

Community Support Foundation

"Defining Community Through Common Unity"

Purpose:

(a) To act and operate exclusively as a nonprofit corporation pursuant to the laws of the State of Utah, and to act and operate as a charitable organization in lessening the burdens of government, supporting community development, providing relief of the poor and distressed or underprivileged, and promoting family, social and economic welfare through stimulation and support of home-based and small businesses.

(b) To engage in any and all activities and pursuits, and to support or assist such other organizations, as may be reasonably related to the foregoing and following purposes.

(c) To engage in any and all other lawful purposes, activities and pursuits, which are substantially similar to the foregoing and which are or may hereafter be authorized by Section 501(c)(3) of the Internal Revenue Code and are consistent with those powers described in the Utah Nonprofit Corporation and Cooperation Association Act, as amended and supplemented.

(d) To solicit and receive contributions, purchase, own and sell real and personal property, to make contracts, to invest corporate funds, to spend corporate funds for corporate purposes, and to engage in any activity in furtherance of incidental to, or connected with any of the other purposes.

(i) No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its members, trustees, officers, or other persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered to the corporation and to make payments and distributions in furtherance of the purposes set forth herein;

(ii) no substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office except as authorized under the Internal Revenue Code of 1954, as amended;

(iii) the corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from Federal income tax under 501(c)(3) of the Internal Revenue Code of 1954, as amended (or the corresponding provision of any future United States Internal Revenue law).

Community Support Foundation has helped to address matters such as:

The defense of a defrauded mortgage broker against an abusive complaint and investigation by the Department of Licensing in Washington State.

Some of our investigators helped to uncover and monitor political corruption in New Jersey in 2004. ([See New Jersey Political Corruption](#)) We are not an active participant in these current events but our initial involvement helped to create the document trail.

An independent investigation of a multimillion dollar investment company in Cache Valley Utah, which had been placed into receivership and later forced into bankruptcy court. Complaints had been filed with the SEC and the company president had been convicted of securities fraud and sentenced to about 15 years in the Utah State Penitentiary. ([See Equity Trader Investigation](#))

Conducting an investigation after a city Auditor was suspended (and then resigned) for setting up a government anti-fraud/anti-waste hotline. The Mayor's quick response was to shut down the hotline and reprimand the auditor. Our investigation began after a concerned citizen question, "Isn't that part of his job? - "What do city officials have to hide?" – "Since he was very good at his job (maybe TOO good), would he have found something the Mayor didn't want him to know?" "How many other Olathe employees have resigned or been terminated because they were too good at their jobs?" ([See Olathe Community Advocacy.](#))

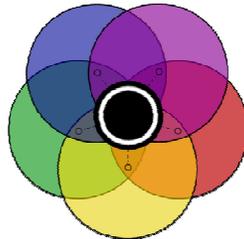
Providing information and assistance to multiple mortgage fraud abuse victims all across the country.

"If not me, who? And if not now, when?" - Mikhail Gorbachev

Community Support Foundation
in cooperation with
Community Learning Centers

is pleased to announce
their development of a documentary on:

Community Development
"Synergy By Design"



An independent study that chronicles the lives and highlights the real life experiences of individuals attempting to conduct business in the American society.

The study focuses on the habits and practices we rely on to transact business. By providing examples of both "good" and "bad" business practices, the study hopes to illustrate the overall impact of the "Principles of Good Business" and the benefits of those practices which promote good business and a sense of community.

"For a society to work, the members of the society must have a common agreement between them. One which would allow the attainment of what each individual needs; physically, emotionally, intellectually, economically and spiritually. In return each individual is responsible to serve society to the best of that individual's talents and abilities."

The "Principles of Good Business™" seemingly reflect our common thoughts that each of us must have:

- 1) A Stewardship of Responsibility;
- 2) Adherence to Ethical Standards;
- 3) The creation of Abundance;
- 4) A Pledge to Do No Harm; and
- 5) A Duty to give Back to the Community.

Simple principles that, when followed, guarantee the trust and confidence of our communities through a common acknowledgement of our expectations.

The study will also consider the evaluations, methods, reports and classifications of rating systems that define our performance and creditability, with an overall objective to prove the necessity of, and recommendations for good business practices, ethical government, new rating systems and lending practices that promote a cooperative environment throughout society.

Tom Fairbanks: has been involved in business and economic development for the last 30+ years; specializing in incubation facilitation, which is an economic lifeline of business support, resources, and services that accelerate the growth and success of startup and entrepreneurial enterprises.

Tom and with his wife, Shauna are the parents of 8 children, (imagine 5 teenagers 32 months apart) most of whom have married and are building families of their own with several grandchildren, that alone certainly qualifies them in the area of organizational management and facilitation.

A man with extensive experience in the integration of business, real estate investments and personal development. His extensive entrepreneurial career began with his first sole entrepreneurial effort at the age of 22. He is a continual student in human behavior and participated in the Development of a personal and professional development-training program used to educate clients and incubated companies.

He is a firm believer in the power of association, and his extensive on hands education has helped him to develop and author the concepts of SupplyLine Economics©, and Collaborative Business Systems©. Having witnessed firsthand the abuses of ethical violations in business Tom became an active proponent of fair play and community advocacy and his efforts lead to the formulating of the “Principles of Good Business” © which he believes is the core foundation of healthy business and community development.

Shauna, presented Tom with a certificate of achievement for Christmas many years ago acknowledging that he was successfully completing an Advanced Ongoing Course in the Field of Life. This was the impetus to the creation of the School of Hard Knocks.

You are cordially invited to share in some of the lessons that have made such a profound effect in his life. www.theentrepreneur.org

The information contained herein is a compilation for a wide variety of sources. Direct quotes are noted as such, while most of the other information has been edited for the ease of understanding. We wish to thank those who have contributed, both knowingly and unknowingly to this work.

“Principles of Good Business”

“For a society to work, the members of the society must have a common agreement between them. One which allows the attainment of what each individual needs; physically, emotionally, intellectually, economically and spiritually. In return each individual is responsible to serve society to the best of that individual’s talents and abilities.”

The “Principles of Good Business” seemingly reflect a common thought that each of us must have:

- 1) A Stewardship of Responsibility;
- 2) Adherence to Ethical Standards;
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- 5) A Duty to Give Back to the Community.

Simple principles that, when followed, guarantee the trust and confidence of our communities through the common acknowledgement of our expectations.

What are the Common Expectations?

1) Truthful and Accurate Communications.

Professionals do not engage in deceptive or misleading practices with regard to any aspect of advertising, marketing or any other communication of product or service quality, description or pricing.

2) Disclosure.

Professionals disclose to their customers and prospective customers pertinent information about their business, the goods or services available for purchase, and any transactions between them and their customers.

3) Information Practices and Security.

Professionals adopt information practices that treat each customer’s personal information with care. They take appropriate measures to provide adequate security for sensitive information, such as credit card information, social security information, and any personal information required by the transaction.

4) Customer Satisfaction.

Professionals seek to ensure their customers’ satisfaction by honoring company representations, answering reasonable questions, and making credible attempts to resolve customer complaints and disputes in a timely and responsive manner.

5) Honoring of Commitment.

Professionals understand that willful violation of their Pledge of Good Business Practices is a detrimental act which results in the loss of confidence and trust of the members of the community.

Make your commitment to the “Principles of Good Business” at www.principlesofgoodbusiness.com



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FBI corruption probe targets Toms River school superintendent's home, office

By Joe Ryan/The Star-Ledger
April 22, 2010, 1:03PM



Andrew Mills/The Star-Ledger

FBI and IRS agents load boxes of evidence into a waiting minivan that they removed from the luxury ocean block home of Michael Ritacco, superintendent of Toms River school district, after a morning raid in Seaside Park.

TOMS RIVER — Federal investigators **raided the offices of the Toms River Regional Board of Education** and the home of its superintendent today, impounding his Mercedes Benz and seizing dozens of boxes of records as part of an ongoing corruption investigation.

More than a dozen agents from the FBI and the Internal Revenue Service arrived early this morning at the district office and at the Seaside Park home of superintendent Michael J. Ritacco.

An FBI spokesman, Bryan Travers, confirmed the raids were underway but declined to comment on the nature of the probe. A law enforcement official with knowledge of the probe said it was corruption related. The official declined to be identified because they were not authorized to speak about the investigation.

With more than 16,000 students, the Toms River school district is the fourth largest in the state, according to the district Website. A spokeswoman, Tammi Millar, said the district is cooperating with the investigation.

A spokeswoman for U.S. Attorney Paul J. Fishman declined to comment.

The agents arrived in seven cars this morning at Ritacco's home on 11th Avenue in Seaside Park. The three-story home stands a block from the ocean. A fountain adorns the front yard. Aside from taking roughly 12 boxes, the investigators photographed the backyard pool and wet bar. Before leaving,

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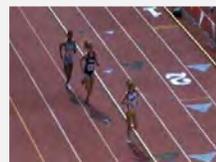
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they impounded a black Mercedes Benz E 550 that was parked in the driveway.

An unidentified man who answered the phone at Ritacco's home this morning said he was not available.

Ritacco, 62, has worked for the district for roughly 40 years, earning more than \$226,500 annually, according to state records. He is somewhat of a local icon. The Ritacco Center -- a 3,500 seat arena that opened in 2003 to host sporting events, concerts and trade shows -- is named in his honor.

Agents also searched a home in Toms River owned by Donna M. Mansfield who has worked 11 years for the district.



FBI agents search Toms River Board of Education, superintendent's home

FBI and Treasury Department agents carry boxes out of the luxury ocean block home of Michael Ritacco, superintendent of Toms River school district, after a morning raid, here. Andrew Mills/The Star-Ledger



COLUMNISTS

Bob Braun

- [N.J. police recordings highlight gaps in victim identifications, family notifications rules](#)

Mark Di Iunno

- [N.J.'s largest beekeeper pollinates crops along East Coast with bees](#)

Paul Mulshine

- [Now, this is funny: discrimination laws taken to the level of absurdity](#)

[ALL COLUMNS](#) »

Video of federal investigators taking evidence from Michael Ritaccos home



Resident says many people in town have questioned Ritacco

August 13, 2006

Dear Tom:

I want to thank you for your part in Lance obtaining his freedom early. We are confident that your letter was one of the deciding factors for the Board of Pardons. Eight months of freedom where he is able to make a living, have a church job and interact with his son. Eight months of daily interaction with family and friends, where we enjoy his company and his spirit. Completion of eight months of his parole and eight months of restoration or his good name, his assets, and his self esteem.

As you well know these last years have been very hard for our family. Your caring, interest, knowledge, understanding, and support have helped enormously to get us through it.

We know that the public perception of Lance has been damaged through this problem but there are those who do understand. We thank you for those you have had communication with who because of you understand the truth.

I will probably check with you in the near future and get back that horrible tape of his sentencing.

We have not had any return on our money from the bankruptcy attorneys. I doubt if we ever will. I have less faith in our legal system than I used to.

I have worried about my outlook on people who caused us pain. I am lucky because I don't have to interact with them so I am able to put most of it out of my mind.

With Lance's coming home I spend time appreciating those people who show kindness and there have been many. I do have some trouble with Angela his hopefully soon to be ex-wife as she continues to be uncooperative and unkind.

It is wonderful to be at this end of the situation.

Thank you very much for all you have done. Know that you are very much appreciated.

I sincerely hope that your efforts are paying off in your own life and that your work in Kansas, Seattle and here are moving ahead the way you would like.

A very appreciative friend,

A handwritten signature in cursive script that reads "Roma Henderson". The ink is dark and the handwriting is fluid and personal.

The Herald



Journal

Vol. 95 No. 312 Sunday, November 7, 2004

Bridgerland's Daily Newspaper

Logan, Utah © 2004 \$1.25

SUNDAY



Valley man makes interesting fossil find — A3

Lone Peak ends Grizzlies' bid for state football title — B1

Weather



Indian Summer lives!

— Page A16

Update

Religion

Calif. college looks to add

LDS studies

SALT LAKE CITY (AP) — A California school is looking at opening the first chair for Mormon studies outside of Utah for study of the faith's history, people and traditions.

Karen Torjesen, dean of religious studies at Claremont Graduate University's School of Religion, said separate councils studying possible

Jilted local investors vie for remains

By Randy Stebbins
staff writer

The only treasures left in the rubble after Lance Henderson's fraudulent investment scheme collapsed are the promissory notes he used to bamboozle Cache Valley investors out of millions of dollars.

And more than a year after Henderson was sent to prison, several of the jilted investors are still fighting over them.

Henderson's company, Equity Trader-1, gradually came apart during late 2001 and early 2002. It unraveled after he failed to make

monthly interest payments to his investors, began using new investors' money to pay off older investors and took money for his own use, according to court records.

Henderson was sentenced to 30 years in prison for securities fraud in June 2003, leaving at least 114 investors holding the bag for between \$6 and \$8 million.

Six of the defrauded investors — including the scheme's biggest, former North Logan resident Clyne Long — have filed a complaint against North Logan businessman Dan Cox. The complaint, which is part of Equity Trader-1's Chapter 11

bankruptcy case, alleges Cox has no greater interest in the notes than other investors.

Cox said he had a contract with Henderson to buy the notes and that other investors simply gave their money to Henderson in exchange for his promise of big returns. In a counterclaim to the committee's complaint, Cox said he owns more than 150 of the notes and should be repaid all the money he gave Henderson, plus the promised interest, a sum that could reach \$1 million dollars.

"I was the first person to put this (a purchase contract) together with

him," Cox said. "It comes down to either I own the notes or have a security interest, or I don't. If I do, I should have a level of protection. None of us were investors with a lot of experience in these matters and I tried to do this as clearly and precisely as I could."

Cox supported his contentions with various documents he says show his agreement with Henderson. Not surprisingly, Long disagreed.

"He's just like all the rest of us," Long said. "Out of all of the investors we all had basically the

See JILTED on A15

Clearer skies ahead?



Jilted

Continued from A1

same contract that Dan had. He keeps asking us why we're picking on him. Several investors have lost homes, I had to sell my home. He (Cox) not only wants his money back, he wants the interest too and that's extremely greedy."

Cox told The Herald Journal he made a settlement offer to the committee under which he would forgo any interest payments and pay his own legal bills as long as he recovers his initial investment. He said the committee rejected the offer. "I wish they could all get their money," Cox said. "I don't want it all. I hope the best for everyone. I want to move on and put this behind us."

Long and the other investors said Cox should be in line with them and get only a partial repayment of his investments. A judge has heard all sides and a decision is forthcoming.

"I'm real confident the judge will go with us and against Dan," Long said.

Long and the committee filed their complaint in December 2002. In addition to Cox, the complaint names Logan attorney Brian Cannell and his law firm, Hillyard Anderson & Olsen. The committee alleges Cannell was negligent by failing to safeguard the notes when they were in the firm's possession.

The complaint says that Cox wrongfully took possession of many of the notes after they had been entrusted to Cannell and the law firm by investors during a planned takeover of Henderson's failing company in December 2001. The committee alleges that Cannell was supposed to represent the investors, but Cannell has argued that he only represented Cox, according to court records. Neither Cannell nor the firm would comment.

The committee also claims that a Delaware collection company, EMCC Inc., should not have been awarded money in a settlement with Equity Trader-1. EMCC successfully argued that it actually owned 550 notes through an arrangement similar to Cox's.

The investors will receive 20 cents on the dollar from the bankruptcy court if Cox and EMCC are denied a privileged place at the table, according to

Long. If Cox and EMCC prove their claims of ownership, the remaining investors will get 16 cents on the dollar says Cox.

Complicating matters is a "friend of the court" brief filed by a recently organized North Logan group calling itself the Community Support Foundation. The brief supports Long and the committee and alleges that Cox maliciously used his connections with Henderson to put himself in a favored position.

Thomas H. Fairbanks is the director of the North Logan group. He wrote the brief and filed it with the federal bankruptcy court in Salt Lake City.

Fairbanks said he is an entrepreneur, business consultant and residential real estate appraiser who came to North Logan from Washington sometime last year. His connections to the court case and Henderson's scheme are unclear, and he maintains that he is interested only as a member of the community.

"I'm concerned because if you can't trust your investment advisors and bankers, it's virtually a self-fulfilling prophecy, leading to an ugly and doomful picture," Fairbanks said.

Henderson promised people wildly high returns on their money if they invested with him. He tempted them by saying there was a tremendous stream of money coming to Equity Trader-1 from nearly 1,000 promissory notes.

The promissory notes continue to generate a lot of cash, which is collected by EMCC under a contract it entered with Henderson. The money is accruing even now, pending the bankruptcy court decision.

The notes are installment contracts for water treatment systems bought by homeowners in the Las Vegas area. Henderson purchased them at a fraction of their face values from the company that issued them.

Buying the notes, a common practice in the financial industry, entitled Henderson to the full amount of the contracts, including the 18 percent annual interest rate they carried.

The notes have an approximate value of \$5,500,000 and produced an enormous stream of cash as the homeowners made their monthly payments. It was that money stream that enabled Henderson to pay, for a time, a 30 to 35 percent return to his investors.

Bird

Continued from A3

The only other semi-complete specimen of its kind is in a private collection, added Jamison, but a cast of it is on display at the Smithsonian Institute. It is similar to the one Jamison and his friends found, but it lacks a pelvic girdle.

"Even without the feathers, it's the first complete specimen of its entire order," Jamison said of his fossil.

But it's the feathers, said Jamison, that are the most important aspect of the find.

Because little is known about the evolutionary relationship between today's flightless birds and prehistoric flying birds, the fossil could shed light on how flightlessness came about. Jamison said the feathers are fundamentally different from those of flightless birds today.

On the day of the discovery, Jamison wasn't alone in the leased Wyoming rock quarry. This time he brought a couple of friends and former students, Adam and Holly Smith. The Smiths, who now reside in Bangkok, Thailand, lived in Logan at the time and made mosaic tables. They had a booth at the farmer's market where they became re-acquainted with Jamison.

"He suggested that maybe integrating fossil fish into our mosaic work would be a smart move," said Adam Smith. "We thought it was a brilliant idea, but we didn't have money to buy any fossils."

The two agreed to trade Web design services for fossils, and Jamison provided a

map and the directions to the quarry, so the Smiths could join him and dig on their own.

Upon arrival, the Smiths were given their own chisel and hammer and pointed to a safe area of the rock quarry in which to dig. Adam said the quarry site was on top of a large hill in a desert landscape.

"It was a miniature crater on the edge of the hilltop, and there were several others in the vicinity," said Adam. "The quarry looked like several large, uneven table tops with hundreds of tons of rubble all around them."

Jamison said he sent Adam and Holly over to a part of the quarry where everything was fragmented and seemingly lacked scientific value.

"Where I work, though, there's always the possibility of finding something rare," said Jamison. "I told them, 'If you see anything that doesn't look like a fish, call me.'"

It wasn't long before Adam called over, "Hey Paul, this doesn't look like a fish."

At first sight, Jamison knew it was a treasure, even though he could see only a small portion of the bones. The rest were covered in rock, and he could only imagine what might lay beneath the thin layer of sediment.

"I was stunned because I knew I was looking at the wing bones of a bird," said Jamison.

So they proceeded with caution.

The group, including Jamison's summer employee Jules Berger, worked the remainder of the day to secure the area of rock where all the bones would be. Carefully, they slid the entire 3-

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IN THE UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF UTAH

Central Division

Oct 21 12 52 PM '14

In re: :

EQUITY TRADER-1, LLC, : Bankruptcy Case No. 02-30135 GEC
Debtor : (Chapter 11)

EQUITY TRADER-1 LLC, an Idaho : MOTION TO BE ADMITTED
limited liability company, : BRIEF AMICUS CURIAE
Plaintiff : SUPPORTING PLAINTIFF

vs. :

DAN COX, an individual; BRIAN : Adversary Proceeding No. 02P-2472 GEC
CANNELL, an individual; HILLYARD
ANDERSON & OLSEN, a Utah partnership :
corporation; and EMCC, INC., a Delaware
corporation, :

Defendants. :

BRIEF AMICUS CURIAE OF COMMUNITY SUPPORT FOUNDATION,
SUPPORTING PLAINTIFF

OVERVIEW

Pursuant to the case of *Equity Trader-1 LLC vs. Dan Cox, Brian Cannell, Hillyard Anderson & Olsen and EMCC, Inc.*, Community Support Foundation, a grassroots organization involving citizens across the country, is submitting this Amicus Curiae on behalf of the Plaintiff.

BASIS

Community Support Foundation supports community development and provides relief to the distressed. The organization encourages citizens to participate in the development and support of Community Standards and other current activities that pertain to the development and support of the common unity that unites members of a society.

Community Support Foundation has been requested to oversee the civil proceeding of *Equity Trader-1 LLC vs. Dan Cox, Brian Cannell, Hillyard Anderson & Olsen and EMCC, Inc.*, as “Community Advocates” and we believe Community Support Foundation’s Amicus can provide an important perspective in this ongoing debate.

In addition, this Amicus submission will help to counter an unfortunate misconception in our nation. Generally, the courts are viewed as beyond the reach of the influence of the general public. While judges in our federal courts are indeed appointed and not elected, these judges still serve the people. The Constitution stipulates that they shall hold office “during good behavior.” And our judges are bound by the Constitution, which is the “supreme law of the land.” We offer that very few Americans are even aware of their right to present a Motion to be Admitted as an Amicus and offer their thoughts and opinions pursuant to specific cases before our federal courts. Through this process of Motion to be Admitted as an Amicus in this case, Community Support Foundation is informing citizens that they can participate in this process.

Finally, the Court’s ruling will confirm the Court’s position as to whether public opinion does, in fact, matter.

ARGUMENT

“Nothing offends the human conscience more that the attempt by one member of society to advance at the expense of another.”

For a society to work, the members of the society must have a common agreement between them. One which would allow the attainment of what each individual needs; physically, emotionally, intellectually, economically and spiritually. In return each individual is responsible to serve society to the best of that individual’s talents and abilities.

The "*Principles of Good Business*[™]" seemingly reflect our common thoughts that each of us must have: 1) A Stewardship of Responsibility; 2) Adherence to Ethical Standards; 3) The creation of Abundance; 4) A Pledge to Do No Harm; and 5) A Duty to give Back to the Community. Simple principles that, when followed, guarantee the trust and confidence of our communities through a common acknowledgement of our expectations.

Regrettably there has been a blurring of the boundaries of conduct. No longer are we (the people) confident that the rules of the game can even be recognized, let alone that they will be followed. Time once was when we knew our ethical limits and what could be expected. But as 'greed became good' our traditional values seemingly fell by the wayside, leaving in its wake the destruction of trust. Now, under these conditions that the Courts have been asked to intervene.

The community has been adversely affected by the actions of the defendants far beyond the economic losses of the plaintiff's investors. As individuals, businesses and nations we are bound together by a vast web of treaties, laws and rules of engagement. Though sometimes complex and inefficient, these rules have prevented us from devolving and dropping into complete chaos. They support our civilization and our very existence. The defendants' blatant violations of trust have weakened the fabric of confidence that binds the community together.

However the most tragic impact has been the deliberate and calculated attempt of the defendants to advance themselves, at the expense of others, with the aid of legal council and officers of the Court because their participation has allowed the Courts and the Law to be wielded as instruments of abuse.

MATERIAL FACTS

Court records show approximately 64 investors have been injured by the actions of Mr. Lance Henderson and Equity Trader-1, LLC.

Several of the Equity Trader-1's investors are in possession of "Discounting Agreements" similar to the one issued to Mr. Dan Cox, each varying in the amount invested and the rate of return for the investment.

Mr. Cox received compensation at a rate higher than the other investors. It has been alleged that the increased rate of return was for compensation for activities beyond the investment itself.

Mr. Cox's counsel openly admitted, on September 22, 2004, that Consumer Accounts (Notes) were previously delivered to Mr. Cox, but were later given back to the Equity Trader-1.

According to Paragraph 52 of Mr. Cox's Answer, Counterclaim and Cross Counterclaim on or about Tuesday December 18, 2001 Mr. Cox, Equity Trader-1 (through Lance Henderson), Bruce Henderson and Bob Holbrook met with Brian Cannell to discuss

various matters relating to Equity Trader-1 and that the subject of discussion was the formation of Northern Finance Exchange.

Bruce Henderson and Bob Holbrook each testified that on or about the same day, Tuesday December 18, 2001, they delivered boxes containing the "Consumer Accounts" to Brian Cannell for "safe keeping." Each party believing that Brian Cannell was acting in the interest of Equity Trader-1 and their positions as investors.

In the letter dated, December 24, 2001, Brian Cannell declared his status of representation of Mr. Cox and acknowledged that Bruce Henderson and Bob Holbrook had retrieved seven boxes and five binders worth of materials associated with Equity Trader-1.

Both Mr. Bruce Henderson and Bob Holbrook have declared that upon retrieval of the afore mentioned boxes and binders, each publicly commented that items appeared to be missing.

Paragraph 9 of Mr. Cox's Counterclaim indicates at various times through Saturday December 22, 2001, Dan Cox took possession of, and at all times thereafter has possessed all consumer obligations (including promissory notes executed by consumers and related documents) which were allegedly assigned to Mr. Cox.

Paragraph 10 of Mr. Cox's Counterclaim then charges that Equity Trader was in default in its obligations under the "Discounting Agreement."

Paragraph 11 of Mr. Cox's Counterclaim also acknowledges that Mr. Cox took possession of additional assets, consisting of additional consumer obligations to provide Mr. Cox with his full principle return and 35 percent interest, and that Mr. Cox has since maintained continuous possession of such additional consumer obligations.

Paragraph 12 and 13 of Mr. Cox Counterclaim acknowledges that Equity Trader-1 (Lance Henderson) and Mr. Cox attempted to execute an "Asset Purchase Agreement" on Sunday December 23, 2001 which was unacceptable Mr. Cox.

Paragraph 14 of Mr. Cox's Counterclaim acknowledges the filing of a financial statement with the State of Idaho on February, 28, 2002. Exhibit D and statements by Mr. Cox's legal counsel further shows this action was an attempt to perfect Mr. Cox's claim against Equity Trader-1 with the aid of new legal counsel.

ACKNOWLEDGED OBSERVATIONS

Throughout the legal proceeding against Lance Henderson, there was substantial evident presented that showed several investors were actively involved in the due diligence process over the interest acquisition of Hague Water Purification Company and the Tanner Call Center in Las Vegas, Nevada by Equity Trader-1. A couple of investors,

including Mr. Cox traveled to Las Vegas to physically inspect the facilities prior to Equity Trader-1's interest acquisition.

There was also substantial evidence presented throughout Lance Henderson's legal proceedings to show that Equity Trader-1 (Lance Henderson) was actively working with legal counsel and the Utah State Department of Securities to provide an acceptable remedy to the Equity Trader-1's security violations.

Bruce Henderson and Bob Holbrook have acknowledged that the December 18, 2001 meeting with Brian Cannell acknowledged in paragraph 52 of Mr. Cox's Answer, Counterclaim and Cross Counterclaim was for the purpose of reorganizing the equity investments into an arrangement that would meet the Department of Securities requirements. Mr. Cox affirmed that he participated in these discussions.

Attached hereto is a copy of a letter date June 6, 2003 to the State of Utah regarding the sentencing of Lance Henderson, which was written by Mr. Dan Cox. (Exhibit A) Of particular note is his comment in the first paragraph in which he states: "I was also the sole investor who made routine monthly audits and monitored the business, as it concerned me, on a regular basis. My insight on his (Lance Henderson's) practices is what finally brought this case to the attention of the State Securities Division."

In the second paragraph he continues: "...This was intentional, calculated and without prejudice for he (Lance Henderson) defrauded any one he could."

In the third paragraph Mr. Cox states: "This happened solely because of one mans greed and total disregard for others."

And finally in the fourth paragraph he claims: "This man (Lance Henderson) is a predator, without conscience."

Mr. Cox then concludes by asking the Judge to pronounce a harsher sentence than the guideline would allow because a light sentence "would be victimizing all of us yet again."

CONCLUSION

In summary, this Amicus brief is designed to provide a public response to the Court's ruling in *Equity Trader-1 LLC vs. Dan Cox, Brian Cannell, Hillyard Anderson & Olsen and EMCC, Inc.*

From the material facts and acknowledged observations, a reasonable man would have to conclude that by Mr. Cox's own admission, he held a position that at minimum provided him with an insider's advantage. Mr. Cox's statement that he "was the sole investor who made routine monthly audits and monitored the business, as it concerned me, on a regular basis", along with his input and influence during the acquisition process of Hague Water

Purification Company and the Tanner Call Center, would further suggest either an accepted position of importance or a tolerated action of an interloper.

In either case, it is apparent that Mr. Cox had access to information which gave him an advantage over most of the other investors.

Mr. Cox was actively involved in the discussions and orchestrations implemented to correct the security violations as outlined by Equity Trader-1's legal counsel, and therefore knew of the injuries and the efforts to make Equity Trader-1 compliant with security regulations. Access to this type of information would certainly provide Mr. Cox with the opportunity to strategize a protective maneuver.

EMCC. Inc. and Dan Cox are the only investors who claim to have priority rights. There are several other investors who have been required to make compensation to the court for receiving transfers regulated under the Utah Fraudulent Transfer Act, from which Mr. Cox claims an exemption as an owner of the notes.

As to whether or not Mr. Cox is an owner or an investor, the determination must rely more on practice rather than perceived stipulation. Mr. Cox's compensation was based solely upon a fixed rate of return rather than the performance of a particular security instrument. Furthermore, Mr. Cox's prior return of the security instruments to Equity Trader-1 would also indicate Mr. Cox's choice to receive compensation as an investor rather than an owner.

Proper notice of Mr. Cox's intent to take possession of the security instruments was never delivered to Equity Trader-1, until physical possession had already taken place. Mr. Cox clearly admits that he took final possession on Saturday December 22, 2001 by the removal of the security instruments from the law offices of his alleged attorney Brian Cannell.

The admission of an attempted negotiation with Equity Trader-1 on Sunday December 23, 2001 might be perceived as an extortion effort by Mr. Cox and could explain why Lance Henderson would tell Mr. Cox that his decision would be one that he would regret.

By Mr. Cox's own admission, it was his "insight on his (Lance Henderson's) practices is what finally brought this case to the attention of the State Securities Division." It seems clear that Mr. Cox is accepting responsibility for "blowing the whistle." Although one can only wonder what would have happened if Equity Trader-1 had been allowed to complete its supervised reorganization.

Mr. Cox's unsavory charges against Lance Henderson in his letter to the State of Utah may well be a mirror reflection. The timing of Mr. Cox's possession of the security instruments was certainly a significant event that led to placement of Equity Trader-1 into receivership and subsequently into bankruptcy.

Mr. Cox has used his privileged position to advance himself at the expense of the other investors, an act that shows himself to be a Malicious Interloper with a total disregard for others.

It is blatantly apparent that both legal process and fiduciary responsibilities to the parties, affected by this lawsuit, have been ill-advised and violated. Therefore it would seem reasonable to conclude that Brian Cannell and Hillyard Anderson & Olsen be reprimanded and held responsible for financial damages resulting from their violations and that their conduct should also be subject to peer review.

While there is no evidence that Mr. Cox is subject to any recognized peer review standards, he should be held to the standards of common decency. Mr. Cox should be treated like the other investors, who have had lesser involvement, and the Court should demand the return of the security instruments since they were received under the Utah's Fraudulent Transfer Act. Mr. Cox should only be afforded the protections of an insider, and he too, should also be held responsible for the financial damages resulting from his violations and conduct.

Recognizing that Amicus Curiae is uncommon in these proceedings, public opinion should play a significant role in the course of this case. Together, we stand to urge the Court to rule in favor of the Plaintiff and to reconfirm the belief that communities are bound together by a common unity in principles, such as the "*Principles of Good Business*"™, and that "good business conduct" is a mandatory requirement by the courts and community at large.

Signed,



Thomas H. Fairbanks
Community Advocate
Community Support Foundation

And Concerned Citizens of Cache Valley

DAN COX

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June 6, 2003

STATE OF UTAH Vs. Lance K. Henderson

Honorable Brent West

My name is Daniel L. Cox and I am one of the many victims of Mr. Henderson. I would like you to hear from me prior to his sentencing because I am one who knew Mr. Lance Henderson best and on a personal level. My feelings are very strong. We were friends, Home Teaching companions, basketball teammates, and our families would socialize personally together. I was also the sole investor who made routine monthly audits and monitored the business, as it concerned me, on a regular basis. My insight on his practices is what finally brought this case to the attention of the State Securities Division. A decision he vowed I would regret.

The impact that this mans actions has had on me and my family has been devastating. He used a series of contracts, false reports, and empty promises to lure his victims, including me, into his web and defrauded all of us. This was intentional, calculated, and with out prejudice for he defrauded any one he could. This included many old and retired persons, widows, young kids just starting out in life, and many, many people with out the means to recover.

Mr. Henderson had much discussion with me on my plans to build a personal home. This was one that I was to pay for with the monies invested with him. We spoke specifically of this on many occasions. He encouraged my decision to build and supplied me with many names of contractors that he had used. I broke ground on September 11, 2001. At this point his company was already in a helpless state, which information had been concealed from me with false reports and misleading information. He intentionally withheld information and watched me build a home that I would not be able to pay for. I lost my home and the personal conflict and sorrow that this caused in my family, my marriage, and my life was beyond ANYTHING that I could have imagined. I lost over \$500,000.00 from this man. My entire life savings were gone! This happened solely because of one mans greed and total disregard for others. He with drew \$70,000.00 from the Equity Trader account (his company) on 12-24-2001 and an additional \$16,000.00 on 12-31-2001. This was all well after the company was being taken over by a newly formed receivership. He told all of us in a meeting; "I will do all that I can to help you." Meanwhile he was taking as much money out of the accounts as he could. If this were not bad enough, I would face even more trials. I told Lance that I would no longer sit back and let him continue to take money from unsuspecting people. This angered him greatly and he told me that if I tried to stop him, he would make sure that I never saw a penny of my money. I had separate contracts with this man outlining a course of action I was to take if the company ever went into default. He quickly aligned himself with a few of the key,

Tom Fairbanks

From: Tom [tom@supplyline.org]
Sent: Monday, September 26, 2005 12:46 PM
To: Undisclosed Recipient
Subject: Community Advocacy

Please forward as appropriate.

It was a pleasure to meet with the concerned citizens of Olathe who have expressed their concerns about recent decisions by the city administrators which call into question the City's Charter as a "City of Character". In passing I wish to remind you of three specific points.

1 - "Principles of Good Business"

"For a society to work, the members of the society must have a common agreement between them. One which would allow the attainment of what each individual needs; physically, emotionally, intellectually, economically and spiritually. In return each individual is responsible to serve society to the best of that individual's talents and abilities."

The "Principles of Good Business™" seemingly reflects a common thought that each of us must have:

- 1) A Stewardship of Responsibility;
- 2) Adherence to Ethical Standards;
- 3) The Creation of Abundance;
- 4) A Pledge to Do No Harm; and
- 5) A Duty to give Back to the Community.

Simple principles that, when followed, guarantee the trust and confidence of our communities through a common acknowledgement of our expectations.

2 – Margaret Meade once said: "Never doubt that a small group of thoughtful, dedicated individuals can change the world; indeed, it is the only thing that ever has."

3 - "All that is required for evil to prevail is for good men to do nothing." Edmund Burke

I will be watching to see what the Community of Olathe does; it should be a fascinating story.

Tom Fairbanks
Community Advocate

SupplyLine.org

"Dedicated to finding holes and filling them"

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