FILED
APR 12 2002
G. PATRICK MURPHY
DISTRICT JUDGE
SOUTHERN DISTRICT OF ILLINOIS
EAST ST. LOUIS, ILLINOIS

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF ILLINOIS

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| UNITED STATES OF AMERICA,<br><br>Plaintiff,<br><br>vs.<br><br>BDO SEIDMAN, LLP, a New York Limited Liability Partnership,<br><br>Defendant. | ) | CRIMINAL NO. 02-30040-GPM |

PRETRIAL DIVERSION AGREEMENT

It appearing that you are reported to have committed an offense against the United States beginning in or about October 1995 and continuing to and including January 8, 1998, in violation of Title 18, United States Code, Section 4, in that you are reported to have engaged in a misprision of a felony as set forth in the subject Information attached hereto and incorporated by reference as Exhibit A.

Upon accepting responsibility for your behavior as set forth in the "Stipulation of Facts" and by your authorized signature on this Agreement, it appearing, after an investigation of the offense, that the interest of the United States and your own interest and the interests of justice will be served by the following procedure, therefore:

On the authority of the United States Attorney for the Southern District of Illinois and the Criminal Division, U.S. Department of Justice, prosecution in the Southern District of Illinois for this offense shall be deferred for a period of 18 months or the last payment, whichever is later, from this date, provided you abide by the following conditions and the requirements of the program set out below.

Should you violate the conditions of this supervision, the government may revoke or modify any conditions of this pretrial diversion program or change the period of supervision which shall in no case exceed

18 months or the last payment date, whichever is later. The government may release you from supervision at any time. The government may at any time within the period of your supervision initiate prosecution for this offense against BDO should you violate the terms of this Agreement as set forth hereinbelow. In this case, the government will furnish you with notice specifying the conditions of the Agreement which you have violated. The government may extend your term of supervision if you fail to comply with all conditions.

If, upon completion of your period of supervision, a pretrial diversion report is received to the effect that you have complied with all the rules, regulations and conditions above-mentioned, no criminal prosecution for the offense set out above will be instituted in the Southern District of Illinois or in the Eastern District of Missouri, and the Information will be discharged. The undersigned Assistant United States Attorneys represent that they have been authorized by the United States Attorney's Office for the Eastern District of Missouri to make such representation on its behalf.

This agreement and all related documents may be released by the United States Attorney's Office. BDO hereby waives all compliance requirements of the Privacy Act of 1974 (Title 5, U.S.C., Section 552a) with regard to the above-described offense.

BDO is aware that Rule 48(b) of the Federal Rules of Criminal Procedure provides that the Court may dismiss an indictment, information, or complaint for unnecessary delay in presenting a charge to the Grand Jury, filing an information or in bringing a defendant to trial. BDO hereby requests that the United States Attorney's Office for the Southern District of Illinois defer any prosecution of it for violation of Title 18, United States Code, Section 4, for a period of 18 months, or the date of final payment, whichever is later, and to induce the government to defer such prosecution BDO agrees and consents that any delay from the date of this Agreement to the date of the initiation of the prosecution, as provided for in the terms expressed herein, shall be deemed to be a necessary delay at BDO's request and BDO waives any defense to such prosecution on the ground that such delay operated to deny BDO's rights under Rule 48(b) of the Federal Rules of Criminal Procedure or to bar the prosecution by reason of the running of the statute of limitations for a period of 18 months, or the date of final payment, whichever is later, which is the period of this Agreement.

## CONDITIONS OF PRETRIAL DIVERSION

### No Illegal Conduct

1. BDO shall not violate any law (federal, state or local).

### Cooperation

2. Disclosure Of Documents To Which The Attorney-Client Privilege Attaches: In order to aid the Government in any continuing aspects of its investigation against other third parties and in the event that the Government deems it necessary to its investigation and issues a subpoena, BDO agrees to produce additional documents in its possession created between January 1, 1990, and October 6, 1999, relating to its provision of professional services to James R. Gibson and Gibson-related companies, that have been withheld from the Government on the ground of attorney-client privilege. In making any such production of additional documents to assist the Government's enforcement efforts, BDO neither expressly nor implicitly waives its right to assert any privilege with respect to the produced documents or the subject matters thereof that is available under law against non-parties to this Agreement. The privileged materials and information provided pursuant to this Agreement are for the limited purpose of cooperation in the criminal investigations of third-parties, which investigations the Government acknowledges are confidential and for purposes of any trial.

3. Encouraging Cooperation Of Employees: BDO will use its best efforts to make available for interviews, or for testimony, present or former BDO partners and employees as requested by the government. BDO's Chairman agrees to instruct these partners and employees to cooperate fully and completely with the

government. BDO will provide qualified custodians of records to introduce into evidence documents produced by BDO.

4. General Cooperation: BDO agrees to respond truthfully and completely, through its counsel or other qualified representative, to any questions or inquiries directed to BDO relating to this investigation. BDO will assemble and organize all documents, records, or other tangible evidence in BDO's possession, custody, or control, as requested by the government.

## Payment To The United States

5. BDO agrees to pay a total of Sixteen Million Dollars ($16,000,000.00) into a fund established by the Government for the victim restitution of former clients of SBU. The payment of this money into the fund shall not constitute an adjudication of any individual claim asserted or to be asserted by any victim. The payment shall be made according to the following schedule: BDO will pay Four Million Dollars ($4,000,000.00) within 30 days of acceptance of this agreement by the U.S. District Court. BDO will make a second payment to the Government of Four Million Dollars ($4,000,000.00) by April 30, 2002. BDO will make a final payment to the Government of Eight Million Dollars ($8,000,000.00) by June 30, 2002. BDO may pre-pay the monetary payments as called for in this paragraph.

Any victims who receive money from the government's restitution fund that was directly funded by BDO must sign a release that would prohibit them from filing or pursuing a previously filed claim against BDO for any of BDO's activities in relation to Gibson or Gibson-related companies. The release shall be in a form agreed to by the Government and BDO. To the extent that any money is not claimed by victims within four (4) years, the remaining money shall be distributed to the United States Postal Inspection Service Consumer Fraud Awareness Fund Account, said monies to be used to support activities which facilitate and support the prevention and investigation of frauds against the public.

Retention Of Records

6. BDO, its partners, representatives, agents and employees, shall maintain written and electronically maintained records for a period of three (3) years from the date of this Agreement that relate in any manner whatsoever to BDO's provision of professional services to James R. Gibson and any Gibson-related company.

## PROMISES BY THE UNITED STATES OF AMERICA

7. Non-Prosecution of BDO: In consideration of the foregoing undertakings by BDO, the United States Attorney's Offices for the Southern District of Illinois and the Eastern District of Missouri will not file any charges, other than that provided herein, against BDO, any of its current partners, principals or employees, or affiliates for any actions relating in any way to the provision of professional services to James R. Gibson and Gibson-related companies. The undersigned Assistant United States Attorneys represent that they have been authorized by the United States Attorney's Office for the Eastern District of Missouri to make such representation on its behalf.

## VIOLATION OF CONDITIONS OF PRETRIAL DIVERSION

8. It shall be a violation of the conditions of pretrial diversion for BDO to fail to abide by or fully perform any of the promises set forth in paragraphs 1 to 6 above, during the eighteen (18) months following the signing of this Agreement or the date of the last payment, whichever date is later, and the Agreement shall expire on that date, with the exception that BDO's undertakings with respect to paragraph 5 of this Agreement will be binding for the time period set forth in that paragraph.

9. In the event that the government believes that BDO has violated the conditions of pre-trial diversion, the government shall provide BDO with written notice of such breach, and BDO shall have thirty (30) days therefrom in which to respond and cure the breach.

10. In the event that the government believes that BDO has violated the conditions of pre-trial diversion, and that BDO has not adequately cured the breach, the government shall initiate proceedings in the District Court to determine whether a violation has occurred.

## WAIVER OF STATUTE OF LIMITATIONS

11. Upon a finding by the Court of a violation of any term in this Agreement, BDO agrees to toll the statute of limitations for eighteen (18) months, from the date the violation is determined to have occurred, for any federal criminal offense that relates to the provision of professional services to James R. Gibson and Gibson-related companies. BDO expressly acknowledges that this waiver of statute of limitations is knowing and voluntary and in express reliance on the advice of counsel. BDO agrees that in the event that the criminal prosecution is reinstated pursuant to the terms of this agreement, that it shall not raise as an affirmative defense or other legal argument, the statute of limitations as a bar to prosecution. BDO agrees that the statute of limitations is not a jurisdictional bar to prosecution and may be waived pursuant to law.

## REINSTATEMENT OF PROSECUTION

12. Should the government and district court declare this Agreement violated,

a. The government will no longer be bound by its promises concerning non-prosecution and will be free to bring a prosecution against BDO, or any entity or person, for any federal offense.

b. The government will be free to use any information provided by BDO under the terms of this Agreement in any criminal prosecution the government may bring against it, and BDO will be unable to assert any constitutional or statutory right of privilege, or claim that the information is inadmissible because of Rule 11(e)(6) of the Federal Rules of Criminal Procedure, Rule 410 of the Federal Rules of Evidence, or any other statute or rule with the exception stated hereinbelow.

## MISCELLANEOUS PROVISIONS

13. Preservation Of Rights Under Federal Rule Of Evidence 408: Nothing stated in this Agreement is intended to or shall operate as an admission or a waiver of any rights BDO may have pursuant to Fed.R.Evid. 408.

14. Authority: Each of the individuals and attorneys executing this Agreement on behalf of BDO and the Government warrants and represents that he or she has been duly authorized and empowered to execute this Agreement on behalf of each such respective party. Jack A. Weisbaum, Vice Chairman of defendant BDO Seidman, LLP, warrants and represents that he has been authorized by the Chairman of BDO Seidman, LLP to execute this Agreement on behalf of defendant.

15. Effective Date: This pre-trial diversion agreement becomes effective upon acceptance by the

U.S. Office of Probation and upon written notice to BDO.

BDO hereby states that the above has been read and explained to BDO. BDO understands the conditions of its pretrial diversion and agrees that it will fully comply.

JACK A. WEISBAUM, VICE CHAIRMAN
BDO SEIDMAN, LLP
Defendant.

WILLIAM L. GARDNER
Attorney for Defendant

STEPHEN L. HILL, JR.
Attorney for Defendant

Date: April 12, 2002

MIRIAM F. MIQUELON
Assistant United States Attorney

HAL GOLDSMITH
Assistant United States Attorney

United States Probation Officer

Date: April 12, 2002



** TOTAL PAGE.09 **

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IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF ILLINOIS

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| UNITED STATES OF AMERICA,<br><br>Plaintiff,<br><br>vs.<br><br>BDO SEIDMAN, LLP,<br><br>Defendant. | )<br>)<br>)<br>)<br>)<br>)<br>)<br>)<br>) | CRIMINAL NO. ____________________ |

**INFORMATION**

THE UNITED STATES ATTORNEY CHARGES:

At all times relevant to this Information:

1. BDO Seidman, LLP (hereinafter "BDO") is a limited liability partnership formed under the laws of the State of New York. BDO is an accounting firm providing services to businesses and individuals.

2. BDO maintained an office in St. Louis, Missouri ("the former St. Louis office") and was doing business in St. Louis, Missouri. BDO closed the former St. Louis office on September 30, 2001.

3. The former St. Louis office performed tax accounting services for SBU, Inc. (Missouri), SBU, Inc. (Illinois), SBU, Inc. (Florida) (hereinafter jointly referred to as "SBU", unless otherwise noted), Flag Finance Corporation, and James R. Gibson (hereinafter referred to as "Gibson") who resided in the Southern District of Illinois. SBU did business in the Southern District of Illinois. The former St. Louis office also performed tax accounting services and assurance services, including certain auditing work, for Gibson's company, Family Company of America.

4. BDO, through the former St. Louis office, knew and understood that SBU was a third party structured settlement company owned and operated by Gibson and engaged in the

business of structuring personal injury plaintiffs' settlements and judgments through the establishment of irrevocable trusts funded with United States Treasury obligations intended to qualify as tax exempt transactions under Internal Revenue Code Section 130.

5. BDO, through the former St. Louis office, knew and understood that Flag Finance Corporation was a Missouri corporation owned and operated by Gibson for the ostensible purpose of making consumer loans. BDO, through the former St. Louis office, knew and understood that during 1995 Gibson represented that Flag Finance Corporation acted as a trustee for SBU clients' trusts.

6. BDO, through the former St. Louis office, knew as early as October, 1995, that SBU and Gibson had failed to purchase the promised United States Treasury obligations to fund approximately twenty-two of SBU's clients' trusts between November, 1994 and October, 1995. BDO, through its St. Louis office, knew and understood that Gibson inquired about using United States Treasury obligations purchased with other SBU's clients' settlement moneys and held in Flag Finance Corporation brokerage accounts for the benefit of SBU to collateralize loans in order to purchase and operate a chain of grocery stores.

7. On or about October 17, 1995, BDO, through the former St. Louis office, advised Gibson that the actual sale of the United States Treasury obligations to satisfy the loans would result in reportable income to Gibson and/or SBU and would require Gibson to purchase additional United States Treasury obligations in order to replace the liquidated United States Treasury obligations in SBU's clients' trusts to satisfy the stream of income contracted with the injured party.

8. BDO, through the former St. Louis office, knew and understood that Gibson formed Family Company of America in order to purchase and operate the chain of twenty-three grocery stores. Gibson's Family Company of America purchased these grocery stores from Schnucks Markets, Inc. during March, 1996.

9. Between in or about April and June 1996, BDO, through the former St. Louis

office, prepared the SBU, Inc. (Florida) tax return for tax year 1995. In connection with the preparation of that return, BDO, through the former St. Louis office, was aware that Gibson and SBU had failed to purchase United States Treasury obligations for certain of SBU's clients' structured settlement trusts as he promised to do and that SBU was making periodic payments to certain of those structured settlement clients. At Gibson's direction, BDO, through the former St. Louis office, listed those settlement funds received as "liabilities" on the SBU, Inc. (Florida) return for tax year 1995 when, in truth and in fact, they were not liabilities. No federal tax was paid on those "liabilities." BDO, through the former St. Louis office, forwarded the prepared tax return to Gibson for filing on June 24, 1996.

10. During in or about October, 1996, BDO, through the former St. Louis office, knew and understood that, in order to finance the purchase and operation of the grocery store chain, Gibson and SBU sold United States Treasury obligations which had been held in certain of SBU's clients' trusts. BDO, through the former St. Louis office, also knew and understood that Gibson and SBU used SBU's clients' settlement funds to purchase and operate the grocery store chain instead of to purchase United States Treasury obligations to fund SBU's clients' trusts as Gibson promised.

11. BDO, through the former St. Louis office, knew and understood that Gibson and SBU received approximately sixteen million dollars ($16,000,000.00) in settlement funds between October, 1994 and September, 1996, but had not purchased United States Treasury obligations with these funds. The sixteen million dollars ($16,000,000.00) was income to Gibson and/or SBU which income was not reported on any income tax return and no income tax was paid.

12. On or about July 7, 1997, the Internal Revenue Service (IRS) sent to SBU, Inc. (Florida), a Notice of Tax Examination for the tax year ending October 31, 1993 (hereinafter referred to as the "tax examination"). During the course of that tax examination, the IRS formally inquired about documents relating to tax years 1994 and 1995.

13. During July or August, 1997, BDO, through the former St. Louis office, had

internal discussions concerning Gibson's and SBU's failure to purchase United States Treasury obligations for certain structured settlement clients' trusts and the use of SBU's clients' settlement funds and bonds to purchase and operate the grocery store chain.

14. On or about September 9, 1997, Gibson executed a power of attorney on behalf of SBU, Inc. (Florida) authorizing a BDO partner in the former St. Louis office to act as the taxpayer representative in connection with the tax examination. The power of attorney was subsequently transmitted to the IRS.

15. On December 18, 1997, BDO, through the former St. Louis office, and Gibson discussed the failure by Gibson and SBU to purchase United States Treasury obligations with settlement funds received during 1995 and 1996. BDO, through the former St. Louis office, informed Gibson that the receipt of those funds was 100% taxable as income. At that time, BDO, through the former St. Louis office, knew that Gibson's receipt and use of the funds to purchase and operate the grocery store chain resulted in taxable income to SBU and that SBU and Gibson had failed to report that income to the IRS.

16. On January 8, 1998, in response to the IRS' December 17, 1997 formal request for documents, BDO, through the former St. Louis office, as taxpayer representative for SBU, Inc. (Florida), submitted documents in connection with the ongoing tax examination (the "Submission"). At that time, BDO, through the former St. Louis office, knew that Gibson had committed a felony in connection with the tax year 1995 return, to wit, attempted tax evasion, in violation of Title 26, United States Code, Section 7201. In the Submission, BDO, through the former St. Louis office, failed to inform the IRS of information that was material to the determination of income for tax year 1995, *i.e.* that Gibson had not purchased United States Treasury obligations with settlement funds received and that Gibson had, instead, used those funds to purchase and operate the grocery stores which were not qualified assets under Internal Revenue Code Section 130, and BDO, through the former St. Louis office, failed to inform the IRS that Gibson had committed attempted tax evasion in violation of Title 26, United States Code, Section 7201.

All in violation of Title 18, United States Code, Section 4.

ROBERT J. CLEARY
United States Attorney

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MIRIAM F. MIQUELON
Assistant United States Attorney

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HAL GOLDSMITH
Assistant United States Attorney

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF ILLINOIS

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| UNITED STATES OF AMERICA, Plaintiff, | ) | |
| vs. | ) | CRIMINAL NO. ____________ |
| BDO SEIDMAN, LLP, Defendant. | ) | |

**STIPULATION OF FACTS**

The United States of America, by and through its attorneys, Robert J. Cleary, United States Attorney for the Southern District of Illinois, Miriam F. Miquelon, and Hal Goldsmith, Assistant U. S. Attorneys, along with the defendant, BDO Seidman, LLP, and its attorneys William Gardner and Stephen Hill, enter into the following factual stipulations:

1. BDO Seidman, LLP (hereinafter "BDO") is a limited liability partnership formed under the laws of the State of New York. BDO is an accounting firm providing services to businesses and individuals.

2. At all times relevant to the Information, BDO maintained an office in St. Louis, Missouri ("the former St. Louis office") and was doing business in St. Louis, Missouri. BDO closed the former St. Louis office on September 30, 2001.

3. The former St. Louis office performed tax accounting services for SBU, Inc. (Missouri), SBU, Inc. (Illinois), SBU, Inc. (Florida) (hereinafter jointly referred to as "SBU", unless otherwise noted), Flag Finance Corporation, and James R. Gibson (hereinafter referred to as "Gibson") who resided in the Southern District of Illinois. SBU did business in the Southern District of Illinois. The former St. Louis office also performed tax accounting services and assurance services, including certain auditing work, for Family Company of America.

4. At all times relevant to the Information, Stephen R. Krause was one of several

partners in the former St. Louis office and was the engagement partner for the SBU, Flag Finance Corporation, and the Gibson family accounts. At all times relevant to the Information, Douglas Beckmeyer was one of several partners in the former St. Louis office and was the engagement partner for Family Company of America.

5. Partners in the former St. Louis office, including Stephen R. Krause and Douglas Beckmeyer, knew and understood that SBU was a third party structured settlement company owned and operated by Gibson and engaged in the business of structuring personal injury plaintiffs' settlements and judgments through the establishment of irrevocable trusts funded with United States Treasury obligations intended to qualify as tax exempt transactions under Internal Revenue Code Section 130.

6. Partners in the former St. Louis office, including Stephen R. Krause and Douglas Beckmeyer, knew and understood that Flag Finance Corporation was a Missouri corporation owned and operated by Gibson for the ostensible purpose of making consumer loans. Partners in the former St. Louis office, including Stephen R. Krause and Douglas Beckmeyer, knew and understood that during 1995 Gibson represented that Flag Finance Corporation acted as a trustee for SBU clients' trusts.

7. Partners in the former St. Louis office, including Stephen R. Krause and Douglas Beckmeyer, knew that as of October, 1995, SBU and Gibson had failed to purchase United States Treasury obligations to fund approximately twenty-two trusts between November, 1994 and October, 1995. Partners in the former St. Louis office, including Stephen R. Krause and Douglas Beckmeyer, knew and understood that Gibson had inquired about using United States Treasury obligations purchased with SBU's clients' settlement moneys and held in Flag Finance Corporation brokerage accounts for the benefit of SBU to collateralize loans in order to purchase and operate a chain of grocery stores.

8. On or about October 17, 1995, Stephen R. Krause advised Gibson that the actual sale of the United States Treasury obligations to satisfy the loans would result in reportable

income and would require Gibson to purchase additional United States Treasury obligations in order to replace the liquidated United States Treasury obligations in SBU's clients' trusts to satisfy the stream of income contracted with the injured party.

9. Partners in the former St. Louis office, including Stephen R. Krause and Douglas Beckmeyer, knew and understood that Gibson formed Family Company of America in order to purchase and operate the chain of twenty-three grocery stores. Gibson's Family Company of America purchased these grocery stores from Schnucks Markets, Inc. during March, 1996.

10. Between in or about April and June 1996, partners and employees of the former St. Louis office prepared the SBU, Inc. (Florida) tax return for tax year 1995. In connection with the preparation of that return, partners of the former St. Louis office, including Stephen R. Krause and Douglas Beckmeyer, were aware that Gibson and SBU had failed to purchase United States Treasury obligations for certain structured settlement trusts and that SBU was making periodic payments to certain of those structured settlement clients. At Gibson's direction, Stephen R. Krause thereafter listed those settlement funds received as "liabilities" on the SBU, Inc. (Florida) return for tax year 1995. No federal tax was paid on those "liabilities." Stephen R. Krause forwarded the prepared tax return to Gibson for filing on June 24, 1996.

11. During in or about October, 1996, partners of the former St. Louis office, including Stephen R. Krause and Douglas Beckmeyer, knew and understood that, in order to finance the

purchase and operation of the grocery store chain, Gibson and SBU sold United States Treasury obligations which had been held in certain of SBU's clients' trusts. Partners in the former St. Louis office, including Stephen R. Krause and Douglas Beckmeyer, also knew and understood that Gibson and SBU used SBU's clients' settlement funds to purchase and operate the grocery store chain instead of to purchase United States Treasury obligations to fund SBU's clients' trusts.

12. Partners in the former St. Louis office, including Stephen R. Krause and Douglas

Beckmeyer, knew and understood that Gibson and SBU received approximately sixteen million dollars ($16,000,000.00) in settlement funds between October, 1994 and September, 1996, but had not purchased United States Treasury obligations with these funds.

13. On or about July 7, 1997, the Internal Revenue Service (IRS) sent to SBU, Inc. (Florida), a Notice of Tax Examination for the tax year ending October 31, 1993 (hereinafter referred to as the "tax examination"). During the course of that tax examination, the IRS inquired about documents relating to tax years 1994 and 1995.

14. During July or August, 1997, partners of the former St. Louis office, including Stephen R. Krause, Douglas Beckmeyer, and the managing partner of the former St. Louis office, Walter Knepper, had internal discussions concerning Gibson's and SBU's failure to purchase United States Treasury obligations for certain structured settlement clients' trusts and the use of SBU's clients' settlement funds and bonds to purchase and operate the grocery store chain.

15. On or about September 9, 1997, Gibson executed a power of attorney on behalf of SBU, Inc. (Florida) authorizing Stephen R. Krause of BDO to act as the taxpayer representative in connection with the tax examination described in paragraph 13, above. The power of attorney was subsequently transmitted to the IRS.

16. On December 18, 1997, Stephen R. Krause and Gibson discussed the failure by Gibson and SBU to purchase United States Treasury obligations with settlement funds received during 1995 and 1996. Stephen R. Krause informed Gibson that the receipt of those funds would be 100% taxable as income. At that time, Stephen R. Krause knew that Gibson's receipt and use of the funds to purchase and operate the grocery store chain resulted in taxable income to SBU and that SBU and Gibson had failed to report that income to the IRS.

17. On January 8, 1998, in response to the IRS' December 17, 1997 request for documents, Stephen R. Krause submitted documents in connection with the ongoing tax

examination (the "Submission"). At that time, Krause knew that Gibson had committed a felony in connection with the tax year 1995 return, to wit, attempted tax evasion, in violation of Title 26, United States

Code, Section 7201. In that Submission, Krause failed to inform the IRS of information that was material to the determination of income for tax year 1995, *i.e.* that Gibson had not purchased United States Treasury obligations with settlement funds received and that Gibson had, instead, used those

funds to purchase and operate the grocery stores which were not qualified assets under Internal Revenue Code Section 130.

18. BDO acknowledges that venue is proper in the Southern District of Illinois and waives

any objection to venue in the Southern District of Illinois as well as any objection to this Court exercising jurisdiction in these matters.

SO STIPULATED:

ROBERT J. CLEARY
United States Attorney

JACK A. WEISBAUM, Vice Chairman
BDO SEIDMAN, LLP
Defendant

MIRIAM F. MIQUELON
Assistant United States Attorney

WILLIAM L. GARDNER
Attorney for Defendant

HAL GOLDSMITH
Assistant United States Attorney

STEPHEN L. HILL, JR.
Attorney for Defendant

Date:________________________

Date:____________________________