ask ERF for permission to
14 do what Concordia was doing though?
15 A (No audible response.)
16 Q If you as president of Concordia wanted to buy or
17 sell a truck contract, approve, disapprove an investor,
18 go about your business, you didn't ask ERF whether you
19 could do those things, did you?
20 A No.
21 Q Did ERF have authority over Concordia to direct
22 any of Concordia's business?
23 A No.
24 Q Concordia paid ERF and other custodians the
25 custodial fee pursuant to the custodial agreement;

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1 right?
2 A Yes.
3 Q Did they pay that fee even after the first
4 amendment?
5 A No.
6 Q Is that when the fee payment stopped?
7 A Yes. I know they were stopped then. They may
8 have been stopped earlier.
9 Q Custodial fee payment was an aspect of the
10 amendments then?
11 A Correct.
12 Q Between Concordia and ERF, there was a separate
13 agreement regarding how they were paid?
14 A Correct.
15 Q Okay.
16 Do you have a general idea of how many of the
17 investors that came through ERF wanted payments made
18 directly from Concordia to them?
19 A No. I don't know what that percentage --
20 Q Was it a lot? A majority?
21 A I think it was a majority that was -- that we did
22 send directly to the investor.
23 Q Did the amendments change how those monies were
24 paid?
25 A No.

1 Q So prior to the first amendment, if Concordia was
2 issuing a check to investor ABC, even after the
3 amendments, the checks went straight to investor ABC?
4 A Correct.
5 Q And Concordia paid by check?
6 A Correct.
7 Q Always?
8 A Always.
9 Q But there were some investors or other investors
10 who wanted the payments made to ERF?
11 A Correct.
12 Q Do you know what ERF did with those payments after
13 they were paid?
14 A No.
15 Q Were those payment -- I'm sorry?
16 A The checks were made out to the investor or the
17 trust. They weren't made out to ERF.
18 Q That -- that's the answer to my follow-up
19 question.
20 A Okay.
21 Q So --
22 MR. GOURLEY: It was the next logical
23 question.
24 BY MR. WOMACK:
25 Q So Concordia would address the envelope or

1 whatever to ERF, but inside there, there were checks to
2 Mr. Smith, Mr. Jones, et cetera?
3 A Correct.
4 Q Always?
5 A Always.
6 Q Okay. Now looking at the block "typical investor"
7 and the block " ER Financial," the arrow goes from "ER
8 Financial" to "typical investor," and next to that
9 arrow it sends checks to investors. Do you think
10 what's being communicated there, the situation we just
11 described where Concordia issued checks to individual
12 investors but mailed them as a bundle to ERF for
13 distribution?
14 A Yes.
15 Q When a typical investor invested -- well, let me
16 ask you this: How did investors convey their
17 investment principal to Concordia?
18 A They would -- in this situation, the sales and
19 service agreement, along with the custodial agreement,
20 along with the check, would be sent to us by ER
21 Financial.
22 Q So ERF maintained the portfolio agreement, like
23 our Exhibit 6, in their offices?
24 A I believe they had copies, yes.
25 Q If they told you, "Hey, I've got a person that

1 would like to invest," did they have to ask you to send
2 that person a contract? A portfolio agreement to sign?
3 A They had copies of the sales and service
4 agreement, so they could have that signed at their
5 offices. And then they would send us the signed
6 documents, and if we accepted that investor, we would
7 sign it and then send a copy back.
8 Q Was that the typical procedure?
9 A Yes.
10 Q Investors, they could pay by check, wire transfer,
11 a variety of ways? Or how did you want them to pay?
12 A I believe everything was by check. I don't recall
13 any wire transfers, money orders or anything else.
14 Q Now, would they make those checks out to Concordia
15 or ERF?
16 A Concordia.
17 Q So if I'm understanding, the typical investor goes
18 to ERF. And their offices were in Arizona; right?
19 A Yes.
20 Q They made their decision, however they arrived at
21 it, to invest; signed the investment documents.
22 They're in ERF's offices in Arizona?
23 A I believe so.
24 Q They wrote out their check in Arizona and gave
25 them to an ERF rep?

1 A Again, I believe so.
2 Q All you know is, you got a package from Lake
3 Havasu City?
4 A Correct.
5 Q However it got into that package you are unsure?
6 A Correct.
7 Q Were there any representatives of ERF other than
8 Bersch and Wanzek?
9 A I don't know.
10 Q Did you deal with anyone other than Bersch and
11 Wanzek?
12 A No.
13 MR. GOURLEY: Excuse me. May I ask, did you
14 deal with Bersch and Wanzek?
15 THE WITNESS: I know them. I've spoken to
16 them.
17 MR. GOURLEY: But --
18 THE WITNESS: I --
19 BY MR. WOMACK:
20 Q You exchanged e-mails, you talked on the phone?
21 A Yes.
22 Q And you never got an e-mail from someone
23 representing they were part of ER Financial that wasn't
24 Bersch or Wanzek?
25 A No.

1 Q You never got a phone call saying, "Hey, I'm an
2 accountant at ERF but I'm not Bersch or Wanzek, I'm
3 someone else"?
4 A No.
5 Q Did that make sense, that last question?
6 A Yeah.
7 Other than their accounting firm did two of
8 my taxes.
9 Q Your personal taxes?
10 A Yes. So I've spoken to their other accountants,
11 but they didn't represent themselves at ERF.
12 MR. CLAPPER: Steve, can I clarify one thing?
13 Did you ever exchange e-mails with the person
14 by the name of Amanda at ERF?
15 THE WITNESS: Yes.
16 MR. CLAPPER: Who is Amanda?
17 THE WITNESS: Amanda is David's daughter.
18 BY MR. WOMACK:
19 Q Was she an accountant?
20 A I don't know what her capacity was. I thought she
21 was just part of Buttke, Bersch and Wanzek's clerical
22 staff, that he just hired his daughter to work in the
23 office.
24 MR. CLAPPER: Okay, Steve. That's it.
25 ////

1 BY MR. WOMACK:
2 Q Regarding what we've discussed so far with Exhibit
3 10, the only issues that I recognize are the direction
4 of the arrows.
5 A Correct.
6 Q Do you know who Kansas City Life Insurance is?
7 A Yeah. I'm aware of them.
8 Q Do you know the broker Sunset Financial?
9 A Yes.
10 Q And did that broker or Kansas City Life approve
11 the portfolio agreement?
12 A According to this document, yes. I don't recall
13 having those discussions with Kansas City Life.
14 Q I want to encourage you to not guess at your
15 answers, and answer from what you know.
16 A Okay.
17 Q But understanding that you're the president of
18 Concordia and should know whether or not your
19 investment contracts are or are not insured, let me
20 take another stab at that question.
21 Do you know whether Kansas City Life
22 Insurance approved the portfolio agreements?
23 A No.
24 Q You never spoke with Kansas City Life regarding
25 their backing these portfolio agreements?

ACC011968
BERSCH

1 A No. Backing it? You mean by insuring the
2 investment? Or --
3 Q I think. I've got this word in front of me on a
4 document that says, "approved," and I don't know what
5 that means.
6 A I recall early '99, 2000 when I joined, a
7 representative from Kansas City Life had come out to
8 look at Concordia, but nothing came of it.
9 Q You would know if you were paying premiums to
10 Kansas City Life as Concordia; right?
11 A Right.
12 Q And you don't recall Concordia paying any premiums
13 to Kansas City Life?
14 A No.
15 Q And you don't recall --
16 A I do --
17 Q -- making any payments to Sunset Financial?
18 A I do believe, and I don't know if we paid them
19 directly, but payments went to Sunset Financial.
20 Q Do you recall what they were for?
21 A I believe they were for custodial agreements. I
22 mean -- yeah, custodial.
23 Q Would there be a reason to insure one of the
24 agreements, the custodial agreement, but not the
25 portfolio agreement?

1 A I don't know anything about insurance of either
2 documents. That would not have been part of any of our
3 business.
4 Q And I believe it was your earlier testimony that
5 you didn't approve Exhibit 10; Concordia didn't, to
6 your knowledge, create Exhibit 10?
7 A Correct.
8 Q And that ERF didn't run by you personally, or
9 Concordia, to your knowledge, their sales pitches
10 before discussing investment in Concordia with
11 potential investors?
12 A Correct.
13 Q Let's turn to Exhibit 11. Now, across the top of
14 Exhibit 11 there's some handwriting. I will represent
15 to you that is one of the investor's handwriting.
16 We're going to disregard that as to the validity of the
17 document.
18 Do you recognize Exhibit 11?
19 A No.
20 Q Concordia Finance didn't create Exhibit 11, to
21 your knowledge?
22 A No.
23 Q It's a schematic similar to Exhibit 10. It also
24 contains the statement, "Product approved by Kansas
25 City Life, Inc. Broker: Sunset Financial." Do you

1 think that statement is accurate?
2 A I don't know.
3 Q You genuinely don't know?
4 A I genuinely don't know.
5 Q Would it surprise you if Kansas City Life had
6 never heard of Concordia or ERF?
7 A I know that Kansas City Life had heard of us.
8 Q Would it surprise you if Kansas City Life had no
9 record of issuing a policy to Concordia?
10 A They never issued a policy to Concordia to my
11 knowledge.
12 Q Now let's turn to Exhibit 9. It's a longer
13 exhibit. It would appear to me to be slides from a
14 PowerPoint. That's just my gloss. It's not my
15 testimony. And it starts with internal page number 2.
16 I don't have page number 1.
17 Have you ever seen these documents or a
18 PowerPoint that had slides that appeared like this?
19 A Not to my knowledge. No.
20 Q Do you know who might have created this document?
21 A Other than I see Bersch's name on it, no.
22 Q The Bersch name you are referring to, is that
23 immediately below an ACC number?
24 A Yes.
25 Q That's our case stamping.

1 A Okay.
2 Q Take a moment to look through there. I'm going to
3 have some questions regarding the information
4 communicated, not necessarily the specific document.
5 Internal page 3, the first bullet point.
6 A Okay.
7 Q Do you see the statement, "Safety of principal? A
8 guarantee against loss of principal"?
9 A Yes.
10 Q And below that there's a bold point, "A higher
11 guaranteed interest rate?"
12 A Yes.
13 Q Now I'm going to direct you to another page. I
14 just want those to be in your mind.
15 Internal page 6, if you could turn to that
16 page. Looking at the second bullet point beginning
17 "servicing agreements," would you read that line and
18 lines below it.
19 A Okay.
20 Q Understanding you didn't draft this document --
21 A Correct.
22 Q -- reading this information, would you assume that
23 the servicing agreements referred to here are those
24 agreements we've been calling portfolio agreements?
25 A Yes.

1 Q They're not the truck sale contracts?
2 A No.
3 Q Given the information, that would make no sense;
4 right?
5 A The first item underneath the second bullet point
6 appears to talk about the truck sale contracts and the
7 titles related to them.
8 Q Okay, but I'm just talking about the servicing
9 agreements above it.
10 A Okay. Oh. No.
11 Q The last sentence on the page reads:
12 "Concordia guarantees to replace any
13 non-performing contract with one of equal or
14 greater value."
15 And that was Concordia's intention; right?
16 A Yes.
17 Q And that is how Concordia accomplished the
18 sentence immediately above that reading:
19 "Investment principal is secured by
20 collateral represented by assigned vehicle
21 titles."
22 A Correct.
23 Q Now if we could turn to the next page, internal
24 page number 7. That's not the page I want to direct
25 you to. Hold on a moment.

1 Page 8. There are seven bullet points on
2 page 8. The first six bullet points include the word
3 "guarantee" or some derivation of that, don't they?
4 A Yes.
5 Q To your knowledge, did Concordia provide the
6 information that is recorded on page 8?
7 MR. GOURLEY: To who?
8 THE WITNESS: Yeah, it -- and to what --
9 BY MR. WOMACK:
10 Q Was Concordia out in the marketplace guaranteeing
11 10 to 12 percent, understanding that's a time
12 difference, rate of return?
13 A We were providing a 10 or 12 percent rate of
14 return. That's what our sales -- that's what we were
15 offering. As far as guarantee, I never did.
16 Q So if I came up to you off the street, said,
17 "Chris, I need somewhere to put my money," would you
18 say, "Steve, I've got a guaranteed 10 percent deal for
19 you"?
20 A No.
21 Q Again, the servicing agreements, we are assuming,
22 are the portfolio agreements.
23 With ERF or any of the other third-party
24 custodians, or any other third party that brought
25 investors to Concordia, did Concordia provide bullet

1 points or talking points?
2 A No.
3 Q They didn't say, "Communicate this to potential
4 investors"?
5 A Other than this is the interest rate that is
6 available, no.
7 Q Did any investor contact you directly to talk
8 about any guaranties made from third parties to them?
9 A No.
10 Q And I don't mean to trip you up. Just do you
11 recall any?
12 A Not that I recall, no.
13 Q If we could turn to slide or internal page number
14 10 now. If you could read the bottom bullet point,
15 I've got a few questions about that. The bottom two
16 bullet points.
17 A Okay.
18 Q They both reference 100 percent liquidity. The
19 first of the two says, "100 percent liquidity in the
20 event of an emergency need."
21 Could an investor like Miss Patricola, who is
22 that Exhibit 6 we talked about, given the percentage of
23 her investment principal performing and nonperforming,
24 could she have come at any moment to Concordia and say,
25 "I need my principal out"?

ACC011975
BERSCH

1 Let's break that up. Yeah, I guess anybody
2 can ask that question.
3 Through 2007, could an investor come to
4 Concordia and withdraw 100 percent of their investment
5 principal?
6 A Efforts would be made, you know, to do that. But
7 it wasn't -- if she'd asked me March 1st, I couldn't
8 necessarily -- I may not be able to, you know, do that
9 on March 1st. It may take me some time. What she
10 could do is go to her custodian, take the contracts and
11 the titles, and she could perfect those in her name and
12 then start collecting on those.
13 Q So she could take the titles associated at that
14 time and get a title in VIN XYZ in her name?
15 A Correct.
16 Q But without doing it, the title was in Concordia's
17 name?
18 A Concordia is listed as lienholder, correct, but
19 the titles were signed so that the investor could
20 perfect them at a moment's notice.
21 MR. GOURLEY: I think what's not being said
22 here, and please let Steve know if it otherwise is,
23 this is clearly not a liquid investment.
24 THE WITNESS: No.
25 ///

1 BY MR. WOMACK:
2 Q And you didn't intend it to be a liquid
3 investment.
4 A No.
5 Q Because you needed the principal to do your
6 business: Purchase truck contracts?
7 A Right.
8 Q Service these agreements?
9 A Right.
10 Q Pay for overhead?
11 A Right.
12 MR. GOURLEY: Do you have a copy of one of
13 those? I just wondered.
14 MR. WOMACK: Let's take a brief break, go off
15 the record.
16 (Discussion off the record.)
17 MR. WOMACK: Mr. Crowder, we're back on the
18 record. You understand you're still under oath?
19 THE WITNESS: Yes.
20 MR. WOMACK: Mr. Mock has a question or two
21 for you.
22 MR. MOCK: You mentioned that funds received
23 from the investors. Do you know which bank account did
24 you deposit the money or the funds?
25 THE WITNESS: It would have been at Chino. I

1 don't know the exact number.
2 MR. MOCK: Chino? That's your bank?
3 THE WITNESS: Yes.
4 MR. MOCK: How about PFF? Is that a bank
5 account?
6 THE WITNESS: That was a bank we used
7 previously, yes.
8 MR. MOCK: So Chino -- let me see. So PFF
9 went out of business or something, or merged with
10 another entity?
11 THE WITNESS: I believe they were bought by
12 U.S. Bank.
13 MR. MOCK: And the funds, as far as you know,
14 got deposited in the Chino Commercial Bank.
15 THE WITNESS: Correct.
16 MR. MOCK: All right, thanks.
17 BY MR. WOMACK:
18 Q Would they have been deposited into the checking
19 account at Chino?
20 A They would have been -- yeah. Yes.
21 Q Just a few more questions.
22 Though I understand some of the custodians or
23 persons marketing the investment had portfolio
24 agreements, custodial agreements in their offices,
25 promissory notes maybe, promissory agreements, those

ACC011978
BERSCH

1 agreements were drafted by Concordia or Concordia's
2 agent?
3 A Yes.
4 Q Were there any other documents that were to go
5 with those agreements?
6 A Not that I know of.
7 Q No offering materials?
8 A Not that I know of.
9 Q Have you ever seen any offering materials or
10 investment descriptions?
11 A What you've showed me today, which was prior to my
12 joining Concordia. Beyond that, no.
13 Q But after you became president, there were new
14 investors; correct?
15 A There were some, yes.
16 Q Well, Miss Patricola -- that's Exhibit 6.
17 A Yes.
18 Q -- is one of them?
19 A Yes.
20 Q If there were offering materials, would they have
21 been put in the investor files?
22 A Concordia's investor file?
23 Q Correct.
24 A No.
25 Q To your knowledge, neither you nor Concordia ever

1 provided offering materials to ERF to hand out?
2 A Correct.
3 Q What did Concordia do to determine whether
4 investors had the financial wherewithal to invest?
5 A Concordia didn't. We -- as far as I know, my
6 father had communicated; and part of the sales and
7 servicing agreement says that they're supposed to be --
8 I forget the term -- an accredited investor, I believe.
9 And that was -- would have been ER Financial's position
10 to determine.
11 Q Did Concordia provide ER Financial any
12 questionnaires or other materials that they could use
13 to determine whether an investor was accredited?
14 A Not that I know of.
15 Q Have you ever seen a questionnaire?
16 A No.
17 Q To your knowledge, Concordia has no forms in their
18 files indicating whether or not investors are
19 accredited?
20 A Correct.
21 Q Did I take the Exhibit 6 that was in front of you?
22 A Yes.
23 Q I'll give you one of those.
24 Amongst the materials in Exhibit 6 is a
25 letter dated March 14, 2009 to you, Chris Crowder.

1 It's behind that point.
2 A Behind here?
3 Q Correct. There you go. And I believe it's just a
4 one-page letter.
5 Have you seen this letter before?
6 A I may have. I don't recall it specifically.
7 Q It's addressed to you though; correct?
8 A Yes.
9 Q And under your name it says President and COO?
10 A Yes.
11 Q Were you also the chief operating officer?
12 A Yes.
13 Q There are a number of statements within the
14 letter. Let's turn to the last sentence first. If you
15 could take a moment to read that. In this letter does
16 it appear that the Patricolas are demanding their
17 investment return?
18 A Yes.
19 Q Was the principal ever returned?
20 A (No audible response.)
21 Q Let me clarify that. I hear immediately as I ask
22 it the problem with that.
23 Was their entire original principal returned?
24 A No.
25 Q There were some returns pursuant to the second

ACC011981
BERSCH

1 amendment?
2 A The first and second amendment, correct.
3 Q Okay. Yes, first and second.
4 This letter is dated March 14, 2009. In 2009
5 was Concordia solvent?
6 A We were unsure of our level of solvency, and
7 that's the reason we had initiated the principal paid
8 out. We weren't solvent enough to continue making
9 interest payments.
10 Q And Concordia had determined by the first
11 amendment that there were financial problems; right?
12 A Correct.
13 Q And that was February of 2009, the first
14 amendment?
15 A The first amendment was February, 2009.
16 Q So this is after that point?
17 A Correct.
18 MR. GOURLEY: This letter, March 14 letter,
19 seems to be in response to the first amendment. I
20 don't know whether you take it that way, but I think he
21 takes it that way.
22 MR. WOMACK: Fair enough, but I'm going to
23 let him testify instead of you.
24 MR. GOURLEY: Yeah.
25 ///

ACC011982
BERSCH

1 BY MR. WOMACK:
2 Q In 2008 how was Concordia doing financially?
3 A We began to see -- and that's what eventually led
4 us to this. That amendment wasn't drafted overnight,
5 by any means. We began to see changes in the market
6 due to multiple -- I mean everything from fuel prices,
7 truck prices, drop in hauls, there was a lack of work,
8 an increase in repossessions and so forth.
9 And so we saw things starting to change.
10 That has happened periodically in the past, it's lasted
11 three, six months, and things changed. This continued.
12 And we said we have to make a change in order to
13 protect the investors the best we can.
14 Q Were those indicators of financial problems
15 visible in 2007 as well?
16 A 2007 was actually pretty good. 2006 -- but 2007
17 things were still rolling around fairly well.
18 Q That goes to my next question to you. 2006,
19 Concordia was healthy financially?
20 A Yes.
21 Q 2007 still healthy?
22 A Yeah.
23 Q In the middle of the second paragraph of this
24 letter, the Patricolas write:
25 ///

1 "In other words, Concordia's management
2 had a responsibility to notify investors as
3 early as July, 2007 that 'times were
4 changing,'" and the sentence goes on.
5 Do you know what they're referring to there?
6 A I -- no. I don't know what they're quoting there.
7 Q What was going on with Concordia in July of 2007?
8 Was there -- did that month stick out?
9 A I don't -- I don't recall July of 2007. I don't
10 believe we sent out any communication.
11 Q In reading over this letter, and if you need more
12 time take it, are they responding to a communication
13 sent out by Concordia? And the last paragraph states,
14 "Your letter is tantamount to an omission."
15 A I believe there was a letter sent with the first
16 amendment. I don't recall the letter in July of 2007
17 being sent out. I know we started quarterly letters
18 after the first amendment, and we didn't have them
19 before.
20 Q But you don't recall whether any of those letters,
21 that letter sent out with the amendment or those
22 quarterly letters, addressed some event or some
23 information in July of 2007?
24 A Without seeing them, I...
25 MR. CLAPPER: Steve, can I ask one question

here?

MR. WOMACK: Sure.

MR. CLAPPER: Why was Armen and Pacific Financial Advisers brought in in 2006? What was their purpose?

THE WITNESS: Armen was brought in to look at the company and evaluate it and possibly look for new sources of funding. And it later turned to restructuring and, you know, helping us downsize and so forth.

MR. CLAPPER: When did his role change to restructuring?

THE WITNESS: Probably 2008, as we began to see things --

MR. CLAPPER: In 2007 were there indicators that the repossessions were starting to increase?

THE WITNESS: I believe we had some higher than typical months in repossessions, but the big repossessions started in 2008.

MR. CLAPPER: Were there indicators that new truck contracts were also starting to fall in 2007?

THE WITNESS: Greater than the percentages we'd seen before, I don't recall. I don't -- it wasn't a dramatic shake-up. There might have been some. But without seeing the numbers, I can't...

1 MR. CLAPPER: Fair enough.
2 MR. WOMACK: No more questions, Gary?
3 MR. CLAPPER: No more questions.
4 MR. WOMACK: I have no more questions for
5 you.
6 MS. LIPTON: Mr. Crowder, have you answered
7 every question truthfully?
8 THE WITNESS: Yes.
9 MS. LIPTON: Is there anything else you would
10 like to tell us about the topics we covered today?
11 THE WITNESS: No.
12 MS. LIPTON: I propose the following
13 stipulation:
14 The court reporter will forward the original
15 transcript from today's proceeding with a
16 self-addressed stamped envelope to you at your address
17 of record for your review. You will have 30 days from
18 receipt to review and make any changes. Upon
19 completing the review and listing the changes, if any,
20 you will sign the transcript. Within 10 days of
21 signing the transcript, your counsel will advise all
22 other counsel in writing of any changes you made while
23 reviewing the transcript, if any.
24 However, I caution you that any changes you
25 make of a significant nature such as changing an answer

from a "yes" to a "no," any of the attorneys may comment upon those changes in the event of a trial, and it could affect your credibility.

If you do not sign the transcript written the time frame, and if the witness does not provide notice of any changes within the time frame; or if the original executed transcript becomes lost or unavailable, the parties agree that a certified copy of the transcript may be used for all purposes as if it were a duly executed and corrected original transcript.

MR. GOURLEY: So stipulated on behalf of my client.

MR. WOMACK: We're off the record.

(Whereupon the proceedings concluded at 11:30 a.m.)

ACC011987
BERSCH

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)

I, CHRISTOPHER CROWDER, the witness herein, hereby certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this _____ day of _____, 2013 at _____, California.

_____
THE WITNESS

ACC011988
BERSCH

CERTIFICATE OF REPORTER

I, BARBARA SMALL, a Certified Shorthand Reporter of the State of California, do hereby certify:

That I am a disinterested person herein; that the foregoing proceedings were reported in shorthand by me, Barbara Small, a Certified Shorthand Reporter of the State of California and thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said proceeding nor in any way interested in the outcome of said proceeding.

IN WITNESS WHEREOF, I have hereunto set my hand this 15th day of May, 2013.

Barbara Small

BARBARA SMALL, CSR

License No. 13345

BEFORE THE
DEPARTMENT OF CORPORATIONS
OF THE
STATE OF CALIFORNIA

In the matter of the investigation and examination of:

Concordia Financing Company, LTD

SUBPOENA [X]

SUBPOENA DUCES TECUM [ ]

and of its books, records, documents and other papers pursuant to § 25531(c) of the Corporations Code and §§ 11180-11182 of the Government Code.

TO: Christopher Crowder, President and/or
Custodian of Records
Concordia Financing Company, LTD
[redacted]
[redacted], CA [redacted]

YOU ARE ORDERED TO:

[X] Appear in person as a witness in this matter:

[ ] Produce the records described in the accompanying declaration

Before the Commissioner of Corporations' appointed Representative(s), Michelle Lipton, Esq.
At [redacted], California, on
The 1st day of May, 2013 at 9:00 o'clock a.m.

For failure to attend and/or to produce such materials, you may be deemed liable for the penalties provided by law.

Dated on March 5, 2013, at Los Angeles, California.

JAN LYNN OWEN
California Corporations Commissioner

By Michelle Lipton
MICHELLE LIPTON
Sr. Corporations Counsel

ACC011990
BERSCH

You may be entitled to witness fees and mileage for attendance pursuant to the Subpoena or Subpoena Duces Tecum. A form upon which to make your claim is available from any office of the Department of Corporations.

Michelle Lipton, Senior Corporations Counsel (213) 576-7591 California Department of Corporations 320 West 4th Street, Suite 750 Los Angeles, California 90013-2344 ATTORNEY FOR (*Name*):	
BEFORE THE DEPARTMENT OF CORPORATIONS OF THE STATE OF CALIFORNIA	
In the matter of the investigation and examination of **CONCORDIA FINANCING COMPANY, LTD** and of its books, records, documents and other papers pursuant to § 25531(c) of the CORPORATIONS CODE, §§ 11180 - 11182 of the GOVERNMENT CODE.	
PROOF OF SERVICE	FILE NUMBER: **Alpha**

1. At the time of service I was at least 18 years of age and not a party to this action, and I served copies of the (*specify document(s)*): **COVER LETTER, dated March 5, 2013; SUBPOENA**

2. a. Party served: **Christopher Crowder, an individual**

   b. Person served: **Same as party in item 2a.**

   c. Address: [redacted]
   [redacted], **California** [redacted]

3. I served the party in item 2
   ☑ **by personal delivery** (1) on (*date*): **03/08/2013**
   (2) at (*time*): **11:30 a.m.**

4. Person serving (*name, address, and telephone No.*):

   Ricardo Castro
   Ace Attorney Service, Inc.
   [redacted]
   [redacted] California [redacted]
   [redacted]

   f. Fee for service: $

   c. Registered California process server.
   (1) Employee or independent contractor.
   (2) Registration No.: **1394**
   (3) County: **RIVERSIDE**

5. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

   Date: **March 8, 2013**

   Ricardo Castro
   (*signature*)

#978277GP

PROOF OF SERVICE

ACC011991
BERSCH

DEPARTMENT OF CORPORATIONS

Supporting a Fair and Secure Financial Services Marketplace for all Californians

Jan Lynn Owen
California Corporations Commissioner
Los Angeles, California

IN REPLY REFER TO:
FILE NO: Alpha

March 5, 2013

Kenneth Crowder
Christopher Crowder
Armen J. Dekmejian
Concordia Financing Company, LTD
[redacted]
[redacted] CA [redacted]

Dear Sirs:

Enclosed please find a Subpoena that requires your personal appearance to testify in the examination and investigation of Concordia Financing Company, LTD.

If you have any questions concerning your rights and duties, you may wish to consult counsel. If you have any questions concerning the Subpoena, please call the undersigned at the phone number provided below.

Very truly yours,

Michelle Lipton

Michelle Lipton
Sr. Corporations Counsel
(213) 576-7591
Enforcement Division

ACC011992
BERSCH

DEPARTMENT OF CORPORATIONS

Supporting a Fair and Secure Financial Services Marketplace for all Californians

Jan Lynn Owen
California Corporations Commissioner
Los Angeles, California

IN REPLY REFER TO:
FILE NO: Alpha

November 8, 2012

Kenneth Crowder or Custodian of Records
Concordia Financing Company, LTD
[redacted]
[redacted] CA [redacted]

Dear Mr. Crowder:

Enclosed please find a Subpoena Duces Tecum that requires you to produce certain documents and records at the time and place specified therein.

Your personal appearance will not be required at this time provided that the documents are produced at or before the date specified.

Documents required by the Subpoena Duces Tecum should be accompanied by a list identifying, in summary fashion, such documents. Please place a mark on all documents submitted by you identifying such documents as being provided by you in response to the item number in the subpoena.

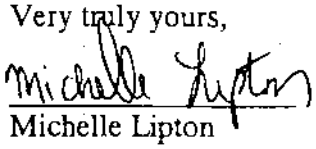
If any documents called for are not furnished, list such documents, indicate their location and the reason for their non-production. If any documents are withheld because of a claim of attorney-client privilege, the list of withheld documents should identify (a) the attorney and client involved; (2) all persons or entities shown on the document to have received or sent the document; and (c) all persons or entities known by you to have been furnished the document or informed of its substance.

In so much as your appearance is not now being required, in your letter transmitting the documents please state that a diligent search has been made for the subpoenaed documents and that the documents transmitted constitute all documents called for by the subpoena.

ACC011993
BERSCH

If you have any questions concerning your rights and duties, you may wish to consult counsel. If you have any questions concerning the Subpoena Duces Tecum or the documents required to be produced pursuant thereto, please call the undersigned at the phone number provided below.

Very truly yours,



Michelle Lipton
Sr. Corporations Counsel
(213) 576-7591
Enforcement Division

BEFORE THE
DEPARTMENT OF CORPORATIONS
OF THE
STATE OF CALIFORNIA

In the matter of the investigation and examination of:

Concordia Financing Company, LTD

SUBPOENA [ ]

SUBPOENA DUCES TECUM [X]

and of its books, records, documents and other papers pursuant to § 25531(c) of the Corporations Code and §§ 11180-11182 of the Government Code.

TO: Kenneth Crowder, President or Custodian of Records
Concordia Financing Company, LTD
[redacted]
[redacted] CA [redacted]

YOU ARE ORDERED TO:

[ ] Appear in person as a witness in this matter

[X] Produce the records described in the accompanying declaration Before the California Corporations Commissioner appointed Representative(s), Becky Gutierrez, Legal Analyst
At [redacted], California, on
The 7th day of December, 2012 at 10:00 o'clock a.m.

For failure to attend and/or to produce such materials, you may be deemed liable for the penalties provided by law.

Dated on November 8, 2012, at Los Angeles, California.

JAN LYNN OWEN
California Corporations Commissioner

By Michelle Lipton
MICHELLE LIPTON
Sr. Corporations Counsel

You may be entitled to witness fees and mileage for attendance pursuant to the Subpena or Subpena Duces Tecum. A form upon which to make your claim is available from any office of the Department of Corporations.

ATTACHMENT "A"

This request covers all Concordia Financing Company, LTD, Concordia Finance, Concordia Financial Company, Concordia Financial Company, Inc, Concordia Financial Company, LTD ("CONCORDIA") and Concordia investor ("CONCORDIA INVESTOR") documents in your possession, custody, or control, as described below, and covers the period from **January 1, 2002 to the date of production**. In lieu of originals, copies may be submitted that have been certified as true and correct by the custodian of records.

DOCUMENTS TO BE PRODUCED

1. Certificates of partnership, partnership agreements, articles of incorporation or organization, bylaws, and operating agreements, including any amendments;

2. Records of all pre-organization or corporate meetings, committee meetings, shareholder or member meetings, board of director meetings, or other business meetings, including minutes, resolutions adopted or proposed, agendas, and all information used or presented at these meetings;

3. All assets and liabilities currently held by or for the benefit of CONCORDIA;

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

5. Names, addresses, and telephone numbers of all shareholders, members, or partners, including the amount of shares, units, or interest held and a sample share certificate or other evidence of ownership;

6. Names, addresses, telephone numbers, and position of all past and present employees, independent contractors, or other agents;

7. Records of all salaries, bonuses, reimbursement, distributions, draws, loans, or any other compensation, whether monetary or otherwise, paid to the individuals listed in response to Request Nos. 4 through 6;

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

9. All documents filed with any governmental agency related to the conduct of business, the formation of affiliated businesses, the renewal or maintenance of status as a legal entity, or the dissolution of the business;

10. All documents submitted for the purpose of compliance, reporting, or seeking exemptions from registration with any state or federal securities agency;

11. All documents concerning inquiries, investigations, or actions by any state or federal governmental agency;

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

13. 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;

14. All bank or other depository institution accounts in the name of, or for the benefit of CONCORDIA or any CONCORDIA INVESTOR, 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; and
    (c) the names of all signatories on each account;

15. 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;

16. All advertisements, announcements, infomercials, or press releases that appeared in any media including, but not limited to, newspapers, trade journals, magazines, radio, television, or the internet;

17. All information provided through the internet including, but not limited to, copies of all web pages, addresses of web sites, news groups, and email addresses;

18. All lists of prospective investors, including sales lead lists, demographic lists, and any other source of investor names, whether drafted by, purchased by, or obtained for the benefit of CONCORDIA;

19. All lists of persons who attended seminars, classes, or meetings held or sponsored by or on behalf of CONCORDIA, its affiliates or agents;

20. Names, addresses, and telephone numbers of all individuals or entities that have been offered or sold investments in or service agreements with CONCORDIA;

21. All contracts or agreements between CONCORDIA and any person or entity identified in response to Request Nos. 19 through 21, above, records of all payments made to such persons or entities, and any communications, whether written or electronic, between CONCORDIA or ER FINANCIAL, on the one hand, and any such person or entity, on the other hand;

22. Documents relating to each individual or entity listed in Request No. 22, above, including any contracts, forms, subscriptions, agreements, notes, questionnaires, records of investment status, checks, wire transfers, receipts, account statements, tax information, and any correspondence, updates, or other communications;

23. The amounts and dates of each investment for each individual or entity listed in Request No. 22, above;

24. 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 Request No. 22, above;

25. All correspondence between CONCORDIA and ER FINANCIAL, whether in document or electronic form;

26. All correspondence between CONCORDIA and any client of or entity referred to CONCORDIA by ER FINANCIAL, whether in document or electronic form;

27. Copies of all agreements between CONCORDIA and ER FINANCIAL;

28. Copies of all agreements between CONCORDIA and any client of or entity referred to CONCORDIA by ER FINANCIAL;

29. Records of all securities held, issued, purchased, or traded by or on behalf of CONCORDIA or any CONCORDIA INVESTOR, including any brokers, underwriters, market makers, clearing firm, or other entities used in each transaction;

30. Records of any mergers, acquisitions, spin-offs, or predecessor entities; and

31. All internal reports and any reports provided to shareholders, members, or partners.

Concordia Financing Company, Ltd. Stockholder Ledger

as of December 31, 2012

Name of Shareholder	Street	City, State	ZIP	Shares Issued Date	Shares Issued # Shares	Cert #	Shares Redeemed By Concordia Date	Shares Redeemed # Shares	Price / Shr	Total Price	Current Shareholders # Shares
Burns, Jackie Anderson	[redacted]	[redacted] Ca	[redacted]	12/28/00	1,000	1030					1,000
Burton, Mike	[redacted]	[redacted] ,AZ	[redacted]	12/29/00	500	1024					500
Brockmeier&Carlisle	[redacted]	[redacted] ,Az	[redacted]	12/1/00	10,000	1014	3/7/07	10,000	$ 2.60	26,000	0
Cannon, Geraldine	[redacted]	[redacted] Ca	[redacted]	7/2/95	1,000	1001					1,000
Canterbury, Charles & Barbara	[redacted]	[redacted] Ca	[redacted]	12/27/07	10,000	1023					10,000
Collins, Gardes Oksa	[redacted]	[redacted] AZ	[redacted]	12/11/00	1,700	1011					1,700
Crowder, Kenneth & Linda	[redacted]	[redacted] CA	[redacted]	5/23/95	450,000	1032					450,000
Davis, Martin	[redacted]	[redacted] , CA	[redacted]	6/2/95	1,000	1002					1,000
Dr.Barlow&Dr. Chau	[redacted]	[redacted] CA	[redacted]	12/28/00	25,000	1020					25,000
Eltiste, David	[redacted]	[redacted] ,Ca	[redacted]	6/2/95	1,000	1003					1,000
E R Financial	[redacted]	[redacted] ,Az	[redacted]	11/1/00	25,000	1039					25,000
E R Financial	[redacted]	[redacted] City,Az	[redacted]	12/31/00	12,500	1041					12,500
Foti, Frank	[redacted]	[redacted] City,Az	[redacted]	8/24/00	1,000	1008					1,000
Foti, Peter & Debra	[redacted]	[redacted] City,Az	[redacted]	8/24/00	1,000	1029					1,000
Gilje. Joe	[redacted]	[redacted] City,Az	[redacted]	12/28/00	500	1022					500
Gilje. John	[redacted]	[redacted] City,Az	[redacted]	12/28/00	500	1021					500
Grover, Fred	[redacted]	[redacted] City,Az	[redacted]	7/21/00	2,500	1006					2,500
Grover, Fred	[redacted]	[redacted] City,Az	[redacted]	12/31/00	5,000	1040					5,000
Harris Living Trust	[redacted]	[redacted] City,Az	[redacted]	12/30/00	5,000	1042	2/8/07	5,000	$ 3.60	18,000	0
Irrevocable, Nguyen / Long	[redacted]	[redacted] ,Ca	[redacted]	6/20/95	1,000	1026					1,000
Lopez, Raymond C.	[redacted]	[redacted] CA	[redacted]	4/1/02	5,000	1043	11/22/06	5,000	$ 3.25	16,250	0
Magnussen, Nils & Gaynor	[redacted]	[redacted] , CA	[redacted]	6/26/95	1,000	1025					1,000
Macchia, Stephen,Loura	[redacted]	[redacted] CA	[redacted]	6/5/95	1,000	1012					1,000
Mercer, Linda	[redacted]	[redacted] Wa	[redacted]	6/25/95	1,000	1004					1,000
Mc Intosh, Bruce or Nancy	[redacted]	[redacted] , NM	[redacted]	6/5/95	1,000	1013					1,000
Rosen Lorna	[redacted]	[redacted] ,Ca	[redacted]	6/2/95	1,000	1016					1,000
Rosen Norman	[redacted]	[redacted] ,Ca	[redacted]	6/2/95	1,000	1017					1,000
Rosen Norman,Lorna	[redacted]	[redacted] Ca	[redacted]	6/2/95	1,000	1018					1,000
Sun Lu , Lil Transf Linda Sun Crow	[redacted]	[redacted] CA	[redacted]	6/1/95	1,000	1005					1,000
Sun, Edward&Sharon	[redacted]	[redacted] Hi	[redacted]	12/28/00	10,000	1019					10,000
Schuringa,Jack,Sue	[redacted]	[redacted] ,Ca	[redacted]	11/27/00	50,000	1015					50,000
Tafreshi Jack	[redacted]	[redacted] Ca	[redacted]		1,000						1,000
Wanzek Amanda	[redacted]	[redacted] ,AZ	[redacted]	9/15/00	500	1034					500
Wanzek Gary	[redacted]	[redacted] , AZ	[redacted]	11/30/00	5,000	1009					5,000
Wanzek Shawn	[redacted]	[redacted] ,AZ	[redacted]	9/15/00	500	1033					500
Wanzek Ryan	[redacted]	[redacted] ,Az	[redacted]	9/15/00	500	1035					500
Wanzek Carter	[redacted]	[redacted] ,Az	[redacted]	9/15/00	500	1036					500
Wanzek Keziah	[redacted]	[redacted] ,Az	[redacted]	9/15/00	500	1037					500
Wanzek David & Linda	[redacted]	[redacted] ,Az	[redacted]	9/15/00	500	1038					500
Yhl	[redacted]	[redacted] CA	[redacted]	6/6/95	1,000	1028					1,000

Shares Outstanding as of December 31, 2012: 618,200

ACC011999
BERSCH

Δπ EXHIBIT 16
Chris Crowder
Deponent
5-1-13
Date Rptr. BJS
WWW.DEPOBOOK.COM

1/15/2013

0001 For:ELIZABETH
r Dt: 01/08/2013
eq : Account Number

CONCORDIA FINANCE
01 - CONCORDIA FINANCE
Thrift Customer Report

Run Date: 01/08/2013
Time: 10:57 A.M.
Page: 1

Account#	Customer Name/Address	Soc. Sec.	Balance	Int.Hndling Int.Posting
[redacted]	0234 NGUYEN/LONG REVOCABLE TRUST [redacted] , [redacted]	[redacted]	891.72	Monthly Add to Bala
[redacted]	0235 NGUYEN/LONG IRREVOCABLE TRUST [redacted] , CA [redacted]		73137.63	Monthly Add to Bala
[redacted]	0236 LONG, PAUL [redacted] , CA [redacted]		45030.69	Monthly Add to Bala
[redacted]	0237 HUONG ANH LONG M.D. INC [redacted] , CA [redacted]		295972.23	Monthly Add to Bala
[redacted]	0255 NESBITT, ROBERT OR LAURA [redacted] , CA [redacted]		59025.04	Monthly Add to Bala
[redacted]	0277 MARIA R. DELGADO [redacted] , CA [redacted]		16904.34	Monthly Add to Bala
[redacted]	0291 KOLLARS, GARY P. [redacted] , AZ [redacted]		40117.72	Monthly Add to Bala

Δπ EXHIBIT 17
Deponent Chris C Rowder
Date 5-1-13 Rptr. BJS
WWW.DEPOBOOK.COM

ACC012000
BERSCH

Account#	Customer Name/Address	Soc. Sec.	Balance	Int.Endling Int.Posting
[redacted]0224	YHL [redacted] , CA [redacted]	[redacted]	16500.00	Monthly Add to Bala
[redacted]0225	SUN, LILLIAN LU [redacted] , HI [redacted]	[redacted]	37400.00	Monthly Add to Bala
[redacted]0226	MERCER, LINDA J. [redacted] , WA [redacted]	[redacted]	5500.00	Monthly Add to Bala
[redacted]0227	MCINTOSH, JOAN [redacted] , CA [redacted]	[redacted]	82500.00	Monthly Add to Bala
[redacted]0228	MACCHIA, STEPHEN & LAURA [redacted] , CA [redacted]	[redacted]	27500.00	Monthly Add to Bala
[redacted]0229	DAVIS, MARTIN [redacted] , CA [redacted]	[redacted]	148500.00	Monthly Add to Bala
[redacted]0230	CANNON, GERALDINE P. [redacted] , CA [redacted]	[redacted]	11000.00	Monthly Add to Bala
[redacted]0240	ESPINOSA, ANGEL C. & INES [redacted] , FL [redacted]	[redacted]	121000.01	Monthly Add to Bala
[redacted]0243	ESPINOSA, INES [redacted] , FL [redacted]	[redacted]	19250.00	Monthly Add to Bala
[redacted]0244	LINCOLN TRUST C/O EDWARD SUN [redacted] , CO [redacted]	[redacted]	86109.19	Monthly Add to Bala
[redacted]0248	LINCOLN TRUST C/O SHARON SUN [redacted] , CO [redacted]	[redacted]	18030.04	Monthly Add to Bala
[redacted]0268	CROWDER, KEN [redacted] , CA [redacted]	[redacted]	30250.00	Monthly Add to Bala
[redacted]0290	GUEST, JACK W. [redacted] , CO [redacted]	[redacted]	137023.98	Monthly Add to Bala

0001 For:ELIZABETH
Br Dt: 01/08/2013
Seq : Account Number

CONCORDIA FINANCE
01 - CONCORDIA FINANCE
Thrift Customer Report

Run Date: 01/08/2013
Time: 10:57 A.M.
Page: 3

Account#	Customer Name/Address	Soc. Sec.	Balance	Int.Hndling Int.Posting
[redacted]0292	YHL [redacted] , CA [redacted]	[redacted]	121798.94	Monthly Add to Bala
[redacted]0906	ADAMS, JAN MARIE [redacted] , AZ [redacted]		15225.04	Monthly Add to Bala
[redacted]0909	EPPINGER, LINDY [redacted] , AZ [redacted]		15225.04	Monthly Add to Bala
[redacted]4709	MCINTOSH, NANCY J [redacted] , NM [redacted]		51290.22	Monthly Add to Bala
[redacted]5297	CROWDER, LINDA S. [redacted] , CA [redacted]		24474.40	Monthly Issue Check
[redacted]5333	MCINTOSH, BRUCE [redacted] , NM [redacted]		51290.22	Monthly Issue Check
[redacted]5379	TAFRESHI FAMILY TRUST [redacted] , CA [redacted]		264481.40	Monthly Issue Check
[redacted]5391	JAX BREA AUTO INC. [redacted] , CA [redacted]		71601.74	Monthly Add to Bala

ACC012002
BERSCH

Account#	Customer Name/Address	Soc. Sec.	Balance	Int.Hndling Int.Posting
[redacted]0155	AK CHASE CHARITABLE TRUST [redacted] CITY, AZ [redacted]	[redacted]	64350.00	Monthly Add to Bala
[redacted]0156	SINGLETON, VERNE J. [redacted] , CO [redacted]	[redacted]	247500.00	Monthly Add to Bala
[redacted]0157	FOUTZ FAMILY TRUST [redacted] , NM [redacted]	[redacted]	110000.00	Monthly Add to Bala
[redacted]0161	CANTERBURY, CHARLES OR BARBARA [redacted] , CA [redacted]	[redacted]	27500.00	Monthly Add to Bala
[redacted]0162	CHARNO REVC TRT DTD:FEB 1 1992 [redacted] CITY, AZ [redacted]	[redacted]	495000.00	Monthly Add to Bala
[redacted]0164	CYPHER, CHARLES L. & MARY C. [redacted] , CA [redacted]	[redacted]	16500.00	Monthly Add to Bala
[redacted]0166	DENNISON, STEPHEN K. [redacted] , TX [redacted]	[redacted]	16500.00	Monthly Add to Bala
[redacted]0168	ERBE, CHARLES A. OR HEDY [redacted] , AZ [redacted]	[redacted]	27500.00	Monthly Add to Bala
[redacted]0169	ER FINANCIAL [redacted] AZ [redacted]	[redacted]	199459.34	Monthly Add to Bala
[redacted]0170	LINCOLN TRUST C/O BONNI SPENCE [redacted] , CO [redacted]	[redacted]	110000.00	Monthly Add to Bala
[redacted]0172	LESTER R. GALST &/ VELMA BLACK [redacted] , AZ [redacted]	[redacted]	82500.00	Monthly Add to Bala
[redacted]0173	LINCOLN FINANCIAL [redacted] , IN [redacted]	[redacted]	55000.00	Monthly Add to Bala
[redacted]0174	GARST, BEVERLY [redacted] , AZ [redacted]	[redacted]	349957.65	Monthly Add to Bala

Account#	Customer Name/Address	Soc. Sec.	Balance	Int.Hndling Int.Posting
[redacted]0176	HATFIELD, JACK & MARIANNE [redacted] AZ [redacted]	[redacted]	55000.00	Monthly Add to Bala
[redacted]0178	HOLMES, ROBERT & OR ANTOINETTE [redacted] AZ [redacted]		33000.00	Monthly Add to Bala
[redacted]0181	LICHTENBERG, BRUCE [redacted] AZ [redacted]		27500.00	Monthly Add to Bala
[redacted]0183	BACHMANN, KRISTOFFER [redacted] , CA [redacted]		110000.00	Monthly Add to Bala
[redacted]0184	NEVARIL, JOYCE [redacted] AZ [redacted]		55000.00	Monthly Add to Bala
[redacted]0185	PELLERITO-PRYOR, JOANNA [redacted] , AZ [redacted]		172150.59	Monthly Add to Bala
[redacted]0186	POOLE, CARLA & CHARLES [redacted] , AZ [redacted]		165000.00	Monthly Add to Bala
[redacted]0188	RIDGWAY CHARITABLE [redacted] AZ [redacted]		61170.76	Monthly Add to Bala
[redacted]0189	RUDOFSKI, NEIL & JOY [redacted] , AZ [redacted]		27500.00	Monthly Add to Bala
[redacted]0192	TALBOTT, BARBARA A. [redacted] AZ [redacted]		38500.00	Monthly Add to Bala
[redacted]0194	WANZEK, GARY V. [redacted] , AZ [redacted]		110000.00	Monthly Add to Bala
[redacted]0195	WEAVER, RICHARD OR JO ANN [redacted] , AZ [redacted]		121000.00	Monthly Add to Bala
[redacted]0196	WILSON, CHARLES &/OR ADRIENNE [redacted] , AZ [redacted]		41250.00	Monthly Add to Bala

Account#	Customer Name/Address	Soc. Sec.	Balance	Int.Endling Int.Posting
[redacted]0198	ROSEN, LORNA 27 [redacted] [redacted], CA [redacted]	[redacted]	16500.00	Monthly Add to Bala
[redacted]0199	ROSEN, NORM & LORNA [redacted] [redacted], CA [redacted]		113300.00	Monthly Add to Bala
[redacted]0200	M.BACHMANN NEATHERY [redacted] [redacted], AZ [redacted]		82500.00	Monthly Add to Bala
[redacted]0202	JULIE A. CARLISLE SEP PROP TST [redacted] [redacted], AZ [redacted]		81887.51	Monthly Add to Bala
[redacted]0203	MILLER, SUSAN [redacted] [redacted], AZ [redacted]		55000.00	Monthly Add to Bala
[redacted]0205	SPENCE, BONNIE [redacted] [redacted], AZ [redacted]		121000.00	Monthly Add to Bala
[redacted]0206	GILJE, JOHN [redacted] [redacted], AZ [redacted]		84874.42	Monthly Add to Bala
[redacted]0207	GILJE, JOHN (2) [redacted] [redacted], AZ [redacted]		278570.80	Monthly Add to Bala
[redacted]0208	JACK & MARJORIE GUEST [redacted] [redacted], AZ [redacted]		66000.00	Monthly Add to Bala
[redacted]0209	HARRIS LIVING TRUST [redacted] [redacted], AZ [redacted]		92400.00	Monthly Add to Bala
[redacted]0210	HODEL, DONALD T & KATHLEEN S. [redacted] [redacted], AZ [redacted]		220156.75	Monthly Add to Bala
[redacted]0212	BACHMANN, ASHLEY [redacted] [redacted], CA [redacted]		137500.00	Monthly Add to Bala
[redacted]0213	NEVARIL, JOYCE [redacted] [redacted], AZ [redacted]		68750.00	Monthly Add to Bala

Account#	Customer Name/Address	Soc. Sec.	Balance	Int.Hndling Int.Posting
[redacted]0214	O'CONNOR, SHIRLEY [redacted] AZ [redacted]	[redacted]	55000.00	Monthly Add to Bala
[redacted]0215	MacKay, Andrea [redacted] , MD [redacted]		251075.37	Monthly Add to Bala
[redacted]0216	PIERCE, WILLIAM A. & PATRICIA [redacted] , AZ [redacted]		110000.00	Monthly Add to Bala
[redacted]0217	PUTNAM, JOHN & MARICELE [redacted] AZ [redacted]		27500.00	Monthly Add to Bala
[redacted]0218	SCHURINGA, JACK [redacted] , CA [redacted]		550238.07	Monthly Add to Bala
[redacted]0219	SCHURINGA TRUST [redacted] , AZ [redacted]		140504.04	Monthly Add to Bala
[redacted]0220	THOMSEN, JANET E. [redacted] , WI [redacted]		55000.00	Monthly Add to Bala
[redacted]0222	WANZEK, DOROTHY [redacted] , AZ [redacted]		214616.63	Monthly Add to Bala
[redacted]0256	SEAN MILLER SPEC. NEEDS TRUST [redacted] , CA [redacted]		55000.00	Monthly Add to Bala
[redacted]0259	HOFFORT, GERALD J. & LINDA J. [redacted] AZ [redacted]		60899.70	Monthly Add to Bala
[redacted]0262	PATRICIA J. WEISS TOD: DAVID J [redacted] , WA [redacted]		60899.70	Monthly Add to Bala
[redacted]0264	RIDGWAY, DAVID OR MARIDEE [redacted] , AZ [redacted]		41250.00	Monthly Add to Bala
[redacted]0269	SINGLETON, PAUL [redacted] , HI [redacted]		43134.09	Monthly Add to Bala

Account#	Customer Name/Address	Soc. Sec.	Balance	Int.Hndling Int.Posting
[redacted]0270	SINGLETON, VERNE & ANDREA D. [redacted], CO	[redacted]	67493.60	Monthly Add to Bala
[redacted]0271	CAPUTO, ANTHONY J. & LYNN G. [redacted], NC	[redacted]	255778.09	Monthly Add to Bala
[redacted]0273	HATCH, PHILIP [redacted] AZ	[redacted]	91349.32	Monthly Add to Bala
[redacted]0274	PETERS, BRYAN N. & KANDY L. [redacted] AZ	[redacted]	182698.63	Monthly Add to Bala
[redacted]0275	PILES, RAY L. & LISA R.FUHRMAN [redacted] AZ	[redacted]	121798.94	Monthly Add to Bala
[redacted]0276	HOSPICE OF HAVASU, INC [redacted] AZ	[redacted]	91349.32	Monthly Add to Bala
[redacted]0278	MELVIN L. MORGAN TRUST [redacted] AZ	[redacted]	36539.73	Monthly Add to Bala
[redacted]0280	FARMER, GREGORY W. & KRIS B. [redacted], GA	[redacted]	55000.00	Monthly Add to Bala
[redacted]0282	JERRY & OR CINDY ALDRIDGE [redacted] AZ	[redacted]	182698.63	Monthly Add to Bala
[redacted]0284	CARR, MICHAEL & LISA [redacted] AZ	[redacted]	121798.94	Monthly Add to Bala
[redacted]0286	BACHMANN, GREGORY & LORI [redacted], AZ	[redacted]	121798.94	Monthly Add to Bala
[redacted]0288	REYNOLDS, PEGGY [redacted], AZ	[redacted]	121798.94	Monthly Add to Bala
[redacted]0845	LEMAY, SUELLEN [redacted], AZ	[redacted]	55394.97	Monthly Add to Bala

Account#	Customer Name/Address	Soc. Sec.	Balance	Int.Hndling Int.Posting
[redacted]0847	THE JOSEPH TRUST [redacted] AZ [redacted]	[redacted]	110000.00	Monthly Add to Bala
[redacted]0848	DESANTO, ROSALIE [redacted] , AZ [redacted]		55000.00	Monthly Add to Bala
[redacted]0851	RIDGWAY, MARIDEE [redacted] , AZ [redacted]		55000.00	Monthly Add to Bala
[redacted]0855	DOM, GALE [redacted] , AZ [redacted]		27500.00	Monthly Add to Bala
[redacted]0857	ROBINSON, SHERRY [redacted] , AZ [redacted]		110123.60	Monthly Add to Bala
[redacted]0864	BENSON, JAMES & CAROLYN [redacted] AZ [redacted]		181500.00	Monthly Add to Bala
[redacted]0865	LINCOLN TRUST FBO:JOHN M SANTY [redacted] , CO [redacted]		55000.00	Monthly Add to Bala
[redacted]0870	DEJULIO, MAUREEN [redacted] , AZ [redacted]		55000.00	Monthly Add to Bala
[redacted]0875	ANDERSON, WILLIAM & BARBARA [redacted] , AZ [redacted]		65162.36	Monthly Add to Bala
[redacted]0879	KEITH ROBERTS & LAURA LANGE [redacted] AZ [redacted]		27500.00	Monthly Add to Bala
[redacted]0881	WELLS FARGO [redacted] AZ [redacted]		29906.84	Monthly Add to Bala
[redacted]0883	SUN, LILLIAN LU [redacted] , HI [redacted]		64457.78	Monthly Add to Bala
[redacted]0889	FISSERV ISS & CO FBO:D. WANZEK [redacted] , CO [redacted]		1188000.00	Monthly Add to Bala

Account#	Customer Name/Address	Soc. Sec.	Balance	Int.Hndling Int.Posting
[redacted]0890	RYEN, HERBERT [redacted], AZ [redacted]	[redacted]	173250.00	Monthly Add to Bala
[redacted]0896	RYEN FAMILY TRUST [redacted], AZ [redacted]		71500.00	Monthly Add to Bala
[redacted]0899	RESOURCES TRUST COMPANY [redacted], CO [redacted]		168082.75	Monthly Add to Bala
[redacted]0900	BEAMAN, BERT D. [redacted], HI [redacted]		73079.46	Monthly Add to Bala
[redacted]0901	NEWBERRY, JOSEPH & SUANDRA [redacted], CA [redacted]		60899.59	Monthly Add to Bala
[redacted]0904	GALST, LESTER OR BLACK,VELMA J [redacted], AZ [redacted]		60899.70	Monthly Add to Bala
[redacted]0905	ROTH, DAVID P. [redacted], AZ [redacted]		45674.66	Monthly Add to Bala
[redacted]0907	MARRIOTT, CARMEN [redacted], AZ [redacted]		15225.04	Monthly Add to Bala
[redacted]0908	HERMAN, DONALD & ANITA [redacted], AZ [redacted]		36245.59	Monthly Add to Bala
[redacted]0910	MARRIOTT, JILMA [redacted], AZ [redacted]		30449.62	Monthly Add to Bala
[redacted]0914	LORSCHEIDER, DARLENE [redacted], NE [redacted]		121798.94	Monthly Add to Bala
[redacted]0915	LAWTON, JACK S. & LAURA M [redacted], AZ [redacted]		60899.70	Monthly Add to Bala
[redacted]0916	LEWIS, MARY ANN [redacted] AZ [redacted]		91349.32	Monthly Add to Bala

Account#	Customer Name/Address	Soc. Sec.	Balance	Int.Hndling Int.Posting
[redacted]0917	PUTNAM, JOHN P. & MARICELE M. [redacted], AZ [redacted]	[redacted]	30449.62	Monthly Add to Bala
[redacted]0918	COLLINS, SUSAN J. [redacted] AZ [redacted]	[redacted]	45674.66	Monthly Add to Bala
[redacted]0922	WILLIAM W.PIKE LVN TST D:72610 [redacted] AZ [redacted]	[redacted]	63944.53	Monthly Add to Bala
[redacted]0923	LUHR, WESLEY [redacted], AZ [redacted]	[redacted]	60899.70	Monthly Add to Bala
[redacted]0926	ANDERSON, BARBARA & WILLIAM [redacted], AZ [redacted]	[redacted]	30449.62	Monthly Add to Bala
[redacted]0928	TARRANT, LINDA OR ROBERT [redacted] AZ [redacted]	[redacted]	243598.33	Monthly Add to Bala
[redacted]4879	PATRICOLA, THERESA & STEVEN [redacted], AZ [redacted]	[redacted]	91349.32	Monthly Add to Bala
[redacted]4880	WAGNER, WILMONT & ELAINE [redacted], AZ [redacted]	[redacted]	60899.70	Monthly Add to Bala
[redacted]4983	FOTI, PETER & DEBRA [redacted], AZ [redacted]	[redacted]	73079.46	Monthly Add to Bala
[redacted]05007	SHUFFLEBOTHAM, WILL [redacted], AZ [redacted]	[redacted]	304497.57	Monthly Add to Bala
[redacted]5133	STEPHENS, RICK & BEV [redacted], AZ [redacted]	[redacted]	61416.82	Monthly Add to Bala
[redacted]5153	CAPUTO, ANTHONY/LYNN [redacted], NC [redacted]	[redacted]	182698.63	Monthly Add to Bala
[redacted]5299	GAYLE, JAMES S. & HARRIET A. [redacted], NC [redacted]	[redacted]	60899.26	Monthly Issue Check

Account#	Customer Name/Address	Soc. Sec.	Balance	Int.Hndling Int.Posting
[redacted]5300	A. & L. CAPUTO REVOC [redacted] [redacted], NC [redacted]	[redacted]	60899.68	Monthly Issue Check
[redacted]9182	BILBAO, PAULA [redacted] [redacted], CA [redacted]		16500.00	Monthly Add to Bala

Account#	Customer Name/Address	Soc. Sec.	Balance	Int.Endling Int.Posting
[redacted]0159	BUTTKE, CHARLES [redacted], AZ [redacted]	[redacted]	90661.59	Monthly Add to Bala
[redacted]0163	CHAUHAN, HITENDRA & POWAR,MAND [redacted], AZ [redacted]	[redacted]	64180.95	Monthly Add to Bala
[redacted]0165	DUBY, JULIE A. [redacted], TX [redacted]	[redacted]	23985.40	Monthly Add to Bala
[redacted]0167	DENNISON, STEPHEN [redacted], AZ [redacted]	[redacted]	47615.56	Monthly Add to Bala
[redacted]0175	GLEASON TRUST [redacted] AZ [redacted]	[redacted]	165956.33	Monthly Add to Bala
[redacted]0182	MC CLARAN, JILL [redacted], CA [redacted]	[redacted]	10811.51	Monthly Add to Bala
[redacted]0187	PRYOR, MARK [redacted], AZ [redacted]	[redacted]	494706.13	Monthly Add to Bala
[redacted]0190	SICURANZO, GEORGE & TINA [redacted] AZ [redacted]	[redacted]	70578.49	Monthly Add to Bala
[redacted]0193	THOMPSON, MAE L. [redacted], AZ [redacted]	[redacted]	37600.68	Monthly Add to Bala
[redacted]0197	CHARLES R. OR ADRIENNE WILSON [redacted] AZ [redacted]	[redacted]	27497.82	Monthly Add to Bala
[redacted]0201	BARLOW, JEFF & CHAU, MAYNA [redacted], CA [redacted]	[redacted]	50751.85	Monthly Add to Bala
[redacted]0204	ERF (2) [redacted], AZ [redacted]	[redacted]	79094.97	Monthly Add to Bala
[redacted]0231	PRYOR, MARK (1) [redacted], AZ [redacted]	[redacted]	8773.67	Monthly Add to Bala

Account#	Customer Name/Address	Soc. Sec.	Balance	Int.Hndling Int.Posting
[redacted]0260	FISERV-FBO: ROBERT EDMONDS [redacted] , CO	[redacted]	179894.80	Monthly Add to Bala
[redacted]0263	FISERV-FBO: FRANK J. POTI [redacted] , CO	[redacted]	47349.31	Monthly Add to Bala
[redacted]0272	NORTON, JOHN T. [redacted] AZ	[redacted]	62978.56	Monthly Add to Bala
[redacted]0285	ENGLERT, GERALD R. [redacted] , NV	[redacted]	73215.19	Monthly Add to Bala
[redacted]0287	POTI, YVONNE [redacted] AZ	[redacted]	70229.57	Monthly Add to Bala
[redacted]0294	WANZEK, DAVID J. CPA LLC. [redacted] AZ	[redacted]	51353.22	Monthly Add to Bala
[redacted]0846	SINGLETON, WALTER T. & BETH [redacted] , AZ	[redacted]	22781.65	Monthly Add to Bala
[redacted]0852	FOSSEEN, WILLIAM ROGER [redacted] , WA	[redacted]	234859.15	Monthly Add to Bala
[redacted]0854	ANDERSON, NANCY LYNN [redacted] , AZ	[redacted]	34341.80	Monthly Add to Bala
[redacted]0858	JEFF ADAMS OBO:JACK ADAMS [redacted] , CA	[redacted]	136879.27	Monthly Add to Bala
[redacted]0859	RYEN, HERBERT D. [redacted] AZ	[redacted]	188787.97	Monthly Add to Bala
[redacted]0861	SCHULTZ (1) [redacted] AZ	[redacted]	42257.98	Monthly Add to Bala
[redacted]0862	SCHULTZ (2) [redacted] , AZ	[redacted]	91491.72	Monthly Add to Bala

Account#	Customer Name/Address	Soc. Sec.	Balance	Int.Hndling Int.Posting
[redacted]0863	NICHOLS, SAMUEL & LEA RAE [redacted] AZ [redacted]	[redacted]	71171.54	Monthly Add to Bala
[redacted]0866	MCCOWAN, STERLING [redacted], AZ [redacted]	[redacted]	90982.48	Monthly Add to Bala
[redacted]0880	MENDENHALL, TERRY & TERRI [redacted], AZ [redacted]	[redacted]	50249.90	Monthly Add to Bala
[redacted]0886	RIDGWAY, DAVID OR MARIDEE [redacted], AZ [redacted]	[redacted]	39474.98	Monthly Add to Bala
[redacted]0888	GROVER, FRED & DORI [redacted], AZ [redacted]	[redacted]	230756.68	Monthly Add to Bala
[redacted]0891	STEPHENS FAMILY TRUST [redacted], AZ [redacted]	[redacted]	69833.41	Monthly Add to Bala
[redacted]0892	NORMA F CAMPBELL REVOC TRUST [redacted], AZ [redacted]	[redacted]	106488.66	Monthly Add to Bala
[redacted]0897	FOSSEEN, ROGER & MONIKA [redacted], WA [redacted]	[redacted]	140319.86	Monthly Add to Bala
[redacted]0902	HODEL, DONALD T. & KATHEEN [redacted] AZ [redacted]	[redacted]	68747.83	Monthly Add to Bala
[redacted]0903	MARTIN, DARRELL & KATHY [redacted], AZ [redacted]	[redacted]	49950.87	Monthly Add to Bala
[redacted]0912	CULWELL, DONNA E. [redacted], CA [redacted]	[redacted]	71250.73	Monthly Add to Bala
[redacted]0919	MORGAN, MELVIN L. (TRUSTEE) [redacted], AZ [redacted]	[redacted]	70377.85	Monthly Add to Bala
[redacted]0929	MENDENHALL, TERRY L. & TERRY J [redacted], AZ [redacted]	[redacted]	44119.49	Monthly Add to Bala

Account#	Customer Name/Address	Soc. Sec.	Balance	Int.Hndling Int.Posting
[redacted]0932	BRONSART, GENE & LIN [redacted] [redacted] , AZ [redacted]	[redacted]	86322.97	Monthly Add to Bala
[redacted]3881	PRYOR, MARK K. [redacted] [redacted] , AZ [redacted]		94776.55	Monthly Issue Check
[redacted]4946	EDMONDS, CAROL TEE [redacted] [redacted] , AZ [redacted]		191791.09	Monthly Add to Bala
[redacted]4984	FOTI, FRANK [redacted] [redacted] , AZ [redacted]		64560.88	Monthly Add to Bala
[redacted]5002	BRIC RETIREMENT TRUST [redacted] [redacted] , AZ [redacted]		128455.49	Monthly Add to Bala

Total # of Accounts 178

End of Report

Investors with Exception Reinvestment Balance

EXHIBIT 18
Deponent Chris Crowder
Date 5-1-13 Rptr. BdS
WWW.DEPOBOOK.COM

The investors listed below have a difference greater than 15K or less than 1. Resolve the difference by adding or removing contracts assigned to the investors.

Acct #	Code	Investor Name	Account Balance	Value of Contracts	Difference	Percent
5300	C2	A. & L. CAPUTO REVOC	$92,566.22	$47,216.32	$45,349.90	51%
0858	AJ	ADAMS, JACK	$226,670.75	$99,216.19	$127,454.56	44%
0155	AK	AK CHASE	$106,562.96	$39,306.65	$67,256.31	37%
0282	AF	ALDRIDGE FAMILY TRUS	$277,698.63	$111,047.83	$166,650.80	40%
5002	B2	ALIYAR, ARCHANA	$195,249.99	$84,589.56	$110,660.43	43%
0854	AN	ANDERSON, NANCY LYNN	$128,662.41	$61,414.00	$67,248.41	48%
0875	AW	ANDERSON, WILLIAM &	$99,045.82	$46,198.74	$52,847.08	47%
0286	BA	BACHMANN, GREGORY &	$185,132.40	$81,234.78	$103,897.62	44%
0926	BR	BARBARA, ANDERSON &	$46,283.08	$28,255.60	$18,027.48	61%
0201	BL	BARLOW, JEFF & CHAU,	$84,044.58	$35,034.26	$49,010.32	42%
0900	BE	BEAMAN, BERT D.	$111,079.46	$54,040.88	$57,038.58	49%
0864	BJ	BENSON, JAMES & CARO	$300,562.20	$154,851.65	$145,710.55	52%
9182	BP	BILBAO, PAULA	$27,323.84	$18,121.80	$9,202.04	66%
0932	BO	BRONSART, GENE & LIN	$131,209.33	$76,030.27	$55,179.06	58%
0159	BT	BUTTKE, CHARLES (1)	$150,134.72	$68,012.27	$82,122.45	45%
0892	CF	CAMPBELL FAMILY TRUS	$176,344.14	$80,366.30	$95,977.84	46%
0161	CC	CANTERBURY, CHARLES	$45,539.73	$27,783.97	$17,755.76	61%
0271	CA	CAPUTO, ANTHONY J. &	$388,778.09	$262,443.22	$126,334.87	68%
5153	C1	CAPUTO, ANTHONY/LYNN	$277,698.63	$173,266.39	$104,432.24	62%
0202	CJ	CARLISLE, JULIE A.	$135,604.94	$61,689.66	$73,915.28	45%
0284	CM	CARR, MICHAEL & LISA	$185,132.40	$88,118.12	$97,014.28	48%
0162	CP	CHARNO, PETER	$819,715.07	$392,676.99	$427,038.08	48%
0163	CH	CHAUHAN, HITENDRA &	$106,282.99	$32,686.40	$73,596.59	31%
0203	CG	COLLINS, GARDES O.	$91,079.46	$49,285.73	$41,793.73	54%
0918	CS	COLLINS, SUSAN J.	$68,799.66	$34,577.03	$34,222.63	50%
0912	CU	CULWELL, DONNA E.	$108,299.59	$36,848.89	$71,450.70	34%
0164	CL	CYPHER, CHARLES L. &	$26,654.80	$16,981.55	$9,673.25	64%
0870	DM	DEJULIO, MAUREEN	$91,079.46	$43,891.26	$47,188.20	48%
0166	DS	DENNISON, STEPHEN K.	$27,323.84	$19,350.87	$7,972.97	71%
0167	DP	DENNISON, STEPHEN P.	$78,850.87	$55,908.51	$22,942.36	71%
0848	DR	DESANTO, ROSALIA	$91,079.46	$62,794.28	$28,285.18	69%
0855	DG	DOM, GALE	$45,539.73	$23,594.57	$21,945.16	52%

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Investors with Exception Reinvestment Balance

The investors listed below have a difference greater than 15K or less than 1. Resolve the difference by adding or removing contracts assigned to the investors.

Acct #	Code	Investor Name	Account Balance	Value of Contracts	Difference	Percent
0165	DJ	DUBY, JULIE A.	$39,719.57	$14,843.93	$24,875.64	37%
4946	BK	EDMONDS, CAROL TEE	$291,519.05	$138,987.10	$152,531.95	48%
0260	EF	EDMONDS, ROBERT F. (	$273,436.74	$174,944.05	$98,492.69	64%
0285	EG	ENGLERT, GERALD R.	$111,285.87	$47,071.25	$64,214.62	42%
0169	ER	ER FINANCIAL	$330,302.72	$111,058.43	$219,244.29	34%
0168	EC	ERBE, CHARLES A. & H	$45,539.73	$23,409.40	$22,130.33	51%
0204	E2	ERF (2)	$130,980.49	$78,589.79	$52,390.70	60%
0280	FG	FARMER, GREGORY W. &	$92,566.24	$43,720.07	$48,846.17	47%
0205	FB	FERRIS SPENCE, BONNI	$200,374.80	$97,777.64	$102,597.16	49%
0170	FS	FERRIS-SPENCE, BONNI	$182,158.91	$109,850.29	$72,308.62	60%
0897	FR	FOSSEEN, ROGER & MON	$232,368.30	$95,886.98	$136,481.32	41%
0852	FW	FOSSEEN, WILLIAM ROG	$388,924.39	$194,006.76	$194,917.63	50%
4984	BC	FOTI, FRANK	$98,131.60	$43,607.37	$54,524.23	44%
0263	FF	FOTI, FRANK J.	$71,970.27	$41,964.02	$30,006.25	58%
4983	PE	FOTI, PETER & DEBRA	$111,079.46	$74,103.34	$36,976.12	67%
0287	FV	FOTI, YVONNE	$106,747.57	$75,391.82	$31,355.75	71%
0157	FT	FOUTZ TRUST	$182,158.91	$84,313.22	$97,845.69	46%
0172	GL	GALST, LESTER & BLAC	$136,619.18	$55,147.33	$81,471.85	40%
0173	GB	GARDNER, BRADLEY	$91,079.46	$36,379.57	$54,699.89	40%
0174	G3	GARST, ROBERT & BEVE	$579,526.36	$204,782.24	$374,744.12	35%
5299	G1	GAYLE,JAMES& HARRIET	$92,566.18	$45,595.97	$46,970.21	49%
0206	GJ	GILJE, JOHN (1) INC.	$129,007.62	$67,884.55	$61,123.07	53%
0207	G2	GILJE, JOHN (2) INC.	$461,310.50	$250,019.90	$211,290.60	54%
0175	GT	GLEASON TRUST	$274,822.02	$169,415.35	$105,406.67	62%
0888	GV	GROVER, FRED & DORI	$382,215.51	$168,175.92	$214,039.59	44%
0208	GM	GUEST, JACK & MARJOR	$109,295.35	$51,084.02	$58,211.33	47%
0899	HA	HAIAR, JUDITH	$255,482.75	$112,911.90	$142,570.85	44%
0209	HC	HARRIS, CLARENCE & M	$153,013.48	$101,136.33	$51,877.15	66%
0273	HP	HATCH, PHILIP	$138,849.32	$89,688.04	$49,161.28	65%
0176	HJ	HATFIELD, JACK & MAR	$91,079.46	$37,954.95	$53,124.51	42%
0908	HE	HERMAN, DONALD & ANI	$55,092.45	$39,313.71	$15,778.74	71%
0210	HO	HODEL, DONALD T & K	$364,577.39	$165,050.47	$199,526.92	45%

Investors with Exception Reinvestment Balance

The investors listed below have a difference greater than 15K or less than 1. Resolve the difference by adding or removing contracts assigned to the investors.

Acct #	Code	Investor Name	Account Balance	Value of Contracts	Difference	Percent
262	PT	PATRICIA J. WEISS TO	$92,566.24	$61,859.31	$30,706.93	67%
4879	R3	PATRICOLA, THERESA &	$138,849.32	$84,140.85	$54,708.47	61%
0185	PR	PELLERITO-PRYOR, JOA	$285,079.68	$149,111.21	$135,968.47	52%
0274	PB	PETERS, BRYANN N. &	$277,698.63	$120,667.04	$157,031.59	43%
0215	BB	PHILLIPS, LANDON B.	$415,778.29	$219,225.91	$196,552.38	53%
0216	PW	PIERCE, WILLIAM A. &	$182,158.91	$63,850.57	$118,308.34	35%
0922	PI	PIKE, WILLIAM W. & J	$97,194.53	$56,861.67	$40,332.86	59%
0275	RR	PILES,RAY & FUHRMAN,	$185,132.40	$75,358.34	$109,774.06	41%
0186	PC	POOLE, CARLA & CHARL	$273,238.36	$145,602.83	$127,635.53	53%
0187	PM	PRYOR, MARK	$819,228.41	$403,427.80	$415,800.61	49%
0231	P1	PRYOR, MARK (1)	$14,529.12	$4,665.16	$9,863.96	32%
3881	PY	PRYOR, MARK K.	$144,058.37	$94,171.46	$49,886.91	65%
0217	PP	PUTNAM, JOHN & MARIC	$45,539.73	$20,133.88	$25,405.85	44%
0917	PJ	PUTNAM, JOHN P. & MA	$46,283.08	$32,446.21	$13,836.87	70%
288	RP	REYNOLDS, PEGGY	$185,132.40	$92,689.52	$92,442.88	50%
0188	RC	RIDGWAY CHARITABLE T	$101,298.14	$47,788.73	$53,509.41	47%
0264	RD	RIDGWAY, DAVID OR MA	$68,309.59	$33,744.58	$34,565.01	49%
0851	RI	RIDGWAY, DAVID-OR-MA	$91,079.46	$51,806.28	$39,273.18	57%
0886	RG	RIDGWAY,DAVID OR MAR	$65,370.15	$44,867.05	$20,503.10	69%
0879	RK	ROBERTS, KEITH LANGE	$45,539.73	$30,485.03	$15,054.70	67%
0857	SR	ROBINSON, SHERRY	$182,363.57	$95,945.46	$86,418.11	53%
0198	RL	ROSEN, LORNA	$26,654.80	$15,899.78	$10,755.02	60%
0199	RO	ROSEN, NORM & LORNA	$183,029.59	$70,719.30	$112,310.29	39%
0905	RT	ROTH, DAVID P.	$69,424.66	$25,993.38	$43,431.28	37%
0189	RN	RUDOFSKI, NEIL & JOY	$45,539.73	$21,483.87	$24,055.86	47%
0859	RF	RYEN FAMILY TRUST(1)	$312,630.99	$143,556.69	$169,074.30	46%
0890	RH	RYEN FAMILY TRUST(2)	$286,900.28	$134,908.19	$151,992.09	47%
0896	RY	RYEN FAMILY TRUST(3)	$118,403.29	$54,810.57	$63,592.72	46%
0865	SA	SANTY, JOHN	$91,079.46	$59,957.73	$31,121.73	66%
0861	SC	SCHULTZ (1)	$69,978.77	$37,863.28	$32,115.49	54%
0862	MS	SCHULTZ (2)	$151,509.35	$65,333.13	$86,176.22	43%
0219	ST	SCHURINGA TRUST	$232,673.29	$91,157.16	$141,516.13	39%

Investors with Exception Reinvestment Balance

The investors listed below have a difference greater than 15K or less than 1. Resolve the difference by adding or removing contracts assigned to the investors.

Acct #	Code	Investor Name	Account Balance	Value of Contracts	Difference	Percent
18	SJ	SCHURINGA, JACK	$911,188.75	$451,708.08	$459,480.67	50%
5007	BG	SHUFFLEBOTHAM, WILL	$462,831.03	$206,931.53	$255,899.50	45%
0190	SG	SICURANZO, GEORGE &	$116,877.25	$76,717.03	$40,160.22	66%
0156	SD	SINGLETON DECEDENT T	$409,857.54	$210,889.55	$198,967.99	51%
0269	SP	SINGLETON, PAUL	$65,562.83	$22,309.83	$43,253.00	34%
0270	SV	SINGLETON, VERNE& AN	$102,589.26	$56,093.23	$46,496.03	55%
0846	SW	SINGLETON, WALTER T.	$37,726.20	$18,785.87	$18,940.33	50%
0891	SF	STEPHENS FAMILY TRUS	$115,643.42	$37,492.57	$78,150.85	32%
5133	AA	STEPHENS, RICK & BEV	$93,352.40	$41,108.31	$52,244.09	44%
0883	SL	SUN, LILLIAN L.	$105,825.30	$65,542.59	$40,282.71	62%
0192	TB	TALBOTT, BARBARA A.	$63,755.62	$20,794.91	$42,960.71	33%
0928	TL	TARRANT, LINDA	$370,264.87	$148,772.85	$221,492.02	40%
0847	JT	THE JOSEPH TRUST	$182,158.91	$78,083.25	$104,075.66	43%
0193	TM	THOMPSON, MAE L. (TR	$62,266.35	$36,190.75	$26,075.60	58%
220	TJ	THOMSEN, JANET E.	$91,079.46	$49,795.03	$41,284.43	55%
4880	GF	WAGNER, WILMONT & EL	$92,566.24	$44,161.12	$48,405.12	48%
0294	DW	WANZEK, DAVID J. CPA	$85,040.39	$39,018.85	$46,021.54	46%
0222	WD	WANZEK, DOROTHY	$355,403.01	$177,182.80	$178,220.21	50%
0194	WG	WANZEK, GARY V.	$182,158.91	$91,329.50	$90,829.41	50%
0889	WV	WANZEK, VINCENT & DO	$1,967,316.17	$749,919.28	$1,217,396.89	38%
0195	WR	WEAVER, RICHARD OR J	$200,374.80	$110,695.02	$89,679.78	55%
0183	WN	WILLIAM, NEATHERY	$182,158.91	$62,989.64	$119,169.27	35%
0197	W2	WILSON, CHARLES R.	$45,536.12	$34,286.14	$11,249.98	75%
0196	WC	WILSON,CHARLES R.	$68,309.59	$28,069.13	$40,240.46	41%
		152	$25,918,303.39	$12,575,182.59	$13,343,120.80	

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Concordia Finance Company, LTD
Exhibit A

Account #	Investor	Portfolio Code
[redacted]0184	NEVARIL, FRANK & JOY	NF

Customer(s)	Megasys #	Ref #	Balance(s)	Status
DAVENPORT, ROCHELLE L.	010-004510	248336441	$11,471.68	A A
VASQUEZ, JOSE A	010-004519	618151135	$27,190.10	A A
GARZON, FAUSTO	010-004642	042063850	$22,177.69	A A

Portfolio Code:	NF	
Total Value of Contracts:		$60,839.47
Amount in Reinvestment Account:		$30,239.99
Amount of Contracts:		3
Total Investment:	$	91,079.46

Concordia Finance Company, LTD
Exhibit A

Account #	Investor	Portfolio Code
[redacted]0213	NEVARIL,FRANK & JOY	NV

Customer(s)	Megasys #	Ref #	Balance(s)	Status
GUTIERREZ, JOSE J.	010-003394	6389	$18,732.90	A A
MARTINEZ, JUAN CANO	010-004461	554971229	$24,140.52	A A
JAKOVLJEVIC, SASA	010-004764	319063568	$22,602.37	A A

Portfolio Code:	NV	
Total Value of Contracts:		$65,475.79
Amount in Reinvestment Account:		$48,373.53
Amount of Contracts:		3
Total Investment:	$	113,849.32

Concordia Finance Company, LTD
Exhibit A

Account #	Investor	Portfolio Code
[redacted]4879	PATRICOLA, THERESA &	R3

Customer(s)	Megasys #	Ref #	Balance(s)	Status
AUSTIN JR., PRINCE	010-003517	6512	$9,758.19	A A
ROJAS, SAMUEL	010-004355	590353496	$18,843.89	A A
SINGH, MOHAN	010-004608	610864282	$19,431.73	A A
GANG, HO NAM	010-004713	626783306	$36,107.04	A A

Portfolio Code:	R3	
Total Value of Contracts:		$84,140.85
Amount in Reinvestment Account:		$54,708.47
Amount of Contracts:		4
Total Investment:	$	138,849.32

Concordia Finance Company, LTD
Exhibit A

Account #	Investor	Portfolio Code
[redacted]0192	TALBOTT, BARBARA A.	TB

Customer(s)	Megasys #	Ref #	Balance(s)	Status
BABBS, REBECCA	010-004683	353507793	$20,794.91	A A

Portfolio Code:	TB	
Total Value of Contracts:		$20,794.91
Amount in Reinvestment Account:		$42,960.71
Amount of Contracts:		1
Total Investment:	$	63,755.62

Investors with Exception Reinvestment Balance

The investors listed below have a difference greater than 15K or less than 1. Resolve the differenc by adding or removing contracts assigned to the investors.

Δπ EXHIBIT 14
Deponent Chris Crosder
Date 5-1-13 Rptr. BJ
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Acct #	Code	Investor Name	Account Balance	Value of Contracts	Difference	Percent
0155	AK	AK CHASE	$105,392.96	$36,622.32	$68,770.64	35%
0156	SD	SINGLETON DECEDENT T	$405,357.54	$207,083.32	$198,274.22	51%
0157	FT	FOUTZ TRUST	$180,158.91	$81,250.16	$98,908.75	45%
0161	CC	CANTERBURY, CHARLES	$45,039.73	$27,087.52	$17,952.21	60%
0162	CP	CHARNO, PETER	$810,715.07	$383,799.92	$426,915.15	47%
0164	CL	CYPHER, CHARLES L. &	$26,279.80	$16,452.82	$9,826.98	63%
0166	DS	DENNISON, STEPHEN K.	$27,023.84	$17,613.25	$9,410.59	65%
0168	EC	ERBE, CHARLES A. & H	$45,039.73	$21,695.48	$23,344.25	48%
0169	ER	ER FINANCIAL	$326,676.	06,742.22	$219,933.97	33%
0170	FS	FERRIS-SPENCE, BONNI	$180,15b	,696.53	$72,462.38	60%
0172	GL	GALST, LESTER & BLAC	$135,119.18	.16	$80,702.02	40%
0173	GB	GARDNER, BRADLEY	$90,079.46		$53,699.89	40%
0174	G3	GARST, ROBERT & BEVE	$573,163.49		$374,128.88	35%
0176	HJ	HATFIELD, JACK & MAR	$90,079.46	40	$53,637.06	40%
0178	HR	HOLMES, ROBERT T. &	$54,047.68	$24,800.27	$29,247.41	46%
0181	LB	LICHTENBERG, BRUCE	$45,039.73	$29,589.10	$15,450.63	66%
0183	WN	WILLIAM, NEATHERY	$180,158.91	$73,198.53	$106,960.38	41%
0184	NF	NEVARIL, FRANK & JOY	$90,079.46	$59,875.19	$30,204.27	66%
0185	PR	PELLERITO-PRYOR, JOA	$281,949.67	$146,243.81	$135,705.86	52%
0186	PC	POOLE, CARLA & CHARL	$270,238.36	$142,897.60	$127,340.76	53%
0188	RC	RIDGWAY CHARITABLE T	$100,185.94	$46,603.74	$53,582.20	47%
0189	RN	RUDOFSKI, NEIL & JOY	$45,039.73	$20,237.16	$24,802.57	45%
0192	TB	TALBOTT, BARBARA A.	$63,055.62	$20,175.55	$42,880.07	32%
0194	WG	WANZEK, GARY V.	$180,158.91	$82,541.52	$97,617.39	46%
0195	WR	WEAVER, RICHARD OR J	$198,174.80	$108,442.91	$89,731.89	55%
0196	WC	WILSON,CHARLES R.	$67,559.59	$27,683.32	$39,876.27	41%
0198	RL	ROSEN, LORNA	$26,279.80	$15,478.54	$10,801.26	59%
0199	RO	ROSEN, NORM & LORNA	$180,454.59	$69,280.81	$111,173.78	38%
0200	BN	M.BACHMANN NEATHERY	$135,119.18	$66,344.39	$68,774.79	49%
0202	CJ	CARLISLE, JULIE A.	$134,116.08	$51,306.86	$82,809.22	38%
0203	CG	COLLINS, GARDES O.	$90,079.46	$48,782.14	$41,297.32	54%
0205	FB	FERRIS SPENCE, BONNI	$198,174.80	$96,062.12	$102,112.68	48%

Investors with Exception Reinvestment Balance

The investors listed below have a difference greater than 15K or less than 1. Resolve the difference by adding or removing contracts assigned to the investors.

Acct #	Code	Investor Name	Account Balance	Value of Contracts	Difference	Percent
0206	GJ	GILJE, JOHN (1) INC.	$127,846.22	$67,387.96	$60,458.26	53%
0207	G2	GILJE. JOHN (2) INC.	$456,245.58	$246,692.95	$209,552.63	54%
0208	GM	GUEST, JACK & MARJOR	$108,095.35	$49,230.52	$58,864.83	46%
0209	HC	HARRIS, CLARENCE & M	$151,333.48	$99,087.24	$52,246.24	65%
0210	HO	HODEL, DONALD T & K	$360,574.54	$160,456.33	$200,118.21	45%
0212	NW	NEATHERY, WILLIAM &	$225,198.63	$142,937.79	$82,260.84	63%
0213	NV	NEVARIL,FRANK & JOY	$112,599.32	$65,261.77	$47,337.55	58%
0214	OP	O'CONNOR, PATRICK &	$90,079.46	$53,792.71	$36,286.75	60%
0215	BB	PHILLIPS, LANDON B.	$411,213.28	$216,449.80	$194,763.48	53%
0216	PW	PIERCE, WILLIAM A. &	$180,158.91	$62,197.33	$117,961.58	35%
0217	PP	PUTNAM, JOHN & MARIC	$45,039.73	$20,133.88	$24,905.85	45%
0218	SJ	SCHURINGA, JACK	$901,184.42	$450,327.20	$450,857.22	50%
0219	ST	SCHURINGA TRUST	$230,118.67	$89,258.27	$140,860.40	39%
0220	TJ	THOMSEN, JANET E.	$90,079.46	$48,960.55	$41,118.91	54%
0222	WD	WANZEK, DOROTHY	$351,500.89	$145,001.36	$206,499.53	41%
0256	NS	NEATHERY, SHEILA K.	$89,158.92	$43,719.74	$45,439.18	49%
0259	HG	HOFFORT, GERALD J. &	$91,732.91	$34,914.80	$56,818.11	38%
0262	PT	PATRICIA J. WEISS TO	$91,732.91	$61,743.42	$29,989.49	67%
0264	RD	RIDGWAY, DAVID OR MA	$67,559.59	$10,724.09	$56,835.50	16%
0269	SP	SINGLETON, PAUL	$64,972.60	$22,309.83	$42,662.77	34%
0270	SV	SINGLETON, VERNE& AN	$101,665.69	$54,457.51	$47,208.18	54%
0271	CA	CAPUTO, ANTHONY J. &	$385,278.09	$258,467.94	$126,810.15	67%
0273	HP	HATCH, PHILIP	$137,599.32	$88,513.23	$49,086.09	64%
0274	PB	PETERS, BRYANN N. &	$275,198.63	$120,063.45	$155,135.18	44%
0275	RR	PILES,RAY & FUHRMAN,	$183,465.73	$74,124.93	$109,340.80	40%
0276	HH	HOSPICE OF HAVASU, I	$137,599.32	$77,680.19	$59,919.13	56%
0278	MM	MELVIN L. MRGAN TRUS	$55,039.73	$28,636.99	$26,402.74	52%
0280	FG	FARMER, GREGORY W. &	$91,732.91	$42,474.04	$49,258.87	46%
0282	AF	ALDRIDGE FAMILY TRUS	$275,198.63	$105,985.13	$169,213.50	39%
0284	CM	CARR, MICHAEL & LISA	$183,465.73	$84,851.82	$98,613.91	46%
0286	BA	BACHMANN, GREGORY &	$183,465.73	$79,521.38	$103,944.35	43%
0288	RP	REYNOLDS, PEGGY	$183,465.73	$87,679.20	$95,786.53	48%

Investors with Exception Reinvestment Balance

The investors listed below have a difference greater than 15K or less than 1. Resolve the difference by adding or removing contracts assigned to the investors.

Acct #	Code	Investor Name	Account Balance	Value of Contracts	Difference	Percent
0845	LS	LEMAY, SUELLEN	$90,726.35	$51,474.93	$39,251.42	57%
0847	JT	THE JOSEPH TRUST	$180,158.91	$76,508.20	$103,650.71	42%
0848	DR	DESANTO, ROSALIA	$90,079.46	$62,115.15	$27,964.31	69%
0851	RI	RIDGWAY, DAVID-OR-MA	$90,079.46	$51,275.32	$38,804.14	57%
0855	DG	DOM, GALE	$45,039.73	$22,741.11	$22,298.62	50%
0857	SR	ROBINSON, SHERRY	$180,361.32	$95,648.23	$84,713.09	53%
0864	BJ	BENSON, JAMES & CARO	$297,262.20	$153,620.28	$143,641.92	52%
0865	SA	SANTY, JOHN	$90,079.46	$57,161.69	$32,917.77	63%
0870	DM	DEJULIO, MAUREEN	$90,079.46	$42,787.79	$47,291.67	48%
0875	AW	ANDERSON, WILLIAM &	$98,154.15	$45,013.75	$53,140.40	46%
0879	RK	ROBERTS, KEITH LANGE	$45,039.73	$29,236.60	$15,803.13	65%
0881	NO	NOLDEN, FREDERIC & J	$48,981.89	$29,488.33	$19,493.56	60%
0883	SL	SUN, LILLIAN L.	$104,555.68	$63,919.88	$40,635.80	61%
0889	WV	WANZEK, VINCENT & DO	$1,945,716.17	$717,888.88	$1,227,827.29	37%
0890	RH	RYEN FAMILY TRUST(2)	$283,750.28	$131,995.39	$151,754.89	47%
0896	RY	RYEN FAMILY TRUST(3)	$117,103.29	$53,424.35	$63,678.94	46%
0899	HA	HAIAR, JUDITH	$253,182.75	$110,047.68	$143,135.07	43%
0900	BE	BEAMAN, BERT D.	$110,079.46	$52,818.60	$57,260.86	48%
0901	NE	NEWBERRY, SUANDRA MI	$137,599.32	$60,567.12	$77,032.20	44%
0904	LR	LESTER, GALST OR BLA	$91,732.91	$43,256.02	$48,476.89	47%
0905	RT	ROTH, DAVID P.	$68,799.66	$25,993.38	$42,806.28	38%
0907	MA	MARRIOTT, CARMEN	$22,933.25	$16,357.11	$6,576.14	71%
0908	HE	HERMAN, DONALD & ANI	$54,596.48	$38,050.78	$16,545.70	70%
0910	MJ	MARRIOTT, JILMA	$45,866.41	$30,126.65	$15,739.76	66%
0914	LJ	LORSCHEIDER, JOHN &	$183,465.73	$53,151.14	$130,314.59	29%
0915	LA	LAWTON, JACK S. & LA	$91,732.91	$57,138.85	$34,594.06	62%
0916	LM	LEWIS, MARY ANN	$137,599.32	$49,729.05	$87,870.27	36%
0917	PJ	PUTNAM, JOHN P. & MA	$45,866.41	$32,099.89	$13,766.52	70%
0918	CS	COLLINS, SUSAN J.	$68,799.66	$33,568.44	$35,231.22	49%
0922	PI	PIKE, WILLIAM W. & J	$96,319.53	$55,966.23	$40,353.30	58%
0923	LW	LUHR, WESLEY	$91,732.91	$35,459.95	$56,272.96	39%
0926	BR	BARBARA, ANDERSON &	$45,866.41	$27,072.65	$18,793.76	59%

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Investors with Exception Reinvestment Balance

The investors listed below have a difference greater than 15K or less than 1. Resolve the difference by adding or removing contracts assigned to the investors.

Acct #	Code	Investor Name	Account Balance	Value of Contracts	Difference	Percent
0928	TL	TARRANT, LINDA	$366,931.54	$145,843.89	$221,087.65	40%
4709	M2	MCINTOSH, NANCY J	$81,690.69	$45,537.26	$36,153.43	56%
4879	R3	PATRICOLA, THERESA &	$137,599.32	$81,181.88	$56,417.44	59%
4880	GF	WAGNER, WILMONT & EL	$91,732.91	$43,073.22	$48,659.69	47%
4983	PE	FOTI, PETER & DEBRA	$110,079.46	$74,103.34	$35,976.12	67%
5007	BG	SHUFFLEBOTHAM, WILL	$458,664.36	$202,569.81	$256,094.55	44%
5133	AA	STEPHENS, RICK & BEV	$92,511.99	$40,354.85	$52,157.14	44%
5153	C1	CAPUTO, ANTHONY/LYNN	$275,198.63	$168,687.26	$106,511.37	61%
5299	G1	GAYLE,JAMES& HARRIET	$91,732.84	$44,914.60	$46,818.24	49%
5300	C2	A. & L. CAPUTO REVOC	$91,732.89	$46,449.49	$45,283.40	51%
5333	M1	MCINTOSH, BRUCE	$81,690.73	$28,466.64	$53,224.09	35%
9182	BP	BILBAO, PAULA	$27,023.84	$17,484.36	$9,539.48	65%
0159	BT	BUTTKE, CHARLES (1)	$148,486.33	$65,703.79	$82,782.54	44%
0163	CH	CHAUHAN, HITENDRA &	$105,116.06	$31,302.49	$73,813.57	30%
0165	DJ	DUBY, JULIE A.	$39,283.47	$14,171.34	$25,112.13	36%
0167	DP	DENNISON, STEPHEN P.	$77,985.13	$54,443.91	$23,541.22	70%
0175	GT	GLEASON TRUST	$271,804.63	$163,740.08	$108,064.55	60%
0182	ML	MC CLARAN, JILL	$17,707.22	$6,827.85	$10,879.37	39%
0187	PM	PRYOR, MARK	$810,233.75	$396,732.95	$413,500.80	49%
0190	SG	SICURANZO, GEORGE &	$115,594.00	$76,956.57	$38,637.43	67%
0193	TM	THOMPSON, MAE L. (TR	$61,582.70	$36,052.95	$25,529.75	59%
0197	W2	WILSON, CHARLES R.	$45,036.16	$34,286.14	$10,750.02	76%
0201	BL	BARLOW, JEFF & CHAU,	$83,121.82	$33,895.95	$49,225.87	41%
0204	E2	ERF (2)	$129,542.40	$77,616.39	$51,926.01	60%
0231	P1	PRYOR, MARK (1)	$14,369.60	$3,794.94	$10,574.66	26%
0260	EF	EDMONDS, ROBERT F. (	$270,975.11	$170,688.42	$100,286.69	63%
0263	FF	FOTI, FRANK J.	$71,322.35	$40,240.22	$31,082.13	56%
0272	NJ	NORTON, JOHN T.	$94,864.42	$60,785.46	$34,078.96	64%
0285	EG	ENGLERT, GERALD R.	$110,284.01	$43,970.18	$66,313.83	40%
0287	FV	FOTI, YVONNE	$105,786.57	$75,002.76	$30,783.81	71%
0294	DW	WANZEK, DAVID J. CPA	$84,106.69	$38,594.92	$45,511.77	46%
0846	SW	SINGLETON, WALTER T.	$37,311.99	$18,107.05	$19,204.94	49%

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Investors with Exception Reinvestment Balance

The investors listed below have a difference greater than 15K or less than 1. Resolve the difference by adding or removing contracts assigned to the investors.

Acct #	Code	Investor Name	Account Balance	Value of Contracts	Difference	Percent
0852	FW	FOSSEEN, WILLIAM ROG	$384,654.22	$189,421.93	$195,232.29	49%
0854	AN	ANDERSON, NANCY LYNN	$110,521.94	$59,999.38	$50,522.56	54%
0858	AJ	ADAMS, JACK	$224,182.04	$93,328.49	$130,853.55	42%
0859	RF	RYEN FAMILY TRUST(1)	$309,198.48	$140,856.98	$168,341.50	46%
0861	SC	SCHULTZ (1)	$69,210.44	$36,345.12	$32,865.32	53%
0862	MS	SCHULTZ (2)	$149,845.86	$62,364.05	$87,481.81	42%
0863	NI	NICHOLS, SAMUEL & LE	$116,565.32	$44,658.57	$71,906.75	38%
0866	MO	MCCOWAN, STERLING L.	$149,011.83	$64,177.70	$84,834.13	43%
0880	MT	MENDENHALL, TERRY &	$82,299.74	$45,203.57	$37,096.17	55%
0886	RG	RIDGWAY,DAVID OR MAR	$64,652.42	$43,420.39	$21,232.03	67%
0888	GV	GROVER, FRED & DORI	$378,019.00	$165,837.69	$212,181.31	44%
0891	SF	STEPHENS FAMILY TRUS	$114,373.72	$36,942.82	$77,430.90	32%
0892	CF	CAMPBELL FAMILY TRUS	$174,407.98	$78,562.71	$95,845.27	45%
0897	FR	FOSSEEN, ROGER & MON	$229,817.03	$93,782.76	$136,034.27	41%
0902	HD	HODEL, DONALD T. & K	$103,554.47	$49,641.61	$53,912.86	48%
0903	MD	MARTIN, DARRELL & KA	$75,241.11	$39,579.32	$35,661.79	53%
0912	CU	CULWELL, DONNA E.	$107,324.62	$36,499.20	$70,825.42	34%
0919	MR	MORGAN, MELVIN L. (T	$106,010.33	$41,458.34	$64,551.99	39%
0929	ME	MENDENHALL, TERRY L.	$66,457.13	$35,185.16	$31,271.97	53%
0932	BO	BRONSART, GENE & LIN	$130,028.11	$50,547.79	$79,480.32	39%
3881	PY	PRYOR, MARK K.	$142,761.48	$93,462.21	$49,299.27	65%
4946	BK	EDMONDS, CAROL TEE	$288,894.63	$136,236.97	$152,657.66	47%
4984	BC	FOTI, FRANK	$97,248.16	$42,575.90	$54,672.26	44%
5002	B2	ALIYAR, ARCHANA	$193,492.24	$83,267.74	$110,224.50	43%
		152	$25,632,013.26	$12,205,544.97	$13,426,468.29	

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Concordia Finance Company, LTD
Exhibit A

Account #	Investor	Portfolio Code
[redacted]0184	NEVARIL, FRANK & JOY	NF

Customer(s)	Megasys #	Ref #	Balance(s)	Status
DAVENPORT, ROCHELLE L.	010-004510	248336441	$11,471.68	A A
VASQUEZ, JOSE A	010-004519	618151135	$26,705.04	A A
GARZON, FAUSTO	010-004642	042063850	$21,698.47	A A

Portfolio Code:	NF	
Total Value of Contracts:		$59,875.19
Amount in Reinvestment Account:		$30,204.27
Amount of Contracts:		3
Total Investment:	$	90,079.46

Concordia Finance Company, LTD
Exhibit A

Account #	Investor	Portfolio Code
[redacted]0213	NEVARIL, FRANK & JOY	NV

Customer(s)	Megasys #	Ref #	Balance(s)	Status
GUTIERREZ, JOSE J.	010-003394	6389	$18,732.90	A A
MARTINEZ, JUAN CANO	010-004461	554971229	$24,140.52	A A
JAKOVLJEVIC, SASA	010-004764	319063568	$22,388.35	A A

Portfolio Code:	NV	
Total Value of Contracts:		$65,261.77
Amount in Reinvestment Account:		$47,337.55
Amount of Contracts:		3
Total Investment:	$	112,599.32

Concordia Finance Company, LTD
Exhibit A

Account #	Investor	Portfolio Code
[redacted]4879	PATRICOLA, THERESA &	R3

Customer(s)	Megasys #	Ref #	Balance(s)	Status
AUSTIN JR., PRINCE	010-003517	6512	$8,912.99	A A
ROJAS, SAMUEL	010-004355	590353496	$17,344.51	A A
SINGH, MOHAN	010-004608	610864282	$18,817.34	A A
GANG, HO NAM	010-004713	626783306	$36,107.04	A A

Portfolio Code:	R3	
Total Value of Contracts:		$81,181.88
Amount in Reinvestment Account:		$56,417.44
Amount of Contracts:		4
Total Investment:	$	137,599.32

Concordia Finance Company, LTD
Exhibit A

Account #	Investor	Portfolio Code
[redacted]0192	TALBOTT, BARBARA A.	TB

Customer(s)	Megasys #	Ref #	Balance(s)	Status
BABBS, REBECCA	010-004683	353507793	$20,175.55	A A

Portfolio Code:	TB	
Total Value of Contracts:		$20,175.55
Amount in Reinvestment Account:		$42,880.07
Amount of Contracts:		1
Total Investment:	$	63,055.62

WITNESS LETTER

TO: 5/14/13

Christopher Crowder

[redacted]

[redacted] CA [redacted]

Dear Deponent,

The transcript of your deposition 5/1/13 reported in the above-captioned cause has been prepared and is included in this package for your inspection and signature for a period of 30 days from the date of this letter. Return the transcript in the included envelope as well as any relevant documents noted below.

Please read the transcript making any changes and/or corrections necessary. In making any changes and/or corrections, please use the following guide:

1. List each change and/or correction on the correction sheet provided at the end of the statement under oath. Signature is required at the bottom of the correction page

2. Forward the signed deponent signature page, correction sheet and copies of the pages on which changes and/or corrections have been made and a copy of this letter to:

California Reporting, LLC

[redacted]

[redacted] CA [redacted]

[redacted]

Upon receipt of the items requested in this letter, I will forward copies of the same to all Counsel.

Sincerely,

Marika Edler

STATE OF ARIZONA

Office of the
CORPORATION COMMISSION

I, Ernest G. Johnson, Executive Director of the Arizona Corporation Commission, do hereby certify that the attached copy of the following document:

ARTICLES OF ORGANIZATION

consisting of 2 pages, is a true and complete copy of the original of said document on file with this office for:

ER FINANCIAL & ADVISORY SERVICES LLC
ACC file number: L-1005283-8

EXHIBIT
S.166
ADMITTED

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission on this date: December 18, 2012.

SEAL OF THE ARIZONA CORPORATION COMMISSION
DITAT DEUS
1912

Executive Director

By: LYNDA B. GRIFFIN

DO NOT PUBLISH THIS SECTION

ARTICLE 1
The company name must contain an ending which may be "limited liability company," "limited company," or the abbreviations "L.L.C.", "L.C.", "LLC" or "LC". If you are the holder or assignee of a tradename or trademark, attach Declaration of Tradename Holder form.

ARTICLE 2
May be in care of the statutory agent

ARTICLE 3
The statutory agent must provide both a physical and mailing address. If statutory agent has P.O. Box, then they must provide a physical description of their street address/location. The agent must sign the Articles or provide a consent to acceptance of appointment.

ARTICLES 4
Complete this section only if you desire to select a date or occurrence when the company will dissolve. If perpetual duration is desired, leave this section blank.

[illegible] 5.a. Check which management structure will be applicable to your company

AZ CORP COMMISSION
OF THE STATE OF AZ
FILED

2001 OCT -9 P 12:52

ARTICLES OF ORGANIZATION

OF

ER FINANCIAL + ADVISORY SERVICES LLC

(An Arizona Limited Liability Company)

L-1005583-8
11-19-01 AM

1. Name. The name of the limited liability company is:

ER FINANCIAL + ADVISORY SERVICES LLC

2. Registered Office. The address of the registered office in Arizona is: 4085 VEGA DR
LAKE HAVASU CITY, AZ 86404

located in the County of MOHAVE

3. Statutory Agent. (In Arizona) The name and address of the statutory agent of the company is:

DAVID WANZEK
4085 VEGA
LAKE HAVASU CITY AZ 86404

4. Dissolution. The latest date, if any, on which the limited liability company must dissolve is

12/31/2025

5.a. Management.

[ ] Management of the limited liability company is vested in a manager or managers. The names and addresses of each person who is a manager AND each member who owns a twenty percent or greater interest in the capital or profits of the limited liability company are:

[X] Management of the limited liability company is reserved to the members. The names and addresses of each person who is a member are:

DO NOT PUBLISH THIS SECTION

5.b.

Name	DAVID WANZEK	Michael BERSCH
	[X] member [ ] manager	[X] member [ ] manager
Address	4085 VEGA DR	2240 McCulloch BLVD
City, State, Zip	LAKE HAVASU CITY AZ 86404	LAKE HAVASU CITY AZ 86403
Name		
	[ ] member [ ] manager	[ ] member [ ] manager
Address:		
City, State, Zip		

ARTICLE 5.b.
Depending upon your selection in 5.a., provide the names and addresses of the managers and members of the organization. Check the applicable title for each person. A member managed company cannot contain a manager or managers.

The person(s) executing this document need not be member(s) of the company.

Your fax and phone number is optional.

The agent may consent to the appointment by either executing the consent or signing a consent letter, or if personally by check, executing the check.

LLC0004
Rev 4/2001

EXECUTED this 2 day of October, 2001

[Signature] [Signature]

DAVID WANZEK MICHAEL BERSCH
[Print Name Here] [Print Name Here]

PHONE 520 453 7111 FAX 520 453 2103

Acceptance of Appointment By Statutory Agent

I DAVID WANZEK, having been designated to act as Statutory Agent, hereby consent to act in that capacity until removed or resignation is submitted in accordance with the Arizona Revised Statutes.

Signature of Statutory Agent

STATE OF ARIZONA

Office of the
CORPORATION COMMISSION

I, Ernest G. Johnson, Executive Director of the Arizona Corporation Commission, do hereby certify that the attached copy of the following document:

PUBLICATION OF ARTICLES OF ORGANIZATION

consisting of 1 pages, is a true and complete copy of the original of said document on file with this office for:

ER FINANCIAL & ADVISORY SERVICES LLC
ACC file number: L-1005283-8

EXHIBIT
S-167
ADMITTED

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission on this date: December 18, 2012.

SEAL OF THE ARIZONA CORPORATION COMMISSION
DITAT DEUS
* 1912 *

Executive Director

By: LYNDA B. GRIFFIN

ACC000832
BERSCH

AFFIDAVIT OF PUBLICATION

For Corporation Commission

TODAY'S NEWS-HERALD

2225 W. ACOMA BLVD., LAKE HAVASU CITY, AZ 86403

928-453-4237/FAX 928-855-9892

STATE OF ARIZONA
COUNTY OF MOHAVE

I, STEVE STEVENS, (NAME OF PERSON) AUTHORIZED TO SIGN ON BEHALF OF THE NEWSPAPER), am authorized by the publisher as agent to make this affidavit of publication. Under oath, I state that the following is true and correct.

The Today's News-Herald is a newspaper which is published 5 times weekly or more often, is of general circulation and is in compliance with the Arizona Revised Statutes §§ 10-140.34 & 39-201.A & B. (Please note, publication has to be completed within 60 days of filing.) The notice has been published three (3) consecutive times in the newspaper listed above.

DATES OF PUBLICATION:
1) December 2, 2001
2) December 4, 2001
3) December 5, 2001

THE NAME OF THE CORPORATION: ER Financial & Advisory Services, LLC

CORPORATE FILE NUMBER: L-1005283-8
Note: This number is found on a top corner of the Commission approved document.

TYPE OF DOCUMENT: Articles of Organization

AUTHORIZED SIGNATURE Steve Stevens

SUBSCRIBED AND SWORN TO BEFORE ME ON THE

6th (DAY) of December (MONTH) 2001 (YEAR)

NOTARY SIGNATURE:

OFFICIAL SEAL
SANDRA K. GRIFFIN
Notary Public - State of Arizona
MOHAVE COUNTY
My Comm. Expires July 24, 2004

Sandra K. Griffin

01-08-02

RECEIVED

JAN 0 4 2002

ARIZONA CORP. COMMISSION
CORPORATIONS DIVISION

STATE OF ARIZONA

Office of the
CORPORATION COMMISSION

I, Ernest G. Johnson, Executive Director of the Arizona Corporation Commission, do hereby certify that the attached copy of the following document:

ARTICLES OF TERMINATION

consisting of 1 pages, is a true and complete copy of the original of said document on file with this office for:

ER FINANCIAL & ADVISORY SERVICES LLC
ACC file number: L-1005283-8

EXHIBIT
S-168
ADMITTED

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission on this date: December 18, 2012.

SEAL OF THE ARIZONA CORPORATION COMMISSION
DITAT DEUS
1912

Executive Director

By: LYNDA B. GRIFFIN

AZ Corp. Commission

04050148

AZ CORPORATION COMMISSION
FILED

OCT 3 1 2012

FILE NO. L-1005283-8

DO NOT WRITE ABOVE THIS LINE; RESERVED FOR ACC USE ONLY.

ARTICLES OF TERMINATION
LIMITED LIABILITY COMPANY

Read the Instructions L031I

1. **ENTITY NAME** – give the exact name of the LLC as currently shown in A.C.C. records:
   ER FINANCIAL & ADVISORY SERVICES LLC

2. **A.C.C. FILE NUMBER:** L-1005283-8
   Find the A.C.C. file number on the upper corner of filed documents OR on our website at: http://www.azcc.gov/Divisions/Corporations

3. **STATEMENT CONCERNING PROPERTIES AND ASSETS** - by the signature appearing below, the limited liability company named in number 1 above affirms or certifies under penalty of perjury that all of its known properties and assets have been applied and distributed pursuant to chapter 4, title 29 of the Arizona Revised Statutes.

SIGNATURE: By checking the box marked "I accept" below, I acknowledge *under penalty of perjury* that this document together with any attachments is submitted in compliance with Arizona law.

☑ I ACCEPT

Signature	Printed Name	Date (mm/dd/yyyy)
[signature]	DAVID WANZEK	10/30/2012

REQUIRED – check only one and fill in the corresponding blank if signing for an entity:

☐ This is a **manager-managed LLC** and I am signing individually as a **manager** or I am signing for an **entity manager named:**	☑ This is a **member-managed LLC** and I am signing individually as a **member** or I am signing for an **entity member named:**

Filing Fee: $35.00 (regular processing) Expedited processing – add $35.00 to filing fee. All fees are nonrefundable - see Instructions.	Mail:	Arizona Corporation Commission - Corporate Filings Section 1300 W. Washington St., Phoenix, Arizona 85007
	Fax:	602-542-4100

Please be advised that A.C.C. forms reflect only the minimum provisions required by statute. You should seek private legal counsel for those matters that may pertain to the individual needs of your business.
All documents filed with the Arizona Corporation Commission are public record and are open for public inspection.
If you have questions after reading the Instructions, please call 602-542-3026 or (within Arizona only) 800-345-5819.

History Maintenance

File Number: L-1005283-8 ARTICLES OF TERMINATION 10/31/2012

Corp. Name: ER FINANCIAL & ADVISORY SERVICES LLC

Domestic Address
4085 VEGA DR

LAKE HAVASU CITY AZ 86404-

Foreign Address Other File: NO

Agent: DAVID WARZEK
Status: APPOINTED 10/09/2001
Agent Address
4085 VEGA DR

LAKE HAVASU CITY AZ 86404-

Domicile: ARIZONA
County: MOHAVE
Corporation Type: DOMESTIC L.L.C.
Life Period:
Incorporation Date: 10/09/2001
Approval Date: 11/06/2001
Fiscal:
Year Filed:
Rpt Received:

History Microfilm

Location	Received	Description
1-1490-022-049	10/09/2001	ARTICLES OF ORGANIZATION
2-0296-024-050	01/04/2002	PUBLICATION OF ARTICLES OF ORGANIZATION

NO CORPORATIONS RECORD FOUND FOR THIS FILE NUMBER. (A010)

ACC000836
BERSCH

09/20/2012 Arizona Corporation Commission
State of Arizona Public Access System 12:18 PM

Jump To...

Microfilm

Corporate Inquiry

File Number: L-1005283-8 **LATEST DATE TO DISSOLVE** 12/31/2025 [redacted]

Corp. Name: ER FINANCIAL & ADVISORY SERVICES LLC

Domestic Address

4085 VEGA DR
LAKE HAVASU CITY, AZ 86404

Statutory Agent Information

Agent Name: DAVID WARZEK

Agent Mailing/Physical Address:
4085 VEGA DR
LAKE HAVASU CITY, AZ 86404

Agent Status: APPOINTED 10/09/2001
Agent Last Updated: 11/19/2001

Additional Corporate Information

Corporation Type: DOMESTIC L.L.C.	**Business Type:**
Incorporation Date: 10/09/2001	**Corporate Life Period:**
Domicile: ARIZONA	**County:** MOHAVE
Approval Date: 11/06/2001	**Original Publish Date:** 01/04/2002
Status: LATEST DATE TO DISSOLVE	**Dissolution/Withdrawal Date:** 12/31/2025

Manager/Member Information

DAVID WARZEK MEMBER 4085 VEGA DR	MICHAEL BERSCH MEMBER 2240 MCCULLOCH BLVD

LAKE HAVASU CITY,AZ 86404 **Date of Taking Office:** 10/09/2001 **Last Updated:** 11/19/2001	LAKE HAVASU CITY,AZ 86403 **Date of Taking Office:** 10/09/2001 **Last Updated:** 11/19/2001

Microfilm

Location	Date Received	Description
11490022049	10/09/2001	ARTICLES OF ORGANIZATION
20296024050	01/04/2002	PUBLICATION OF ARTICLES OF ORGANIZATION

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- **Corporate Name Search Instructions**
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- **STARPAS Main Menu**
- **A.C.C. Corporations Division Main Page**
- **Arizona Corporation Commission Home Page**

CONCORDIA FINANCING CO., LTD.

FINDERS FEES: Unaudited

Date	Account #	Portfolio Note Investor	Investment Amount	Finder Fee Rate	Finder Fee Paid	Check Amount	Check #	Paid To
FY2004								
2/26/2004	901	NEWBERRY, SUANDRA MI	100,000.00	5%	5,000.00			
	902	HODEL, DONALD T. & K	100,000.00	5%	5,000.00			
	903	MARTIN, DARRELL & KA	50,000.00	5%	2,500.00			
	904	LESTER, GALST OR BLA	100,000.00	5%	5,000.00			
2/26/2004	905	ROTH, DAVID P.	800,000.00	1%	8,000.00	$ 25,500.00	7836	ER Financial Ser
3/9/2004	908	HERMAN, DONALD & ANI	50,000.00	5%	2,500.00	$ 2,500.00	7981	ER Financial Ser
3/31/2004	905	ROTH, DAVID P.	50,000.00	5%	2,500.00			
	906	ADAMS, JAN MARIE	25,000.00	5%	1,250.00			
	907	MARRIOTT, CARMEN	25,000.00	5%	1,250.00			
	909	EPPINGER, LINDY	25,000.00	5%	1,250.00			
	910	MARRIOTT, JILMA	50,000.00	5%	2,500.00			
	911	ALIYAR	100,000.00	5%	5,000.00			
	912	CULWELL, DONNA E.	100,000.00	5%	5,000.00	$ 18,750.00	8083	ER Financial Ser
6/2/2004	920	MEL & RUTH JOHNSON	100,000.00	5%	5,000.00			
	921	CHARLES BUTTKE	30,000.00	5%	1,500.00			
	922	PIKE, WILLIAM W. & J	105,000.00	5%	5,250.00			
	923	LUHR, WESLEY	100,000.00	5%	5,000.00			
	924	ADAMS, JACK R.	34,000.00	5%	1,700.00	$ 18,450.00	8542	ER Financial Ser
7/30/2004	927	ERBE	50,000.00	5%	2,500.00			
	928	TARRANT, LINDA	400,000.00	5%	20,000.00			
	929	MENDENHALL, TERRY L.	50,000.00	5%	2,500.00	$ 25,000.00	8970	ER Financial Ser
9/30/2004	932	BRONSART, GENE & LIN	250,000.00	5%	12,500.00			
	203	COLLINS, GARDES O.	25,000.00	5%	1,250.00			
	876	GRZESIOWSKI, LARRY &	10,000.00	5%	500.00	$ 14,250.00	9441	ER Financial Ser
10/29/2004	249	JAX BREA AUTO INC.	5,500.00	5%	275.00			
	257	DANIELS, TERRENCE &	65,000.00	5%	3,250.00			
	258	MEAHL, CLAUDIA	49,000.00	5%	2,450.00	$ 5,975.00	9663	ER Financial Ser
11/30/2004	258	MEAHL, CLAUDIA	1,000.00	5%	50.00			

ACC011404
BERSCH

EXHIBIT
S-169
ADMITTED

	916 MARY ANN LEWIS	100,000.00	5%	5,000.00		
	857 SHERRY ROBINSON	79,000.00	5%	3,950.00		
	845 LEMAY, SUELLEN	10,000.00	5%	500.00	$ 9,500.00	9893 ER Financial Ser
		3,038,500.00			119,925.00	

FY2005

1/31/2005	210 HODEL, DONALD T & K	100,000.00	5%	5,000.00		
	296 EDMONDS, ROBERT F.	208,000.00	5%	10,400.00	$ 15,400.00	10396 ER Financial Ser
2/28/2005	200 M.BACHMANN NEATHERY	100,000.00	5%	5,000.00	$ 5,000.00	10642 ER Financial Ser
4/30/2005	263 FOTI, FRANK J.	53,000.00	5%	2,650.00	$ 2,650.00	11165 ER Financial Ser
6/2/2005	890 RYEN FAMILY TRUST(2)	50,000.00	5%	2,500.00	$ 2,500.00	11472 ER Financial Ser
6/28/2005	890 RYEN FAMILY TRUST(2)	85,000.00	5%	4,250.00	$ 4,250.00	11750 ER Financial Ser
6/28/2005	846 SINGLETON, WALTER T.	40,000.00	5%	2,000.00	$ 2,000.00	12030 ER Financial Ser
8/31/2005	169 ER FINANCIAL	450,000.00	5%	22,500.00		
	846 SINGLETON, WALTER T.	40,000.00	5%	2,000.00		
	888 GROVER, FRED & DORI	30,000.00	5%	1,500.00	$ 26,000.00	12300 ER Financial Ser
9/30/2005	895 CHARNO (CHILDREN)	300,000.00	5%	15,000.00	$ 15,000.00	12587 ER Financial Ser
10/31/2005	188 RIDGWAY CHARITABLE T	4,500.00	5%	225.00		
	210 HODEL, DONALD T & K	100,000.00	5%	5,000.00		
	219 SCHURINGA TRUST	3,000.00	5%	150.00		
	269 SINGLETON, PAUL	60,000.00	5%	3,000.00		
	270 SINGLETON, VERNE& AN	100,000.00	5%	5,000.00		
	866 MCCOWAN, STERLING &	10,000.00	5%	500.00	$ 13,875.00	12864 ER Financial Ser
11/30/2005	271 CAPUTO, ANTHONY J. &	300,000.00	5%	15,000.00		
	272 NORTON, JOHN T.	50,000.00	5%	2,500.00		
	866 MCCOWAN, STERLING &	7,500.00	5%	375.00	$ 17,875.00	13136 ER Financial Ser
12/31/2005	274 PETERS, BRYANN N. &	100,000.00	5%	5,000.00		
	275 PILES,RAY & FUHRMAN,	100,000.00	5%	5,000.00		
	276 HOSPICE OF HAVASU, I	100,000.00	5%	5,000.00	$ 15,000.00	13401 ER Financial Ser
		2,391,000.00			119,550.00	

FY2006

1/31/2006	272 NORTON, JOHN T.	50,000.00	5%	2,500.00			
	274 PETERS, BRYANN N.	200,000.00	5%	10,000.00			
	890 RYEN, HERBERT & SUSA	60,000.00	5%	3,000.00	$	15,500.00	13702 ER Financial Se
2/28/2006	280 FARMER, GREGORY W.	100,000.00	5%	5,000.00	$	5,000.00	13980 ER Financial Se
3/31/2006	281 BAUMKIRCHNER, GARY	200,000.00	5%	10,000.00	$	10,000.00	14282 ER Financial Se
4/30/2006	183 WILLIAM, NEATHERY	56,748.81	5%	2,837.00			
	282 ALDRIDGE FAMILY TRUST	300,000.00	5%	15,000.00			
	283 BAUMKIRCHNER FAMILY TRUS	100,000.00	5%	5,000.00			
	866 MCCOWAN, STERLING &	22,500.00	5%	1,125.00			
	912 CULWELL, DONNA E.	36,000.00	5%	1,800.00	$	25,762.00	14583 ER Financial Se
7/5/2006	207 GILJE, JOHN (2) INC.	68,221.63	5%	3,411.08			
	218 SCHURINGA, JACK	100,000.00	5%	5,000.00			
	222 WANZEK, DOROTHY	300,000.00	5%	15,000.00			
	284 CARR, MICHAEL & LISA	100,000.00	5%	5,000.00		28,411.08	15311 ER Financial Se
8/31/2006	222 WANZEK, DOROTHY	100,000.00	5%	5,000.00			
	285 ENGLERT, GERALD R.	120,000.00	5%	6,000.00			
	846 SINGLETON, WALTER T.	40,000.00	5%	2,000.00		13,000.00	15633 ER Financial Se
9/6/2006	169 ER FINANCIAL	200,000.00	5%	10,000.00			
	257 DANIELS, TERRENCE &	35,000.00	5%	1,750.00			
	272 NORTON, JOHN T.	50,000.00	5%	2,500.00			
	284 CARR, MICHAEL & LISA	100,000.00	5%	5,000.00			
	286 BACHMANN, GREGORY &	200,000.00	5%	10,000.00			
	287 FOTI, YVONNE	100,000.00	5%	5,000.00			
	866 MCCOWAN, STERLING &	25,000.00	5%	1,250.00			
	858 ADAMS, JACK & GERALDINE	70,000.00	5%	3,500.00		39,000.00	15840 ER Financial Se
10/4/2006	162 CHARNO, PETER	100,000.00	5%	5,000.00			
	172 GALST, LESTER & BLAC	50,000.00	5%	2,500.00			
	188 RIDGWAY CHARITABLE T	2,000.00	5%	100.00			
	219 SCHURINGA TRUST	2,000.00	5%	100.00			
	288 REYNOLDS, PEGGY	100,000.00	5%	5,000.00			
	288 REYNOLDS, PEGGY	100,000.00	5%	5,000.00			
	845 LEMAY, SUELLEN	10,000.00	5%	500.00			
	846 SINGLETON, WALTER T.	90,000.00	5%	4,500.00			
	852 FOSSEEN, WILLIAM ROG	250,000.00	5%	12,500.00			
	888 GROVER, FRED & DORI	25,000.00	5%	1,250.00			

	891	STEPHENS FAMILY TRUS	25,000.00	5%	1,250.00		
	897	FOSSEEN, ROGER & MON	100,000.00	5%	5,000.00	42,700.00	16222 ER Financial Ser
11/30/2006	914	LORSCHEIDER, JOHN	100,000.00	5%	5,000.00	5,000.00	16513 ER Financial Ser
12/31/2006	289	PRYOR, MARK K.	124,410.96	5%	6,220.55		
	290	GUEST, JACK W.	225,000.00	5%	11,250.00		
	291	KOLLARS, GARY P.	53,462.92	5%	2,673.15	20,143.70	16779 ER Financial Ser
			4,090,344.32			$ 204,517	
FY2007							
2/22/2007	195	WEAVER, RICHARD OR J	100,000.00	5%	5,000.00		
	293	LORRAINE H. GAYLE RE	100,000.00	5%	5,000.00	$ 10,000.00	17724 ER Financial Ser
3/9/2007	194	WANZEK, GARY V.	50,000.00	5%	2,500.00		
	272	NORTON, JOHN T.	50,000.00	5%	2,500.00	$ 5,000.00	17965 ER Financial Ser
4/10/2007	218	SCHURINGA, JACK	200,000.00	5%	10,000.00		
	260	EDMONDS, ROBERT F.	42,000.00	5%	2,100.00		
	293	LORRAINE H. GAYLE RE	100,000.00	5%	5,000.00	$ 17,100.00	18246 ER Financial Ser
5/8/2007	890	RYEN FAMILY TRUST(2)	50,000.00	5%	2,500.00		
	905	ROTH, DAVID P.	25,000.00	5%	1,250.00	$ 3,750.00	18532 ER Financial Ser
6/6/2007	269	SINGLETON, PAUL	10,828.00	5%	541.40		
	270	SINGLETON, VERNE& AN	10,828.00	5%	541.40		
	271	CAPUTO, ANTHONY J. &	120,000.00	5%	6,000.00	$ 7,082.80	18776 ER Financial Ser
			$ 858,656.00	5%		$ 42,933	
FY2008							
5/15/2008	4878	ALIYAR, PAREED & ARC	100,000	5%	5,000		
	4879	PATRICOLA, THERESA &	100,000	5%	5,000		
	4880	WAGNER, WILMONT & EL	100,000	5%	5,000	15,000	32902 ER Financial Ser
6/26/2008	275	PILES,RAY & FUHRMAN	50,000	5%	2,500		
	4909	ALIYAR, PAREED M.D.P	100,000	5%	5,000		
	4946	EDMONDS, CAROL TEE	300,000	5%	15,000	22,500	33323 ER Financial Ser
8/14/2008	4983	FOTI, PETER & DEBRA	120,000	5%	6,000		
	4984	FOTI, FRANK	100,000	5%	5,000		

	5007	SHUFFLEBOTHAM, WILL	500,000	5%	25,000	36,000	33854	ER Financial Ser
8/14/2008	275	PILES,RAY & FUHRMAN	50,000	5%	2,500			
	276	HOSPICE OF HAVASU, I	50,000	5%	2,500	5,000	33853	ER Financial Ser
			1,570,000	5%	TOTAL:	$ 78,500		ER Financial Se

ACC011408
BERSCH

CONCORDIA FINANCING CO., LTD.

CUSTODIAN FEES: Unaudited	FY 2004	FY 2005
CHINO BANK	$ 1,728	$ 1,728
ER FINANCIAL SERVICES	$ 391,104	$ 406,460
LINDA WANZEK	$ 85,471	$ 94,204
SUNSET FINANCIAL	$ 9,000	$ 9,000
TOTAL CUSTODIAN FEES:	$ 487,303	$ 511,392

FY 2006	FY 2007	FY 2008	Jan-09
$ 1,584	$ 1,498	$ 1,000	$ -
$ 503,111	$ 592,168	$ 636,494	$ -
$ 98,179	$ 104,800	$ 101,875	$ 8,629
$ 9,000	$ 9,072	$ 9,036	$ 765
$ 611,874	$ 707,538	$ 748,405	$ 9,394

Richard W Millar, Jr., Esq.,SBN 39777
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Newport Beach, California 92660
Tel: (949) 752-7722; Fax: (949) 752-6131
millar@mhblaw.net

Attorneys for CONCORDIA FINANCING COMPANY, LTD

BEFORE THE DEPARTMENT OF CORPORATIONS

OF THE STATE OF CALIFORNIA

IN THE MATTER OF THE INVESTIGATION AND EXAMINATION OF: CONCORDIA FINANCING COMPANY, LTD; and of its books, records, documents and other papers pursuant to §25531 of the California Corporations Code and §§11180-11182 of the California Government Code	**RESPONSE TO SUBPOENA**

EXHIBIT
S-171
ADMITTED

COMES NOW, CONCORDIA FINANCING COMPANY, LTD. in response to the subpoena as follows:

1. Concordia will produce documents responsive to this request, and these records will be located in box no. 1.

2. Concordia will produce documents in its possession responsive to this request, and these records will be located in box no. 1.

3. Concordia will produce the following documents arguably called for in this request: (a) weekly inventory reports - repossessed trucks (2009-2012); (b) invoices for sold truck inventory (repossessed trucks (2009-2012); (c) lease agreement 2009-2012; and (d) Historical Loan Portfolio (since inception to December 2012), and these records will be located in box no. 1.

ACC013388
BERSCH

4. This item is objected to on the grounds that it is burdensome and oppressive and seeks items to remote in time to be of relevance. Without waiving that objection interposed hereto, Concordia will produce employee records for the period from 2009 through 2012, and these records will be located in box no. 1.

5. Concordia will produce documents in its possession responsive to this request, and these records will be located in box no. 1.

6. These documents are being produced in conjunction with item no. 4, and these records will be located in box no. 1.

7. This item is objected to on the grounds that it is burdensome and oppressive, calls for the production of items which would not be relevant and which would be beyond any applicable statute of limitations. Without waiving any objection, interposed hereto, Concordia will produce employee salary records for the period from 2009 through 2012, and these records will be located in box no. 1.

8. This item is objected to on the grounds that it is burdensome and oppressive, calls for the production of items which would not be relevant and which would be beyond any applicable statute of limitations. Without waiving any objection, interposed hereto, Concordia will produce financial records monthly and annual for 2009, 2010 through November 2012, and these records will be located in box no. 1.

9. This item is objected to on the grounds that it is burdensome and oppressive, calls for the production of items which would not be relevant and which would be beyond any applicable statute of limitations. Without waiving any objection, interposed hereto, Concordia will produce business licenses for 2010, 2011 and 2012, and these records will be located in box no. 1.

10. Concordia has no documents in its possession responsive to this request.

11. Concordia has no documents in its possession responsive to this request other than the subpoena from the State of Arizona and correspondence related thereto which is presumably in the possession of the requestor.

ACC013389
BERSCH

12. This item is objected to on the grounds that all tax returns are privileged.

13. This item is objected to on the grounds that it is burdensome and oppressive, calls for the production of items which would not be relevant and which would be beyond any applicable statute of limitations. Without waiving any objection, interposed hereto, Concordia will produce various accounting documents described hereafter, and these records will be located in box no. 5.

14. This item is objected to on the grounds that it is burdensome and oppressive, calls for the production of items which would not be relevant and which would be beyond any applicable statute of limitations. Without waiving any objection, interposed hereto, Concordia will produce bank records relating to Coamerica Bank and Concordia is informed and believes that the records relating to Chino Bank have already been produced by Chino Bank pursuant to a separate subpoena from the requestor.

15. This item is objected to on the grounds that it is burdensome and oppressive, calls for the production of items which would not be relevant and which would be beyond any applicable statute of limitations. Without waiving any objection, interposed hereto, Concordia does not have any such documents in its possession.

16. This item is objected to on the grounds that it is burdensome and oppressive, calls for the production of items which would not be relevant and which would be beyond any applicable statute of limitations. Without waiving any objection, interposed hereto, Concordia does not have any such documents in its possession.

17. Concordia will produce a copy of its website, and these records will be located in box no. 1.

18. This item is objected to on the grounds that it is burdensome and oppressive, calls for the production of items which would not be relevant and which would be beyond any applicable statute of limitations. Without waiving any objection, interposed hereto, Concordia does not have any such documents in its possession.

19. This item is objected to on the grounds that it is burdensome and oppressive, calls for the production of items which would not be relevant and which would be beyond any applicable statute of limitations. Without waiving any objection, interposed hereto, Concordia does not have any such documents in its possession.

20. Concordia will produce documents responsive to this request, and these records will be located in box no. 1.

21. Concordia will produce documents responsive to this request, and these records will be located in box nos. 5 and 6.

22. This item is objected to on the grounds that it is burdensome and oppressive, calls for the production of items which would not be relevant and which would be beyond any applicable statute of limitations. Without waiving any objection, interposed hereto, Concordia will produce a monthly investor reports for the periods from December 2009 through October 2011, and these records will be located in box nos. 2, 3 and 4.

23. This item is objected to on the grounds that it is burdensome and oppressive, calls for the production of items which would not be relevant and which would be beyond any applicable statute of limitations. Without waiving any objection, interposed hereto, Concordia will produce documents responsive to this request for 2009 through 2012, and these records will be located in box nos. 5 and 6.

24. This item is objected to on the grounds that it is burdensome and oppressive, calls for the production of items which would not be relevant and which would be beyond any applicable statute of limitations. Without waiving any objection, interposed hereto, Concordia will produce documents responsive to this request for 2009 through 2012, and these records will be located in box nos. 5 and 6.

25. This item is objected to on the grounds that it is burdensome and oppressive, calls for the production of items which would not be relevant and which would be beyond any applicable statute of limitations. Without waiving any objection, interposed hereto, Concordia will produce documents responsive to this request, and

ACC013391
BERSCH

these records will be located in box no. 1.

26. This item is objected to on the grounds that it is burdensome and oppressive, calls for the production of items which would not be relevant and which would be beyond any applicable statute of limitations. Without waiving any objection, interposed hereto, Concordia will produce all quarterly investor letters from 2009 to 2012, and these records will be located in box no. 3.

27. Concordia will produce documents responsive to this request, and these records will be located in box nos. 5 and 6.

28. Concordia will produce documents responsive to this request, and these records will be located in box nos. 5 and 6.

29. Concordia does not have any documents responsive to this request.

30. Concordia does not have any documents responsive to this request.

31. Concordia does not have any documents responsive to this request.

Dated: January 15, 2013

MILLAR, HODGES & BEMIS

By: _____
Richard W. Millar, Jr.
Attorneys for Concordia Financing Company, Ltd.

ACC013392
BERSCH

CONCORDIA FINANCING COMPANY, LTD. DOCUMENT PRODUCTION

Pursuant to Subpoena dated November 8, 2012,
for Michelle Lipton, Sr. Corporations Counsel
Department of Corporations of the State of California
January 15, 2013

DOCUMENT INDEX

BOX 1:	Item # 1	Corporate documents
	Item # 2	Corporate records
	Item # 3	Assets & Liabilities
		a. Weekly inventory reports - Repossessed trucks (2009 - 2012)
		b. Invoices for Sold Truck Inventory (repossessed trucks) (2009 – 2012)
		c. Lease Agreement (2009 - 2012)
		d. Historical Loan Portfolio (since inception to December 2012)
	Item # 4 & 6	Employee records (2009 – 2012)
	Item # 5	Shareholder list
	Item # 7	Employee salary records (2009 – 2012)
	Item # 8	Financial Statements (Monthly, Annual 2009, 2010, 2011, YTD 11/12)
	Item # 9	Business license (2010, 2011 & 2012)
	Item #10	None
	Item #11	None
	Item #12	Privileged
	Item #13	All accounting records See BOX 5
	Item #14	Bank records
		a. Comerica Bank Account records
		b. Chino Bank Account records provided directly by Chino Bank
	Item #15	None
	Item #16	None
	Item #17	Copy of Website
	Item #18	None
	Item #19	None
	Item #20	Investor list – Note Investors (name, address & balance)
	Item #25	Concordia Finance and ER Financial correspondence
BOX 2:	Item #22	Exhibit A: Monthly Investor Report (December 2009 – October 2011)
BOX 3:	Item #22	Exhibit A: Monthly Investor Report (November 2011 – December 2012)
	Item #22	Investor monthly statements (June 2010 – December 2011)
	Item #26	Quarterly investor letters (2009 – 2012)
BOX 4:	Item #22	Investor monthly statements (January 2012 – December 2012)
	Item #22	Payments to Investors (January 2009 – December 2012)
	Item #13	Accounting records
		a. Daily Stats (reports of loan receivables/assets (1/1/09 – 12/31/12)

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BERSCH

DOCUMENT INDEX (cont.)

BOX 5:	Item # 13	Accounting records b. Chart of Accounts c. Ledgers (1/1/09 – 12/31/12) d. Writeoffs (of loans receivables/assets) monthly (8/1/10 – 12/31/10, 1/1/12 – 12/31/12) e. Payoffs (of loans receivables/assets) 1/1/09 – 12/31/12 f. Flash report (cash collection reports 1/1/09 – 12/31/12) g. Weekly management reports (1/1/09 – 12/31/12)
BOX 5 & 6:	Item #21	Investor Communication - Contracts and Servicing Agreements
	Item #23	Same as #21
	Item #24	Same as #21
	Item #27	Same as #21
	Item #28	Same as #21
	Item #29	None
	Item #30	None
	Item #31	None

ACC013394
BERSCH

1 BEFORE THE ARIZONA CORPORATION COMMISSION

2 SECURITIES DIVISION

3

4

5 In the Matter of the) FILE NO. 8371
Investigation of:)
6)
ER FINANCIAL AND ADVISORY)
7 SERVICES, LLC)
)

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9

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11

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13 **EXAMINATION UNDER OATH OF LANCE MICHAEL BERSCH**

14 Phoenix, Arizona
December 18, 2012

15

16

17

18

19 ARIZONA REPORTING SERVICE, INC.
Court Reporting
20 Suite 502
2200 North Central Avenue
21 Phoenix, Arizona 85004-1481

22 By: GARY W. HILL, RPR, CRR
Certified Reporter
23 Certificate No. 50812

24 Prepared for:

25 SECURITIES DIVISION

EXHIBIT
S-173
ADMITTED

ORIGINAL

1 INDEX TO EXAMINATIONS

2 WITNESS PAGE
3 LANCE MICHAEL BERSCH
4 Examination by Mr. Womack 6

5
6
7
8

9 INDEX TO EXHIBITS

NO.	DESCRIPTION	MARKED	IDENTIFIED
Exhibit 1a	Subpoena to Michael Bersch	7	8
Exhibit 1b	Subpoena to Custodian of Records of ER Financial and Advisory Services for testimony	8	8
Exhibit 1c	Subpoena to Custodian of Records of ER Financial for production of documents	9	9
Exhibit 2	Subpoena directed to Michael Bersch dated September 5, 2012	30	30
Exhibit 3	Photocopies of documents ER Financial provided in response to Exhibit 2	31	31
Exhibit 4	Articles of Termination	33	33
Exhibit 5	Custodial Agreement	36	36
Exhibit 6	Concordia Financing Co., LTD, Sale of Contracts and Servicing Agreement	38	38
Exhibit 7	Letter to Lemay from Bersch	43	43

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NO.	DESCRIPTION	MARKED	IDENTIFIED
Exhibit 8	Flow Chart, Concordia Financial	44	45
Exhibit 9	Check in the amount of $100,000 from the Singleton Family Trust	48	48
Exhibit 10	Letter To Our Portfolio Investors from Wanzek and Bersch	50	50
Exhibit 11	Letter dated August 10, 2006, to Concordia Investors from Crowder	53	53

1 EXAMINATION UNDER OATH OF LANCE MICHAEL BERSCH
2 was taken on December 18, 2012, commencing at 12:53
3 p.m., at the Arizona Corporation Commission, Securities
4 Division, 1300 West Washington Street, Phoenix, Arizona,
5 before GARY W. HILL, RPR, Certified Reporter No. 50812
6 for the State of Arizona.
7
8
9 APPEARANCES:
10 For the ACC Securities Division:
11 Mr. Stephen J. Womack
Enforcement Attorney, Securities Division
12 1300 West Washington Street, Third Floor
Phoenix, Arizona 85007
13
14 For the Witness:
15 ROSHKA DeWULF & PATTEN
Mr. Timothy J. Sabo
16 One Arizona Center
400 East Van Buren, Suite 800
17 Phoenix, Arizona 85004
18
19
20 ALSO PRESENT:
21 Mr. Gary R. Clapper, CFCI
Senior Special Investigator
22
23
24
25

1 MR. WOMACK: This is part of an inquiry by the
2 Securities Division of the Arizona Corporation
3 Commission in the matter of ER Financial and Advisory
4 Services, LLC, et al., in order to determine if there
5 has been full compliance with the Securities Act of the
6 State of Arizona. The information obtained today may
7 reveal violations of statutes outside the Securities
8 Act.
9 Persons present for the Securities Division are
10 myself, Steve Womack, an enforcement attorney with the
11 Securities Division, as well as Gary Clapper, an
12 investigator with the Division.
13 Would the other parties present indicate your
14 presence?
15 MR. SABO: Sure, this is Tim Sabo with the law
16 firm of Roshka DeWulf & Patten, and I'm the counsel for
17 the witness, Mr. Michael Bersch.
18 MR. WOMACK: Would you administer the oath.
19 (NEXT PAGE, PLEASE.)
20
21
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25

1 LANCE MICHAEL BERSCH,
2 a witness herein, having been first duly sworn by the
3 Certified Reporter to speak the truth and nothing but
4 the truth, was examined and testified as follows:
5
6 EXAMINATION
7 BY MR. WOMACK:
8 Q. The reporter will go off the record at my
9 direction. If you or your attorney would like to go off
10 the record, tell me. If there is a question pending,
11 we'll wait for an answer. We want you to be comfortable.
12 So if there is a reason that you need to pause, let us
13 know, and we'll accommodate that.
14 Since your testimony is being recorded by a
15 reporter, please respond verbally as opposed to nodding or
16 saying nonword words like uh-huh. Those are difficult to
17 capture in the record.
18 I'll do my best not to talk over your answers,
19 and I hope you'll try not to interrupt my questions. I
20 know personally as I ask questions, sometimes I have a
21 tendency to pause. Please wait for the question mark, if
22 you will.
23 If you don't hear any of the questions I ask or
24 don't understand them, ask for clarification. I want you
25 to understand what I'm getting at; and if you don't, let

1 me know. I'll reword it.
2 You're under oath, so any false statements you
3 make may be criminally prosecuted as perjury.
4 Mr. Bersch, you have the right to refuse to
5 answer any questions if you think the answer may tend to
6 incriminate you personally. You have the right to refuse
7 to produce any papers which you feel may tend to
8 incriminate you. You do not have the right to refuse to
9 produce corporate papers based on a claim of
10 self-incrimination.
11 Do you understand what I have explained to you?
12 A. Yes.
13 Q. Are you on any medication today or have any
14 physical disabilities that might hinder your ability to
15 respond to my questions?
16 A. No.
17 Q. Please state your full name for the record.
18 A. Lance Michael Bersch.
19 Q. Mr. Bersch, have you seen the document that we
20 are going to mark as Exhibit 1a?
21 (Exhibit 1a was marked for identification.)
22 BY MR. WOMACK:
23 Q. I've placed it in front of you. You can look at
24 it.
25 MR. SABO: We'll stipulate that he has seen it.

1 BY MR. WOMACK:
2 Q. Mr. Bersch, have you seen the document that is in
3 front of you marked Exhibit 1a?
4 A. Yes.
5 Q. And is that -- I might have got the order of the
6 pages wrong in the copying, but it's a subpoena addressed
7 to you personally for your appearance today?
8 A. Yes.
9 Q. And are you appearing pursuant to that subpoena?
10 A. Yes.
11 Q. If you could look over what is being marked
12 Exhibit 1b --
13 (Exhibit 1b was marked for identification.)
14 BY MR. BERSCH:
15 Q. Have you seen what has been marked as Exhibit 1b?
16 Mr. Bersch, I would ask you to answer the
17 question.
18 A. Yes.
19 Q. And I hope as we go through this that you'll not
20 seek coaching from your attorney prior to answering my
21 questions.
22 You have seen Exhibit 1b before. Is that a
23 subpoena calling for the testimony of a custodian of
24 records of ER Financial and Advisory Services?
25 MR. SABO: We'll object. The document speaks

1 for itself.
2 BY MR. WOMACK:
3 Q. Mr. Bersch, is the Exhibit 1b a copy of the
4 subpoena --
5 A. Yes.
6 Q. Okay. You recall the question I asked?
7 A. Yes.
8 Q. Are you appearing today in response to that
9 subpoena?
10 MR. SABO: No, he is not.
11 BY MR. WOMACK:
12 Q. Mr. Bersch, are you appearing in response to the
13 subpoena that is at 1b?
14 A. No.
15 (Exhibit 1c was marked for identification.)
16 BY MR. BERSCH:
17 Q. Showing you what is now marked 1c, this is a
18 subpoena to the custodian of records for ER Financial and
19 Advisory Services for production of documents. Have you
20 seen this document before?
21 A. Yes.
22 Q. Who is Teressa Whorf?
23 A. Someone in my office.
24 Q. And what role does she play in your office?
25 A. She is an accounting assistant.

1 Q. Who is Michele Crest?
2 A. She's also in my office.
3 Q. And what position does she fill?
4 A. Administrative assistant.
5 Q. Okay. Mr. Bersch, have you ever gone by a name
6 other than the name you've given today?
7 A. On the advice of my counsel, I respectfully
8 decline to answer that question, and I invoke my rights
9 under the Fifth Amendment to the United States
10 Constitution and Article 2, Section 10 of the Arizona
11 Constitution.
12 Q. Mr. Bersch, I'm not authorized to compel you to
13 give evidence or testimony as to which you claim your
14 privilege against self-incrimination, and I have no
15 intention of doing so. In addition, I do not have the
16 authority to grant you immunity, and I do not intend to.
17 Any question that I ask hereafter will be with the
18 understanding that if you want to claim your privilege,
19 you need to merely state that you refuse to answer on the
20 ground that your answer may incriminate you.
21 You are not compelled to answer any further
22 questions if you wish to assert your privilege.
23 Accordingly, if you answer any questions, you will be
24 doing so voluntarily. Do you understand?
25 A. Yes.

1 Q. I'll ask you again, have you ever gone by any
2 other name?
3 A. I respectfully decline to answer the question
4 and invoke my rights under the Fifth Amendment.
5 MR. WOMACK: Let's go off the record for a
6 moment.
7 (Off the record from 1:01 to 1:03 p.m.)
8 MR. WOMACK: Let's go back on the record.
9 BY MR. WOMACK:
10 Q. Mr. Bersch, we're back on the record. You're
11 still under oath. Do you understand that?
12 A. Yes.
13 Q. I understand that it's your intention to assert
14 your Fifth Amendment privileges. I am going to continue
15 to ask my questions, however.
16 What is your date of birth?
17 A. On the advice of my counsel, I respectfully
18 decline to answer that question, and I invoke my rights
19 under the Fifth Amendment to the United States
20 Constitution and Article 2, Section 10 of the Arizona
21 Constitution.
22 Q. What is your place of birth?
23 A. On the advice of my counsel, I respectfully
24 decline to answer that question, and I invoke my rights
25 under the Fifth Amendment to the United States

1 Constitution and Article 2, Section 10 of the Arizona
2 Constitution.
3 Q. What is your marital status?
4 A. On the advice of my counsel, I respectfully
5 decline to answer that question, and I invoke my rights
6 under the Fifth Amendment to the United States
7 Constitution and Article 2, Section 10 of the Arizona
8 Constitution.
9 Q. What is your wife's name?
10 A. On the advice of my counsel, I respectfully
11 decline to answer that question, and I invoke my rights
12 under the Fifth Amendment to the United States
13 Constitution and Article 2, Section 10 of the Arizona
14 Constitution.
15 Q. What is your current home address?
16 A. On the advice of my counsel, I respectfully
17 decline to answer that question, and I invoke my rights
18 under the Fifth Amendment to the United States
19 Constitution and Article 2, Section 10 of the Arizona
20 Constitution.
21 Q. What is your home telephone number?
22 A. On the advice of my counsel, I respectfully
23 decline to answer that question, and I invoke my rights
24 under the Fifth Amendment to the United States
25 Constitution and Article 2, Section 10 of the Arizona

1 Constitution.
2 Q. Do you rent or own?
3 A. On the advice of my counsel, I respectfully
4 decline to answer that question, and I invoke my rights
5 under the Fifth Amendment to the United States
6 Constitution and Article 2, Section 10 of the Arizona
7 Constitution.
8 Q. Do you plan on leaving Arizona any time soon?
9 A. On the advice of my counsel, I respectfully
10 decline to answer that question, and I invoke my rights
11 under the Fifth Amendment to the United States
12 Constitution and Article 2, Section 10 of the Arizona
13 Constitution.
14 Q. How long have you resided here?
15 A. On the advice of my counsel, I respectfully
16 decline to answer that question, and I invoke my rights
17 under the Fifth Amendment to the United States
18 Constitution and Article 2, Section 10 of the Arizona
19 Constitution.
20 Q. Please state your work history since the year
21 2001.
22 A. On the advice of my counsel, I respectfully
23 decline to answer that question, and I invoke my rights
24 under the Fifth Amendment to the United States
25 Constitution and Article 2, Section 10 of the Arizona

1 Constitution.
2 Q. Please state your educational history since high
3 school.
4 A. On the advice of my counsel, I respectfully
5 decline to answer that question, and I invoke my rights
6 under the Fifth Amendment to the United States
7 Constitution and Article 2, Section 10 of the Arizona
8 Constitution.
9 Q. What is your occupation?
10 A. On the advice of my counsel, I respectfully
11 decline to answer that question, and I invoke my rights
12 under the Fifth Amendment to the United States
13 Constitution and Article 2, Section 10 of the Arizona
14 Constitution.
15 Q. Are you currently employed?
16 A. On the advice of my counsel, I respectfully
17 decline to answer that question, and I invoke my rights
18 under the Fifth Amendment to the United States
19 Constitution and Article 2, Section 10 of the Arizona
20 Constitution.
21 Q. What is your business telephone number?
22 A. On the advice of my counsel, I respectfully
23 decline to answer that question, and I invoke my rights
24 under the Fifth Amendment to the United States
25 Constitution and Article 2, Section 10 of the Arizona

1 Constitution.
2 Q. You're not registered in the Arizona Corporation
3 Commission as a securities salesman, are you?
4 A. On the advice of my counsel, I respectfully
5 decline to answer that question, and I invoke my rights
6 under the Fifth Amendment to the United States
7 Constitution and Article 2, Section 10 of the Arizona
8 Constitution.
9 Q. Have you ever worked for a company that has been
10 registered or is now registered with the Arizona
11 Corporation Commission as a securities broker, dealer or
12 salesman?
13 A. On the advice of my counsel, I respectfully
14 decline to answer that question, and I invoke my rights
15 under the Fifth Amendment to the United States
16 Constitution and Article 2, Section 10 of the Arizona
17 Constitution.
18 Q. Do you have any state licenses other than a
19 driver's license?
20 A. On the advice of my counsel, I respectfully
21 decline to answer that question, and I invoke my rights
22 under the Fifth Amendment to the United States
23 Constitution and Article 2, Section 10 of the Arizona
24 Constitution.
25 Q. You have a background in accounting, don't you?

1 A. On the advice of my counsel, I respectfully
2 decline to answer that question, and I invoke my rights
3 under the Fifth Amendment to the United States
4 Constitution and Article 2, Section 10 of the Arizona
5 Constitution.
6 Q. In fact, you're a licensed CPA; is that right?
7 A. On the advice of my counsel, I respectfully
8 decline to answer that question, and I invoke my rights
9 under the Fifth Amendment to the United States
10 Constitution and Article 2, Section 10 of the Arizona
11 Constitution.
12 Q. How long have you been a licensed CPA?
13 A. On the advice of my counsel, I respectfully
14 decline to answer that question, and I invoke my rights
15 under the Fifth Amendment to the United States
16 Constitution and Article 2, Section 10 of the Arizona
17 Constitution.
18 Q. Have you ever been the subject of an
19 investigation or disciplinary action under any of the
20 licenses that you hold?
21 A. On the advice of my counsel, I respectfully
22 decline to answer that question, and I invoke my rights
23 under the Fifth Amendment to the United States
24 Constitution and Article 2, Section 10 of the Arizona
25 Constitution.

1 Q. Have you ever filed for bankruptcy?
2 A. On the advice of my counsel, I respectfully
3 decline to answer that question, and I invoke my rights
4 under the Fifth Amendment to the United States
5 Constitution and Article 2, Section 10 of the Arizona
6 Constitution.
7 Q. Have you ever given prior testimony?
8 A. On the advice of my counsel, I respectfully
9 decline to answer that question, and I invoke my rights
10 under the Fifth Amendment to the United States
11 Constitution and Article 2, Section 10 of the Arizona
12 Constitution.
13 Q. Have you ever been arrested?
14 A. On the advice of my counsel, I respectfully
15 decline to answer that question, and I invoke my rights
16 under the Fifth Amendment to the United States
17 Constitution and Article 2, Section 10 of the Arizona
18 Constitution.
19 Q. Have you ever been indicted?
20 A. On the advice of my counsel, I respectfully
21 decline to answer that question, and I invoke my rights
22 under the Fifth Amendment to the United States
23 Constitution and Article 2, Section 10 of the Arizona
24 Constitution.
25 Q. Have you ever been the defendant in a civil

1 lawsuit?
2 A. On the advice of my counsel, I respectfully
3 decline to answer that question, and I invoke my rights
4 under the Fifth Amendment to the United States
5 Constitution and Article 2, Section 10 of the Arizona
6 Constitution.
7 Q. Have you ever been the subject of an
8 investigation by any governmental agency?
9 A. On the advice of my counsel, I respectfully
10 decline to answer that question, and I invoke my rights
11 under the Fifth Amendment to the United States
12 Constitution and Article 2, Section 10 of the Arizona
13 Constitution.
14 Q. Have you ever been a manager or member of any
15 LLC?
16 A. On the advice of my counsel, I respectfully
17 decline to answer that question, and I invoke my rights
18 under the Fifth Amendment to the United States
19 Constitution and Article 2, Section 10 of the Arizona
20 Constitution.
21 Q. Have you ever been a partner, general partner or
22 limited partner in any partnership?
23 A. On the advice of my counsel, I respectfully
24 decline to answer that question, and I invoke my rights
25 under the Fifth Amendment to the United States

1 Constitution and Article 2, Section 10 of the Arizona
2 Constitution.
3 Q. Are you connected to any business in the form of
4 ownership interest?
5 A. On the advice of my counsel, I respectfully
6 decline to answer that question, and I invoke my rights
7 under the Fifth Amendment to the United States
8 Constitution and Article 2, Section 10 of the Arizona
9 Constitution.
10 Q. You're a member of ER Financial and Advisory
11 Services, LLC, aren't you?
12 A. On the advice of my counsel, I respectfully
13 decline to answer that question, and I invoke my rights
14 under the Fifth Amendment to the United States
15 Constitution and Article 2, Section 10 of the Arizona
16 Constitution.
17 Q. And that entity is a member-managed LLC, correct?
18 A. On the advice of my counsel, I respectfully
19 decline to answer that question, and I invoke my rights
20 under the Fifth Amendment to the United States
21 Constitution and Article 2, Section 10 of the Arizona
22 Constitution.
23 Q. And there are only two persons that are members
24 of ER; is that correct?
25 A. On the advice of my counsel, I respectfully

1 decline to answer that question, and I invoke my rights
2 under the Fifth Amendment to the United States
3 Constitution and Article 2, Section 10 of the Arizona
4 Constitution.
5 Q. Do you know David Wanzek?
6 A. On the advice of my counsel, I respectfully
7 decline to answer that question, and I invoke my rights
8 under the Fifth Amendment to the United States
9 Constitution and Article 2, Section 10 of the Arizona
10 Constitution.
11 Q. He is the other member of ER Financial Services,
12 right?
13 A. On the advice of my counsel, I respectfully
14 decline to answer that question, and I invoke my rights
15 under the Fifth Amendment to the United States
16 Constitution and Article 2, Section 10 of the Arizona
17 Constitution.
18 Q. Do you know where David Wanzek is?
19 A. On the advice of my counsel, I respectfully
20 decline to answer that question, and I invoke my rights
21 under the Fifth Amendment to the United States
22 Constitution and Article 2, Section 10 of the Arizona
23 Constitution.
24 Q. When was the last time you spoke with him?
25 A. On the advice of my counsel, I respectfully

1 decline to answer that question, and I invoke my rights
2 under the Fifth Amendment to the United States
3 Constitution and Article 2, Section 10 of the Arizona
4 Constitution.
5 Q. Is there any ownership interest in ER Financial,
6 or was there, apart from you and David Wanzek?
7 A. On the advice of my counsel, I respectfully
8 decline to answer that question, and I invoke my rights
9 under the Fifth Amendment to the United States
10 Constitution and Article 2, Section 10 of the Arizona
11 Constitution.
12 Q. What was your role with the company?
13 A. On the advice of my counsel, I respectfully
14 decline to answer that question, and I invoke my rights
15 under the Fifth Amendment to the United States
16 Constitution and Article 2, Section 10 of the Arizona
17 Constitution.
18 Q. What compensation did you receive from ER
19 Financial?
20 A. On the advice of my counsel, I respectfully
21 decline to answer that question, and I invoke my rights
22 under the Fifth Amendment to the United States
23 Constitution and Article 2, Section 10 of the Arizona
24 Constitution.
25 Q. Were there any employees of ER Financial apart

1 from yourself and David Wanzek?
2 A. On the advice of my counsel, I respectfully
3 decline to answer that question, and I invoke my rights
4 under the Fifth Amendment to the United States
5 Constitution and Article 2, Section 10 of the Arizona
6 Constitution.
7 Q. What types of bank accounts did ER Financial
8 maintain?
9 A. On the advice of my counsel, I respectfully
10 decline to answer that question, and I invoke my rights
11 under the Fifth Amendment to the United States
12 Constitution and Article 2, Section 10 of the Arizona
13 Constitution.
14 Q. Where did they maintain bank accounts that they
15 held?
16 A. On the advice of my counsel, I respectfully
17 decline to answer that question, and I invoke my rights
18 under the Fifth Amendment to the United States
19 Constitution and Article 2, Section 10 of the Arizona
20 Constitution.
21 Q. In the normal course of business, what company
22 records were maintained?
23 A. On the advice of my counsel, I respectfully
24 decline to answer that question, and I invoke my rights
25 under the Fifth Amendment to the United States

1 Constitution and Article 2, Section 10 of the Arizona
2 Constitution.
3 Q. Where are those company records now?
4 A. On the advice of my counsel, I respectfully
5 decline to answer that question, and I invoke my rights
6 under the Fifth Amendment to the United States
7 Constitution and Article 2, Section 10 of the Arizona
8 Constitution.
9 Q. Who has control over the company records?
10 A. On the advice of my counsel, I respectfully
11 decline to answer that question, and I invoke my rights
12 under the Fifth Amendment to the United States
13 Constitution and Article 2, Section 10 of the Arizona
14 Constitution.
15 MR. SABO: Can you slow down just a smidgeon?
16 I'm sorry.
17 MR. WOMACK: Sure, sure.
18 BY MR. WOMACK:
19 Q. Who performs the accounting work for ER
20 Financial?
21 A. On the advice of my counsel, I respectfully
22 decline to answer that question, and I invoke my rights
23 under the Fifth Amendment to the United States
24 Constitution and Article 2, Section 10 of the Arizona
25 Constitution.

1 Q. ER Financial provided accounting services, didn't
2 it?
3 A. On the advice of my counsel, I respectfully
4 decline to answer that question, and I invoke my rights
5 under the Fifth Amendment to the United States
6 Constitution and Article 2, Section 10 of the Arizona
7 Constitution.
8 Q. ER Financial also provided tax advice and
9 prepared tax documents; is that true?
10 A. On the advice of my counsel, I respectfully
11 decline to answer that question, and I invoke my rights
12 under the Fifth Amendment to the United States
13 Constitution and Article 2, Section 10 of the Arizona
14 Constitution.
15 Q. Did ER Financial provide investment advice?
16 A. On the advice of my counsel, I respectfully
17 decline to answer that question, and I invoke my rights
18 under the Fifth Amendment to the United States
19 Constitution and Article 2, Section 10 of the Arizona
20 Constitution.
21 Q. Do you know what has happened to the customers of
22 ER Financial?
23 A. On the advice of my counsel, I respectfully
24 decline to answer that question, and I invoke my rights
25 under the Fifth Amendment to the United States

1 Constitution and Article 2, Section 10 of the Arizona
2 Constitution.
3 Q. When ER closed, did any of those customers -- or
4 since ER has closed, have you provided services to any
5 customers of ER Financial?
6 A. On the advice of my counsel, I respectfully
7 decline to answer that question, and I invoke my rights
8 under the Fifth Amendment to the United States
9 Constitution and Article 2, Section 10 of the Arizona
10 Constitution.
11 Q. ER Financial maintained business records, didn't
12 it?
13 A. On the advice of my counsel, I respectfully
14 decline to answer that question, and I invoke my rights
15 under the Fifth Amendment to the United States
16 Constitution and Article 2, Section 10 of the Arizona
17 Constitution.
18 Q. As a member, you would be familiar with the type
19 of business records they maintained?
20 A. On the advice of my counsel, I respectfully
21 decline to answer that question, and I invoke my rights
22 under the Fifth Amendment to the United States
23 Constitution and Article 2, Section 10 of the Arizona
24 Constitution.
25 Q. And those business records included documents

1 regarding the clients of ER Financial?
2 A. On the advice of my counsel, I respectfully
3 decline to answer that question, and I invoke my rights
4 under the Fifth Amendment to the United States
5 Constitution and Article 2, Section 10 of the Arizona
6 Constitution.
7 Q. Those business records also included ER
8 Financial's bank records, didn't they?
9 A. On the advice of my counsel, I respectfully
10 decline to answer that question, and I invoke my rights
11 under the Fifth Amendment to the United States
12 Constitution and Article 2, Section 10 of the Arizona
13 Constitution.
14 Q. Did those business records regard any funds held
15 in trust by ER for its clients?
16 A. On the advice of my counsel, I respectfully
17 decline to answer that question, and I invoke my rights
18 under the Fifth Amendment to the United States
19 Constitution and Article 2, Section 10 of the Arizona
20 Constitution.
21 Q. Would those documents illustrate or indicate
22 whether ER Financial managed assets on behalf of its
23 clients?
24 A. On the advice of my counsel, I respectfully
25 decline to answer that question, and I invoke my rights

1 under the Fifth Amendment to the United States
2 Constitution and Article 2, Section 10 of the Arizona
3 Constitution.
4 Q. ER Financial's clients invested in Concordia
5 Finance, didn't they?
6 A. On the advice of my counsel, I respectfully
7 decline to answer that question, and I invoke my rights
8 under the Fifth Amendment to the United States
9 Constitution and Article 2, Section 10 of the Arizona
10 Constitution.
11 Q. And ER Financial's clients entered into
12 agreements with Concordia, correct?
13 A. On the advice of my counsel, I respectfully
14 decline to answer that question, and I invoke my rights
15 under the Fifth Amendment to the United States
16 Constitution and Article 2, Section 10 of the Arizona
17 Constitution.
18 Q. And you provided ER Financial's clients those
19 agreements with Concordia, didn't you?
20 A. On the advice of my counsel, I respectfully
21 decline to answer that question, and I invoke my rights
22 under the Fifth Amendment to the United States
23 Constitution and Article 2, Section 10 of the Arizona
24 Constitution.
25 Q. And you received compensation from ER

1 Financial -- I'm sorry, you received compensation from
2 Concordia, either directly or through ER Financial?
3 A. On the advice of my counsel, I respectfully
4 decline to answer that question, and I invoke my rights
5 under the Fifth Amendment to the United States
6 Constitution and Article 2, Section 10 of the Arizona
7 Constitution.
8 Q. ER Financial would also have business records
9 regarding correspondence with its clients, correct?
10 A. On the advice of my counsel, I respectfully
11 decline to answer that question, and I invoke my rights
12 under the Fifth Amendment to the United States
13 Constitution and Article 2, Section 10 of the Arizona
14 Constitution.
15 Q. And records of that correspondence isn't the type
16 of thing that Concordia would maintain, is it?
17 A. On the advice of my counsel, I respectfully
18 decline to answer that question, and I invoke my rights
19 under the Fifth Amendment to the United States
20 Constitution and Article 2, Section 10 of the Arizona
21 Constitution.
22 Q. As a member of ER Financial, you had access to ER
23 Financial's business records, didn't you?
24 A. On the advice of my counsel, I respectfully
25 decline to answer that question, and I invoke my rights

1 under the Fifth Amendment to the United States
2 Constitution and Article 2, Section 10 of the Arizona
3 Constitution.
4 Q. As of September 5, 2012, you knew that the
5 Securities Division wanted copies of the records of ER
6 Financial, didn't you?
7 A. On the advice of my counsel, I respectfully
8 decline to answer that question, and I invoke my rights
9 under the Fifth Amendment to the United States
10 Constitution and Article 2, Section 10 of the Arizona
11 Constitution.
12 MR. SABO: What date was that, I'm sorry?
13 MR. WOMACK: September 5, 2012.
14 MR. SABO: Okay.
15 BY MR. WOMACK:
16 Q. As of that date, you knew that the Securities
17 Division had subpoenaed records of ER Financial; isn't
18 that correct?
19 A. On the advice of my counsel, I respectfully
20 decline to answer that question, and I invoke my rights
21 under the Fifth Amendment to the United States
22 Constitution and Article 2, Section 10 of the Arizona
23 Constitution.
24 Q. I would like to show you what we are going to
25 mark as Exhibit 2.

1 (Exhibit 2 was marked for identification.)
2 BY MR. WOMACK:
3 Q. Exhibit 2 is a subpoena directed to you and dated
4 September 5, 2012. Are you familiar with this document?
5 A. On the advice of my counsel, I respectfully
6 decline to answer that question, and I invoke my rights
7 under the Fifth Amendment to the United States
8 Constitution and Article 2, Section 10 of the Arizona
9 Constitution.
10 Q. Have you ever seen it before?
11 A. On the advice of my counsel, I respectfully
12 decline to answer that question, and I invoke my rights
13 under the Fifth Amendment to the United States
14 Constitution and Article 2, Section 10 of the Arizona
15 Constitution.
16 Q. Have you ever read it before?
17 A. On the advice of my counsel, I respectfully
18 decline to answer that question, and I invoke my rights
19 under the Fifth Amendment to the United States
20 Constitution and Article 2, Section 10 of the Arizona
21 Constitution.
22 Q. In fact, you've read Exhibit A to the subpoena,
23 haven't you?
24 A. On the advice of my counsel, I respectfully
25 decline to answer that question, and I invoke my rights

1 under the Fifth Amendment to the United States
2 Constitution and Article 2, Section 10 of the Arizona
3 Constitution.
4 Q. And you directed your attorney to produce
5 documents in response to it, didn't you?
6 A. I take --
7 MR. SABO: I'm going to object to any discussion
8 as to what communications occurred between counsel and
9 the client.
10 BY MR. WOMACK:
11 Q. You provided documents to your attorney in
12 response to Exhibit 2, didn't you?
13 A. On the advice of my counsel, I respectfully
14 decline to answer that question, and I invoke my rights
15 under the Fifth Amendment to the United States
16 Constitution and Article 2, Section 10 of the Arizona
17 Constitution.
18 Q. I'm going to show you what we are marking as
19 Deposition Exhibit No. 3.
20 (Exhibit 3 was marked for identification.)
21 BY MR. WOMACK:
22 Q. Deposition Exhibit No. 3 are photocopies of
23 documents that ER Financial provided in response to the
24 subpoena that's Exhibit No. 2, isn't it?
25 A. On the advice of my counsel, I respectfully

1 decline to answer that question, and I invoke my rights
2 under the Fifth Amendment to the United States
3 Constitution and Article 2, Section 10 of the Arizona
4 Constitution.
5 Q. And when were these documents that's in
6 Deposition Exhibit No. 3 provided?
7 A. On the advice of my counsel, I respectfully
8 decline to answer that question, and I invoke my rights
9 under the Fifth Amendment to the United States
10 Constitution and Article 2, Section 10 of the Arizona
11 Constitution.
12 Q. Mid October?
13 A. On the advice of my counsel, I respectfully
14 decline to answer that question, and I invoke my rights
15 under the Fifth Amendment to the United States
16 Constitution and Article 2, Section 10 of the Arizona
17 Constitution.
18 Q. Have you destroyed or directed anyone to destroy
19 records of ER Financial since you were served the subpoena
20 that is Exhibit No. 2?
21 A. On the advice of my counsel, I respectfully
22 decline to answer that question, and I invoke my rights
23 under the Fifth Amendment to the United States
24 Constitution and Article 2, Section 10 of the Arizona
25 Constitution.

1 Q. As a member of ER Financial, you agreed to
2 dissolve or terminate ER Financial; is that right?
3 A. On the advice of my counsel, I respectfully
4 decline to answer that question, and I invoke my rights
5 under the Fifth Amendment to the United States
6 Constitution and Article 2, Section 10 of the Arizona
7 Constitution.
8 Q. And on October 31, 2012, ER Financial filed its
9 Articles of Termination with the Commission; isn't that
10 true?
11 A. On the advice of my counsel, I respectfully
12 decline to answer that question, and I invoke my rights
13 under the Fifth Amendment to the United States
14 Constitution and Article 2, Section 10 of the Arizona
15 Constitution.
16 (Exhibit 4 was marked for identification.)
17 BY MR. WOMACK:
18 Q. I'm going to show you what is marked Exhibit
19 No. 4. Exhibit No. 4 is the Articles of termination filed
20 with the Commission by ER Financial, isn't it?
21 A. On the advice of my counsel, I respectfully
22 decline to answer that question, and I invoke my rights
23 under the Fifth Amendment to the United States
24 Constitution and Article 2, Section 10 of the Arizona
25 Constitution.

1 Q. And it was filed on October 31, 2012, true?
2 A. On the advice of my counsel, I respectfully
3 decline to answer that question, and I invoke my rights
4 under the Fifth Amendment to the United States
5 Constitution and Article 2, Section 10 of the Arizona
6 Constitution.
7 Q. And on November 5, the Commission issued ER
8 Financial a Certificate of Termination; isn't that right?
9 A. On the advice of my counsel, I respectfully
10 decline to answer that question, and I invoke my rights
11 under the Fifth Amendment to the United States
12 Constitution and Article 2, Section 10 of the Arizona
13 Constitution.
14 Q. But prior to October 31 when Exhibit 4 was filed,
15 you knew the Securities Division was seeking to obtain
16 records of ER Financial, didn't you?
17 A. On the advice of my counsel, I respectfully
18 decline to answer that question, and I invoke my rights
19 under the Fifth Amendment to the United States
20 Constitution and Article 2, Section 10 of the Arizona
21 Constitution.
22 Q. You purposefully terminated ER Financial or
23 agreed to have terminate ER Financial in an attempt to
24 frustrate the Securities Division's investigation into
25 that company, didn't you?

1 A. On the advice of my counsel, I respectfully
2 decline to answer that question, and I invoke my rights
3 under the Fifth Amendment to the United States
4 Constitution and Article 2, Section 10 of the Arizona
5 Constitution.
6 Q. As a member of ER Financial, you know what has
7 become of ER's business records since ER Financial's
8 dissolution; is that true?
9 A. On the advice of my counsel, I respectfully
10 decline to answer that question, and I invoke my rights
11 under the Fifth Amendment to the United States
12 Constitution and Article 2, Section 10 of the Arizona
13 Constitution.
14 Q. In fact, you made decisions as to what to do with
15 those business records, didn't you?
16 A. On the advice of my counsel, I respectfully
17 decline to answer that question, and I invoke my rights
18 under the Fifth Amendment to the United States
19 Constitution and Article 2, Section 10 of the Arizona
20 Constitution.
21 Q. And you are in possession or control of at least
22 some of these records at this time, aren't you?
23 A. On the advice of my counsel, I respectfully
24 decline to answer that question, and I invoke my rights
25 under the Fifth Amendment to the United States

1 Constitution and Article 2, Section 10 of the Arizona
2 Constitution.
3 Q. How did you first learn of Concordia?
4 A. On the advice of my counsel, I respectfully
5 decline to answer that question, and I invoke my rights
6 under the Fifth Amendment to the United States
7 Constitution and Article 2, Section 10 of the Arizona
8 Constitution.
9 Q. ER Financial contracted with Concordia to act as
10 a custodian on behalf of certain of ER Financial's
11 clients; isn't that true?
12 A. On the advice of my counsel, I respectfully
13 decline to answer that question, and I invoke my rights
14 under the Fifth Amendment to the United States
15 Constitution and Article 2, Section 10 of the Arizona
16 Constitution.
17 (Exhibit 5 was marked for identification.)
18 BY MR. WOMACK:
19 Q. I'm going to show you what we have marked as
20 Deposition Exhibit No. 5, and it's entitled Custodial
21 Agreement. Do you recognize this agreement?
22 A. On the advice of my counsel, I respectfully
23 decline to answer that question, and I invoke my rights
24 under the Fifth Amendment to the United States
25 Constitution and Article 2, Section 10 of the Arizona

1 Constitution.
2 Q. If you could turn to the last page of the
3 Custodial Agreement.
4 MR. SABO: This is Exhibit 5?
5 MR. WOMACK: Yes.
6 MR. SABO: All right.
7 BY MR. WOMACK:
8 Q. On the last line across from the word
9 'Custodian," is that your signature?
10 A. On the advice of my counsel, I respectfully
11 decline to answer that question, and I invoke my rights
12 under the Fifth Amendment to the United States
13 Constitution and Article 2, Section 10 of the Arizona
14 Constitution.
15 Q. After your signature is the words PTR. What does
16 that stand for?
17 A. On the advice of my counsel, I respectfully
18 decline to answer that question, and I invoke my rights
19 under the Fifth Amendment to the United States
20 Constitution and Article 2, Section 10 of the Arizona
21 Constitution.
22 Q. In the Custodial Agreement at Paragraph 4.1,
23 there's reference to a Sale Agreement. Do you see that?
24 A. On the advice of my counsel, I respectfully
25 decline to answer that question, and I invoke my rights

1 under the Fifth Amendment to the United States
2 Constitution and Article 2, Section 10 of the Arizona
3 Constitution.
4 (Exhibit 6 was marked for identification.)
5 BY MR. WOMACK:
6 Q. I'm going to show you what we are marking as
7 Deposition Exhibit No. 6. This document is entitled
8 Concordia Financing Company, LTD, Sale of Contracts and
9 Servicing Agreement.
10 Do you recognize Deposition Exhibit No. 6?
11 A. On the advice of my counsel, I respectfully
12 decline to answer that question, and I invoke my rights
13 under the Fifth Amendment to the United States
14 Constitution and Article 2, Section 10 of the Arizona
15 Constitution.
16 Q. Is Deposition No. 6 the Sale Agreement referenced
17 in paragraph 4.1 of the Custodial Agreement?
18 A. On the advice of my counsel, I respectfully
19 decline to answer that question, and I invoke my rights
20 under the Fifth Amendment to the United States
21 Constitution and Article 2, Section 10 of the Arizona
22 Constitution.
23 Q. And in fact, this specific photocopy that is
24 Deposition Exhibit No. 6 regards Suellen Lemay, your
25 client?

1 A. On the advice of my counsel, I respectfully
2 decline to answer that question, and I invoke my rights
3 under the Fifth Amendment to the United States
4 Constitution and Article 2, Section 10 of the Arizona
5 Constitution.
6 Q. And Suellen Lemay is the same person identified
7 as an investor in the Custodial Agreement that you signed,
8 correct?
9 A. On the advice of my counsel, I respectfully
10 decline to answer that question, and I invoke my rights
11 under the Fifth Amendment to the United States
12 Constitution and Article 2, Section 10 of the Arizona
13 Constitution.
14 Q. Referring to Deposition No. 6, the Sale
15 Agreement --
16 MR. SABO: Before we go on, just in terms of the
17 copy, do you have a copy that doesn't have the check
18 superimposed on it?
19 MR. WOMACK: We do not.
20 MR. SABO: All right.
21 BY MR. WOMACK:
22 Q. Again, turning to the Sale Agreement, if you
23 could look to Paragraph or Section 4, it's on the third
24 page of that document. There is a heading "Custodian."
25 If you would take a moment and read Paragraphs 4.1, .2 and

1 .3 under that heading.
2 Again, I apologize. It appears that we have some
3 pages photocopied out of order, and as luck would have it,
4 there is our page of the Sale Agreement without a
5 photocopy of the check.
6 MR. SABO: All right. I see that. I don't see
7 the page that has the remainder of 4.3 on it.
8 MR. WOMACK: It is 06. It's going to be
9 immediately following the inserted -- there you go.
10 MR. SABO: There we go. Got it.
11 BY MR. WOMACK:
12 Q. Have you had a chance to look over those
13 paragraphs?
14 A. On the advice of my counsel, I respectfully
15 decline to answer that question, and I invoke my rights
16 under the Fifth Amendment to the United States
17 Constitution and Article 2, Section 10 of the Arizona
18 Constitution.
19 Q. Did ER Financial perform the duties delineated
20 under Section 4 of the Sale Agreement?
21 A. On the advice of my counsel, I respectfully
22 decline to answer that question, and I invoke my rights
23 under the Fifth Amendment to the United States
24 Constitution and Article 2, Section 10 of the Arizona
25 Constitution.

1 Q. In fact, on behalf of ER Financial, you would be
2 the person to perform those duties for Suellen Lemay,
3 wouldn't you?
4 A. On the advice of my counsel, I respectfully
5 decline to answer that question, and I invoke my rights
6 under the Fifth Amendment to the United States
7 Constitution and Article 2, Section 10 of the Arizona
8 Constitution.
9 Q. But you did not hold in custody any documents
10 related to Suellen Lemay's investment?
11 A. On the advice of my counsel, I respectfully
12 decline to answer that question, and I invoke my rights
13 under the Fifth Amendment to the United States
14 Constitution and Article 2, Section 10 of the Arizona
15 Constitution.
16 Q. Did you hold any titles for trucks associated
17 with Ms. Lemay's investment?
18 A. On the advice of my counsel, I respectfully
19 decline to answer that question, and I invoke my rights
20 under the Fifth Amendment to the United States
21 Constitution and Article 2, Section 10 of the Arizona
22 Constitution.
23 Q. In exchange for acting as a custodian, ER
24 Financial received compensation from Concordia, didn't it?
25 A. On the advice of my counsel, I respectfully

1 decline to answer that question, and I invoke my rights
2 under the Fifth Amendment to the United States
3 Constitution and Article 2, Section 10 of the Arizona
4 Constitution.
5 Q. And you, either directly from Concordia or
6 through ER Financial, also received compensation for
7 acting as custodian, didn't you?
8 A. On the advice of my counsel, I respectfully
9 decline to answer that question, and I invoke my rights
10 under the Fifth Amendment to the United States
11 Constitution and Article 2, Section 10 of the Arizona
12 Constitution.
13 Q. Did you serve on the Board of Directors of
14 Concordia or a related entity?
15 A. On the advice of my counsel, I respectfully
16 decline to answer that question, and I invoke my rights
17 under the Fifth Amendment to the United States
18 Constitution and Article 2, Section 10 of the Arizona
19 Constitution.
20 Q. You at least attended a board meeting of
21 Concordia, didn't you?
22 A. On the advice of my counsel, I respectfully
23 decline to answer that question, and I invoke my rights
24 under the Fifth Amendment to the United States
25 Constitution and Article 2, Section 10 of the Arizona

1 Constitution.
2 Q. I'm going to show you what we're marking as
3 Deposition Exhibit No. 7.
4 (Exhibit 7 was marked for identification.)
5 BY MR. WOMACK:
6 Q. Deposition No. 7 is a letter to Ms. Lemay, and
7 you have signed the letter; isn't that correct?
8 A. On the advice of my counsel, I respectfully
9 decline to answer that question, and I invoke my rights
10 under the Fifth Amendment to the United States
11 Constitution and Article 2, Section 10 of the Arizona
12 Constitution.
13 Q. And in the letter, the first sentence, you state
14 that you recently attended a board of director's meeting
15 for Concordia Finance in Ontario, California, don't you?
16 A. On the advice of my counsel, I respectfully
17 decline to answer that question, and I invoke my rights
18 under the Fifth Amendment to the United States
19 Constitution and Article 2, Section 10 of the Arizona
20 Constitution.
21 Q. There is some handwriting apart from your
22 signature. It is not our contention that that's your
23 handwriting. But above your name, there is a signature,
24 and that's your signature, isn't it?
25 A. On the advice of my counsel, I respectfully

1 decline to answer that question, and I invoke my rights
2 under the Fifth Amendment to the United States
3 Constitution and Article 2, Section 10 of the Arizona
4 Constitution.
5 Q. And in fact, you drafted or approved this letter,
6 didn't you?
7 A. On the advice of my counsel, I respectfully
8 decline to answer that question, and I invoke my rights
9 under the Fifth Amendment to the United States
10 Constitution and Article 2, Section 10 of the Arizona
11 Constitution.
12 MR. SABO: Is there a date on this letter?
13 MR. WOMACK: I don't see a date, no.
14 MR. SABO: Okay.
15 BY MR. WOMACK:
16 Q. What was ER Financial's business relationship
17 with Concordia?
18 A. On the advice of my counsel, I respectfully
19 decline to answer that question, and I invoke my rights
20 under the Fifth Amendment to the United States
21 Constitution and Article 2, Section 10 of the Arizona
22 Constitution.
23 (Exhibit 8 was marked for identification.)
24 BY MR. WOMACK:
25 Q. I'm going to show you what is marked Deposition

1 Exhibit No. 8. It appears to be a spreadsheet -- not a
2 spreadsheet, I'm sorry. A flow chart. There is
3 handwriting on it. It's not my contention that that's
4 your handwriting. And this flow chart shows the
5 relationship between ER Financial, Michael Bersch, Michael
6 Bersch, CPA, investors in Concordia, doesn't it?
7 A. On the advice of my counsel, I respectfully
8 decline to answer that question, and I invoke my rights
9 under the Fifth Amendment to the United States
10 Constitution and Article 2, Section 10 of the Arizona
11 Constitution.
12 Q. It also references Kansas City Life,
13 Incorporated, and broker Sunset Financial, doesn't it?
14 A. On the advice of my counsel, I respectfully
15 decline to answer that question, and I invoke my rights
16 under the Fifth Amendment to the United States
17 Constitution and Article 2, Section 10 of the Arizona
18 Constitution.
19 Q. You approved or created Exhibit No. 8, didn't
20 you?
21 A. On the advice of my counsel, I respectfully
22 decline to answer that question, and I invoke my rights
23 under the Fifth Amendment to the United States
24 Constitution and Article 2, Section 10 of the Arizona
25 Constitution.

1 Q. And you handed it out to your clients, didn't
2 you?
3 A. On the advice of my counsel, I respectfully
4 decline to answer that question, and I invoke my rights
5 under the Fifth Amendment to the United States
6 Constitution and Article 2, Section 10 of the Arizona
7 Constitution.
8 Q. Including Suellen Lemay; isn't that right?
9 A. On the advice of my counsel, I respectfully
10 decline to answer that question, and I invoke my rights
11 under the Fifth Amendment to the United States
12 Constitution and Article 2, Section 10 of the Arizona
13 Constitution.
14 Q. But in fact the product identified in here was
15 never approved by Kansas City Life, Incorporated, was it?
16 A. On the advice of my counsel, I respectfully
17 decline to answer that question, and I invoke my rights
18 under the Fifth Amendment to the United States
19 Constitution and Article 2, Section 10 of the Arizona
20 Constitution.
21 Q. Sunset Financial is not the broker on this
22 product, was it?
23 A. On the advice of my counsel, I respectfully
24 decline to answer that question, and I invoke my rights
25 under the Fifth Amendment to the United States

1 Constitution and Article 2, Section 10 of the Arizona
2 Constitution.
3 Q. ER Financial received monies from its clients for
4 investment in Concordia, didn't it?
5 A. On the advice of my counsel, I respectfully
6 decline to answer that question, and I invoke my rights
7 under the Fifth Amendment to the United States
8 Constitution and Article 2, Section 10 of the Arizona
9 Constitution.
10 Q. And that investment is something you recommended
11 to your clients, didn't you?
12 A. On the advice of my counsel, I respectfully
13 decline to answer that question, and I invoke my rights
14 under the Fifth Amendment to the United States
15 Constitution and Article 2, Section 10 of the Arizona
16 Constitution.
17 Q. And you personally received money from your
18 clients to hold in trust for Concordia?
19 A. On the advice of my counsel, I respectfully
20 decline to answer that question, and I invoke my rights
21 under the Fifth Amendment to the United States
22 Constitution and Article 2, Section 10 of the Arizona
23 Constitution.
24 MR. SABO: I'm sorry, could you read the
25 question before that question?

1 (The record was read by the Certified Reporter
2 as requested.)
3 (Exhibit 9 was marked for identification.)
4 BY MR. WOMACK:
5 Q. I'm going to show you what we're marking as
6 Deposition Exhibit No. 9. This is a photocopy composite
7 of two documents. It appears that a check was copied over
8 the top of a letter from David Wanzek. Have you ever seen
9 Exhibit 9?
10 A. On the advice of my counsel, I respectfully
11 decline to answer that question, and I invoke my rights
12 under the Fifth Amendment to the United States
13 Constitution and Article 2, Section 10 of the Arizona
14 Constitution.
15 Q. You know who Suellen Lemay is, correct?
16 A. On the advice of my counsel, I respectfully
17 decline to answer that question, and I invoke my rights
18 under the Fifth Amendment to the United States
19 Constitution and Article 2, Section 10 of the Arizona
20 Constitution.
21 Q. You know who the Singleton Revocable Trust is?
22 A. On the advice of my counsel, I respectfully
23 decline to answer that question, and I invoke my rights
24 under the Fifth Amendment to the United States
25 Constitution and Article 2, Section 10 of the Arizona

1 Constitution.
2 Q. Do you know who Walter Singleton is?
3 A. On the advice of my counsel, I respectfully
4 decline to answer that question, and I invoke my rights
5 under the Fifth Amendment to the United States
6 Constitution and Article 2, Section 10 of the Arizona
7 Constitution.
8 Q. Do you know who Beth Pace Singleton is?
9 A. On the advice of my counsel, I respectfully
10 decline to answer that question, and I invoke my rights
11 under the Fifth Amendment to the United States
12 Constitution and Article 2, Section 10 of the Arizona
13 Constitution.
14 Q. In fact, you directed Concordia, when clients of
15 ER provided investment for Concordia, as to how to direct
16 these investments, didn't you?
17 A. On the advice of my counsel, I respectfully
18 decline to answer that question, and I invoke my rights
19 under the Fifth Amendment to the United States
20 Constitution and Article 2, Section 10 of the Arizona
21 Constitution.
22 Q. ER Financial provided its clients information
23 regarding Concordia, didn't it?
24 A. On the advice of my counsel, I respectfully
25 decline to answer that question, and I invoke my rights

1 under the Fifth Amendment to the United States
2 Constitution and Article 2, Section 10 of the Arizona
3 Constitution.
4 Q. It provided that information both before and
5 after investments were made; isn't that true?
6 A. On the advice of my counsel, I respectfully
7 decline to answer that question, and I invoke my rights
8 under the Fifth Amendment to the United States
9 Constitution and Article 2, Section 10 of the Arizona
10 Constitution.
11 (Exhibit 10 was marked for identification.)
12 BY MR. WOMACK:
13 Q. I'll show you what's marked Deposition Exhibit --
14 I keep saying Deposition. I mean Examination Exhibit
15 No. 10. There's handwriting on this exhibit. It's not my
16 contention that that's your handwriting. Your name is at
17 the bottom of the letter that is Exhibit 10, isn't it?
18 A. On the advice of my counsel, I respectfully
19 decline to answer that question, and I invoke my rights
20 under the Fifth Amendment to the United States
21 Constitution and Article 2, Section 10 of the Arizona
22 Constitution.
23 Q. In fact, you drafted or approved a draft of this
24 letter?
25 A. On the advice of my counsel, I respectfully

1 decline to answer that question, and I invoke my rights
2 under the Fifth Amendment to the United States
3 Constitution and Article 2, Section 10 of the Arizona
4 Constitution.
5 Q. And in the letter, you state in the third
6 paragraph, "As in the past, we also will monitor the
7 financial position of Concordia," correct?
8 A. On the advice of my counsel, I respectfully
9 decline to answer that question, and I invoke my rights
10 under the Fifth Amendment to the United States
11 Constitution and Article 2, Section 10 of the Arizona
12 Constitution.
13 Q. The "we" reference there is both ER Financial and
14 Michael Bersch, CPA; isn't that correct?
15 A. On the advice of my counsel, I respectfully
16 decline to answer that question, and I invoke my rights
17 under the Fifth Amendment to the United States
18 Constitution and Article 2, Section 10 of the Arizona
19 Constitution.
20 Q. You further state, "Currently, the financial
21 position is excellent," didn't you?
22 A. On the advice of my counsel, I respectfully
23 decline to answer that question, and I invoke my rights
24 under the Fifth Amendment to the United States
25 Constitution and Article 2, Section 10 of the Arizona

1 Constitution.
2 Q. What did you base that statement on?
3 A. On the advice of my counsel, I respectfully
4 decline to answer that question, and I invoke my rights
5 under the Fifth Amendment to the United States
6 Constitution and Article 2, Section 10 of the Arizona
7 Constitution.
8 Q. Did you review any records of ER -- I'm sorry,
9 any records of Concordia before drafting or approving that
10 statement?
11 A. On the advice of my counsel, I respectfully
12 decline to answer that question, and I invoke my rights
13 under the Fifth Amendment to the United States
14 Constitution and Article 2, Section 10 of the Arizona
15 Constitution.
16 Q. You didn't, did you?
17 A. On the advice of my counsel, I respectfully
18 decline to answer that question, and I invoke my rights
19 under the Fifth Amendment to the United States
20 Constitution and Article 2, Section 10 of the Arizona
21 Constitution.
22 Q. The very first sentence of the letter reads, "In
23 the next few weeks you will be receiving a letter from
24 Concordia Financing," doesn't it?
25 A. On the advice of my counsel, I respectfully

1 decline to answer that question, and I invoke my rights
2 under the Fifth Amendment to the United States
3 Constitution and Article 2, Section 10 of the Arizona
4 Constitution.
5 (Exhibit 11 was marked for identification.)
6 BY MR. WOMACK:
7 Q. I'm going to show you what is marked Deposition
8 Exhibit No. 11. This is a letter from Concordia Finance
9 dated August 10, 2006. Have you ever seen this letter
10 before?
11 A. On the advice of my counsel, I respectfully
12 decline to answer that question, and I invoke my rights
13 under the Fifth Amendment to the United States
14 Constitution and Article 2, Section 10 of the Arizona
15 Constitution.
16 Q. Is this the letter referenced in the first line
17 of your letter that is Exhibit 10?
18 A. On the advice of my counsel, I respectfully
19 decline to answer that question, and I invoke my rights
20 under the Fifth Amendment to the United States
21 Constitution and Article 2, Section 10 of the Arizona
22 Constitution.
23 Q. On the first page of Exhibit 11, about halfway
24 through under the heading "Current Portfolio Investors,"
25 there's referenced ER Financial, David and Mike. Do you

1 see that?
2 A. On the advice of my counsel, I respectfully
3 decline to answer that question, and I invoke my rights
4 under the Fifth Amendment to the United States
5 Constitution and Article 2, Section 10 of the Arizona
6 Constitution.
7 Q. And you're the Mike referenced there, aren't you?
8 A. On the advice of my counsel, I respectfully
9 decline to answer that question, and I invoke my rights
10 under the Fifth Amendment to the United States
11 Constitution and Article 2, Section 10 of the Arizona
12 Constitution.
13 Q. ER Financial provided tax advice to its clients?
14 A. On the advice of my counsel, I respectfully
15 decline to answer that question, and I invoke my rights
16 under the Fifth Amendment to the United States
17 Constitution and Article 2, Section 10 of the Arizona
18 Constitution.
19 Q. And you provided tax advice to ER Financial's
20 clients?
21 A. On the advice of my counsel, I respectfully
22 decline to answer that question, and I invoke my rights
23 under the Fifth Amendment to the United States
24 Constitution and Article 2, Section 10 of the Arizona
25 Constitution.

1 Q. Where are the support documents relative to any
2 tax advice you provided?
3 A. On the advice of my counsel, I respectfully
4 decline to answer that question, and I invoke my rights
5 under the Fifth Amendment to the United States
6 Constitution and Article 2, Section 10 of the Arizona
7 Constitution.
8 Q. Do you still have them?
9 A. On the advice of my counsel, I respectfully
10 decline to answer that question, and I invoke my rights
11 under the Fifth Amendment to the United States
12 Constitution and Article 2, Section 10 of the Arizona
13 Constitution.
14 Q. Did you declare personally on your tax filings
15 any income from Concordia, either directly or through ER
16 Financial?
17 A. On the advice of my counsel, I respectfully
18 decline to answer that question, and I invoke my rights
19 under the Fifth Amendment to the United States
20 Constitution and Article 2, Section 10 of the Arizona
21 Constitution.
22 Q. Where are the documents that support those
23 filings, if you filed anything?
24 A. On the advice of my counsel, I respectfully
25 decline to answer that question, and I invoke my rights

1 under the Fifth Amendment to the United States
2 Constitution and Article 2, Section 10 of the Arizona
3 Constitution.
4 Q. You have them, don't you?
5 A. On the advice of my counsel, I respectfully
6 decline to answer that question, and I invoke my rights
7 under the Fifth Amendment to the United States
8 Constitution and Article 2, Section 10 of the Arizona
9 Constitution.
10 Q. Could you provide all of ER Financial's clients
11 that you discussed Concordia with?
12 A. On the advice of my counsel, I respectfully
13 decline to answer that question, and I invoke my rights
14 under the Fifth Amendment to the United States
15 Constitution and Article 2, Section 10 of the Arizona
16 Constitution.
17 MR. SABO: I'm sorry, what was that question?
18 MR. WOMACK: Ended with a preposition? Can you
19 provide all of ER Financial's clients with whom you
20 discussed investment in Concordia?
21 MR. SABO: Provide what?
22 MR. WOMACK: The identity of the clients.
23 THE WITNESS: On the advice of my counsel, I
24 respectfully decline to answer that question, and I
25 invoke my rights under the Fifth Amendment to the United

1 States Constitution and Article 2, Section 10 of the
2 Arizona Constitution.
3 BY MR. WOMACK:
4 Q. What is the total amount of money invested by ER
5 Financial's clients in Concordia?
6 A. On the advice of my counsel, I respectfully
7 decline to answer that question, and I invoke my rights
8 under the Fifth Amendment to the United States
9 Constitution and Article 2, Section 10 of the Arizona
10 Constitution.
11 Q. Do you know the source of that investment
12 principal, if any?
13 A. On the advice of my counsel, I respectfully
14 decline to answer that question, and I invoke my rights
15 under the Fifth Amendment to the United States
16 Constitution and Article 2, Section 10 of the Arizona
17 Constitution.
18 Q. Regarding each investor that was a client of ER
19 Financial, did you know them, that investor prior to
20 discussing Concordia with him or her?
21 A. On the advice of my counsel, I respectfully
22 decline to answer that question, and I invoke my rights
23 under the Fifth Amendment to the United States
24 Constitution and Article 2, Section 10 of the Arizona
25 Constitution.

1 Q. Did you know the source of the investment
2 principal invested by ER Financial's clients in Concordia?
3 A. On the advice of my counsel, I respectfully
4 decline to answer that question, and I invoke my rights
5 under the Fifth Amendment to the United States
6 Constitution and Article 2, Section 10 of the Arizona
7 Constitution.
8 Q. What, if anything, did you tell ER Financial's
9 clients about Concordia investments?
10 A. On the advice of my counsel, I respectfully
11 decline to answer that question, and I invoke my rights
12 under the Fifth Amendment to the United States
13 Constitution and Article 2, Section 10 of the Arizona
14 Constitution.
15 Q. Did you tell them anything about the risks
16 involved?
17 A. On the advice of my counsel, I respectfully
18 decline to answer that question, and I invoke my rights
19 under the Fifth Amendment to the United States
20 Constitution and Article 2, Section 10 of the Arizona
21 Constitution.
22 Q. Did you provide any financial statements of
23 Concordia to ER Financial's clients?
24 A. On the advice of my counsel, I respectfully
25 decline to answer that question, and I invoke my rights

1 under the Fifth Amendment to the United States
2 Constitution and Article 2, Section 10 of the Arizona
3 Constitution.
4 Q. Did ER Financial's clients raise any concerns
5 regarding investment in Concordia?
6 A. On the advice of my counsel, I respectfully
7 decline to answer that question, and I invoke my rights
8 under the Fifth Amendment to the United States
9 Constitution and Article 2, Section 10 of the Arizona
10 Constitution.
11 Q. We could turn back to Deposition Exhibit No. 10.
12 It's the letter beginning "To our Portfolio Investors."
13 MR. SABO: Could you give me a second to get to
14 that?
15 BY MR. WOMACK:
16 Q. Why did ER Financial send its investors this
17 letter?
18 A. On the advice of my counsel, I respectfully
19 decline to answer that question, and I invoke my rights
20 under the Fifth Amendment to the United States
21 Constitution and Article 2, Section 10 of the Arizona
22 Constitution.
23 Q. Did any client raise a concern with you regarding
24 Concordia?
25 A. On the advice of my counsel, I respectfully

1 decline to answer that question, and I invoke my rights
2 under the Fifth Amendment to the United States
3 Constitution and Article 2, Section 10 of the Arizona
4 Constitution.
5 Q. And was this letter in response to any such
6 concern?
7 A. On the advice of my counsel, I respectfully
8 decline to answer that question, and I invoke my rights
9 under the Fifth Amendment to the United States
10 Constitution and Article 2, Section 10 of the Arizona
11 Constitution.
12 Q. At the bottom of the letter, it's stated, "Should
13 you have any questions, please call us at 928-453-7111."
14 Do you see that?
15 A. On the advice of my counsel, I respectfully
16 decline to answer that question, and I invoke my rights
17 under the Fifth Amendment to the United States
18 Constitution and Article 2, Section 10 of the Arizona
19 Constitution.
20 Q. Did any clients call you regarding the
21 information in this letter as a result of receiving the
22 letter?
23 A. On the advice of my counsel, I respectfully
24 decline to answer that question, and I invoke my rights
25 under the Fifth Amendment to the United States

1 Constitution and Article 2, Section 10 of the Arizona
2 Constitution.
3 MR. WOMACK: Let's go off the record for a
4 moment.
5 (A brief pause.)
6 MR. WOMACK: Let's go back on the record.
7 We are temporarily adjourning the session today
8 without releasing you from your obligation to give
9 further testimony as may be required under the subpoenas
10 served on you, and I'm reserving the right to continue
11 the examination later.
12 Please consider the subpoenas we've issued
13 regarding both documents and testimony as open and
14 outstanding.
15 MR. SABO: And I'll note on the record an
16 objection to that.
17 MR. WOMACK: Off the record.
18 (TIME NOTED: 1:33 p.m.)
19
20
21
22
23
24
25

1 STATE OF ARIZONA)
) ss.
2 COUNTY OF MARICOPA)
3
4 BE IT REMEMBERED that the foregoing
5 examination under oath was taken by me, GARY W. HILL,
6 Certified Reporter No. 50812 for the State of Arizona;
7 that the witness before testifying was duly sworn by me
8 to testify to the whole truth and nothing but the truth;
9 that the questions propounded by counsel and the answers
10 of the witness thereto were taken down by me in
11 shorthand and thereafter transcribed into typewriting
12 under my direction, and that the foregoing pages of
13 typewritten matter contain a full, true, and accurate
14 transcript of all proceedings and testimony had and
15 adduced upon the taking of said examination under oath,
16 all to the best of my skill and ability.
17 I FURTHER CERTIFY that I am not related to nor
18 employed by any of the parties hereto, and have no
19 interest in the outcome.
20 DATED at Phoenix, Arizona, this 27th
21 day of December, 2012.
22
23 GARY W. HILL, RPR, CRR
24 Certificate No. 50812
25

COMMISSIONERS
GARY PIERCE, Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

ERNEST G. JOHNSON
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 5, 2012

CMRRR No. 7010 1670 0000 9053 2319

Mr. Lance Michael Bersch
[redacted] AZ [redacted]

RE: ER Financial & Advisory Services, LLC

Dear Mr. Bersch:

Attached is a Subpoena for your appearance on **December 18, 2012** at **1:00 PM** at the offices of the Securities Division of the Arizona Corporation Commission, 1300 West Washington, Third Floor, Phoenix, Arizona. On that date and time you must appear for testimony under oath.

Under the Rules of the Arizona Corporation Commission relating to formal interviews, an individual has the right to be accompanied, represented and advised by counsel. This gives you the right to have an attorney present during formal interviews and to have an attorney provide legal advice before, during and after such interviews. Your attorney may also question you briefly at the conclusion of the interview for the purpose of clarifying any of your prior testimony, and he or she may also make summary notes during the interview solely for your and your attorney's use.

Please note that the above-referenced Rules prohibit a particular attorney from representing you under certain circumstances. For your convenience, we have enclosed a copy of those Rules.

Information and documents obtained by the Securities Division in the course of an investigation are confidential, unless made a matter of public record. The Securities Division may disclose the information or documents to a county attorney, the attorney general, a United States Attorney, or to law enforcement or regulatory officials to be used in any administrative, civil, or criminal proceeding. You may, in accordance with the rights guaranteed to you by the Fifth Amendment of the Constitution of the United States, refuse to give any information that might establish a direct link in a chain of evidence leading to your criminal conviction.

This Subpoena is being served upon you with sufficient notice in order to enable you to retain the services of an attorney, if you so wish. If you have or your attorney has any questions regarding the above or the attached Subpoena, please feel free to contact the undersigned at (602) 364-1660.

Sincerely,

G.R. Clapper

Gary Clapper
Senior Special Investigator

R14-4-304. Rights of witnesses; formal interview; procedures

A. Any person required or requested to appear as a witness at a formal interview may be accompanied, represented, and advised by a lawyer. The lawyer's roll during the formal interview shall be limited to the following activities:

1. Giving legal advice to the witness before, during, and after the formal interview;
2. Questioning the witness briefly at the conclusion of the formal interview for the purpose of clarifying any testimony the witness has given; and
3. Making summary notes during the formal interview solely for the use of the witness and the lawyer.

B. Notwithstanding Subsection (A), the following lawyers may not represent witnesses:

1. Any lawyer who has represented another witness who has testified at a formal interview in the examination or investigation,
2. Any lawyer who has represented another person who is a subject of the examination or investigation,
3. Any lawyer who may be a material witness in the examination or investigation,
4. Any lawyer who is subject of the examination or investigation.

C. The Director may permit a lawyer to represent a witness in those situations described in subsections (B)(1) through (B)(4) upon a showing that such representation should be permitted in the interest of justice and will not obstruct the examination or investigation. If a lawyer is not permitted to represent a witness under Subsection (B), that lawyer's partners or associates of the lawyer's law firm are also precluded from representing the witness.

D. All formal interviews may be recorded by the Division either mechanically or by a shorthand reporter employed by the Division. No other recording of the formal interview will be permitted, except summary note taking.

E. In addition to the persons identified in subsections (A), (C), and (D), the following individuals may attend a formal interview:

1. Individuals employed by the Commission or the office of the attorney general.
2. Members of law enforcement or other state, federal, or self-regulatory agencies authorized by the Division.
3. Translators authorized by the Division.

F. The Division may exclude from a formal interview any person previously permitted to attend the formal interview, including a lawyer, whose conduct is dilatory, obstructionist, or contumacious. In addition, the members of the staff of the Division conducting the formal interview may report the conduct to the Director for appropriate action. The Director may thereupon take such further action as circumstances may warrant, including, but not limited to, exclusion from further participation in the examination or investigation.

G. A person who has submitted documentary evidence or testimony in connection with a formal interview shall be entitled, upon written request, and upon proper identification, to inspect the witness' own testimony on a date to be set by the Director. The Director may delay the inspection of the record until the conclusion of the examination or investigation if, in the Director's discretion, the Director determines that earlier inspection may obstruct or delay the examination or investigation.

H. In connection with an examination or investigation, the Director may delegate authority to members of the staff to administer oaths and affirmations, sign subpoenas, take evidence, and receive books, papers, contracts, agreements or other documents, records, or information, whether filed or kept in original or copied form or electronically stored or recorded.

I. During a formal interview, a witness shall not knowingly make any untrue statements of material fact or omit to state any material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

SUBPOENA

SECURITIES DIVISION
ARIZONA CORPORATION COMMISSION

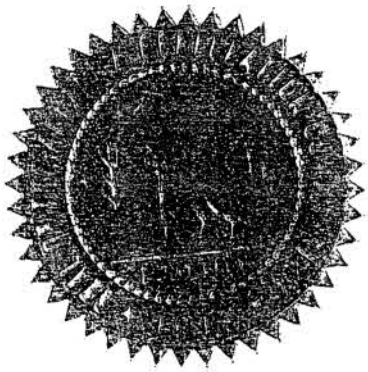
TO: Mr. Lance Michael Bersch
[redacted] AZ [redacted]

In the Matter of

ER Financial file number 8371

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 **Stephen Womack** of the Securities Division of the Arizona Corporation Commission at 1300 West Washington, Third Floor, Phoenix, Arizona 85007, on the **18th** day of **December, 2012,** at **1:00** o'clock **PM**, TO PROVIDE TESTIMONY.



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 5th day of November, 2012.

Mark Dinell
Assistant Director of Securities
Securities Division

Information and documents obtained by the Securities Division in the course of an investigation are confidential, unless made a matter of public record. The Securities Division may disclose the information or documents to a county attorney, the attorney general, a United States Attorney, or to law enforcement or regulatory officials to be used in any administrative, civil, or criminal proceeding. You may, in accordance with the rights guaranteed to you by the Fifth Amendment of the Constitution of the United States, refuse to give any information that might establish a direct link in a chain of evidence leading to your criminal conviction.

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 Shaylin A. Bernal, Executive Assistant to the Executive Director, voice phone number 602/542-3931, e-mail sabernal@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. § 44-3134, failure to comply with this subpoena may result in the application for a finding of contempt.

Pursuant to A.A.C. R14-4-304, any person required to appear at a formal interview may be represented by legal counsel.

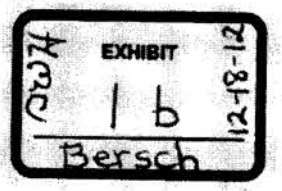
COMMISSIONERS
GARY PIERCE, Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

ERNEST G. JOHNSON
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 5, 2012

CMRRR No. 7010 1670 0000 9053 2319

ER Financial & Advisory Services, LLC
Custodian of Records
[redacted]
[redacted] AZ [redacted]

RE: ER Financial & Advisory Services, LLC

Dear Custodian of Records:

Attached is a Subpoena for your appearance on **December 17th, 2012 at 1:00 PM** at the offices of the Securities Division of the Arizona Corporation Commission, 1300 West Washington, Third Floor, Phoenix, Arizona. On that date and time, you must appear for testimony under oath.

Under the Rules of the Arizona Corporation Commission relating to formal interviews, an individual has the right to be accompanied, represented and advised by counsel. This gives you the right to have an attorney present during formal interviews and to have an attorney provide legal advice before, during and after such interviews. Your attorney may also question you briefly at the conclusion of the interview for the purpose of clarifying any of your prior testimony, and he or she may also make summary notes during the interview solely for your and your attorney's use.

Please note that the above-referenced Rules prohibit a particular attorney from representing you under certain circumstances. For your convenience, we have enclosed a copy of those Rules.

Information and documents obtained by the Securities Division in the course of an investigation are confidential, unless made a matter of public record. The Securities Division may disclose the information or documents to a county attorney, the attorney general, a United States Attorney, or to law enforcement or regulatory officials to be used in any administrative, civil, or criminal proceeding. You may, in accordance with the rights guaranteed to you by the Fifth Amendment of the Constitution of the United States, refuse to give any information that might establish a direct link in a chain of evidence leading to your criminal conviction.

This Subpoena is being served upon you with sufficient notice in order to enable you to retain the services of an attorney, if you so wish. If you have or your attorney has any questions regarding the above or the attached Subpoena, please feel free to contact the undersigned at (602) 364-1660.

Sincerely,

Gary Clapper
Senior Special Investigator

R14-4-304. Rights of witnesses; formal interview; procedures

A. Any person required or requested to appear as a witness at a formal interview may be accompanied, represented, and advised by a lawyer. The lawyer's roll during the formal interview shall be limited to the following activities:

1. Giving legal advice to the witness before, during, and after the formal interview;
2. Questioning the witness briefly at the conclusion of the formal interview for the purpose of clarifying any testimony the witness has given; and
3. Making summary notes during the formal interview solely for the use of the witness and the lawyer.

B. Notwithstanding Subsection (A), the following lawyers may not represent witnesses:

1. Any lawyer who has represented another witness who has testified at a formal interview in the examination or investigation,
2. Any lawyer who has represented another person who is a subject of the examination or investigation,
3. Any lawyer who may be a material witness in the examination or investigation,
4. Any lawyer who is subject of the examination or investigation.

C. The Director may permit a lawyer to represent a witness in those situations described in subsections (B)(1) through (B)(4) upon a showing that such representation should be permitted in the interest of justice and will not obstruct the examination or investigation. If a lawyer is not permitted to represent a witness under Subsection (B), that lawyer's partners or associates of the lawyer's law firm are also precluded from representing the witness.

D. All formal interviews may be recorded by the Division either mechanically or by a shorthand reporter employed by the Division. No other recording of the formal interview will be permitted, except summary note taking.

E. In addition to the persons identified in subsections (A), (C), and (D), the following individuals may attend a formal interview:

1. Individuals employed by the Commission or the office of the attorney general.
2. Members of law enforcement or other state, federal, or self-regulatory agencies authorized by the Division.
3. Translators authorized by the Division.

F. The Division may exclude from a formal interview any person previously permitted to attend the formal interview, including a lawyer, whose conduct is dilatory, obstructionist, or contumacious. In addition, the members of the staff of the Division conducting the formal interview may report the conduct to the Director for appropriate action. The Director may thereupon take such further action as circumstances may warrant, including, but not limited to, exclusion from further participation in the examination or investigation.

G. A person who has submitted documentary evidence or testimony in connection with a formal interview shall be entitled, upon written request, and upon proper identification, to inspect the witness' own testimony on a date to be set by the Director. The Director may delay the inspection of the record until the conclusion of the examination or investigation if, in the Director's discretion, the Director determines that earlier inspection may obstruct or delay the examination or investigation.

H. In connection with an examination or investigation, the Director may delegate authority to members of the staff to administer oaths and affirmations, sign subpoenas, take evidence, and receive books, papers, contracts, agreements or other documents, records, or information, whether filed or kept in original or copied form or electronically stored or recorded.

I. During a formal interview, a witness shall not knowingly make any untrue statements of material fact or omit to state any material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

SUBPOENA

SECURITIES DIVISION
ARIZONA CORPORATION COMMISSION

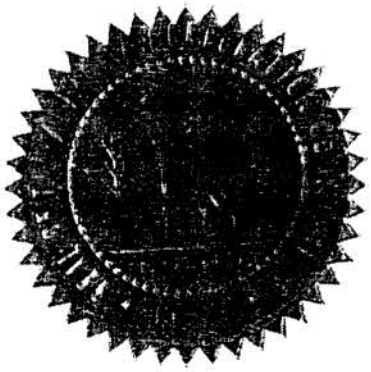
TO: ER Financial & Advisory Services, LLC
Custodian of Records
[redacted], AZ [redacted]

In the Matter of

ER Financial file number 8371

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 **Stephen Womack** of the Securities Division of the Arizona Corporation Commission at 1300 West Washington, Third Floor, Phoenix, Arizona 85007, on the **17th** day of **December, 2012**, at **1:00** o'clock **PM**, TO PROVIDE TESTIMONY.



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 5th day of November, 2012.

Mark Dinell
Assistant Director of Securities
Securities Division

Information and documents obtained by the Securities Division in the course of an investigation are confidential, unless made a matter of public record. The Securities Division may disclose the information or documents to a county attorney, the attorney general, a United States Attorney, or to law enforcement or regulatory officials to be used in any administrative, civil, or criminal proceeding. You may, in accordance with the rights guaranteed to you by the Fifth Amendment of the Constitution of the United States, refuse to give any information that might establish a direct link in a chain of evidence leading to your criminal conviction.

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 Shaylin A. Bernal, Executive Assistant to the Executive Director, voice phone number 602/542-3931, e-mail sabernal@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. § 44-3134, failure to comply with this subpoena may result in the application for a finding of contempt.

Pursuant to A.A.C. R14-4-304, any person required to appear at a formal interview may be represented by legal counsel.

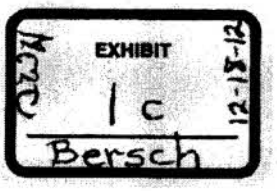
COMMISSIONERS
GARY PIERCE, Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

ERNEST G. JOHNSON
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 5, 2012

CMRRR No. 7010 1670 0000 9053 2319

Custodian of Records
ER Financial & Advisory Services, LLC
[redacted]
[redacted] AZ [redacted]

Re: ER Financial /File No. 8371

Dear Custodian of Records:

Enclosed you will find a Subpoena Duces Tecum which requires your appearance before the Securities Division on **December 5th, 2012 at 10:00 AM**. 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 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.

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,

Gary Clapper
Senior Special Investigator

SUBPOENA

SECURITIES DIVISION
ARIZONA CORPORATION COMMISSION

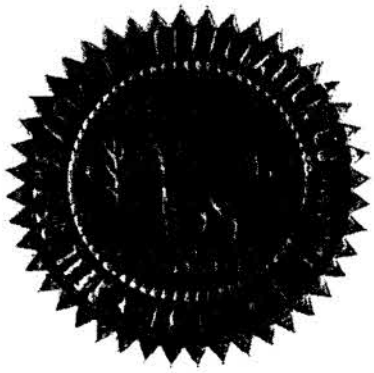
TO **ER Financial & Advisory Services, LLC**
Custodian of Records
[redacted] AZ [redacted]

In the matter of

ER Financial **file number** 8371

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 Clapper** of the Securities Division of the Arizona Corporation Commission at 1300 West Washington, Third Floor, Phoenix, Arizona 85007, on the **5th** day of **December, 2012** 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 5th day of November, 2012.

Mark Dinell
Assistant Director of Securities
Securities Division

Information and documents obtained by the Securities Division in the course of an investigation are confidential, unless made a matter of public record. The Securities Division may disclose the information or documents to a county attorney, the attorney general, a United States Attorney, or to law enforcement or regulatory officials to be used in any administrative, civil, or criminal proceeding. You may, in accordance with the rights guaranteed to you by the Fifth Amendment of the Constitution of the United States, refuse to give any information that might establish a direct link in a chain of evidence leading to your criminal conviction.

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 Shaylin A. Bernal, Executive Assistant to the Executive Director, voice phone number 602/542-3931, e-mail sabernal@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. § 44-3134, failure to comply with this subpoena may result in the application for a finding of contempt.

Pursuant to A.A.C. R14-4-304, any person required to appear at a formal interview may be represented by legal counsel.

Exhibit A

A. Definitions:

1. "CONCORDIA" means Concordia Finance, Concordia Financial Company, Concordia Financial Company, Inc, Concordia Financial Company, LTD, any person or entity doing business through or on behalf of Concordia Finance, Concordia Financial Company, Concordia Financial Company, Inc, Concordia Financial Company, LTD, and any predecessor- or successor-in-interest to Concordia Finance, Concordia Financial Company, Concordia Financial Company, Inc, Concordia Financial Company, LTD.

2. "ER FINANCIAL" means ER Financial, ER Financial & Advisory Services, LLC, any person or entity doing business through or on behalf of ER Financial or ER Financial & Advisory Services, LLC, and any predecessor- or successor-in-interest to ER Financial or ER Financial & Advisory Services, LLC.

3. "CONCORDIA INVESTOR" means any individual or entity to whom was offered or sold any property interest, service or management contract, note, investment contract, stock, title, lien, or other interest or investment in, by or on behalf of CONCORDIA.

B. Requests:

For the period from January 1, 2002, to the present, produce all documents, records, books, and any other papers, whether stored on electronic media or otherwise, relating to ER FINANCIAL, including, but not limited to:

1. Names, addresses, telephone numbers, and dates of service of all past and present officers and directors, managing members, managers, or managing or general partners;

2. Names, addresses, and telephone numbers, and dates of ownership, membership or partnership of all shareholders, members, or partners, including the amount of shares, units, or interest held;

3. Names, addresses, telephone numbers, dates of employment, and titles of all past and present employees, independent contractors, or other agents;

4. All accounting records and books of original entry related to CONCORDIA, 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;

5. All bank or other depository institution accounts in the name of, or for the benefit of CONCORDIA or any CONCORDIA INVESTOR, 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; and
   (c) the names of all signatories on each account;

6. Records of all monies, interests, liens or claims transferred by or on behalf of CONCORDIA, to any individual or entity listed in response to Request Nos. 1 through 3, above

7. Records of all monies, interests, liens or claims transferred by or on behalf of any CONCORDIA INVESTOR as a result of the investor's investment in CONCORDIA to any individual or entity listed in response to Request Nos. 1 through 3, above;

8. All information regarding CONCORDIA provided to any potential or actual CONCORDIA INVESTOR;

9. Names, addresses, and telephone numbers of all individuals or entities to whom ER FINANCIAL recommended, referred, or otherwise provided information about CONCORDIA;

10. Names, addresses, and telephone numbers of all individuals or entities to whom ER FINANCIAL offered or sold investment in CONCORDIA;

11. All contracts or agreements between ER FINANCIAL and any person or entity identified in response to Request No. 10, above, and records of all payments made to or on behalf of such persons or entities.

12. All communications, whether written or electronic, between ER FINANCIAL, on the one hand, and any person or entity identified in response to Request Nos. 9 or 10, above, on the other hand;

13. The amounts and dates of each investment for each individual or entity listed in response to Request No. 10, above;

14. All documents relating to any investment in Concordia by each individual or entity listed in response to Request No. 10, above, including any contracts, forms, subscriptions, agreements, notes, questionnaires, records of investment status, checks, wire transfers, receipts, account statements, tax information, and any correspondence, updates, or other communications;

15. All monies transferred to ER FINANCIAL from or on behalf of CONCORDIA, from or on behalf of any CONCORDIA INVESTOR, otherwise related to investment in CONCORDIA;

16. All correspondence between CONCORDIA and ER FINANCIAL, whether in document or electronic form; and

17. Copies of all agreements between CONCORDIA and ER FINANCIAL.

AFFIDAVIT OF CUSTODIAN OF RECORDS

STATE OF _____)
) ss.
County of _____)

The undersigned hereby declares, under oath, that the following statements are true:

1. I am over the age of eighteen, have personal knowledge of the facts set forth below, and am competent to testify.

2. I am the duly authorized Custodian of Records of _____
_____.

3. I have the authority to certify said records.

4. The records submitted herewith are true copies of all records under my possession or control responsive to the Subpoena directed to the Custodian of Records of the entity identified in paragraph 2 above.

5. The records were prepared or obtained by personnel or representatives of the entity or persons acting under the control of personnel or representatives of the entity identified in paragraph 2 above in the ordinary course of business at or near the time of the act, condition, or event in said records.

6. The records are kept in the course of regularly conducted business pursuant to the regular practice of the entity identified in paragraph 2 above.

_____
Custodian of Records

SUBSCRIBED and SWORN to before me this ____ day of _____, 2012, by ____
_____.

My Commission Expires:
_____

_____
NOTARY PUBLIC

(seal)

COMMISSIONERS
GARY PIERCE, Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

ERNEST G. JOHNSON
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 5, 2012

CERTIFIED MAIL

Michael Bersch
[redacted]
[redacted] City, AZ [redacted]

RE: Michael Bersch

Dear Mr. Bersch:

Attached is a Subpoena for document production on **October 5, 2012** at **10:00 AM** at the offices of the Securities Division of the Arizona Corporation Commission, 1300 West Washington, Third Floor, Phoenix, Arizona. On that date and time, you must produce the documents listed on Exhibit "A" of the Subpoena. Documents can also be mailed to the above address instead of personal appearance. Testimony concerning the documents will be scheduled at a later time, if necessary.

Information and documents obtained by the Securities Division in the course of an investigation are confidential, unless made a matter of public record. The Securities Division may disclose the information or documents to a county attorney, the attorney general, a United States Attorney, or to law enforcement or regulatory officials to be used in any administrative, civil, or criminal proceeding. You may, in accordance with the rights guaranteed to you by the Fifth Amendment of the Constitution of the United States, refuse to give any information that might establish a direct link in a chain of evidence leading to your criminal conviction.

This Subpoena is being served upon you with sufficient notice in order to enable you to retain the services of an attorney, if you so wish. If you or your attorney have any questions regarding the above or the attached Subpoena, please feel free to contact the undersigned at (602) 364-1660.

Sincerely,

Gary Clapper
Senior Special Investigator

SUBPOENA

SECURITIES DIVISION
ARIZONA CORPORATION COMMISSION

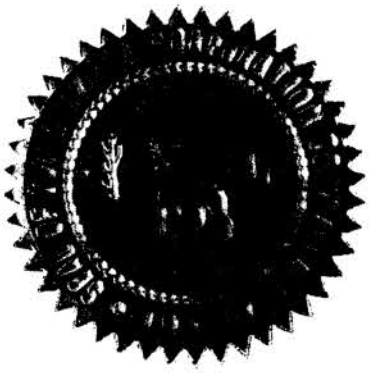
TO **Michael Bersch**
[redacted]
[redacted] **AZ** [redacted]

In the matter of

Michael Bersch **file number** 8371

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 Clapper** of the Securities Division of the Arizona Corporation Commission at 1300 West Washington, Third Floor, Phoenix, Arizona 85007, on the **5th** day of **October, 2012** 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 5th day of September, 2012.

Julie Coleman
Chief Counsel of Enforcement
Securities Division

Information and documents obtained by the Securities Division in the course of an investigation are confidential, unless made a matter of public record. The Securities Division may disclose the information or documents to a county attorney, the attorney general, a United States Attorney, or to law enforcement or regulatory officials to be used in any administrative, civil, or criminal proceeding. You may, in accordance with the rights guaranteed to you by the Fifth Amendment of the Constitution of the United States, refuse to give any information that might establish a direct link in a chain of evidence leading to your criminal conviction.

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 Shaylin A. Bernal, Executive Assistant to the Executive Director, voice phone number 602/542-3931, e-mail sabernal@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. § 44-3134, failure to comply with this subpoena may result in the application for a finding of contempt.

Pursuant to A.A.C. R14-4-304, any person required to appear at a formal interview may be represented by legal counsel.

AFFIDAVIT OF SERVICE (INDIVIDUAL)

State of Arizona)
County of MARICOPA) ss.:

GARY CLAPPER, 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: MICHELLE CREST

Relationship to Person Named: 375 S. LAKE HAVASU RD LAKE HAVASU CITY

Place of Service: _____

Time and Date of Service: 9/7/12

Service Performed by: USPS

Title: POSTAL CARRIER

Signature of Affiant: [signature]

Sworn to before me this 12th day of September 2012.

[signature]
Notary Public

Notary Public State of Arizona
Maricopa County
Annalisa Weiss
My Commission Expires 12/17/2015

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"

A. Definitions:

1. "CONCORDIA" means Concordia Finance, Concordia Financial Company, Concordia Financial Company, Inc, Concordia Financial Company, LTD, any person or entity doing business through or on behalf of Concordia Finance, Concordia Financial Company, Concordia Financial Company, Inc, Concordia Financial Company, LTD, and any predecessor- or successor-in-interest to Concordia Finance, Concordia Financial Company, Concordia Financial Company, Inc, Concordia Financial Company, LTD.

2. "ER FINANCIAL" means ER Financial, ER Financial & Advisory Services, LLC, any person or entity doing business through or on behalf of ER Financial or ER Financial & Advisory Services, LLC, and any predecessor- or successor-in-interest to ER Financial or ER Financial & Advisory Services, LLC.

3. "CONCORDIA INVESTOR" means any individual or entity to whom was offered or sold any property interest, service or management contract, note, investment contract, stock, title, lien, or other interest or investment in, by or on behalf of CONCORDIA.

B. Requests:

For the period from January 1, 2002, to the present, produce all documents, records, books, and any other papers, whether stored on electronic media or otherwise, relating to ER FINANCIAL, including, but not limited to:

1. Certificates of partnership, partnership agreements, articles of incorporation or organization, bylaws, and operating agreements, including any amendments;

2. Records of all pre-organization or corporate meetings, committee meetings, shareholder or member meetings, board of director meetings, or other business meetings, including minutes, resolutions adopted or proposed, agendas, and all information used or presented at these meetings;

3. All assets and liabilities currently held by or for the benefit of ER FINANCIAL;

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

5. Names, addresses, and telephone numbers of all shareholders, members, or partners, including the amount of shares, units, or interest held and a sample share certificate or other evidence of ownership;

6. Names, addresses, telephone numbers, and position of all past and present employees, independent contractors, or other agents;

7. Records of all salaries, bonuses, reimbursement, distributions, draws, loans, or any other compensation, whether monetary or otherwise, paid to the individuals listed in response to Request Nos. 4 through 6;

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

9. All documents filed with any governmental agency related to the conduct of business, the formation of affiliated businesses, the renewal or maintenance of status as a legal entity, or the dissolution of the business;

10. All documents submitted for the purpose of compliance, reporting, or seeking exemptions from registration with any state or federal securities agency;

11. All documents concerning inquiries, investigations, or actions by any state or federal governmental agency;

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

13. 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;

14. All bank or other depository institution accounts in the name of, or for the benefit of CONCORDIA or any CONCORDIA INVESTOR, 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; and
    (c) the names of all signatories on each account;

15. 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;

16. All advertisements, announcements, infomercials, or press releases that appeared in any media including, but not limited to, newspapers, trade journals, magazines, radio, television, or the internet;

17. All information provided through the internet including, but not limited to, copies of all web pages, addresses of web sites, news groups, and email addresses;

18. All lists of prospective investors, including sales lead lists, demographic lists, and any other source of investor names, whether drafted by, purchased by, or obtained for the benefit of ER FINANCIAL;

19. All lists of persons who attended seminars, classes, or meetings held or sponsored by or on behalf of CONCORDIA, its affiliates or agents;

20. Names, addresses, and telephone numbers of all individuals or entities that have been offered or sold investments in or service agreements with CONCORDIA;

21. Names, addresses, and telephone numbers of all individuals or entities to whom ER FINANCIAL recommended, referred or otherwise provided information about CONCORDIA ;

22. All contracts or agreements between ER FINANCIAL and any person or entity identified in response to Request Nos. 18 through 21, above, and records of all payments made to or on behalf of such persons or entities.

23. All communications, whether written or electronic, between ER FINANCIAL, on the one hand, and any person or entity identified in response to Request Nos. 18 through 21, above, on the other hand;

24. Documents relating to each individual or entity listed in response to Request No. 21, above, including any contracts, forms, subscriptions, agreements, notes, questionnaires, records of investment status, checks, wire transfers, receipts, account statements, tax information, and any correspondence, updates, or other communications;

25. The amounts and dates of each investment for each individual or entity listed in response to Request Nos. 20 through 21, above;

26. 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 response to Request Nos. 20 through 21, above;

27. All correspondence between CONCORDIA and ER FINANCIAL, whether in document or electronic form;

28. Copies of all agreements between CONCORDIA and ER FINANCIAL;

29. Records of all securities held, issued, purchased, or traded by or on behalf of CONCORDIA or any CONCORDIA INVESTOR, including any brokers, underwriters, market makers, clearing firm, or other entities used in each transaction;

30. Records of all fees, charges, or other receipts paid by or on behalf of CONCORDIA to any individual or entity listed in response to Request Nos. 4 through 6, above, or by or on behalf of any CONCORDIA INVESTOR related to CONCORDIA.

31. Records of any mergers, acquisitions, spin-offs, or predecessor entities; and

32. All internal reports and any reports provided to shareholders, members, or partners.

7010 1670 0000 9052 1450

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)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$

Postmark Here

Sent To MICHAEL BERSCH

Street, Apt. No.; or PO Box No. [redacted]

City, State, ZIP [redacted] AZ

PS Form 3800, August 2006 See Reverse for Instructions

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:

MICHAEL BERSCH

[redacted] AZ [redacted]

COMPLETE THIS SECTION ON DELIVERY

A. Signature

x Michele Crest ☐ Agent ☐ Addressee

B. Received by (*Printed Name*) Michele Crest

C. Date of Delivery 9-7-12

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

[redacted] AZ [redacted]

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*) 7010 1670 0000 9052 1450

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

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

Received SEP 10 2012 Arizona Corp. Commission Securities Division

CLAPPER

CONCORDIA

UPS Next Day Air
UPS Worldwide Express

Shipping Document

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TRACKING NUMBER 1Z 268 9W5 22 1000 5853

SHIPMENT FROM

SHIPPER'S UPS ACCOUNT NO. 2689W5

REFERENCE NUMBER

NAME Amanda

TELEPHONE 928-453-7377

COMPANY DAVID WANZEK CPA LLC

STREET ADDRESS [redacted]

CITY AND STATE [redacted]

ZIP CODE AZ [redacted]

2 EXTREMELY URGENT DELIVERY TO

NAME Christine Camacho

TELEPHONE

COMPANY Concordia Finance

STREET ADDRESS [redacted]

DEPT./FLR.

CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL) [redacted] CA [redacted]

3 WEIGHT	WEIGHT Enter "LTR" if Letter: 5.10	DIMENSIONAL WEIGHT If Applicable	LARGE PACKAGE ☐	4 SHIPPER RELEASE ☐
5 TYPE OF SERVICE	☒ NEXT DAY AIR	☐ EXPRESS (INT'L)		CHARGES
	FOR WORLDWIDE EXPRESS SHIPMENTS Mark an "X" in this box if shipment only contains documents of no commercial value.	☐ DOCUMENTS ONLY		$
6 OPTIONAL SERVICES	☐ SATURDAY PICKUP See instructions.	☐ SATURDAY DELIVERY See instructions.		$
	☐ DECLARED VALUE FOR CARRIAGE Carriage per shipment is by protected up to $100. For declared value over $100, see instructions.	$ AMOUNT		$
	☐ C.O.D. If C.O.D., enter amount to be collected and attach completed UPS C.O.D. tag to package.	$ AMOUNT		$
7 ADDITIONAL HANDLING CHARGE	☐ An Additional Handling Charge applies for certain items. See Instructions.			$
TOTAL CHARGES				$
8 METHOD OF PAYMENT	BILL SHIPPER'S ACCOUNT NUMBER ☒ IN SECTION 1	BILL RECEIVER ☐ / BILL THIRD PARTY ☐ (DOMESTIC ONLY)	CREDIT CARD ☐ American Express Diner's Club MasterCard Visa	CHECK ☐
		RECORD ACCOUNT NO. IN SECTION 9		

9 RECEIVER'S/THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO. EXPIRATION DATE

THIRD PARTY'S COMPANY NAME

STREET ADDRESS

CITY AND STATE ZIP CODE

The shipper authorizes UPS to act as forwarding agent for export control and customs purposes. The shipper certifies that these commodities, technology or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. law is prohibited.

10 SHIPPER'S SIGNATURE X Amanda Lawrence

All shipments are subject to the terms contained in the UPS Tariff/Terms and Conditions of Service, which are available at ups.com and local UPS offices.

DATE OF SHIPMENT 11/22/10

01018112026 09 1/07 S

SHIPPER'S COPY

EXHIBIT 3 Bersch 12-18-12

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BERSCH

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UPS Worldwide Express

Shipping Document

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TRACKING NUMBER J213 048 295 8

SHIPMENT FROM

SHIPPER'S UPS ACCOUNT NO. 2689WS

REFERENCE NUMBER

NAME [redacted] TELEPHONE

COMPANY David Wanzek CPA

STREET ADDRESS [redacted]

CITY AND STATE [redacted] AZ [redacted] ZIP CODE

EXTREMELY URGENT DELIVERY TO

NAME Christine Camacho TELEPHONE

COMPANY Concordia Finance

STREET ADDRESS [redacted] DEPT./FLR.

CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL) [redacted] CA [redacted] ZIP CODE

3 WEIGHT: Enter "LTR" if Letter — 5lbs; DIMENSIONAL WEIGHT if Applicable; LARGE PACKAGE; 4 SHIPPER RELEASE

5 TYPE OF SERVICE: NEXT DAY AIR; EXPRESS (INT'L); FOR WORLDWIDE EXPRESS SHIPMENTS Mark an "X" in this box if shipment only contains documents of no commercial value. DOCUMENTS ONLY

6 OPTIONAL SERVICES: SATURDAY PICKUP; SATURDAY DELIVERY; DECLARED VALUE FOR CARRIAGE $ AMOUNT; C.O.D. $ AMOUNT

7 ADDITIONAL HANDLING CHARGE: An Additional Handling Charge applies for certain items. See instructions.

TOTAL CHARGES

8 METHOD OF PAYMENT: BILL SHIPPER'S ACCOUNT NUMBER; BILL RECEIVER; BILL THIRD PARTY; CREDIT CARD; American Express Diner's Club MasterCard Visa; CHECK

9 RECEIVER'S/THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO. EXPIRATION DATE

THIRD PARTY'S COMPANY NAME

STREET ADDRESS

CITY AND STATE ZIP CODE

10 SHIPPER'S SIGNATURE X Amanda Salinas DATE OF SHIPMENT 11/29/11

All shipments are subject to the terms contained in the UPS Tariff/Terms and Conditions of Service, which are available at ups.com and local UPS offices.

SHIPPER'S COPY

010191120 1/07 5

UPS Next Day Air
UPS Worldwide Express

Shipping Document

See instructions on back. Visit UPS.com or call 1-800-PICK-UPS (800-742-5877) for additional information and UPS Tariff/Terms and Conditions.

TRACKING NUMBER J213 048 298 5

1 SHIPMENT FROM

SHIPPER'S UPS ACCOUNT NO. 2689WS

REFERENCE NUMBER

NAME Amanda TELEPHONE

COMPANY David Wanzek CPA

STREET ADDRESS [redacted]

CITY AND STATE [redacted] AZ [redacted] ZIP CODE

2 EXTREMELY URGENT DELIVERY TO

NAME Christine C. TELEPHONE

COMPANY Concordia Finance

STREET ADDRESS [redacted] DEPT./FLR.

CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL) [redacted] CA [redacted] ZIP CODE

3 WEIGHT: Enter "LTR" if Letter — 7lbs; DIMENSIONAL WEIGHT if Applicable; LARGE PACKAGE; 4 SHIPPER RELEASE

5 TYPE OF SERVICE: NEXT DAY AIR; EXPRESS (INT'L); FOR WORLDWIDE EXPRESS SHIPMENTS Mark an "X" in this box if shipment only contains documents of no commercial value. DOCUMENTS ONLY

6 OPTIONAL SERVICES: SATURDAY PICKUP; SATURDAY DELIVERY; DECLARED VALUE FOR CARRIAGE $ AMOUNT; C.O.D. $ AMOUNT

7 ADDITIONAL HANDLING CHARGE: An Additional Handling Charge applies for certain items. See instructions.

TOTAL CHARGES

8 METHOD OF PAYMENT: BILL SHIPPER'S ACCOUNT NUMBER; BILL RECEIVER; BILL THIRD PARTY; CREDIT CARD; American Express Diner's Club MasterCard Visa; CHECK

9 RECEIVER'S/THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO. EXPIRATION DATE

THIRD PARTY'S COMPANY NAME

STREET ADDRESS

CITY AND STATE ZIP CODE

10 SHIPPER'S SIGNATURE X Amanda Salinas

ACC000282
BERSCH

UPS Next Day Air
UPS Worldwide Express

Shipping Document

ee instructions on back. Visit UPS.com® or call 1-800-PICK-UPS® (800-742-5877)
r additional information and UPS Tariff/Terms and Conditions.

TRACKING NUMBER: J213 048 286 9

SHIPMENT FROM

SHIPPER'S UPS ACCOUNT NO.: 2689W5

REFERENCE NUMBER

NAME: Amanda

TELEPHONE

COMPANY: David Wanzek CPA

STREET ADDRESS: [redacted]

CITY AND STATE: [redacted]

ZIP CODE: AZ [redacted]

2 EXTREMELY URGENT DELIVERY TO

NAME: Christine Carracho

TELEPHONE

COMPANY: Concordia Finance

STREET ADDRESS: [redacted]

DEPT./FLR.

Residential Delivery

CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL): [redacted] CA

ZIP CODE: [redacted]

3 WEIGHT: Enter "LTR" if Letter: 5 lbs

DIMENSIONAL WEIGHT: If Applicable

LARGE PACKAGE: ☐

4 SHIPPER RELEASE: ☐

5 TYPE OF SERVICE: ☒ NEXT DAY AIR ☐ EXPRESS (INT'L)

FOR WORLDWIDE EXPRESS SHIPMENTS Mark an "X" in this box if shipment only contains documents of no commercial value. ☐ DOCUMENTS ONLY

6 OPTIONAL SERVICES: ☐ SATURDAY PICKUP See instructions. ☐ SATURDAY DELIVERY See instructions.

☐ DECLARED VALUE FOR CARRIAGE Contents are automatically protected up to $100. For declared value over $100, see instructions. $ _____ AMOUNT

☐ C.O.D. If C.O.D., enter amount to be collected and attach completed UPS C.O.D. tag to package. $ _____ AMOUNT

7 ADDITIONAL HANDLING CHARGE: ☐ An Additional Handling Charge applies for certain items. See instructions.

TOTAL CHARGES

8 METHOD OF PAYMENT: ☐ BILL SHIPPER'S ACCOUNT NUMBER (IN SECTION 1) ☐ BILL RECEIVER ☐ BILL THIRD PARTY (DOMESTIC ONLY) (RECORD ACCOUNT NO. IN SECTION 9) ☐ CREDIT CARD (American Express, Diner's Club, MasterCard, Visa) ☐ CHECK

CHARGES

9 RECEIVER'S/THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO. | EXPIRATION DATE

THIRD PARTY'S COMPANY NAME

STREET ADDRESS

CITY AND STATE | ZIP CODE

The shipper authorizes UPS to act as forwarding agent for export control and customs purposes. The shipper certifies that these commodities, technology or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. law is prohibited.

10 SHIPPER'S SIGNATURE: X Amanda Zavala

All shipments are subject to the terms contained in the UPS Tariff/Terms and Conditions of Service, which are available at ups.com and local UPS offices.

DATE OF SHIPMENT: 11/24/10

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SHIPPER'S COPY

UPS Next Day Air
UPS Worldwide Express

Shipping Document

ee instructions on back. Visit UPS.com® or call 1-800-PICK-UPS® (800-742-5877)
r additional information and UPS Tariff/Terms and Conditions.

TRACKING NUMBER: J213 048 290 3

SHIPMENT FROM

SHIPPER'S UPS ACCOUNT NO.: 2689W5

REFERENCE NUMBER

NAME: Amanda

TELEPHONE

COMPANY: David Wanzek CPA

STREET ADDRESS: [redacted]

CITY AND STATE: [redacted]

ZIP CODE: AZ [redacted]

EXTREMELY URGENT DELIVERY TO

NAME: Christine Carracho

TELEPHONE

COMPANY: Concordia Finance

STREET ADDRESS: [redacted]

DEPT./FLR.

Residential Delivery

CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL): [redacted] CA

ZIP CODE: [redacted]

3 WEIGHT: Enter "LTR" if Letter: 5 lbs

DIMENSIONAL WEIGHT: If Applicable

LARGE PACKAGE: ☐

4 SHIPPER RELEASE: ☐

5 TYPE OF SERVICE: ☒ NEXT DAY AIR ☐ EXPRESS (INT'L)

FOR WORLDWIDE EXPRESS SHIPMENTS Mark an "X" in this box if shipment only contains documents of no commercial value. ☐ DOCUMENTS ONLY

6 OPTIONAL SERVICES: ☐ SATURDAY PICKUP See instructions. ☐ SATURDAY DELIVERY See instructions.

☐ DECLARED VALUE FOR CARRIAGE Contents are automatically protected up to $100. For declared value over $100, see instructions. $ _____ AMOUNT

☐ C.O.D. If C.O.D., enter amount to be collected and attach completed UPS C.O.D. tag to package. $ _____ AMOUNT

7 ADDITIONAL HANDLING CHARGE: ☐ An Additional Handling Charge applies for certain items. See instructions.

TOTAL CHARGES

8 METHOD OF PAYMENT: ☐ BILL SHIPPER'S ACCOUNT NUMBER (IN SECTION 1) ☐ BILL RECEIVER ☐ BILL THIRD PARTY (DOMESTIC ONLY) (RECORD ACCOUNT NO. IN SECTION 9) ☐ CREDIT CARD (American Express, Diner's Club, MasterCard, Visa) ☐ CHECK

CHARGES

9 RECEIVER'S/THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO. | EXPIRATION DATE

THIRD PARTY'S COMPANY NAME

STREET ADDRESS

CITY AND STATE | ZIP CODE

The shipper authorizes UPS to act as forwarding agent for export control and customs purposes. The shipper certifies that these commodities, technology or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. law is prohibited.

10 SHIPPER'S SIGNATURE: X Amanda Zavala

All shipments are subject to the terms contained in the UPS Tariff/Terms and Conditions of Service, which are available at ups.com and local UPS offices.

DATE OF SHIPMENT: 11/24/10

ACC000283
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UPS Next Day Air
UPS Worldwide Express℠

Shipping Document

See instructions on back. Visit UPS.com® or call 1-800-PICK-UPS® (800-742-5877) for additional information and UPS Tariff/Terms and Conditions.

TRACKING NUMBER 1Z213 048 287 8

SHIPMENT FROM

SHIPPER'S UPS ACCOUNT NO. 2689W5

REFERENCE NUMBER

NAME Amanda TELEPHONE

COMPANY David Wanzek CPA

STREET ADDRESS [redacted]

CITY AND STATE [redacted] ZIP CODE [redacted] AZ

EXTREMELY URGENT DELIVERY TO

NAME Christine Camacho TELEPHONE

COMPANY Concordia Finance

STREET ADDRESS [redacted] DEPT./FLR.

CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL) [redacted] CA ZIP CODE [redacted]

3 WEIGHT	Enter "LTR" if Letter	Dimensional Weight if Applicable	Large Package	4 Shipper Release
	6 lbs		☐	☐

5 TYPE OF SERVICE: ☒ Next Day Air ☐ Express (INT'L) — CHARGES

For Worldwide Express Shipments Mark an "X" in this box if shipment only contains documents of no commercial value. ☐ Documents Only

6 OPTIONAL SERVICES: ☐ Saturday Pickup (See instructions.) ☐ Saturday Delivery (See instructions.) $

☐ Declared Value for Carriage — $ _____ Amount $

☐ C.O.D. — $ _____ Amount $

7 ADDITIONAL HANDLING CHARGE: ☐ An Additional Handling Charge applies for certain items. See instructions. $

TOTAL CHARGES $

8 METHOD OF PAYMENT: ☒ Bill Shipper's Account Number (in Section 1) ☐ Bill Receiver ☐ Bill Third Party (Domestic Only) ☐ Credit Card (Record Account No. in Section 9) — American Express, Diner's Club, MasterCard, Visa ☐ Check

9 RECEIVER'S/THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO. Expiration Date /

THIRD PARTY'S COMPANY NAME

STREET ADDRESS

CITY AND STATE ZIP CODE

The shipper authorizes UPS to act as forwarding agent for export control and customs purposes. The shipper certifies that these commodities, technology or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. law is prohibited.

10 SHIPPER'S SIGNATURE X Amanda Stillwell

All shipments are subject to the terms contained in the UPS Tariff/Terms and Conditions of Service, which are available at ups.com and local UPS offices.

DATE OF SHIPMENT 11/23/10

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SHIPPER'S COPY

UPS Next Day Air
UPS Worldwide Express℠

Shipping Document

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TRACKING NUMBER 1Z 268 9W5 22 1000 6398

SHIPMENT FROM

SHIPPER'S UPS ACCOUNT NO. 2689W5

REFERENCE NUMBER

NAME Amanda TELEPHONE 928-453-7377

COMPANY DAVID WANZEK CPA LLC

STREET ADDRESS [redacted]

CITY AND STATE [redacted] ZIP CODE [redacted] AZ

EXTREMELY URGENT DELIVERY TO

NAME Christine Camacho TELEPHONE

COMPANY Concordia Finance

STREET ADDRESS [redacted] DEPT./FLR.

CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL) [redacted] CA ZIP CODE [redacted]

3 WEIGHT	Enter "LTR" if Letter	Dimensional Weight if Applicable	Large Package	4 Shipper Release
	6.2 lbs		☐	☐

5 TYPE OF SERVICE: ☒ Next Day Air ☐ Express (INT'L) — CHARGES

For Worldwide Express Shipments Mark an "X" in this box if shipment only contains documents of no commercial value. ☐ Documents Only $

6 OPTIONAL SERVICES: ☐ Saturday Pickup (See instructions.) ☐ Saturday Delivery (See instructions.) $

☐ Declared Value for Carriage — $ _____ Amount $

☐ C.O.D. — $ _____ Amount $

7 ADDITIONAL HANDLING CHARGE: ☐ An Additional Handling Charge applies for certain items. See instructions. $

TOTAL CHARGES $

8 METHOD OF PAYMENT: ☒ Bill Shipper's Account Number (in Section 1) ☐ Bill Receiver ☐ Bill Third Party (Domestic Only) ☐ Credit Card (Record Account No. in Section 9) — American Express, Diner's Club, MasterCard, Visa ☐ Check

9 RECEIVER'S/THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO. Expiration Date /

THIRD PARTY'S COMPANY NAME

STREET ADDRESS

CITY AND STATE ZIP CODE

The shipper authorizes UPS to act as forwarding agent for export control and customs purposes. The shipper certifies that these commodities, technology or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. law is prohibited.

10 SHIPPER'S SIGNATURE X Amanda Stillwell

All shipments are subject to the terms contained in the UPS Tariff/Terms and Conditions of Service, which are available at ups.com and local UPS offices.

DATE OF SHIPMENT 11/23/10

ACC000284
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UPS Next Day Air
UPS Worldwide Express
Shipping Document

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TRACKING NUMBER 1Z 268 9W5 22 1000 6389

1 SHIPMENT FROM
SHIPPER'S UPS ACCOUNT NO. 2689W5
REFERENCE NUMBER
NAME Amanda TELEPHONE 928-453-7377
COMPANY DAVID WANZEK CPA LLC
STREET ADDRESS [redacted]
CITY AND STATE [redacted] ZIP CODE AZ [redacted]

2 EXTREMELY URGENT DELIVERY TO
NAME Christine Camacho TELEPHONE
COMPANY Concordia Finance
STREET ADDRESS [redacted] DEPT./FLR. Residential Delivery
CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL) [redacted] CA ZIP CODE [redacted]

3 WEIGHT: Enter "LTR" if Letter — 5.65 lbs; Dimensional Weight if Applicable; Large Package ☐; 4 Shipper Release ☐ 1 1

5 TYPE OF SERVICE: ☒ Next Day Air; ☐ Express (INT'L); For Worldwide Express Shipments Mark an "X" in this box if shipment only contains documents of no commercial value. ☐ Documents Only

6 OPTIONAL SERVICES: ☐ Saturday Pickup See instructions. ☐ Saturday Delivery See instructions.
☐ Declared Value For Carriage Contents are automatically protected up to $100. For declared value over $100, see instructions. $ _____ Amount
☐ C.O.D. If C.O.D., enter amount to be collected and attach completed UPS C.O.D. tag to package. $ _____ Amount

7 ADDITIONAL HANDLING CHARGE: ☐ An Additional Handling Charge applies for certain items. See instructions.

TOTAL CHARGES

8 METHOD OF PAYMENT: ☒ Bill Shipper's Account Number (In Section 1); ☐ Bill Receiver; ☐ Bill Third Party (Domestic Only); ☐ Credit Card (American Express, Diner's Club, MasterCard, Visa) (Record Account No. in Section 9); ☐ Check

9 RECEIVER'S/THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO. EXPIRATION DATE
THIRD PARTY'S COMPANY NAME
STREET ADDRESS
CITY AND STATE ZIP CODE

The shipper authorizes UPS to act as forwarding agent for export control and customs purposes. The shipper certifies that these commodities, technology or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. law is prohibited.

10 SHIPPER'S SIGNATURE X Amanda Sullivan DATE OF SHIPMENT 11/23/10

All shipments are subject to the terms contained in the UPS Tariff/Terms and Conditions of Service, which are available at ups.com and local UPS offices.

0101911202609 1/07 S SHIPPER'S COPY

UPS Next Day Air
UPS Worldwide Express
Shipping Document

See instructions on back. Visit UPS.com or call 1-800-PICK-UPS (800-742-5877) for additional information and UPS Tariff/Terms and Conditions.

TRACKING NUMBER 1Z 268 9W5 22 1000 6405

1 SHIPMENT FROM
SHIPPER'S UPS ACCOUNT NO. 2689W5
REFERENCE NUMBER
NAME Amanda TELEPHONE 928-453-7377
COMPANY DAVID WANZEK CPA LLC
STREET ADDRESS [redacted]
CITY AND STATE [redacted] ZIP CODE AZ [redacted]

2 EXTREMELY URGENT DELIVERY TO
NAME Christine Camacho TELEPHONE
COMPANY Concordia Finance
STREET ADDRESS [redacted] DEPT./FLR. Residential Delivery
CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL) [redacted] CA ZIP CODE [redacted]

3 WEIGHT: Enter "LTR" if Letter — 6.15 lbs; Dimensional Weight if Applicable; Large Package ☐; 4 Shipper Release ☐ 1 1

5 TYPE OF SERVICE: ☒ Next Day Air; ☐ Express (INT'L); For Worldwide Express Shipments Mark an "X" in this box if shipment only contains documents of no commercial value. ☐ Documents Only

6 OPTIONAL SERVICES: ☐ Saturday Pickup See instructions. ☐ Saturday Delivery See instructions.
☐ Declared Value For Carriage Contents are automatically protected up to $100. For declared value over $100, see instructions. $ _____ Amount
☐ C.O.D. If C.O.D., enter amount to be collected and attach completed UPS C.O.D. tag to package. $ _____ Amount

7 ADDITIONAL HANDLING CHARGE: ☐ An Additional Handling Charge applies for certain items. See instructions.

TOTAL CHARGES

8 METHOD OF PAYMENT: ☒ Bill Shipper's Account Number (In Section 1); ☐ Bill Receiver; ☐ Bill Third Party (Domestic Only); ☐ Credit Card (American Express, Diner's Club, MasterCard, Visa) (Record Account No. in Section 9); ☐ Check

9 RECEIVER'S/THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO. EXPIRATION DATE
THIRD PARTY'S COMPANY NAME
STREET ADDRESS
CITY AND STATE ZIP CODE

The shipper authorizes UPS to act as forwarding agent for export control and customs purposes. The shipper certifies that these commodities, technology or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. law is prohibited.

10 SHIPPER'S SIGNATURE X Amanda Sullivan DATE OF SHIPMENT 11/23/10

All shipments are subject to the terms contained in the UPS Tariff/Terms and Conditions of Service, which are available at ups.com and local UPS offices.

ACC000285
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UPS Next Day Air
UPS Worldwide Express

Shipping Document

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TRACKING NUMBER 1Z 268 W5 22 1000 5880

SHIPMENT FROM

SHIPPER'S UPS ACCOUNT NO. 2689W5

REFERENCE NUMBER

NAME Amanda TELEPHONE 928-453-7377

COMPANY DAVID WANZEK CPA LLC

STREET ADDRESS [redacted]

CITY AND STATE [redacted] ZIP CODE AZ [redacted]

2 EXTREMELY URGENT DELIVERY TO

NAME Christine Camacho TELEPHONE

COMPANY Concordia Finance

STREET ADDRESS [redacted] DEPT./FLR.

CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL) [redacted] CA ZIP CODE [redacted]

3 WEIGHT — Enter "LTR" if Letter: 4.55 lbs — Dimensional Weight if Applicable — Large Package ☐ — 4 Shipper Release ☐

5 TYPE OF SERVICE — ☒ Next Day Air ☐ Express (INT'L) — For Worldwide Express Shipments Mark an "X" in this box if shipment only contains documents of no commercial value. ☐ Documents Only

6 OPTIONAL SERVICES — ☐ Saturday Pickup See instructions. ☐ Saturday Delivery See instructions. ☐ Declared Value for Carriage $ Amount ☐ C.O.D. If C.O.D., enter amount to be collected and attach completed UPS C.O.D. tag to package. $ Amount

7 ADDITIONAL HANDLING CHARGE — ☐ An Additional Handling Charge applies for certain items. See instructions.

TOTAL CHARGES

8 METHOD OF PAYMENT — ☒ Bill Shipper's Account Number (Instruction 1) ☐ Bill Receiver ☐ Bill Third Party (Domestic Only) ☐ Credit Card (American Express, Diner's Club, MasterCard, Visa) — Record Account No. in Section 9 — ☐ Check

9 RECEIVER'S/THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO. — EXPIRATION DATE

THIRD PARTY'S COMPANY NAME

STREET ADDRESS

CITY AND STATE ZIP CODE

The shipper authorizes UPS to act as forwarding agent for export control and customs purposes. The shipper certifies that these commodities, technology or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. law is prohibited.

10 SHIPPER'S SIGNATURE X Amanda Samaniz

All shipments are subject to the terms contained in the UPS Tariff/Terms and Conditions of Service, which are available at ups.com and local UPS offices.

DATE OF SHIPMENT 11/22/10

01019112026 09 1/07 S SHIPPER'S COPY

UPS Next Day Air
UPS Worldwide Express

Shipping Document

See instructions on back. Visit UPS.com® or call 1-800-PICK-UPS® (800-742-5877) for additional information and UPS Tariff/Terms and Conditions.

TRACKING NUMBER 1Z 268 W5 22 1000 5862

SHIPMENT FROM

SHIPPER'S UPS ACCOUNT NO. 2689W5

REFERENCE NUMBER

NAME Amanda TELEPHONE 928-453-7377

COMPANY DAVID WANZEK CPA LLC

STREET ADDRESS [redacted]

CITY AND STATE [redacted] ZIP CODE AZ [redacted]

2 EXTREMELY URGENT DELIVERY TO

NAME Christine Camacho TELEPHONE

COMPANY Concordia Finance

STREET ADDRESS [redacted] DEPT./FLR.

CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL) [redacted] CA ZIP CODE [redacted]

3 WEIGHT — Enter "LTR" if Letter: 6.70 lbs — Dimensional Weight if Applicable — Large Package ☐ — 4 Shipper Release ☐

5 TYPE OF SERVICE — ☒ Next Day Air ☐ Express (INT'L) — For Worldwide Express Shipments Mark an "X" in this box if shipment only contains documents of no commercial value. ☐ Documents Only

6 OPTIONAL SERVICES — ☐ Saturday Pickup See instructions. ☐ Saturday Delivery See instructions. ☐ Declared Value for Carriage $ Amount ☐ C.O.D. If C.O.D., enter amount to be collected and attach completed UPS C.O.D. tag to package. $ Amount

7 ADDITIONAL HANDLING CHARGE — ☐ An Additional Handling Charge applies for certain items. See instructions.

TOTAL CHARGES

8 METHOD OF PAYMENT — ☒ Bill Shipper's Account Number (Section 1) ☐ Bill Receiver ☐ Bill Third Party (Domestic Only) ☐ Credit Card (American Express, Diner's Club, MasterCard, Visa) — Record Account No. in Section 9 — ☐ Check

9 RECEIVER'S/THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO. — EXPIRATION DATE

THIRD PARTY'S COMPANY NAME

STREET ADDRESS

CITY AND STATE ZIP CODE

The shipper authorizes UPS to act as forwarding agent for export control and customs purposes. The shipper certifies that these commodities, technology or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. law is prohibited.

10 SHIPPER'S SIGNATURE X Amanda Samaniz

All shipments are subject to the terms contained in the UPS Tariff/Terms and Conditions of Service, which are available at ups.com and local UPS offices.

DATE OF SHIPMENT 11/22/10

ACC000286
BERSCH

UPS Next Day Air
UPS Worldwide Express

Shipping Document

See instructions on back. Visit UPS.com or call 1-800-PICK-UPS (800-742-5877) for additional information and UPS Tariff/Terms and Conditions.

TRACKING NUMBER 1Z 268 9W5 22 1000 5899

SHIPMENT FROM

SHIPPER'S UPS ACCOUNT NO. 2689W5

REFERENCE NUMBER

NAME Amanda TELEPHONE 928-453-7377

COMPANY DAVID WANZEK CPA LLC

STREET ADDRESS [redacted]

CITY AND STATE [redacted] ZIP CODE AZ [redacted]

EXTREMELY URGENT DELIVERY TO

NAME Christine Camacho TELEPHONE

COMPANY Concordia Finance

STREET ADDRESS [redacted] DEPT./FLR. Residential Delivery

CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL) CA ZIP CODE [redacted]

3 WEIGHT: Weight 5.6 lbs; Dimensional Weight if applicable; Large Package ☐

4 Shipper Release ☐

5 Type of Service: ☒ Next Day Air; ☐ Express (Int'l); For Worldwide Express Shipments Mark an "X" in this box if shipment only contains documents of no commercial value. ☐ Documents Only

6 Optional Services: ☐ Saturday Pickup (See instructions.); ☐ Saturday Delivery (See instructions.); ☐ Declared Value for Carriage — $ Amount; ☐ C.O.D. — $ Amount

7 Additional Handling Charge: ☐ An Additional Handling Charge applies for certain items. See instructions.

Total Charges $

8 Method of Payment: ☒ Bill Shipper's Account Number (In Section 1); ☐ Bill Receiver; ☐ Bill Third Party (Domestic Only); ☐ Credit Card; American Express, Diner's Club, MasterCard, Visa (Record Account No. in Section 9); ☐ Check

9 Receiver's/Third Party's UPS Acct. No. or Major Credit Card No. — Expiration Date

Third Party's Company Name

Street Address

City and State — Zip Code

The shipper authorizes UPS to act as forwarding agent for export control and customs purposes. The shipper certifies that these commodities, technology or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. law is prohibited.

10 Shipper's Signature: X Amanda Salvarez

All shipments are subject to the terms contained in the UPS Tariff/Terms and Conditions of Service, which are available at ups.com and local UPS offices.

Date of Shipment 11/22/10

0101011202609 1/07 S

SHIPPER'S COPY

UPS Next Day Air
UPS Worldwide Express

Shipping Document

See instructions on back. Visit UPS.com or call 1-800-PICK-UPS (800-742-5877) for additional information and UPS Tariff/Terms and Conditions.

TRACKING NUMBER 1Z 268 9W5 22 1000 5844

SHIPMENT FROM

SHIPPER'S UPS ACCOUNT NO. 2689W5

REFERENCE NUMBER

NAME Amanda TELEPHONE 928-453-7377

COMPANY DAVID WANZEK CPA LLC

STREET ADDRESS [redacted]

CITY AND STATE [redacted] ZIP CODE AZ [redacted]

EXTREMELY URGENT DELIVERY TO

NAME Christine Camacho TELEPHONE

COMPANY Concordia Finance

STREET ADDRESS [redacted] DEPT./FLR. Residential Delivery

CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL) CA ZIP CODE [redacted]

3 WEIGHT: Weight 4.75 lbs; Dimensional Weight if applicable; Large Package ☐

4 Shipper Release ☐

5 Type of Service: ☒ Next Day Air; ☐ Express (Int'l); For Worldwide Express Shipments Mark an "X" in this box if shipment only contains documents of no commercial value. ☐ Documents Only

6 Optional Services: ☐ Saturday Pickup (See instructions.); ☐ Saturday Delivery (See instructions.); ☐ Declared Value for Carriage — $ Amount; ☐ C.O.D. — $ Amount

7 Additional Handling Charge: ☐ An Additional Handling Charge applies for certain items. See instructions.

Total Charges $

8 Method of Payment: ☒ Bill Shipper's Account Number (In Section 1); ☐ Bill Receiver; ☐ Bill Third Party (Domestic Only); ☐ Credit Card; American Express, Diner's Club, MasterCard, Visa (Record Account No. in Section 9); ☐ Check

9 Receiver's/Third Party's UPS Acct. No. or Major Credit Card No. — Expiration Date

Third Party's Company Name

Street Address

City and State — Zip Code

The shipper authorizes UPS to act as forwarding agent for export control and customs purposes. The shipper certifies that these commodities, technology or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. law is prohibited.

10 Shipper's Signature: X Amanda Salvarez

All shipments are subject to the terms contained in the UPS Tariff/Terms and Conditions of Service, which are available at ups.com and local UPS offices.

Date of Shipment 11/22/10

ACC000287
BERSCH

UPS Next Day Air
UPS Worldwide Express

Shipping Document

See instructions on back. Visit UPS.com® or call 1-800-PICK-UPS® (800-742-5877) for additional information and UPS Tariff/Terms and Conditions.

TRACKING NUMBER: J213 048 291 2

SHIPMENT FROM

SHIPPER'S UPS ACCOUNT NO.: 2689WS

REFERENCE NUMBER

NAME: Amanda Samons

TELEPHONE

COMPANY: David Wanzek CPA

STREET ADDRESS: [redacted]

CITY AND STATE: [redacted] AZ

ZIP CODE: [redacted]

2 EXTREMELY URGENT DELIVERY TO

NAME: Christine Camacho

TELEPHONE

COMPANY: Concordia Finance

STREET ADDRESS: [redacted]

DEPT./FLR.

CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL): [redacted] CA

ZIP CODE: [redacted]

3 WEIGHT: Enter "LTR" if Letter — 5 lbs

DIMENSIONAL WEIGHT if Applicable

LARGE PACKAGE ☐

4 SHIPPER RELEASE ☐

5 TYPE OF SERVICE: ☒ NEXT DAY AIR ☐ EXPRESS (INT'L) ☐ DOCUMENTS ONLY

FOR WORLDWIDE EXPRESS SHIPMENTS Mark an "X" in this box if shipment only contains documents of no commercial value.

6 OPTIONAL SERVICES: ☐ SATURDAY PICKUP See instructions. ☐ SATURDAY DELIVERY See instructions.

☐ DECLARED VALUE FOR CARRIAGE $ _____ AMOUNT

☐ C.O.D. If C.O.D., enter amount to be collected and attach completed UPS C.O.D. tag to package. $ _____ AMOUNT

7 ADDITIONAL HANDLING CHARGE: ☐ An Additional Handling Charge applies for certain items. See instructions.

TOTAL CHARGES

CHARGES: $

8 METHOD OF PAYMENT: ☐ BILL SHIPPER'S ACCOUNT NUMBER (IN SECTION 1) ☐ BILL RECEIVER ☐ BILL THIRD PARTY (DOMESTIC ONLY) (RECORD ACCOUNT NO. IN SECTION 9) ☐ CREDIT CARD American Express Diner's Club MasterCard Visa ☐ CHECK

9 RECEIVER'S/THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO. EXPIRATION DATE

THIRD PARTY'S COMPANY NAME

STREET ADDRESS

CITY AND STATE ZIP CODE

The shipper authorizes UPS to act as forwarding agent for export control and customs purposes. The shipper certifies that the commodities, technology or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. law is prohibited.

10 SHIPPER'S SIGNATURE X Amanda Samons

All shipments are subject to the terms contained in the UPS Tariff/Terms and Conditions of Service, which are available at ups.com and local UPS offices.

DATE OF SHIPMENT 11/29/10

010191120 1/07 S

SHIPPER'S COPY

UPS Next Day Air
UPS Worldwide Express

Shipping Document

See instructions on back. Visit UPS.com® or call 1-800-PICK-UPS® (800-742-5877) for additional information and UPS Tariff/Terms and Conditions.

TRACKING NUMBER: J213 048 294 9

SHIPMENT FROM

SHIPPER'S UPS ACCOUNT NO.: 2689WS

REFERENCE NUMBER

NAME: Amanda Samons

TELEPHONE

COMPANY: David Wanzek CPA

STREET ADDRESS: [redacted]

CITY AND STATE: [redacted] AZ

ZIP CODE: [redacted]

2 EXTREMELY URGENT DELIVERY TO

NAME: Christine Camacho

TELEPHONE

COMPANY: Concordia Finance

STREET ADDRESS: [redacted]

DEPT./FLR.

CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL): [redacted] CA

ZIP CODE: [redacted]

3 WEIGHT: Enter "LTR" if Letter — 6 lbs

DIMENSIONAL WEIGHT if Applicable

LARGE PACKAGE ☐

4 SHIPPER RELEASE ☐

5 TYPE OF SERVICE: ☒ NEXT DAY AIR ☐ EXPRESS (INT'L) ☐ DOCUMENTS ONLY

FOR WORLDWIDE EXPRESS SHIPMENTS Mark an "X" in this box if shipment only contains documents of no commercial value.

6 OPTIONAL SERVICES: ☐ SATURDAY PICKUP See instructions. ☐ SATURDAY DELIVERY See instructions.

☐ DECLARED VALUE FOR CARRIAGE $ _____ AMOUNT

☐ C.O.D. If C.O.D., enter amount to be collected and attach completed UPS C.O.D. tag to package. $ _____ AMOUNT

7 ADDITIONAL HANDLING CHARGE: ☐ An Additional Handling Charge applies for certain items. See instructions.

TOTAL CHARGES

CHARGES: $

8 METHOD OF PAYMENT: ☐ BILL SHIPPER'S ACCOUNT NUMBER (IN SECTION 1) ☐ BILL RECEIVER ☐ BILL THIRD PARTY (DOMESTIC ONLY) (RECORD ACCOUNT NO. IN SECTION 9) ☐ CREDIT CARD American Express Diner's Club MasterCard Visa ☐ CHECK

9 RECEIVER'S/THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO. EXPIRATION DATE

THIRD PARTY'S COMPANY NAME

STREET ADDRESS

CITY AND STATE ZIP CODE

The shipper authorizes UPS to act as forwarding agent for export control and customs purposes. The shipper certifies that the commodities, technology or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. law is prohibited.

10 SHIPPER'S SIGNATURE X Amanda Samons

All shipments are subject to the terms contained in the UPS Tariff/Terms and Conditions of Service, which are available at ups.com and local UPS offices.

DATE OF SHIPMENT 11/29/10

ACC000288
BERSCH

AZ Corp. Commission

04050148

AZ CORPORATION COMMISSION
FILED

OCT 3 1 2012

FILE NO. L-1005283-8

EXHIBIT 4 Bersch 12-18-12

DO NOT WRITE ABOVE THIS LINE; RESERVED FOR ACC USE ONLY.

ARTICLES OF TERMINATION
LIMITED LIABILITY COMPANY

Read the Instructions L031i

1. **ENTITY NAME** – give the exact name of the LLC as currently shown in A.C.C. records:
   ER FINANCIAL & ADVISORY SERVICES LLC

2. **A.C.C. FILE NUMBER:** L-1005283-8
   Find the A.C.C. file number on the upper corner of filed documents OR on our website at: http://www.azcc.gov/Divisions/Corporations

3. **STATEMENT CONCERNING PROPERTIES AND ASSETS** - by the signature appearing below, the limited liability company named in number 1 above affirms or certifies under penalty of perjury that all of its known properties and assets have been applied and distributed pursuant to chapter 4, title 29 of the Arizona Revised Statutes.

SIGNATURE: By checking the box marked "I accept" below, I acknowledge *under penalty of perjury* that this document together with any attachments is submitted in compliance with Arizona law.

☑ I ACCEPT

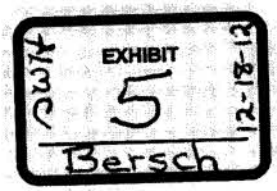
Signature	Printed Name	Date (mm/dd/yyyy)
[signature]	DAVID WANZEK	10/30/2012

REQUIRED – check only one and fill in the corresponding blank if signing for an entity:

☐ This is a **manager-managed LLC** and I am signing individually as a **manager** or I am signing for an **entity manager named:**	☒ This is a **member-managed LLC** and I am signing individually as a **member** or I am signing for an **entity member named:**

Filing Fee: $35.00 (regular processing) Expedited processing – add $35.00 to filing fee. All fees are nonrefundable - see Instructions.	Mail:	Arizona Corporation Commission - Corporate Filings Section 1300 W. Washington St., Phoenix, Arizona 85007
	Fax:	602-542-4100

Please be advised that A.C.C. forms reflect only the minimum provisions required by statute. You should seek private legal counsel for those matters that may pertain to the individual needs of your business.
All documents filed with the Arizona Corporation Commission are public record and are open for public inspection.
If you have questions after reading the Instructions, please call 602-542-3026 or (within Arizona only) 800-345-5819.



CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into as of 4/30, 2002 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), SUELLEN LEMPY, a(n) IND. ("Investor"), and E R Financial and Advisory Service, an Arizona company ("Custodian"), collectively referred to herein as "the parties".
Living TRUST 1/20/2000

RECITALS

A. Concordia and Investor have entered into a Sale of Contracts and Servicing Agreement dated 4/30, 2002 (the "Sale"). Concordia is selling certain Contracts to Investor and servicing such Contracts for the benefit of both Investor and Concordia. All terms used herein shall have the meanings set forth in the Sale Agreement. A true and exact copy of the Sale Agreement has been delivered to Custodian, and all the terms and provisions of the Sale Agreement are incorporated herein by this reference.

B. The Sale Contract requires the appointment of a custodian to hold the originally executed Contracts and title documents.

C. Concordia and Investor wish to appoint Custodian as the custodian under the Sale Contract, and Custodian is willing to serve in such capacity under the terms of this Agreement.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, including the mutual covenants herein contained, the parties hereto agree as follows:

1. Appointment of Custodian. The parties hereby appoint Custodian as the custodian described in the Sale Contract, and Custodian hereby accepts such appointment.

2. Delivery of Documents to Custodian. Concurrent with the execution of this Agreement, Concordia shall transfer to Custodian the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the arrangement and transfer of the Contracts and title to the vehicles to Investor. All Substitute Contracts delivered by Concordia to Custodian shall also be originally executed and shall be accompanied by evidences of title and separate assignments as provided herein for the Contracts.

3. Holding Period. Custodian shall hold the Contracts and related documents for the benefit of Concordia and Investor, for the period described in Section 4.3 of the Sale Agreement.

4. Rights, Duties and Responsibilities of Custodian. It is understood and agreed that the duties of the Custodian are purely administrative in nature, and that:

4.1 Custodian's responsibilities shall be limited to those described in Sections 3.7 and 4 of the Sale Agreement.

4.2 Custodian shall not be responsible for the performance by Concordia or Investor of any of their respective obligations under this Agreement or under the sale Agreement.

4.3 Custodian shall be under no duty or responsibility to determine the accuracy or validity of any Contracts or other documents delivered to Custodian. Custodian shall be entitled to rely upon the accuracy, act in reliance upon the contents, and assume the genuineness of, any notice, instruction, certificate, signature, instrument or other document which is given to Custodian pursuant to this Agreement or the Sale Agreement without the necessity of Custodian verifying the truth or accuracy thereof. Custodian shall not be obligated to make any inquiry as to the authority, capacity, existence or identity of any person purporting to give any such notice or instructions or to execute any such certificate, instrument or other document.

4.4 Custodian shall not be liable for any action taken or omitted hereunder, or for the misconduct of any employee, agent or attorney appointed by it, except in the case of Custodian's willful misconduct or negligence.

5. Amendment, Resignation, Interpleader.

5.1 This Agreement may be altered or amended only with the written consent of all the parties hereto. Custodian may resign for any reason upon thirty (30) days' written notice to both Concordia and Investor. Should Custodian resign as herein provided, after the effective date of such resignation he shall not be required to accept any additional documents but his only duty shall be to hold the documents in its possession for a period of not more than five (5) business days following the effective date of such resignation, at which time (a) if a successor custodian shall have been appointed by Concordia and Investor and written notice thereof (including the name and address of such successor custodian) shall have been given to the resigning Custodian by Concordia and Investor the Issuer and such successor custodian, then the resigning Custodian shall deliver the documents in his possession to the successor custodian, or (b) if the resigning custodian shall not have received written notice signed by Concordia and Investor custodian and a successor then the resigning Custodian shall promptly deliver all the documents in his possession back to Concordia, and the resigning Custodian shall notify Investor in writing of his transfer of such documents, whereupon, in either case, Custodian shall be relieved of all further obligations and released from all liability under this Agreement. Without limiting the provisions of Section 6 hereof, the resigning Custodian shall be entitled to be reimbursed by Concordia for any expenses incurred in connection with his resignation, and transfer of the custodial documents to a successor custodian pursuant to this Section 5.1.

5.2 Should the parties not designate a successor custodian within 30 days of the Customer's resignation, or should any dispute arise with respect to the custodial documents,

this Agreement or the Sale Agreement, Custodian may deposit the custodial documents with a court of competent jurisdiction and interplead such dispute and the parties will hold Custodian harmless and indemnify him against all consequences and expenses which may be incurred, including Custodian's reasonable attorneys' fees.

6. Fees and Expenses. Concordia shall pay Custodian a fee for his services in the amount of 0.25% per month of the principal balance, payable monthly.

7. Indemnification and Contribution.

7.1 Notwithstanding the provisions of paragraph 6, Concordia agrees to indemnify Custodian and his or its officers, directors, employees, agents and shareholders (jointly and severally the "Indemnitees") and Concordia agrees to hold them harmless from, any and all loss, liability, cost, damage and expense, including, without limitation, reasonable counsel fees, which the Indemnitees may suffer or incur by reason of any action, claim or proceeding brought or threatened against the Indemnitees arising out of or relating in any way to this Agreement or any transaction to which this Agreement relates, unless such action, claim or proceeding is the result of the willful misconduct or negligence of the Indemnitees.

7.2 The provisions of this Section 7 shall survive any termination of this Agreement, whether by transfer of the custodial documents, resignation of Custodian or otherwise.

IN WITNESS WHEREOF, the undersigned have executed this Agreement to be effective as of the day and year first above written.

Concordia: Concordia Financing Co., Ltd.
a California corporation

K H Crowder

Kenneth Crowder
President

Investor: Sullen Family Ttee.

Custodian: Michael Berul PTR.
E R Financial and Advisory Service

ACC000015
BERSCH

EXHIBIT 6 Bersch 12-13-2

CONCORDIA FINANCING CO., LTD.

Sale of Contracts and Servicing Agreement

This Sale of Contracts and Servicing Agreement ("Agreement") is entered into to be effective as of 4/30/02, ~~2001~~ by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and SUELLEN LEMAY, a(n) INDIVIDUAL ("Investor") hereinafter collectively referred to as "the parties." LIVING TRUST 1/20/2000

RECITALS

SUELLEN LEMAY
PH: [redacted]
[redacted], AZ [redacted]

91-552/1221 1007 1694

Date 4/30/02

Pay to the Order of Concordia Financing Co LTD $ 50,000.00

Fifty Thousand and 00/100 Dollars

Wells Fargo Bank
1631 McCulloch Boulevard
Lake Havasu, AZ 86403
www.wellsfargo.com

Memo

Suellen Lemay

⑆122105524 [redacted] 2339⑈1694

, selling and assigning to
d Concordia is willing to
n Concordia on the terms
on that Concordia service
ency of which is hereby

1.1 "Contracts" means those certain truck (tractor and/or trailer) conditional sales contracts listed in Exhibit A attached hereto, including all Substitute Contracts.

1.2 "Contract Default" means any of the following: a Customer fails to provide the insurance required by the Contract for a vehicle within 30 days after notice of the requirement to do so; a Customer fails to make three (3) consecutive monthly payments under the Contract; a Customer files any form of bankruptcy proceeding, or such proceeding is filed against a customer; a repossession is ordered for a vehicle under a Contract; or an insurance claim is made with respect to a vehicle under a Contract for repairs in excess of 25% of the value of the vehicle; or a Customer Dispute.

1.3 "Credit Problem" means the Customer is unable to pay trade debts due to insolvency and/or the filing of a Petition in Bankruptcy.

1.4 "Custodian" means E R Financial and Advisory Service, who shall hold the originally executed Contracts, with transferable title documents, pursuant to the terms of the Agreement.

1.5 "Customer" means the account debtor under a Contract.

1.6 "Customer Dispute" means any claim by Customer against Concordia, of any kind whatsoever, valid or invalid, that reduces the amount collectible from Customer by Investor.

1.7 "Dealer" means an existing licensed truck dealer who is named as the payee under a Contract and who has sold the Contract, at a discount, to Concordia.

1.8 "Default" shall have the meaning set forth in Section 11 hereof.

1.9 "Purchase Price" shall have the meaning set forth in Section 2 hereof.

1.10 "Substitute Contract" means a Contract having no known Contract Default which is delivered to the Custodian for transfer to Investor for the purpose of Investor replacing an existing Contract having an equal or lesser principal balance for which a Contract Default has occurred.

2. SALE OF CONTRACTS

Concordia hereby sells, assigns and transfers to Investor those Contracts described in Exhibit A, for a purchase price of $ 50,000 (the "Purchase Price"). From time to time monies may be added or taken. The balance will be shown in Exhibit A.

3. WARRANTIES

As an inducement for Investor to enter into this Agreement, and with full knowledge that the truth and accuracy of the warranties in this Agreement are being relied upon by Investor, Concordia warrants and covenants that:

3.1 Concordia's business is solvent, and to the best knowledge of Concordia, without any duty to investigate, the Dealers and the Customers named in the Contracts are solvent.

3.2 Concordia is the lawful owner of, and has good and undisputed title to, the Contracts.

3.3 Each Contract offered for sale to Investor is an accurate and undisputed statement of indebtedness by Customer for a sum certain of which is due and payable in accordance with the terms of such Contract, and, to the best knowledge of Concordia, is not subject to any defenses which would preclude payment by the Customer in accordance with the terms of the Contract.

3.4 To the best knowledge of Concordia, each Contract offered for sale to Investor is an accurate statement of a bonafide sale, deliver and acceptance of merchandise or performance of service by Dealer to Customer.

3.5 Concordia does not own, control or exercise dominion over, in any part or way whatsoever, the business of any Dealer having Contracts which are factored by Concordia to Investor under this Agreement.

3.6 Prior to purchasing a Contract from any Dealer, Concordia conducts a credit check of the Customer to determine the payment risk. The Contracts represent commercial sales, which means that the underlying vehicles will be used for business purposes and that the sales and the Contracts are governed by the California Commercial Code or the Commercial Code of the applicable state where the Dealer is located.

3.7 Within ten (10) business days after Concordia receives knowledge of any Contract Default, Concordia shall transfer and assign a Substitute Contract to Investor to replace the Contract having a Contract Default, by delivering such originally executed Substitute Contract to the Custodian with executed title transfer documents, and, within 2 business days after receipt of such Substitute Contract and related documents, the Custodian shall place the Contract having the Contract Default in the U.S. mail for return to Concordia.

4. CUSTODIAN; DEFAULT

4.1 Upon execution of this Agreement, the originally executed Contracts and all evidences of title with respect to the vehicles covered by the Contracts, with separate assignments executed by Concordia which effect the assignment and transfer of the Contracts and title to the vehicles to Investor, shall be delivered by Concordia to the Custodian with a copy of this Agreement. The Custodian shall hold the Contracts for the benefit of Concordia and Investor. Contracts shall from time to time be released by the Custodian to Concordia, upon receipt of Concordia's written representation, a copy of which shall be mailed to Investor by Concordia as part of the monthly report required by Section 6.2 hereof, that the Contract to be released either (a) has been paid in full and must be returned to the Customer, or (b) has incurred a Contract Default and is to be concurrently replaced with a substitute Contract.

4.2 Upon any Default under this Agreement by Concordia, Investor shall concurrently notify Concordia and the Custodian of the Default, describing the Default specifically and in detail, and providing Concordia thirty (30) days from the date such written notice is received by Concordia to cure such Default. If Concordia fails to cure such Default within such 30-day cure period, Investor may, at its option, unilaterally instruct the Custodian to release to Investor the originally executed Contracts and all executed assignments then in the possession of the Custodian. Upon receipt of such originally executed Contracts and executed assignments, Investor may, at his option, and in addition to all other remedies available to Investor, file the title instruments and effect the legal transfer of title to Investor.

4.3 Assuming no Default by Concordia under this Agreement, the Custodian shall continue to hold the originally executed Contracts and all executed assignments of title until the earlier of (a) receipt of written instructions signed by both Concordia and Investor providing for the

920-215

CONCORDIA FINANCING CO., LTD.

Sale of Contracts and Servicing Agreement

This Sale of Contracts and Servicing Agreement ("Agreement") is entered into to be effective as of 4/30/02, 2001 by and between Concordia Financing Co., Ltd., a California corporation ("Concordia"), and SHELLEN LEMAY, a(n) INDIVIDUAL ("Investor") hereinafter collectively referred to as "the parties." Living TRUST 1/20/2000

RECITALS

A. Concordia desires to obtain short term financing by factoring, selling and assigning to Investor certain truck (tractor and/or trailer) conditional sales contracts, and Concordia is willing to service such contracts for Investor.

B. Investor desires to purchase conditional sales contracts from Concordia on the terms and conditions stated herein, including but not limited to the mutual condition that Concordia service such contracts.

THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS

1.1 "Contracts" means those certain truck (tractor and/or trailer) conditional sales contracts listed in Exhibit A attached hereto, including all Substitute Contracts.

1.2 "Contract Default" means any of the following: a Customer fails to provide the insurance required by the Contract for a vehicle within 30 days after notice of the requirement to do so; a Customer fails to make three (3) consecutive monthly payments under the Contract; a Customer files any form of bankruptcy proceeding, or such proceeding is filed against a customer; a repossession is ordered for a vehicle under a Contract; or an insurance claim is made with respect to a vehicle under a Contract for repairs in excess of 25% of the value of the vehicle; or a Customer Dispute.

1.3 "Credit Problem" means the Customer is unable to pay trade debts due to insolvency and/or the filing of a Petition in Bankruptcy.

1.4 "Custodian" means E R Financial and Advisory Service, who shall hold the originally executed Contracts, with transferable title documents, pursuant to the terms of the Agreement.

disposition of such Contracts and assignments, (b) the payment in full, and release of all the Contracts to Concordia for return to the Customers.

5. FUNDING

Concurrently with the execution of this Agreement by the parties, and the delivery of the originally executed Contracts and executed title transfer documents by Concordia to the Custodian, Investor shall wire or deliver to Concordia funds in the full amount of the Purchase Price.

6. SERVICING AGREEMENT

6.1 Investor hereby engages and hires Concordia as its servicing agent for all servicing matters related to the Contracts, including but not limited to sending monthly invoices to Customers for payment, the collection of payments, correspondence and telephone communication with any Customer in default, imposition and collection of late payment fees and NSF check charges, initiation at Concordia's sole discretion of all collection decisions, actions and activities, including repossession, retention of attorneys or collection agents, making repairs to damaged vehicles, reselling repossessed vehicles and all other matters and decisions relating to the Contracts and the vehicles covered by the Contracts, as if in all respects Concordia remained the owner of the Contracts and had sole authority with respect to the collection and disposition of the Contracts.

6.2 As part of its responsibility as servicing agent for the Contracts, Concordia shall send monthly reports to Investor, together with Concordia's check for payment of funds then due to Investor from collected funds received by Concordia. The monthly servicing reports will report, for each Contract, the principal collected, the principal balance, and the interest due to Investor.

6.3 As its fee for servicing each Contract, Concordia shall be entitled to retain, during the entire term of the Contract, (a) all late payment fees, (b) all NSF charges, and (c) all interest and other fees or charges in excess of that amount required to pay Investor a 1% per month return (12% per annum, simple interest) on the then existing principal balance due under the Contracts. Subject only to a Default under this Agreement by Concordia, and Concordia's failure to cure such Default within thirty (30) days after receipt of written notice from Investor describing such default in detail, the appointment of Concordia as the servicing agent for the Contracts under this Agreement is irrevocable and can be modified only with the prior written consent of Concordia, which consent may be withheld by Concordia for any reason whatsoever without regard to any standard of reasonableness.

7. SUBSEQUENT SALE OF CONTRACTS BY INVESTOR

7.1 Any attempt by Investor to sell, transfer or assign Investor's interest in any or all of the Contracts shall be void ab initio, unless prior to such sale, transfer or assignment (a) Investor first offers such Contracts to Concordia for purchase for 95% of the then existing principal balance due under the Contracts, and (b) Concordia fails to purchase such Contracts within ninety (90) days after receipt of written notice from Investor of Investor's intention to sell the Contracts,

which notice shall specifically reference this Section 7 and describe the Contracts which Investor intends to sell, the identity, address and telephone number of the prospective purchaser (the "Prospective Purchaser") and the terms of the proposed sale.

7.2 If Concordia elects to purchase the Contracts from Investor under Section 7.1, nothing contained herein shall preclude or prohibit the subsequent or concurrent sale by Concordia of the Contracts to the Prospective Purchaser, and in the event of such sale Concordia shall be entitled to retain any profit upon sale without any obligation to Investor.

7.3 If Concordia elects not to purchase the Contracts from Investor under Section 7.1, and Investor subsequently sells the Contracts to the Prospective Purchaser, then the Prospective Purchaser shall be bound by the terms of this Agreement, including but not limited to the servicing provisions of Section 6 hereof.

8. INVESTOR ACKNOWLEDGMENTS

Investor hereby acknowledges that the Contracts, if compared to other contracts which were rated under industry standards from "A" to "D", with "A" being high quality with financially strong Customers and/or considerable excess value in the vehicles subject to the Contracts; and "D" being low quality with substantially weaker Customers and much less protection in the value of the vehicles, the Contracts would probably be considered "C" or "D" grade. For that reason, delinquent Contracts will not be unusual and there may be a large number of Substitute Contracts. Investor further acknowledges the importance of utilizing an experienced servicing agent for such Contracts and for that reason specifically agrees that (a) the requirement under this Agreement that Concordia be retained as the servicing agent during the entire term of the Contracts is a material condition to Concordia's willingness to enter this Agreement, and (b) the servicing fees to be paid to Concordia hereunder are fair and reasonable.

9. ARBITRATION

At the election of either party, any controversy, claim or dispute of any kind or nature, arising out of or relating to this Agreement, or breach hereof, shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and any judgment awarded or rendered by the arbitrator(s), may be entered in any court having jurisdiction hereof. All costs of arbitration, together with any legal, court, investigation, accounting, shall be paid by the losing party.

10. TERM AND TERMINATION

10.1 Term. This Agreement shall continue in effect until the earlier of (a) the mutual agreement of the parties to terminate the Agreement, as evidenced in a writing signed by both parties or (b) the payment in full of all the Contracts.

10.2 Termination Upon Default. Notwithstanding the foregoing, upon the occurrence of any Default by either party, and the defaulting party's failure to cure such Default within thirty (30) days after receipt of written notice from the non-defaulting party describing the Default in detail, then upon the election of the non-defaulting party and upon effective written notice to the defaulting party, this Agreement shall terminate.

11. DEFAULT AND REMEDIES

11.1 Default. Any one or more of the following shall constitute a default of this Agreement ("Default"):

(a) Either party fails to pay any amount to the other party when due;

(b) Either party breaches any term, provision, covenant, warranty or representation under this Agreement, any amendment hereto, or any other agreements or contracts between the parties;

(c) A receiver or trustee is appointed for any or all of the assets of either party;

(d) Either party becomes insolvent, ceases business operations, or is unable to pay debts as they mature, makes a general assignment for the benefit of creditors or voluntarily files under bankruptcy or similar law(s);

(e) Any involuntary petition in bankruptcy is filed against either party and is not dismissed within 60 days;

(f) Any levies of attachment, executions, tax assessment or similar process is issued against either party and is not released within thirty (30) days thereof; and/or

(g) Any document, statement, writing, warranty, representation, report, certificate, financial statement made or delivered by either party to the other is incorrect, false, untrue or misleading in any material respect whatever.

11.2 Remedies After Default. In the event of any Default by Concordia has not been cured within 30 days after notice of such Default is received by Concordia, which notice to be effective must specifically describe the default, Investor may do any one or more of the following:

(a) Notify the Custodian to release all the originally executed Contracts and title transfer instruments to Investor.

(b) Directly notify any Customers and effect collections of Contracts and collect such Contracts, without payment of any further servicing fee to Concordia.

(c) Request Concordia to assemble the Contracts and all records pertaining to the Contracts and deliver them to Investor.

(d) Subject to subparagraph (e) below, exercise any other rights and/or remedies available to Investor under law or equity.

(e) Assign, transfer or sell the Contracts to a third party, but only after complying with Section 7 hereof; which shall survive any termination of the Agreement and any Default by Concordia.

11.3 Cumulative Rights. All rights, remedies and powers granted to the parties in this Agreement, or in any other agreement given by one party to the other, are cumulative and may be exercised singularly or concurrently with such other rights as the parties may have.

12. MISCELLANEOUS

12.1 Power of Attorney. In order to carry out the servicing requirements of this Agreement, Investor grants to Concordia an irrevocable power of attorney, coupled with an interest, authorizing and permitting Concordia (acting through any of its employees, attorneys or agents) at any time, at Concordia's option, with or without notice to Investor, to do any or all of the following in Investor's name or otherwise, its special attorney in fact, or agent, with power to:

(a) insert Concordia's remittance address on all Contracts purchased by Investor and being collected by Concordia;

(b) receive, open and dispose of all mail addressed to Investor from any Customer;

(c) endorse the name of Investor, or Investor's fictitious trade name, on any checks or other evidences of payment that may come into the possession of Concordia on Contracts purchased by Investor or pursuant to default on any other documents relating to any of the Contracts, and including but not limited to, amendments, notices to customers and any other documents necessary to carry out the purposes of this Agreement;

(d) in Concordia's name, as servicing agent for Investor, or otherwise, demand, sue for, collect, and give releases for any and all monies due or to become due on Contracts;

(e) compromise, prosecute, or defend any action, claim or proceeding as to said Contracts;

(f) from time to time offer a trade discount to a Customer exclusive of Concordia's normal business practice with said customer; and

(g) to do any and all things Concordia deems necessary and proper to carry out the purpose(s) of this Agreement.

12.2 Hold Harmless. Concordia agrees to indemnify and hold Investor harmless against any and all claims, losses, expenses, costs, obligations, liabilities, and attorneys' fees Investor may incur by reason of (i) Concordia's breach of or failure to perform any of its warranties, guarantees, commitments, or covenants in this Agreement; or (ii) Concordia's collecting or attempting to collect any Contracts.

12.3 Binding on Future Parties. This Agreement inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties.

12.4 Written Waiver. A party may not waive its rights and remedies unless the waiver is in writing and signed by that party. A waiver of a party of any right or remedy under this Agreement on one occasion is not a waiver of any other right on that occasion, nor the waiver of that or any other right on any subsequent occasion.

12.5 Legal Fees. The prevailing party shall be entitled to receive all attorney's fees, costs and/or expenses ("Legal Fees") incurred by such party in enforcing this Agreement and any documents prepared in connection herewith, and/or protecting, preserving or enforcing any right granted under this Agreement, whether or not suit is brought. In any lawsuit, arbitration or other proceeding, including any and all appeals therefrom, the prevailing party shall be entitled to recover its Legal Fees wherever applicable.

12.6 California Law. This Agreement shall be governed by and construed both as to validity and performance and enforced in accordance with the laws of the State of California, without giving effect to the choice of law principles thereof.

12.7 Invalid Provisions. If any provision(s) of this Agreement shall be declared illegal, contrary to law or policy, or otherwise unenforceable, it is agreed that such provision shall be disregarded and that all other provisions of this Agreement shall remain in full force and effect as though such provision(s) had not been incorporated herein.

12.8 Entire Agreement. This Agreement, and any exhibits and schedules attached hereto, constitutes the entire agreement of the parties and supersedes all other prior agreements, understandings, representations and warranties, whether written or oral. This Agreement may be amended only by written agreement executed by the parties.

12.9 Notice. All notices, requests, demands, and other communications (collectively Notices) given or made pursuant to this Agreement shall be given if sent by telex, telecopy, fax, first class mail or by registered or certified mail, return receipt requested, postage and

fees prepaid, or equivalent private messenger/delivery service offering signature acknowledgement by recipient (Fedex, UPS, etc.), or by personal delivery, to the address listed below, new addresses provided by the parties, or wherever located:

If to Concordia: Concordia Financing Co., Ltd.
2920 Inland Empire Blvd., Ste 103
Ontario, California 91764
Fax: 909-483-2626
ATTN: Ken Crowder

If to Investor: SHELLEN LEMAY
[redacted]
AZ

12.10 Waiver of Jury Trial. ✓ SL KC *(Initial)* BOTH INVESTOR AND CONCORDIA ACKNOWLEDGE THE EXTREME COST ATTENDANT TO TRIAL BY JURY, AND THEREFORE BOTH CLIENT AND CONCORDIA WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING OR TRANSACTION RELATING TO THIS AGREEMENT OR ANY AGREEMENT(S) RELATED HERETO.

Executed this 30th day of April, at Ontario, California.

Concordia: Concordia Financing Co., Ltd.
a California corporation

By: Kenneth Crowder
Kenneth Crowder
President

Investor: × Shellen LeMay Trec.

Exhibit A:

List of Contracts

Name of Customer	Dealer Principal Amount As of _____ ,2001

Total: $_____

ER Financial
& Advisory
Service

4081 Vega Dr.
Lake Havasu City, AZ
86404
www.erfinancial.net

David Wanzek, CPA
520-706-7112
david@erfinancial.net

Michael Bersch,
CPA
520-706-9394
michael@erfinancial.net
no

EXHIBIT
7
Bersch
12-18-21

RE: Concordia Finance

Dear Suellen Lemay

We recently attended the board of directors meeting of Concordia Finance in Ontario California. The company continues to grow and has progressed towards its goals. The company had good first quarter earnings and is projected to have an excellent year.

One of the many topics discussed involved the interest that Concordia pays to its investors. One of the decisions that the board made was to pay 10% interest on any new money invested after June 30 2002. Accordingly Concordia will accept investment money at 12% until the end of June.

If there are any questions please contact David or Michael at (928) 453-7111.

Sincerely,

David Wanzek

Michael Bersch

Michael Bersch
486-[redacted]
2131

Given to Suellen LeMay April 2007 by Michael Bersch

CONCORDIA FINANCE

INVESTOR
$100,000

RETURN ON INVESTMENT
$1,000 / MONTH
(12% / YR)

PRODUCT APPROVED BY
KANSAS CITY LIFE INC.
BROKER: SUNSET FINANCIAL

1. INVESTOR GIVES INVESTMENT CHECK TO ER FINANCIAL

4. ER FINANCIAL GIVES INVESTOR A MONTHLY CHECK BASED ON INVESTMENT

ER FINANCIAL
MICHAEL BERSCH, CPA
DAVID WANZEK, CPA
(MAINTAINS ACTUAL COLLATERAL & CONTRACTS FOR INVESTOR, REVIEWS MONTHLY REPORTS & PAYMENTS TO INVESTORS)

CONCORDIA FINANCE
(SERVICES CONTRACTS FOR INVESTOR)

PAYMENT ON TRUCKS

ACQUIRES TRUCK CONTRACTS

2. ER FINANCIAL SENDS INVESTMENT TO CONCORDIA.
3. CONCORDIA REPORTS TO ER FINANCIAL

EXHIBIT A
Bersch
12-18-12

ACC000001
BERSCH

ANNA,

9-22-06

THE CHECK FROM THE SINGLETON TRUST IS TO BE DIVIDED ACCORDINGLY,

$90,000 TO THE SINGLETON TRUST

$10,000 TO SUE ELLEN LEMAY

THANK YOU

DAVID WANZEK CPA
ER FINANCIAL & ADVISORY LLC

Beth Singleton

EXHIBIT 9 Bersch 12-18-12

THE SINGLETON REV TR
WALTER T SINGLETON
BETH PACE SINGLETON CO-TTEES
[redacted] AZ [redacted]

COMMAND ASSET PROGRAM

1615

9-22-06
Date

66-21/530
BRANCH 98204

Pay to the Order of Concordia $ 100,000.00

One hundred thousand and 00/100 Dollars

WACHOVIA SECURITIES
Wachovia Bank, N.A.

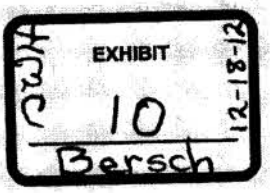
CODE 6

For Investment Bth, Sing Pace Ivon

Beth Pace Singleton

⑆053000219⑆ [redacted] 59251⑈ 1615

ACC000021
BERSCH



To our Portfolio Investors:

In the next few weeks you will be receiving a letter from Concordia Financing that addresses their potential growth and the planned restructuring needed to achieve this growth. Concordia is doing great and this is all part of growing it bigger and better and with that there are changes. The company is expected to grow two to three times in a short period of time thru bank financing and new investor monies. When companies grow there are opportunities for expansion and that is where Concordia is today.

As part of this growth, the company will set a date, (to be determined), where all new monies invested will be maintained by a new company and the new monies will be collateralized differently. The new monies coming from individual investors will be placed into what is called a mezzanine level of funding. Concordia will offer 12% on this new money and they want to raise 10 million at this level. The other funding will come from the banks and or other financial institutions. The collateral for this new money will be collaterized by a secured second position on the truck contracts with a guarantee by Concordia.

With respect to the current investment portfolios, they will continue as is, and we will continue to maintain the collateral for you, and send you your checks every month as we have in the past. As in the past, we also will monitor the financial position of Concordia. Currently the financial position is excellent.

Again, for the current portfolio income investors everything stays the same.

We have money invested like you do so when this restructuring takes place we made sure that your money and collateral will still be handled by us.

When you have additional funds to invest in contract, please let us know so we can place in with Concordia as to earn 12%. If you have any friends that would like 12% income flow, we are available to discuss Concordia with them.

Most importantly, your current investments with Concordia will be maintained by us and this will not change thru this restructuring of Concordia,

Should you have any questions please call us at (928) 453-7111.

David Wanzek, CPA

Michael Bersch, CPA

9/20/06
Dave Wanzek.
Jack?
end of Sept. meet yet??
250,000 mil
200,000 over 2yr
or NW 1 mile

5658 E. Inland Empire Blvd., Suite 700 Ontario, CA 91764 • (909) 987-8301

CONCORDIA finance

EXHIBIT 11 Bersch 12-18-12

August 10, 2006

Dear Concordia Investors

Concordia Finance has grown substantially over the years and this has been as a result of the confidence of investors, like yourself. The company is servicing in excess of 30,000,000 dollars and profits are growing. There is still room to expand. Our growth has provided us with a unique opportunity to take it to the next level and with your confidence and continued support this can be achieved this.

The opportunity is to grow into other states and we have already made contacts with dealers in the states that we have chosen to do business and a lot of the groundwork has been completed. In order to properly grow additional funding is required and we hope to double or triple the amount we service.

As part of this potential growth opportunity, we have engaged Pacific Financial Advisors (PFA) to seek bank financing and secondary financing (Mezzanine) from major banks, financial institutions and portfolio investors. In doing so, Concordia will establish a new company called Concordia Funding LLC ("Concordia Funding") which will finance new contracts. Concordia Funding will hold all the collateral on all new financing.

Current Portfolio Investors: Existing investors will maintain the current arrangements with Concordia and ER financial (David and Mike) will continue to hold collateral for you and monitor the monthly reports for you. Basically, it stays the same. You have until September 30 to invest any addition funds in this category. This investment pays 10% with specific collateral.

Future Portfolio Money: As of September 30, 2006 all new investment money will be put into the mezzanine level and will be serviced by Concordia Funding, the new company. The collateral will be pooled contracts and will be held by Concordia Funding. The interest payments to the new investment money will be at 12 percent.

Outline of Future Money:

- New Senior Secured Financing. PFA has received strong indications of interest from three different institutions for a credit line up to $40 million (Senior Secured financing). However, in order to complete the Concordia Funding financing transaction, PFA and ER Financial still need to raise up to $10 million in the form of secured Mezzanine notes.
- New Secured Mezzanine Note. A Mezzanine Note is similar to the current Concordia portfolios which investors presently own. However, the main difference is that the Mezzanine Note will have a second security position to the banks in terms of a lien on the collateral. The current Concordia portfolios have a first security position in terms of a lien in each truck contract. The new Mezzanine Notes are secured by a larger and diverse

5692 E. Inland Empire Blvd., Suite 700 Ontario, CA 91764 • (909) 985-910

CONCORDIA
finance

portfolio of truck contracts. The new Mezzanine Notes will continue to be guaranteed by Concordia.

- Current investors will have the opportunity but are not required to invest in or convert into the Mezzanine Notes. This is simply a voluntary investment opportunity.
- The Mezzanine Notes will provide for secured monthly interest payments at an annual rate of 12% (12.58% annual yield) and will have a term of 5 years.
- The Mezzanine Notes are secured by a diversified portfolio of truck contracts. Thus there are a large number of trucks backing the Mezzanine Note investment.
- The Mezzanine Notes possess a second security interest in the Concordia Funding's truck contract portfolio below the bank financing.
- Concordia will provide a full recourse loss guaranty on the bank's Senior Secured Financing and the Mezzanine Notes. Concordia will establish a cash reserve in addition to the established Concordia Funding's cash reserve for the benefit of the Concordia Funding's investors and lenders.

In order to be involved with the new company, I will continue to be the chairman of the Board of Concordia, and Chris Crowder, who has been the VP will take over as president of Concordia. This will allow more of my time to be spent in the development of this new growth opportunity.

Attached for your review is a cover letter from PFA and a summary of the Mezzanine Note investment opportunity and terms.

Sincerely,

Ken Crowder
CEO
Concordia Finance

3655 E. Inland Empire Blvd. Suite 300 Ontario, CA 91764 • (909) 485-8161

CONCORDIA finance

Concordia Funding, LLC
Secured Mezzanine Notes
Summary of Terms

Issuer:	Concordia Funding, LLC (the "SPC")
Securities Offered:	$ 5,000,000 to $10,000,000 principal amount of five-year Secured Mezzanine Notes (the "Mezzanine Notes") to accredited investors.
Use of Funds:	The SPC will invest the proceeds of the Mezzanine Notes' to purchase truck sales contracts. In addition to the proceeds from the Mezzanine Notes, the SPC will also receive up to $40,000,000 of proceeds from a Senior Secured Lender to purchase additional truck sales contracts. The purchase of the truck sales contracts will be originated by Concordia Finance and Concordia Finance will also be the servicer of all the truck sales contracts purchased by the SPC.
Subscription Minimum:	The minimum individual investment amount is $250,000 and a subscription agreement (firm written commitment to invest) should be completed by September 30, 2006. The minimum total investment amount required is $5,000,000.
Investment Timing:	The actual purchase of the Mezzanine Notes and closing of the entire SPC financing is scheduled for October 18, 2006, at which time investors must make payment (either check or wire) to the SPC.
Investment Strategy:	To provide secure monthly returns for five years equal to an annual fixed interest rate of 12% (annualize yield of 12.68%).
Concordia Guaranty:	Concordia Finance will provide a guaranty on the payments of monthly interest and principal of the Senior Secured Lender and the Mezzanine Notes.
SPC Cash Reserve:	The SPC will also fund a separate cash reserve to provide for payments of monthly interest and principal of the Senior Secured Lender and the Mezzanine Notes.

5053 E. Inland Empire Blvd., Suite 300 Ontario CA 91764 • (909) 458-[illegible]

CONCORDIA *finance*

Security Interest	The Mezzanine Notes will be secured, on a second priority basis, in a diversified pool of truck sales contract. The security interest of the Mezzanine Notes will be subordinate to the Senior Secured Lender.
Service Agreement	Concordia Finance will enter into an origination and servicing agreement with SPC to originate and service the truck sales contracts.
Redemption:	On or after three years, the SPC may, redeem the Mezzanine Notes at 100% of face value (par amount) plus accrued and unpaid interest.
Reporting:	Each Investor will receive an unaudited quarterly financial statement and audited annual financial statements of SPC and Concordia Finance.
Custodian:	The Custodian, pursuant to the Custodial Agreement executed by SPC and Custodian will maintain and hold all documents relating to the Sales Contract for purposes of administration.
Investor:	Qualified investor must be an Accredited Investor as defined by Rule 501(a) of Regulation D under the Securities Act of 1933 ("1933 Act")

This Summary is for discussion purposes only and sets forth certain terms of the Mezzanine Note investment. A prospective qualified investor should read and review the Information Memorandum in its entirety, and ask any questions of management or its advisors prior to making an investment decision.

ROSHKA DEWULF & PATTEN

ROSHKA DEWULF & PATTEN, PLC
ATTORNEYS AT LAW
ONE ARIZONA CENTER
400 EAST VAN BUREN STREET
SUITE 800
PHOENIX, ARIZONA 85004
TELEPHONE NO 602-256-6100
FACSIMILE 602-256-6800

November 30, 2012

VIA U. S. MAIL & FACSIMILE (602-714-8120)

Stephen J. Womack, Esq.
Securities Division
Arizona Corporation Commission
1300 W. Washington St., Third Floor
Phoenix, AZ 85007-2996

Re: ER Financial & Advisory Services, LLC, Your File No. 8371

Dear Mr. Womack:

It has been brought to our attention that the Arizona Corporation Commission Securities Division ("Division") issued two subpoenas addressed to the "Custodian of Records" of "ER Financial & Advisory Services, LLC ("ER") on November 5, 2012. One subpoena was a subpoena duces tecum due December 5, 2012, and the other subpoena was for an examination under oath by the "Custodian of Records" of ER on December 17, 2012. The subpoenas were served by certified mail sent on November 5, 2012, and received on or about November 7, 2012.

Attached for your information is a copy of the Certificate of Termination issued by the Corporations Division of the Arizona Corporation Commission for ER on November 5, 2012, reflecting Articles of Termination filed by ER on October 31, 2012. Thus, as of October 31, 2012, ER no longer exists, and therefore there can be no "Custodian of Records". See A.R.S. § 29-782(A)(1).

In short, the subpoenas were issued to the Custodian of an entity that does not exist, and therefore the subpoenas are a nullity. Of course, the foregoing does not apply to the subpoena issued to Mr. Michael Bersch for an Examination Under Oath on December 18, 2012.

If you have any questions or concerns, please let me know.

Very truly yours,

Timothy J. Sabo
For the Firm

EXHIBIT
S-174
ADMITTED

TJS:da
Encl.

STATE OF ARIZONA

Office of the
CORPORATION COMMISSION

CERTIFICATE OF TERMINATION

To all to whom these presents shall come, greeting:

I, Ernest G. Johnson, Executive Director of the Arizona Corporation Commission, do hereby certify that

******ER FINANCIAL & ADVISORY SERVICES LLC******

An Arizona Limited Liability Company, on this 31st day of October, 2012, filed Articles of Termination, attesting that properties and assets have been applied and distributed pursuant to the Arizona Limited Liability Company Act.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 5th Day of November, 2012, A. D.

Executive Director

By

7009 1410 0002 1637 1253

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)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$

Postmark Here

Sent To

Street, Apt. No.; or PO Box No.

City, State, ZIP+4

PS Form 3800, August 2006 — See Reverse for Instructions

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:

DAVID WANZEK, AN INDIVIDUAL
[redacted]
[redacted] AZ [redacted]

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X Carla Emery ☐ Agent ☐ Addressee

B. Received by (Printed Name) Carla Emery — C. Date of Delivery 12-19-8

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 labs) 7009 1410 0002 1637 1253

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

EXHIBIT
S-176a
ADMITTED

PROOF OF SERVICE BY MAIL

Re: Concordia Financing Co., Ltd

I declare that I am over the age of 18 years and not a party to the within cause, my business address is:

Department of Business Oversight
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344

On December 17, 2013, I served the following documents:

Cover letter dated 12/13/13 from Michelle Lipton, Sr. Corporations Counsel to David Wanzek; Desist and Refrain Order dated 10/7/13 for violations of sections 25110 and 25401 of the Corporations Code; Copy of Corporations Code Section 25532

By placing, in the United States mail, at Los Angeles, California, the county in which I am employed, a true and correct copy thereof enclosed in a sealed envelope, with the postage therein fully prepaid, addressed as follows:

David Wanzek, An Individual
[redacted]
[redacted], AZ [redacted]
Certified Mail Article No.: 7009 1410 0002 1637 1253

I declare under penalty of perjury that the foregoing is true and correct.

Executed on December 17, 2013 at Los Angeles, California.

(Type or Print Name) (Signature)

DEPARTMENT OF BUSINESS OVERSIGHT

Ensuring a fair and secure financial services marketplace for all Californians

December 13, 2013

VIA CERTIFIED MAIL
David Wanzek
[redacted] AZ [redacted]

Re: Desist and Refrain Order for violations of Corporations Code sections 25110 and 25401

Dear Mr. Wanzek:

Enclosed is a Desist and Refrain Order ("Order") for violations of Corporations Code sections 25110 and 25401 issued against you.

California Corporations Code section 25532 sets forth the authority of the Commissioner to issue the Order and the right to an Administrative Hearing if you challenge it.

A copy of Corporations Code section 25532 is attached.

Should you have any questions or concerns, please contact the undersigned at the number provided below.

Sincerely,
JAN LYNN OWEN
Commissioner of Business Oversight

By Michelle Lipton
Michelle Lipton
Senior Corporations Counsel
Enforcement Division
(213) 576-7591

enclosures

State of California - Department of Business Oversight

STATE OF CALIFORNIA
BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
DEPARTMENT OF BUSINESS OVERSIGHT

TO: Kenneth Crowder, Chairman of the Board and CEO
Chris Crowder, President and COO
David Wanzek, Director
Michael Bersch, Director
Concordia Financing Co., Ltd.
9302 Pittsburgh Ave #220
Rancho Cucamonga, CA 91730

DESIST AND REFRAIN ORDER
(For violations of sections 25110 and 25401 of the Corporations Code)

The Commissioner of Business Oversight finds that:

1. At all relevant times herein, Concordia Financing Co., Ltd. ("Concordia Financing") was and is a corporation formed under the laws of California on April 18, 1994. It maintains an address at 9302 Pittsburgh Ave #220, Rancho Cucamonga, CA 91730.

2. At all relevant times herein, Kenneth Irwin Crowder ("Kenneth Crowder"), was Chairman of the Board and CEO of Concordia Financing.

3. At all relevant times herein, Christopher Kenneth Crowder ("Christopher Crowder") was President and COO of Concordia Financing.

4. At all relevant times herein, David Wanzek was a Director of Concordia Financing.

5. At all relevant times herein, Michael Bersch, was a Director of Concordia Financing.

6. Beginning in or about 1998 and continuing through at least 2008, Kenneth Crowder, Christopher Crowder, David Wanzek, and Michael Bersch offered and sold to investors securities in the form of investment contracts, which were unqualified, non-exempt securities. These investment contracts were titled "Sale of Contracts and Servicing Agreement," and were sold to approximately 178 investors totaling approximately $18 million.

7. These securities were sold in order to purchase and service "Truck Conditional Sales Agreements" from commercial truck dealers. The "Truck Conditional Sales Agreements" were

allegedly factored, sold, and assigned to investors, and then serviced by Concordia Financing on behalf of investors.

8. These securities were offered or sold in this state in issuer transactions. The Department of Business Oversight has not issued a permit or other form of qualification authorizing any person to offer and sell these securities in this state.

9. These securities are not exempt because they were sold to unaccredited and unsophisticated investors.

10. In connection with the offer and sale of these securities, Concordia Financing, Kenneth Crowder, Christopher Crowder, David Wanzek, and Michael Bersch made material misrepresentations of facts and also 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. These misrepresentations and omissions included, but are not limited to, the following:

a. Investors were told that their investments would be safe because they would be individually secured by assigned vehicle titles to Class 8 "big rig" trucks, when in actuality the investments were never secured and the titles were never assigned.

b. Investors were told that the commercial truck drivers whose loans were allegedly securing investments were subject to credit checks. In actuality, these credit checks involved neither background searches of the drivers nor a check of the financial credit of the drivers. In actuality, credit checks involved a telephone call to the drivers' former employers to determine whether the drivers were punctual.

c. Investors were told that these conditional sales contracts were less risky than investing on the stock market or maintaining a savings account or purchasing Certificates of Deposit, when in actuality the conditional sales contracts were unsecured and uninsured.

d. Investors were told that their investments had 100% liquidity, when in actuality investors attempted and were unable to withdraw their money.

e. Investors were told that Kansas City Life Insurance Company insured their investments, when in actuality the investments were not insured.

State of California - Department of Business Oversight

Based upon the foregoing findings, the Commissioner of Business Oversight is of the opinion that the securities in the form of investment contracts titled "Sales of Contract and Servicing Agreement" that are being or have been offered or sold by Concordia Financing, Kenneth Crowder, Christopher Crowder, David Wanzek, and Michael Bersch are securities subject to qualification under the California Corporate Securities Law of 1968 and are being or have been offered or sold without being qualified in violation of Corporations Code section 25110.

Pursuant to Corporations Code section 25532, Concordia Financing, Kenneth Crowder, Christopher Crowder , David Wanzek, and Michael Bersch are hereby ordered to desist and refrain from the further offer or sale in the State of California of securities, including but not limited to investment contracts, unless and until qualification has been made under the law or unless exempt.

Furthermore, the Commissioner of Business Oversight is of the opinion that the securities offered and sold by Concordia Financing, Kenneth Crowder, Christopher Crowder, David Wanzek, and Michael Bersch were offered and sold in this state by means of written or oral communications that included untrue statements of material fact 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, in violation of Corporations Code section 25401.

Pursuant to Corporations Code section 25532, Concordia Financing, Kenneth Crowder, Christopher Crowder, David Wanzek, and Michael Bersch are hereby ordered to desist and refrain from offering or selling or buying or offering to buy any security in the State of California, including, but not limited to, investment contracts by means of any written or oral communication which includes an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

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State of California - Department of Business Oversight

This Order is necessary, in the public interest, for the protection of investors and consistent with the purposes, policies, and provisions of the Corporate Securities Law of 1968 and Corporations Code.

Dated: October 7, 2013
Los Angeles, California

JAN LYNN OWEN
Commissioner of Business Oversight

By_____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

State of California - Department of Business Oversight

Corporations Code Section 25532

(a) If, in the opinion of the commissioner, (1) the sale of a security is subject to qualification under this law and it is being or has been offered or sold without first being qualified, the commissioner may order the issuer or offeror of the security to desist and refrain from the further offer or sale of the security until qualification has been made under this law or (2) the sale of a security is subject to the requirements of Section 25100.1, 25101.1, or 25102.1 and the security is being or has been offered or sold without first meeting the requirements of those sections, the commissioner may order the issuer or offeror of that security to desist and refrain from the further offer or sale of the security until those requirements have been met.

(b) If, in the opinion of the commissioner, a person has been or is acting as a broker-dealer or investment adviser, or has been or is engaging in broker-dealer or investment adviser activities, in violation of Section 25210, 25230, or 25230.1, the commissioner may order that person to desist and refrain from the activity until the person has been appropriately licensed or the required filing has been made under this law.

(c) If, in the opinion of the commissioner, a person has violated or is violating Section 25401, the commissioner may order that person to desist and refrain from the violation.

(d) If, after an order has been served under subdivision (a), (b), or (c), a request for hearing is filed in writing within 30 days of the date of service of the order by the person to whom the order was directed, a hearing shall be held in accordance with provisions of the Administrative Procedure Act, Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the commissioner shall have all of the powers granted under that chapter. Unless the hearing is commenced within 15 business days after the request is filed (or the person affected consents to a later date), the order is rescinded.

If that person fails to file a written request for a hearing within 30 days from the date of service of the order, the order shall be deemed a final order of the commissioner and is not subject to review by any court or agency, notwithstanding Section 25609.

7009 1410 0002 1637 1277

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Street, Apt. No.; or PO Box No.

City, State, ZIP+4

PS Form 3800, August 2006 See Reverse for Instructions

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:

MICHAEL BORSCH, AN INDIVIDUAL

[redacted] AZ [redacted]

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X [signature] ☐ Agent ☐ Addressee

B. Received by (*Printed Name*) Michael Borsch
C. Date of Delivery 12-19-13

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 ser*) 7009 1410 0002 1637 1277

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

EXHIBIT
S-1766
ADMITTED

PROOF OF SERVICE BY MAIL

Re: Concordia Financing Co., Ltd

I declare that I am over the age of 18 years and not a party to the within cause, my business address is:

Department of Business Oversight
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344

On December 17, 2013, I served the following documents:

Cover letter dated 12/13/13 from Michelle Lipton, Sr. Corporations Counsel to Michael Bersch; Desist and Refrain Order dated 10/7/13 for violations of sections 25110 and 25401 of the Corporations Code; Copy of Corporations Code Section 25532

By placing, in the United States mail, at Los Angeles, California, the county in which I am employed, a true and correct copy thereof enclosed in a sealed envelope, with the postage therein fully prepaid, addressed as follows:

Michael Bersch, An Individual
[redacted]
[redacted], AZ [redacted]
Certified Mail Article No.: 7009 1410 0002 1637 1277

I declare under penalty of perjury that the foregoing is true and correct.

Executed on December 17, 2013 at Los Angeles, California.

(Type or Print Name) (Signature)

DEPARTMENT OF BUSINESS OVERSIGHT

Ensuring a fair and secure financial services marketplace for all Californians

December 13, 2013

VIA CERTIFIED MAIL
Michael Bersch
[redacted], AZ [redacted] or
[redacted] Arizona [redacted]

Re: Desist and Refrain Order for violations of Corporations Code sections 25110 and 25401

Dear Mr. Bersch:

Enclosed is a Desist and Refrain Order ("Order") for violations of Corporations Code sections 25110 and 25401 issued against you.

California Corporations Code section 25532 sets forth the authority of the Commissioner to issue the Order and the right to an Administrative Hearing if you challenge it.

A copy of Corporations Code section 25532 is attached.

Should you have any questions or concerns, please contact the undersigned at the number provided below.

Sincerely,
JAN LYNN OWEN
Commissioner of Business Oversight

By Michelle Lipton
Michelle Lipton
Senior Corporations Counsel
Enforcement Division
(213) 576-7591

enclosures

State of California - Department of Business Oversight

STATE OF CALIFORNIA
BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
DEPARTMENT OF BUSINESS OVERSIGHT

TO: Kenneth Crowder, Chairman of the Board and CEO
Chris Crowder, President and COO
David Wanzek, Director
Michael Bersch, Director
Concordia Financing Co., Ltd.
9302 Pittsburgh Ave #220
Rancho Cucamonga, CA 91730

DESIST AND REFRAIN ORDER
(For violations of sections 25110 and 25401 of the Corporations Code)

The Commissioner of Business Oversight finds that:

1. At all relevant times herein, Concordia Financing Co., Ltd. ("Concordia Financing") was and is a corporation formed under the laws of California on April 18, 1994. It maintains an address at 9302 Pittsburgh Ave #220, Rancho Cucamonga, CA 91730.

2. At all relevant times herein, Kenneth Irwin Crowder ("Kenneth Crowder"), was Chairman of the Board and CEO of Concordia Financing.

3. At all relevant times herein, Christopher Kenneth Crowder ("Christopher Crowder") was President and COO of Concordia Financing.

4. At all relevant times herein, David Wanzek was a Director of Concordia Financing.

5. At all relevant times herein, Michael Bersch, was a Director of Concordia Financing.

6. Beginning in or about 1998 and continuing through at least 2008, Kenneth Crowder, Christopher Crowder, David Wanzek, and Michael Bersch offered and sold to investors securities in the form of investment contracts, which were unqualified, non-exempt securities. These investment contracts were titled "Sale of Contracts and Servicing Agreement," and were sold to approximately 178 investors totaling approximately $18 million.

7. These securities were sold in order to purchase and service "Truck Conditional Sales Agreements" from commercial truck dealers. The "Truck Conditional Sales Agreements" were

allegedly factored, sold, and assigned to investors, and then serviced by Concordia Financing on behalf of investors.

8. These securities were offered or sold in this state in issuer transactions. The Department of Business Oversight has not issued a permit or other form of qualification authorizing any person to offer and sell these securities in this state.

9. These securities are not exempt because they were sold to unaccredited and unsophisticated investors.

10. In connection with the offer and sale of these securities, Concordia Financing, Kenneth Crowder, Christopher Crowder, David Wanzek, and Michael Bersch made material misrepresentations of facts and also 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. These misrepresentations and omissions included, but are not limited to, the following:

a. Investors were told that their investments would be safe because they would be individually secured by assigned vehicle titles to Class 8 "big rig" trucks, when in actuality the investments were never secured and the titles were never assigned.

b. Investors were told that the commercial truck drivers whose loans were allegedly securing investments were subject to credit checks. In actuality, these credit checks involved neither background searches of the drivers nor a check of the financial credit of the drivers. In actuality, credit checks involved a telephone call to the drivers' former employers to determine whether the drivers were punctual.

c. Investors were told that these conditional sales contracts were less risky than investing on the stock market or maintaining a savings account or purchasing Certificates of Deposit, when in actuality the conditional sales contracts were unsecured and uninsured.

d. Investors were told that their investments had 100% liquidity, when in actuality investors attempted and were unable to withdraw their money.

e. Investors were told that Kansas City Life Insurance Company insured their investments, when in actuality the investments were not insured.

State of California - Department of Business Oversight

Based upon the foregoing findings, the Commissioner of Business Oversight is of the opinion that the securities in the form of investment contracts titled "Sales of Contract and Servicing Agreement" that are being or have been offered or sold by Concordia Financing, Kenneth Crowder, Christopher Crowder, David Wanzek, and Michael Bersch are securities subject to qualification under the California Corporate Securities Law of 1968 and are being or have been offered or sold without being qualified in violation of Corporations Code section 25110.

Pursuant to Corporations Code section 25532, Concordia Financing, Kenneth Crowder, Christopher Crowder , David Wanzek, and Michael Bersch are hereby ordered to desist and refrain from the further offer or sale in the State of California of securities, including but not limited to investment contracts, unless and until qualification has been made under the law or unless exempt.

Furthermore, the Commissioner of Business Oversight is of the opinion that the securities offered and sold by Concordia Financing, Kenneth Crowder, Christopher Crowder, David Wanzek, and Michael Bersch were offered and sold in this state by means of written or oral communications that included untrue statements of material fact 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, in violation of Corporations Code section 25401.

Pursuant to Corporations Code section 25532, Concordia Financing, Kenneth Crowder, Christopher Crowder, David Wanzek, and Michael Bersch are hereby ordered to desist and refrain from offering or selling or buying or offering to buy any security in the State of California, including, but not limited to, investment contracts by means of any written or oral communication which includes an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

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State of California - Department of Business Oversight

This Order is necessary, in the public interest, for the protection of investors and consistent with the purposes, policies, and provisions of the Corporate Securities Law of 1968 and Corporations Code.

Dated: October 7, 2013
Los Angeles, California

JAN LYNN OWEN
Commissioner of Business Oversight

By_____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

State of California - Department of Business Oversight

Corporations Code Section 25532

(a) If, in the opinion of the commissioner, (1) the sale of a security is subject to qualification under this law and it is being or has been offered or sold without first being qualified, the commissioner may order the issuer or offeror of the security to desist and refrain from the further offer or sale of the security until qualification has been made under this law or (2) the sale of a security is subject to the requirements of Section 25100.1, 25101.1, or 25102.1 and the security is being or has been offered or sold without first meeting the requirements of those sections, the commissioner may order the issuer or offeror of that security to desist and refrain from the further offer or sale of the security until those requirements have been met.

(b) If, in the opinion of the commissioner, a person has been or is acting as a broker-dealer or investment adviser, or has been or is engaging in broker-dealer or investment adviser activities, in violation of Section 25210, 25230, or 25230.1, the commissioner may order that person to desist and refrain from the activity until the person has been appropriately licensed or the required filing has been made under this law.

(c) If, in the opinion of the commissioner, a person has violated or is violating Section 25401, the commissioner may order that person to desist and refrain from the violation.

(d) If, after an order has been served under subdivision (a), (b), or (c), a request for hearing is filed in writing within 30 days of the date of service of the order by the person to whom the order was directed, a hearing shall be held in accordance with provisions of the Administrative Procedure Act, Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the commissioner shall have all of the powers granted under that chapter. Unless the hearing is commenced within 15 business days after the request is filed (or the person affected consents to a later date), the order is rescinded.

If that person fails to file a written request for a hearing within 30 days from the date of service of the order, the order shall be deemed a final order of the commissioner and is not subject to review by any court or agency, notwithstanding Section 25609.

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Accountancy

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Search results as of 4/15/2015 2:07:46 PM
for Individuals:
Category = LastName
Criteria = wanzek

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STATUS DEFINITIONS

Snow Capped Black Hills Mountains
Prescott Arizona

(1) The certificate status reflects the status that the certificate has been in since the status as of date field and does not reflect any board actions prior to the status as of date. For instance, a certificate can be in "active" status even though the certificate holder may have been in another status such as "probation" or "suspension" during a period of time prior to the status as of date. Please call the Board office at (602) 364-0804 if you're interested in historical disciplinary actions. CPAs and firms are regulated separately so searches/inquiries on both entities, if applicable, would provide better information.

This directory only lists certificates that the Board is currently regulating or have regulated in the last ten years. Call our office to inquire about CPAs that have not been regulated in over ten years.

If you would like additional address information for any registrant listed on this page, please visit this link from the Board's website for specific instructions: (Public Records Request)

Certificate #	Issued	Last Name	First Name	Middle	Suffix	Status	Status as of(1)	City	State	Country
9278	04/17/1995	WANZEK	DAVID	J.		Active	03/04/2005	Lake Havasu City	AZ	

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EXHIBIT
tabbies
S-178a
ADMITTED

Search results as of 4/15/2015 2:09:10 PM
for Individuals:
Category = LastName
Criteria = Bersch

Tip: You can re-sort this list by clicking on column headings.

STATUS DEFINITIONS

Snow Capped Black Hills Mountains
Prescott Arizona

(1) The certificate status reflects the status that the certificate has been in since the status as of date field and does not reflect any board actions prior to the status as of date. For instance, a certificate can be in "active" status even though the certificate holder may have been in another status such as "probation" or "suspension" during a period of time prior to the status as of date. Please call the Board office at (602) 364-0804 if you're interested in historical disciplinary actions. CPAs and firms are regulated separately so searches/inquiries on both entities, if applicable, would provide better information.

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Certificate #	Issued	Last Name	First Name	Middle	Suffix	Status	Status as of(1)	City	State	Country
4922	12/16/1985	BERSCH	MICHAEL			Active	12/23/1985	Lake Havasu City	AZ	

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EXHIBIT
S-1786
ADMITTED