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Robb Evans & Associates LLC as Receiver over the assets of Andris Pukke and DebtWorks, Inc. (“Receiver”) hereby applies to the Court for issuance of an order to show cause as to why defendant Andris Pukke (“Pukke”) and non-party Peter C. Baker (“Baker”) should not be held in contempt of court (“Order to Show Cause”) for violation of the Court’s Preliminary Injunction Order with Asset Freeze, Appointment of A Receiver, Repatriation of Assets, and Other Equitable Relief dated April 20, 2005 (the “Preliminary Injunction Order”) and the Stipulated Final Judgment and Permanent Injunction Against Defendants Andris Pukke and DebtWorks, Inc. (“Stipulated Final Judgment”) entered by the Court on May 17, 2006 and for related relief as detailed herein.

The Receiver specifically seeks relief in the form of an order holding Pukke and Baker in contempt of Court for violations of the Preliminary Injunction Order and Stipulated Final Judgment for interference with at least four valuable assets constituting Receivership Property which Pukke and Baker have refused to deliver possession, custody and control to the Receiver and have substantially interfered with to the detriment of the receivership estate, including (A) Dolphin Development Company Ltd., as to which Pukke holds a 60% indirect majority, controlling ownership interest; (B) the residential real property located at 69 Emerald Bay, Laguna Beach, California, a property selected for purchase by Pukke and as to which Pukke exercised control post-receivership; (C) all stock interests held by Pukke, directly or indirectly, in Sportingbet Plc (“Sportingbet”); (D) all stock interests held by Pukke, directly or indirectly, in Internet Opportunity Entertainment Ltd., all entities with similar names to Internet Opportunity Entertainment Ltd., and all entities related to any of the foregoing including without limitation all subsidiaries and affiliates thereof (individually and collectively “Internet Opportunity”), and (E) all funds held in accounts at Hansabanka as to which Pukke held a legal and/or beneficial interest as of the inception of the receivership, including without limitation the accounts ending in 8805 (“8805 Account”) and 5390 (“5390 Account”). The Receiver seeks orders for appropriate relief, including turnover orders, monetary relief to reimburse the estate for injury sustained by Pukke’s and Baker’s violations of the Court’s Orders, and other relief such as will compel the turnover of

full possession, custody and control of the foregoing Receivership Property to the Receiver for administration. The Receiver submits that an Order to Show Cause in the form of the proposed Order to Show Cause lodged concurrently herewith should issue based on the facts and circumstances detailed hereafter and based on the Memorandum of Law, the Request for Judicial Notice and the Declarations of Colin Medhurst, Brick Kane, Gary Owen Caris, Claudia Pott Sherman and David Kempton filed in support hereof and on such additional oral and documentary evidence and arguments of counsel as may be presented by the Receiver prior to and at the hearing on the Order to Show Cause.

I. INTRODUCTION

A. Procedural Background

The Receiver was initially appointed as Receiver over the assets of Andris Pukke and DebtWorks, Inc. on April 20, 2005 pursuant to the Preliminary Injunction Order. Pukke initially appealed the Preliminary Injunction Order and sought and obtained a stay of certain provisions of that Order. Pukke later dropped his appeal and based on the financial disclosure requirements of the Preliminary Injunction Order, on or about May 26, 2005, Pukke executed and then delivered to the Federal Trade Commission (“FTC”) and the Receiver his IRS Form 433-A Financial Statement (“Financial Statement”) identifying, among other things, various assets and interests of Pukke. Declaration of Gary Owen Caris (“Caris Decl.”), para. 5 and Appendix of Exhibits (“App. Exh.”) 1.

The Receiver began investigating the assets of the receivership in accordance with its charge under the Preliminary Injunction Order. Pursuant to one of several rulings at a June 1, 2005 telephonic status conference conducted by the Court regarding the receivership, Pukke was ordered to appear for a two-day asset deposition by the Receiver, which was conducted by the Receiver on July 12 and July 13, 2005. Caris Decl., para. 7.

One day prior to the first day of the asset deposition, Pukke filed a voluntary petition under Chapter 11 of the Bankruptcy Code in the Bankruptcy Court for the Central District of California. Shortly thereafter, the Receiver filed with this Court a motion for instructions

regarding the Receiver's ongoing duties under the Preliminary Injunction Order and Pukke filed a motion to modify the Preliminary Injunction Order and other related motions to try to compel the Receiver to turn over possession and control of the receivership assets to Pukke and oust the Receiver. These motions were heard on September 26, 2005. The Receiver's motion for instructions was granted, Pukke's motions were denied, and Pukke's bankruptcy case was ordered stayed and suspended pending trial of the Federal Trade Commission's claims against Pukke and DebtWorks, Inc. ("DebtWorks") which were scheduled to be tried in January 2006.

The Preliminary Injunction Order included a limitation on the Receiver's ability to sell assets of the receivership by providing that the Receiver was authorized to sell "wasting assets." In November 2005, the Receiver moved the Court for certain limited modifications of the receivership provisions of the Preliminary Injunction Order, including the elimination of the "wasting asset" limitation on the sale of receivership assets. On December 13, 2005, the Court entered the Revised Order (A) Assigning Magistrate Judge; and (B) for Limited Modification of Receivership Provisions of Preliminary Injunction Order.

On the eve of trial in January 2006, Pukke and DebtWorks entered into the Stipulated Final Judgment. On May 15 and May 16, 2006, the Court conducted hearings on the approval of the proposed Stipulated Final Judgment and the related stipulation resolving the pending Class Action and the stipulation between the FTC and the Internal Revenue Service ("IRS") resolving the distribution of receivership assets in light of pre-receivership liens recorded by the IRS against Pukke's assets. On May 17, 2006, judgment was entered against Pukke and DebtWorks pursuant to the Stipulated Final Judgment, and orders were entered approving the other related stipulations. The Court's orders also continued the stay and suspension of Pukke's bankruptcy case.

B. Relevant Provisions of the Preliminary Injunction Order and Stipulated Final Judgment

The Preliminary Injunction Order contains a broad definition of what constitutes Receivership Property subject to the Receiver's powers and duties and gives the Receiver broad

authority over that Property as well as investigatory powers and duties to locate and marshal assets constituting Receivership Property. These provisions, and the Receiver's powers and duties, have been incorporated into and continued under the Stipulated Final Judgment except to the extent the powers and duties directly conflict with an express provision of the Stipulated Final Judgment.

1. Summary of Powers and Duties of Receiver

Section VI of the Preliminary Injunction Order sets forth the powers and duties of the Receiver, which include the power and duty to take custody, control and possession of all Receivership Property (Prel. Inj. Order, Section VI.A.2), to hold, conserve and manage such Property, to prevent the dissipation and concealment of such Property (Prel. Inj. Order, Section VI.A.3), to oversee the operation of businesses owned or controlled by the Defendants or that constitute Receivership Property (Prel. Inj. Order, Section VI.A.6), and to investigate the nature and location of and obtain records pertaining to all such property, including through subpoena powers expressly granted to the Receiver under the Order (Prel. Inj. Order, Sections VI.A1, VII, VIII, IX.D and XIII). The term "Receivership Property" is broadly defined as "any Assets, wherever located, that are (1) owned, controlled, or held by or for the benefit of Pukke or DebtWorks, in whole or in part; (2) in the actual or constructive possession of Pukke or DebtWorks; (3) held by an agent of Pukke or DebtWorks, including as a retainer for the agent's provision of services to either or both of them; or (4) owned, controlled or held by, or in the actual or constructive possession of, or otherwise held for the benefit of, any corporation, partnership, trust or other entity directly or indirectly owned or controlled by either Pukke or DebtWorks, including The P Family Trust, The P II Family Trust, and The Pukke 2002 Family Irrevocable Trust." Prel. Inj. Order, Definition K. The term "Assets" is also broadly defined in Definition B of the Preliminary Injunction Order to include "any legal or equitable interest in, right to, or claim to, any real or personal property, including without limitation . . . chattels, goods, instruments, equipment, fixtures, general intangibles, . . . notes, accounts, credits, contracts, receivables, shares of stock . . . wherever located." Prel. Inj. Order, Definition B.

2. Summary of Affirmative Duties of Pukke to Deliver Receivership Property to the Receiver

Section VIII of the Preliminary Injunction Order directs Pukke and “any other person or entity to transfer or deliver possession, custody and control of” all Receivership Property to the Receiver immediately upon service of the Preliminary Injunction Order. Section VII requires Pukke and any other persons served with the Preliminary Injunction Order to “fully cooperate with and assist the Receiver in taking and maintaining possession, custody, or control of Receivership Property” and details the methods by which such cooperation shall be accomplished, including providing information to the Receiver, providing passwords to access computer records and other electronic data and “producing records related to the assets and sales of the Receivership Property.”

In addition, to the extent that Pukke holds ownership interests in foreign assets, Section IV of the Preliminary Injunction Order imposes detailed duties on Pukke to repatriate foreign assets by transferring to the United States all “Assets” outside the United States “held, jointly or singly” by Pukke, or for his benefit, held in trust by or for Pukke, or that are under Pukke’s “direct or indirect control.”

3. Service and Notice of Preliminary Injunction Order

There is no dispute that Pukke was served with and has actual notice and knowledge of the Preliminary Injunction Order. Pukke executed Attachment A to the Preliminary Injunction Order authorizing the release of his financial records to the FTC and the Receiver by its terms pursuant to the Preliminary Injunction Order. On May 26, 2005, Pukke signed and thereafter delivered his Financial Statement to the FTC and the Receiver pursuant to that Order. Pukke also signed the Stipulated Final Judgment for himself and on behalf of DebtWorks.

In September 2005, the Receiver caused Baker to be personally served with the Preliminary Injunction Order along with a deposition subpoena. See Declaration of David Kempton filed in support hereof. Baker has acknowledged that he was notified of the

receivership by at least early October 2005. Caris Decl., para. 18 and App. Exh. 19, Transcript of Deposition of Peter Baker (“Baker Trans.”) 168:10-13, 168:22-169:2, 190:5-191:7, 192:18-20, 193:12-23. Baker has subsequently filed four motions in the District Courts in California challenging respectively the Receiver’s deposition subpoena, the Receiver’s subpoena of records of the Google e-mail account listed on the Dolphin Development Company Ltd. website (peterbelize@gmail.com) and a lis pendens recorded by the Receiver against 69 Emerald Bay, Laguna Beach, California. Caris Decl., para. 17. Each of these proceedings had at their core the Preliminary Injunction Order and the Receiver’s rights and duties under that Order. Baker is charged with knowledge of the pleadings in proceedings to which he is a party. See Landmark Legal Foundation v. Environmental Protection Agency, 272 F. Supp. 2d at 82. In fact, because of Baker’s specious challenges to the Receiver’s subpoena to Google and improper assertion of “privilege” and “privacy” claims pertaining to the e-mail account, the Receiver did not obtain records of the e-mail account until mid-April 2006. Disputes over allegedly inadvertently produced “privileged” and “private” e-mails were asserted by Baker thereafter and were not resolved until October 6, 2006, when the District Court for the Northern District of California issued its written ruling after a September 12, 2006 hearing on Baker’s second motion for a protective order, delaying and further interfering with the Receiver’s ability to obtain control and possession over the subject assets.

4. Continuation of Preliminary Injunction Order Provisions by Stipulated Final Judgment

Paragraph 14 of the Stipulated Final Judgment defines “Assets” and “Receivership Property” with virtually identical language to the definitions in the Preliminary Injunction Order. Under Section III.D. of the Stipulated Final Judgment, the Receiver is required to marshal and liquidate Receivership Property and turn over the Net Monies to the FTC. The Stipulated Final Judgment provides for entry of a monetary judgment against Pukke and DebtWorks in the sum of \$172 million, as to which \$35 million is immediately enforceable and the balance is suspended provided that Pukke complies with the terms and conditions of the Stipulated Final

Judgment. Section IX of the Stipulated Final Judgment includes provisions pertaining to the receivership, and specifically provides in the concluding paragraph of that Section that “to the extent they are not inconsistent with this Order, all powers granted to the Receiver pursuant to this Court’s order of April 20, 2005, shall remain in full force and effect.”

C. Summary of Disputes Leading to This Application

1. Assets Subject to the Contempt Application

There are four principal assets which lie at the heart of this dispute and the Receiver’s application for the Order to Show Cause. One of the assets is the entity Dolphin Development Company Ltd. (“Dolphin Development”), an entity organized under the laws of Belize, as to which Puck Key Investments L-8, LLC (“Puck Key 8”), an entity wholly owned by Pukke, is the 60% majority shareholder. Pukke is the sole member and owner of Puck Key 8. Dolphin Development’s principal assets consist of ownership, development and related rights in real property located in Belize known as Sanctuary Bay Estates, including related rights and interests in developing and selling lots in the Sittee River Wildlife Reserve and related tangible assets such as equipment that are essential to the development. Dolphin Development also holds a 90% ownership interest in the Belize entity Triton Mariculture, Ltd., an entity which owned a shrimp farm in Belize and which has since been placed in receivership by Atlantic Bank Ltd. in connection with the Bank’s collection of a debt secured by a mortgage on the shrimp farm property.

The second asset which is the subject of this Application is the real property located at 69 Emerald Bay, Laguna Beach, California (“Emerald Bay Property”) purchased nominally by Baker in a sale that closed on July 8, 2005 for a purchase price of \$6,450,000.00. The Emerald Bay Property was refinanced by a home equity line of credit loan obtained by Baker from Countrywide in August 2005 pursuant to which \$940,688.50 in equity was stripped from the Emerald Bay Property and transferred to Provident Bank & Trust of Belize Limited for the account of Baker on August 16, 2005.

The third asset which is the subject of this Application is stock ownership in Internet Opportunity and its successor entity Sportingbet. Notwithstanding Pukke's failure to disclose any ownership interest in Sportingbet in any financial disclosures made either to the FTC, the Receiver or the bankruptcy court, and notwithstanding Pukke's strident denials that he held any ownership interest in Internet Opportunity in pleadings filed before this Court, in fact in 1997, Pukke purchased at least a 3% ownership interest in Internet Opportunity, a company in which Pukke's good friends and business associates John Vipulis and Patrick Callahan, III are believed to be the founders and holders of substantial interests.¹ Declaration of Claudia Pott Sherman ("Sherman Decl."), para. 3 and Exhibit 1 thereto (July 26, 1997 letter from Patrick Callahan to Pukke acknowledging \$90,000 investment by Pukke in Internet Opportunity providing him a 3% ownership interest in the company); Transcript of Deposition of Janis Pukke ("J. Pukke Trans.")² 56:17-57:2 (App. Exh. 12). Internet Opportunity and all of its subsidiaries and affiliated and related entities were later acquired by Sportingbet in July 2001, with the acquisition consideration comprised of cash, capital stock, a loan note and convertible debt issued by Sportingbet. Declaration of Brick Kane ("Kane Decl."), para. 34 and App. Exh. 71. As described in detail hereafter, deposits to an account at Hansabanka in Latvia substantially coincide with the distribution of cash proceeds beginning in July 2003 when Sportingbet entered into a settlement with the vendors of Internet Opportunity and it began making payments under a \$65 million non-

¹ The Court will recognize these names. Vipulis is a long-time family friend of Andris Pukke: Andris Pukke was the best man at Vipulis' wedding, and Andris Pukke's father, Janis Pukke, is John Vipulis' godfather. The Receiver is presently in an unresolved discovery dispute with Vipulis over a subpoena for records to his accountants which is pending before this Court. Patrick Callahan was the co-owner of Villa C Acquisition Co., LLC ("Villa C") with Andris Pukke, the entity that owned the Villa C penthouse condominium at The Setai development in Miami Beach, Florida. He ultimately agreed to pay the Receiver \$2,150,000 for Pukke's interest in Villa C provided that the Receiver agreed never to depose or subpoena him in connection with this case. Subsequent to entering into the agreement with Mr. Callahan, it became apparent to the Receiver why he made the deal.

² The excerpts of deposition transcripts attached to the Appendix of Exhibits include testimony specifically identified in this Application and the memorandum of law.

interest bearing promissory note given as part of the settlement. Further, stock interests held by Pukke but nominally by his father Janis Pukke were sold in February 2005 with the proceeds deposited in the same account at Hansabanka in Latvia claimed to be owned by Pukke on a February 2004 financial statement. Other stock interests in Sportingbet believed to be held by Pukke were transferred into the name of Baker in May 2005 and then sold between June 24 and June 29, 2005, with the proceeds used to fund in part the acquisition of the Emerald Bay Property.

The fourth asset which is the subject of this Application is the 8805 Account and 5390 Account at Hansabanka in Latvia which Pukke asserted was his on his February 2004 Financial Statement and through which millions of dollars have been transferred both before and after inception of the receivership. Kane Decl., para. 41; App. Exh. 77.

2. Potential Contemnors and Other Key Related Actors

The Receiver has now deposed both Pukke and Baker.³ Pukke and Baker are close friends. Caris Decl., para. 7, App. Exh. 6, Transcript of Deposition of Pukke conducted July 12 and 13, 2005 (“Pukke Trans.”) 95:11-22. Pukke has known Baker at least since they were in high school together in New York. Pukke Trans. 95:11-22; Baker Trans. 37:9-15 (Baker testifies he and Pukke have been best friends since seventh or eighth grade). Baker’s mother is Joan Medhurst and his stepfather is Colin Medhurst, both of whom also held ownership interests in Dolphin Development. Pukke Trans., p. 96:4-6.

Pukke and Baker have mutual friends who have also had substantial business relationships with Pukke, in particular Stephen Todd Cook (“Cook”) and Brian Maller (“Maller”). Caris Decl., para. 11.B. and App. Exh. 10, Transcript of Deposition of Stephen Todd Cook (“Cook Trans.”), 15:10-24 (Cook and Pukke have been friends since high school); Caris Decl., para. 11.C and App. Exh. 11, Transcript of Deposition of Brian Maller (“Maller Trans.”), 13:10-15, 19:9-17. Cook considers Pukke to be as close to him as his family. Cook Trans.

³ Baker’s deposition was conducted within the last month on September 26, 2006.

168:18-21. Cook has had ongoing business relationships with Pukke since 1999 through Cook's employment by Ameridebt and Infinity Resources Group, Inc. ("Infinity") (Cook Trans. 131:10-23, 66:22-67:20), his work for DebtWorks, selling leads to DebtWorks (and to Ameridebt) through various companies, such as Debt Products and NASCO (Cook Trans. 81:25-83:5, 93:19-25, 94:3-5), Cook's formation with Pukke of the entity Prudent Choice, LLC (Cook Trans. 17:10-18) and his recent \$700,000 "investment" in Triton Mariculture Ltd., the shrimp farming entity in Belize (Cook Trans. 179:16-181:23), among other dealings.

Maller was employed by Pukke beginning in 1998 through American Debt Counseling Association, then by Professional Equity Trust, a company operated by Pukke's mother Stella Storm, and later by Infinity, one of Pukke's wholly owned companies. Maller Trans., 22:7-23:18, 27:12-18. Maller also worked for Cook at Debt Products, NASCO and Media Choice LLC, and as of November 2005 was employed by Prudent Choice, LLC. Maller Trans. 66:15-67:2, 90:17-91:21, 9:11-15. At his deposition in November 2005, Maller also testified that he was working under the direction of Baker and Pukke in the post-receivership period in maintaining and modifying the Sanctuary Bay Estates website, the website for the real estate development project run by Dolphin Development. Maller Trans. 114:14-116:5, 118:11-119:1, 119:9-120:5, 120:21-121:10, 121:16-122:10, 126:11-129:21.

3. Summary of Contemptuous Conduct

First, Pukke and Baker have worked together to divert valuable proceeds of sales of property and rights to develop property in Belize held by Dolphin Development. Specifically, Pukke and Baker should be held in contempt of Court in connection with Dolphin Development for the following conduct: (a) Pukke and Baker have remained in possession of and exercised control over Dolphin Development and the Sanctuary Bay Estates project from the inception of the receivership until October 2005 in violation of the Receiver's right to possession, custody and control thereof; (b) in or after October 2005, Pukke and Baker have caused valuable rights and assets of Dolphin Development to be transferred to one or more newly created corporations and/or other entities to deprive the receivership estate of the property rights, contract rights,

development rights and/or other rights held by Dolphin Development, to the detriment and injury of the receivership estate, by transferring those rights to the new Starfish Entities (as detailed below) and Sanctuary Bay Limited; and (c) in December 2005, Pukke and Baker caused Dolphin Development to execute and record a deed conveying Dolphin Development's real property assets to Sanctuary Bay Limited, the new company formed by Peter Baker in which Baker is the 99.99% owner. Kane Decl., paras. 9-22, App. Exhs. 33-56. These acts not only violate the non-interference provisions of the Preliminary Injunction Order and Stipulated Final Judgment but also violate Pukke's affirmative turnover, disclosure and repatriation obligations under these orders. The Receiver estimates that the net realizable value of the Sanctuary Bay Estates project is approximately \$20 million based on lot sales as of July 15, 2005 and the remaining lots to be sold. Kane Decl., para. 21.

Long after the receivership commenced and after Baker was served with the Preliminary Injunction Order and clearly had knowledge of the Order, Baker created a fictitious business name, Starfish Development Limited ("Starfish") as well as Starfish Development Limited as a separate company organized under the laws of Nevis (collectively the "Starfish Entities"). Kane Decl., paras. 16, 17 and 20; App. Exhs. 34, 35 and 56. Baker later created the entity Sanctuary Bay Limited in Nevis in which Baker is the 99.99% shareholder and a director. Kane Decl., para. 19 and App. Exh. 54. Baker diverted proceeds of sales of the Sanctuary Bay Estates lots to a bank account opened in the name of Starfish by Baker at Citibank at the end of December 2005. Kane Decl., paras. 16-17; App. Exhs. 34 and 35. Clients purchasing properties in Sanctuary Bay Estates were directed to send their deposits and payments to Starfish at a post office box in Gaithersburg, Maryland which was under the control of Maller. Maller then retrieved the payments and routed the checks to Baker at Baker's instruction by Federal Express or UPS. Caris Decl., para. 15 and App. Exh. 14. The Receiver believes that there have been approximately \$621,000.00 in funds generated from lot sales from the Sanctuary Bay Estates project from April 20, 2005 through May 30, 2006, including both proceeds received by Dolphin Development and proceeds received by Starfish, as of the latest accounting and banking

information available to the Receiver. Kane Decl., paras. 16-17; App. Exh. 35. Baker has admitted under oath that post-receivership he established these new companies that have taken over the assets of Dolphin Development, that he has sold lots owned by Dolphin Development, that Baker has rewritten sales contracts from Dolphin Development as seller into the name of his new companies, and that Baker, through his new company Starfish Development Limited, is actively controlling and managing the Sanctuary Bay Estates project. See Section III infra.

Second, the Receiver contends that Baker acted as nominal purchaser of the Emerald Bay Property for Pukke who is the true beneficial owner of the Property. As detailed hereafter, Pukke and his live-in girlfriend, Angela Chittenden, located and selected the Emerald Bay Property and in fact signed the original purchase contract. Ms. Chittenden and Pukke visited the property at least two times prior to the close of escrow. Caris Decl. para. 11.A and App. Exh. 9, Transcript of Deposition of Angela Chittenden (“Chittenden Trans.”) 15:18-16:21, 18:1-7, 18:16-25, 19:8-20:10. Baker received an assignment of the purchase contract from Ms. Chittenden and acquired the Emerald Bay Property with a combination of funds “loaned” to him by Cook, proceeds of the sale of Sportingbet stock from a brokerage account at Walker Crips in London, England and loans from Countrywide Home Loans (“Countrywide”).⁴ After escrow closed, it was Pukke who engaged and directed an architectural firm to remodel the Emerald Bay Property.

Finally, Pukke has hidden his interest in Sportingbet and its predecessor company, Internet Opportunity and in two accounts at Hansabanka in Latvia. The payments and proceeds of the sale of Sportingbet stock deposited into the account at Hansabanka (“5390 Account”)

⁴ The section of this Application describing the circumstances supporting the contempt as to Baker and his acquisition of the Emerald Bay Property detail the blatant falsity of the multiple sworn financial statements submitted by Baker to obtain these loans from Countrywide, including his representation that he was employed by Dolphin Development for over 8 years and was earning \$100,000 per month as the “owner/developer.” Baker admitted at his deposition that all of the material statements in his loan applications were false. See Section IV infra. Baker lacks any credibility based on these and other fantastic statements.

nominally held in the name of Janis Pukke, Andris Pukke's father, totaled almost \$12.8 million.⁵ Kane Decl., para. 40; Receiver's Fourth Report, Tab 11. Janis Pukke testified at his deposition that until sometime after funds started being deposited into the Hansabanka account from the stock brokerage in London, he had no idea why he was receiving payments or how the payments were calculated, how much Sportingbet stock he owned, and what the value of the stock was. J. Pukke Trans. 64:18-65:6, 70:6-16, 73:6-10, 191:2-12, 90:3-22, 143:7-11, 146:10-22, 149:10-150:24. For his part, Baker never had any ownership interest in Sportingbet stock until mid-May 2005 according to an inspection of the Shareholders Register of Sportingbet. Kane Decl., para. 36. Then, not coincidentally, 775,000 shares of Sportingbet stock appeared in a brokerage account at Walker Crips stock brokerage in London in Peter Baker's name in mid-May 2005. By June 29, 2005, Baker had disposed of all of his stock in Sportingbet and the period from May 11, 2005 through June 29, 2005 is the only time frame Baker is reflected as being a shareholder of Sportingbet.⁶ Kane Decl., para. 36. Approximately \$2.1 million of the proceeds of the sale of the Sportingbet stock in Baker's account at Walker Crips were used to fund the purchase of the Emerald Bay Property. Kane Decl., para. 31; App. Exhs. 67 and 68. Pukke never disclosed his interest in the 5390 Account at Hansabanka, as well as his interest in another Hansabanka account ("8805 Account") revealed in records turned over to the Receiver by Janis Pukke. The Receiver seeks a full accounting and turnover of the sums that existed in the 5390 Account and 8805 Account as of the inception of the receivership to the extent that those sums are not

⁵ As detailed in the Receiver's Fourth Report and the supporting declarations, in February 2004, Andris Pukke submitted a sworn loan application to obtain a loan to purchase 35 Ocean Heights, Newport Beach, California, the residence Cook lives in rent-free. In that loan application signed under penalty of perjury, Pukke declares that he owns the Hansabanka 5390 Account and identifies the account balance that matches exactly to the account balance at the time of the application.

⁶ The Sportingbet stock held in the name of Baker is in fact Pukke's stock. The Receiver is still investigating the stock held by Stephen Todd Cook to determine if his Sportingbet stock is also Pukke's stock. The Court denied Cook's motion to quash the Receiver's subpoena to Bank of America. The Receiver has received some but not all of the records responsive to the subpoena and is continuing to investigate other sources of information regarding the ownership of that stock.

accounted for and turned over in connection with the accounting and turnover of the stock and proceeds of Pukke's interest in Sportingbet and to the extent the turnover of such funds is not inconsistent with prior orders of the Court regarding the allowance and payment of fees to Pukke's attorneys.

These and many other facts described hereafter and in the supporting evidence warrant the conclusion that Pukke and Baker have intentionally, deliberately and repeatedly violated the Preliminary Injunction Order and Stipulated Final Judgment by failing to deliver immediately to the Receiver the possession, custody, control and other rights in and to Dolphin Development, Sittee River Wildlife Reserve and Sanctuary Bay Estates, the Emerald Bay Property and the Sportingbet stock and/or proceeds thereof as Receivership Property and by their taking steps to prevent the Receiver from obtaining such possession, custody and control of these valuable assets of the receivership.

II. PUKKE AND BAKER SHOULD BE HELD IN CONTEMPT OF COURT FOR THEIR ACTIVITIES AND MISCONDUCT PERTAINING TO DOLPHIN DEVELOPMENT AND ITS RELATED ENTITIES

Facts regarding Dolphin Development, Sittee River and their assets are detailed in the Declarations of Colin Medhurst and Brick Kane and in the corporate and financial records of those entities included in the Appendix of Exhibits. Dolphin Development was organized under the laws of Belize in 2003. Dolphin Development is a for-profit corporation the ownership of which is held by Pukke through Puck Key 8 as to 6,000 shares (60%), Colin Medhurst as to 1,250 shares (12.5%), Joan Medhurst as to 1,250 shares (12.5%) and Baker as to 1,500 shares (15%). Copies of the registration documents from the Belize Registry of Corporations reflecting the organization and ownership accompany this Application. Kane Decl., para. 9; App. Exh. 20.

Concurrently, Sittee River Wildlife Reserve ("Sittee River") was organized as a non-profit corporation under the laws of Belize. The original Board members included certain outside directors, mostly environmentalists, and Pukke, the Medhursts and Baker.

In 2003, Sittee River purchased and acquired for the aggregate sum of \$1,500,000.00⁷ real property located along the Sittee River in Belize comprised of 6,490 acres of land known as “All Pines” and 5,265 acres of land known as “Plenty.” Concurrently in 2003, Dolphin Development paid \$1,500,000 to acquire approximately 350 acres of land adjacent to the Sittee River Wildlife Reserve comprised of two parcels known collectively as “Regalia.”

A. Dolphin Development’s Valuable Rights and Assets and the Receivership Estate’s Valuable Property Interests

The development plan for these combined properties provides for a large portion of these properties to remain as a wildlife reserve and undeveloped. The development plan allows for a subdivision of approximately 220 lots (based on the minutes of Board meetings and other documents) from one acre to ten acres in size, 204 of which are located in All Pines and Plenty owned by Sittee River and 16 of which are located in Regalia owned by Dolphin Development. A clubhouse, equestrian center and other amenities are provided for in the development plan. A model home has been built in Regalia (the Dolphin Development property), and the clubhouse located in the Regalia parcel is under construction. The Regalia property is Receivership Property.

Dolphin Development also owns equipment, boats, office equipment and other tangible personal property used in the development of the Sanctuary Bay Estates project. The equipment is identified on the Dolphin Development balance sheet dated September 30, 2005, the latest information available to the Receiver and is listed at \$688,552.82 (BZ). These assets are Receivership Property.

As described in the Sanctuary Bay Estates website and the minutes of the Board meetings of Dolphin Development and Sittee River, Dolphin Development was responsible for the development of the properties. The sales contracts obtained by the Receiver from the subpoena

⁷ All references are to United States dollars unless otherwise noted. Exhibits 30 and 31 to the Appendix of Exhibits which contain balance sheets and profit and loss statements for Dolphin Development and Sittee River are stated in Belize dollars. The exchange rate is approximately 2 Belize dollars to 1 U.S. dollar.

of Baker's e-mail records for the e-mail address listed on the Dolphin Development website made after the inception of the receivership up to mid-October 2005 identify Dolphin Development as the seller of the lots. According to the sales contracts obtained, even proceeds of the lot sales for sales of lots owned by Sittee River are payable to Dolphin Development as the developer of the lots. These sales contracts, the proceeds thereof and the development rights associated therewith constitute Receivership Property. It was not until the Starfish Entities began usurping the sales of the Sanctuary Bay Estates project in October 2005 that lot sales began being made by an entity other than Dolphin Development.

The source of funding for the acquisition of all of the parcels of property acquired by Sittee River and Dolphin Development was Pukke. Pukke initially loaned Dolphin Development \$3,000,000 to acquire the properties. Later, \$300,000 of the \$3,000,000 loan was deemed to be "common equity" of Dolphin Development with the balance of \$2,700,000 being treated as a loan. Kane Decl., para. 12; App. Exh. 24. Pukke also agreed to loan Dolphin Development up to an additional \$2,000,000 to finance the proposed development of the All Pines and Regalia properties, of which Pukke had loaned Dolphin Development in excess of \$600,000 as of September 30, 2005. These loans are reflected in minutes of the Board of Dolphin Development and Dolphin Development's September 30, 2005 balance sheet. Kane Decl., paras. 12, 13 and 14; App. Exhs. 24-31. The Board resolutions regarding the loans provide for each of Pukke's loans to be repaid out of net profits of the company with 1.1% interest per annum. These loans constitute Receivership Property.

The foregoing valuable assets of the receivership estate constituting Receivership Property have been ignored, denied and interfered with by Baker and Pukke. In fact, in response to the Receiver's final turnover demand to Pukke and Baker prior to the filing of this Application, Baker through his counsel not only refused the Receiver's demand but denied that Dolphin Development has any rights or assets. In the words of Baker's counsel, "We do not agree with your assertions that Dolphin Development has rights in Sanctuary Bay Estates, be it contract rights, development rights, ownership rights, property rights, or any other legal,

equitable, or beneficial rights and interests in the Belize property.” See Caris Decl., para. 16 and App. Exh. 16.

Baker’s denial of the existence of property rights and interests of Dolphin Development in the Sanctuary Bay Estates project in the face of overwhelming evidence to the contrary and overwhelming evidence that Baker in fact knows of and is actively seeking to seize those rights and interests for himself alone provides ample grounds for the contempt citation requested in this case. Baker’s denial contradicts his deposition testimony in which he acknowledges that (a) Dolphin Development was the original developer of the Sanctuary Bay Estates project, (b) Pukke was continuing to fund Dolphin Development post-receivership until June or July 2005, (c) Dolphin Development had rights under a memorandum of sale to acquire additional property in Belize known as Southern Long Caye, and (d) it was after July 2005 that Baker formed his new Starfish Entities and Sanctuary Bay Limited and caused Dolphin Development’s assets to be transferred to them, including transferring the contract to the Southern Long Caye property and rewriting all of the sales contracts by removing Dolphin Development as seller and substituting Baker’s companies. Baker Trans. 40:15-25, 44:1-4, 44:14-25, 149:22-151:12, 166:13-24, 174:16-178:9 (in which Baker asserts as of the end of July 2005 he and Pukke agreed Dolphin Development “would have to lose its contract with . . . Sittee River Wildlife Reserve, he would lose his contract selling things for Sanctuary Bay” allegedly because Pukke could no longer perform under his funding agreement), 178:16-19, 178:24-179:20, 201:16-202:2, 258:25-259:3, 262:20-263:20, 263:24-265:8, 269:5-270:18, 273:15-20, 284:15-22. Further, Baker clearly admits that even after he claims he learned about the existence of the Receiver, he never took any steps to determine what the Receiver’s rights were in Dolphin Development and its assets and he knew what the Receiver’s claims were by November 2005. Baker Trans. 227:16-228:1, 277:11-23.

Additionally, one of the most telling pieces of evidence of the value of Dolphin Development and the ownership interest held by Pukke in that entity is the price Baker paid to purchase his parents’ minority, fractional ownership interest in Dolphin Development in October

2005. Specifically, Baker paid his mother and stepfather \$250,000 each for their respective 12.5% ownership shares in Dolphin Development, making Pukke's majority share interest in Dolphin Development alone worth at least \$1,200,000 and in all likelihood far more. See Declaration of Colin Medhurst ("Medhurst Decl."), para. 5.

Additional evidence of the valuable rights and assets of Dolphin Development and the receivership estate that existed as of the commencement of the receivership and continued post-receivership abounds. For example, Dolphin Development's September 30, 2005 Balance Sheet includes current assets listed at \$485,434.94 (BZ), fixed assets after depreciation listed at \$621,103.91 (BZ), and total assets, including loans due from Sittee River and Triton, of \$8,079,842.69 (BZ). Kane Decl., para. 14; App. Exh. 30. Dolphin Development's principal liabilities consist of the debt obligations owed to Pukke. Kane Decl., para. 14; App. Exh. 30. Dolphin Development is owned and controlled by Pukke and constitutes Receivership Property.⁸

The Sittee River balance sheet also indicates significant value exists in that entity and its rights and obligations in relation to Dolphin Development constitute Receivership Property too. Kane Decl., para. 14; App. Exh. 31. Sittee River is also selling lots with purchasers receiving membership interests in Sittee River as part of the purchase. Sittee River's balance sheet indicates the value of its assets, comprised mostly of the cost of the real properties which it holds, was listed at \$6,541,480.78 (BZ) as of November 11, 2005 and that its primary liabilities are two loans outstanding to Dolphin Development. App. Exh. 31.

Dolphin Development's potentially most valuable rights are centered in its rights to develop the Sittee River and Dolphin Development properties. Dolphin Development was repeatedly identified as the developer of Sanctuary Bay Estates, including in the Sanctuary Bay

⁸ As noted above, Dolphin Development also owns a 90% interest in Triton Mariculture, Ltd. ("Triton"), which operated a shrimp farm. According to the Board minutes, Dolphin Development sold Triton 1,000 acres of land for its shrimp farm valued at \$1 million. Triton obtained secured financing from Atlantic Bank, Ltd. which was secured by a mortgage on the shrimp farm property. Triton was subsequently placed in receivership by the secured lender, and the Receiver has advised the receiver over Triton of its interest in Triton's assets and any excess proceeds of sale of its assets.

Estates website. Kane Decl. para. 15; App. Exh. 32. Dolphin Development was identified as the seller of the lots at Sanctuary Bay Estates both on the website and in sale contracts obtained by the Receiver, until Baker formed Starfish and began usurping Dolphin Development's lot sales and diverting them to the Starfish account. Kane Decl., paras. 15 and 18.O.; App. Exhs. 32 and 50. As a non-profit entity, Sittee River does not distribute "profits" to its members. Rather, the organization of the two entities clearly vested the right to make profits from the development portion of the Sanctuary Bay Estates project with Dolphin Development, the for-profit entity, with the proceeds of sale of Sittee River lots used to repay the development costs with profits to Dolphin Development as developer. Medhurst Decl., para. 3.

Pukke has repeatedly made false and misleading statements regarding his interest in Dolphin Development and the nature and extent of Dolphin Development's rights and assets. In Pukke's May 26, 2005 Financial Statement required to be submitted by the Preliminary Injunction Order, Pukke never disclosed that he held a substantial ownership interest in Dolphin Development through Puck Key 8. The Financial Statement originally disclosed a loan to Dolphin Development only in the amount of \$3,258,500 and Pukke later "corrected" that disclosure in June 2005 to state that the loan in fact was made to Sittee River by a letter certified by Pukke under penalty of perjury to be true and accurate. However, at his pre-judgment asset deposition a month later in July 2005, Pukke testified at length about his ownership interest in Dolphin Development. As Pukke described it at the July 2005 deposition, he stated that Dolphin Development was formed as a "non-profit" to buy land in Belize for use as a nature reserve. Colin and Joan Medhurst, Baker's stepfather and his mother, were "going to either sell a piece of it to a developer or maybe develop it – subdevelop some of it ourselves." Pukke Trans. 106:7-13; 106:20–108,:1. Pukke went on to acknowledge that if it was resold at a profit, he would get 30% of the profit, in addition to getting the Sittee River loan repaid plus 1%. Pukke Trans. 108:8-25. Pukke also testified that if he actively participated in the development of the property, his profit participation might increase to more than 30%. Pukke Trans. 110:8-11. Further, Pukke characterized himself as a limited partner in Dolphin Development and indicated he might

have even more than a 30% interest in the entity. Pukke Trans. 114:13–115:2; 115:20–116:1. In typical Pukke fashion, Pukke indicated that these interests and agreements were all based on a handshake rather than documentation. Pukke Trans. 110:20–23.

After his deposition, Pukke filed a motion to compel the Receiver to turnover the receivership estate assets in light of his filing of a voluntary Chapter 11 bankruptcy petition. In connection with that motion, Pukke filed yet another version of the “facts” regarding his interests in Dolphin Development. Pukke filed an Addendum to his turnover motion that purported to identify his assets. This time, the Addendum indicates Pukke holds an ownership interest in Dolphin Development but states that the entity was “formed to develop land, no assets, has never done business.” See App. Exh. 7 (Addendum A to Pukke’s Turnover Motion filed July 14, 2005).

Rather than having “no assets” and never having done any business, beginning in May 2005 at Pukke’s and Baker’s direction, Dolphin Development started a marketing campaign to sell lots in the subdivision and has continued its development of the Sanctuary Bay project with a model home in the Regalia portion of the project, an equestrian center with horses, and plans to build a hotel, conference center and marina. Although the legal title holder to the lots that have been sold as of October 2005 was Sittee River, the sales contracts reflect the seller as Dolphin Development, and the revenues from the lot sales went to Dolphin Development, netting Dolphin Development almost \$300,000 (BZ) after expenses for revenues from April 20, 2005 through September 30, 2005. The first lot in the Sanctuary Bay development (from the Sittee River lots in the subdivision) was sold by Dolphin Development in June 2005. As of October 2005, Dolphin Development had not sold any of its lots that were part of the subdivision, and therefore Dolphin Development still held its hundreds of acres of land, clearly valuable tangible assets of the receivership estate. Kane Decl., para. 19; App. Exh. 55. However, Baker has testified that since Sanctuary Bay Limited took title to Dolphin Development’s real property, Baker has sold four lots that were previously part of Dolphin Development’s real property holdings. Baker Trans. 426:7–17.

The minutes of meetings of the Board of Dolphin Development and Sittee River commencing in 2003 reflect an agreement that Dolphin Development would be the developer of the Sanctuary Bay Estates project. In 2004, it was Dolphin Development which executed both the Environmental Compliance Plan and Environmental Impact Assessment in the capacity as “Developer” of the project. Medhurst Decl., para. 7. The Board members of both entities and shareholders of Dolphin Development agreed in concept that the sales proceeds of the initial lot sales would be paid in full to Dolphin Development, and thereafter, Dolphin Development would take a smaller share of the proceeds and Sittee River would take a larger share of the proceeds as more of the Project was completed and sold and more of the development costs and profits had been recouped by Dolphin Development. The Board members and owners further agreed that the loans made by Pukke to Dolphin Development and indirectly to Sittee River through Dolphin Development to acquire the property would be repaid from Sittee River’s share of the proceeds. Medhurst Decl., paras. 7 and 8.

As set forth above, Baker’s purchase of the 12.5% ownership interests in Dolphin Development held by Colin Medhurst and Joan Medhurst, respectively, indicates a significant value for the receivership estate based on Pukke’s majority, controlling 60% equity interest in the entity. Since the value of equity is determined after satisfaction of all liabilities of the company, including the \$2.7 million loan owed to Pukke, the purchase price paid for the Medhursts’ shares of \$250,000 for 12.5% each would indicate Pukke’s 60% ownership interest would be worth nearly five times that amount: \$1,200,000 as of October 2005 and there would be sufficient assets to repay in full the \$2.7 million in loans owed to Pukke. This is contrary to Pukke’s repeated claims that his ownership interest was worthless and that Dolphin Development “collapsed” and “went out of business.” Pukke Response to Receiver’s Fourth Report filed July 28, 2006, p. 3.

B. Pukke's and Baker's Failure to Turn Over Dolphin Development as Receivership Property, Stripping of Assets and Concealment of Assets from the Receiver

The provisions of the Preliminary Injunction Order clearly required Pukke to turn over possession, custody and control of Receivership Property to the Receiver. Pukke failed to turn over possession, custody and control of his majority, controlling ownership interest in Dolphin Development. Substantial documentary and other evidence obtained by the Receiver demonstrates that Pukke has continued to actively direct and control the activities of Dolphin Development, its assets and its business since the commencement of the receivership and has made no effort whatsoever to comply with the requirements of the Preliminary Injunction Order and Stipulated Final Judgment to deliver these property rights and interests to the Receiver.

In addition, since November 2005 Pukke has actively assisted in the diversion of Dolphin Development's assets from the Receiver, including proceeds of lot sales from the Sanctuary Bay Estates project directed to Starfish and Baker. Further, the e-mails from the e-mail account listed on the Dolphin Development website indicate that Pukke and Baker have had Dolphin Development transfer its tangible assets to another offshore entity owned and controlled by Baker, Sanctuary Bay Limited, without the knowledge, consent or authority of the Receiver. Baker has now acknowledged these facts and transfers, as set forth in the Baker Transcript excerpts cited above. The evidence demonstrates that Pukke and his cohorts, and in particular with the assistance of Baker, have attempted to divert Receivership Property from the Receiver by transferring such property to third parties, including Baker, to remove that Property from the Receiver's reach.

Baker signed and filed documents registering a fictitious business name of Starfish on December 21, 2005. Kane Decl., para. 16; App. Exh. 34. The business address listed on the Starfish registration statement is 2040 Main Street, Suite 700, Irvine, California. The business address listed on the account opening documents of Starfish for the bank account at Citibank in Corona del Mar, California opened by Baker on December 28, 2005 identifies this address as

well, the same address and suite number as the Prudent Choice, LLC office. Maller testified in November 2005 that he was introduced to Peter Baker at the offices of Prudent Choice in April 2005. Maller Trans. 117:14–118:10. Starfish is the entity to whom sales proceeds from the sales of lots at Sanctuary Bay Estates were directed beginning in January 2006. Maller opened a post office box in Gaithersburg, Maryland to which checks payable to Starfish were routed. Caris Decl., para. 15; App. Exh. 14. Maller, at the request and direction of Baker, then collected the checks from the post office box and forwarded them to Baker who deposited the checks to the Citibank account opened by Starfish at a branch of Citibank located in Corona del Mar, California. Caris Decl. para. 15; App. Exh. 14. Baker's residence address prior to his allegedly moving into the Emerald Bay Property was 3407 Quiet Cove, Corona Del Mar, California. Baker Trans. 26:11-27:2.

Baker also formed an entity known as Starfish Development Limited that is a Nevis entity ("Starfish (Nevis)") because he understood he needed an offshore company to sell property. Baker Trans. 282:12-283:2. The Starfish (Nevis) entity was formed on October 13, 2005. Kane Decl., para. 20; App. Exh. 56.

The Dolphin Development financials indicate Dolphin Development had net income of \$299,778.47 (BZ) from April 2005 through September 2005. Kane Decl., para. 14; App. Exh. 30. In fact, Dolphin Development did not begin selling lots until after the Preliminary Injunction Order was issued, and its first lot sale closed in June 2005. Beginning in October 2005, Pukke and Baker unilaterally and without the Receiver's approval, knowledge or authority, began restructuring the ownership of Dolphin Development and then transferred Dolphin Development's valuable rights to Baker through his various Starfish Entities and Sanctuary Bay Limited. Kane Decl., paras. 16-22; generally App. Exhs 33-56. The Receiver has determined that since December 2005, Baker's fictitious business entity Starfish Development Ltd. received over \$345,000.00 in payments in connection with the sale of Sanctuary Bay Estates lots since December 2005 reflected in deposits to the Baker/Starfish account at Citibank. Kane Decl., para. 17; App. Exh. 35. The Receiver estimates after deduction of payments from the account, that

Starfish had net income of a minimum of \$188,457.23 during that period. Moreover, Baker and Pukke have caused Dolphin Development to execute and record a grant deed to Dolphin Development's real estate assets, a deed which was recorded in December 2005. Kane Decl., para. 19; App. Exh. 55. Further, the Receiver is informed and believes that Sanctuary Bay Limited has deeded lots held by Sittee River to third party purchasers pursuant to various deeds recorded since January 2006. Despite the various claims Pukke has made repeatedly during the case that Dolphin Development either never conducted any business or went out of business, the entity was "worthless" and that his only interest in the company was an unsecured loan, the evidence and Pukke's and Baker's actions paint a very different picture.

1. Post-Receivership Minutes of Board Meetings

In support of this Application, the Receiver submits copies of Board minutes from meetings of the Board of Directors of Dolphin Development for meetings conducted on May 13, 2005 (roughly three weeks after the Preliminary Injunction Order was issued), July 15, 2005, (three days after the Receiver commenced Pukke's two-day asset deposition), and October 6, 2005. Pukke was in attendance at each of these meetings and was clearly an active participant in the meetings and activities of Dolphin Development notwithstanding (and in complete disregard of) the Preliminary Injunction Order.

For example, the May 13, 2005 minutes reflect that Dolphin Development was concerned about establishing an escrow account for sales of properties, as the purchase and sale contracts were ready for sales to commence. The minutes reflect that "Andris Pukke will meet with attorney to see what could be done" regarding the escrow account. The minutes also reflect detailed discussions and plans regarding proceeding with the development and numerous decisions being made regarding the details of the implementation of the development, including excavation work, landscaping and applying to the government for duty exemptions.

Pukke also actively participated in the July 15, 2005 meeting of Dolphin Development's Board. The minutes reflect that Baker, acting as "sales manager" for Dolphin Development, reported on sales of nine lots that were completed along with other sales in process. The Board

also discussed cash flow projections from the sales that were to be presented at the next Board meeting on August 30, 2005. With respect to the funding of the development, the July 15, 2005 minutes reflect the following:

This lead to a discussion concerning the continued funding of the development and it was agreed that we should look for a bank loan to finance the remaining development costs. Mr. Medhurst pointed out that the controlling shareholder's current financial state would deter any bank from making a loan. After discussion Mr. Pukke agreed to subordinate repayment of the loans and advances made by him to the Company in favor of bank loans and furthermore to assign the voting rites [sic] of his 60% controlling interest to Mr. Medhurst. It was noted that this assignment would be confined to voting rites [sic] and control only and would not extend to any distribution of profits which would continue to be made to the shareholders of record. Kane Decl. para. 12; App. Exh. 26.

The minutes of October 6, 2005 reflect that Andris Pukke again was in attendance "by invitation." Kane Decl., para. 12; App. Exh. 27. At this meeting, the determination by Sittee River and/or Dolphin Development to transfer the development rights and assets of Dolphin Development to a new company to be formed is expressly set forth. App. Exh. 27.

Meetings of the Boards of Sittee River and Triton were conducted near the time of the Dolphin Development Board meetings and also reflect Pukke's attendance and active participation in the meetings post-receivership. The October 7, 2005 meeting of the Sittee River Board also reflects in detail the plans being developed by Baker to take over the development of Sanctuary Bay Estates, to re-write sales contracts previously entered into by Dolphin Development, and other similar steps to strip Dolphin Development of its assets and rights. Pukke was similarly in attendance for the July 2005 and October 2005 meetings of the Board of

Triton. Baker's deposition testimony cited in detail above confirms Baker followed through on these intentions.

2. **Post-Receivership Communications Through Dolphin Development E-Mail Account of Peter Baker (peterbelize@gmail.com)**

The Receiver subpoenaed the e-mail account records pertaining to peterbelize@gmail.com, the e-mail address that was the contact for the Sanctuary Bay Estates website as of the date of the receivership and thereafter through at least August 2005. After an unsuccessful motion to quash by Baker filed and determined in the District Court for the Northern District of California and an unsuccessful attempt to stay the production on appeal, the e-mail records were produced to the Receiver commencing on April 12, 2006 and through May 24, 2006. Baker also submitted extensive privilege logs, identifying hundreds of e-mails which Baker wrongly claimed were either subject to an attorney-client privilege or a right of "privacy." Caris Decl., para. 19.

The privilege logs, the documents produced by Baker and his claims of privacy pertaining to the e-mail account records have only recently been resolved by the District Court for the Northern District of California by order entered October 6, 2006. Indeed, Baker's long-term efforts to prevent the production of the records and his assertion of baseless objections is in fact a further interference with the Receiver and was clearly designed to impede the Receiver's investigation, given what those e-mail records disclose. The e-mail records produced from the Google account are astounding. They reflect that Pukke and Baker continued to conduct and control the business of Dolphin Development in utter disregard of the existence of the receivership.

Numerous e-mails demonstrate that within days after the Court's issuance of the Preliminary Injunction Order on April 20, 2005, Pukke and Baker were actively gearing up marketing efforts, moving money to Dolphin from Hansabanka in Latvia, controlling modifications to the website, making strategic marketing plans for the sale of the lots in the subdivision and making plans for the ongoing development of the project with the project

architect, Marvin Goodman. Kane Decl. para. 18.A-18.G, 18.O.-18.R.; App. Exhs. 36-42, 50-53. The records include a detailed e-mail exchange between Pukke, Baker and the Medhursts between April 23 and 27, 2005, only days after the Preliminary Injunction Order was issued, discussing in detail the Sanctuary Bay Estates website, generation of leads for purchasers of lots at the project and architectural services to be performed by Marvin Goodman for the project. Kane Decl., para. 18.A; App. Exh. 36. The same e-mail string refers to funds being wired to Dolphin Development by “Penny” who is Penny Wilson, who worked for various Pukke entities providing bookkeeping services. App. Exh. 36.

Another e-mail string between Baker and Anthony Hunt with copies to Pukke from the end of April 2005 through May 17, 2005 addressed a logo for the Sanctuary Bay Estates project, naming the project and the creation of an 800 number for customers. Kane Decl. para. 18.B.; App. Exh. 37. Another detailed e-mail from the Medhursts was sent to Pukke on May 22, 2005 seeking a decision from Pukke regarding Lot 13 in the Regalia subdivision (the property owned by Dolphin Development). Kane Decl. para. 18.C.; App. Exh. 38. On June 23, 2005, Pukke directed an e-mail to Baker to this e-mail address providing him with bank account and wiring information for a Bank Atlantic account of Professional Equity Inc.. Kane Decl. para. 18.D.; App. Exh. 39. Stella Storm is Pukke’s mother, and Professional Equity Inc. is her company. Similarly, on July 29, 2005, more than three months after the Preliminary Injunction Order was issued, Pukke sent an e-mail to Baker directing him to wire funds to the Medhursts for Dolphin Development for trucks and roads, and on August 3, 2005, Pukke sent an e-mail advising Anthony Hunt who worked on the website that he would “make sure Pete gets a check out to you today for all the invoices” and apologizing for the delay but indicating “things have been a bit crazy with all the development” but that “things are going well.” Kane Decl. paras. 18.E. and 18.F.; App. Exhs. 40 and 41. A few days later, Miranda Bernard of Media Partners Publishing directed an e-mail to Joan Medhurst with a copy to Baker at the e-mail address advising Mrs. Medhurst that she “works with Peter and Andi on promoting Sanctuary Bay” and asking for

information to help her in her advertising campaign for the development. Kane Decl. para. 18.G.; App. Exh. 42.

In September 2005, the focus of the e-mails shifted to Baker's and Pukke's attempt to restructure the ownership of Dolphin Development to remove his mother and step-father from their ownership and Board positions, transfer the development rights and interests of Dolphin Development to the new Starfish company being formed by Baker and the assets of Dolphin Development to another new entity being formed by Baker, Sanctuary Bay Limited. Kane Decl. paras. 18.H. et seq.; App. Exh. 43 et seq.. An e-mail of September 9, 2005 details Peter Baker's plans to create a new entity named Starfish to take over Dolphin Development's position in the development. Kane Decl. para. 18.H.; App. Exh. 43. That e-mail also again reconfirms Dolphin Development's role as developer of the project. See also Kane Decl. para. 18.I. and App. Exh. 44, consisting of an e-mail which purports to memorialize the results of a meeting that Johnny Usher and Colin Medhurst had with Rodwell Williams on September 14, 2005 concerning Starfish Limited, the company being formed by Baker to take over the development and marketing responsibilities from Dolphin Development. It purports to discuss how Dolphin Development's assets can be transferred legally and whether Sittee River can buy undeveloped land owned by Dolphin Development. It also discusses current marketing practices by Dolphin Development. One of the e-mails dated September 13, 2005 goes through a detailed set of issues regarding Baker's plan to eliminate Dolphin Development as well as its assets. Kane Decl. para. 18.J; App. Exh. 45. A subsequent e-mail from Medhurst on September 20, 2005 is addressed to "Andi" and reflects an understanding that although the sender was identified as "Sanctuary Bay" in the series of e-mails and sometimes as "Peter," the parties to the e-mail exchanges understood that Andris Pukke was in fact the person whose words and issues were being presented and responded to in the e-mails. Kane Decl. para. 18.J.; App. Exh. 45.

In an e-mail identified as "contracts and new companies" from Peter Baker to Rodwell Williams dated October 17, 2005, Baker writes to Rodwell Williams instructing him to draft a new "purchase and sale agreement" that reflects Starfish as the broker and Sittee River as the

actual seller of the lot. Kane Decl. para. 18.K.; App. Exh. 46. He also requests a new “purchase and sale agreement” reflecting Sanctuary Bay (Belize) as the broker and Sittee River Wildlife Reserve as the seller of the lot. He also instructs Williams to create these companies with Baker being the 99% shareholder and Baker’s uncle, Max Jobson, as owning 1%. He also requests that Williams “draft the proper sales documents needed for the purchase of the Dolphin assets as we discussed.” This e-mail appears to clearly and unambiguously spell out Baker’s final efforts in attempting to transfer Dolphin Development’s interest in the Sanctuary Bay Estates project and its assets without the knowledge or consent of the Receiver in utter violation of the Preliminary Injunction Order. The document entitled “re: company’s” from Peter Baker to amandaatinfo@alphaservicesltd.com dated October 18, 2005, contains a number of e-mails between Baker and Amanda at Alpha Services Ltd. between October 18 and October 21, 2005 and discusses Alpha’s work “on the finishing corporate documents for Starfish” and the creation of “the domestic company Sanctuary Bay.” Kane Decl. para. 18.L.; App. Exh. 47. Along with Baker’s instructions to Rodwell Williams on October 17, 2005, this appears to be Baker’s efforts to complete the illegal transfer of Dolphin Development’s assets and interests to the new companies formed by Baker, named Starfish and Sanctuary Bay.

Baker’s plans regarding the new companies are also confirmed by the Declaration of Colin Medhurst. Mr. Medhurst states that he participated in meetings and had extensive e-mail exchanges with Pukke and Baker regarding Baker’s plans. At one meeting he attended that was held in October 2005 immediately after his Board resignations, Baker discussed with Rodwell Williams, an attorney for Dolphin Development, and the Medhursts, the creation of a new corporation, to be named Starfish Ltd., which would be incorporated in Nevis and which would take over all of the development rights pertaining to the Project from Dolphin Development. Baker also discussed creation of a separate company, Sanctuary Bay, to be formed under Belize law and that Dolphin Development would transfer its tangible assets, including its real property and equipment, to that entity. Baker implemented his plans when he began diverting lot sale

proceeds from the Sanctuary Bay Estates project to Starfish in December 2005. Kane Decl., paras. 16-17; Baker Trans. 262:20-263:20, 263:24-265:8, 269:5-270:18, 273:15-20.

Other e-mails produced from the e-mail account on the Dolphin Development website also demonstrate the complete disregard of the Preliminary Injunction Order and the receivership by Pukke and Baker in controlling this Receivership Property. One of the documents produced is a letter on Dolphin Development letterhead to Scotiabank (Belize) dated October 17, 2005 from Baker notifying the Bank that Colin Medhurst and Joan Medhurst have resigned, that John Usher is authorized to make monetary transfers pertaining to Dolphin Development and that he is authorized to sign checks above \$5,000. Kane Decl. para. 18.M.; App. Exh. 48. Of course, because this is Receivership Property, Baker's purported unilateral authorization of John Usher to make monetary transfers pertaining to Dolphin Development, including the authorization to sign checks above \$5,000, is a clear violation of the Preliminary Injunction Order. Baker signed this letter as "Owner-Director." Kane Decl. para. 18.M.; App. Exh. 48.

Another document produced is a letter from Marvin D. Goodman & Associates, Architects and Planners dated September 15, 2005 to Peter Baker describing their architectural fees for housing developments in connection with the Sanctuary Bay Estates project. Kane Decl. para. 18.N.; App. Exh. 49. Tellingly, the letter is addressed to Peter Baker at 31 Linda Isle, Newport Beach, California. It is undisputed in this case that 31 Linda Isle is Andris Pukke's residence address.

Another e-mail includes an e-mail to Tony Coleman dated August 1, 2005 advising that Tony Coleman will be receiving a check for \$18,900 as a deposit on one of the Sanctuary Bay lots. Kane Decl. para. 18.O; App. Exh. 50. Attached to that e-mail is a fully executed copy of the Belize Land Offer for Purchase and Terms of Deposit & Payment between Dolphin Development dba Sanctuary Bay, as "vendor" and the prospective buyer for Lot 91 in the amount of \$189,000, together with a copy of the prospective buyer's deposit. The e-mails were sent and the activities they describe occurred months after the inception of the receivership

estate, in clear violation of the Preliminary Injunction Order and without the Receiver's knowledge or permission.

Another document is a series of e-mails among Baker, his sister Maya Baker, and Stella Storm, Pukke's mother, the last being dated July 19, 2005. Kane Decl. para. 18.P.; App. Exh. 51. The document includes sample escrow language and a 4-page marketing script for prospective purchasers of lots at the Sanctuary Bay development. Another document produced by Baker entitled "DDB banking info" is from Stella Storm to Peter Baker dated July 29, 2005. Kane Decl. para. 18.Q.; App. Exh. 52. This is an e-mail which encloses a signature card for a new checking account at Bank of America for Dolphin Development Belize LLC, a new company formed post-receivership and organized under the laws of Florida. Kane Decl. para. 18.Q.; App. Exh. 52. The Receiver obtained information about the establishment of the new entity shortly after it was formed and subpoenaed bank account records for an account for the company established in Florida where Stella Storm resides. Activity in the account suddenly ceased at that point.

III. BAKER ACQUIRED EMERALD BAY FOR PUKKE'S BENEFIT, MAKING IT A RECEIVERSHIP ASSET

Receivership Property constitutes property owned or controlled in whole or in part by Pukke, based on Definition K of the Preliminary Injunction Order. The Emerald Bay Property is Receivership Property.

Escrow and other records subpoenaed by the Receiver confirm that the original offer to purchase the Emerald Bay Property was signed by Angela Chittenden, Pukke's live-in girlfriend then pregnant with Pukke's child. Kane Decl., para. 23; App. Exh. 57; Chittenden Trans.24:2-16, 25:2-26:24, 35:22-36:2. The Receiver's investigation, including interviews with percipient witnesses and deposition testimony of Ms. Chittenden, confirmed that Ms. Chittenden and Pukke viewed the Emerald Bay Property together and discussed that the house was in a good location for raising a family. Kane Decl., para. 23, Chittenden Trans.35:22-36:9. She also testified that she had no financial ability to purchase the property notwithstanding her signing and submitting

the purchase offer for the property and that she understood that Pukke's assets were subject to an asset freeze in the Preliminary Injunction Order that precluded him from buying the Emerald Bay Property. Chittenden Trans. 26:12-24, 33:6-9. Ms. Chittenden further testified it was her decision to make and sign the purchase offer in consultation with Pukke. Chittenden Trans. 33:24-35:21. Ms. Chittenden testified that when it was clear that Pukke would not be able to acquire the property because of the asset freeze, Pukke referred his long-time friend Peter Baker to the property. Chittenden Trans. 42:7-9, 43:2-5. Ultimately, Baker bought the property pursuant to an assignment of the rights in the escrow and purchase contract from Angela Chittenden to him. Kane Decl., paras. 23 and 31; App. Exh. 57.

Chittenden's testimony is contradicted by the testimony of Baker at his recent deposition, although Baker's testimony lacks any credibility under the circumstances. Baker testified that he intended to purchase the Emerald Bay Property all along and that the reason the purchase offer was signed by Ms. Chittenden was because he asked her to sign it as he was out of town. Baker Trans. 53:21-55:2.

The funding of the purchase price for the sale indicates that it was Pukke's money that was used to pay a large down payment for the Emerald Bay Property. Baker's bank account records obtained by the Receiver do not demonstrate his financial ability to purchase a \$6.45 million residence. Kane Decl., para. 24, App. Exh. 58. Baker's account balances generally averaged well less than \$10,000 for years prior to May 2005. Baker had \$1,047.01 in combined balances in his checking account (\$922.49) and savings account (\$124.52) at Citibank as of May 9, 2005 and had almost \$18,000 in credit card debt outstanding with \$8,000 in available credit on his related Citibank credit card disclosed in his bank records.⁹ Kane Decl. para. 24; App. Exh. 58. In fact, Baker borrowed \$250,000 from Cook at the beginning of June 2005 to make the rest

⁹ Baker's checking account records dating back to 1999 are consistent with the low balances in the checking account, which generally was in the low four-figure range throughout that six year period until mid-May 2005.

of the earnest money deposit required by the purchase contract of \$193,500.¹⁰ Cook Trans. 161:19-24, 163:3-13, Kane Decl., para. 25; App. Exh. 58.

Baker testified that the Emerald Bay Property was the first real estate he ever owned. Baker Trans. 30:24-31:3. Prior to moving into the Emerald Bay Property in October 2005, three months after close of escrow, Baker rented a room from his “buddy” Keith Waring (“Waring”). Baker Trans. 26:7-27:4.

Baker has admitted through his deposition testimony that his financial information in the loan applications provided to Countrywide in connection with the acquisition of the Emerald Bay Property are materially inaccurate and internally inconsistent. For example, the loan application indicates that he was renting his then-current residence from Waring, who also operated a business at the same business address as Prudent Choice, LLC at 2040 Main Street in Irvine with Jeff Westrick, Pukke’s former account officer at Merrill Lynch. Kane Decl., para. 27; App. Exhs. 59-60. The application represents that Baker was paying \$8,000 per month in rent to Waring for several prior years; yet, his bank account statements evidence no such payments. In fact, as confirmed by his bank account records, Baker had only moved to California from New York in late November 2000. Baker Trans. 30:6-20. Further, Baker’s bank account records in fact show only two payments of \$1,500 each to Waring designated as “rent” in the memo section, made in June 2005 and July 2005. Kane Decl. para. 27; App. Exh. 63.

Baker sought and obtained a total of three loans pertaining to the Emerald Bay Property, all from Countrywide. Baker sought a first trust deed loan of \$3,547,500 and a second trust deed loan of \$645,000 in connection with his acquisition of the property. Kane Decl. para. 26; App. Exhs. 59 and 60. After escrow closed, Baker immediately sought and obtained a home equity line of credit from the same lender in the amount of \$1.6 million, which was used to pay off the \$645,000 second trust deed loan and with the balance of over \$940,000 withdrawn by Baker and paid to his account at Provident Bank & Trust of Belize Ltd. Kane Decl. paras.26 and 29; App.

¹⁰ The Receiver does not concede that Cook’s loan actually was Cook’s money; research into this loan is ongoing.

Exhs. 61 and 64. Further disposition of the \$940,000 is unknown at this time.

Baker's representations regarding his assets in the two loan applications he submitted in connection with the purchase of the Emerald Bay Property are false as to numerous material representations, and Baker has admitted under oath that the information was completely inaccurate. Kane Decl. paras. 26-30; App. Exhs. 59-65; Baker Trans. 338:23-339:17, 340:15:19, 343:7-11, 343:14-20, 343:25-344:4, 351:5-24, 352:6-13. For example, in the first loan application dated July 5, 2005 (only one business day before the sale closed), Baker represented that he was the owner/developer of Dolphin Development in Belize, that he held that capacity for 8 years, 6 months (although Dolphin Development had only been in existence for two years), and that his income was \$100,000 per month. Kane Decl. para. 28; App. Exh. 59. The statement identifies the address of Dolphin Development as 2040 Main Street, Suite 700, Irvine, California, where Prudent Choice and Starfish have their offices.

The loan files contain a statement from Fong Li at Walker Crips confirming there were two brokerage accounts in the name of Baker at Walker Crips, one holding 175,000 shares of Sportingbet and one holding 600,000 shares of Sportingbet. Kane Decl. para. 30; App. Exh. 65. By August 9, 2005, when he signed another financial statement to obtain the \$1,600,000 home equity line of credit, he still represented that he held \$4,149,357.75 in the Walker Crips accounts and identified his only other major asset as the Emerald Bay Property which he had purchased the month before. App. Exh. 61. All of the stock purportedly held by Baker in Sportingbet in the Walker Crips account had in fact been liquidated by June 29, 2005.

The Receiver's investigation of the records of the Shareholder Register of Sportingbet show that Baker first became a Sportingbet shareholder on May 11, 2005. Kane Decl., para. 36. The Walker Crips document in the Countrywide loan files confirms that that the only assets deposited into the Walker Crips accounts were the aggregate 775,000 shares of Sportingbet stock, and the e-mails and fund transfers show that all of the stock in Sportingbet was liquidated beginning in June 2005 and almost \$2.1 million was used to pay in part for the Emerald Bay

Property. Kane Decl. paras. 30-31; App. Exhs. 65-68. The Shareholder Registry demonstrates Baker ceased being a Sportingbet shareholder by June 29, 2005. Kane Decl. para. 36.

It was Pukke who engaged an architectural firm, CJ Light, to create plans to remodel the Emerald Bay Property. Caris Decl., para. 13; Kane Decl. para. 32. Documents produced by CJ Light to the Receiver indicate that there were numerous communications between Pukke and the company arranging for the remodeling of the Emerald Bay Property. Kane Decl., para. 32; App. Exh. 69. Pukke and Ms. Chittenden also participated in meetings with the architect regarding the Emerald Bay Property to review and revise the remodeling plans after the sale closed. Kane Decl. para. 32; App. Exh. 69. It was Pukke who was in control of the Emerald Bay Property, acquired in Baker's name so as to shield the property from the Receiver. Despite the Receiver's demands, Baker has refused to turn over the Emerald Bay Property to the receivership.

As detailed hereafter, there is substantial evidence which demonstrates that just like the Emerald Bay Property, Baker had nominal title to the Sportingbet stock deposited with Walker Crips and that the true owner of the stock was Pukke. It was Pukke's money, the proceeds of Sportingbet stock routed through Walker Crips, that paid the down payment for the Emerald Bay Property.

IV. PUKKE WAS THE OWNER OF AT LEAST 3% OF INTERNET OPPORTUNITY AND HELD AT LEAST 3,025,000 SHARES IN SPORTINGBET STOCK AS INTERNET OPPORTUNITY'S SUCCESSOR COMPANY AND HAS FAILED TO TURN OVER AND ACCOUNT FOR THE STOCK PROCEEDS AND OTHER FUNDS IN TWO HANSABANKA ACCOUNTS

On July 26, 1997, Patrick Callahan sent a letter to Pukke confirming Pukke's acquisition of a 3% ownership interest in the entity Internet Opportunity. Sherman Decl., para. 3 and Exhibit 1 thereto. The July 26, 1997 letter was obtained by Pamela Pukke from her home and delivered to Claudia Pott Sherman, the attorney who formerly represented Mrs. Pukke in her divorce proceeding against Pukke. Sherman Decl., para. 2.

A. Acquisition of Stock in 1997

The July 26, 1997 letter demonstrates Pukke acquired his interest in Internet Opportunity for \$90,000. It is believed that Patrick Callahan and John Vipulis were the founders and held substantial ownership interests in that company. J. Pukke Trans. 56:17-57:2. Internet Opportunity operates the websites Sportsbook.com and playersonly.com. Sportingbet, a British gaming company, subsequently acquired Internet Opportunity which became one of its wholly owned subsidiaries, effective July 27, 2001. Kane Decl., para. 34; App. Exh. 71.

B. Pukke's Payments for Online Gaming Advertising

Pukke's ties to the internet gaming industry are well-established. DebtWorks paid approximately \$4.1 million to Imagine Communications ("Imagine") between March 3, 2000 and June 3, 2002, and Infinity paid over \$2.5 million to Imagine between September 14, 1998 and October 12, 1999. Kane Decl., para. 37; App. Exhs. 72-75. Imagine was founded by Tina Norris, a friend of Pamela Pukke since 7th grade, and an ex-employee of Ameridebt. Caris Decl., para. 14 and App. Exh. 13, Transcript of Deposition of Tina Norris ("Norris Trans.") 9:18-10:4, 16:10-21, 18:24-19:5, 25:3-11, 155:2-20. Imagine performed advertising services substantially for Ameridebt, DebtWorks, and other consumer credit counseling agencies which were owned by friends or family members of Pukke. Norris Trans. 14:7-18, 21:20-22:6, 150:6-14, 159:25-160:14, 175:18-176:8.

Tina Norris testified that Imagine, at Pukke's request, paid over \$3,000,000 to CBS Sportsline between 2000 and 2003. Norris Trans. 162:14-163:13, 164:12-18, 165:2-12, 177:8-179:6. The Receiver has determined through subpoenaed and other bank records that between September 1998 and May 2001, Imagine paid \$3,045,500 to Sportsline USA, Inc.¹¹ and that the source of those payments was funds paid by Infinity, Ameridebt, and DebtWorks based on the Receiver's tracing of the timing and amount of the funds transferred to Imagine by those Pukke entities and by Imagine to Sportsline USA, Inc.. Kane Decl., para. 37. In her deposition taken

¹¹ The website of Sportsline USA, Inc. was promoted by CBS as CBS Sportsline.

January 2005, Tina Norris stated that at Pukke's request, she purchased advertising unrelated to consumer credit counseling on Sportsline USA, Inc. to advertise Sportsbook.com (then run by Internet Opportunity) and Placemybet.com, two internet casinos. Norris Trans., 162:14-163:13, 164:12-18, 165:2-12. Tina Norris further testified that she assumed Pukke was investing in internet casinos or loaning these companies money for marketing. Norris Trans. 162:14-163:13.

Further, the Receiver has determined that a portion of the funds paid by Pukke's entities to Imagine were paid to the entity Worldwide Internet Group ("Worldwide") in the aggregate amount of over \$819,000. Kane Decl. para. 38; App. Exh. 74. Worldwide is listed by Pukke on his bankruptcy schedules as an entity in which Pukke holds an "unknown" interest. App. Exh. 8. Records subpoenaed by the Receiver indicate that Worldwide spent over \$200,000 on expenses relating to internet gaming software. Kane Decl., para. 38, App. Exh. 75.

C. The Sportingbet Stock Purportedly Held by Janis Pukke with Proceeds Paid to an Account at Hansabanka in Latvia

The Receiver has deposed Pukke's father, Janis Pukke. The Receiver questioned Janis Pukke about various accounts held by him and Pukke at Hansabanka in Latvia. Janis Pukke asserts that the "5390 Account" is his account, but the Receiver has concluded it is in fact Andris Pukke's account and that the proceeds of stock in Sportingbet owned by Pukke were deposited there. The Receiver questioned Janis Pukke about his purported shareholder interest in Sportingbet and its predecessor Internet Opportunity, as to which he has no credible testimony concerning his acquisition of the stock or the basis for the deposit of millions of dollars of proceeds of the stock in the 5390 Account in his name. Sportingbet's 2002/2003 Annual Report indicates that effective July 2003, Sportingbet reached a settlement with the vendors of Internet Opportunity restructuring the balance due for the acquisition of Internet Opportunity. Kane Decl., para. 35; App. Exh. 71. Deposits to the 5390 Account at Hansabanka in Latvia which the Receiver contends is owned and controlled by Pukke tie closely to the payments made under the July 2003 settlement with Sportingbet of the partial balance of the purchase price for Internet

Opportunity and its affiliates and related entities under the \$65 million non-interest bearing note from Sportingbet.

There are many facts which prove that the 5390 Account and the funds transferred into and out of that account are really Andris Pukke's. First, Andris Pukke previously asserted in a sworn loan application dated February 12, 2004 that he owned the 5390 Account. Kane Decl. para. 39; App. Exh. 76. Andris Pukke's loan application to acquire the residence at 35 Ocean Heights, Newport Beach, California ("Ocean Heights") listed the exact correct balance in the account at or about the time the loan application was prepared. App. Exh. 76. The Ocean Heights property is the property in which Cook lives rent-free and claims he has an option to purchase the property.

As further evidence that the 5390 Account was Andris Pukke's account, aside from the deposits into that account received directly from Sportingbet (\$2,242,284.00) and from the proceeds from the sale of 2,250,000 shares of Sportingbet (approximately \$10,556,031.25), virtually all other deposits into the 5390 Account came from Andris Pukke or DebtWorks. Kane Decl., para. 41; App. Exh. 77. Records produced by Janis Pukke show that transfers from Andris Pukke's account with Hansabanka ending in 8805 ("8805 Account") into the 5390 Account totaled \$1,902,551.64 and payments from DebtWorks into the 5390 Account totaled \$1,149,960. App. Exh. 77. Andris Pukke listed the 8805 Account as another account at Hansabanka that he owned in his sworn loan application dated February 12, 2004 relating to the Ocean Heights property. App. Exh. 76. Janis Pukke has not asserted any interest in the 8805 Account. J. Pukke Trans. 136:21-137:5, 161:6-24, 162:24-163:13. In fact, for the period between March 10, 2003 and May 11, 2006, excluding interest and inter-account transfers, of the \$15,960,801.09 deposited into the 5390 Account, \$15,850,826.89 came from either Andris Pukke's account at Hansabanka, the 8805 Account, DebtWorks, Sportingbet, or proceeds from the sale of Sportingbet shares, representing 99.3% of the \$15,960,801.09 received into that account. Kane Decl., para. 41; App. Exh. 77.

The evidence also demonstrates that it was Andris Pukke, not his father Janis, that had an ownership interest in Sportingbet and therefore the payments from Sportingbet and the proceeds from the sale of 2,250,000 shares of Sportingbet are actually Andris Pukke's money. Janis Pukke's deposition testimony concerning his purported interest in Sportingbet stock was not believable. Janis Pukke testified that he never earned more than \$75,000 in any one particular year. J. Pukke Trans. 21:15-23, 43:4-46:10. However, at his first deposition session he testified that in 1998 he purportedly invested \$45,000 for a 1.75% interest in Internet Opportunity, later acquired by Sportingbet. J. Pukke Trans. 56:8-16, 59:8-24. He stated that he made this investment without doing any due diligence. J. Pukke Trans. 60:5-13, 63:19-25, 64:18-20. While the investment was purportedly made in 1998, he stated that he never got any stock certificates until 2005, and that he never asked Vipulis, the man who solicited his investment, for stock certificates. J. Pukke Trans. 64:21-65:10. His acquisition of the stock in 1998 is purportedly confirmed in an August 13, 1998 letter from "Internet Opportunity, Inc." signed by "German De Bustos" produced for the first time at the second session of his deposition by the Receiver. At this second deposition session, Janis Pukke further testified that he paid the \$45,000 for the stock in multiple installment payments and that the source of the funds was cash that he had lying around his house. Kane Decl., para. 42; App. Exh. 78; J. Pukke Trans. 263:10-269:20, 273:15-274:3, 274:12-275:10, 276:23-277:6, 277:20-279:2. Again, this testimony lacks any credibility given Janis Pukke's limited financial means and the significant investment the \$45,000 would represent. The testimony also contradicts his testimony from the first day of his deposition during which he was unable to recall the manner in which he paid for the \$45,000 investment or where the funds were located before he made the investment. J. Pukke Trans. 135:2-13.

Janis Pukke did not recall how Internet Opportunity became Sportingbet. J. Pukke Trans. 136:2-6, 142:19-143:3, 146:10-15, 146:23-148:9, 149:10-19, 151:15-18. Janis Pukke testified that a London stockbroker contacted him in January 2005 to recommend that he sell his stock. Janis Pukke testified that he does not know how the stockbroker obtained Janis Pukke's name or

how he knew that Janis Pukke owned the stock and that he never asked the broker these questions even though the broker contacted him on his home telephone. J. Pukke Trans. 66:2-69:10. He further testified that he did not know how many shares of stock he owned in Sportingbet at the time he received this telephone call. J. Pukke Trans. 70:6-25. He provided contradictory testimony about whether he knew how much the stock was trading for prior to the telephone call. J. Pukke Trans. 70:21-25, 71:5-10, 71:22-72:2, 73:6-10, 91:15-92:8. He testified that he never took steps to find out how many shares of stock he owned and that he was not curious although he “assumed” that he had become a multimillionaire. J. Pukke Trans. 72:20-73:5. The broker who contacted him in January 2005 knew how many shares Janis Pukke owned, yet Janis Pukke did not ask the broker how he knew this. J. Pukke Trans. 73:11-74:18. It was not until January 2005 that he was first told he owned 2,250,000 shares. J. Pukke Trans. 74:7-18. Despite this extraordinary good news, he does not recall the name of the broker who contacted him. J. Pukke Trans. 76:10-78:5.

After Janis Pukke found out that he had stock worth at least \$4 million, he solicited no advice from anyone as to whether or not to sell the stock and told no one about the telephone call. J. Pukke Trans. 78:6-17, 79:24-80:23. Janis Pukke further testified that he never saw share certificates and never took steps to confirm that he actually owned 2,250,000 shares. J. Pukke Trans. 65:3-6, 90:3-22. Essentially, he took the broker’s word for it that this was the amount he owned and not some larger amount. While Janis Pukke first testified that the phone call was like waking up and finding that you won the lottery, it was not until later in the deposition that he testified that he received dividend income from Sportingbet in excess of \$2.2 million in 2003 and 2004 when specific bank account records were shown to him by the Receiver’s counsel for the 5390 Account. J. Pukke Trans. 74:15-24, 122:6-124:23, 143:24-146:9, 149:20-150:20, 183:12-16, 185:18-25. In fact, this was not dividend income. Instead, it was a payment to shareholders based on the settlement reached for restructuring and payment of the \$65 million non-interest bearing note issued under the July 2003 settlement between Sportingbet and the vendors of Internet Opportunity and its affiliates and related entities. Kane Decl., para. 35; App. Exh. 71.

Further, Janis Pukke testified that he never received mail from Sportingbet, that he did not know how Sportingbet knew how to wire the money into the 5390 Account and that he did not recall ever giving anyone acting on behalf of Sportingbet this bank account information. J. Pukke Trans. 149:10-150:20, 152:25-153:21. Janis Pukke admitted that he never paid any tax on the income and proceeds until not long before his deposition by the Receiver even though he received payments totaling approximately \$2.2 million in 2003 and 2004. J. Pukke Trans. 130:3-10, 132:4-20, 133:10-19. The Receiver's independent investigation into the share registry of Sportingbet shows that Janis Pukke had no registered ownership interest in the stock until December 23, 2004. Kane Decl., para. 36.

Janis Pukke's lack of knowledge regarding his share ownership and other testimony is hard to explain if Janis Pukke in fact made a \$45,000 investment in Internet Opportunity for his own benefit and became a multimillionaire through this fortuitous investment. His testimony is not hard to understand or explain if in fact the investment and the millions of dollars deposited to the 5390 Account were in fact not Janis Pukke's monies but instead belonged to his son Andris Pukke. The deposits and ownership of the funds in the Hansabanka 5390 Account are also consistent with the fact that it was Andris Pukke who purchased shares in Internet Opportunity in July 1997.

Additional evidence concerning the share ownership of Baker in Sportingbet indicates that the Baker shares were also beneficially owned by Pukke. Baker's testimony is completely untrustworthy and inherently incredible.

Baker has admitted he had limited income working for Hyatt Corporation and Xerox until he also mysteriously acquired stock in Sportingbet in May 2005. At Baker's deposition, Baker produced a letter from Gary Hoyle of Internet Opportunity Entertainment, Inc. dated December 20, 2002 which provides that in exchange for certain consulting services to be rendered by Baker to the company, Baker would receive 500,000 shares of stock in that company. Baker testified that he had heard about Internet Opportunity at a party he threw at the Grand Hyatt in New York, where he saw Gary Hoyle as well as "Minnie," "Fester" and "Jerky," and that he started

rendering consulting services to Internet Opportunity in the fall of 2002, spending more than 20 hours a week on this work. Baker Trans. 80:7-81:19. Baker testified he did not know the full or real names of Minnie, Fester and Jerky. Baker Trans. 59:10-20, 62:9-18, 62:24-63:9. Like Janis Pukke, Baker did no due diligence before purportedly accepting the offer to provide consulting services for Internet Opportunity in exchange for shares in the company. Baker Trans. 83:18-84:3, 85:15-25. Like Janis Pukke, he never asked for or received his share certificates from Internet Opportunity. Baker Trans. 136:11-137:9.

The letter produced by Baker indicates Baker was purportedly responsible for investigation and potentially implementing moving the base of operations of Internet Opportunity to Belize. Kane Decl., para. 43; App. Exh. 79. Although he was obligated under the letter to make as many trips to Belize as necessary to accomplish the move, Baker testified he could not remember whether he or Internet Opportunity was responsible for paying his travel expenses to and from Belize. Baker Trans. 87:5-21. Baker also testified that he was authorized by Internet Opportunity to sign a lease for the company for space in Belize, that the authorization was “verbal” and that he could not recall any details regarding the terms of the lease he purportedly signed. Baker Trans. 99:7-101:1.

In response to questioning as to how Baker ended up with 775,000 shares of stock in May 2005 when the letter he produced promised him 500,000 shares of stock, he testified that he was given additional stock for his also providing party planning services to the company. He testified that he received stock each time he planned and put on a party for the company. Baker Trans. 110:18-112:1, 112:6-9, 115:10-14. Baker also testified that he never received any money from Sportingbet or Internet Opportunity in connection with the stock he supposedly held in the company since 2002. Baker Trans. 121:16-122:17. Baker’s testimony is contradicted by Sportingbet’s public filings and records, including the fact that payments to Sportingbet shareholders were in fact made under the \$65 million non-interest bearing note beginning in July 2003, and the fact that Baker was not a registered shareholder of Sportingbet until May 2005. Baker’s testimony is further contradicted by the fact that, as of December, 2002, Internet

Opportunity had already been acquired by Sportingbet. Therefore, Sportingbet could not be giving Baker ownership interests in that entity, because Sportingbet already was the 100% owner of Internet Opportunity. Baker has paid no taxes on the sales proceeds of the Sportingbet stock and has made no provision to do so. Baker Trans. 127:9-134:15, 134:19-136:9.

Perhaps most incredible is the fact that Janis Pukke, Cook and Baker, all of whom had at best modest incomes and no meaningful net worth, all managed to acquire valuable stock interests in Sportingbet or Internet Opportunity, but Andris Pukke holds no interest whatsoever. Janis Pukke testified he never had annual income of more than \$75,000 in his life until he became an instant millionaire when funds started being deposited to the 5390 Account at Hansabanka. Cook testified that he worked as a car salesman for eight years after college and filed a Chapter 13 bankruptcy petition in 1998. Thereafter, all of his financial “success” was directly linked to Pukke. He got a job for six months at Ameridebt starting in 1999. After his job at Ameridebt, he purportedly co-authored a debt counseling book with Michael Kiefer and sold it to Ameridebt through the entity Debt Saviors, then started selling Ameridebt and DebtWorks leads through his companies Debt Products and NASCO. Cook Trans. 130:18-133:19, 134:5-10. Baker’s banking records indicate that he was earning modest salaries with Hyatt Corporation and Xerox Corporation in New York, with low four-figure checking account balances since at least 1999 until May 2005, shortly after the Preliminary Injunction Order was issued, when Cook purportedly loaned him \$250,000 for the deposit on the Emerald Bay Property and he suddenly acquired \$4.1 million in Sportingbet stock transferred to a brokerage account at Walker Crips in London. Kane Decl., para. 25; App. Exh. 58.

When Janis Pukke was asked how it was that he and Pukke’s friends all had stock in Sportingbet but not Pukke, Janis Pukke testified that in 1998 when Janis Pukke claimed he acquired his stock interest in Internet Opportunity, Andris Pukke told his father he “wished” he could buy the stock but that he could not afford to make the investment at that time. J. Pukke Trans. 288:23-289:15. The fact is that receivership records show Pukke earned over \$2.4 million in 1998, vastly more than the combined earnings of Janis Pukke, Cook and Baker during that

year. Kane Decl., para. 44. In fact, the only person among that group with the financial ability to make an investment of \$45,000 or \$90,000 in Internet Opportunity (as reflected in the July 27, 1997 letter from Patrick Callahan) was Pukke himself.

V. **PUKKE AND BAKER HAVE LIED, FAILED TO DELIVER RECEIVERSHIP PROPERTY AND CONCEALED RECEIVERSHIP ASSETS IN VIOLATION OF THE COURT'S ORDERS**

As set forth above, Pukke has provided multiple different sworn and unsworn statements as to the nature and extent of his interests in Dolphin Development and the Sanctuary Bay Estates project. Notwithstanding a website, groomed and approved under Pukke's direction, Pukke has denied that Dolphin Development was an operating entity, that it had any value, and even that he had an ownership interest in the entity until his asset deposition revealed other information. In his latest filing responding to the Receiver's Fourth Report, Pukke continues to claim that Dolphin Development has no value and asserts that he was only attending its Board meetings post-receivership as a "lender."

With respect to the Emerald Bay Property, Pukke has denied his interest in the property but has never offered any kind of explanation for his visiting the property multiple times with the sales agent, his pregnant girlfriend's making the initial purchase offer on the property because they thought it would be a good place to raise children, and his engaging and directing the architectural firm C. J. Light post-closing to remodel the property. There is no credible explanation for Pukke's conduct unless he holds the beneficial interest in the Emerald Bay Property. This explanation is bolstered by the circumstances of Baker's acquisition of the property with the help of a "loan" from Cook and also the sudden appearance of 775,000 shares of Sportingbet stock in Baker's name on the Shareholder's Register of Sportingbet and in a Walker Crips account just as the property was being acquired. Further, Baker is utterly lacking in credibility, making his denial that Pukke is the real owner of Emerald Bay equally incredible. Baker's sworn financial statements made in connection with the three Countrywide loans he obtained secured by the Emerald Bay Property are clearly false and contradictory to his other

claims in numerous instances. His representations that he was earning \$100,000 a month as the owner/developer of Dolphin Development completely contradicts his present contention that Dolphin Development has no assets, property, rights or interests of any kind in Sanctuary Bay Estates and the Belize property.

Pukke has also repeatedly lied about his interest in Internet Opportunity. He has repeatedly denied having any interest in Internet Opportunity or its successor Sportingbet. His latest denial appears in his response to the Receiver's Fourth Report. Nevertheless, the evidence is to the contrary. While Pukke has denied any ownership interest in the 5390 Account at Hansabanka in his post-receivership statements, he claimed that account and the funds in it in his February 2004 financial statement submitted to acquire 35 Ocean Heights. Faced with the Receiver laying claim to at least \$12 million in stock payments and proceeds from the funds deposited to the 5390 Account, Pukke's explanation for his sworn financial statement is that he lied in that statement. Pukke Response filed July 28, 2006, p. 5.

The evidence regarding the 5390 Account is that virtually all of the funds deposited into and withdrawn from the account are tied to Pukke, DebtWorks and the Sportingbet stock, while the nominal account holder, Janis Pukke, had no credible explanation for his acquisition of the stock. Pukke's failure to acknowledge this account and the proceeds of the 5390 Account as well as his interest in the Internet Opportunity/Sportingbet stock is yet another falsehood. The Receiver seeks a full accounting and turnover by Pukke of the sums in the 5390 Account as well as the 8805 Account, also undisclosed, that existed in those accounts as of April 20, 2005, except to the extent such funds are otherwise accounted for by the Sportingbet stock and proceeds or were authorized to be expended by prior Court orders, such as orders regarding the allowance and payment of fees to Pukke's attorneys. Records produced by Janis Pukke regarding the 5390 Account indicate the balance in that account as of April 20, 2005 was approximately \$513,000.

The non-disclosure and active concealment of assets by Pukke and Baker are clear violations of the Court's orders. The unabated and coordinated actions by Pukke and Baker to remove the two single most valuable sets of property rights and interests from the estate and to

conceal those assets from the Receiver for over one year is unconscionable. The Receiver estimates that Dolphin Development's net realizable value may be approximately \$20 million based on lot sales as of July 15, 2005, and the Receiver has already traced \$12 million in payments on the Sportingbet stock to the 5390 Account in addition to more than \$4 million in Sportingbet stock that mysteriously came into Peter Baker's possession and was liquidated post-receivership.

WHEREFORE, the Receiver respectfully submits that an order should be issued (a) compelling Pukke and Baker to appear before the Court and to there and then show cause as to why each of them should not be held in contempt of court for violations of the Preliminary Injunction Order and Stipulated Final Judgment as described in this Application and in the other pleadings and papers filed in support hereof; and (b) requiring that if Pukke and Baker are found to have violated the Preliminary Injunction Order and Stipulated Final Judgment, Pukke and Baker be ordered to do the following in order to purge the contempt: (i) immediately turn over to the Receiver possession, custody and control of Dolphin Development, the majority, controlling ownership interest of which is held indirectly by Pukke through Puck Key 8; (ii) immediately turn over to the Receiver all documents, records, assets, claims, contracts, rights, interests and property of any kind or nature of Dolphin Development, including without limitation its rights, claims and interests in the Sanctuary Bay Estates project and the Sittee River Wildlife Reserve; (iii) immediately cause the Starfish Entities and Sanctuary Bay Limited to turn over to the Receiver possession, custody and control of all tangible and intangible assets which they hold pertaining to the Sanctuary Bay Estates project, including without limitation all development rights, property rights, contract rights, and all other legal, equitable, and/or beneficial rights and interests in and to the Sittee River and Dolphin Development real properties located in Belize and Sanctuary Bay Estates, and further including without limitation all documents, records, assets, claims, contracts, and files pertaining thereto, (iv) immediately turn over to the Receiver all net proceeds of all properties sold by Dolphin Development, Sittee River, the Starfish Entities, and Sanctuary Bay Limited since April 20, 2005; (v) within fifteen

(15) days provide to the Receiver a full, complete, accurate and detailed accounting of all income and expenses and all assets and liabilities of Dolphin Development Co. Ltd., Sittee River Wildlife Reserve, the Starfish Entities and Sanctuary Bay Limited from April 20, 2005 to the present; (vi) immediately turn over to the Receiver possession, custody and control of the Emerald Bay Property and execute a deed conveying title to that property to the Receiver; (vii) within 15 days pay to the Receiver the sum of \$940,688.50 representing the amount withdrawn by Baker from the Emerald Bay Property through the home equity line of credit secured by the property; (viii) immediately turn over to the Receiver all stock presently held by or for the benefit of Pukke, directly or indirectly, in whole or in part, in Internet Opportunity and Sportingbet, and any subsidiaries and affiliates thereof, and all proceeds thereof, whether cash or non-cash, (ix) to the extent not covered in section (viii) above, immediately turn over to the Receiver all stock, cash and other proceeds of the stock held by or for the benefit of Pukke as of April 20, 2005, directly or indirectly, in whole or in part, in Internet Opportunity and Sportingbet, and any subsidiaries and affiliates thereof; (x) within fifteen (15) days provide to the Receiver a full, complete, accurate and detailed accounting of all stock held by or for the benefit of Pukke, directly or indirectly, in whole or in part, in Internet Opportunity and Sportingbet, and any subsidiaries and affiliates thereof, and all cash and other proceeds thereof, whether cash or non-cash, from July 26, 1997 to the present; (xi) to the extent not otherwise accounted for in connection with the preceding accountings and to the extent not otherwise turned over pursuant to the preceding obligations, within fifteen (15) days Pukke provide to the Receiver a full and accurate written accounting of the sums in the 5390 Account and the 8805 Account at Hansabanka for all funds in such accounts as of April 20, 2005, and within fifteen (15) days turn over to the Receiver an amount equal to all sums that were in the account as of April 20, 2005, except to the extent such funds were authorized to be expended by prior Court orders, such as orders regarding the allowance and payment of fees to Pukke's attorneys and (xii) pay forthwith to the Receiver on behalf of the receivership estate, from sources other than receivership property, an amount to be determined by the Court representing the attorneys' fees and costs

incurred by the Receiver in enforcing the Preliminary Injunction Order and Stipulated Final Judgment through this Application.

Dated: October 23, 2006

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