

RECEIVER'S STATEMENT ON STATUS OF ASSET RECOVERY

One of the Receiver's tasks is to locate what, if any, assets exist in the United States or foreign countries in accounts or property held by the Defendants or Relief Defendants *and* to carefully analyze where investor money was transferred and how it was utilized over the entire course of the Defendants' alleged fraud.

The SEC, the United States Receiver and the St. Vincent Receiver have developed lists of the various bank accounts in the name of the Defendants and Relief Defendants (and other relevant non-parties) located in the United States as well as in foreign jurisdictions including Switzerland, China, St. Vincent, and more.

As previously disclosed, Defendants' bank accounts in the United States were frozen, have been seized, and all cash transferred to the Receiver's interest-bearing account.

Unfortunately despite ongoing investigations, very little cash has been located so far. Total cash existing in United States bank accounts for all Defendants and Relief Defendants at the time the SEC filed its complaint was limited; well less than one million dollars. While international asset search and recovery expert investigators are diligently assisting the Receiver in his efforts, there does not at this time appear to be significant cash in accounts maintained in foreign countries.

The Receiver has not been able to find evidence of a single investment made by the Defendants with investors' money. Further, it currently appears that the Defendants spent the majority of the money received from investors on their own personal expenses and luxuries. For instance, the following are just some (but not all) of the ways in which Mr. Wise – the chief architect and operator of the Ponzi scheme – spent investor money during the entire course of the Ponzi scheme:

- \$5,000,000 to \$7,000,000 for purchase and upgrades to property in St. Vincent;
- \$400,000 or more to pay off mortgage on Raleigh residence;
- \$12,000 per week to his wife, Lynn Wise;
- \$6,000 to \$10,000 per month / per female companion to one or more female companions at a time;
- \$40,000 per month toward interest owed on the note for a private airplane;
- \$19,000 per month for maintenance fees, costs, cleaning and landing fees for a private airplane;
- \$3,000 to \$5,000 per month for updated flight plans systems for a private airplane;

- \$90,000 for pilot training costs for a private airplane (spent on at least three pilots in 2008);
- \$25,000 – \$40,000 per month for airplane fuel (\$5.00 per air mile);
- \$1,000,000+ on wine;
- \$1,000,000+ to repay loan from Wise's friend Trenholm Healy;
- \$450,000+ charged to American Express as of last statement before Receivership;
- \$450,000 to purchase three boats; and
- Unknown sums (still being determined) paid toward international travel, food, alcohol, entertainment and lodging for various business associates, friends, and female companions, primarily to St. Vincent but also to Europe, Asia, and beyond. This includes a trip for as many as fifty people to travel to St. Vincent for New Year's Eve 2008.

The foregoing list is certainly not exhaustive; there are many ways in which all of the Defendants spent investor money on real and personal property, personal expenses, luxury items and more. This list is a conservative approach based on known information obtained from data review and witness and party interviews conducted so far. Given this conservative figure, it appears that similar expenditures over the entire course of the fraud will account for a very large portion of invested money by all investors.

While the Receiver can and will liquidate tangible goods purchased with proceeds of the fraud (vehicles, boats, real and personal property), investor money spent on travel, entertainment, training pilots, paying for professional and personal services, and all other intangible items are unrecoverable insofar as the money was already spent and there is nothing remaining to be seized and sold to recover those funds.

A more detailed list of such expenditures is being compiled through the course of the Receiver's investigation and data review and will be submitted to the Court in a public filing that will also be shared with investors and other creditors of the Receivership Estate.

**COURT ORDERS PRELIMINARY INJUNCTIONS FREEZING ASSETS AND
GRANTING OTHER EQUITABLE RELIEF AGAINST
DEFENDANTS WILLIAM WISE, PHILLIPE ANGELONI, AND BRIJESH CHOPRA**

On Friday, April 3, 2009, the Northern District of Texas, Wichita Falls Division, conducted a hearing on numerous motions and agreed motions filed by the SEC. All of the motions before the Court pertained to the SEC's request for preliminary injunctions against the below-listed Defendants (the "Enjoined Parties"). The Court had previously issued an order, among others, requiring the Defendants and Relief Defendants to show cause why the preliminary injunction should not issue as to each of them. The Enjoined Parties discussed herein did not agree to entry of the injunctions, nor did they appear at the hearing on April 3, 2009.

Enjoined Parties

William J. Wise, Defendant
Phillipe Angeloni, Defendant
Brijesh Chopra, Defendant

Court Makes Numerous Factual Findings

At the hearing and in the Order entered enjoining, freezing the assets of, and granting additional equitable relief against the Enjoined Parties (a PDF copy of the Order is available on this Web site), the Court made a number of factual findings including, but not limited to:

- (1) The Enjoined Parties received actual notice of the April 3, 2009 hearing but did not appear or otherwise contest the hearing or the preliminary injunctions entered against them;
- (2) Defendants failed to provide the financial and account information previously ordered by the Court (a PDF copy of this Temporary Restraining Order is available on this Web site);
- (3) Defendants also failed to repatriate assets or surrender their passports;
- (4) The assets of the Enjoined Parties and all other Defendants and Relief Defendants in the action are in imminent jeopardy of dissipation or loss and, absent a freeze, Defendants can removed the funds and assets beyond the Court's jurisdiction;
- (5) Investor funds were not used for legitimate banking or investment activities and that the individual Defendants diverted investor funds for personal use, including, but not limited to, credit card expenses, auto expenses, aviation expenses, wine expenses, and other personal expenditures; and
- (6) Defendants engaged in a fraud that included misappropriating investor funds and materially misrepresenting the Millennium certificates of deposit and purported use of investor funds.

Scope of Prohibited Activities and Conduct

The Enjoined Parties agreed to a preliminary injunction barring them from directly or indirectly violating Section 17(a) of the Securities Act (15 U.S.C. § 77q(a)), Sections 5(a) and 5(c) of the Securities Act (15 U.S.C. §§ 77e(a) and 77e(c)), and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder (15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5).

Assets Frozen, Preservation of Books and Records

The Enjoined Parties are further restrained from directly or indirectly making any payment, expenditure, assignment, conveyance, transfer, encumbrance, disbursement, concealment, or disposition of any assets, money, or other property belonging to the Receivership Estate pending (1) a showing to the Court that the Enjoined Parties have enough funds to satisfy all claims raised in the SEC's Complaint; (2) posting of a bond or surety sufficient to play any such claim; or (3) further order from the Court.

Furthermore, no banks, trust companies, broker-dealers, or any entity holding individual accounts or assets for or on behalf of the Enjoined Parties may transact or disburse such assets or securities, except that such entities are allowed to liquidate wasting assets or securities.

Additionally, the Enjoined Parties are barred from destroying, removing, mutilating, altering, concealing, or disposing of any books or records owned by or relating to the Enjoined Parties' financial transactions.

Required Accounting

The Enjoined Parties must make a sworn accounting detailing by amount, date, method and location of transfer, payee and payor, and purpose of payment or transfer of: (1) all investor money or other benefits received as a result of the conduct complained of by the SEC; (2) money and assets received from investors; (3) all current assets wherever located and by whomever held; (4) current liabilities; and (5) all accounts with any financial or brokerage institution maintained for the Enjoined Parties since January 1, 2004.

Repatriation of Assets

The Enjoined Parties must repatriate to the United States all funds or assets held by them or any of their agents (including other Defendants and Relief Defendants), including any and all assets or funds held in any foreign bank, brokerage, or other financial account and transferred out of the United States from any account within the United States at any time from January 1, 2004 through the present.

On or before April 13, 2009, the Enjoined Parties must provide to the Court and the SEC a written description of all of the foregoing assets and funds as well as their location and the status of repatriation.

Passport Surrender

The Enjoined Parties are required to surrender their passports and are barred from travelling outside the United States. These people are not currently believed to be within the United States, however.

Directives to Financial Institutions and Others

All financial or brokerage institutions, businesses, or persons that hold, control, maintain, or have held, controlled, or maintained custody of any of the Enjoined Parties since January 1, 2004 must prohibit the Enjoined Parties from withdrawing, assigning, transferring, encumbering, or otherwise disposing of assets. They must also deny the Enjoined Parties access to safe deposit boxes that are owned or held by the Enjoined Parties or otherwise subject to access by the Enjoined Parties. Additionally, these entities must provide counsel for the SEC and the Receiver a statement detailing:

- (1) the identification number of all accounts or assets of the Enjoined Defendants;
- (2) the balance of accounts or description of value;
- (3) if the account or asset has been closed or removed, the date of same, total amount or value closed or removed, and the name or the party to whom the account fund or asset was remitted; and
- (4) identification of any safe deposit box of the Enjoined Parties.

Upon request by the SEC or the Receiver, all financial or brokerage institutions, businesses, or persons that hold, control, maintain, or have held, controlled, or maintained custody of any of the Enjoined Parties since January 1, 2004 must provide copies of records or other documents pertaining to these issues.

STATEMENT TO INVESTORS FROM RICHARD ROPER, RECEIVER

MAY 1, 2009

The primary goal of a receivership is to provide the court overseeing the process a conduit through which assets can be held, liquidated, and distributed to the beneficiaries of the receivership; in this case the beneficiaries are, largely, the investors. My team and I are working diligently to meet this goal and to maximize the value of the Receivership Estate. I encourage each of you to carefully review the regularly updated Claim Notification Procedures [available by [clicking here](#)] and complete a Claim Notification Form [available by [clicking here](#)] at your earliest opportunity. As I've indicated in the Claim Notification Procedures statement available on this Web site, it is crucial for you to complete and email or mail to me an actual Claim Notification Form along with any supporting documentation in order for your claim to be processed. Any other form, letter, or questionnaire that you may have responded to or received does not constitute a Claim Notification Form.

Many of you have contacted me by telephone, email, and letter. My team and I review all of the emails and letters received and are fielding all of your phone calls. A log of all contact information and investment information received from each of you is being maintained and shared with the Securities and Exchange Commission and the court as warranted. Given the number of investors and the breadth of information being received, I am not capable of responding to each of you individually; for that reason I encourage you to continue monitoring this Web site for regularly updated information and court filings.

After I was appointed Receiver, I and the team of attorneys representing me closed down Defendants' offices and began the process of seizing documents and assets, including cash and real and personal property, belonging to the Defendants and Relief Defendants. This is a challenging process, made more so by the fact that the documents and materials maintained in Defendants' offices in Napa, California and Raleigh, North Carolina were not well organized.

Since my appointment as Receiver, my team and I have worked diligently to identify and seize cash and non-cash assets obtained by Defendants and Relief Defendants through fraud. Funds in Defendants and Relief Defendants' bank accounts traceable to fraud were frozen under court order and are being transferred to an account maintained by me as Receiver. Additionally, my team and I are in the process of identifying the best method for liquidating items of real and personal property seized from Defendants and Relief Defendants, including homes, vehicles, jewelry, an airplane, a wine collection, and numerous other items of varying value. My team and I are also working with the Securities and Exchange Commission and investigators to search for other assets located inside and outside the United States.

Funds seized or generated from the liquidation of non-cash assets will be deposited into the above-mentioned bank account maintained by me as Receiver. The law requires me to obtain court approval before I may sell the seized assets. Several motions are being prepared, which ask the Court to approve my recommended procedures for selling the above-described assets; I anticipate those motions being filed very soon. Copies of these and any other motions or pleadings filed by myself, the Securities and Exchange Commission, or any other party or non-

party will be posted to this Web site, as will the Court's orders pertaining to all such motions and pleadings.

In addition, my team and I have seized computers and other devices that belonged to Defendants and have engaged the services of a computer forensics and investigations firm that will harvest relevant data from the devices to better aid myself, the court, and the Securities and Exchange Commission in our work.

Furthermore, I am analyzing avenues for pursuing claims against third parties for disgorgement of funds and assets received relating to the sale of Certificates of Deposit by Defendants.

My team and I are also working to reduce ongoing liabilities associated with Defendants' business, including curtailing costs associated with office leases, rental equipment, property maintenance, and the like.

In the course of my work over the last month collecting and reviewing documents and interviewing certain Defendants and Defendants' employees, I have determined that the Defendant companies are not financially viable and thus cannot continue to operate in order to be sold as going concerns.

Although my team and I are making significant progress, the complexity of the task before us will require considerable time to complete. It appears that the aggregate value of assets of the Receivership Estate will likely be only a fraction of the total amount that would be required to pay all outstanding Certificates of Deposit and other obligations. That fact notwithstanding, I continue my efforts to locate, seize, and liquidate assets belonging to the Receivership Estate.

Finally, as you may be aware, a receiver has been appointed with regard to Millennium Bank on the island of St. Vincent. The St. Vincent Receiver is doing substantially similar work as me and my team; I hope to file a joint statement by myself and the St. Vincent Receiver very soon.

Again, thank you for your candor and patience during this process. Please continue to contact me via this Web site should you have questions or concerns not addressed on this Web site, and please also complete and submit your Claim Notification Forms along with any supporting documentation.

Respectfully,

Richard B. Roper, III
Receiver

RECEIVER'S STATEMENT ABOUT LOCATION AND ARREST OF WILLIAM WISE

Many people have asked why the Receiver has not arrested William Wise, the chief architect and operator of the Ponzi scheme described in the SEC's complaint.

The Receiver is private citizen and a civil attorney, as are those who represent him. As such, they have no legal authority to arrest Mr. Wise.

For information about the status of criminal investigations and charges pertaining to Mr. Wise, please contact the Federal Bureau of Investigation and/or the Department of Justice.