

01 IN THE UNITED STATES DISTRICT COURT
01
02 FOR THE NORTHERN DISTRICT OF TEXAS
02
03 DALLAS DIVISION
03
04
04
05
05
06

06 SECURITIES AND EXCHANGE)
07 COMMISSION,)
07)
08 Plaintiff,)
08)
09 vs.)
09)
10 BENJAMIN FRANKLIN COOK,)
10 individually and dba DENNEL)
11 FINANCE LIMITED, GERALD LEE)
11 PATE, ELLSWORTH WAYNE MC LAWS,)
12 and ALAN CLAGG, et al.,)
12)
13 Defendants.)
13 _____)

Civil Action No.
3:99-CV-0571-R

14
14
15
15
16
16
17 DEPOSITION OF C. KELLY OLSEN
17
18 Murrieta, California
18
19 Wednesday, March 22, 2000
19
20
20
21
21

22 Reported by:
22
23 Lynden J. Glover

23 CSR No. 5510

24

24 Job No.:

25 URL4565

25

0002

01 IN THE UNITED STATES DISTRICT COURT

01

02 FOR THE NORTHERN DISTRICT OF TEXAS

02

03 DALLAS DIVISION

03

04

04

05

05

06

06 SECURITIES AND EXCHANGE)

07 COMMISSION,)

07)

08 Plaintiff,)

08)

09 vs.) Civil Action No.

09) 3:99-CV-0571-R

10 BENJAMIN FRANKLIN COOK,)

10 individually and dba DENNEL)

11 FINANCE LIMITED, GERALD LEE)

11 PATE, ELLSWORTH WAYNE MC LAWS,)

12 and ALAN CLAGG, et al.,)

12)

13 Defendants.)

13 _____)

14

14

15

15

16

16

17 DEPOSITION OF C. KELLY OLSEN, taken on

17

18 behalf of the Plaintiff, at 30755 Auld Road,

18 Number A, Murrieta, California, commencing at

19 9:30 a.m., on Wednesday, March 22, 2000,

19 reported by LYNDEN J. GLOVER, CSR No. 5510,

20

20 a Certified Shorthand Reporter for the
21 State of California, pursuant to Notice.

22
23
24

24 APPEARANCES:

25
25

0003

01 For the Plaintiff: UNITED STATES SECURITIES
01 AND EXCHANGE COMMISSION
02 BY: JEFFREY B. NORRIS
02 Trial Attorney
03 Division of Enforcement
03 801 Cherry Street
04 19th Floor
04 Forth Worth, Texas 76102

05

05 For the Receiver: GUTTILLA & MURPHY
06 Attorneys at Law
06 BY: PATRICK M. MURPHY
07 4150 West Northern Avenue
07 Phoenix, Arizona 85051

08

08 Also present: LAWRENCE WARFIELD

09
09
10
10
11
11
12
12
13
13
14
14
15
15
16
16
17

17
18
18
19
19
20
20
21
21
22
22
23
23
24
24
25

I N D E X

25 EXAMINATION BY: PAGE
0004

01
01 Mr. Norris 7
02
02 Mr. Murphy 85
03
03
04
04
05
05
06
06
07
07

E X H I B I T S

08
08
09 OLSEN'S: PAGE
09
10 1 - Notice of Filing Accounting of C. Kelly 19
10 Olsen, with attached Exhibit "A"
11 entitled "Assets"
11
12 2 - Notice of Supplemental Filing of 21
12 C. Kelly Olsen's Accounting, with
13 attached document entitled "Assets"
13
14 3 - FAX on the stationery of International 32

14	Business Consultants Limited, addressed	
15	to C. Kelly Olsen, from Ben Cook, subject:	
15	Facilitator Agreement, dated July 10, 1997	
16		
16	4 - FAX on the stationery of Dannel Finance	34
17	LTD., addressed to C. Kelly Olsen, from	
17	Ben Cook, Subject: Facilitator Agreement,	
18	dated October 27, 1997	
18		
19	5 - Dannel Finance LTD. document entitled	40
19	"Re: Information & Instructions for	
20	Private Placement Application"	
20		
21	6 - Dannel Finance LTD. document entitled	55
21	"Re Monthly Disbursement (January 1-31,	
22	1999)"	
22		
23		
23		
24		
24	E X H I B I T S (Continued)	

25
25

0005

01	OLSEN'S:	PAGE
01		
02	7 - Copy of Dannel Finance LTD. draft in	63
02	the amount of \$207,406.60, pay to the	
03	order of C. Kelly Olsen, dated 2/15/99	
03		
04	8 - Copy of documents entitled "Resource	72
04	Development International LLC"	
05		
05	9 - Copy of documents entitled "Resource	72
06	Development International LLC IRA	
06	Packet"	
07		
07	10 - Various documents, the first of which	79
08	is entitled "Request for Information,"	
08	signed by Amelia R. Gibson, dated	
09	May 23, 1999	
09		
10	11 - Letter on the stationery of Resource	84
10	Development International, LLC,	
11	addressed to Amelia Gibson, signed by	

11	David Edwards, dated June 23, 1999	
12		
12	12 - FAX on the stationery of Guttilla & Murphy, addressed to Warren Jay Stamm, signed by Patrick M. Murphy, re: Property Transactions Involving C. Kelly Olsen, dated July 9, 1999	86
13		
13		
14		
14		
15		
15	13 - Letter on the stationery of Guttilla & Murphy, addressed to Warren Jay Stamm, signed by Patrick M. Murphy, re: Property Transactions Involving C. Kelly Olsen, dated August 2, 1999	90
16		
16		
17		
17		
18		
18	14 - FAX on the stationery of Concepcion & Sexton, addressed to Patrick M. Murphy, signed by Warren Jay Stamm, re: Dannel Receivership, dated August 16, 1999	91
19		
19		
20		
20		
21	15 - FAX on the stationery of Guttilla & Murphy, addressed to Warren Jay Stamm, signed by Patrick M. Murphy, re: Dannel Receivership, dated September 7, 1999	91
21		
22		
22		
23		
23		

24 EXHIBITS (Continued)

24
25

25 OLSEN'S: PAGE

0006		
01		
01	16 - Document entitled "Olsen Organization Chart"	97
02		
02		
03	17 - Copy of photograph	99
03		
04	18 - Copy of photograph	99
04		
05		
05		
06		
06		
07		
07		
08		

08
09
09
10
10
11
11
12
12
13
13
14
14
15
15
16
16
17
17
18
18
19
19
20
20
21
21
22
22
23
23
24
24
25
25

0007

01 Murrieta, California, Wednesday, March 22, 2000

02 9:30 a.m.

03

04 C. KELLY OLSEN,

05 produced as a witness by and on behalf of the

06 Plaintiff, and having been first duly sworn, was

07 examined and testified as follows:

08

09 EXAMINATION

10 BY MR. NORRIS:

11 QMr. Olsen, will you state and spell your
12 full name for the record?

13 A Yes. I'm going to do that. I'm going to
14 identify myself, but I do want a couple things known
15 first.

16 In doing so, I'm not waiving my Fifth
17 Amendment rights or privilege of that or any
18 jurisdictional questions or subjecting myself to the
19 jurisdiction. I do want it known for the record as
20 well that I am not here voluntarily. I'm here on
21 duress, coercion, and threat. I don't wish to be
22 here.

23 Having stated that, my name is Charles
24 Kelly Olsen, spelled O-l-s-e-n.

25 Q Mr. Olsen, have you discussed your
0008

01 deposition with anyone -- your deposition today with
02 anyone?

03 A I hereby assert my Fifth Amendment rights
04 as commanded by the Constitution of the
05 United States of America, and I refuse to answer the
06 question on the grounds that any answer may tend to
07 incriminate me.

08 Q Mr. Olsen, let me say something for the
09 record. I'm not authorized to compel you to give
10 evidence or testimony concerning which you assert
11 your privilege against self-incrimination. I have
12 no intention of doing so.

13 In addition, I do not have the authority
14 to compel your testimony by granting you immunity
15 from prosecution. Any question that I ask hereafter
16 will be with the understanding that if you wish to
17 assert your privilege, you need merely state that
18 you refuse to answer on the grounds your answer may
19 tend to incriminate you.

20 In other words, you're not compelled to
21 answer any further questions if you believe that a
22 truthful answer to the question would tend to show
23 that you committed a crime and you wish to assert
24 your privilege against self-incrimination.

25 Accordingly, if you answer any questions
0009

01 hereafter, you'll be doing so voluntarily.

02 Do you understand that?

03 A I do.

04 Q Have you discussed your deposition today
05 with any of the defendants in this matter?

06 A I wish to assert my Fifth Amendment rights
07 on that question.

08 Q Do you intend to assert your Fifth
09 Amendment privilege with respect to any questions
10 about discussions concerning this deposition?

11 A Not without hearing the questions.

12 Q Have you discussed this deposition with
13 Wayne Mc Laws?

14 A I wish to assert my Fifth Amendment
15 rights.

16 Q Have you discussed it with Mr. Cook?

17 A I wish to assert my Fifth Amendment
18 rights.

19 Q Have you discussed it with Mr. Clagg?

20 A I wish to assert my Fifth Amendment
21 rights.

22 Q Mr. Olsen, let me say something else for
23 the record before we go on. Well, let me ask you --
24 let me make sure you understand something.

25 Do you understand that when I ask you
0010

01 further questions and I refer to "you," quote, you,
02 end quote, I'm not only referring to you as an
03 individual but to any entity that you control
04 including any corporation, limited liability
05 company, partnership, or trust?

06 A I'm not sure I understand the question.

07 Q Okay. I just want to establish a ground
08 rule for any further questions that I ask. And that
09 is that when I ask a question and I use the term
10 "you," y-o-u, that I'm not only referring to you as
11 an individual but to any entity that you control
12 including any corporation, limited liability company
13 partnership, or trust.

14 A I understand.

15 Q Okay. And, further, when I -- do you
16 understand that when I ask about the conduct of some
17 other individual or natural person, I'm not only
18 referring to that person acting as an individual but
19 also that person acting through any entity that that
20 person controls.

21 Do you understand that?

22 A Yes.

23 Q What is your current residential address?

24 A I am going to assert my Fifth Amendment
25 privilege in relation to that question.

0011

01 Q Do you own the home you live in?

02 A I wish to assert my Fifth Amendment
03 privilege in that question.

04 Q How long have you lived in your present
05 home?

06 A I wish to assert my Fifth Amendment
07 privilege.

08 Q What is your current business address?

09 A I wish to assert my Fifth Amendment
10 privilege.

11 Q What is your current business phone
12 number?

13 A I wish to assert my Fifth Amendment
14 privilege.

15 Q What is your social security number?

16 A I wish to assert my Fifth Amendment
17 privilege.

18 Q What is your driver's license number?

19 A I wish to assert my Fifth Amendment
20 privilege.

21 Q Are you married?

22 A I wish to assert my Fifth Amendment
23 privilege.

24 Q That's your privilege against
25 self-incrimination?

0012

01 A I wish to assert my Fifth Amendment
02 privilege.

03 Q Please describe your education beginning
04 with your graduation from high school.

05 A I wish to assert my Fifth Amendment
06 privilege.

07 Q Please describe your employment history
08 since your graduation from high school.

09 A I wish to assert my Fifth Amendment
10 privilege.

11 Q Do you have a license or have you at any
12 time had a license from the National Association of
13 Securities Dealers?

14 A I wish to assert my Fifth Amendment

15 privilege.

16 Q Do you have any professional licenses?

17 A I wish to assert my Fifth Amendment

18 privilege.

19 Q Do you intend to assert your Fifth

20 Amendment privilege with respect to any questions

21 about your business background?

22 A Not without hearing the question.

23 Q Have you ever heard of an entity called

24 Kentfield Capital Management LLC?

25 A I wish to assert my Fifth Amendment

0013

01 privilege.

02 Q Were you at some point affiliated with

03 Kentfield?

04 A I wish to assert my Fifth Amendment

05 privilege.

06 Q Have you ever heard of an entity called

07 21st Century Pay Communications?

08 A I wish to assert my Fifth Amendment

09 privilege.

10 Q Were you affiliated at one time with 21st

11 Century Pay Communications?

12 A I wish to assert my Fifth Amendment

13 privilege.

14 Q Have you, in fact, been the subject of a

15 cease and desist proceeding by the State of

16 California based on your participation in Kentfield

17 Capital Management LLC?

18 A I wish to assert my Fifth Amendment

19 privilege.

20 Q Have you, in fact, been the subject of a

21 cease and desist proceeding by the State of

22 California based on your participation in the 21st

23 Century Pay Communications entity?

24 A I wish to assert my Fifth Amendment

25 privilege.

0014

01 Q Are you familiar with an individual named

02 L. Robert Martin?

03 A I wish to assert my Fifth Amendment

04 privilege.

05 Q You filed your income taxes, federal

06 income taxes, for the year 1998?

07 A I wish to assert my Fifth Amendment

08 privilege.

09 Q Have you filed your federal income taxes
10 for the year 1999?

11 A I wish to assert my Fifth Amendment
12 privilege, sir.

13 Q Since March 1999, what have been your
14 sources of income?

15 A I wish to assert my Fifth Amendment
16 privilege.

17 Q Did you receive any W-2 forms for the
18 year 1999?

19 A I wish to assert my Fifth Amendment
20 privilege.

21 Q Where have you deposited your earnings
22 since March of 1999?

23 A I wish to assert my Fifth Amendment
24 privilege.

25 Q Have you received any gifts of cash since
0015

01 March of 1999?

02 A I wish to assert my Fifth Amendment
03 privilege.

04 Q Have you received any funds from Benjamin
05 Cook?

06 A I wish to assert my Fifth Amendment
07 privilege.

08 Q Have you received any funds from any of
09 the Defendants in this matter?

10 A I wish to assert my Fifth Amendment
11 privilege.

12 Q Have you received any funds from Jim
13 Edwards?

14 A I wish to assert my Fifth Amendment
15 privilege.

16 Q Have you received any funds from Dave
17 Edwards?

18 A I wish to assert my Fifth Amendment
19 privilege.

20 Q Have you obtained any loans since
21 March 1999?

22 A I wish to assert my Fifth Amendment
23 privilege.

24 Q Are you going to assert your Fifth
25 Amendment privilege with respect to all questions

0016

01 concerning compensation or funds that you have
02 received during 1999?

03 A Not without hearing the questions.

04 Q Have you received any gifts of cash in the
05 year 2000?

06 A I wish to assert my Fifth Amendment
07 privilege.

08 Q Have you received any loans during the
09 year 2000?

10 A I wish to assert my Fifth Amendment
11 privilege.

12 Q Since March 1999 has anyone paid any
13 expenses on your behalf?

14 A I wish to assert my Fifth Amendment
15 privilege.

16 Q Since January 1st, 1997, please identify
17 any corporations of which you have been an officer
18 or director.

19 A I wish to assert my Fifth Amendment
20 privilege.

21 Q Please identify any partnerships in which
22 you have been a partner since January 1st, 1997.

23 A I wish to assert my Fifth Amendment
24 privilege.

25 Q Since January 1st, 1997 have you done
0017

01 business under any other name other than C. Kelly
02 Olsen?

03 A I wish to assert my Fifth Amendment
04 privilege.

05 Q What is your affiliation with Warner
06 Springs Limited Partnership?

07 A I wish to assert my Fifth Amendment
08 privilege.

09 Q What is or was your affiliation with
10 C. Kelly Associates?

11 A I wish to assert my Fifth Amendment
12 privilege.

13 Q Are you familiar with an entity called
14 KELREB Corp, K-E-L-R-E-B, Corp?

15 A I wish to assert my Fifth Amendment
16 privilege.

17 Q What is your affiliation with KELREB Corp?

18 A I wish to assert my Fifth Amendment
19 privilege.

20 Q What was the business of KELREB Corp?

21 A I wish to assert my Fifth Amendment
22 privilege, sir.

23 Q Are you familiar with an entity called
24 OT Management Limited?

25 A I wish to assert my Fifth Amendment
0018

01 privilege.

02 Q What was your affiliation with
03 OT Management Limited?

04 A I wish to assert my Fifth Amendment
05 privilege.

06 Q What was the business of OT Management
07 Limited?

08 A I wish to assert my Fifth Amendment
09 privilege.

10 Q Are you intending to assert your Fifth
11 Amendment privilege with respect to any questions
12 concerning entities with which you've been
13 affiliated?

14 A Not without hearing the question, sir.

15 Q Have you been involved in creating any new
16 business entities since January 1st, 1999?

17 A I wish to assert my Fifth Amendment
18 privilege.

19 Q Are you affiliated with any foreign
20 corporations or companies?

21 A I wish to assert my Fifth Amendment
22 privilege, sir.

23 Q Are you affiliated with any trusts?

24 A I wish to assert my Fifth Amendment
25 privilege.

0019

01 Q Have you transferred any assets to a trust
02 since January 1st, 1999?

03 A I wish to assert my Fifth Amendment
04 privilege.

05 MR. NORRIS: Ask that the following be marked
06 as Olsen Exhibit 1.

07 (Olsen Exhibit 1 was marked for
08 identification, the original of which is
09 attached hereto.)

10 BY MR. NORRIS:

11 Q Mr. Olsen, I'm handing you what's been
12 marked as Olsen Exhibit 1. It is a Notice of Filing

13 of Accounting of C. Kelly Olsen, which encloses as
14 Exhibit A, a purported accounting, and there is a
15 purported signature of C. Kelly Olsen on the
16 document. Hand you that, ask you to look at it for
17 a minute. Particularly look at Exhibit A.

18 On page 3 of Exhibit A under the sentence,
19 "I, C. Kelly Olsen, do hereby swear that the above
20 accounting is true and correct to the best of my
21 knowledge as of the date of the filing of this
22 accounting," is that your signature?

23 A I wish to assert my Fifth Amendment
24 privilege, sir.

25 Q Was this accounting, purported accounting,
0020

01 which is part of Exhibit 1 prepared by you or with
02 your participation?

03 A I wish to assert my Fifth Amendment
04 privilege, sir.

05 Q Does this accounting accurately reflect
06 your assets as of April 29, 1999?

07 A I wish to assert my Fifth Amendment
08 privilege.

09 Q Does the accounting, Exhibit A,
10 accurately reflect all of the bank accounts of which
11 you were a signatory or of which you controlled at
12 the time from January 1st, 1997 to the present?

13 A I wish to assert my Fifth Amendment
14 privilege.

15 Q Did it accurately reflect the bank
16 accounts that you were a signatory of or which you
17 controlled as of April 29th, 1999?

18 A I wish to assert my Fifth Amendment
19 privilege.

20 Q In fact, isn't it true that the
21 accounting that's part of Exhibit 1 does not
22 accurately reflect your assets?

23 A I wish to assert my Fifth Amendment
24 privilege, sir.

25 Q In fact, were you not the signatory of
0021

01 bank accounts that are not listed on Exhibit 1?

02 A I wish to assert my Fifth Amendment
03 privilege, sir.

04 Q And, in fact, were you not -- did you not
05 own or control real estate assets which are not

06 listed on Exhibit 1?

07 A I wish to assert my Fifth Amendment
08 privilege, sir.

09 MR. NORRIS: Let me ask that the following be
10 marked as Exhibit 2, Olsen Exhibit 2.

11 (Olsen Exhibit 2 was marked for
12 identification, the original of which is
13 attached hereto.)

14 BY MR. NORRIS:

15 Q Mr. Olsen, let me hand you what's been
16 marked as Exhibit 2, Olsen Exhibit 2, a Notice of
17 Supplemental Filing of C. Kelly Olsen's accounting
18 which also purports to contain an accounting dated
19 May 13th, 1999. Let me ask you to look at that and
20 then I'll ask you a couple of questions.

21 Let me ask you to look at the last page of
22 Exhibit 2. There is a -- under, "Subscribed and
23 sworn to (or affirmed) before me this 13th day of
24 May, 1999," there is a signature line number 1 and
25 it states, "Charles Kelly Olsen."

0022

01 Is that your signature?

02 A I wish to assert my Fifth Amendment
03 privilege, sir.

04 Q Was this supplemental accounting that is
05 part of Exhibit 2 prepared by you or with your
06 participation?

07 A I wish to assert my Fifth Amendment
08 privilege, sir.

09 Q Does it accurately reflect your assets as
10 of May 13th, 1999?

11 A I wish to assert my Fifth Amendment
12 privilege, sir.

13 Q Please identify for the record all bank
14 accounts of which you've been a signatory since
15 January 1st, 1997.

16 A I wish to assert my Fifth Amendment
17 privilege, sir.

18 Q Have you been involved in opening any
19 accounts with banks or brokerage firms since
20 March 16th, 1999?

21 A I wish to assert my Fifth Amendment
22 privilege.

23 Q Have you owned any new accounts since
24 January 1st, 1999?

25 A I wish to assert my Fifth Amendment
0023

01 privilege, sir.

02 Q At what financial institutions has Rebecca
03 Olsen controlled accounts since January 1st, 1999?

04 A I wish to assert my Fifth Amendment
05 privilege, sir.

06 Q Are you familiar with an account at an
07 institution called Overseas Development Bank and
08 Trust Company Limited?

09 A I wish to assert my Fifth Amendment
10 privilege, sir.

11 Q Do you control any foreign bank accounts?

12 A I wish to assert my Fifth Amendment
13 privilege, sir.

14 Q Since March 16th, 1999 have you had any
15 communications with Benjamin Franklin Cook?

16 A I wish to assert my Fifth Amendment
17 privilege, sir.

18 Q Have you had any discussions with Mr. Cook
19 about where he controls funds?

20 A I wish to assert my Fifth Amendment
21 privilege, sir.

22 Q Have you had any communications since
23 March 16th, 1999 with any of the other Defendants in
24 this case? And when I use the word "Defendants,"
25 I'm referring to Mr. Cook, Alan Clagg, Gerald Pate,

0024

01 and Wayne Mc Laws.

02 A I wish to assert my Fifth Amendment
03 privilege, sir.

04 Q In or around January or February 1999,
05 did you become aware that the SEC, the Securities
06 and Exchange Commission, was investigating Dennel?

07 A I wish to assert my Fifth Amendment
08 privilege, sir.

09 Q After you became aware of the SEC
10 investigation, did you take any action to hide or
11 secrete Dennel related records?

12 A I wish to assert my Fifth Amendment
13 privilege, sir.

14 Q Did you have discussions with Mr. Cook
15 about hiding or secreting Dennel related records?

16 A I wish to assert my Fifth Amendment
17 privilege, sir.

18 Q Have you controlled any storage
19 facilities since January 1st, 1999?

20 A I wish to assert my Fifth Amendment
21 privilege, sir.

22 Q In fact, didn't Mr. Cook in February 1999
23 hold a meeting with regional managers of Dennel in
24 which he suggested and requested that you and other
25 regional managers secrete or hide your Dennel
0025

01 related records?

02 A I wish to assert my Fifth Amendment
03 privilege, sir.

04 Q And didn't you, after that meeting, take
05 action to hide or secrete your Dennel related
06 records?

07 A I wish to assert my Fifth Amendment
08 privilege, sir.

09 Q Have you had any discussion -- well,
10 strike that.

11 After you became aware of the SEC
12 investigation --

13 A That's an assumption, sir.

14 Q Well, since you won't -- it remains -- if
15 it is assumption, it remains one because you refuse
16 to give substantive testimony.

17 A Then don't state it as a fact, sir.

18 Q I'm going to state it as a presumption
19 unless you are ready to testify that you have
20 never -- did not know of the SEC investigation until
21 the Complaint was filed.

22 Are you stating under oath that you did
23 not know of the SEC investigation until after the
24 Complaint was filed?

25 A I wish to assert my Fifth Amendment
0026

01 privilege, sir.

02 Q After you became aware of the SEC
03 investigation, did you have any discussions with
04 Mr. Cook about hiding funds or assets from the SEC?

05 A I wish to assert my Fifth Amendment
06 privilege.

07 Q Were you asked by Mr. Cook to participate
08 in hiding funds or assets?

09 A I wish to assert my Fifth Amendment
10 privilege.

11 Q Did you take any action to hide or secrete
12 assets or funds?

13 A I wish to assert my Fifth Amendment
14 privilege.

15 Q Have you had any discussions with Mr. Cook
16 about any plans to -- strike that.

17 Since the SEC filed its Complaint on
18 March 16th, 1999, have you had any discussions with
19 Mr. Cook about any plans to repay investors in the
20 Dannel programs?

21 A I wish to assert my Fifth Amendment
22 privilege.

23 Q Did Mr. Cook ever tell you that he
24 controlled funds offshore since the commission
25 filed its Complaint?

0027

01 A I wish to assert my Fifth Amendment
02 privilege.

03 Q Have you ever had any discussions with
04 an individual named George Neely?

05 A I wish to assert my Fifth Amendment
06 privilege.

07 Q Have you had any discussions with
08 Ken Ward?

09 A I wish to assert my Fifth Amendment
10 privilege.

11 Q Have you had any discussions with an
12 individual named Herb Bates?

13 A I wish to assert my Fifth Amendment
14 privilege.

15 Q Have you had any discussions with an
16 individual named Lonnie Smith?

17 A I wish to assert my Fifth Amendment
18 privilege.

19 Q Since the commission filed its Complaint
20 on March 16th, 1999, have you attended any meetings
21 of Dannel investors?

22 A I wish to assert my Fifth Amendment
23 privilege.

24 Q Have you participated -- since the
25 commission filed its Complaint in March of 1999,

0028

01 have you participated in drafting any letters for
02 the purpose of disseminating those to Dannel
03 investors?

04 A I wish to assert my Fifth Amendment
05 privilege.

06 Q How did you first become acquainted with
07 an individual named Ben Cook?

08 A I wish to assert my Fifth Amendment
09 privilege.

10 Q What did Mr. Cook tell you about his
11 business?

12 A I wish to assert my Fifth Amendment
13 privilege.

14 Q Did you, in fact, meet Mr. Cook at a
15 seminar in Cabo San Lucas?

16 A I wish to assert my Fifth Amendment
17 privilege.

18 Q Was Mr. Cook operating an investment
19 program at the time you met him?

20 A I wish to assert my Fifth Amendment
21 privilege, sir.

22 Q Did Mr. Cook describe to you any high
23 yield programs with which he was affiliated?

24 A I wish to assert my Fifth Amendment
25 privilege.

0029

01 Q What did Mr. Cook tell you about any high
02 yield programs with which he was affiliated?

03 A I wish to assert my Fifth Amendment
04 privilege, sir.

05 Q Did you eventually become affiliated with
06 an entity called Dannel Finance Limited?

07 A I wish to assert my Fifth Amendment
08 privilege.

09 Q Dannel Finance Limited was an entity that
10 offered a high yield investment program; is that
11 correct?

12 A I wish to assert my Fifth Amendment
13 privilege.

14 Q And you became a sponsor or a facilitator
15 for the Dannel program, correct?

16 A I wish to assert my Fifth Amendment
17 privilege.

18 Q Are you going to assert your Fifth
19 Amendment privilege with respect to any questions
20 concerning your involvement in Dannel?

21 A Not without hearing the question, sir.

22 Q Prior to your involvement in the Dannel

23 program, had you ever invested in a program
24 purportedly involving the trading of bank debentures
25 or instruments?

0030

01 A I wish to assert my Fifth Amendment
02 privilege.

03 Q Describe your investment experience prior
04 to your involvement in Dennel.

05 A I wish to assert my Fifth Amendment
06 privilege.

07 Q Prior to your involvement in the Dennel
08 program, had you attended any seminars on offshore
09 investing?

10 A I wish to assert my Fifth Amendment
11 privilege, sir.

12 Q Prior to your involvement in Dennel, had
13 you ever been involved in the sale of any other
14 investment involving the trading of bank debentures?

15 A I wish to assert my Fifth Amendment
16 privilege.

17 Q In fact, did you eventually become
18 affiliated with Dennel for the purpose of obtaining
19 investors for the Dennel program?

20 A I wish to assert my Fifth Amendment
21 privilege.

22 Q Prior to the Dennel program, were you ever
23 paid for procuring investors for any other high
24 yield program?

25 A I wish to assert my Fifth Amendment

0031

01 privilege, sir.

02 Q Did you ever determine the identity of
03 any of the traders purportedly used by Mr. Cook in
04 his program?

05 A I wish to assert my Fifth Amendment
06 privilege.

07 Q Did you ever see any contracts between
08 Mr. Cook or Dennel and purported traders?

09 A I wish to assert my Fifth Amendment
10 privilege.

11 Q Did you ever see any evidence of Dennel
12 investor funds actually going overseas?

13 A I wish to assert my Fifth Amendment
14 privilege.

15 Q Did you ever see any evidence of the

16 actual trading of bank debentures in connection with
17 the Dennel program?

18 A I wish to assert my Fifth Amendment
19 privilege, sir.

20 Q Did you ever ask Mr. Cook what foreign
21 banks he used in connection with the Dennel program?

22 A I wish to assert my Fifth Amendment
23 privilege.

24 Q Did you ever obtain any independent
25 verification of anything that Mr. Cook told you

0032

01 about the Dennel program?

02 A I wish to assert my Fifth Amendment
03 privilege.

04 Q Did you eventually enter into an agreement
05 with Mr. Cook to obtain investors?

06 A I wish to assert my Fifth Amendment
07 privilege, sir.

08 Q Are you familiar with an individual named
09 Claud Smith?

10 A I wish to assert my Fifth Amendment
11 privilege.

12 Q How about Robert Deture?

13 A I wish to assert my Fifth Amendment
14 privilege.

15 Q Charles Shields?

16 A I wish to assert my Fifth Amendment
17 privilege.

18 Q Were you, in fact, involved in the offer
19 and sale of a program involving Claud Smith, Robert
20 Deture, and Charles Shields?

21 A I wish to assert my Fifth Amendment
22 privilege.

23 MR. NORRIS: May I ask that this be marked as
24 Exhibit 3, Olsen Exhibit 3?

25 (Olsen Exhibit 3 was marked for
0033

01 identification, the original of which is
02 attached hereto.)

03 BY MR. NORRIS:

04 Q Are you familiar with an entity called
05 International Business Consultants Limited?

06 A I wish to assert my Fifth Amendment
07 privilege, sir.

08 Q Is it not true that International

09 Business Consultants Limited was the name that
10 Mr. Cook used for his program prior to creation of
11 Dannel?

12 A I wish to assert my Fifth Amendment
13 privilege, sir.

14 Q And didn't you enter into a contract with
15 International Business Consultants Limited to be a
16 facilitator or sponsor for that program?

17 A I wish to assert my Fifth Amendment
18 privilege.

19 Q And didn't you agree to obtain investors
20 for International Business Consultants Limited in
21 exchange for compensation?

22 A I wish to assert my Fifth Amendment
23 privilege, sir.

24 Q Let me hand you what's been marked as
25 Olsen Exhibit Number 3. It is a document dated
0034

01 July 10th, 1997, to C. Kelly Olsen from Ben Cook,
02 entitled "Facilitator Agreement." And it's a
03 two-page document which purports to contain the
04 signatures of Ben Cook and C. Kelly Olsen on
05 page 2.

06 Let me ask you to look at that document
07 and I'll ask you is this an agreement that you
08 entered into with Mr. Cook and International
09 Business Consultants Limited?

10 A I wish to assert my Fifth Amendment
11 privilege, sir.

12 Q And didn't this agreement provide a
13 facilitator's fee or a commission to you of five
14 percent of the gross amount invested by your
15 clients?

16 A I wish to assert my Fifth Amendment
17 privilege, sir.

18 Q Now, did you eventually also enter into an
19 agreement with Dannel Finance Limited to provide
20 investors in exchange for compensation?

21 A I wish to assert my Fifth Amendment
22 privilege, sir.

23 MR. NORRIS: I'd ask that the following be
24 marked as Olsen Exhibit 4.

25 (Olsen Exhibit 4 was marked for
0035

01 identification, the original of which is

02 attached hereto.)

03 BY MR. NORRIS:

04 Q Mr. Olsen, I'm handing you what's been
05 marked as Olsen Exhibit 4. This is a document on
06 Dennel Finance Limited letterhead from Ben Cook to
07 C. Kelly Olsen, entitled "Facilitator Agreement,"
08 dated October 27th, 1997.

09 And attached to it is a copy of the
10 International Business Consultants Limited agreement
11 and also a copy of the "Full Recourse Agreement for
12 Participation in a Private Placement Debenture
13 Program" between Dennel Finance Limited and Joycelyn
14 J. Keller.

15 Are you familiar with an individual named
16 Joycelyn J. Keller?

17 A I wish to assert my Fifth Amendment
18 privilege, sir.

19 Q Was she not a client of yours to whom you
20 offered and sold the investments sponsored by
21 Mr. Cook?

22 A I wish to assert my Fifth Amendment
23 privilege, sir.

24 Q Looking at the first two pages of
25 Exhibit 4, is this not a contract that you entered
0036

01 into with Dennel Finance Limited to provide
02 investors in exchange for compensation?

03 A I wish to assert my Fifth Amendment
04 privilege, sir.

05 Q What were the terms of your employment
06 with Dennel Finance Limited?

07 A I wish to assert my Fifth Amendment
08 privilege, sir.

09 Q Did you, in fact, eventually offer and
10 sell Cook sponsored programs to investors?

11 A I wish to assert my Fifth Amendment
12 privilege, sir.

13 Q Did you not eventually offer and sell the
14 program offered by International Business
15 Consultants Limited?

16 A I wish to assert my Fifth Amendment
17 privilege.

18 Q And did you not eventually offer and sell
19 the program offered or sponsored by Dennel Finance
20 Limited?

21 A I wish to assert my Fifth Amendment
22 privilege, sir.

23 Q And did you not receive compensation for
24 the offer and sale of those programs to investors?

25 A I wish to assert my Fifth Amendment
0037

01 privilege, sir.

02 Q Did you have a group of persons who worked
03 under you offering and selling the Dennel related
04 programs?

05 A I wish to assert my Fifth Amendment
06 privilege.

07 Q How many brokers or sponsors worked under
08 you in connection with the Dennel Finance Limited
09 program?

10 A I wish to assert my Fifth Amendment
11 privilege, sir.

12 Q How were those brokers or sponsors who
13 worked under you compensated for their
14 participation?

15 A I wish to assert my Fifth Amendment
16 privilege, sir.

17 Q Are you acquainted with an individual
18 named Alan Clagg?

19 A I wish to assert my Fifth Amendment
20 privilege, sir.

21 Q Did you, in fact, introduce Mr. Clagg to
22 Mr. Cook and Dennel related investments?

23 A I wish to assert my Fifth Amendment
24 privilege, sir.

25 Q And thereafter did not Mr. Clagg become a
0038

01 Dennel sponsor working under your direction?

02 A I wish to assert my Fifth Amendment
03 privilege, sir.

04 Q And is it not correct that you received a
05 percentage of all investors brought in through Alan
06 Clagg?

07 A I wish to assert my Fifth Amendment
08 privilege, sir.

09 Q And, in fact, isn't it true that Mr. Clagg
10 had a network of brokers or facilitators working
11 under him?

12 A I wish to assert my Fifth Amendment
13 privilege, sir.

14 Q And is it not true that you received a
15 percentage of every investment that was brought in
16 by those sponsors under Mr. Clagg?

17 A I wish to assert my Fifth Amendment
18 privilege, sir.

19 Q Now, during what period of time did you
20 recruit investors on behalf of Mr. Cook?

21 A I wish to assert my Fifth Amendment
22 privilege.

23 Q How many investors total did you bring to
24 Mr. Cook's programs?

25 A I wish to assert my Fifth Amendment
0039

01 privilege.

02 Q Please identify each of the sponsors or
03 facilitators who worked under your direction.

04 A I wish to assert my Fifth Amendment
05 privilege.

06 Q Are you familiar with an individual named
07 Jim Edwards?

08 A I wish to assert my Fifth Amendment
09 privilege.

10 Q Isn't it true that Jim Edwards was a
11 broker or sponsor who worked under your direction?

12 A I wish to assert my Fifth Amendment
13 privilege, sir.

14 Q Are you familiar with an entity called
15 Pacific International Limited Partnership?

16 A I wish to assert my Fifth Amendment
17 privilege, sir.

18 Q And is it not true that Jim Edwards
19 created Pacific International Limited Partnership
20 for the purpose of obtaining funds for the Dannel
21 investment program?

22 A I wish to assert my Fifth Amendment
23 privilege, sir.

24 Q What was the procedure by which a prospect
25 became an investor in the Dannel program?

0040

01 A I wish to assert my Fifth Amendment
02 privilege, sir.

03 Q Did the process begin with the submission
04 of a request for information to Dannel?

05 A I wish to assert my Fifth Amendment
06 privilege, sir.

07 Q And after that the request for
08 information -- and was the request for information
09 submitted to Mr. Cook?

10 A I wish to assert my Fifth Amendment
11 privilege, sir.

12 Q After Mr. Cook received the request for
13 information, did he not send a package of documents
14 to the investor?

15 A I wish to assert my Fifth Amendment
16 privilege, sir.

17 MR. NORRIS: I ask that this be marked as Olsen
18 Exhibit 5.

19 (Olsen Exhibit 5 was marked for
20 identification, the original of which is
21 attached hereto.)

22 BY MR. NORRIS:

23 Q Mr. Olsen, I hand you what's been marked
24 as Olsen Exhibit 5. It consists of a cover letter
25 on Dennel Finance Limited letterhead, with a
0041

01 three-page letter which ends with the phrase "with
02 great esteem, Ben Cook, authorized signatory."

03 It also contains six other documents --
04 I'm sorry, five other documents, a restricted
05 private placement program summary, a basic capital
06 accumulation systems summary, a private placement
07 application and supplemental worksheets, a sample
08 letter of intent, and a sample full recourse
09 contract.

10 Let me ask you to look over Exhibit 5 and
11 I will then ask you some questions. Do you
12 recognize the package of documents that's been
13 marked as Exhibit 5?

14 A I wish to assert my Fifth Amendment
15 privilege, sir.

16 Q Isn't it true that this is a package of
17 documents that was received by every prospect who
18 submitted a request for information to Dennel
19 Finance Limited?

20 A I wish to assert my Fifth Amendment
21 privilege, sir.

22 Q And is not this a package of documents,
23 Exhibit 5, that was sent to the investor or provided
24 to the investor by Dennel?

25 A I wish to assert my Fifth Amendment

0042

01 privilege.

02 Q And did you not use the documents that are
03 in -- commissioned by Olsen Exhibit 5 when you
04 offered and sold the Dennel investment?

05 A I wish to assert my Fifth Amendment
06 privilege, sir.

07 Q Did you have discussions with Mr. Cook
08 about who drafted the documents that are part of
09 Exhibit 5?

10 A I wish to assert my Fifth Amendment
11 privilege.

12 Q Were there any other written offering
13 materials used in connection with the offer and sale
14 of the Dennel program?

15 A I wish to assert my Fifth Amendment
16 privilege.

17 Q Who signed the contracts between Dennel
18 Finance Limited and investors?

19 A I wish to assert my Fifth Amendment
20 privilege, sir.

21 Q Were each of those contracts signed by
22 Mr. Cook?

23 A I wish to assert my Fifth Amendment
24 privilege, sir.

25 Q Isn't it correct that as of a certain date
0043

01 you had the discretion to allocate eight points with
02 respect to each investment in Dennel?

03 A I wish to assert my Fifth Amendment
04 privilege, sir.

05 Q And isn't it correct that you had the
06 discretion to distribute those eight points per
07 month between the investor, yourself, and any other
08 sponsors?

09 A I wish to assert my Fifth Amendment
10 privilege, sir.

11 Q What instructions were investors given
12 about how to make their payments for the Dennel
13 investment?

14 A I wish to assert my Fifth Amendment
15 privilege, sir.

16 Q Where were Dennel investor funds sent once
17 the investor decided to make an investment?

18 A I wish to assert my Fifth Amendment

19 privilege, sir.

20 Q Is it correct that all investor funds were
21 sent to accounts at Bank One in Carefree, Arizona?

22 A I wish to assert my Fifth Amendment
23 privilege, sir.

24 Q And isn't it correct that those accounts
25 were controlled by Ben Cook?

0044

01 A I wish to assert my Fifth Amendment
02 privilege.

03 Q Have you ever heard of an individual
04 named Robert Burr?

05 A I wish to assert my Fifth Amendment
06 privilege, sir.

07 Q What was Mr. Burr's relationship with
08 Mr. Cook?

09 A I wish to assert my Fifth Amendment
10 privilege, sir.

11 Q What was the role of Mr. Burr in the
12 Dannel Finance Limited program?

13 A I wish to assert my Fifth Amendment
14 privilege.

15 Q What was the role of Mr. Burr, Robert
16 Burr, in the International Business Consultants
17 Limited program?

18 A I wish to assert my Fifth Amendment
19 privilege.

20 Q Are you familiar with an individual named
21 Peter Shiffman?

22 A I wish to assert my Fifth Amendment
23 privilege, sir.

24 Q What role, if any, did Mr. Shiffman have
25 in the International Business Consultants Limited

0045

01 program?

02 A I wish to assert my Fifth Amendment
03 privilege.

04 Q What role, if any, did Mr. Shiffman have
05 in the Dannel Finance Limited program?

06 A I wish to assert my Fifth Amendment
07 privilege.

08 Q Are you familiar with an investor named --
09 Dannel investor named Amelia Gibson?

10 A I wish to assert my Fifth Amendment
11 privilege.

12 Q Did you not offer and sell the Dannel
13 program to Amelia Gibson?

14 A I wish to assert my Fifth Amendment
15 privilege, sir.

16 Q And did she not invest \$75,000 in the
17 Dannel program in or about January 1998?

18 A I wish to assert my Fifth Amendment
19 privilege, sir.

20 Q With respect to Joycelyn Keller, did you
21 have any role in the establishment of the Joycelyn
22 Joan Keller Living Trust?

23 A I wish to assert my Fifth Amendment
24 privilege.

25 Q Were there a number of your Dannel clients
0046

01 for whom you created trusts?

02 A I wish to assert my Fifth Amendment
03 privilege, sir.

04 Q Was this a service that you regularly
05 provided to your clients?

06 A I wish to assert my Fifth Amendment
07 privilege, sir.

08 Q For how many of your Dannel investors had
09 you created trusts?

10 A I wish to assert my Fifth Amendment
11 privilege, sir.

12 Q Identify the clients for whom -- the
13 Dannel clients for whom you had or did create
14 trusts?

15 A I wish to assert my Fifth Amendment
16 privilege.

17 Q Did you ever discuss with Mr. Cook
18 whether the Dannel investment was registered with
19 the SEC?

20 A I wish to assert my Fifth Amendment
21 privilege.

22 Q Did you discuss with Mr. Cook whether the
23 Dannel investment required registration?

24 A I wish to assert my Fifth Amendment
25 privilege.

0047

01 Q Did you discuss with Mr. Cook whether the
02 Dannel investments constituted a security?

03 A I wish to assert my Fifth Amendment
04 privilege.

05 Q Did you do any research to determine
06 whether the Dennel investment required registration
07 with the SEC?

08 A I wish to assert my Fifth Amendment
09 privilege.

10 Q Did you seek any independent verification
11 of any conclusion that Mr. Cook recounted to you
12 concerning whether the Dennel investment was a
13 security that required registration with the SEC?

14 A I wish to assert my Fifth Amendment
15 privilege.

16 Q Did Dennel hold meetings or seminars to
17 present the Dennel investment to potential
18 prospects?

19 A I wish to assert my Fifth Amendment
20 privilege, sir.

21 Q Did it hold periodic meetings of existing
22 investors?

23 A I wish to assert my Fifth Amendment
24 privilege.

25 Q Did it hold periodic meetings for Dennel
0048

01 sponsors or facilitators?

02 A I wish to assert my Fifth Amendment
03 privilege.

04 Q Did you attend periodic meetings of Dennel
05 sponsors or facilitators?

06 A I wish to assert my Fifth Amendment
07 privilege.

08 Q Did Mr. Cook ever ask you to make a
09 presentation at meetings of Dennel sponsors or
10 facilitators?

11 A I wish to assert my Fifth Amendment
12 privilege, sir.

13 Q Did you ever witness presentations by
14 other -- by any of the Defendants in this case?

15 A I wish to assert my Fifth Amendment
16 privilege, sir.

17 Q Did you hold meetings for potential
18 investors in the Dennel program?

19 A I wish to assert my Fifth Amendment
20 privilege.

21 Q Did you hold periodic meetings of the
22 sponsors who worked under you?

23 A I wish to assert my Fifth Amendment

24 privilege.

25 Q Are you familiar with an entity called
0049

01 FPC Limited Partnership?

02 A I wish to assert my Fifth Amendment
03 privilege.

04 Q When was FPC Limited Partnership created?

05 A I wish to assert my Fifth Amendment
06 privilege.

07 Q What was the purpose of -- what business
08 was conducted by FPC Limited Partnership?

09 A I wish to assert my Fifth Amendment
10 privilege.

11 Q What was the relationship between
12 FPC Limited Partnership and Dannel?

13 A I wish to assert my Fifth Amendment
14 privilege, sir.

15 Q Isn't it correct that, in fact, FPC was
16 created to obtain qualified IRA money for Dannel?

17 A I wish to assert my Fifth Amendment
18 privilege.

19 Q Did you have any role in the creation of
20 FPC Limited Partnership?

21 A I wish to assert my Fifth Amendment
22 privilege.

23 Q And did you, in fact, sell interests
24 offered by the FPC Limited Partnership?

25 A I wish to assert my Fifth Amendment
0050

01 privilege, sir.

02 Q Who was responsible for the creation of
03 FPC Limited Partnership?

04 A I wish to assert my Fifth Amendment
05 privilege.

06 Q Are you going to assert your Fifth
07 Amendment privilege with respect to any questions
08 about FPC Limited Partnership?

09 A Not without hearing the question, sir.

10 Q Are you familiar with an entity called
11 Samuel Limited Partnership?

12 A I wish to assert my Fifth Amendment
13 privilege.

14 Q What is Samuel Limited Partnership?

15 A I wish to assert my Fifth Amendment
16 privilege.

17 Q What was the purpose of creating Samuel
18 Limited Partnership?

19 A I wish to assert my Fifth Amendment
20 privilege, sir.

21 Q What was the business of Samuel Limited
22 Partnership?

23 A I wish to assert my Fifth Amendment
24 privilege.

25 Q What was the relationship between Samuel
0051

01 Limited Partnership and Dannel Finance Limited?

02 A I wish to assert my Fifth Amendment
03 privilege.

04 Q Isn't it correct that Samuel was created
05 to obtain qualified IRA money, account money, for
06 Dannel?

07 A I wish to assert my Fifth Amendment
08 privilege.

09 Q And isn't it correct that, in fact, Samuel
10 did collect qualified IRA money for Dannel?

11 A I wish to assert my Fifth Amendment
12 privilege, sir.

13 Q Who was in charge of FPC Limited
14 Partnership?

15 A I wish to assert my Fifth Amendment
16 privilege.

17 Q Who was in charge of Samuel Limited
18 Partnership?

19 A I wish to assert my Fifth Amendment
20 privilege.

21 Q Who was responsible for creating Samuel
22 Limited Partnership?

23 A I wish to assert my Fifth Amendment
24 privilege.

25 Q Did you have a role in the offer and sale
0052

01 of interests in Samuel Limited Partnership?

02 A I wish to assert my Fifth Amendment
03 privilege.

04 Q Are you familiar with an entity called
05 Monolith Management?

06 A I wish to assert my Fifth Amendment
07 privilege.

08 Q Who controls Monolith Management?

09 A I wish to assert my Fifth Amendment

10 privilege.

11 Q In what way, if any, did the investment
12 in FPC Limited Partnership differ from the standard
13 Dennel investment?

14 A I wish to assert my Fifth Amendment
15 privilege, sir.

16 Q In what way, if any, did the investment in
17 Samuel Limited Partnership differ from the standard
18 Dennel investment?

19 A I wish to assert my Fifth Amendment
20 privilege.

21 Q Do you intend to assert your Fifth
22 Amendment privilege with respect to any questions
23 about Samuel Limited Partnership?

24 A Not without hearing the question, sir.

25 Q Did you receive sponsor payments in
0053

01 connection with the sale of interests in FPC Limited
02 Partnership?

03 A I wish to assert my Fifth Amendment
04 privilege, sir.

05 Q Did you receive sponsor payments from the
06 sale of interests in Samuel Limited Partnership?

07 A I wish to assert my Fifth Amendment
08 privilege, sir.

09 Q Describe the process for investing through
10 FPC Limited Partnership.

11 A I wish to assert my Fifth Amendment
12 privilege.

13 Q Describe the process for investing through
14 Samuel Limited Partnership.

15 A I wish to assert my Fifth Amendment
16 privilege.

17 Q How often did Dennel investors receive
18 interest payments?

19 A I wish to assert my Fifth Amendment
20 privilege, sir.

21 Q Who was responsible for making interest
22 payments or payments to Dennel investors?

23 A I wish to assert my Fifth Amendment
24 privilege, sir.

25 Q In fact, were investors sent a statement
0054

01 on a monthly basis?

02 A I wish to assert my Fifth Amendment

03 privilege, sir.

04 Q Did you have any role in the preparation
05 of investor statements?

06 A I wish to assert my Fifth Amendment
07 privilege.

08 Q Did you have any role in paying monthly
09 returns to investors?

10 A I wish to assert my Fifth Amendment
11 privilege.

12 Q Is it not correct that investors were
13 promised a two percent per month minimum return for
14 their Dennel investments?

15 A I wish to assert my Fifth Amendment
16 privilege.

17 Q And is it not correct that beyond that two
18 percent minimum per month, you were free to allocate
19 six additional points either to yourself or to
20 others?

21 A I wish to assert my Fifth Amendment
22 privilege, sir.

23 Q How much in total did Dennel Finance
24 Limited collect from investors during its life span?

25 A I wish to assert my Fifth Amendment
0055

01 privilege, sir.

02 Q During the course of your involvement
03 with Dennel Finance Limited, how much in total did
04 you receive in sponsor payments?

05 A I wish to assert my Fifth Amendment
06 privilege, sir.

07 MR. NORRIS: Let me ask that the following be
08 marked as Olsen Exhibit 6.

09 (Olsen Exhibit 6 was marked for
10 identification, the original of which is
11 attached hereto.)

12 BY MR. NORRIS:

13 Q Mr. Olsen, I'm going to hand you what's
14 been marked as Olsen Exhibit 6. It consists of a
15 series of 11 letters from Ben Cook to C. Kelly Olsen
16 enclosing monthly statements, all of which are dated
17 2/15/99, and ask you to look that over and then I
18 want to ask you some questions about it.

19 Do you recognize the documents that are
20 part of Olsen Exhibit 6?

21 A I wish to assert my Fifth Amendment

22 privilege, sir.

23 Q Are these not documents that you received
24 on or about February 15, 1999 from Dennel?

25 A I wish to assert my Fifth Amendment

0056

01 privilege, sir.

02 Q Are these not statements reflecting the
03 commissions or sponsor payments that you were
04 receiving concerning various Dennel investors?

05 A I wish to assert my Fifth Amendment

06 privilege, sir.

07 Q And do not each of these 11 statements
08 represent separate platforms of Dennel?

09 A I wish to assert my Fifth Amendment

10 privilege, sir.

11 Q And did you not receive similar monthly
12 statements each month that you were involved in the
13 Dennel program?

14 A I wish to assert my Fifth Amendment

15 privilege, sir.

16 Q Who prepared these statements?

17 A I wish to assert my Fifth Amendment

18 privilege, sir.

19 Q Did you participate in creating or
20 reviewing these statements?

21 A I wish to assert my Fifth Amendment

22 privilege, sir.

23 Q Let me ask you to look at the second page
24 of Exhibit 6. There's a reference in the box that
25 is on the upper right-hand side to a sponsor

0057

01 contract code, and across from that is SPN, number
02 sign, DF/502/100/.20.

03 Do you see that?

04 A I do.

05 Q What does that number represent?

06 A I wish to assert my Fifth Amendment

07 privilege, sir.

08 Q Was that not the number assigned to you as
09 a sponsor of Dennel Finance Limited?

10 A I wish to assert my Fifth Amendment

11 privilege, sir.

12 Q And did that number not pertain only to
13 you for the purposes of identification?

14 A I wish to assert my Fifth Amendment

15 privilege, sir.

16 Q Looking at the material under "Monthly
17 Statement," do not each of these -- well, let me --
18 the first column says "Client Contract Code."

19 A What page are we looking at, sir?

20 Q Page 2 of the exhibit.

21 A Uh-huh.

22 Q Does not this client contract code
23 represent the identification number for individual
24 contracts with Dannel investors?

25 A I wish to assert my Fifth Amendment
0058

01 privilege, sir.

02 Q In looking at the next column, "Client
03 Name," does not that represent the name of the
04 Dannel investor?

05 A I wish to assert my Fifth Amendment
06 privilege, sir.

07 Q And under "Date of Investment," does that
08 not indicate the date on which the investor's
09 contract became effective?

10 A I wish to assert my Fifth Amendment
11 privilege, sir.

12 Q And under "Amount Invested," does not that
13 represent the amount of the principal invested by
14 each of those investors?

15 A I wish to assert my Fifth Amendment
16 privilege, sir.

17 Q And under "Sponsor Payment," does that not
18 represent the number of points or percentage that
19 you were receiving on a monthly basis for that
20 investment?

21 A I wish to assert my Fifth Amendment
22 privilege, sir.

23 Q And under "Sponsor Return," does that not
24 represent the dollar amount of the monthly return
25 that you were receiving for a particular investor

0059

01 contract?

02 A I wish to assert my Fifth Amendment
03 privilege, sir.

04 Q So, for example, the second entry, which
05 is DFL/12MO/75K/ARG/502.65, is that not a code
06 assigned to Amelia Gibson?

07 A I wish to assert my Fifth Amendment

08 privilege, sir.

09 Q And to her contract that became effective
10 on January 20, 1998?

11 A I wish to assert my Fifth Amendment
12 privilege, sir.

13 Q And did she not invest at that time
14 \$75,000?

15 A I wish to assert my Fifth Amendment
16 privilege, sir.

17 Q And did you not receive on a monthly basis
18 5.5 percent of that \$75,000?

19 A I wish to assert my Fifth Amendment
20 privilege, sir.

21 Q And for this date of -- this payment
22 period of 2/15/99 and all of the months that that
23 contract was effective, did you not receive the
24 dollar amount of \$2,528.23?

25 A I wish to assert my Fifth Amendment
0060

01 privilege, sir.

02 Q And do these -- all of the statements
03 that are part of Exhibit 6, do those not represent
04 all of the investors for whom -- or do those
05 represent all of the investors for whom you were
06 receiving a commission or brokerage fee as of
07 2/15/99?

08 A I wish to assert my Fifth Amendment
09 privilege, sir.

10 Q When you began working with Mr. Cook, how
11 were sponsor returns paid to you?

12 A I wish to assert my Fifth Amendment
13 privilege, sir.

14 Q When you first became acquainted with
15 Mr. Cook, into what account or accounts did you
16 deposit sponsor fees?

17 A I wish to assert my Fifth Amendment
18 privilege, sir.

19 Q And did you later change the financial
20 institution into which you had sponsor fees
21 deposited?

22 A I wish to assert my Fifth Amendment
23 privilege, sir.

24 Q Name all the accounts into which you
25 deposited returns from International Business

0061

01 Consultants Limited.

02 A I wish to assert my Fifth Amendment
03 privilege, sir.

04 Q Identify all the accounts into which you
05 deposited your sponsor fees from the Dennel Finance
06 Limited program.

07 A I wish to assert my Fifth Amendment
08 privilege.

09 Q How did you become acquainted with an
10 individual named Jim Edwards?

11 A I wish to assert my Fifth Amendment
12 privilege, sir.

13 Q Did you discuss the formation of Pacific
14 International Limited Partnership with Mr. Edwards?

15 A I wish to assert my Fifth Amendment
16 privilege.

17 Q How did you become acquainted with -- or
18 are you familiar with an individual named David
19 Edwards?

20 A I wish to assert my Fifth Amendment
21 privilege.

22 Q How did you become acquainted with an
23 individual named David Edwards?

24 A I wish to assert my Fifth Amendment
25 privilege.

0062

01 Q Did you discuss the formation of Pacific
02 International Limited Partnership with Mr. Edwards?

03 A I wish to assert my Fifth Amendment
04 privilege.

05 Q Isn't it true that Pacific International
06 Limited Partnership was an entity that entered into
07 separate contracts with investors?

08 A I wish to assert my Fifth Amendment
09 privilege, sir.

10 Q And isn't it true that Pacific
11 International Limited Partnership then pooled those
12 funds and invested them in the Dennel program?

13 A I wish to assert my Fifth Amendment
14 privilege.

15 Q And isn't it true that with respect to
16 Pacific International Limited Partnership
17 Investments, you received a commission or brokerage
18 fee?

19 A I wish to assert my Fifth Amendment

20 privilege, sir.

21 Q And isn't it correct that initially
22 Pacific International Limited Partnership received a
23 fee on its contracts with Dennel equal to six
24 percent per month?

25 A I wish to assert my Fifth Amendment
0063

01 privilege, sir.

02 Q And isn't it correct that then in 1999
03 that was increased to seven percent per month?

04 A I wish to assert my Fifth Amendment
05 privilege, sir.

06 Q And wasn't that return paid to PILP, or
07 Pacific International Limited Partnership, an amount
08 determined by you?

09 A I wish to assert my Fifth Amendment
10 privilege, sir.

11 MR. NORRIS: Let me ask that the following be
12 marked as Olsen Exhibit 7.

13 (Olsen Exhibit 7 was marked for
14 identification, the original of which is
15 attached hereto.)

16 BY MR. NORRIS:

17 Q Let me hand you what's been marked as
18 Olsen Exhibit 7 which is a check written on the
19 Dennel Finance Limited JV-8 Disbursement account at
20 Bank One, Arizona, dated 2/15/99, in the amount of
21 \$207,406, written to C. Kelly Olsen, and also a
22 deposit, the back of that check on the next page.

23 Do you recognize Exhibit 7?

24 A I wish to assert my Fifth Amendment
25 privilege, sir.

0064

01 Q And is this not a check that you received
02 from Ben Cook?

03 A I wish to assert my Fifth Amendment
04 privilege, sir.

05 Q And did you not receive this check on or
06 around 2/15/99?

07 A I wish to assert my Fifth Amendment
08 privilege, sir.

09 Q And did not this check represent your
10 sponsor fees as determined in the statements that
11 are Exhibit 6?

12 A I wish to assert my Fifth Amendment

13 privilege, sir.

14 Q And where did you deposit this check?

15 A I wish to assert my Fifth Amendment

16 privilege, sir.

17 Q Let me ask you to look at the second page

18 of Exhibit 7. This references a bank account at

19 Bank of America in San Diego, California and with an

20 account number 122000661.

21 Are you familiar with that account?

22 A I wish to assert my Fifth Amendment

23 privilege, sir.

24 Q Did you control that account?

25 A I wish to assert my Fifth Amendment

0065

01 privilege, sir.

02 Q What is Settlers Corporation?

03 A I wish to assert my Fifth Amendment

04 privilege, sir.

05 Q And were you not responsible for

06 depositing these funds into an account at Bank of

07 America in San Diego, California?

08 A I wish to assert my Fifth Amendment

09 privilege, sir.

10 Q Let me ask you to look at the last page

11 of exhibit -- actually, let me ask you to look at --

12 okay. You'll see that there are numbers on

13 Exhibit 6 associated with each of these pages

14 starting with DD11200818.

15 Do you see that?

16 A I do.

17 Q Let me ask you to look at the number --

18 well, hold on. Let me ask you to turn to the

19 seventh from the last page which has a stamp number

20 DD11200864.

21 A 864.

22 Q Okay. Is this not a statement related to

23 what was called the JV-8 or Joint Venture 8

24 platform?

25 A I wish to assert my Fifth Amendment

0066

01 privilege, sir.

02 Q The second entry on the document

03 references a contract with an entity called Jade

04 Asset Management Limited. Do you see that?

05 A I wish to assert my Fifth Amendment

06 privilege, sir.

07 Q What is Jade Asset Management Limited?

08 A I wish to assert my Fifth Amendment

09 privilege, sir.

10 Q Who is the principal of Jade Asset

11 Management Limited?

12 A I wish to assert my Fifth Amendment

13 privilege, sir.

14 Q Have you done any business with PILP, or

15 Pacific International Limited Partnership, since the

16 commission filed its Complaint?

17 A I wish to assert my Fifth Amendment

18 privilege, sir.

19 Q Have you done any business with Jim

20 Edwards since the commission filed its Complaint?

21 A I wish to assert my Fifth Amendment

22 privilege, sir.

23 Q Have you done any business with David

24 Edwards since the commission filed its Complaint?

25 A I wish to assert my Fifth Amendment

0067

01 privilege, sir.

02 Q Isn't it correct that Jade Asset

03 Management Limited is an entity controlled by the

04 Edwards?

05 A I wish to assert my Fifth Amendment

06 privilege, sir.

07 Q Isn't it correct that Jade Asset

08 Management Limited was created to supersede or

09 succeed Pacific International Limited Partnership as

10 an entity through which the Edwards made their

11 investments in Dannel?

12 A I wish to assert my Fifth Amendment

13 privilege, sir.

14 Q Did you ever see any documents relating

15 to the source of returns paid to investors in the

16 Dannel Finance Limited program?

17 A I wish to assert my Fifth Amendment

18 privilege, sir.

19 Q Did you ever see any documents relating to

20 the source of returns -- I'm sorry, the source of

21 returns paid to sponsors?

22 A I wish to assert my Fifth Amendment

23 privilege, sir.

24 Q Did you ever see any documents concerning

25 the use of investor funds after they were sent by
0068

01 the investor to Dennel's accounts?

02 A I wish to assert my Fifth Amendment
03 privilege, sir.

04 Q Prior to this case had you ever heard the
05 term "Ponzi scheme" or "Ponzi payment"?

06 A I wish to assert my Fifth Amendment
07 privilege, sir.

08 Q Have you had any discussions with Mr. Cook
09 about whether Dennel, in fact, operated as a Ponzi
10 scheme?

11 A I wish to assert my Fifth Amendment
12 privilege, sir.

13 Q In total what amount of the Dennel
14 investments did you sell?

15 A I wish to assert my Fifth Amendment
16 privilege, sir.

17 Q Did Mr. Cook ever conduct sales contests
18 for sponsors?

19 A I wish to assert my Fifth Amendment
20 privilege, sir.

21 Q Did Mr. Cook ever offer bonuses or prizes
22 for certain levels of performance?

23 A I wish to assert my Fifth Amendment
24 privilege, sir.

25 Q Did he ever impose any quotas on regional
0069

01 managers?

02 A I wish to assert my Fifth Amendment
03 privilege, sir.

04 Q Did you receive any bonuses from Mr. Cook?

05 A I wish to assert my Fifth Amendment
06 privilege, sir.

07 Q Apart from your sponsor fees, did you
08 receive any gifts from Mr. Cook?

09 A I wish to assert my Fifth Amendment
10 privilege, sir.

11 Q Do you intend to assert your Fifth
12 Amendment privilege with respect to any questions
13 concerning your compensation or remuneration by
14 Mr. Cook?

15 A Not without hearing the question, sir.

16 Q Did you ever make any direct payments to
17 the sponsors working under you?

18 A I wish to assert my Fifth Amendment
19 privilege, sir.

20 Q Apart from the International Business
21 Consultants Limited program and the Dannel program
22 that is evidenced by Exhibit 5, have you ever
23 offered or sold any investment programs sponsored by
24 Mr. Cook?

25 A I wish to assert my Fifth Amendment
0070

01 privilege, sir.

02 Q At some point at the end of 1999 or fall
03 of 1999, did Mr. Cook discuss with you a short-term
04 program or special program that he was initiating?

05 A I wish to assert my Fifth Amendment
06 privilege, sir.

07 Q Did you, in fact, collect funds for that
08 short-term program?

09 A I wish to assert my Fifth Amendment
10 privilege, sir.

11 Q What did you do with those funds?

12 A I wish to assert my Fifth Amendment
13 privilege, sir.

14 Q Where did you deposit those funds?

15 A I wish to assert my Fifth Amendment
16 privilege, sir.

17 Q Apart from any programs sponsored by
18 Mr. Cook, have you ever received commissions or
19 sponsor fees in connection with any high yield
20 investment programs?

21 A I wish to assert my Fifth Amendment
22 privilege, sir.

23 Q Are you familiar with an entity called
24 Resource Development International LLC?

25 A I wish to assert my Fifth Amendment
0071

01 privilege, sir.

02 Q Who controls Resource Development
03 International LLC?

04 A I wish to assert my Fifth Amendment
05 privilege, sir.

06 Q In fact, is not Resource Development
07 Limited LLC an entity controlled by Jim and David
08 Edwards?

09 A I wish to assert my Fifth Amendment
10 privilege, sir.

11 Q Are you familiar with an entity called
12 Sound Financial Services, Inc.?

13 A I wish to assert my Fifth Amendment
14 privilege, sir.

15 Q Is not Sound Financial Services, Inc. an
16 entity controlled by the Edwards?

17 A I wish to assert my Fifth Amendment
18 privileges, sir.

19 Q And have you not, since the Dannel program
20 ceased to operate, offered and sold interests in the
21 Resource Development International LLC investment
22 program?

23 A I wish to assert my Fifth Amendment
24 privilege, sir.

25 Q Do you intend to assert your Fifth
0072

01 Amendment privilege with respect to any questions
02 about Resource Development International LLC?

03 A Not without hearing the question, sir.

04 MR. NORRIS: May I have this marked as
05 Exhibit 8?

06 (Olsen Exhibit 8 was marked for
07 identification, the original of which is
08 attached hereto.)

09 MR. NORRIS: And Exhibit 9.

10 (Olsen Exhibit 9 was marked for
11 identification, the original of which is
12 attached hereto.)

13 BY MR. NORRIS:

14 Q Mr. Olsen, let me hand you what's been
15 marked as Exhibit 8. It consists of a group of
16 documents with the initial page entitled "Resource
17 Development International LLC," and underneath that
18 a client consulting agreement, a letter of intent
19 and request, a joint venture agreement of six pages,
20 an application for private -- Resource Developmental
21 International LLC application for private placement
22 and documentation package.

23 And then I'll hand you what's been marked
24 as Exhibit 9 which is a document under the heading
25 of "Resource Development International LLC IRA

0073

01 Packet," it consists of Sterling Trust forms,
02 Sterling Trust Company self-directed IRA, an
03 individual retirement trust account adoption

04 agreement from Sterling Trust, an investor director
05 and certification document from Sterling Trust, and
06 then the same documents relating to Resource
07 Development International that are in Exhibit 8.

08 Are not Exhibit 8 and Exhibit 9 documents
09 used in the offer and sale of the Resource
10 Development International high yield investment
11 program?

12 A I wish to assert my Fifth Amendment
13 privilege, sir.

14 Q Have you not used these documents in
15 connection with the offer and sale of the Resource
16 Development International investment program?

17 A I wish to assert my Fifth Amendment
18 privilege, sir.

19 Q And are not these documents patterned
20 after the documents used in the Dannel Finance
21 Limited program?

22 A I wish to assert my Fifth Amendment
23 privilege, sir.

24 Q And, in fact, wasn't Resource Development
25 International created for the purposes of carrying
0074

01 on the Dannel program after it was closed by the
02 SEC?

03 A I wish to assert my Fifth Amendment
04 privilege, sir.

05 Q And have not the funds from the offer and
06 sale of the Resource Development International
07 program been used to continue to pay those investors
08 who were investors in Dannel through the Pacific
09 International Limited Partnership program?

10 A I wish to assert my Fifth Amendment
11 privilege, sir.

12 Q Looking at the second page of Exhibit 8,
13 the client consulting agreement, what type of
14 consulting services are provided by Sound Financial
15 Services, Inc.?

16 A I wish to assert my Fifth Amendment
17 privilege, sir.

18 Q Looking at paragraph numbered 1, sentence
19 numbered 1, what type of estate planning and asset
20 protection counsel is provided by Sound Financial?

21 A I wish to assert my Fifth Amendment
22 privilege, sir.

23 Q Let me ask you to turn to page 1 of the
24 application for private placement and documentation
25 package, the next page which is page numbered 1.

0075

01 The third full paragraph states:

02 "The undersigned agrees and understands
03 that RDI's program is an international based
04 private placement program and that RDI gives up
05 control of the money to an international asset
06 management company upon receipt of a full
07 resource agreement."

08 What is the international asset company
09 to which RDI gives up funds provided by investors?

10 A I wish to assert my Fifth Amendment
11 privilege, sir.

12 Q Does that not designate or identify or
13 refer to Jade Asset Management?

14 A I wish to assert my Fifth Amendment
15 privilege, sir.

16 Q And what does Jade Asset Management do
17 with RDI investor funds after they're received?

18 A I wish to assert my Fifth Amendment
19 privilege, sir.

20 Q What were you told about the
21 characteristics and risks of the RDI program?

22 A I wish to assert my Fifth Amendment
23 privilege, sir.

24 Q What were you told about the rate of
25 return paid to investors?

0076

01 A I wish to assert my Fifth Amendment
02 privilege, sir.

03 Q What were you told about the use of funds
04 collected by RDI?

05 A I wish to assert my Fifth Amendment
06 privilege, sir.

07 Q What were you told about how RDI generated
08 a return for investors?

09 A I wish to assert my Fifth Amendment
10 privilege, sir.

11 Q What were you told about the risks of the
12 RDI investment?

13 A I wish to assert my Fifth Amendment
14 privilege, sir.

15 Q What were you told concerning whether the

16 RDI investment was monitored or approved by any
17 government agencies?

18 A I wish to assert my Fifth Amendment
19 privilege, sir.

20 Q What were you told about the relationship,
21 if any, between the RDI program and international
22 projects?

23 A I wish to assert my Fifth Amendment
24 privilege, sir.

25 Q How much money has been collected for the
0077

01 RDI program?

02 A I wish to assert my Fifth Amendment
03 privilege, sir.

04 Q How many investors have you procured on
05 behalf of Resource Development?

06 A I wish to assert my Fifth Amendment
07 privilege, sir.

08 Q What is the gross amount of funds that you
09 have collected on behalf of Resource Development?

10 A I wish to assert my Fifth Amendment
11 privilege, sir.

12 Q Did you, in fact, roll -- after the
13 commission's lawsuit was filed in this case against
14 Dannel, did you not roll over Dannel investors into
15 the Resource Development program?

16 A I wish to assert my Fifth Amendment
17 privilege, sir.

18 Q And, in fact, when you rolled over
19 investors into the Resource Development program, you
20 didn't inform them about the pending suit against
21 Dannel, did you?

22 A I wish to assert my Fifth Amendment
23 privilege, sir.

24 Q You, in fact, sold the Resource
25 Development program to Amelia Gibson, for example,
0078

01 did you not?

02 A I wish to assert my Fifth Amendment
03 privilege, sir.

04 Q And you, in fact, told Amelia Gibson that
05 Dannel didn't have an available allocation, didn't
06 you?

07 A I wish to assert my Fifth Amendment
08 privilege, sir.

09 Q And you, in fact, told her that you --
10 you, in fact, did not tell her that Dannel had been
11 sued by the SEC, did you?

12 A I wish to assert my Fifth Amendment
13 privilege, sir.

14 Q And then you eventually told her that you
15 had found another program for her and that program
16 was Resource Development. Is that not correct?

17 A I wish to assert my Fifth Amendment
18 privilege, sir.

19 Q And Miss Gibson had received her principal
20 back from Dannel, had she not?

21 A I wish to assert my Fifth Amendment
22 privilege, sir.

23 Q She was looking for a vehicle to invest
24 those funds, correct?

25 A I wish to assert my Fifth Amendment
0079

01 privilege, sir.

02 Q And you eventually offered and sold her
03 the Resource Development program. Is that not
04 correct?

05 A I wish to assert my Fifth Amendment
06 privilege, sir.

07 Q And you never did tell her about the fact
08 that the SEC had sued Dannel, did you?

09 A I wish to assert my Fifth Amendment
10 privilege, sir.

11 MR. NORRIS: Let me ask that this be marked as
12 Olsen Exhibit 10.

13 (Olsen Exhibit 10 was marked for
14 identification, the original of which is
15 attached hereto.)

16 BY MR. NORRIS:

17 Q Mr. Olsen, I'm handing you what's been
18 marked as Olsen Exhibit 10. It consists of various
19 documents related to an investment in Resource
20 Development International by Amelia R. Gibson of
21 Stockton, California.

22 It consists of a request for information
23 dated May 23rd, 1999, a client consulting agreement
24 dated May 23rd, 1999, a letter of intent and request
25 dated May 23rd, 1999, a joint venture agreement
0080

01 dated May 23rd, 1999, and a private placement

02 application dated May 23rd, 1999.

03 Are these not documents related to the
04 Resource Development International program that you
05 provided to Amelia Gibson?

06 A I wish to assert my Fifth Amendment
07 privilege, sir.

08 Q And did you not assist her in filling out
09 these documents?

10 A I wish to assert my Fifth Amendment
11 privilege, sir.

12 Q And do these not represent your efforts
13 to -- or the fruition of your efforts to place her
14 in the Resource Development program?

15 A I wish to assert my Fifth Amendment
16 privilege, sir.

17 Q And were not the funds that were invested
18 in this program by Amelia Gibson the funds that she
19 had received as a principal payback from Dannel?

20 A I wish to assert my Fifth Amendment
21 privilege, sir.

22 Q What did you do with these documents after
23 Miss Gibson filled them out?

24 A I wish to assert my Fifth Amendment
25 privilege, sir.

0081

01 Q Let me ask you to look at page 4 of the
02 J.V. agreement. This is a check from Amelia R.
03 Gibson dated May 24, 1999, written to Resource
04 Development International.

05 Did Miss Gibson give you these funds, this
06 check?

07 A I wish to assert my Fifth Amendment
08 privilege, sir.

09 Q And did you not then forward this check to
10 Resource Development?

11 A I wish to assert my Fifth Amendment
12 privilege, sir.

13 Q What did you tell Miss Gibson about the
14 Resource Development International investment?

15 A I wish to assert my Fifth Amendment
16 privilege, sir.

17 Q Do you presently have documents in your
18 possession or control relating to the Resource
19 Development International program?

20 A I wish to assert my Fifth Amendment

21 privilege, sir.

22 Q Did you tell Miss Gibson that the Resource
23 Development International program involved some of
24 the same people who were involved in the Dennel
25 program?

0082

01 A I wish to assert my Fifth Amendment
02 privilege, sir.

03 Q Did you tell Miss Gibson that the purpose
04 of the Resource Development program was to continue
05 to pay investors who had put money into Pacific
06 International Limited Partnership?

07 A I wish to assert my Fifth Amendment
08 privilege, sir.

09 Q Have Jim Edwards or Dave Edwards provided
10 funds to Mr. Cook since the commission filed its
11 lawsuit?

12 A I wish to assert my Fifth Amendment
13 privilege, sir.

14 Q Were you ever told that funds obtained
15 through the Resource Development International
16 program were going to be used to settle the lawsuit
17 against Dennel by the SEC?

18 A I wish to assert my Fifth Amendment
19 privilege, sir.

20 Q In fact, have investors in the Resource
21 Development International program been paid since
22 that program began?

23 A I wish to assert my Fifth Amendment
24 privilege, sir.

25 Q At what financial institutions did

0083

01 Ben Cook have accounts?

02 A I wish to assert my Fifth Amendment
03 privilege, sir.

04 Q Did you ever discuss with Mr. Cook whether
05 he or entities related to him had accounts at
06 foreign banks?

07 A I wish to assert my Fifth Amendment
08 privilege, sir.

09 Q Are you familiar with an individual named
10 David Smith?

11 A I wish to assert my Fifth Amendment
12 privilege, sir.

13 Q What relation does Mr. Smith have to

14 Resource Development and Jade Asset Management?

15 A I wish to assert my Fifth Amendment
16 privilege, sir.

17 Q Are you familiar with an individual named
18 Richard Demessee, D-e-m-e-s-s-e-e?

19 A I wish to assert my Fifth Amendment
20 privilege, sir.

21 Q Are you familiar with an individual named
22 Tom Hauser?

23 A I wish to assert my Fifth Amendment
24 privilege, sir.

25 Q What relation, if any, does Mr. Hauser
0084

01 have to Jade Asset Management or Resource
02 Development?

03 A I wish to assert my Fifth Amendment
04 privilege, sir.

05 Q Are you familiar with an individual named
06 Richard Wagner?

07 A I wish to assert my Fifth Amendment
08 privilege, sir.

09 Q What relationship, if any, does Mr. Wagner
10 have to Jade Asset Management or Resource
11 Development International?

12 A I wish to assert my Fifth Amendment
13 privilege, sir.

14 MR. NORRIS: Let's go off the record.

15 (Discussion off the record)

16 (Olsen Exhibit 11 was marked for
17 identification, the original of which is
18 attached hereto.)

19 BY MR. NORRIS:

20 Q Mr. Olsen, let me hand you what's been
21 marked as Exhibit 11 which is a letter dated
22 June 23rd, 1999, from David Edwards to Amelia
23 Gibson, regarding approval and acknowledgement of
24 funds.

25 Have you seen this document before?

0085

01 A I wish to assert my Fifth Amendment
02 privilege, sir.

03 Q And is not this a letter sent by David
04 Edwards to Amelia Gibson approving her application
05 for an investment in Resource Development
06 International?

07 A I wish to assert my Fifth Amendment
08 privilege, sir.

09 Q And isn't this letter -- are not similar
10 letters sent to other investors who you've solicited
11 for the RDI program?

12 A I wish to assert my Fifth Amendment
13 privilege, sir.

14 Q And isn't this letter patterned after the
15 approval letter for the Dannel program?

16 A I wish to assert my Fifth Amendment
17 privilege, sir.

18 MR. NORRIS: I'll pass the witness.

19

20 EXAMINATION

21 BY MR. MURPHY:

22 Q Mr. Olsen, my name is Patrick Murphy, and
23 I represent the receiver, Mr. Warfield.

24 I understand that in this lawsuit by the
25 SEC you are not presently represented in the
0086

01 litigation by an attorney; is that right?

02 A I wish to assert my Fifth Amendment
03 privilege.

04 Q As to whether or not you're represented by
05 a lawyer?

06 A I wish to assert my Fifth Amendment
07 privilege, sir.

08 Q Were you represented initially in this
09 case by Warren Stamm?

10 A I wish to assert my Fifth Amendment
11 privilege, sir.

12 Q Well, we can make this short. Are you
13 going to take the Fifth Amendment in response to all
14 the questions I ask you?

15 A Not without hearing the question, sir.

16 Q Where did you go to high school?

17 A I wish to assert my Fifth Amendment
18 privilege.

19 Q So is this a game you're playing?

20 A I wish to assert my Fifth Amendment
21 privilege, sir.

22 Q All right. You can play that game.

23 Mark this next in order, please.

24 (Olsen Exhibit 12 was marked for
25 identification, the original of which is

0087

01 attached hereto.)

02 BY MR. MURPHY:

03 Q All right. I have handed you what the
04 court reporter has marked as Exhibit 12. I'd like
05 you to take a look at that. It's a letter sent to
06 your lawyer in this case, at the time in July 1999,
07 Warren Stamm of Coral Gables, Florida.

08 Mr. Stamm provided this letter to you and
09 the information contained in it, did he not?

10 A I wish to assert my Fifth Amendment
11 privilege, Mr. Murphy.

12 Q Look at paragraph 1 of this letter, would
13 you please, in the first page?

14 It's true, is it not, that on January 1st,
15 1999 you acquired the property described in that
16 paragraph?

17 A I wish to assert my Fifth Amendment
18 privilege, sir.

19 Q That property is, in fact, a piece of
20 property consisting of approximately two and a half
21 acres of land and improvements, is it not?

22 A I wish to assert my Fifth Amendment
23 privilege, sir.

24 Q And, in fact, you acquired that property
25 with monies derived from Dannel investors, did you

0088

01 not?

02 A I wish to assert my Fifth Amendment
03 privilege, sir.

04 Q Look at the property identified, would you
05 please, in paragraph 2? That property in Lake
06 Elsinore, California you acquired on January 11th,
07 1999, did you not?

08 A I wish to assert my Fifth Amendment
09 privilege, sir.

10 Q In fact, that property is a multifamily
11 dwelling sitting on approximately two and a half
12 acres of land, is it not?

13 A I wish to assert my Fifth Amendment
14 privilege, sir.

15 Q In fact, that property was acquired with
16 funds derived from Dannel investors, was it not?

17 A I wish to assert my Fifth Amendment
18 privilege, sir.

19 Q Look at the property identified in
20 paragraph 3, would you please? That was property
21 that you sold or transferred to a Betty Jane Olsen
22 on January 14th, 1999, is it not?

23 A I wish to assert my Fifth Amendment
24 privilege, sir.

25 Q In fact, that's a single family residence
0089

01 of approximately 6,600 square feet, is it not?

02 A I wish to assert my Fifth Amendment
03 privilege, sir.

04 Q Betty Jane Olsen is related to you, is she
05 not?

06 A I wish to assert my Fifth Amendment
07 privilege.

08 Q In fact, you transferred title to her so
09 that you could disguise your interest in that
10 property, did you not?

11 A I wish to assert my Fifth Amendment
12 privilege, sir.

13 Q That property was originally acquired by
14 you with funds derived from Dennel investors, was it
15 not?

16 A I wish to assert my Fifth Amendment
17 privilege, sir.

18 Q Look at the property described in
19 paragraph 4 of Exhibit 12. That's property in
20 Temecula, California you acquired on February 17th,
21 1999, is it not?

22 A I wish to assert my Fifth Amendment
23 privilege, sir.

24 Q In fact, that property consists of a
25 multifamily dwelling of over 8,700 square feet, does
0090

01 it not?

02 A I wish to assert my Fifth Amendment
03 privilege, sir.

04 Q That property was acquired with funds
05 derived from Dennel investors, was it not?

06 A I wish to assert my Fifth Amendment
07 privilege, sir.

08 Q It's true, is it not, that as of the date
09 of this letter in July 1999, you still retained an
10 interest in those four properties, did you not?

11 A I wish to assert my Fifth Amendment

12 privilege, Mr. Murphy.

13 Q In fact, these are four pieces of real
14 estate that you had an interest in that were not
15 disclosed in the accountings that were filed with
16 the court under oath and under your signature which
17 were marked previously by Mr. Norris as Exhibits 1
18 and 2. Is that not true?

19 A I wish to assert my Fifth Amendment
20 privilege, sir.

21 (Olsen Exhibit 13 was marked for
22 identification, the original of which is
23 attached hereto.)

24 BY MR. MURPHY:

25 Q All right. Let me show you what's been
0091

01 marked Exhibit 13 which is a letter to your lawyer,
02 Mr. Stamm, dated August 12th, asking him to respond
03 to my letter of July 9th which was previously marked
04 as Exhibit 12.

05 In response to this follow-up letter to
06 Mr. Stamm, is it not true that you were contacted
07 and asked to provide me with the information I had
08 requested in my letter dated July 9th, 1999?

09 A I wish to assert my Fifth Amendment
10 privilege, sir.

11 (Olsen Exhibit 14 was marked for
12 identification, the original of which is
13 attached hereto.)

14 BY MR. MURPHY:

15 Q Mark as Exhibit 14 a letter to me from
16 Mr. Stamm, your lawyer, telling me that he had
17 provided my earlier letters to you and had asked you
18 to provide a response.

19 And that is a true statement, is it not?

20 A I wish to assert my Fifth Amendment
21 privilege, sir can.

22 (Olsen Exhibit 15 was marked for
23 identification, the original of which is
24 attached hereto.)

25 BY MR. MURPHY:

0092

01 Q All right. I am showing you or you've
02 been presented with a copy of Exhibit 15 which is
03 another letter of mine to your attorney, Mr. Stamm,
04 requesting information on transfers from bank

05 accounts.

06 Would you look at that first page
07 particularly and the description of the bank
08 accounts? Those transfers from bank accounts
09 described in that letter, in fact, were made at your
10 direction, were they not?

11 A I wish to assert my Fifth Amendment
12 privilege, sir.

13 Q In fact, those transfers were made after
14 you had learned that the SEC had filed its lawsuit
15 against Mr. Cook and yourself and others, were they
16 not?

17 A I wish to assert my Fifth Amendment
18 privilege, sir.

19 Q In fact, those transfers were made after
20 you had learned that the court had entered an order
21 restraining the transfer or distribution or movement
22 of any Dennel investor funds, were they not?

23 A I wish to assert my Fifth Amendment
24 privilege, sir.

25 Q And, in fact, those funds being
0093

01 transferred as described in Exhibit 15 were indeed
02 Dennel investor funds, were they not?

03 A I wish to assert my Fifth Amendment
04 privilege, sir.

05 Q Mr. Olsen, you at one time were married to
06 Rebecca Olsen; is that correct?

07 A I wish to assert my Fifth Amendment
08 privilege, sir.

09 Q Is that a wedding ring you have on your
10 ring finger?

11 A I wish to assert my Fifth Amendment
12 privilege, sir.

13 Q Let me see your watch for a second, would
14 you, please? I'll give it back to you.

15 A What did you want with the watch,
16 Mr. Murphy?

17 Q I beg your pardon?

18 A What did you want with the watch?

19 Q I just wanted to look at one thing.

20 A And what did you want to look at it for,
21 sir?

22 Q It's your deposition, Mr. Olsen, not mine.

23 A I understand.

24 Q Now, Mr. Olsen, all of the assets that
25 you currently have interest in either directly or
0094

01 indirectly were acquired with Dannel investor funds,
02 were they not?

03 A I wish to assert my Fifth Amendment
04 privilege, sir.

05 Q What is the entity that goes by the name
06 of Laurenco, LLC? And let me spell that. It's
07 L-a-u-r-e-n-c-o, comma, LLC?

08 A I wish to assert my Fifth Amendment
09 privilege, Mr. Murphy.

10 Q That limited liability company is
11 controlled directly by a Rebecca Olsen; is that not
12 true?

13 A I wish to assert my Fifth Amendment
14 privilege, sir.

15 Q Rebecca Olsen is related to you, is she
16 not?

17 A I wish to assert my Fifth Amendment
18 privilege, sir.

19 Q In fact, you, through her, control that
20 company, do you not?

21 A I wish to assert my Fifth Amendment
22 privilege, sir.

23 Q In fact, the assets of that company were
24 derived from Dannel investor funds, were they not?

25 A I wish to assert my Fifth Amendment
0095

01 privilege, sir.

02 Q In fact, Rebecca Olsen holds other assets
03 in the name of Laurenco, her own name, or other
04 entities that were derived from Dannel investor
05 assets and which you control; is that not true?

06 A I wish to assert my Fifth Amendment
07 privilege, Mr. Murphy.

08 Q You also control a company named ELN,
09 letters E-L-N, Management, comma, Inc., do you not?

10 A I wish to assert my Fifth Amendment
11 privilege, sir.

12 Q In fact, that company has assets all of
13 which were derived from Dannel investor funds; is
14 that not true?

15 A I wish to assert my Fifth Amendment
16 privilege, sir.

17 Q You also control a company named Warner
18 Springs Limited Partnership, do you not?

19 A I wish to assert my Fifth Amendment
20 privilege, sir.

21 Q And that partnership has assets all of
22 which were derived from Dennel investor funds, does
23 it not?

24 A I wish to assert my Fifth Amendment
25 privilege, sir.

0096

01 Q You also control a company named OT, the
02 letters O-T, Management Limited Partnership, do you
03 not?

04 A I wish to assert my Fifth Amendment
05 privilege, sir.

06 Q The assets of that partnership were all
07 derived from Dennel investor funds, were they not?

08 A I wish to assert my Fifth Amendment
09 privilege, sir.

10 Q You also control a company named C. Kelly
11 Olsen and Associates, do you not?

12 A I wish to assert my Fifth Amendment
13 privilege, sir.

14 Q And all assets of C. Kelly Olsen and
15 Associates were derived from Dennel investor funds,
16 were they not?

17 A I wish to assert my Fifth Amendment
18 privilege, sir.

19 Q What is the company named White Mountain
20 Resources?

21 A I wish to assert my Fifth Amendment
22 privilege, sir.

23 Q Do you have any interest in that company?

24 A I wish to assert my Fifth Amendment
25 privilege, sir.

0097

01 Q Are the assets of that company derived
02 from Dennel investor funds?

03 A I wish to assert my Fifth Amendment
04 privilege, sir.

05 (Olsen Exhibit 16 was marked for
06 identification, the original of which is
07 attached hereto.)

08 BY MR. MURPHY:

09 Q All right. Let me show you what's been

10 marked Exhibit 16 which is a flow chart. It's a
11 printed report with some handwriting at the bottom.

12 Do you see the handwriting at the bottom?

13 A Yes.

14 Q The handwriting says, "Hope this answers
15 your questions on Smith and Stevens. I spoke with
16 Jim Edwards for the info," signed Kelly. That's
17 your handwriting, is it not?

18 A I wish to assert my Fifth Amendment
19 privilege, Mr. Murphy.

20 Q In fact, you wrote that and that's your
21 name Kelly signed to it, is it not?

22 A I wish to assert the Fifth Amendment
23 privilege, sir.

24 Q This organization chart of the
25 organization under you was, in fact, prepared by
0098

01 you, was it not?

02 A I wish to assert my Fifth Amendment
03 privilege.

04 Q And each of the individuals listed under
05 your name in this chart were facilitators and
06 salespersons that sold Dannel products for which you
07 ultimately earned commissions, were they not?

08 A I wish to assert my Fifth Amendment
09 privilege, sir.

10 Q In fact, Mr. Olsen, it's true, is it not,
11 that during the life of the Dannel program, you
12 received approximately \$1.8 million in commissions?

13 A I wish to assert my Fifth Amendment
14 privilege, sir.

15 Q Who is Natalie Olsen?

16 A I wish to assert my Fifth Amendment
17 privilege, sir.

18 Q In fact, she's related to you, is she not?

19 A I wish to assert my Fifth Amendment
20 privilege, sir.

21 Q You control, through her, the company
22 Laurence, LLC, do you not?

23 A I wish to assert my Fifth Amendment
24 privilege, sir.

25 Q In fact, through her role in Laurence and
0099

01 otherwise, she controls assets for you at your
02 direction, does she not?

03 A I wish to assert my Fifth Amendment
04 privilege, sir.

05 Q And all of those assets that she controls
06 for you were derived from Dennel investor funds,
07 were they not?

08 A I wish to assert my Fifth Amendment
09 privilege, sir.

10 (Olsen Exhibits 17 and 18 were marked
11 for identification, the originals of which
12 are attached hereto.)

13 BY MR. MURPHY:

14 Q Take a look at Exhibit 17, would you?
15 Whichever one that is. Let me see the one marked
16 Exhibit 17. All right. Thanks. And then look at
17 Exhibit 18, would you, please?

18 Exhibit 17 and 18 are copies of color
19 photographs taken of you at a Dennel function in
20 Phoenix, Arizona, are they not?

21 A I wish to assert my Fifth Amendment
22 privilege, sir.

23 Q In fact, they show you opening a sterling
24 silver five-piece tea set that was given to you for
25 your sales efforts in Dennel, are they not?

0100

01 A I wish to assert my Fifth Amendment
02 privilege, sir.

03 Q In fact, that sterling silver tea set is
04 an asset of the receivership estate that you have
05 refused to turn over to the receiver, is it not?

06 A I wish to assert my Fifth Amendment
07 privilege, sir.

08 Q In addition to the silver tea set, you
09 presently control over \$1 million in receivership
10 assets, do you not?

11 A I wish to assert my Fifth Amendment
12 privilege, sir.

13 Q In addition to controlling receivership
14 assets, you have information concerning the location
15 of receivership assets, do you not?

16 A I wish to assert my Fifth Amendment
17 privilege, sir.

18 Q By "receivership assets," I mean assets,
19 among other things, derived from Dennel investors.
20 You know of the existence of assets derived from
21 Dennel investors, do you not?

22 A I wish to assert my Fifth Amendment
23 privilege, sir.

24 Q And you control assets derived from Dannel
25 investors, do you not?

0101

01 A I wish to assert my Fifth Amendment
02 privilege, sir.

03 Q Mr. Olsen, let me hand you a blank piece
04 of yellow lined paper. I'd like you to, with a pen
05 in your hand, sign your name to it, please.

06 A I wish to assert my Fifth Amendment
07 privilege, sir.

08 Q Then I'd like you to sign your initials to
09 the piece of paper, please.

10 A I wish to assert my Fifth Amendment
11 privilege, sir.

12 MR. MURPHY: All right. I don't have any
13 other questions.

14 MR. NORRIS: I think that concludes our
15 proceeding for the day.

16 (Deposition concluded at 11:35 a.m.)

17

18

19

20

21

22

23

24

25

0102

01 STATE OF CALIFORNIA)

01) S.S.

02 COUNTY OF ORANGE)

02

03

03

04 I am the witness in the foregoing
05 deposition. I have read the foregoing deposition
06 and having made such changes and corrections as I
07 desire, I certify that the same is true of my own
08 knowledge, except as to those matters which are
09 therein stated upon my information or belief, and as
10 to those matters, I believe it to be true.

11 I declare under penalty of perjury that

12 the foregoing is true and correct.

13 Executed on _____,

14 at _____, California.

15

16

17

18

19

20

21

C. KELLY OLSEN

22

23

24

25