

IN THE UNITED STATES DISTRICT COURT
FOR THE NOTHERN DISTRICT OF TEXAS
DALLAS DIVISION

CV0571-R

SECURITIES AND EXCHANGE)
COMMISSION,)
Plaintiff)
vs.) CIVIL ACTION NO. 399
)
)
BENJAMIN FRANKLIN COOK)
individually and dba DENNEL)
FINANCE LIMITED, GERALD LEE)
PATE, ELLSWORTH WAYNE McLAWS,)
and ALAN CLAGG,)
Defendants,)
and)
FPC-1 LIMITED PARTNERSHIP)
SAMUEL LIMITED PARTNERSHIP,)
ALLIANCE INVESTMENT CORP.,)
CORNERSTONE MANAGEMENT, LLC.,)
INTERNATIONAL BUSINESS)
CONSULTANTS LIMITED,)
HIGHLANDER LIMITED PARTNERHSIP)
and C. KELLY OLSEN,)
Defendants Solely for)
Purposes of Equitable)
Relief)

ORAL DEPOSITION OF

J. W. YOUNG

February 22, 2000

Reporter: Joy Younts, CSR #7279

1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE NORTHERN DISTRICT OF TEXAS
3 DALLAS DIVISION

3 SECURITIES AND EXCHANGE)
COMMISSION,)
4 Plaintiff)
vs.) CIVIL ACTION NO. 399
CV0571-R
5)
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PATE, ELLSWORTH WAYNE McLAWS,)
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and C. KELLY OLSEN,)
13 Defendants Solely for)
Purposes of Equitable)
14 Relief)

15 ORAL DEPOSITION OF
16 J. W. YOUNG
February 22, 2000

17 ORAL DEPOSITION of J. W. Young produced as a
witness at
18 the instance of the Receiver, and duly sworn, was taken
in the
19 above-styled and numbered cause on the 22nd of February,
2000
20 from 9:41 a.m. to 1:35 p.m. before Joy Younts, Certified
21 Shorthand Reporter #7279, in and for the State of Texas,
22 reported by machine shorthand at the offices of
Schneider,
23 Krugler, Kleinschmidt & Placke, 124 S. Polk, Giddings,
Texas
24 and the
25 78942, pursuant to the Federal Rules of Civil Procedure
provisions stated on the record or attached hereto.

1 A P P E A R A N C E S

2

3

4

FOR THE PLAINTIFF

5

Mr. Jeffrey B. Norris

UNITED STATES SECURITIES

6

AND EXCHANGE COMMISSION

801 Cherry St., 19th Floor

7

Fort Worth, Texas 76102

8

FOR THE LAWRENCE J. WARFIELD,

9

RECEIVER FOR THE SECURITY AND

EXCHANGE COMMISSION

10

Mr. Kelly Crawford

SCHEEF & STONE

11

5956 Sherry Lane, Suite 1400

Dallas, Texas 75225

12

13

FOR J. W. YOUNG

14

Mr. John B. Harle

15

212 East Main Street

Bellville, Texas 77418-1526

16

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STIPULATIONS

parties
the
of J.
Procedure.
original

It is hereby agreed, by and between the
hereto, through their attorneys appearing herein, that
Receiver, Lawrence J. Warfield, is taking the deposition
W. Young pursuant to the Federal Rules of Civil
Signature is required pursuant to the Rules and the
deposition shall be returned for filing within 30 days.

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6

1 J. W. YOUNG,
2 having been first duly sworn, testified as follows:

3 EXAMINATION

4 BY MR. CRAWFORD:

5 Q Would you please state your full name and home
address
6 for the record.

7 A James W. Young, Route 1, Box 103, New Ulm,
Texas
8 78950.

9 Q Mr. Young, my name is Kelly Crawford. We met
just a
10 few minutes ago. I am the attorney for Lawrence Warfield
who
11 has been appointed the receiver in a lawsuit that has
been
12 brought by the Securities and Exchange Commission against
13 Benjamin Franklin Cook and a number of other defendants.
And we
14 are here today pursuant to a subpoena that was issued in
that
15 case, and I will ask you a few questions. And then Mr.
Norris
16 is here on behalf of the Securities and Exchange
Commission and
17 he may have some questions.

18 Have you ever had your deposition taken
before?

19 A Let me think. I think I probably did in a --
in a car

20 accident or something one time, but other than that, no.

here
of the
21 Q Okay. Do you understand that your testimony
22 today is under oath just as if you were sitting in front
23 Judge and the jury?

24 A I understand that.

ask
25 Q Okay. During the course of the deposition if I

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7

let me
answer the
Can we
1 you a question that you do not understand, if you will
2 know so I can rephrase the question, otherwise if you
3 question, I'm going to assume that you've understood it.
4 have that agreement?

5 A Okay.

other
6 Q Have you discussed your deposition with anybody
7 than Mr. Harle, your attorney?

8 A No.

threats to
9 Q Okay. Has anybody threatened you or made
10 you about providing your deposition today?

11 A No, sir.

1. 12 MR. CRAWFORD: Let's mark this as Exhibit

13 (Young Deposition Exhibit No. 1 marked for
14 identification.)

you
15 Q (By Mr. Crawford) Mr. Young, I'm going to hand

subpoena 16 what's been marked as Exhibit 1 which is a copy of the
Subpoena 17 that was served upon you and includes the Notice of
18 Duces Tecum on Non-party for the Taking of Deposition and
19 Production of Documents. Do you recall receiving this?
20 A Yes.
today 21 Q Okay. And did you bring any documents with you
22 that are responsive to the request?
23 A Yes, I did.
has 24 Q Okay. And for the record, Mr. Young's attorney
could -- 25 handed me a manila folder of documents. Wonder if I

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8

1 are those copies?
2 A Yes, they are. Yes, they are copies.
this 3 MR. CRAWFORD: Wonder if I could just mark
that's 4 as Exhibit A and we could attach it to the deposition if
5 okay with you.
6 MR. HARLE: That's fine.
A. 7 MR. CRAWFORD: Let's mark this as Exhibit
8 (Young Deposition Exhibit A marked for
9 identification.)
you 10 Q (By Mr. Crawford) Mr. Young, I'm going to hand

and
you
Subpoena

11 what's been marked as Exhibit A which is a manila folder,
12 I'll ask you if that represents all of the documents that
13 have in your possession that were responsive to the
14 Duces Tecum that we've marked as Exhibit 1?

copies, but

15 A I probably have some copies because I made
16 I made copies of everything I have.

have in
not

17 Q Okay. Are there any documents that you still
18 your possession that you do not have a copy of that are
19 contained in Exhibit A?

20 A No.

record so

21 MR. CRAWFORD: Okay. Let's go off the

22 I can just take five minutes to look through these.

a.m.)

23 (Off the record from 9:45 a.m. to 9:49

occupation?

24 Q (By Mr. Crawford) Mr. Young, what is your

25 A I am a rancher.

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9

1 Q How long have you been a rancher?

2 A Sir?

3 Q How long have you been a rancher?

4 A Been about two and a half years.

5 Q What did you do before that?

6 A Oh, God. I was a car salesman. I was a lot of

7 things. I am a finance consultant to some people, but
mostly
8 I'm just a consultant to things in, you know -- why I was
even
9 involved in this particular situation was that Mr. Taylor
had --
10 was dealing, I suppose, with Mr. Cook, and he asked me to
send
11 some documentation to him and consulted me to do so by
just
12 doing the documents.

13 Q Okay. When you say that you worked as a
financial
14 consultant, what do you mean by that?

15 A Well, there's people that has come to me for --
16 primarily for investments of different areas, and I try
to put
17 them with somebody that can do that.

18 Q Okay. And do you charge a fee for helping them
get
19 hooked up with the right person?

20 A Generally.

21 Q Okay. And is that fee based on a percentage of
how
22 much they invest generally.

23 A Sometimes. Sometimes not.

24 Q Okay. How long have you been a financial
consultant?

25 A Oh, probably 20 years.

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10

1 Q Do you ever help people purchase securities?

no. 2 A I -- I don't help people purchase securities,

3 Q Okay. Would it be fair to say that you'll put
them in
4 touch with people who would help them purchase
securities?

5 A By introduction maybe.

6 Q Okay. You're not a licensed broker; is that
correct?

7 A No, sir, I am not.

8 Q How long have you lived in Texas?

9 A All my life.

10 Q And how long have you lived in New Ulm, Texas?

11 A Since I bought the ranch about almost two years
ago.

12 Q Okay. Where did you live before that?

13 A Katy, Texas.

14 Q How long did you live in Katy?

15 A Since 1993.

16 Q And where did you live before that?

17 A I lived in Midland, Texas.

18 Q How long did you live in Midland?

19 A Four or five years. After that I was back in
Houston.

20 Q Okay. Did you -- how long did you live in
Houston?

21 A I came to Houston in 1946 so been a while.

22 Q Did you have any other occupations in the last
20
23 years besides being a financial consultant, a rancher, or
a car
24 salesman?

25 A No.

11

1 Q Where were you a car salesman at?

2 A Well, at Beck and Masten, GMC Pontiac. I also
worked
3 for Frank Gillman Pontiac, but that's been over 20 years
ago.

4 Q Okay. And how long were you a car salesman?

5 A You mean in the last 20 years?

6 Q Yes, sir.

7 A Probably two years.

8 Q Okay. So, would it be fair to say that in the
past 20

9 years if -- if two of those years were spent as a car
salesman

10 and two and a half years were spent as a rancher then the
11 remaining years were spent primarily as a financial
consultant?

12 Is that a fair statement?

13 A Well, no, not necessarily. I -- you know, I've
done a

14 lot of things. Just work. You know, I try -- I worked
to make

15 a living. Broke my leg in '94 so I bought and sold
shrimp and

16 wood and all kinds of stuff to keep making a living.

17 Q Okay. And I understand you might have other
things

18 that you do to make an income, but I'm just trying to --
for

19 background purposes trying to figure out what your
primary

20 source of income was for those years. Would it be fair
to say

21 it was as a financial consultant?

22 A No, there was a lot of time that I wasn't
involved in
23 that because I was doing other things, you know. I just
worked
24 to make a living.
25 Q Okay. How long were you a financial consultant
in the

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12

1 past ten years? Of those past ten years, how many years
were
2 you a financial consultant?

3 A Probably the last -- there was probably three
or four
4 years.

5 Q Okay. Did you work as a consultant
individually or
6 with any other --

7 A Individually.

8 Q -- partners?

9 A Individually.

10 Q Okay. Did you work as a consultant under a
11 corporation or a partnership or --

12 A No.

13 Q -- individually?

14 A Individual.

15 Q Did you go to school? Did you grow up in
Houston?

16 A Never went to school in my life.

17 Q Never went to elementary school?

18 A None.

19 Q None?

the
20 A I grew up down below San Antone back during
21 depression so didn't get to go to school.

22 Q Is that right?

23 A That's right.

call home
24 Q So, you had home schooling -- what they now
25 schooling.

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13

1 A Well, we -- the school of hard knocks.

read
2 Q School of hard knocks, okay. You know how to
3 though?

4 A Of course.

5 Q Okay. Saw a reference in some documents to an
6 ex-wife. Are you divorced currently?

7 A Yes, I am.

8 Q Okay. What is your ex-wife's name?

9 A Bonnie Malone (phonetic).

10 Q Where does she live?

is the
11 A She lives in Wharton, Texas. Let's get -- what
12 purpose for her being involved? I haven't been married
13 to her
14 for 16 years.

14 Q Okay. Well, I'll show you some documents that
15 Mr. Cook refers to her so I'm trying to --

16 A Well, she --

17 Q -- find out.
18 A Well, I had taken care of her for a long, long
time.
19 She's dying with cancer right at the moment, and I -- I
took
20 care of her when she -- she's had 17 major surgeries
since '84,
21 and I kept her until a few months ago at my place taking
care of
22 her.
23 Q Okay. Do y'all have any children?
24 A We had one child -- well, we didn't have any
children.
25 She had two when I married her, and I adopted one of
them.

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14

any
1 Q Okay. Are -- are you currently an officer in
2 corporation?
3 A No, I am not.
4 Q Are you a partner in any partnerships?
5 A No, sir, I'm not.
6 Q Do you own stock in any corporations?
7 A No, I do not.
8 Q Are you trustee of any trusts?
9 A No, I'm not.
10 Q Are you the beneficiary of any trust?
11 A No, sir.
12 Q Okay. Have you ever met Benjamin Cook?
13 A No, sir, I have not.

14 Q Ever talked to Mr. Cook?

15 A Yes, I did.

16 Q If I ask you for a description of Mr. Cook,
could you

17 give me one?

18 A I could not.

19 Q Okay. Who introduced you to Mr. Cook?

20 A Mr. Taylor.

21 Q And what is Mr. Taylor's first name?

22 A Wesley.

23 Q What did Mr. Taylor tell you about Mr. Cook?

24 A Well, it's in these documents. He had sent me
stuff

25 to send to him because he didn't have a fax and he didn't
have a

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15

1 secretary. I had a secretary, and he asked me to do this
on an

2 -- on a consulting basis.

3 Q Okay. Did he ask you to call Mr. Cook or did
he tell

4 you that Mr. Cook would call you?

5 A He gave me the number and said for me to call
him or

6 he would call me. But first Mr. Cook called me. I had
talked

7 to him a few times.

8 Q Who did you understand Mr. Cook to be when you
first

9 talked to him?

that he 10 A I didn't understand him to be anything except
11 was involved in some financial transactions.

you 12 Q Did you know where Mr. Cook was located at when
13 called him?

in one 14 A The first time I -- I had talked to him he was
Arizona. 15 area, and then a couple of times later he was like in
16 He was just moving around. Mostly I called him on a cell
phone.
17 I didn't have a particular phone for him, but I think the
first
18 time he called me.

first 19 Q Okay. And what did you talk about in that
20 telephone conference?

thing 21 A God, I don't know about the first one, but the
to 22 was revolved around something that Mr. Taylor was going
the CD 23 furnish the money for a CD and then they was going to use
what I 24 as a -- in a financial transaction. That's basically
never 25 know about Mr. Cook. I know very little about him and

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16

1 seen him.

in 2 Q All right. To your knowledge has he ever met
3 person with Mr. Taylor?

4 A I have no idea, sir.

Cook? 5 Q Do you know how Mr. Taylor ever got to know Mr.

6 A I have no idea.

7 Q Did you ever ask Mr. Taylor?

8 A No. No, sir. Never.

about 9 Q Have you had any conversations with Mr. Taylor

10 being deposed today?

11 A I haven't yet, no.

12 Q Okay. How long have you known Wesley Taylor?

13 A Probably a year.

14 Q Have you ever met Mr. Taylor in person?

15 A Yes, I have. I been to Chicago and met him.

16 Q He lives in Chicago?

17 A Yes, he does.

to 18 Q And how is it that you met -- were introduced

19 Mr. Taylor?

something 20 A Over this thing going on here. Over this --

dollars 21 about this Bank One going to issue a CD for X amount of

22 and that respect. It's all in my paperwork.

how it is 23 Q Well, I guess what I'm trying to find out is

24 that -- who told you about Mr. Taylor?

person 25 A He was introduced to me by telephone by some

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about 1 out of Florida, and I don't even remember who had told me
it. 2 him. It wasn't significant so I didn't pay no mind to

person 3 Q So, you got a call out of the blue and this
4 unknown to you said you should call somebody in Chicago?

5 A He had given me a number and a name that he was
6 looking for somebody to do some consulting work, and I
don't 7 even remember who the guy was. This is a year or so ago,
and I 8 never documented anything because it wasn't -- it wasn't
9 significant to me.

10 Q And you have -- it's your testimony under oath
that 11 you have no recollection of who it is who called you and
12 referred you to Mr. Taylor?

13 A No, sir, I sure don't.

14 Q Do you advertise your financial consultant
services?

15 A No, I don't.

16 Q You know how it is that this person in Florida
got 17 your name or number?

18 A No, I don't unless it's somebody that knew me
that he 19 knew.

20 Q Okay. Well, do you know if -- did he refer to
anybody 21 that you knew at the time he talked to you --

22 A I know a lot of people, and I just -- I
couldn't even 23 guess who might have mentioned my name to somebody.

24 Q Okay. So, you don't know?

25 A No, I do not.

18

1 Q And what did he tell you in this first
telephone
2 conference?

3 A You mean the person that called me from
Florida?

4 Q Yes, sir.

5 A He just said that there was a number that he
wanted me
6 to call and talk to Taylor, and I did and that's how I
met him.

7 I haven't done any transactions with him. I just done
this
8 consulting work for him on this documentation that you've
got.

9 Q Okay. Do you maintain an office or do you
operate out
10 of your ranch?

11 A I operate out of my ranch.

12 Q And that's where your main telephone number for
your
13 business is?

14 A Yes, it is.

15 Q Is that where you received the phone call from
the
16 person in Florida?

17 A Yes.

18 Q Okay. So, you're sitting there one day and you
get a
19 telephone call and this person from Florida says, Hey I
want you
20 to call this person in Chicago who's interested in
investing

21 conversation?

some money. Is that a fair statement of the

He

22 A It was in the -- interested in just -- he said,

know,

23 needs to talk to you. I said, Okay. I'll call him. You

24 I mean, we wasn't going into no detail about anything.

had

25 Q Okay. So, you didn't even know if this person

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19

1 money --

2 A I have no idea.

3 Q -- he was willing to invest?

4 A I have no idea.

5 Q So, then you called Mr. Taylor?

6 A Yes, I did.

call

7 Q Did you call him the same day that you got this

8 from Florida?

or

9 A I don't remember whether I got it late at night

call

10 early in the morning. I don't remember exactly when the

think

11 came. As a matter of fact, I don't think I was there, I

back and

12 the secretary left a note for me to call because I was

13 forth to Houston a lot.

14 Q Okay. You employ a secretary; is that correct?

keep

15 A Yes, I do. I have to have one for the ranch to

16 book?

17 Q What is her name?

18 A B. J. Boykin.

19 Q So, she received a message from the person from
20 Florida?

21 A As far as I can remember a note was left for me
on my spindle to call.

22 Q To call the person in Florida or call Mr.
Taylor?

23 A Call Mr. Taylor.

24 Q So, you never talked to the person in Florida;
is that

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20

1 what you're saying?

2 A As far as I can recollect, no, I didn't. You
know, I don't pay a lot of attention to a lot of phone calls
because I get phone calls all the time. And the ones that I
recognize and

5 are important then I return them otherwise I just dismiss
them.

6 Q Okay. So, at some point then you pick up the
phone

7 and call Mr. Taylor; correct?

8 A Yes, I did.

9 Q And what did you discuss in your first call
with Mr.

10 Taylor?

11 A I just told him who I was. I said, you know, I
was

12 recommended to call you, and I called you. What do you
want?
13 And he said, Well -- he said, I've got some information I
need
14 to send you and you follow-up for me on it and do this.
So,
15 that's what I did. That's what this paperwork is about
16 basically.

17 Q Did he say he had some money he wanted to
invest with
18 you?

19 A No, he didn't say he wanted to invest any money
with
20 me, he had some people that wanted to invest and he
wanted to --
21 they wanted a CD put up for their money to guarantee that
they
22 couldn't lose their money. That was it, and that's what
I sent
23 in this documentation to -- to Cook.

24 Q And in this telephone call, did you ask him why
it is
25 he was calling you?

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21

1 A I -- I guess the guy that he had -- that had
called
2 there for me evidently knew that I was a consultant
somehow. I
3 don't know.

4 Q What -- what consulting did Mr. Taylor need
from you?

5 A Well, he wanted me to type up some letters and
give me

6 the information that he wanted and send it to Cook.

7 Q Okay. Is that the first time you ever heard
the name

8 Ben Cook?

9 A First time I ever heard of the name Ben Cook.

10 Q And who did Mr. Taylor tell you Mr. Cook was?

11 A He just said that he was doing some things and
that

12 they wanted a CD from one of -- from a bank from -- of
theirs.

13 I mean, it's, you know -- I -- I don't get involved a lot
in

14 respect to other things, you know. They ask me what I
can do

15 and I tell them. If I done this paperwork then he said,
When I

16 get the deal done I'll pay you something. I never did
get any

17 money from him either.

18 Q Well, did you tell him how much you would
charge for

19 helping him out.

20 A I didn't tell him at the time. I didn't know
how much

21 he was going to ask me to do.

22 Q Okay. So, did you agree during that telephone
Taylor?

23 conference to work for him or do some work for Mr.

24 A I told him I would do some work for him if he
needed

25 me to.

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1 Q Okay.

2 A That was the business I was in.

3 Q And there was no discussion in this telephone
call

4 about how much you would charge?

5 A No. The joint venture thing that I got from
Cook, he

6 -- it said something about that I would receive
something, but

7 it didn't say what.

8 Q Okay.

9 A But I never done anything so I didn't receive
nothing.

10 Q Okay. So, you had this telephone call with
11 Mr. Taylor, and he tells you that he wants you to help
out

12 preparing some documents and to send those documents on
to

13 Mr. Cook?

14 A That's correct.

15 Q And in that call did he then give you Mr.
Cook's

16 telephone number?

17 A He gave it to me at some manner because we, you
know,

18 we did make contact. I don't remember whether Cook
called me

19 first or I called him. I don't remember that.

20 Q So, after this telephone call with Mr. Taylor,
did you

21 have any other telephone calls with Mr. Taylor?

22 A I've talked to Taylor many times.

23 Q Okay. When is it that you actually met him in
person?

24 A I think the first time I went to Chicago -- I'd
-- I

25 don't -- I'd have to look back at my airline ticket. I
didn't

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23

1 even think that was important about an airline ticket
going to 2 there, but, you know, I don't remember the date.

3 Q How many times have you met with Mr. Taylor in
person?

4 A Twice.

5 Q Okay. Was the first time in the summer of this
past

6 year?

7 A Yeah.

8 Q Okay. When was the last time?

9 A It was before Christmas.

10 Q In the month of December?

11 A I think it was December. I'm not exactly sure
of the 12 date, but I know there was some snow on the ground.

13 Q Okay. What was the purpose of your meeting in
the

14 summer of 1999 with Mr. Taylor?

15 A He was working on some other financial
transaction and

16 he needed my opinion of it.

17 Q What kind of financial transactions was he
working on?

18 A He was trying to get some bonds -- a bond put
up for

19 them to make a loan and then to put it in a -- some kind
of an

20 investment program. I don't know exactly which one he
wanted to
21 do.

22 Q Was this involving Mr. Cook?

23 A No. No, this is separate from that.

24 Q Did you help him with this other transaction?

25 A Never done nothing with it.

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24

1 Q How come?

2 A Well, just didn't materialize. I think he was
trying
3 to do something that he evidently couldn't do.

4 Q Okay. Couldn't do because he didn't have the
money or
5 couldn't do because it was illegal?

6 A No. I don't do illegal things, and I wouldn't
deal
7 with somebody that did.

8 Q So, he couldn't do it because he didn't have
the
9 money?

10 A I don't know whether he couldn't get the money
or he
11 couldn't get whatever he needed to obtain the money. I
don't
12 know.

13 Q Okay. So, the first time you met with Mr.
Taylor in

14 the summer of 1999 was after the deal with Mr. Cook had
died; is

15 that correct?

16 A Mr. Cook had died?
17 Q No, the deal with Mr. Cook had died.
18 A No, this was -- this was before I even got
involved
19 with Mr. Cook.
20 Q Okay. How long did you meet with Taylor in the
summer
21 of 1999?
22 A I stayed over night in Chicago two days.
23 Q Did you meet with him both days?
24 A Yes.
25 Q Did you meet with anybody else besides Mr.
Taylor?

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25

1 A Let me think a minute. No.
2 Q Have you had any other personal meeting with
3 Mr. Taylor anywhere in the world besides the two meetings
that
4 you had in Chicago?
5 A We met one time in Midland, Texas but nothing
resulted
6 out of the meeting.
7 Q When was this meeting?
8 A Sometime last summer.
9 Q Was this before the Cook deal, after the Cook
deal, or
10 during the middle of the Cook deal?
11 A To tell you the truth, I don't remember, you
know, I
12 -- the things with Cook was insignificant, nothing
happened with

13 him, the thing -- nothing happened with the meeting in
Midland,
14 Texas so, you know, most of those things I just dismissed
from
15 my mind.

16 Q What was the purpose of the meeting in Midland,
Texas?

17 A A friend of mine lives in Midland, Texas, and
he was
18 looking for some type investment.

19 THE WITNESS: Am I doing all right?

20 MR. HARLE: Uh-huh.

21 A You know, he was looking for an investment
program of
22 some kind, and Taylor thought he had something that might
fit
23 him but it didn't. We were down there one day, and I
left same
24 day.

25 Q (By Mr. Crawford) Okay. And who is this
person? Who

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26

1 is the friend looking for an investment program?

2 A I don't think that's necessary, sir. That has
nothing
3 to do with Taylor or nobody else.

4 Q Well -- and if that's the case that's fine, but
we
5 need to know the name so that we can determine that.
Without
6 knowing the name, we have no way of determining whether
or not

of 150 7 he has anything to do Mr. Cook or not. We've got a list
8 people who have had dealings with Mr. Cook.
9 A Wouldn't surprise me. Cook's an individual. I
don't 10 know who all he does business with.
11 MR. NORRIS: Well, I'll tell you this is
not 12 covered by any privilege that's recognized. You're here
under 13 oath; you need to give truthful testimony.
14 THE WITNESS: I'm giving truthful
testimony.
15 MR. NORRIS: Okay. I'm just saying you
also need 16 to tell the entire truth unless something is covered by a
17 recognized privilege, and I don't think that this is.
18 THE WITNESS: No, and I --
19 MR. NORRIS: And it definitely is not.
20 THE WITNESS: And I understand this was
about 21 Mr. Cook and Mr. Taylor not about anybody else. From my
22 information --
23 Q (By Mr. Crawford) Well, let me just make it
very clear 24 what Mr. Cook has done involves a great number of people
-- a 25 great number of people. And only through the discovery
process,

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this 1 as your attorney can advise you, can we find out whether

unknown 2 person has any relationship to Mr. Cook. With his name

3 we have no choice but to ask the court to --

made the 4 A No, he had no relationship with him except I
5 introduction.

6 MR. HARLE: To Mr. Taylor?

7 THE WITNESS: Yes.

8 MR. HARLE: Okay.

I 9 A I -- you know, Taylor didn't even know the man.
10 know the man. It's an old friend of 40 years.

his 11 Q (By Mr. Crawford) Well, again I'll ask you what
12 name is, and if your testimony is he had nothing to do
with

13 Mr. Cook then that's your testimony.

14 A Okay. Name is Earl C. Lewis (phonetic).

15 Q He never met Mr. Cook, is that your testimony?

16 A Who?

17 Q Mr. Lewis.

18 A Never met Cook, no. He met Taylor.

19 Q Okay. And Mr. Lewis to your knowledge in your
20 testimony had no dealings with Mr. Cook?

know him 21 A No, sir. He has never -- yeah. Doesn't even
22 -- don't know the name.

personal 23 Q Okay. Did you have any other face-to-face or
and the 24 meetings with Mr. Taylor other than the two in Chicago
25 one in Midland?

28

1 A That's it.

2 Q From what I understand -- I want to make sure
that I
3 understand correctly -- your meeting in Midland, Texas
had
4 nothing to do with the Cook --

5 A No, sir.

6 Q -- transaction; is that correct?

7 A Nothing. Nothing at all.

8 Q And your first meeting in Chicago was before
you ever
9 got involved in the Cook deal --

10 A Yes, sir.

11 Q -- is that correct?

12 A That's correct.

13 Q And your meeting in December of 1999 was after
the
14 Cook deal had died; is that correct?

15 A Evidently, yes, sir.

16 Q What was the purpose of the meeting in December
of
17 1999?

18 A It was just -- he asked me some questions about
an
19 investment-type program, and I told him I didn't have
anything
20 and couldn't recommend anything.

21 Q And why did you have to have a face-to-face
meeting to
22 discuss that? Why couldn't that have been discussed over
the
23 telephone?

visit 24 A I don't know. He just wanted me to come up and
25 with him. He paid for my airfare and I went up there.

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1 Q How long did that meeting last?

2 A Well, I was there two days and probably an hour
or two

3 -- I was overnight. I got in there in the evening and
then the
4 next day I left. I just didn't have nothing to offer.

5 Q Has Mr. Taylor ever paid you any money?

6 A No, he has not.

7 Q Have you assisted Mr. Taylor in the investment
of any
8 money?

9 A No, sir.

10 Q To your knowledge has Mr. Taylor invested any
of his
11 money with anybody that you know that you introduced him
to?

12 A No, has not. If he did, it's not my knowledge.

13 Q Now, would the same answer be true if I call it
the

14 Taylor Corporation or the --

15 A Taylor Group.

16 Q -- Taylor Group Corporation?

17 A If you want to call him that it's your
privilege.

18 Q Okay. Are you familiar with the Taylor Group
19 Corporation?

He 20 A All I know is he -- he is Taylor Group himself.
21 calls himself the Taylor Group Incorporated.
22 Q Okay.
23 A Now, what he does other than what I've
discussed with
24 him or talked to him about, I have no idea what he does.
25 Q And to your knowledge has the Taylor Group
Corporation

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1 ever invested any money with Benjamin Cook?
2 A Don't have any idea.
3 Q Have you assisted Taylor Group Corporation?
4 A No, I have not.
5 Q Have you -- to your knowledge has the Taylor
Group
6 Corporation made any investments to people who you have
7 introduced to the Taylor Group Corporation?
8 A Not to my knowledge.
9 Q Has the Taylor Group Corporation paid you any
money?
10 A No, they have not.
11 Q When was the last time you spoke with Mr. Cook?
12 A God, it's been -- I don't know. I haven't
talked to
-- I
13 Cook in, God, I guess ten -- ten months or so. Whatever
14 mean, the documentation, I date everything so whatever
the
15 documentation has got on it is probably the last thing
that I

16 got is the last time I've had a conversation with him.

17 Q What was the substance of your last
conversation with

18 Mr. Cook?

19 A I don't think it was a conversation. I think
he sent
20 me a document.

21 Q Well, my question is: When was the last time
you
22 spoke on the telephone with Mr. Cook?

23 A Exact date I don't know, but it was sometime
last
24 year.

25 Q Would it be fair to say it was the summer of
last

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1 year?

2 A I would -- I would be safe to say that.

3 Q Okay. And what do you recall about your last
4 conversation with Mr. Cook?

5 A He had called me about the \$10 million that was
6 supposed to be coming in from Taylor Group to get the CD,
and
7 when that didn't happen, he sent me a fax back stating --
and I
8 think it's in that documentation -- you know, that since
the
9 Taylor Group didn't perform that he was cancelling the
situation
10 with him.

11 Q Okay. And during that telephone conference
with

12 Mr. Cook, did you tell him that the Taylor Group would be
13 sending the \$10 million?

14 A No. Matter of fact, I sent him a fax telling
him that
15 it wasn't going to happen.

16 Q But in your telephone conference with him --
not
17 through faxes, but in your telephone conference, did you
tell
18 him in your last conversation with him -- did you tell
him that
19 the \$10 million would be coming to your knowledge?

20 A My understanding, yeah. My understanding was
that it
21 would be forthcoming. And it didn't so he sent me back a
fax
22 stating that -- it should be in that documentation. A
lot of
23 this stuff was so much junk I didn't keep a lot of stuff.
To me
24 it was trash.

25 Q To your knowledge did Mr. Taylor ever speak
with

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1 Mr. Cook?

2 A Don't have any idea, sir.

3 Q Were you ever on a telephone call where both --

4 A No, sir.

5 Q -- Mr. Taylor and Mr. Cook were on the same
call?

6 A No, sir.

it 7 Q Okay. Just for purposes of our court reporter,
before you 8 helps out if you'll let me finish my question first
makes it 9 give the answer because when we talk over each other it
10 very difficult for her to get this down.

11 Have you ever talked with a person by the
name of 12 George Neely?

13 A No, sir.

14 Q Do you know who George Neely is?

15 A Don't have no idea who George Neely is.

16 Q Okay. Have you ever spoken to a person by the
name of 17 Ken Ward?

18 A No, sir.

19 Q Do you know who Mr. Ward is?

20 A Don't have any idea.

21 Q Have you ever talked to a person by the name of
Wayne 22 McLaws?

23 A No, sir.

24 Q Do you know who Wayne McLaws is?

25 A Don't have any idea.

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1 Q Have you ever talked to a person by the name of
Alan 2 Clagg, C-L-A-G-G, Alan Clagg?

3 A No, I've never talked to him.

4 Q Do you know who Mr. Clagg is?
5 A Don't have any idea.
6 Q Have you ever talked to a person by the name of
Gerald
7 Pate?
8 A No, sir.
9 Q Do you know who Mr. Pate is?
10 A No, sir.
11 Q Have you ever talked to a person by the name of
Kelly
12 Olsen, O-L-S-E-N?
13 A No, sir.
14 Q Do you know who Mr. Olsen is?
15 A Don't have any idea.
16 Q Have you ever talked to a person by the name of
David
17 Edwards?
18 A That name rings a bell, but I don't -- I've
never
19 talked to him in my recollection, but I seen it on a
piece of
20 paper somewhere I think. I don't know.
21 Q Have you ever met a person by the name of David
22 Edwards?
23 A No, I have not.
24 Q And you're not certain if you talked to Mr.
Edwards on
25 the phone?

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seen
1 A I know I never talked to him, but I've -- I've
2 the name on something. And if it is, it's on some of
this
3 paperwork.

4 Q Was Mr. Edwards assisting in soliciting a
letter from
5 Wells Fargo Bank in California?

6 A I don't have any idea, sir.

7 Q Okay.

8 A Don't have any idea.

9 Q Are you familiar with Ted Alexander?

10 A Yes, I am.

11 Q And how do you know Alexander?

12 A I -- excuse me. Excuse me. Was introduced to
him by

13 telephone call, and I represented an individual --
another

14 individual that had some historical bonds and the
historical

15 bonds was -- belonged to another individual, and he said
that he

16 thought he could do something with them bonds. He never
did,

17 and the person that I -- I know asked for them to be
returned to

18 him, and I asked Mr. Alexander to return them to him.
But I do

19 know that Mr. Cook had talked to Alexander because he had
20 mentioned Cook's name to me.

21 Q Okay. How long have you known Mr. Alexander?

22 A I've never seen him, it's on the telephone
probably --

23 and I haven't talked to him in many months. Probably,
God,

24 somewhere late summer.

25 Q That was the first time you met -- or talked to

35

1 Mr. Alexander was the late summer of 1999?

2 A I think so, sir, best I can remember.

3 Q Where does Mr. Alexander live, do you know?

4 A Somewhere in California. I have no idea. I
don't

5 have an address on him. I've got a phone number on him.

6 Q It's your testimony you have never met Mr.
Alexander
7 in person?

8 A No, sir, I have not.

9 Q How many telephone conferences have you had
with

10 Mr. Alexander?

11 A Probably 10 or 12 or it could be more, could be
less.

12 Q And what were the subjects of those telephone
13 conferences?

14 A About the historical bonds.

15 Q And I'm -- you'll have to explain to me. I
don't
16 understand what a historical bond is.

17 A Well, this was some old German bonds that were
-- were

18 issued back in the 1920s that were some 20-year bonds.
And this

19 guy received them from his father that was passed on to
him, and

20 I had no idea what the values were on them, still don't.
But

gold
But I
years.
about
have

21 they were -- they were bonds that were gold -- actually
22 bonds, and they had a -- still had the coupons on them.
23 think Germany refused to honor them after many, many
24 Matter of fact, we're talking about '27 so we're talking
25 -- you know, 1927 issued so, hell, I don't know. Hell, I

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they

1 no idea. I never -- never seen them before -- knew what
2 was about, but they were sent to me, and I sent them to
3 Alexander.

4 Q The bonds were actually sent to you?

Alexander by

5 A They were sent to me, and I sent them to
6 Federal Express.

7 Q Why did you send them to Mr. Alexander?

8 A Well, because he said he could do something
with them.

the

9 He had somebody he thought wanted to buy those bonds, and
10 guy was wanting to sell them.

11 Q Who is it that gave you the bonds?

12 A Jerry Burgess (phonetic).

the

13 Q Do you know the total dollar value of the -- of
14 principal amount of the bonds?

you --

15 A Yeah, I think the bonds that he had if -- if

16 the value of them, actual principal value of them, if
they were
17 cashed in at the end of the 20 years, I think they were
worth
18 like 41 or \$43 million.

19 Q Okay. Do you know if those bonds were ever
sold by
20 Mr. Taylor?

21 A Not by Mr. Taylor.

22 Q I'm sorry. By Mr. Alexander?

23 A No, they were not. He sent them back to me.
Now, if

24 he used them for any purpose it was not to my knowledge.

25 Q Okay. So, you actually got the original bonds
back?

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1 A Got the original bonds -- well, I never did
give him
2 the original bonds. I give him photocopies -- colored
3 photocopies of those bonds, but Mr. Burgess didn't want
them
4 floating around over the country so he asked for them to
be
5 returned, and it took me some time to get them back
6 from Mr. Alexander. He had them for quite some time, but
he did
7 send them back to me.

8 Q When did you get those back?

9 A Sometime last summer. I don't know the exact
date
10 but...

the 11 Q How long do you believe that Mr. Alexander had
12 bonds?
13 A He had them three or four months.
14 Q So, if you got them back the end of the summer,
15 Mr. Alexander had them, the bonds, for most of the summer
--
16 A Yeah.
17 Q -- of '99?
18 A Yeah. Yeah.
bonds 19 Q Do you know who Mr. Alexander tried to sell the
20 to?
21 A I have no idea, sir.
22 Q Did Mr. Cook ever mention the bonds?
23 A No, sir.
24 Q Did you ever mention the bonds to Mr. Cook?
25 A No, sir. But I think he knew about them
because of

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1 Alexander. Because he -- he had talked to Alexander and
2 Alexander mentioned his name but whether they were
involved in
3 -- in doing something with the bonds, I have no idea
about
4 Mr. Cook.
5 Q And do you know what use, if any, Mr. Alexander
ever
6 made of the bonds while they were in his possession?
7 A I have no idea. No, sir. He just told me he
couldn't

back 8 do nothing with them and sent -- I asked him to send them
9 to me because I was the one that sent them, and I was
10 responsible to the man that owned them.

11 Q And did you return them to Mr. Burgess?

12 A You bet you.

13 Q And what's the status of the bonds today?

14 A I have no idea. He's got them.

15 Q Okay. What -- in your conversation with

16 Mr. Alexander, you referred to the fact that he mentioned

17 Mr. Cook. What was his reference to Mr. Cook?

Mr. Cook 18 A Well, matter of fact, he -- he had said that

day. I 19 was -- was at his office or at his place that particular

had 20 said, well -- and this was whenever I was -- Mr. Taylor

it had 21 asked me to call or us get in contact with Mr. Cook. But

Cook's 22 nothing to do with the bonds, you know, and he mentioned

23 name when we were on the telephone.

24 Q And what did he say about Mr. Cook?

that 25 A He just said that he was some kind of a guy

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but had 1 could, you know, was an investor -- wasn't an investor

didn't ask 2 different programs that was available to him, and I

3 him what programs because I wasn't interested in them.

4 Q Okay. When you say programs available to him -
-
5 A Investment programs.
6 Q -- do you mean investment programs?
7 A Uh-huh.
8 Q So, you're talking about programs where people
could
9 invest money with Mr. Cook?
10 A Right.
11 Q And then he would handle those monies --
12 A Exactly.
13 Q Okay.
14 A Exactly.
15 Q What business is Mr. Alexander in?
16 A I don't have any idea. He just said he thought
he
17 could do something with those bonds.
18 Q How did you get Mr. Alexander's name?
19 A This came from a guy by the name of Walter
Combs.
20 Q How do spell that?
21 A C-O-M-B-S.
22 Q What does Mr. Combs do?
23 A He's retired.
24 Q Okay. What did he tell you about Mr.
Alexander?
25 A Well, he lives in Houston. I had talked to him
about

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do 1 these bonds, and he said I know one guy who can probably
2 something with them, and that's how I was introduced to
3 Mr. Alexander.

first 4 Q Okay. And -- and was your conversation -- your
first 5 conversation with Mr. Alexander before or after your
6 conversation with Mr. Cook?

remember 7 A I don't -- tell you the truth, I really don't
8 which one was first.

it just 9 Q I guess what I'm trying to figure out is: Is
10 by coincidence and happenstance that you happened to call
being in 11 Mr. Alexander and just so happens that Mr. Cook ends up
12 his office that same day?

don't 13 A I think that's right. You know, like I say I
14 really remember because so many conversations goes on on
the 15 telephone that, you know, if I don't document it it's
hard for 16 me to remember but...

remember to 17 Q Did Mr. Cook ever mention Mr. Alexander?
18 A Yes, he did. Yes, he did. But I don't
it was 19 what -- to what degree that he was talking about him, but
20 strictly just a phone conversation.

should send 21 Q Did he ever tell you that Mr. -- that you
22 documents to Mr. Alexander?

he did 23 A No. No. He -- as far as I can remember, no,
24 not.

David 25 Q Okay. Do you know a person by the name of

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1 Cluff?

2 A No, sir, I don't know no David Cluff.

David 3 Q Okay. Have you ever heard of a person named

4 Cluff?

5 A No. To my recollection, no.

Thomas 6 Q Okay. Do you know a person by the name of

7 Biggs?

document, 8 A No, sir. I think those names that's in this

9 and if I've seen them from y'all or whoever --

10 Q Thomas Biggs is a bank officer with Bank One in
11 Arizona. Does that ring a bell?

Bank 12 A Only thing I know is -- is the information was

anybody there 13 One. I didn't know anybody there, never talked to

14 personally.

15 Q Is it your testimony you've never had any
16 conversations with Thomas Biggs?

17 A No, sir, I have not.

sometimes 18 Q Have you had or have you done any business with
19 Resource Development International or RDI as it is

20 known?

21 A No, sir. No, sir.

Inc.? 22 Q Have you done any business with CKC Trucking,
Cook. 23 A That name was mentioned to me when I talked to
company? 24 Q And what did Mr. Cook tell you about that
\$10 25 A This was -- well, this was all involved in that

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1 million CD they were wanting to -- to -- construction
company or 2 something wanting to -- to borrow some money or something
for 3 his construction company. That was all involved in that
same 4 \$10 million deal with Bank One.

Trucking 5 Q Who did you understand was the owner of CKC
6 Inc.?

7 A I never did know who was the owner.

8 Q Did Mr. Cook ever tell you who you should talk
to 9 regarding CKC Trucking Inc.?

10 A He never offered to let me talk to anybody at
CKC 11 Trucking.

12 Q Have you had any conversations with anybody who
13 represented themselves to be affiliated with or an
officer of 14 CKC Trucking Inc.?

15 A Not to my recollection.

16 Q Okay. Have you done any business with a
company

17 called CKC Farms?
18 A No, sir.
19 Q Have you done any business with a company
called Cluff
20 Properties?
21 A No, sir.
22 Q Have you done any business with CKC
Construction Inc.?
23 A No, sir.
24 Q Okay. Have you ever heard of CKC Construction?
25 A Well, that was still part of this thing with --
with

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1 Bank One and Cook. I heard the name but as far as me
doing
2 business personally with them, no, sir.
3 Q Did -- have you ever had any conversation with
anybody
4 who was a representative or officer of CKC Construction
Inc.?
5 A Not that I recollect.
6 Q Are you familiar with the company called Jade
Asset
7 Management?
8 A No, sir, I am not.
9 Q Have you ever heard of Jade Asset Management?
10 A No, unless it's in this paperwork I never did.
But I
11 was -- I read this over about who was who and what was a
part of
12 this thing.

referring to

13 Q And for the record the paperwork you're

14 is the subpoena --

15 A Yes, sir.

16 Q -- which is marked as Exhibit 1?

17 A Yes, sir. That's exactly...

18 Q Are you familiar with an entity known as Ai-Ki
19 International Establishment? That's spelled A-I dash K-I
20 International Establishment.

21 A No, sir.

22 Q Have you ever heard of Ai-Ki International
23 Establishment?

this

24 A No, I never heard of it prior to -- if it's in

25 paperwork, I read it. I don't know. No.

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1 Q Have you ever talked to anybody who was a
2 representative of or officer of Ai-Ki International
3 Establishment?

4 A No, sir.

5 Q Have you ever heard of Dannel Finance Limited?

6 A No, sir.

officer of

7 Q Have you ever talked to a representative or

8 Dannel Finance Limited?

9 A No, sir.

10 Q Are you familiar with an entity called M & M
11 Engraving?

12 A No, sir.

13 Q Are you familiar or have you heard of an entity
named

14 International Business Consultants?

15 A No, sir.

16 Q Do you know -- did Mr. Cook ever represent
himself as

17 doing business as Dannel Finance Limited?

18 A Not to me, sir.

19 Q Is this the first you've ever head of Dannel
Finance

20 Limited?

21 A Yes, sir, other than what I seen on this paper
right

22 there.

23 Q And again you're pointing to Exhibit 1?

24 A Yes, sir.

25 Q Did you ever have any conversations with Wells
Fargo

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1 Bank in California?

2 A No, sir.

3 Q Are you the signatory on any bank accounts in
Arizona?

4 A They sent me a paper for me to sign on one, but
they

5 never opened the account. They -- I guess through Taylor
they

6 were going to pay me my consulting fee, but I never -- I
never

7 got it.

8 Q What was your consulting fee going to be?
9 A Well, I don't think they ever made a decision
what it
10 was going to be. I think it was going to be after
whatever they
11 done.
12 Q So, you didn't know if it was going to be a
dollar or
13 a million dollars?
14 A Had no idea.
15 Q Had no idea?
16 A Nope.
17 Q Okay.
18 A I'd love to had a million dollars.
19 Q Well, if you -- let's say the deal had gone
through,
20 and they said, Well, Mr. Young, we're going to pay you 50
cents
21 for your work. Would you have accepted that?
22 A I would probably not. I'd just told them to
keep it
23 because 50 cents isn't worth messing with, but if -- you
know,
24 if they would have paid me something, I would have
disclosed it,
25 and I would have paid taxes on it.

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1 Q So, in other words, is it your testimony that
you
2 would have done all this work for them for free?
3 A Not intentionally.

take 4 Q Did you receive any assurances that they would
5 care of you if this deal goes through?

deal 6 A All the -- all the conversation was if this
7 happens, you'll get paid.

never -- 8 Q And it's your testimony under oath that they
would be 9 you were never given any indication as to how much you
10 paid.

11 A No, sir.

the 12 Q Other than the bank account in Arizona that --
any 13 signature card that you signed, are you the signatory on
14 other bank accounts in Arizona?

15 A No, sir.

16 Q Are you the signatory on any bank accounts in
17 California?

18 A No, sir.

19 Q Are you the signatory on any bank accounts in
20 Liechtenstein?

21 A No, sir. That I know of.

may have 22 Q Well, is there a possibility that you may --
you're 23 not -- somebody may have forged your name? Is that what
24 suggesting?

there's 25 A I don't know that anybody forged my name. If

1 anything there then it was done without my knowledge.

signature 2 Q Well, to your knowledge did you ever sign a
3 card for a bank in Liechtenstein?

4 A Not to my knowledge.

account in 5 Q Are -- are you the signatory on any bank
6 any foreign country?

7 A No, sir.

8 Q Have you ever been the co-signatory on any bank
9 account with Benjamin Cook?

10 A Not to my knowledge.

account 11 Q Have you ever been a co-signatory on any bank
12 with David Cluff?

13 A No, sir, not to my knowledge.

account 14 Q Have you ever been a co-signatory on any bank
15 of David Edwards?

16 A Not that I know.

Mr. Cook? 17 Q Okay. Have you ever received any money from
18 A No, sir.

19 Q Have you ever given or transferred any money to
20 Mr. Cook?

21 A No, sir.

property 22 Q Have you ever received any personal or real
23 from Mr. Cook?

24 A No, sir.

25 Q Have you ever given, transferred, or loaned any

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1 personal or real property to Mr. Cook?

2 A No, sir.

3 Q Have you had any discussions with anyone about
letting

4 Mr. Cook use or have access to any money or property
belonging

5 to you?

6 A No, sir.

7 Q Have you ever had any discussions with anyone
about

8 Benjamin Cook allowing you to use or have access to any
money or

9 property owned or controlled by Mr. Cook?

10 A No, sir.

11 Q If the Taylor Group was going to provide the
money for

12 this certificate of deposit that you were to assist them
with,

13 what benefit would they receive from this transaction?

14 A You mean the Taylor Group?

15 Q Yes, sir.

16 A I have no idea what their arrangements were.

17 Q Is it your testimony you didn't -- did not
assist in

18 those arrangements with Mr. Cook?

19 A I did not.

20 Q Okay. Have you invested any money whether it
belongs

21 to you or not with Mr. Cook?

22 A No, sir, I have not.

to you

23 Q Have you invested any money whether it belongs
24 or not with Dannel Finance Limited?

25 A I have not.

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to you

1 Q Have you invested any money whether it belongs
2 or not with International Business Consultants?

3 A I have not.

2.

4 MR. CRAWFORD: Let's mark this as Exhibit

5 (Young Deposition Exhibit No. 2 marked for
6 identification.)

you

7 Q (By Mr. Crawford) Mr. Young, I'm going to hand

identify this

8 what's been marked as Exhibit 2 and ask if you can
9 for me.

10 A Sure. It's my driver's license.

correct?

11 Q And it has a date of birth of 3/5/32; is that

12 A That's correct.

license is

13 Q And the address set forth on the driver's
14 correct?

15 A Route 1, Box 103. Yes.

16 MR. CRAWFORD: Mark this as Exhibit 3.

17 (Young Deposition Exhibit No. 3 marked for
18 identification.)

as

19 Q (By Mr. Crawford) I hand you what's been marked

20 Exhibit 3 and ask you if you can identify it?

21 A Yes, I can.

22 Q What is that?

23 A That's my passport.

24 Q Okay. This was issued in -- looks like April
of 1995;

25 correct?

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1 A That's correct, sir.

2 Q And where -- what country did you travel to in
1995?

3 A I traveled to several countries in 1995.
London; I

4 was in Germany; I was in -- let's see where else was I
at?

5 Pretty much just Germany and London.

6 Q For business or pleasure?

7 A One was pleasure and one was business.

8 Q What was the purpose of the business trip?

9 A I was -- went over to Germany to talk to some
people
10 about some -- some investments that was available to me.
I

11 didn't invest in it.

12 Q Okay. And last year, 1999, did you travel out
of the
13 country?

14 A No. Let's see -- did I or did I not? No, this
was in

15 '98.

16 Q Where -- what countries did you go to in '98?

17 A Germany.

18 Q And was that again for business?

19 A That was the same -- that was the one I was referring

20 to.

21 Q Okay. And it's your testimony in 1999 you did not

22 travel outside of the United States?

23 A I don't believe I did, sir. I mean if I had I would

24 have certainly remembered it.

25 Q I'm sure you would have.

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1 A No. '98 was the last time I was in -- in Germany.

2 Q Okay. So far in this year, 2000, have you been
3 outside the country?

4 A No, sir.

5 Q Have you ever been to Liechtenstein?

6 A No, sir. Well, wait a minute now. Many years ago

7 back in '79 or '80 I was in Western Europe and I drove through

8 the country of Liechtenstein, but this was way back in early

9 '80, '81, '82, somewhere like that. I was over there on a --

10 just pleasure trip. My wife and I had went to Europe, and I

11 drove through -- from Switzerland I drove through all the way to

12 Den Haag, Holland just as a pleasure trip.

13 Q And is it your testimony you didn't stop in
14 Liechtenstein, just drove through?

bought 15 A I think I did stop in Liechtenstein, and I
16 either a suit or a shirt.

17 Q Okay.

many 18 A I don't remember exactly, but, God, that's been
19 many years ago.

20 Q Did you conduct any business in Liechtenstein?

21 A No, sir.

22 Q Have you ever been to St. Kitts?

23 A No, sir.

24 Q Ever been to Nevis, N-E-V-I-S?

25 A No, sir.

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1 Q Ever been to India?

don't 2 A No. No. The way they treat you over there I
heard so 3 think I'd ever want to go to India or Turkey either. I
4 many bad things about Turkey and India.

Exhibit 5 MR. CRAWFORD: Okay. Let's mark this as
6 4.

7 (Young Deposition Exhibit No. 4 marked for
8 identification.)

9 Q (By Mr. Crawford) Mr. Young, I hand you what's
been
10 marked as Exhibit 4. The first page purports to be a fax
from
11 the desk of Ben Cook to you dated June 22nd of 1999. Do
you
12 recall receiving this?

13 A Yes, sir.

14 Q And it has a fax number there on the second
line. Is
15 that your fax number?

16 A Yes, it is.

17 Q And it's addressed to J. W. Is that what you
go by?

18 A Yeah, I go by J. W. Young.

19 Q And the date of this is June 22nd, 1999. Were
there
20 any prior communications that you received from Mr. Cook?

21 A If -- anything I received is in the documents
that
22 I've brought you. I can't recollect that far back.

23 Q Okay. And it says, "I have included the draft
copies
24 for Wells Fargo and Bank One for your review at the
request of
25 Ted Alexander." Why were you being asked to review draft

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1 letters to Wells Fargo and Bank One?

2 A This was to go to Taylor. They just wanted me
to look
3 at it, and I guess advise Taylor about what they want to
do with

4 it. Because I think --

5 Q Why is Ted Alexander requesting that these be
sent to

6 you?

7 A I don't know. I mean I don't have any idea why
Cook

8 would have Ted -- I'm sure I received that, but I don't
9 remember. And I passed it on to Taylor as far as I know.

10 Q To your knowledge has Ted Alexander had any
11 communications with Mr. Taylor?

12 A I don't know whether he has or not.

13 Q Do you know if Mr. Taylor knows Mr. Alexander?

14 A That I do not know. I never discussed Taylor
with

15 Mr. Alexander.

16 Q Okay. And do you know why it is it says for
you to

17 call Ted Alexander and let him know if these are
acceptable as

18 opposed to calling Mr. Cook?

19 A I -- I -- I just probably assumed that they
were doing

20 something together.

21 Q It says, "If you need any assistance please do
not

22 hesitate to call me." Did you call Mr. Cook about these
draft

23 letters?

24 A No, I did not. I sent a copy of this to -- to
Taylor

25 Group, and it was up to them to follow up what they
wanted to do

1 with this. I had nothing, you know -- he -- he was -- he
had
2 the head investors or something evidently that was
willing to
3 issue money to secure the money to get a CD. So, that's
why
4 anything that I done with Cook or whatever involved Cook,
I sent
5 to Mr. Taylor.

6 Q Why is it Mr. Cook didn't send these directly
to
7 Mr. Taylor?

8 A Well, I don't know. Because I guess because I
had
9 sent the documents to him through Mr. Taylor because I
was
10 acting as a consultant to him.

11 Q And it's your testimony though that before you
ever
12 met Mr. Taylor, Mr. Taylor already knew Mr. Cook because
he's
13 the one that gave you Mr. Cook's name; correct?

14 A Evidently.

15 Q Wouldn't it be fair to say that you were being
used
16 sort of as the middleman between Mr. Taylor and Mr. Cook?

17 A That certainly looks like a possibility. I
didn't
18 realize that's what was happening, but it could have been
--
19 could have been that.

20 Q If you turn to the second page, it's entitled
Draft
21 Text, and it's a -- addressed to you. Is that your
address?

22 A Well, I have a post office box or I did have.
I do

23 not anymore.

24 Q Was this your address in June of 1999?

25 A Yes, it was.

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1 Q Who was the author of this draft?

2 A I -- I don't know. It came with this.

3 Q When you say "with this" you're referring to
the
4 letter from Mr. Cook?

5 A Cover letter.

6 Q So, Mr. Cook sent this draft to you. Is that
your
7 testimony?

8 A Evidently that he did because otherwise I
wouldn't
9 have had it.

10 Q Okay. The first line says, "The purpose of
this
11 letter is to confirm that the bank," which bank is that?

12 A I don't know.

13 Q Okay.

14 A It says it's a 30 million so if it's 30 million
it was
15 probably a different program than the 10 million.
Evidently

16 that had been discussed about them wanting to do 30
million for

17 a CD, but I was not aware that this -- this was going --
this

18 had been discussed with anybody else.

about 19 Q Well, when you say they must have been talking

20 30 million, who is "they"?

21 A It had to be Taylor and Cook.

22 Q Okay. And do you know why this money would be
23 transferred to the account of CK or CK Trucking Inc.?

24 A I -- my understanding at the time that CK
Trucking was
25 going to get the CD -- exchange the CD for the funds
through one

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1 of their banks. I don't know which bank.

2 Q And the funds would come from the Taylor Group;
is
3 that correct?

4 A Yes.

5 Q And why is it that the Taylor Group would not
simply
6 put the funds in an account under their name?

7 A I don't know -- I don't know what their
arrangements

8 were. I wasn't privileged to that information.

9 Q As a financial consultant didn't that become
sort of
10 an apparent question to you as to why somebody would put
\$30
11 million in a bank under somebody else's name?

12 A But they were going -- my understanding from --
would
13 be that they would receive a CD for that. The investing
group

14 -- Taylor, as far as I know, didn't have that kind of
money. He
15 had people that was willing to invest, but if they're
protected
16 by having a CD that that was -- that was this whole thing
with
17 Cook and them that they would have their bank put up a CD
for
18 the money, and they could be able to use the -- my
understanding
19 -- the CD for the thing as a line of credit.

20 Q Okay. And so the program that Mr. Cook was
trying to
21 establish here was that investors would pool their money
22 together, deposit the money into the bank, and the bank
would
23 issue a CD that they could then leverage upon --

24 A Evidently.

25 Q -- is that correct?

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1 A Well, I don't know whether they pooled money.
Taylor

2 supposedly had investors with this kind of money.

3 Q But the program that Mr. Cook was -- was trying
to put

4 together through the Taylor Group Corporation and CK
Trucking

5 with you as the middleman is that the Taylor Group would
collect

6 the funds, provide the funds, deposit them into the bank
under

7 the CK Trucking escrow account, the bank would issue the
CD, and

8 then the CD could be used by Mr. Cook and others.

9 A That was my understanding, yes. And it was
good for
10 one year and one day, and they could use it for one year
and one
11 day. And then the CD would defer to the investor.

12 Q Okay. And this is the program that Mr. Cook
was
13 trying to put together in June of 1999; is that correct?

14 A That's correct. That's part of it. I didn't -
- I
15 didn't -- well, I should have had a copy of this in my
file
16 somewhere. I don't know.

17 Q Now, it says -- it says in the form of a one
year or
18 five year CD. How did they arrive at those two options?

19 A Well, they were given the option one or the
other.
20 From what Taylor had said one time that the people were
willing
21 to put up that kind of money, but they wanted a five year
CD
22 instead of a one because it makes more money.

23 Q And these are the people, the investors that
Taylor
24 was talking to?

25 A Evidently. I don't know who they were.

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1 Q Okay. Now, why is it that -- that Mr. Cook
would be
2 preparing a draft of a letter for the bank to sign? What

3 benefit did that provide to Mr. Cook?

4 A I think the benefit was to, from what I was
being
5 told, that by -- Taylor required a letter from the bank
that
6 they would issue the CD based on the receipt of the
funds. And
7 that's -- and nothing ever came of it so nothing ever
happened.

8 Q Well, in your experience as a financial
consultant
9 though isn't -- don't -- why would that be a -- why is
that
10 something that would be out of the ordinary that would
require a
11 letter? I mean, when I've purchased a CD, you just say
here's
12 the money and you want a CD. You don't have to have a
letter
13 from the bank saying we'll take it. Sure, they'll be
happy to
14 take your money.

15 A Probably -- and I'm guessing. Probably that
they
16 wanted -- the investors probably wanted to be sure that
they
17 were going to do that before they put their money up.
That
18 would be my guess. I mean, if I was going to invest
something,
19 I would want to make sure that the bank is going to put
up a CD
20 for me to protect me, if I was going to invest my money
in
21 something.

22 Q Okay. Then it refers to "30 banking days of
receipt
23 of funds." What was the purpose of saying we'll do this
for 30
24 days? What was your understanding of that?

25 A Is that on the first or second page?

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1 Q On the first -- second page. I'm sorry.

2 A I think -- and this is my thoughts, never did
verify
3 it or confirm it -- that -- let me see what it says that
I can
4 -- oh, okay. The certificate of deposit was going to be
issued
5 within 30 days, which would have given Cook or whoever
these
6 funds were going to, CK Trucking, probably time to use
those
7 funds for that 30 days before they had the bank issue the
CD.
8 And that's the reason, I think, it never happened because
people
9 weren't going to put their money up first and not have
the CD
10 first. That would be my assumption.

11 As a matter of fact, if I informed Taylor
about
12 this, I would have said I wouldn't have them do the money
13 because they got no protection for 30 days. And that was
my
14 advice as best as I can remember to them, is don't put up
your
15 money unless the bank says -- that's what that letter
would have
16 referred to. This letter here would have said if the
bank said
17 that they would issue the -- the letter -- the CD even
though it

18 was 30 days later it was positive the bank had to do what
they

19 said. That would be my -- I think that was my
information to

20 him.

21 Q And you did express that concern to Mr. Taylor?

22 A Yes, I did.

23 Q How did he react to that?

24 A He never -- I guess he took it to his financial
people

25 that was supposed to have the money, and he never got the
money

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1 so evidently they didn't accept it.

2 Q Okay. The third page to this exhibit appears
to be a

3 letter from David Cluff, President CKC Trucking, Inc., to
the

4 Taylor Group Corporation attention to you. Do you recall
5 receiving this letter?

6 A If he faxed it to me -- if it came with these
three

7 pieces, yes, I did receive it.

8 Q Okay. And is it your testimony you never had
any

9 conversations with Mr. Cluff?

10 A I didn't know -- I didn't know -- didn't pay
any mind

11 to who Cluff was. If it was Cluff CD -- CD Trucking -- I
don't

12 know.

13 Q Okay.

14 A I didn't know the Mr. Cluff.

15 Q So, it's your testimony that you never had any
16 conversations with Mr. Cluff?

17 A No, sir.

18 Q Either in person or on the telephone?

19 A No, sir. To my knowledge I have not.

20 Q Do you know why it is he was writing this
letter to
21 you of June 25th, 1999?

22 A Well, he was writing a letter to Taylor Group
and
23 sending it to me so that I could discuss it with Mr.
Taylor.

24 Q Do you know why it is that he was writing this
letter
25 to the Taylor Group?

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was
1 A Well, from my -- my understand that from what I

2 told that they were going to issue the CD --

3 Q Okay.

4 A -- based on the fact that he was going to fund
this
5 transaction through one of his investment groups.

6 Q Okay.

7 A But...

8 Q Did -- did you forward this letter on to Mr.
Taylor?

9 A Yes, I did.

10 Q Okay. Do you know if Mr. Taylor ever spoke to

11 Mr. Cluff?

12 A I don't have any idea.

13 Q Okay. All right.

14 MR. CRAWFORD: Let's mark this as Exhibit
5.

15 (Young Deposition Exhibit No. 5 marked for
16 identification.)

17 MR. CRAWFORD: If you get tired we can
take a
18 short break if you like or -- you want to just keep
going?

19 THE WITNESS: Sure. Yeah.

20 Q (By Mr. Crawford) Let me hand you what's been
marked
21 as Exhibit 5 and ask if you can identify this first page
for me.

22 A It's sent to me, my fax number from Ben Cook.

23 Q Okay. Do you recall receiving this fax?

24 A I'm sure I do, sir.

25 Q It refers to a revised version of the Wells
Fargo and

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1 Bank One letter text for your review. Do you know who
prepared
2 the revised version of the letter text?

3 A Evidently it had to come from Mr. Cook. Now, I
don't
4 know who done the revision. Let me --

5 Q Who was responsible for getting the letters to
Wells
6 Fargo Bank and Bank One for them to sign?

7 A It had to be Cook or whomever was involved with
that

8 bank because --

9 Q Would it be fair to say Mr. Cluff was handling
getting
10 the letter signed by Bank One?

11 A I would say that's very possible. I wasn't
informed

12 -- didn't know Mr. Cluff or know who he was, but I'm sure
that

13 Mr. Cook was involved in doing this.

14 Q Well, looking back at previous Exhibit --
Exhibit 4

15 this last page of that exhibit where Mr. Cluff talks
about

16 delivering the letter to Bank One, based on this letter
was it

17 your understanding that Mr. Cluff was responsible for
getting

18 the letter that Mr. Cook wanted from Bank One?

19 A Probably was, sir.

20 Q Okay. And would it be fair to say that -- that
David

21 Edwards was the person assisting Mr. Cook in obtaining
the

22 letter from Wells Fargo Bank?

23 A I don't know because I didn't know David
Edwards.

24 Q Okay.

25 A I mean, I couldn't say who was responsible for
that,

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involved 1 but if he was involved with Cook, I'm sure Cook was
2 with him.

anybody at 3 Q Did you ever have any conversations with
4 Wells Fargo Bank?

5 A No, sir, I never did.

have 6 Q And Mr. Cook says in the second sentence, "I
7 arranged a signatory authorization agreement to further
8 clarify." What is a signatory authorization agreement?

9 A Is that on --

10 Q It's not attached here --

11 A -- signatory authorization agreement to further
12 clarify (witness reading from document). Well, I don't
know.

Wesley 13 Evidently, I -- you know, all I can see on this is that
14 Taylor accepted that format and signed it and was
returned to 15 them.

"a 16 Q Then Mr. Cook refers in the third sentence to,
CKC 17 joint interest agreement to further our association with
the 18 Trucking in the proposed investment program." What was
19 proposed investment program?

never 20 A I never got a copy of that because the funds
21 showed up to them so they evidently never completed...

for 22 Q Well, would it be fair to say that the proposed
23 investment program was the money being put in the bank
return 24 issuance of the CD and then trying to pay some type of
25 from that to the investors?

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really I
to do,
thought
do with

1 A I could certainly make that assumption but
2 don't -- I don't know what they're -- they were assuming
3 if anything, other than maybe he made a statement and
4 that might help get things done. But it had nothing to
5 me as far as any revenue. It was more to --

Taylor,
do with

6 Q As the financial investor who was advising Mr.
7 didn't you inquire of Mr. Cook as to what he intended to
8 these monies?

going to
paper
wanted

9 A I -- no. I -- I didn't ask him what he was
10 do with the monies. It wasn't -- I was just to pass the
11 back and forth and let them make a decision on how they
12 to do it or what they wanted to do.

give him
you to
was?

13 Q But in order for you to advise Mr. Taylor and
14 financial consulting advice, wouldn't it be necessary for
15 know what the purpose of putting the money in the bank

had told
the

16 A Most of those -- that conversation was on the
17 telephone, and I would tell him that, you know -- and I
18 him like many times if it wasn't for the protection of

19 investor that I would not deal with it. That was my
20 conversation to Taylor. And these things weren't looking
like
21 they were real legitimate situations.

22 Q Well, in your conversations with Mr. Cook, did
he ever
23 tell you a rate of return that investors could expect by
24 investing in this deal?

25 A Verbally he had said one time that it would
probably

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1 be 30 or 40 percent annually or something like that, but
it was
2 verbal it wasn't in writing. He never put in writing
what the
3 return would be.

4 Q But he told you that investors could expect a
return
5 of 30 to 40 percent per annum by participating in this
program
6 he was soliciting?

7 A I think that's exactly what he said. I'm using
that
8 as a memory factor not -- but, you know, he did mention
9 something to that fact (sic).

10 Q Okay. And would that interest that would be
returned
11 to the investors be shared among the Taylor Group
Corporation
12 and the investors?

13 A I would certainly assume that would be part of
it and

14 they would receive the -- the annual interest amount on
the CD.

15 Q And how -- if Mr. Cook says, Well, I think we
can pay

16 the investors about 30 to 40 percent annually on the
money that

17 they invest, what was your understanding of how it is
that -- as

18 a financial planner, what was your understanding as to
how it is

19 he was able to earn that kind of a return on the money?

20 A That wasn't my job to ask that question. If
they

21 accepted it -- they put up the money and they accepted
it, that

22 was between them. My opinion to some of these things
that I

23 told Taylor that I would not get involved with because I
didn't

24 think that the protection was fair. I didn't know that
there

25 could be that money made on those type of transactions,
and it

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1 looked to me like they were going to use the funds for 30
days

2 or so and maybe not issue the CD even though the bank
says they

3 were going to, which the bank would have to be
responsible if

4 they wrote the letter and signed it.

5 Definitely if the bank officer was there -
- and

6 that would have to be confirmed by them that the bank
officer

7 did sign it, accepted it, and would do it. But other
than that,

8 I -- I wouldn't recommend anything that I thought that
was not a

9 realistic situation.

10 Q Okay. So, when Mr. Cook told you that
investors could

11 expect a 30 to 40 percent return, did you as a financial

12 consultant believe that that was not a realistic
expectation?

13 A I didn't feel like it was. Especially since
they had

14 said that they wanted 30 days before they issued the CD.

15 Q Okay.

16 A So, that --

17 Q But he never explained to you how it is that
the money

18 was able to earn that kind of a return?

19 A No. No, sir.

20 Q The second page of this Exhibit 5 that we're on
is

21 signed by, appears to be, Wesley Taylor. Do you
recognize this

22 signature?

23 A That's the way he writes.

24 Q Is that his signature?

25 A It looks to me like it, yes, sir.

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1 Q And is this a letter that -- who authored this
letter?

When I
him, he
it to.
without

2 A I don't have any idea who authored the letter.
3 received it, it was for his signature, and I sent it to
4 signed it and sent it to whomever he was supposed to send
5 He didn't send it back to me because I had a copy of it
6 a signature on it.

when this

7 Q Okay. Why is it that -- that he signed this
8 letter appears to be intended for a bank to sign?

this

9 A Well, I guess the fact that he would accept
10 verbiage for his client.

11 Q Okay. So, he was signing off on the language?

12 A Yes, on the verbiage. Yes, sir.

-- on
Loans.

13 Q Okay. Now, the very top of the page refers to
14 the fax -- fax information, it refers to American Home
15 Do you know what --

that owns

16 A American Home Loan is his -- his son-in-law
17 a little mortgage company, and he used their fax.

18 Q And this is Mr. Taylor's son-in-law?

19 A Yes.

20 Q What is his son-in-law's name?

name is

21 A I don't remember his last name, but his first
22 Terry.

23 Q Would it be Terry Taylor?

24 A No. No.

25 Q Oh, it's son-in-law.

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1 A Son-in-law. I don't remember his -- his last
name.

2 Q And there's some handwriting at the bottom of
this
3 page with -- with looks like some wire numbers and bank
4 references. Whose handwriting is that?

5 A Don't have any idea. Don't have any idea.

6 Q When -- when the fax was sent to you with Mr.
Taylor's
7 signature, did it have this --

8 A No.

9 Q -- handwriting on it?

10 A No, sir, did not.

11 Q Okay. Do you know what that account number
refers to?

12 A No, sir, I do not.

13 Q Do you know what the ABA numbers refer to?

14 A That's -- has to be a routing number for a
bank.

15 Q Okay. And do you know why the reference to
Bank One
16 of Arizona is written at the bottom?

17 A I don't have any idea.

18 Q Okay.

19 MR. CRAWFORD: Let's mark this as Exhibit
6.

20 (Young Deposition Exhibit No. 6 marked for
21 identification.)

22 Q (By Mr. Crawford) Mr. Young, I'll hand you
what's been

23 marked as Exhibit 6 and ask if can identify this.

24 A Yeah, it's a fax that I sent to Ben Cook.

25 Q Okay. Is that your handwriting on the bottom
of the

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1 first page.

2 A No, sir, it's not.

3 Q Is that your secretary's handwriting?

4 A That is possible. I don't know. She probably
-- this

5 -- let's see. Let me go into...

6 (Brief interruption.)

7 Q Again, I'm trying to find out whose handwriting
is on
8 the bottom of the first page?

9 A I don't know.

10 Q Who -- it came from your office though, is that
fair
11 to say?

12 A Evidently, yes.

13 Q Okay. Well, if it wasn't you or --

14 MR. NORRIS: Can I talk to you outside?

15 MR. CRAWFORD: Sure. Let's go off the
record.

16 (Off the record from 11:18 a.m. to 11:22
a.m.)

17 Q (By Mr. Crawford) What I'd like to do since
we've
18 already marked this folder containing the documents that
you've
19 produced as Exhibit A, I'm going to ask you questions
about the

going to 20 documents that are in the subset of Exhibit A. And I'm
21 call them like A-1 or A-2.

Exhibit 22 MR. CRAWFORD: So, let me mark this as
23 A-1.

for 24 (Young Deposition Exhibit No. A-1 marked
25 identification.)

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to you 1 Q (By Mr. Crawford) Mr. Young, I'm going to hand
2 what's been marked as Exhibit A-1 and ask you to identify
the 3 second page of that exhibit.

4 Have you had a chance to look at that?

5 THE WITNESS: Are you through?

6 MR. HARLE: Yeah.

7 A What was your question?

that 8 Q (By Mr. Crawford) On Page 2, is that an E-mail
use in 9 Mr. Cook sent to Mr. Alexander regarding the language to
10 the letter to the bank?

don't know 11 A Sir, I don't know. I don't do E-mail so I
familiar 12 if that has anything to do with -- you know, I'm not
13 with that letter.

correct? 14 Q You recall receiving that document though;

but not 15 A Evidently I did receive it. It was sent to me

16 by E-mail.

17 Q Okay. You received it in that form; correct?

18 A I would think so, yes, sir.

A-2. 19 MR. CRAWFORD: Let's mark this as Exhibit

for 20 (Young Deposition Exhibit No. A-2 marked

21 identification.)

marked as 22 Q (By Mr. Crawford) I'll hand you what's been

similar to 23 A-2 out of your file. And the front page at least is

24 what we had marked as Exhibit 6; correct?

25 A Yeah. Yeah, but this --

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1 Q But the attachment is different; correct?

2 A Correct.

language 3 Q And do you recall if this attachment is the

4 to the bank that was signed off on by Mr. Taylor?

5 A Yes.

"The 6 Q Okay. And on the first page where it says,

the 7 verbiage we received has been revised by the lender," is

Taylor? 8 lender in that -- that you're referring to there Mr.

9 A Yes.

10 Q Okay. And when you say this is the --

11 A Okay. Let me go back. This is what Taylor
told me so
12 when I done this I had -- evidently my secretary wrote
this in
13 there.
14 Q Okay.
15 A It --
16 Q And when she said this is the verbiage they
will
17 accept, "they" is referring to the Taylor Group
Corporation; is
18 that correct?
19 A Yes.
20 Q Okay. It says, "Let me know if this is
agreeable."
21 Did Mr. Cook ever let you know whether that language was
22 agreeable?
23 A I don't know. Evidently, this letter that he
signed,
24 evidently, is what he was asking, but whether he let us
know if
25 it was acceptable or not I never -- I never got that

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1 information.
2 Q Okay. And in this letter that Mr. Taylor
signed it
3 does not include any language whereby the bank waits 30
days to
4 issue the CD; correct?
5 A No, it does not.
6 Q Okay.

7 A And that's probably what I had advised him
that, you
8 know, waiting 30 days put their money at risk so the --
rather
9 than wait for that is -- to deposit the CD in the bank
for
10 safekeeping and receive a safekeeping receipt for that
CD.

11 Q Okay.

12 A That's -- and that's probably what I advised
him to
13 do. I mean, best I can recollect because with a 30 day
deal on
14 it, it wasn't good for his client.

15 MR. CRAWFORD: Okay. Let's mark this as
Exhibit

16 A-3.

17 (Young Deposition Exhibit No. A-3 marked
for
18 identification.)

19 Q (By Mr. Crawford) I hand you what's been marked
as
20 Exhibit A-3 out of your file and ask if you can identify
that.

21 Is that Mr. Taylor's signature at the
bottom of
22 that page?

23 A Yes, sir, I think so.

24 Q And is Mr. Taylor agreeing to the verbiage of
that
25 letter to the bank?

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1 A From -- yes, from what I can see they did.

2 Q Okay. And did Mr. Taylor revise that language?
3 A I -- I would assume that he did if he signed it
and
4 sent it to me. It had to be his revision not mine
because it
5 has no fax number or nothing else on it.
6 Mr. CRAWFORD: Okay. This will be Exhibit
7.
7 It's not part of the file.
8 (Young Deposition Exhibit No. 7 marked for
9 identification.)
10 Q (By Mr. Crawford) Mr. Young, let me hand you
what's
11 been marked as Exhibit 7 and ask if you can identify it
for me.
12 A Evidently it came to me.
13 Q Okay. And it refers to a signatory
authorization
14 agreement that's attached as -- to the -- attached to the
15 letter. Do you recall seeing this document?
16 A Uh-huh.
17 Q And the very first or second paragraph says,
"Whereas
18 CKC is desirous and confirms by corporate resolution to
accept
19 and receive the sum of \$50 million." Do you know if CKC
ever
20 issued a corporate resolution to accept and receive \$50
million?
21 A I -- I -- I don't have -- never received one.
22 Q Okay. Do you know if they ever -- if CKC ever
issued
23 a corporate resolution?
24 A That -- as far as I know, no, sir.
25 Q Did you pass this signatory authorization
agreement on

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1 to the Taylor Group?

benefit

2 A Yes, sir. If it was -- if it was for their

3 that I did that.

authorization

4 Q Do you know who prepared this signatory

5 agreement?

6 A I don't have any idea, sir.

7 Q You received it from Mr. Cook; is that correct?

it

8 A Yes, sir, as far as -- that's where I received

9 from.

last

10 Q And it refers to a second -- strike that. The

be typed

11 page of this document is entitled Exhibit A a letter to

12 on Bank One letterhead stationery; correct?

13 A That's correct.

from

14 Q And is this a draft of a letter to be solicited

15 the bank to the Taylor Group Corporation?

16 A Yes, sir.

17 Q And is this what you received from Mr. Cook?

18 A Yes, sir.

19 Q Did you pass that on to the Taylor Group?

20 A Yes, I did.

A-4.

21 MR. CRAWFORD: Let's mark that as Exhibit

for

22 (Young Deposition Exhibit No. A-4 marked

23 identification.)

24 Q (By Mr. Crawford) Mr. Young, I hand you what's
been
25 marked as Exhibit A-4 and ask if you can identify that
for me.

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1 Do you recall receiving that document?

2 A Yes, sir.

3 Q Would you please describe for me what the first
page
4 is?

5 A You mean this or this?

6 Q No, the very first page containing the
handwriting.

7 A I don't know who -- I don't recognize that
signature.

8 Q Do you know who that is?

9 A No.

10 Q You don't recognize the handwriting?

11 A Well, it isn't mine.

12 Q But do you recognize the handwriting?

13 A No, sir, I don't.

14 Q How did you receive this document?

15 A It had to be by fax.

16 Q Do you know whose telephone number is written
at the
17 top?

18 A I don't know. Is there a phone number up
there?

19 Q Yes, sir.

is. 20 A I don't have any idea whose phone number that

21 Q Okay.

22 MR. HARLE: Are you talking about this
phone
23 number on the first page?

24 MR. CRAWFORD: I'm talking about this
phone
25 number on the top of the page.

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1 A That's my fax number.

2 Q (By Mr. Crawford) Okay.

3 A Somebody evidently sent it to me, and then I
don't
4 know.

5 Q Do you know anybody by the name of Raggs,
(phonetic)
6 who goes by Raggs?

7 A No, sir.

8 Q Anybody by the name of Ralph?

9 A Who?

10 Q Ralph.

11 A Ralph. No, sir. I don't know. I never -- I
don't
12 remember ever seeing that letter. That -- I don't have
any
13 idea.

14 Q Okay. Well, let's turn to the second page of
that
15 exhibit and can you tell me what that is?

what is

16 A Well, I never -- I mean, I don't know who --

these

17 that? Riva? I don't know that I ever received this --

them.

18 pages because I certainly didn't sign them and return

of the

19 Q Well, I'll represent to you that they came out

20 file that you produced today. So, you received them from

21 somewhere. Do you know who authored this draft letter?

area

22 A Don't -- don't have any idea. Whoever -- is it

23 code 281-315-6827 or 6867?

24 Q Uh-huh.

25 A I don't know.

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Have you

1 Q Do you know who Chris Paranta (phonetic) is?

2 ever heard of that person?

3 A Chris Paranta?

4 Q Uh-huh.

5 A No, sir.

6 Q Okay. Do you know who Luzius H. -- that's

7 L-U-Z-I-U-S -- H. Riva in Liechtenstein is?

8 A No, sir, sure don't.

signed

9 Q Do you know if a letter was ever sent by you or

10 by you to a bank in Liechtenstein?

11 A No, sir, I don't know that one was ever done.

seen

12 Q Okay. Is it your testimony that you've never

13 this document before?

14 A I don't recollect it. I've seen it -- if -- I haven't

15 seen it in my documentation.

16 Q Do you recall whether or not you sent this document on

17 to the Taylor Group?

18 A I don't know. I don't know that I did. I don't know

19 if I've ever seen this document.

20 Q Do you recall having any discussions with the Taylor

21 Group regarding Liechtenstein?

22 A No.

23 Q Or conducting any business in Liechtenstein?

24 A No.

25 Q Or opening an account in Liechtenstein?

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1 A Wasn't aware of it.

2 Q Do you know if the Taylor Group has any bank accounts

3 in Liechtenstein?

4 A To my knowledge I do not know, sir.

5 Q Did you ever have any communications with Ben Cook

6 about a bank account in Liechtenstein?

7 A He had mentioned one time to the best of my
8 recollection, not in writing, that they were going to
open an

9 account in Liechtenstein, but for what purpose I don't
know.

10 Q Okay. And when he says "they" who was -- what
was

11 your understanding as to --

12 A Well, I was -- I was --

13 Q Just let me finish first.

14 A Okay.

15 Q When Mr. Cook said "they" what was your
understanding

16 as to who that represented?

17 A I did not ask him the question of whom it was
going to

18 represent.

19 Q Do you know if Mr. Cook ever did open an
account in

20 Liechtenstein?

21 A I do not know.

22 Q You don't know one way or the other?

23 A No, sir.

24 Q Do you recall if Mr. Cook ever mentioned or
told you

25 that he knew somebody at a bank in Liechtenstein?

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1 A Not to my knowledge.

2 Q Okay. Did Mr. Cook ever tell you that he
wanted to

3 open an account in Liechtenstein because it would be safe
from

4 creditors or could be hidden from creditors?

5 A No, sir.

as to 6 Q As a financial consultant weren't you intrigued
7 why he would open a bank account in Liechtenstein?
anywhere 8 A Didn't bother me if he wanted to open a bank
9 as long as I'm not a signatory or anything on it. It
wasn't my 10 concern.
11 Q But then you receive this letter and that's
exactly 12 what they're trying to do is to have you be a signatory
on a 13 bank account in Liechtenstein.
14 A But I didn't agree to do that.
15 Q Did you ever have a conversation with Mr. Cook
where 16 you said I'm not going to be a signatory on a bank
account in 17 Liechtenstein?
18 A I don't think he ever discussed it with me to
tell you 19 the truth.
20 Q This refers to the Taylor Group Corporation
having a 21 subaccount to the Ai-Ki International Establishment
account. 22 Have you ever heard of that account?
23 A No. Not that I can recall.
24 Q Do you ever recall having any discussions with
25 Mr. Taylor regarding an account with Ai-Ki International

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1 Establishment?

2 A No. I don't know whether he did or did not. I
didn't

3 have that conversation with him.

4 Q Do you recall having a discussion with anybody
ever

5 about Ai-Ki International Establishment?

6 A I don't even -- I don't have no idea who they
are.

7 Q So, is the answer no?

8 A No. That's correct.

9 Q Do you know why in this letter the proposed
10 signatories to this bank account in Liechtenstein would
be you,

11 somebody for Ai-Ki, and then a blank?

12 A Don't have any idea.

13 Q In your discussions with Mr. Cook did he ever
14 represent to you that he had sources of funds located
offshore

15 or outside of the United States?

16 A No, sir.

17 Q Did Mr. Cook ever tell you that he was under
18 investigation by the SEC?

19 A No, sir.

20 Q Did Mr. Cook ever tell you that he was being
sued by

21 the SEC?

22 A No, sir.

23 Q Did Mr. Cook ever tell you that he was under
court

24 order not to solicit investments or engage in any
trading?

25 A No, sir.

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being 1 Q What is the first that you heard of Mr. Cook

2 sued by the SEC?

3 A This.

4 Q And you're referring to Exhibit 1?

5 A Yes, sir.

looking 6 Q The next page of the exhibit that we were

7 at --

8 A A-4?

9 Q A-4, yes, sir.

10 A Okay.

signed 11 Q Appears to be a letter addressed to you to be

12 by two bank officers from Liechtenstein; is that correct?

13 A That's what it says.

14 Q Do you recall seeing this document?

15 A No, sir, I do not.

bank 16 Q Do you know if a document was ever signed by a

you or 17 officer for a bank in Liechtenstein that was addressed to

18 the Taylor Group?

19 A I never received it, sir.

signed by 20 Q Are you aware of any document that was ever

21 a bank officer in Liechtenstein?

22 A No, sir.

a.m.) 23 (Break taken from 11:48 a.m. to 11:52

the 24 BY MR. CRAWFORD: Okay. We'll go back on
25 record. Let's mark this as Exhibit A-5.

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for 1 (Young Deposition Exhibit No. A-5 marked
2 identification.)

what's 3 Q (By Mr. Crawford) Mr. Young, let me hand you
4 been marked as Exhibit A-5 and ask if you can identify
that for 5 me.

6 A Yes, sir, I think I received that letter.

Bank 7 Q And this was a letter signed by Thomas Biggs of
8 One addressed to you --

9 A Yes, sir, for the Taylor Group Corporation.

10 Q -- is that correct?

11 A That's correct.

25th of 12 Q Did you receive this letter on or about June
13 1999?

14 A Evidently I did, yes, sir.

this 15 Q And the first sentence says, "The purpose of
to 16 letter is to confirm that Bank One Arizona NA is pleased
Taylor 17 accept 50 million U.S. dollars wire transfers from the
Trucking, 18 Group Corporation to be credited to the account of CKC
19 Inc. escrow account at Bank One." Was \$50 million wire

One? 20 transferred from the Taylor Group Corporation to Bank

21 A Did it ever happen?

22 Q Yes, sir.

23 A No, sir.

confirming 24 Q Do you know why it is that the letter is

25 that -- that they are pleased to accept that sum?

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investor 1 A I -- I think at one time that was -- an

Taylor 2 wanted to invest that much and -- through -- from the

Group. 3 Group -- to the Taylor Group -- or through the Taylor

- it 4 That's -- that's all I can -- I know. But it was never -

5 never happened.

\$50 6 Q So, it is your testimony that to your knowledge

7 million was never wire transferred from the Taylor Group

8 Corporation to Bank One?

back 9 A As far as I know. If they did, it never came

10 through me.

who 11 Q Okay. And you said that there was an investor

12 wanted to put up \$50 million. Who was that investor?

13 A He never told me who that was.

14 Q That was an investor for the Taylor Group?

15 A Yes.

16 Q Was documentation from Taylor Group Corporation
17 transferring funds to you or your nominee ever provided
to Bank
18 One?

19 A No, sir.

20 Q Do you know who authored this letter that's
been
21 marked as Exhibit A-5?

22 A I don't know who done the letter. It's on bank
signed
23 letterhead and Thomas W. Biggs, Vice President Manager,

24 it. That's the knowledge I have of the author of it.

25 Q What did you do with this letter when you
received it?

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1 A I sent it to Mr. Taylor. And it says here the
date I
2 sent it, signed who it went to.

3 Q And that's the second page of that document?

4 A That's correct.

5 Q Did Mr. Taylor sign that?

6 A No, I think it was my document -- it was my fax
received.
7 document -- who it went to and what time and if it was

8 MR. CRAWFORD: Okay. Let's mark this as
Exhibit
9 A-6.

10 (Young Deposition Exhibit No. A-6 marked
for
11 identification.)

12 something in

THE WITNESS: Excuse me. I've got

13 my throat besides tonsils.

14 marked

Q (By Mr. Crawford) Let me hand you what's been

15 as A-6 and ask if you can identify that for me.

16 A Yeah, I guess so.

17 Q What is that?

18 A Well, it's a fax memorandum.

19 Q Who is that from?

20 A From CKC Trucking.

21 Q Do you recall receiving that?

22 A Yes, sir, evidently I did.

23 Q And what is attached to it?

24 A You mean back here?

25 Q Yes, sir.

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1 A It is a signature authorization agreement.

2 agreement

Q And who is that signature authorization

3 signed by?

4 A I don't know. Here it says David Cluff.

5 signatory

Q Okay. And then what is attached to the

6 authorization agreement?

7 A You mean here or in here?

8 Q The following pages.

9 Group,

A It's on Bank One letterhead sent to Taylor

10 attention to me.

marked
11 Q Is it a copy of the letter that we previously
12 as Exhibit A-5?

13 A Yes.

another
14 Q Okay. And then following that document is
15 copy of the same letter; is that correct?

yes,
16 A I haven't read it, but I'm assuming that it is,
17 sir.

18 MR. CRAWFORD: Let's mark this as A-7.

for
19 (Young Deposition Exhibit No. A-7 marked
20 identification.)

what's
21 Q (By Mr. Crawford) Let me hand you, Mr. Young,
22 been marked as Exhibit A-7 and that is a signatory
authorization
23 agreement that was signed by you; is that correct?

24 A Yes, it was.

25 Q And is that your signature --

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1 A Yes, it is.

2 Q -- appearing on the second page?

3 A Yes, it is.

secretary,
4 Q And your signature was notarized by your
5 Joyce Boykin; is that correct?

6 A That's correct.

1999? 7 Q And was this executed on or about June 28th of
1999? 8 A It was sent back to whoever sent me the fax.
1999? 9 Q Did you sign this on or about June 28th of
one says 10 A It says -- says here -- one says the 28th and
11 the -- the 24th. The page -- or the date of the receipt.
12 Q I'm looking at the second page where you signed
there, 13 the date.
14 A Right.
28th of 15 Q Do you recall signing this on or about June
16 1999?
17 A I'm sure I did.
18 Q Okay. And did you read this document before
you 19 signed it?
20 A Well, I thought I did, yes, sir.
21 Q Okay. In the first paragraph it refers to you
as the 22 exclusive representative for the Taylor Group
Corporation;
23 correct?
24 A On this transaction, yes, sir.
25 Q Okay. And is that true? Were you the
exclusive

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1 representative for the Taylor Group Corporation?
2 A For what I was doing here, yes, sir.

Cook? 3 Q And was this document provided to you by Mr.

4 A I don't know who physically sent that. You
know, I 5 don't have a cover letter for it. It looks like it's in
6 writing. Over here he's got his name on the next page.

7 Q Okay. Well, who do you believe provided you
this 8 signatory authorization agreement?

9 A Well, I would assume that it was Mr. Cook.

10 Q Okay. Do you have any reason to believe
anybody else 11 would have provided you this agreement?

12 A I don't think so.

13 Q The second paragraph it refers to CKC accepting
and 14 receiving the sum of \$50 million.

15 A On what page?

16 Q Second paragraph of the signatory authorization
17 agreement.

18 A Okay.

19 Q It refers to CKC accepting and receiving the
sum of 20 \$50 million in its trucking escrow account for the
purpose of 21 credit enhancement. What was your understanding of the
meaning 22 of those words "credit enhancement"?

23 A The only thing that I could assume is that they
needed 24 \$50 million put into -- to be able to borrow more money
or 25 whatever they might want to do. I really -- like I say I
wasn't

1 deeply involved in what they were doing. I was just
passing the
2 information from them to Taylor Group and letting them
make the
3 decision on what they wanted to do with this. All Taylor
Group
4 was doing was letting me represent them in these
transactions
5 because I guess he thought I knew more about what I was
doing
6 than he knew.

7 Q As a financial --

8 A Consultant.

9 Q -- consultant would you agree with me that
adding \$50
10 million to anybody's bank account would be pretty
significant?

11 A Certainly.

12 Q And the very end of that second paragraph it
instructs
13 Bank One to provide a certificate of deposit in the --
the name
14 designated by you --

15 A Uh-huh.

16 Q -- for the benefit of you or -- and/or your
nominee.

17 Did you ever have any discussions with Mr. Taylor or Mr.
Cook or
18 Mr. Alexander or Mr. Cluff or anybody about who that
nominee
19 would be?

20 A I don't think we ever got that far. I don't
remember

21 having a discussion with it because it was never
completed.

discussed with

22 Q So, it's your testimony that you never

23 any of those persons who the nominee would be?

24 A No, sir.

25 Q The third paragraph refers to TGC specific

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1 requirements as provided in Exhibit A of the signatory
2 authorization agreement. What was Exhibit A?

an 3 A Let me find it -- I don't know unless there was

4 Exhibit A somewhere.

5 MR. HARLE: Is there an Exhibit A on here?

6 THE WITNESS: In this?

7 MR. HARLE: On this.

looked at 8 THE WITNESS: I don't know. I haven't

9 it. Now, there's an Exhibit A.

10 Q (By Mr. Crawford) What's that?

11 A It's got an Exhibit A in here.

12 Q Is there an Exhibit A?

13 A Yeah.

14 Q Okay. And what is the Exhibit A?

15 A It says, "The purpose of this letter (witness
16 mumbling).

17 THE COURT REPORTER: Excuse me.

question. 18 Q (By Mr. Crawford) Let me just rephrase that

typed 19 Is Exhibit A to the signatory agreement the letter to be

20 on bank letterhead stationery?

21 A Yes.

Group 22 Q Okay. And was that letter TGC's, the Taylor
23 Corporation, specific requirements for the signatory
24 authorization agreement?

25 A Yes, sir, I guess it is.

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1 Q First paragraph of the signatory authorization
2 acknowledges agreement, the paragraph or No. 1 says that, "CKC
3 the escrow account number mentioned above will not have
4 specified additional funds deposited or withdrawn during the
5 agreement? term of our agreements." What was the term of your

and 6 A I don't think I ever received that, the term
7 through agreement unless it's in this text. Now, I haven't read
8 this text totally but...

9 Q So, is it your testimony that you don't know
10 what the term was?

11 A No, sir, I do not.

12 Q Okay. In that same paragraph it refers to your
13 driver's license number and your passport number.

14 A Right.

15 Q Is that information correct?

16 A Yes, it is.

17 Q And in Paragraph No. 2 it says, "The funds in
the
18 account are to be used as an asset of CKC escrow account
to
19 provide account screening facilities for investment
contracts
20 for International Investment Opportunities." As an
investment
21 consultant when you signed this agreement, what was your
22 understanding of that language?

23 A That they were going to invest these funds in
an
24 international investment. Not knowing which one.

25 Q And who is "they" when you say they?

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1 A Well, it was Cook.

2 Q Okay. What was your understanding of the
terminology
3 "account screening facilities"?

4 A I -- I don't know what they meant by screened.
I've
5 heard the word used by other people about different
things.
6 That they leave the money in a bank here in the States
and by
7 electrically they screen that account in order to make
certain
8 transactions happen.

9 Q Okay. "Screen" means what?

10 A It means electrically they confirm that money
is
11 there.

12 Q Okay. And then "International Investment
13 Opportunities" each of those words have the initial
letter
14 capitalized. Do you know why that is --

15 A No.

16 Q -- capitalized?

17 A No, I do not.

18 Q Do you know if an attorney assisted in the
preparation
19 of this agreement?

20 A I don't have any idea, sir.

21 Q Did you have this agreement reviewed by an
attorney
22 prior to signing it?

23 A No, I did not. I was acting on behalf of the
Taylor
24 Group and they approved the text.

25 Q Did the Taylor Group have an attorney working
with

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1 them or consulting them?

2 A I don't know.

3 Q The Paragraph 3 on the second page refers to,
"Profit
4 payments will cease to the benefit of the signatory."
What was
5 your understanding of that language when you signed this
6 agreement?

7 A (Witness mumbling.) According to my
understanding, if

8 this thing transpired that the funds would be put into an
9 account and be disbursed to the parties that were to
receive
10 disbursements.

11 Q Okay. And who would those parties be?

12 A I don't know who all it would have been. We
never got
13 to that point.

14 Q Okay. Would you have received a share of the
profits?

15 A I would have -- I would have received my
consulting
16 fees.

17 Q Okay. Would these fees have been paid out of
the
18 money deposited in that escrow account?

19 A In -- in -- where the profits come from?

20 Q Yes, sir.

21 A Yes, sir, it would have been.

22 Q Can I see that back here for a second? The
very last

23 page appears to be a Bank One Arizona account signature
card
24 bearing your signature; is that correct?

25 A That's correct but -- but it was never
established.

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1 Q Okay. You signed the bank card, you sent it in
to the
2 bank, but they never opened the account?

3 A I sent it in to Cook, evidently. And they
never

4 opened the account.

Mr. Cook 5 Q So, you -- you signed -- you -- you provided
6 with the signed signatory agreement and the signature
card for 7 the bank; is that correct?

8 A Yes, sir. Yes, sir.

turned it 9 Q And Mr. Cook then -- do you know if he ever
10 over to the bank?

11 A Don't have any idea.

opened 12 Q But to your knowledge a bank account was never
13 at Bank One?

14 A To my knowledge.

A-8. 15 MR. CRAWFORD: Let's mark this as Exhibit
16 (Young Deposition Exhibit No. A-8 marked
for 17 identification.)

you 18 Q (By Mr. Crawford) Mr. Young, I'm going to hand
19 what's been marked as Exhibit A-8 which appears to be a
copy of 20 the two letters regarding the bank in Liechtenstein that
you've 21 testified to earlier and ask you if you recall faxing
these 22 letters to Mr. Cook?

23 A Yes, I sent that to Mr. Cook.

24 Q Why did you send that to Mr. Cook?

Taylor 25 A Well, because I was acting on behalf of the

1 Group, and they -- they wanted me to be on the -- on the
account
2 in case so that it could be controlled by someone that --
as a
3 consultant to them.

4 Q Okay. So, would it be fair to say that you got
the --
5 the letters regarding the Liechtenstein account from the
Taylor
6 Group, and then you forwarded them on to Mr. Cook?

7 A Yes, sir, that's exactly.

8 Q To your knowledge does the Taylor Group
Corporation or

9 Mr. Taylor have any bank accounts in Liechtenstein?

10 A To my knowledge I do not know, sir.

11 Q Okay.

12 MR. CRAWFORD: Let's mark this as A-9.

13 (Young Deposition Exhibit No. A-9 marked
for
14 identification.)

15 Q (By Mr. Crawford) I'm going to hand you what's
been
16 marked as A-9 and ask if you can identify that for me.

17 A Yes, I acknowledge that.

18 Q What is it?

19 A It's just the -- Taylor had said that they were
going
20 to change from the 50 mil to 11 mil, and he would fax --
should
21 send the fax regarding change. And I guess he sent it to
Ben
22 Cook, and Ben Cook agreed to the 11 mil. And evidently
they got

23 back with Taylor and said all is okay. But it never
happened.

24 Q Is this your handwriting on Exhibit A --

25 A No, it is not.

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1 Q -- A-9?

2 A No, it is not.

3 Q Is it your secretary's handwriting?

4 A That could possibly be. You know, I really
don't

5 recognize her handwriting. I mean, she very seldom ever
writes

6 anything. If it matches her -- her fax over there I
could

7 probably assume that it may be but I'm not sure.

8 Q Well, this is a document that was produced from
your

9 file and purports to be notes made at your direction; is
that

10 true?

11 A Well, that's -- yeah, possibly true.

12 Q If -- do you employ anybody else besides your
13 secretary?

14 A This could have been done by my ex-wife
possibly. She

15 was -- I still care -- still work taking care of her, and
she

16 did answer the telephone and do some handwriting stuff.
She

17 didn't do computer, but that is a possibility. It could
have

18 been my ex-wife's writings.

19 Q Okay.

20 A But evidently I, you know, I agreed to what it
said.

21 Q So, is that exhibit a fair recollection of
notes made

22 by you or your ex-wife as they occurred?

23 A Or somebody in my office, yes, sir.

24 Q Okay. Why did the transaction change from 50
million

25 to 11 million?

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1 A I -- I really don't know. That was -- Taylor
had

2 called me and said that the investor -- it was taking so
long to

3 get this thing done that they had invested part of their
money

4 and they had 11 million that they wanted to do instead of
50.

5 So, that's why this happened.

6 Q So, let me make sure I understand this because
it

7 appears from the documents that after you make contact
with

8 Mr. Taylor and Mr. Cook, the documents are sent to you,
9 signatory agreements, other documents; you get those
signed by

10 you, get them approved by Mr. Taylor; Mr. Cluff signs the
11 documents; you send back the signature card for opening
the bank

12 account at Bank One in Arizona; and you're all ready to
fund; is

13 that correct?

14 A That's the way it was being handled.

15 Q And you then tell Mr. Taylor -- say, We're
ready to

16 fund; and then Mr. Taylor says, We changed our mind.
We're not

17 going to be able to do 50 million, but now we want to do
11

18 million.

19 A That's exactly right. Yes, sir.

20 Q And then Mr. Cook then asked to change the
amount from

21 50 million to 11 million; correct?

22 A Evidently, they said -- he said they would
accept that

23 -- accept that as opposed to the 50.

24 Q Who had that communication with Mr. Cook to
talk about

25 going from 50 million to 11 million?

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1 A I think I did.

2 Q Okay. And what was the explanation that the
Taylor

3 Group gave for going from 50 million to 11 million?

4 A From what he told me -- and this was on the
telephone

5 it wasn't in writing -- that the people had invested part
of

6 that money because it was taking so long to get
everything done,

7 and they had invested part of it, and this is what they
had left

8 they could invest. So, I assume that Mr. Cook was
willing to
9 accept whatever was available.

10 Q So, then according to your notes, 15 minutes
after
11 Mr. Cook agrees to the 11 million, you call Mr. Taylor
and say,
12 He's agreed to that and you can transfer the \$11 million
to
13 Mr. Cook on July 9th of 1999; is that correct?

14 A That's correct. And it never happened.

15 Q And no money, to your knowledge, was ever
transferred
16 to Mr. Cook; is that correct?

17 A As far as I know. I was never privileged to
know that
18 it was or was not.

19 Q Why is that, according to your knowledge?

20 A I don't know. I -- he didn't give me an
explanation
21 if it wasn't ever sent. He may have sent it. I don't
know, but
22 I was not knowledgeable of it. If -- you know, I just --

23 Q Well, as you sit here today, do you believe
that the
24 Taylor Group ever wired any money to Mr. Cook or to the
bank
25 account?

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1 A I don't think so or at least he told me he
never had.

2 Q When was the last time you talked to Mr. Taylor
about

3 that?

4 A Oh, about that? I don't know. Somewhere in
this area

5 of time. You know, matter of fact I talked to Mr. Taylor
this

6 morning.

7 Q Okay. And what did you talk about this
morning?

8 A It was just personal things not nothing about
money or

9 anything like that.

10 Q Did you talk to him about that you were going
to be

11 deposed regarding this --

12 A I haven't yet. I haven't yet. I didn't feel
like

13 that was my privilege to -- to inform anybody of
anything.

14 Q To your knowledge has Mr. Taylor done any
transactions

15 at all with Mr. Cook since the summer of 1999?

16 A Not to my knowledge.

17 Q Okay. Is it possible that Mr. Cook -- or Mr.
Taylor

18 has transferred money to Mr. Cook since the summer of
1999?

19 A I think if he had he would have told me because
he

20 knows that I've done a lot of, you know, done a lot of
paperwork

21 for him. And if he done made some money, I feel like he
would

22 have paid me.

23 MR. CRAWFORD: Okay. Let's mark this as
Exhibit

24 A-10.

25 (Young Deposition Exhibit No. A-10 marked
for

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1 identification.)

2 Q (By Mr. Crawford) Mr. Young, I hand you what's
been
3 marked as Exhibit A-10 which is a fax cover letter from
you to
4 Wesley Taylor dated July 9th, 1999, with a memo from you
to
5 Mr. Taylor of the same date regarding an \$11 million
transaction
6 for CKC Trucking and attaching a copy of the letter from
Bank
7 One dated June 25th of 1999. Do you recall those
documents?

8 A I think so. Let me look and see what it says.
Yes,
9 sir. I know what the letter is.

10 Q Pardon?

11 A Yeah, I recognize it, but it never happened.

12 Q Right. In your memo, which is the second page
to this
13 exhibit, you talk about how the \$11 million is to be
divided up;
14 is that correct?

15 A It -- the \$11 million, so we understand exactly
what
16 this meant, they were receiving it at 10.4 million
because the
17 CD -- what it would make in that year would equate to the
\$11
18 million.

19 Q Okay.

20 A That was with interest involved.
21 Q So, \$10,400,000 would actually be transferred?
22 A Right. The balance of it, and he said we would
split
23 that. He said -- and that will help pay for a lot of the
24 paperwork and stuff that I done. It's nice to have a
split like
25 that but I never got it.

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would
1 Q So, if it had been invested, the \$10,400,000
2 have made \$600,000; is that correct?
3 A Right.
equally
4 Q And then that \$600,000 would have been divided
5 between you and the Taylor Group Corporation; is that
correct?
6 A Correct.
Group
7 Q So, you would have made \$300,000 and the Taylor
8 Corporation would have made \$300,000; correct?
9 A Would have been a blessing but it didn't
happen.
10 Q What interest rate was the investment going to
earn to
11 make \$600,000 on \$10,400,000?
12 A I think it was 5.5 percent.
13 Q For one year?
14 A Yes, sir.
of the
15 Q Okay. Was Mr. Taylor agreeable to this split

16 \$600,000 if it would have occurred?
17 A He's the one that -- that made the situation --
offer.
18 Q Okay. Well, this is a letter from you to him
saying
19 this is how --
20 A But that's what he told me to put on it. I
followed
21 the instructions he gave me. I brought that along so you
could
22 just see that it was Fed-Exed to me from Cook.
23 (Brief interruption.)
24 MR. CRAWFORD: Let's mark this as Exhibit
A-11.
25 (Young Deposition Exhibit No. A-11 marked
for

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1 identification.)
2 Q (By Mr. Crawford) Mr. Young, I'll hand you
what's been
3 marked as Exhibit A-11 which is entitled a Master Joint
Venture
4 Agreement between CKC Trucking and Taylor Group
Corporation. It
5 purports to be signed by David Cluff on behalf of CKC.
I'll ask
6 if you recall seeing that document produced from your
file?
7 Do you recall seeing that document?
8 A Yes, I do.
9 Q Okay. And did you receive that Joint Venture
10 Agreement from Mr. Cook?

11 A Yes, I did.

12 Q And did you pass that on to the Taylor Group
13 Corporation?

14 A Yes, I did.

15 Q And did Taylor Group Corporation refuse to sign
it?

16 A They refused to sign it, and I think, best I
can
17 remember, I -- I didn't have the opportunity to sign it.

18 Q Okay. And why is it that it was not signed?

19 A Well, because evidently he never got the money
20 transferred to Cook.

21 MR. CRAWFORD: Let's mark this as Exhibit
A-12.

22 (Young Deposition Exhibit No. A-12 marked
for
23 identification.)

24 Q (By Mr. Crawford) I hand you what's been marked
as

25 Exhibit A-12 which purports to be a fax memo from Ben
Cook to

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1 you enclosing the revised copy of the Joint Venture
Agreement;
2 is that correct?

3 A Yes, sir.

4 Q It says in this proposed Master Joint Venture
5 Agreement that was provided by Mr. Cook to you in
Paragraph B2

6 that the parties agree that CKC intends to commence
trading on a

7 12-month-program basis. What was your understanding of
what
8 kind of trading that referred to?
9 A They never did say what the trade was they just
said
10 that they had a high -- higher yield trading program
available,
11 and this is where I think the origination of the 30 to 40
12 percent annually -- that -- that was my understanding of
it.
13 And I don't -- I can conceive that it could be those kind
of
14 funds available if they compounded their income, but in
there
15 also I seen where they didn't intend to do compound. So,
you
16 know, it might be inconceivable to make that and it may
not.
17 I'm not real that familiar with this -- these European
trades as
18 much as maybe I would like to.
19 Q Okay. Did he mention that the trading then
would be
20 -- occur in Europe?
21 A He -- he didn't say from -- in some of the
other
22 documentation I think you've seen, they said
"international" and
23 I felt that would be out of this country.
24 Q Well, did Mr. Cook ever tell you that his
trading
25 program involved banks -- European banks?

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1 A Yes.

2 Q Okay.

3 A Yes.

4 Q Did he ever tell you that his investment
program was

5 monitored by the International Monetary Fund?

6 A He said that these transactions were done
through the

7 International Monetary Fund. Yes, he did say that.

8 Q And did he tell you that his trading program
with

9 these European banks that was monitored by the
International

10 Monetary Fund involved buying significant certificates of
11 deposits that were then used as collateral by the banks?

12 A He didn't say that particularly. He said that
-- that

13 the transactions that they were doing was -- was an
authorized

14 Fed Reserve program. And that's why I thought
everything's

15 legal, aboveboard because you don't deal with Fed Reserve
and

16 the International Monetary Fund without it. I'm a little
bit

17 familiar with that stuff.

18 Q Okay. How are you familiar with that?

19 A Well, I spent five years in Western Europe many
years

20 ago, and I learned how a lot of that stuff goes on.
That's why

21 I become a consultant because I learned some things that
most

22 people don't know or don't understand. And it's just,
you know,

23 it's basic facts you can go and find out about all you
want to.

24 Q What years did you spend in Europe?

25 A From '79 to '84.

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1 Q What did you do during that time?

2 A I'm not at liberty to say that. It's
Government so I

3 can't talk about it.

4 Q Were you employed by the Government?

5 A Let's say I was there on a mission.

6 Q Were you working for the Government?

7 A I was working on behalf of the United States.

8 Q Did you during that time period receive a
paycheck

9 from the United States' Government?

10 A No, I did not.

11 Q Okay. Were you working involving issues
involving

12 National Security?

13 A Sir, I'm not going to answer that. I was not
to never

14 disclose it, and I just made the statement of what I
could tell

15 you, and I'll be straight honest with you as I can
without

16 disclosing what I swore not to.

17 Q Did a Government official tell you never to
disclose

18 it?

19 A Definitely.

20 Q Okay. What branch of the Government?

you -- 21 A I'm not going to disclose that, sir. I asked
22 told you that I was asked not to.
23 Q Well, if you're trying to -- I need to
understand --
24 A This has nothing do with Mr. Cook. I'm here to
answer
25 questions about Mr. Cook. I think I have answered
everything

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1 you've asked me.
2 Q I understand that. What I'm trying to
understand is
3 what you've said is that you have some unique knowledge
4 regarding European investments.
5 A I studied some investment systems while I was
there --
6 while I was there doing what I was doing, I had time, I
done
7 some studying on what -- how things happen.
8 Q Involving the International Monetary Fund?
9 A Well, not necessarily International Monetary
Fund, I
10 just knew that it existed, and some of those transactions
rolls
11 over into International Monetary Fund. It gets part of
the
12 funds for the third world countries.
13 Q Okay.
14 A And I --
15 Q When Mr. Cook was talking to you about this
overseas

with 16 program, did you tell him that you had some familiarity
17 that kind of thing?
his 18 A No, I didn't tell him anything. It's none of
19 business what I know. It's what he felt like he knew,
and I was 20 only a consultant to Mr. Taylor. It wasn't my job or in
my 21 position to discuss anything else with Mr. Cook other
than what 22 he asked me -- was proposing to do with the Taylor Group.
23 Q With your unique knowledge then regarding your
24 experience in Europe, were you suspicious about Mr.
Cook's 25 description of his European investment?

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1 A Not necessarily.
2 Q Okay. Why were you not suspicious as a
financial 3 consultant?
4 A Because I know some of those things existed.
5 Q When you say "some of those things existed"
what are 6 you talking about?
7 A Well, some of these types of trades that he was
8 discussing. Hypothetically -- and I'll give you -- if
you take 9 it off record, I'll tell you some things, but I want you
to 10 understand that why I was in Europe is not going to be

11 disclosed. But I will give you some hypotheticals about
how
12 some of those transactions take place over there. And
it's
13 pretty well known in general by banking entities and
people like
14 this.

15 Q Okay.

16 A But you have to take it off the record.

17 MR. NORRIS: We can do that at the end.

18 MR. CRAWFORD: We'll do it at the end.
Why don't

19 we just save that.

20 THE WITNESS: Okay. That's fine. It was
nothing
21 to do with Mr. Cook. Mr. Cook has no idea what I done
over
22 there.

23 Q (By Mr. Crawford) What I'm trying to find out
from you
24 Mr. Young is, as specifically as possible, how Mr. Cook
25 described this trading program with the European banks to
the

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1 best of your recollection?

2 A He didn't do a lot of explanation. When he
said that
3 he dealt through the Federal Reserve Program and the IMF,
which
4 I did have some familiarity with, I felt like that he was
5 knowledgeable and he knew what he was doing. That's --

6 Q And you don't recall anything more specific
than that?

7 A No, I didn't ask.

8 Q In Paragraph 2 of this agreement it refers to
the part

9 -- the parties agreeing that the program's expected
returns are

10 on a best-efforts basis only of 80 percent per month for
the

11 term of the contract.

12 A Yeah, I'm familiar with that.

13 Q What did that refer to?

14 A It -- that whatever they were doing was -- it
would

15 make 80 percent per month. That was the explanation.
Now, a

16 percentage of that would go into IMF to help support
third world

17 countries. The major banks in Europe has done this for
many,

18 many, many years, and, like I say, at the end of the
thing I can

19 explain the program to you so you will more understand;
but this

20 is -- this is -- if I go into details now it's going to
involve

21 other things that has no bearing on what we're doing.

22 Q Well, is that the program for the -- is that
the same

23 program that's being referred to in the --

24 A It's --

25 Q -- this agreement?

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different
nothing
know,
not
it has

1 A Well, not exactly that. Probably his is
2 than what I learned in Europe, but, I mean -- and it's
3 dishonest or illegal. Understand it's just that, you
4 there's a lot of things that I do happen to know that I'm
5 going to just go out here and tell the world about. But
6 nothing to do with Mr. Cook.

those
knew.

7 Mr. Cook evidently knew something about
8 types of trades or he would have not printed it that he

evidently his
he is
of these
Federal

9 And instead of making the statement that he made
10 -- he has some fact that he is familiar with the IMF and
11 familiar with the -- with the Fed Reserve Program. Any
12 programs done over there has to be approved by the
13 Government.

the

14 Q So, there would be an 80 percent return, but
15 investors would get 30 to 40 percent; is that correct?

about
were
this IMF

16 A That was what he was making a statement to me
17 what they would receive. Evidently and consequently they
18 taking a larger portion, but a portion of that went to
19 for support of third world countries.

20 Q Okay.

21 A And I know that to be fact.

22 Q Okay.

They 23 A You know, I don't think he was being dishonest.
giving the 24 were probably taking more percentage than they were
pretty 25 investor, but I think 30 to 40 percent for an investor is

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something 1 dog gone good compared to what you get for a CD or
2 like that.

whether or 3 Q And you have no knowledge whatsoever as to
overseas 4 not Mr. Cook actually intended to ever put that money
5 or not; is that correct?

6 A Have no idea, sir.

comply with 7 Q And you don't know whether he intended to
8 international banking laws or not; correct?

9 A I have no idea about that.

intended 10 Q And you have no information as to whether he
them 11 to use those funds for his own personal benefit or invest
12 overseas; correct?

13 A I have no idea, sir.

14 MR. CRAWFORD: Let's mark this as A-13.

for 15 (Young Deposition Exhibit No. A-13 marked
16 identification.)

as 17 Q (By Mr. Crawford) I hand you what's been marked

18 Exhibit A-13 which appears to be a letter from Mr. Cook
to you
19 dated July 14th. Do you recall receiving that letter?
20 A Yes. Yes.
21 Q Do you know why Mr. Cook sent this letter to
you?
22 A Yeah. The situation is where Taylor never
furnished
23 the money and nothing came through like they had
promised. He
24 got ticked off.
25 Q And do you know why it is that Taylor did not
provide

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1 the \$11 million?
2 A I don't know why. He never told me that the
lender
3 was unhappy about something or anything. He just said he
-- you
4 know, wasn't even in writing. It was a phone call that
it
5 wasn't going to happen.
6 Q Did you call Mr. Taylor or did he call you?
7 A He called me.
8 Q And he just told you he wasn't going to send
the money
9 over?
10 A Said that the investors had basically changed
their
11 minds.
12 Q Okay. And then did you ever tell Mr. Cook that
on the

13 phone or not?

14 A I told him on the phone and then that's when I
got
15 this.

16 Q Okay. In this -- in this letter he says in the
second
17 paragraph that, "If he's heard tomorrow at 5:00 o'clock
once
18 he's heard it a dozen or more times. Now, the reply by
5:00
19 p.m. has become a standing joke." Were these daily
20 conversations you were having when he was waiting for the
money?

21 A No. When Taylor would tell me when the funds
were
22 going to be transferred, I told him what was happening.
23 Strictly -- I could not say it's going to happen or it's
not
24 going to happen. I wasn't on the other end.

25 Q Did you ever have any communications with Mr.
Cook

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1 after you told him that the money would not be coming?

2 A No, sir. Never no more as far as I can
recollect. As

3 a matter of fact I think after I got this letter, I don't
think
4 I ever heard from him again.

5 Q Let me see that back here.

6 MR. CRAWFORD: This is A-14.

7 (Young Deposition Exhibit No. A-14 marked
for

8 identification.)

9 Q (By Mr. Crawford) This document from your file
10 identified as Exhibit A-14 is that where you sent that
letter
11 you received from Mr. Cook up to Mr. Taylor?

12 A Yes, sir.

13 MR. CRAWFORD: Let's mark this as A-15.
14 (Young Deposition Exhibit No. A-15 marked
for
15 identification.)

16 Q (By Mr. Crawford) I hand you what's been marked
as
17 Exhibit A-15 and ask if you recall receiving this from
Mr. Cook
18 on or about July 15th of 1999?

19 A Yeah, I received this.

20 Q Did you receive it on or about July 15th of
1999?

21 A Yes, sir.

22 Q In the first paragraph Mr. Cook says that he
is,

23 "Again writing to confirm that we are still in
communication

24 with the proverbial and mystical Taylor Group
Corporation." Do

25 you know why he is referring to "we" are still in
communication

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1 with "them"?

2 A I don't know unless it was he and Ted Alexander
and

3 whomever else is involved with -- that is involved with
them.

4 Q Okay. Do you know why he refers to the Taylor
Group
5 Corporation as proverbial and mystical?

6 A I don't know. Maybe, you know, he knew them,
but
7 evidently he thought they was something else. I didn't
8 understand why he would have said that because that's how
they
9 were -- I was introduced.

10 Q Okay. The third paragraph he refers to,
"numerous
11 brokers involved in a daisy chain."

12 A The third one?

13 Q What brokers is he referring to in your
opinion?

14 A Numerous brokers in (witness mumbling) -- well,
I
15 don't know why he would even state that because I wasn't
a
16 broker; and I'm the only one that I know that he was in
touch
17 with other than Taylor.

18 Q Okay. It says in the 5th paragraph -- the
longer
19 paragraph, the second sentence -- that, "I have delivered
20 everything I promised." What was it that he promised
that he
21 would deliver to you?

22 A I think that was referring to the letter -- the
letter
23 from the bank, Bank One, and I think the one from the
other bank
24 never did -- they never did sign so I don't think that
was it;
25 but I think he was talking about Bank One.

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1 Q Okay.

did

2 A That would be my -- just my guess what he was
3 referring to because that's the only thing that he ever
4 actually do is get that one bank. And that was evidently
5 through AKC.

Wells

6 Q And the other bank that you referred to was a
7 Fargo Bank?

never

8 A Yeah. We got that document, but it was -- we
9 got the letter from Wells Fargo.

10 Q Okay.

11 A So...

to

12 Q Then he says, "I have had personnel standing by
13 complete the transaction for weeks." What personnel is
14 referring to?

he

him at

15 A I don't have any idea because I never did catch
16 the same phone.

programs

have a

What

17 Q Then the next sentence he says that, "The
18 that I have personally been involved in over the years
19 perfect track record and do perform on a regular basis."
20 programs did he discuss with you?

were.

21 A He never -- he never made me aware of who they

22 Q Okay. Did he ever tell you that when he was
talking
23 about the investment program that he was soliciting that
he had
24 done programs similar to that in the past?

25 A Yes. He said that he was tight in with these
type of

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1 investments in Western Europe involving Fed Reserve and
IMF.

2 Q You ever heard of a person by the name of
Robert Burr?

3 A No, sir. Wait a minute, I did. Let me -- I
got that
4 verbally the day that he was at Ted Alexander's place.
They
5 talked about a Robert Burr. But not in writing they
just...

6 Q Do you recall what they said about Mr. Burr?

7 A Just said that he had done these deals, and he
had
8 knowledgeable (sic), and he was a straight up honest guy.

9 Q Okay.

10 A And maybe that's -- I don't know.

11 Q Did they ever suggest that you should talk to
12 Mr. Burr?

13 A No, sir.

14 Q Did they ever tell you that they -- that Mr.
Burr
15 would assist them in the placement of funds overseas?

16 A Uh-huh, said they would.

in 17 Q So, they said that Mr. Burr would assist them
18 placement of funds overseas?
19 A Right. Yes, sir.
20 Q Okay. And did they say that Mr. Burr would
21 specifically assist them with the placement of these
funds that
22 they would obtain from the Taylor Group Company overseas?
23 A They did not make a statement of which funds,
they
24 just said that he would assist them in placing funds.
25 Q Was it your understanding that that would
include the

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1 Taylor Group Company funds?
2 A Probably, yes, sir.
3 Q In the next sentence he says, "I have also on
your
4 word proceeded with the transaction and committed for
placements
5 to find nothing has been accomplished." What is -- in
your
6 opinion -- is he referring to when he says placements?
7 A That's on what line on this?
8 Q I'm sorry. It's the -- it's the 5th paragraph,
the
9 second to the last line.
10 A Okay. "Also on your word proceeded with the
11 transaction and committed for placements to find nothing
has
12 been accomplished on yours and Taylor's side. Are you a
man of

part 13 your word or furthermore are you prepared to deliver your
14 of the deal?" I didn't have a part of the deal; I was
15 representing Mr. Taylor.

for 16 Q But the -- when he refers to, "I've committed
17 placements" what was your understanding of that?

talking to 18 A Well, probably I would assume that he was
19 Mr. Burr, and Mr. Burr was waiting on the funds to come
in so he 20 could put them in a program somewheres (sic).

term 21 Q Okay. Then on the second page he refers to the
22 "nonperformance in the business can leave a bad taste in
this 23 everyone's mouth." Do you understand what he meant "in
24 business" what kind of business he was referring to?

saying, 25 A I -- I understand what the word -- what it's

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the 1 but I wasn't the person that was to perform. I was only
2 intermediary as a consultant to Mr. Taylor. So, it
3 didn't bother me what he was saying because I'm not out here
trying to 4 do the same thing that he's trying to do.

was it 5 Q Right. But when he says, "in this business,"
6 your understanding that he was talking about the business
of the

7 overseas investments?

8 A I would -- I would certainly have assumed that
and I

9 do.

10 Q Okay. And then he says in the next sentence,
"As you

11 know, this is a very small circle of people that
occasionally

12 cross paths later on down the line." Again, is it your
13 understanding that he's talking about people such as
Robert Burr

14 and others who assist in overseas investments?

15 A Yeah.

16 Q And then in the next paragraph he says, "I
talked to

17 your ex-wife several times and she spoke very highly of
you."

18 Did these conversations occur prior to you being referred
to

19 Mr. Cook?

20 A It talks highly of me -- he probably got
information

21 from other people, and evidently the references that I
portray

22 is that I try to act as the best I know how without
problems.

23 You know, I don't know what his meaning is. If he talked
to my

24 ex-wife, she -- she probably -- she's been ill for a
number of

25 years so I don't know what was said, but it doesn't make
any

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1 difference. I lived with her for 38 years so I don't
think she
2 would say anything bad but...

3 Q To your knowledge did your ex-wife know Mr.
Cook prior
4 to you --

5 A No, sir.

6 Q -- first calling him?

7 A Never. Never.

8 Q Did you ever respond to this letter you
received from
9 Mr. Cook?

10 A This one here?

11 Q Yes, sir.

12 A Nope, not that I can remember. If I did I
certainly
13 would have -- I think I would have remembered it.

14 Q Believe it or not we're getting down to close
to the
15 last one. I may find some other ones here but...

16 A Don't look too hard.

17 MR. CRAWFORD: Let me mark this one as A-
16.

18 (Young Deposition Exhibit No. A-16 marked
for
19 identification.)

20 Q (By Mr. Crawford) I hand you what's been marked
as
21 Exhibit A-16 which appears to be a copy of a fax from you
to
22 Mr. Cook attaching a letter you received from the Taylor
Group
23 Corporation dated July 23rd, 1999, and ask if you recall
that.

24 A I received that, but I never done nothing with
it.

25 You know, I -- I had come to the point that this, you
know,

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1 there wasn't nothing going to happen. I just quit
wasting time
2 and money.

3 Q So, would it be fair to say that you received
this
4 letter from Mr. Taylor and then you forwarded it on to
Mr. Cook?

5 A Yes, sir.

6 Q And in this letter from Mr. Taylor he says
that, "We
7 have been informed by one of our sources dealing with
Southwest
8 Bank of Texas in Houston that their compliance officer
requested
9 that we furnish a bank guarantee instead of a safekeeping
10 receipt on the certificate of deposit. Please proceed
11 accordingly and contact us if there are any questions."
What is
12 the difference between a bank guarantee and a safekeeping
13 receipt?

14 A A bank guarantee would be that a bank is going
to
15 guarantee to -- to support whatever the client asks him
to as a
16 guarantee rather than a CD. But a CD to me is -- would
be to me
17 a better instrument because it -- it also makes an
interest
18 where a bank guarantee doesn't make an interest. So...

19 Q Okay. Did that -- did the Taylor Group tell
you that
20 because of this change that was the reason they were not
able to
21 provide the money?
22 A I never did get a reply from them because I --
I told
23 them that this is what the bank would want -- they had
talked to
24 the bank, and Cook's bank said that, you know, they
weren't
25 going to furnish a bank guarantee because it obligated
the guy

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1 that retained the loan instead, which would have been
Cook or
2 CKC Trucking, whomever.

3 Q Okay. For right now, I'm going to pass the
witness to
4 Mr. Norris and after he finishes I'll see if I have any
5 follow-up questions.

6 EXAMINATION

7 BY MR. NORRIS:

8 Q Mr. Young, my name is Jeff Norris?

9 A Mr. Norris, pleased to meet you.

10 Q I'm the trial attorney with the United States
11 Securities and Exchange Commission in SEC v. Cook matter?

12 A Yes, sir.

13 Q I have few questions for you actually since
14 Mr. Crawford covered the subject matter pretty
comprehensively.

with 15 But let me ask you about the initial discussions you had

discussing 16 Mr. Taylor about the transaction that we've been

17 today.

18 A Okay.

referred you 19 Q Am I correct that it was Mr. Taylor who

20 to or introduced you to Mr. Cook; is that correct?

21 A Uh-huh.

22 Q Okay. And that was approximately when?

remember all 23 A Whatever date I stated it was. I don't

24 this back that far.

25 Q Sometime prior to these first written

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1 communications --

2 A Yes, sir.

3 Q -- which are in June --

4 A Yes, sir.

5 Q -- of '99?

6 A Yes, sir.

7 Q Do you recall how long before the first written
8 communications?

9 A No, sir, I don't. I don't remember exactly.

you known 10 Q When Mr. Taylor spoke to you -- how long had

11 Mr. Taylor before that conversation about Mr. Cook?

longer 12 A I've known him about a year, maybe a little bit

13 so whatever time that started I haven't known him very
long.

14 Q And had you provided financial consulting to
15 Mr. Taylor prior to the Cook transaction?

16 A He had contacted me about doing some consulting
work

17 for him, but until this came along he didn't have
anything to

18 present to me to take care of.

19 Q Now, when Mr. Taylor called you and mentioned
Mr. Cook

20 to you for the first time, did he tell you that that was
going

21 to be -- that that was in connection with an investment
he was

22 thinking about making?

23 A Uh-huh -- or his clients making.

24 Q Okay. And did he mention who his clients were?

25 A No. I never did find out who his clients were.

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1 Q Did you have an understanding whether there was
one or
2 more than one client?

3 A I understood there was more.

4 Q Did you have an understanding or did you gain
any

5 understanding of how many?

6 A No, he just said that he had some clients that
had

7 some funds that was willing to invest and not only
participate

8 or make the interest off of the CDs, but would
participate in

9 some of the profits that was coming about.

10 Q This is what I wanted to get into. What did he
say,

11 if anything, about the nature of the investments that he
was

12 thinking about becoming involved in?

13 A You mean the investors or the type of
investment?

14 Q The type of investment.

15 A He -- I don't think he was really aware of what
16 investments was really available as far as foreign things
to be

17 -- concerned. His basically -- basic investments was
investing

18 in the CDs and letting them make that, and since he was
going to

19 be participating with whoever this investment was made up
of, he

20 would pay them some extra to be involved as far as
furnishing

21 the money.

22 Q Well, let me sort of draw you out on that. Did
he

23 mention in his initial conversation with you that the
funds

24 would be invested in a CD?

25 A That was -- that was their criteria that they
said --

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1 his clients would invest the funds based on the fact that
they

2 would receive a CD to secure their position without
taking any
3 opportunity to lose their money.

4 Q Okay. Did Mr. -- apart from the -- and that
they
5 would share in the return --

6 A Proceeds.

7 Q -- from the CD?

8 A Right.

9 Q Did Mr. Taylor describe to you whether they
would
10 expect to obtain returns from another source other than
the
11 interest on the CD?

12 A Yes. He -- he said that whatever the funds
made,
13 according to what Cook said that they would make, that he
would
14 get a small percentage and out of his percentage he would
pay me
15 for the consulting I done and the client would also get
some.

16 Q And apart from the interest on the CD --

17 A Right.

18 Q -- what did he understand would be the source
of those
19 additional returns?

20 A According to Cook, they would be him trading
with
21 international trades.

22 Q And is this something that Mr. Taylor told you
on your
23 initial conversation or is this something you eventually
learned
24 from Mr. Cook?

25 A Well, I learned that from Mr. Cook because
Taylor

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1 really didn't know what kind of percentages was going to
be
2 available.

3 Q And did Mr. Taylor ever tell you how he had
become
4 acquainted with Mr. Cook?

5 A No, he never did. It was -- I think this had
to call
6 something to do with the guy that called me and told me
7 Taylor.

8 Q Okay.

9 A It has to be back there somewhere.

10 Q Somebody in Florida?

11 A Yeah. Yeah. It has to be back there
somewhere. It

12 wasn't -- it wasn't me.

13 Q But eventually then you did communicate with
Mr. Cook
14 directly; correct?

15 A Yes, sir. Yes, sir.

16 Q And you don't recall whether initially he
called you
17 or you called him, is that -- do I recall that correctly?

18 A I really don't remember whether I called him
first or
19 he called me first.

20 Q And when you were hired to provide -- your
21 understanding was you were hired to provide financial
22 consulting?

23 A Right. Consulting -- in other words, he had
been told
24 that I was knowledgeable about some things because I had
spent
25 considerable amount of time in Europe.

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1 Q Okay.

2 A And I was knowledgeable to some things, and I
felt I
3 could be a benefit in consulting with people to tell them
4 whether to try to invest or not to invest.

5 Q Would it -- and I'm not trying to put words in
your
6 mouth, but I think that the experience that you've
testified
7 about is experience relating to these European trading
programs;
8 is that correct?

9 A Yes, sir.

10 Q And is that the experience that Mr. Taylor knew
that
11 you had?

12 A Yeah, we had discussed it. Yes, sir.

13 Q And is that -- is it your understanding that
that's
14 why he wanted you to become involved in this?

15 A Yeah, because I had some knowledge.

16 Q You mentioned at one point that you provided
17 Mr. Taylor with advice about the letter, the bank letter?

18 A Uh-huh.

19 Q And you advised him that -- that the letter
should not
20 contain the 30-day statement that the CD would be issued
within
21 30 days; correct?
22 A Yes, I did.
23 Q Because you thought that that sort of abrogated
the
24 safety of the investment?
25 A Yes, sir.

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1 Q Was there any other advice as a financial
consultant
2 that you gave Mr. Taylor in connection with this
transaction
3 with Mr. Cook?
4 A No, I just made it clear that I didn't think it
was a
5 good deal for the investor to, you know, put his money up
and
6 wait 30 days to get a CD because that gives an
opportunity for
7 somebody to go south with the money.
8 Q And as you sit there today, you can't recall
any other
9 advice that you gave him concerning this investment?
10 A No, I just -- I just made the statement to him
that I
11 thought it was good or I thought it was bad, and if the
12 documentation was done correctly, then it could be a good
deal.
13 If it wasn't, then it couldn't be.

We've 14 Q Eventually then you did speak with Mr. Cook.
15 established that.
16 A Yes, sir.
nature of 17 Q What then did Mr. Cook tell you about the
18 the investment program that he was offering?
19 A He just said he had connection with the Western
return 20 European marketing area and that he could have a decent
was 21 on the funds that was invested to him or CK Trucking. He
22 wanting to -- I don't know. I guess they wanted to
enhance CK 23 Trucking's position for some reason, but I didn't ask why
do. But 24 because it wasn't my business what they were trying to
evidently 25 they were able to obtain a letter from Bank One which

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be able 1 CK Trucking had some influence with his bank officer to
2 to get that letter.
discuss 3 Q Did you have an understanding or did you ever
4 with Mr. Cook what his affiliation, if any, was with CKC
5 Trucking?
6 A Didn't ask him.
direct 7 Q Did you have an understanding whether he had a
8 affiliation with that entity?
9 A I never did ask him.

entity? 10 Q As far as you knew that could have been his

11 A Very possibly could have been. He could have
been a
12 part of it; that I didn't know.

13 Q What did you understand to be the purpose of
opening
14 up the account with the -- and purchasing a CD in an
account at

15 Bank One?

16 A Well, if -- that would enhance his position to
be able

17 to borrow the money he needed, and they would leave the
CD in an

18 -- in what you call a -- basically a custodial account so
that

19 they could use it as the enhancement they needed to have
--

20 electrically confirm that the funds was there. There is
certain

21 trades and things that happens you don't have to release
your

22 money, but you have to have it in an account, and he was
going

23 to electrically screen that to be able to do his program
with.

24 Q So, he -- this is what he represented to you?

25 A Yeah. Yeah.

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1 Q Okay. So, the CD, according to Mr. Cook, would
remain
2 in place --

3 A Uh-huh. Right.

correct? 4 Q -- during the entire length of the program;

5 A Correct.

correct? 6 Q And that would provide security to investors;

7 A Yes, sir.

or the 8 Q But those funds in that CD or that -- that CD

doing 9 funds in that CD could nonetheless be used as a means of

10 trades in Europe?

11 A As an enhancement.

term 12 Q And what exactly is your understanding of the

13 "enhancement"?

were 14 A Well, it means that the funds were there; they

couldn't 15 unencumbered in respect but they were there, but they

are 16 be taken out of that account. And by saying these funds

way it 17 there, they allowed them to make a trade with X amount of

18 dollars and the percentages that they paid -- that's the

19 happened.

with 20 Q And did Mr. Cook tell you -- did you discuss

would be 21 Mr. Cook with what financial institutions these trades

22 made?

I 23 A No, I did not -- well, in fact in this document

he 24 signed a noncircumvention, nondisclosure agreement. So,

and that 25 asked me to do that so he didn't have to disclose that

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1 I could not circumvent him, which I wasn't interested in.

2 description in

Q Did he tell you -- did he give you a

would be

3 general of the types of financial institutions that he

4 trading with?

5 A He just said Western Europe banks, period.

6 Q Did he tell you any grade of bank?

7 A No.

8 Q Okay. He didn't say --

top 50

9 A Well, he always said that they deal with the

10 banks.

11 Q Okay.

top 50

12 A So, that pretty well satisfied me because the

13 banks are responsible.

of

14 Q Okay. And did he -- did he describe the types

15 financial instruments that would be traded?

16 A No.

gross

17 Q Okay. Did he describe how the trading of those

18 instruments could produce a -- in this case I guess the

19 return was 80 percent; is that correct?

20 A Yeah, that's --

to 40

21 Q To which the investors would participate in 30

22 percent; correct?

23 A Right.

24 Q Did he mention how it was that the trades could
25 produce that kind of return?

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1 A There is instruments in the Western European
market
2 that you can buy at discount, and it makes a profit
between buy
3 and sell.

4 Q Uh-huh.

5 A And that's what I was going to explain to you
awhile
6 ago after this is over, how it happens.

7 Q Uh-huh.

8 A And there's a differential between the buy and
the
9 sell, and a portion of it goes to this situation the
other
10 portion goes to the International Monetary Fund.

11 Q And was this something that Mr. Cook explained
to you?

12 A Well, no because I knew, but when he told me
what he
13 was doing I knew.

14 Q He basically told you that the program he was -
- let's
15 say sponsoring, fit the description of what you were
already
16 familiar with?

17 A Yes, sir.

18 Q Okay. And how -- how is it that those trades
produce
19 such a large return?

you're 20 A Well, if you're -- if you're in the market and
in the 21 accepted in that industry -- and you have to be accepted
22 industry or you don't get in with these people -- but
In other 23 hypothetically, you can buy what you call a bank note.
if 24 words, a major bank puts out bank notes all the time, and
time set 25 you're set up and you've got the money and the window

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can 1 up, you can do a trade probably six times a day. And you
2 buy it at one price, it sells at another to the secondary
companies 3 market. Secondary market being mostly United States
have to 4 because they can't go in and buy on the first buy. They
5 buy on the secondary market.

was in 6 And this was the things I learned while I
was 7 Europe. And the difference between buying and selling
8 anywhere from six to eight points. Okay. And there was
major 9 customers waiting for this type of documents. All your
buys 10 companies in the United States -- in the United States
they're 11 them. And the reason they're buying them is because
to 12 buying them at a big discount also. And so they use them

13 further enhance their credit unions, their retirement
fund, and
14 all of this stuff.
15 They'll take -- hypothetically, take a
hundred
16 million dollars out of a retirement fund and go over and
pay 80
17 percent on the dollar for a certain certificate and put
the
18 certificate again, hypothetically, 10-year note, pay 7
and a
19 half interest and face value in 10 years. Set them over
-- put
20 them in a retirement fund -- just the document. Well,
they
21 automatically made 20 percent off the deal going in and
that
22 happens everyday in the United States.

23 Q Now, did Mr. -- what, if anything, did Mr. Cook
tell
24 you about his experience in sponsoring these types --
these same
25 types of programs?

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1 A He just said he -- well, in this document right
here,
2 he said that he had the knowledge and knew the people and
done
3 this stuff, and I excepted that because I know -- I know
the
4 facts.

5 Q Did he describe any particular programs that he
had --

6 A No.

7 Q -- been involved in in the past?

8 A No, he never disclosed -- because there is a
situation

9 if you deal with these people, you do these things, you
can't

10 disclose who you deal with because I guess a number of
11 circumstances.

12 Q Okay. Let me ask you to make sure you let me
finish

13 my question.

14 A I'm sorry.

15 Q I don't care. I do that all the time to people
--

16 interrupt them in the middle of a question or statement -
- but

17 it's for her sake that we need to avoid doing that when
we're on

18 the record.

19 A Okay. I will.

20 Q I'm not offended by it, but it makes the
mechanics

21 easier.

22 Okay. So, did he tell you how long he had
been

23 doing these types of programs?

24 A He said, "I've been doing them for quite some
time."

25 Q Ever mention a number of years?

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1 A He didn't give me any designated number of
years, no.

2 He just said quite some time.

3 Q Apart from the interest on the CDs and the
trading of
4 those bank instruments, was there any other means by
which
5 Mr. Cook said this program was going to generate a
return?

6 A No, he didn't. He didn't detail me what --
what he
7 was going to do other than he had the availability of
8 transactions that would do this.

9 Q Based on your conversations with Mr. Cook, did
you
10 gain an understanding who was going to be actually doing
the
11 trading of these bank instruments?

12 A He -- he -- the only time I heard any name
mentioned
13 was this Mr. Burr.

14 Q Okay. Now, you mentioned -- well, strike that.
You
15 mentioned that there was a time when you had a telephone
16 conversation with Mr. Cook when -- when Ted Alexander was
17 present; is that correct?

18 A Yes.

19 Q And that's when Mr. Burr's name was mentioned;
20 correct?

21 A Yes, sir.

22 Q Mr. Crawford may have covered this and if he
did I
23 apologize. What, if anything, did you understand
24 Mr. Alexander's role to be in the program that Mr. Taylor
was
25 going to invest in?

do one 1 A He had been -- been approached by Mr. Cook to
2 of these CDs, and that was the \$30 million CD.

be -- he 3 Q Okay. Okay. So, in essence, he was going to
4 was going to do in one transaction what Mr. Cluff
eventually was 5 doing in the other transaction?

6 A Uh-huh.

7 Q Okay.

8 A That's right.

9 Q Apart from Mr. Burr, Mr. Cluff, Mr. Taylor,
10 Mr. Alexander, Mr. Cook, yourself, and Mr. -- I guess
that 11 covers it as far as I know -- was anyone else involved in
any of 12 these transactions? Any other individual?

13 A No, sir.

14 Q Okay. Now, I think you've -- we've established
that 15 Mr. Cook said that the safety of this investment would be
16 guaranteed -- well, this investment would be safe because
the 17 money would remain in this CD; is that correct?

18 A Yes, sir.

19 Q And that CD would remain unencumbered; correct?

20 A The CD would be issued in the funding
individual that 21 put up the money.

22 Q Okay. It would be issued in the funding
individual?

23 A Yeah. Whoever done the investment, it would
be in
24 his name, and it would stay in the custodial account.
25 Q Okay. So, it would be in the CKC account, but
it

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1 would be in the name of the person who actually provided
the
2 funds?

3 A Yes, sir.

4 Q Okay. Apart from that fact, did Mr. Cook say
anything
5 else about what would provide the safety for this
investment?

6 Was there anything else?

7 A No, because the custodial trust account that
was set

8 up is that the trustee of the bank and the owner of the
CD is
9 the only two people that could move it.

10 Q Did Mr. Cook offer to provide any other type of
11 guarantee?

12 A No, sir, not to my knowledge.

13 Q Did you ever have any specific discussions with
14 Mr. Cook about whether there would be any risk to
investor funds
15 in this program?

16 A I made sure as a consultant that we were not
going to
17 be involved in anything where there was a risk.

18 Q And did Mr. Cook ever tell you -- make any
specific

19 statement about the degree of risk in this program?

20 A He says that there would be no risk doing it
the way

21 that we agreed to do it and that's...

22 Q I believe you said that -- did Mr. -- did you
have any

23 specific discussions with Mr. Cook about the role of the
Federal

24 Reserve in the program that he was sponsoring?

25 A He just said that the people that represented
these

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1 programs were Fed Reserve approved, and I know that if
you do it

2 -- do through Fed Reserve, you have to be licensed by the
Fed

3 Reserve Board.

4 Q When you said the people who represented this
program

5 were --

6 A Fed --

7 Q -- Fed Reserve approved --

8 A -- approved.

9 Q -- what does it mean that they represented --

10 A Well, you have to have a permit to -- a license
to do

11 these things. That was my understanding.

12 Q Is that a reference to the people who actually
do the

13 trading?

14 A Yes, sir.

15 Q So, it was Mr. Cook's statement to you that the
16 Federal Reserve had specifically approved the persons who
were
17 doing the trading?

18 A Yes, sir.

19 Q Did he mention any -- did he say that
specifically
20 about Robert Burr?

21 A He -- his statement about Robert Burr that
Robert Burr
22 was well connected with these programs in Fed Reserve.

23 Q But he also made the statement that the people
who
24 were doing the trading or representing this program were
Federal
25 Reserve approved?

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1 A Yes, sir. Yes, sir.

2 Q Okay. And did he say anything else about the
3 involvement of the Federal Reserve in this program?

4 A No, sir.

5 Q He also said -- did Mr. Cook also tell you that
this
6 program involved the IMF?

7 A Yes, sir.

8 Q And what was the purported role of the IMF?

9 A Is that the portion of the funds that was made
off of
10 these type of transactions went into IMF to help support
the

11 third world countries.

12 Q In other words, humanitarian or international
13 projects?

14 A Basically, yes, sir.

15 Q Did Mr. Cook ever tell you what he expected to
make
16 from this transaction?

17 A Never.

18 Q Did you ever find out the identity of Mr.
Taylor's
19 clients or investors?

20 A No, sir.

21 Q Apart from the -- did -- strike that. Did Mr.
Cook
22 ever represent to you that the International Monetary
Fund had
23 any kind of supervisory role over these investment
programs?

24 A No, sir.

25 Q Okay. Apart from the Federal Reserve, did Mr.
Cook

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1 mention the involvement in these programs of any other
United
2 States Government agency or entity?

3 A No.

4 Q Okay.

5 A No, sir.

6 Q Apart from the International Monetary Fund, did
he

7 mention that the program was monitored or supervised or
somehow

8 had involvement by any other international organization?

9 A No, sir.

10 Q Did he mention the involvement, if any, of the
World

11 Bank?

12 A It was -- it was European banks.

13 Q Did you have discussions with Mr. Cook about
the

14 reason or purpose of opening a bank account in
Liechtenstein?

15 A He just said that that's where they wanted to
open the

16 bank account because it being an international trade,
they

17 needed to be into an international bank.

18 Q Was it your understanding that that European
bank

19 would be used as a repository for the profits from the
program?

20 A The profits would go into that program -- into
that

21 bank, and there would be pay orders issued to each
individual

22 that was participating and that would be sent according
to

23 wherever their desires was for the funds to be sent.

24 Q Did you have discussions with Mr. Cook about
opening a

25 bank account in Europe at any other -- in any other
country?

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1 A No, sir.

2 Q Any other account other than the one that's
referenced

3 in these letters?

4 A No, sir. No, sir.

5 Q Did Mr. -- we saw on a couple of or at least
one of

6 the exhibits reference to an entity called Ai-Ki
International

7 A-I dash K-I International; do you recall that?

8 A I recall the document but...

9 Q I think that was in -- if you look at A-4, I
think

10 that's where you'll find that reference. Any discussions
with

11 Mr. Cook about what that entity was?

12 A Never asked.

13 Q What -- what was the role of this? You
mentioned the

14 trading side -- the bank instruments being traded. We
know the

15 CDs in the United States. What is the -- what is this
account

16 screen? What does that have to do with these?

17 A It doesn't have nothing do with the trades.
Screening

18 is to confirm that the CD or that document exists in that

19 account that cannot be moved for the duration of this

20 transaction.

21 Q And who would the account screening be for the
benefit

22 of?

23 A Be for the benefit of the trader that was
trading in

24 in the European market.

25 Q And that would be a means of his showing that
he had

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1 this collateral?

2 A Yes, sir.

3 Q Okay. Is that something you were already aware
of or

4 is that something that Mr. Cook explained to you?

5 A No, I was aware.

6 Q But he said that process would be used?

7 A Yes, sir.

8 Q At one point, as we saw, the amount of
principal that

9 was going to be invested in this program went down from
50

10 million to 11 million; correct?

11 A Uh-huh.

12 Q Was there any change -- did you have any
discussions

13 with Mr. Cook at that point about any of the other terms
of the

14 program changing?

15 A No, we did not. There -- it was never
discussed.

16 Q And was it your understanding that otherwise
the terms

17 would remain the same?

18 A That was my understanding.

19 Q And what was the basis for that understanding?

20 A Well, it's just that whoever invested was still
going

21 to get the same amount of return regardless of the
amount.

Cook? 22 Q Did you discuss that specifically with Mr.
23 A No, he just said that nothing would change.
24 Q In a number of documents you are referred to as
a
25 representative of Taylor Group; correct?

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1 A Uh-huh.
2 Q You signed certain documents as a
representative of
3 the Taylor Group; correct?
4 A Yes, sir.
5 Q Did the Taylor Group or Mr. Taylor ever give
you a
6 power of attorney?
7 A No.
8 Q Did you ever have any written agreement with
the
9 Taylor Group to be their representative or agent?
10 A Verbal.
11 Q There are certain things that you declined to
testify
12 to on the record about their European trading programs;
correct?
13 A Well, no, I did not refuse to do that. I said
I would
14 do it at the end of this thing and off record.
15 Q Right. Off the record. I'm asking you -- I
guess I
16 need to determine from you or your attorney whether
there's a

17 legal basis for that privilege that you believe exists?

18 A No, I -- I don't mind disclosing how this thing
works,

19 but about why I was in Europe is what I'm declining.

20 Q Okay. But is there any -- is there a basis in
law

21 that you know of that supports you're not testifying to
that on

22 the record?

23 A It was because I committed not to do so.

24 Q And you committed that to whom?

25 A The proper authorities.

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1 Q You're talking about Governmental authorities?

2 A Yes, sir.

3 Q In the United States?

4 A Yes, sir.

5 Q Okay. Can you tell me what branch of
government?

6 A No, sir, I cannot.

7 Q Okay.

8 A I --

9 Q Are there documents that you signed pledging
yourself

10 to confidentiality?

11 A No, sir.

12 Q It was all verbal?

13 A My word is good and their word is good.

14 Q Have you ever been involved in any similar
programs

15 that you believe were successful?

16 A No, I was involved in one personally that was
17 unsuccessful.

18 Q Was that one you invested in?

19 A Yes, sir.

20 Q Who did you invest through?

21 A A guy in Houston.

22 Q A guy in Houston?

23 A Yes. Uh-huh.

24 Q What's his name?

25 A Mr. Combs, Walter Combs.

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from 1 Q Did Mr. Cook indicate that he was raising funds
investors? 2 any source other than Mr. Taylor or Mr. Taylor's

3 A We never discussed that.

4 Q Are you still involved in any of these types of
5 programs?

no, 6 A I haven't been paid on that particular program,
7 sir, after 18 months.

any 8 Q Are you still acting as a financial advisor for
9 similar programs?

10 A Don't have time.

you. 11 Q That concludes what I wanted to ask you. Thank

12 A Thank you, sir.

13 MR. CRAWFORD: I just have a few follow-up
14 questions for you.

15 FURTHER EXAMINATION

16 BY MR. CRAWFORD:

17 Q Have you ever heard of a person by the name of
Kaiser
18 (phonetic), Akel, A-K-E-L?

19 A No, sir.

20 Q Are you familiar at all with the International
Chamber
21 of Commerce?

22 A I'm aware that it's -- it's a France
organization that
23 started this thing way many years ago.

24 Q Are you familiar at all with the Bretton Woods
25 Agreement?

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1 A No, sir.

2 Q Ever heard the term forfaiting transaction?

3 A A what?

4 Q Forfaiting transaction, F-O-R-F-A-I-T-I-N-G?

5 A No, sir.

6 Q Are you familiar at all with ponzi schemes?

7 A I have heard them on television.

8 Q Okay. What's your understanding of what a
ponzi
9 scheme is?

10 A Well, it's -- from my understanding, it's you
taking

11 money for some purpose, and when things don't happen like
you
12 agree or thought they were going to do, you take more
money from
13 somebody else to pay off that party. That's my
understanding of
14 a ponzi scheme. I've heard it on television; I've read
it in
15 the papers.

16 Q Did Mr. Cook ever tell you that he was accused
of
17 operating a ponzi scheme?

18 A No, sir.

19 Q Okay. Did Mr. Cook ever tell you that he was
under a
20 preliminary injunction from the United States District
Court?

21 A You asked me that awhile ago and I answered
you.

22 Q Is it true --

23 A He never made that statement available to me
because
24 if he was I certainly wouldn't communicate with him
anymore.

25

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1 Q Okay. Okay. I don't have anything further. I
2 appreciate your time.

3 (Concluded at 1:35 p.m.)

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24 deposition and

I, J. W. YOUNG, have read the foregoing

except

25 hereby affix my signature that same is true and correct,

146

1 as noted above.

2

3

4

J. W. YOUNG

5

6 THE STATE OF TEXAS)

7 COUNTY OF _____)

8

Before me, _____, on this

day

9 personally appeared J. W. YOUNG, known to me (or proved

to me

10 under oath or through _____) to be the

person

11 whose name is subscribed to the foregoing instrument and

12 acknowledged to me that they executed the same for the

purposes

13 and consideration therein expressed.

14 Given under my hand and seal of office this

15 day of _____, 2000.

16

17

18 NOTARY PUBLIC IN AND FOR

19 THE STATE OF TEXAS

20

21

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1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE NORTHERN DISTRICT OF TEXAS
3 DALLAS DIVISION

3 SECURITIES AND EXCHANGE)
COMMISSION,)
4 Plaintiff)
vs.) CIVIL ACTION NO. 399

CV0571-R

5)
6 BENJAMIN FRANKLIN COOK)
individually and dba DENNEL)
7 FINANCE LIMITED, GERALD LEE)
PATE, ELLSWORTH WAYNE McLAWS,)
and ALAN CLAGG,)
8 Defendants,)
and)
9 FPC-1 LIMITED PARTNERSHIP)
SAMUEL LIMITED PARTNERSHIP,)
10 ALLIANCE INVESTMENT CORP.,)
CORNERSTONE MANAGEMENT, LLC.,)
11 INTERNATIONAL BUSINESS)
CONSULTANTS LIMITED,)
12 HIGHLANDER LIMITED PARTNERSHIP)
and C. KELLY OLSEN,)
13 Defendants Solely for)
Purposes of Equitable)
14 Relief)

15 REPORTER'S CERTIFICATION

16 DEPOSITION OF J. W. YOUNG
17 February 22, 2000

18 I, Joy Younts, Certified Shorthand
Reporter in

19 and for the State of Texas hereby certify to the
following:

20 That the witness, J. W. YOUNG, was duly
sworn by

21 the officer and that the transcript of the oral
deposition is a

22 true record of the testimony given by the witness;
23 That the deposition transcript was
submitted on 24 , 2000 to the witness or to the attorney for
the 25 witness for examination, signature and return by me by

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1 , 2000;
2 That the amount of time used by each party
at the 3 deposition is as follows:
4 Mr. Crawford - 3 HOURS, 13 MINUTES
5 Mr. Norris - 31 MINUTES
6 That pursuant to information given to the
7 deposition officer at the time said testimony was taken,
the 8 following includes all known counsel for all parties of
record:
9 Mr. Jeffrey Norris, Attorney for Plaintiff
Receiver 10 Mr. Kelly Crawford, Attorney for the
Young 11 Mr. John B. Harle, Attorney for J. W.
12 Mr. Patrick Murphy, Attorney for Receivers
Pate 13 Mr. T. Alan Owen, Attorney for Gerald L.
Gerald L. 14 Mr. Thomas M. Connelly, Attorney for
15 Pate
16 Mt. Stewart H. Thomas, Attorney for
Cornerstone
17 Management, LLC

Cook 18 Mr. George R. Neely, Attorney for Benjamin

19 I further certify that I am neither
counsel for,

20 related to, nor employed by any of the parties or
attorneys in

21 the action in which this proceeding was taken, and
further that

22 I am not financially or otherwise interested in the
outcome of

23 the action.

24 Further certification requirements
pursuant to

25 Rule 203 of TRCP will be certified to after they have
occurred.

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1 Certified to by me this _____ day of
2 _____, 2000.

3

4

5 _____
JOY YOUNTS, Texas CSR #7279
Expiration Date: 12-31-2001
6 WERLINGER & ASSOCIATES
3000 Briarcrest Drive, Suite 604
7 Norwest Plaza
Bryan, Texas 77802
8 (409) 774-4000
Fax (409) 774-4200

9

10

11

12

13

14

served

12 with Rule 203.3, and that a copy of this certificate was

13 on all parties shown herein on and filed with the Clerk.

14 Certified to by me this day of

15 2000.

16

17

18

JOY YOUNTS, Texas CSR #7279
Expiration Date: 12-31-2001
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