

# **Stein Declaration**

**DECLARATION OF CASEY STEIN**

I, Casey Stein, do hereby declare under penalty of perjury, in accordance with 28 U.S.C. § 1746, that the following is true and correct, and that I am competent to testify to the matters stated herein:

1. I am over 21 years of age and employed by JPMorgan Chase/Washington Mutual ("WAMU"). I am a Compliance Manager and I supervise WAMU employees who review customer account transactions which might involve illegal activities.
2. In mid-February 2009, during the normal course of operations, an investigator within my department noticed unusual deposit items and wire activity in WAMU account ending in #648 during January 2009. The account is a Business Corporations/Joint Ventures Analysis Checking Account in the name of UT of S, LLC and was opened on 07/08/2004 ("the UT of S, LLC Account"). William J. Wise ("Wise") and Kristi M. Hoegel ("Hoegel") have joint signature authority for the account.
3. The unusual activity on the UT of S, LLC Account involved rapid movement of funds and international wire transfers to countries with an increased risk for potential money laundering. Further, a large portion of the funds that were deposited into the UT of S, LLC Account were being redistributed to Wise, Hoegel, and their apparent relatives, including payment to credit cards, and a minimal amount was distributed to companies in a related line of business.
4. As a service to its customers, the WAMU branch offices offer "remote deposits devices," which allow the customer to deposit checks into the account from the customer's business location. The devices scan the checks and the funds are electronically deposited into the customer's account.

5. The UT of S, LLC Account activity reflects many "remote items deposits" and customer deposits in significant amounts, followed by large outgoing domestic and international wires to various individuals, including Wise, Hoegel, apparent family members, and entities and businesses controlled by Wise and/or the Hoegels. The remote items deposited in the UT of S, LLC Account consist of transit checks from various individuals. The memo lines on the checks typically include references to "CD" and interest rates ranging from 6.75% to 10%.

6. A WAMU employee working at my direction performed an investigation into the account activity and reported his findings to me in the normal course of business. Among other things, the employee reported that from a tally of checks deposited into the UT of S, LLC Account from 07/18/2005 to 03/06/2009, the total amount of possible investor funds was in excess of \$43,000,000. This amount does not include wire transfers and other possible types of deposits.


7. At my direction, on February 27, 2009, the Small Business Manager at the bank's Napa Valley branch conducted a physical inspection of the UT of S, LLC office at 3432 Valle Verde Drive, Napa, California. The branch manager's inspection, which was reported to me in the normal course of business, noted that the office has no signage, and the remote deposit machine was present at the location. While inspecting the premises, the branch manager overheard the UT of S, LLC office receptionist ask a caller if he/she wanted to rollover a matured CD to a new one.

8. On February 27, 2009, at approximately 4:08 p.m. CST, I placed a call to Hoegel. Other WAMU employees working at my direction listened to the call. Hoegel stated, among other things, that: (1) Wise is her boss; (2) Wise owns United Trust of Switzerland, a/k/a UT of S, which owns Millennium Bank; (3) she did not know why the memo section of the checks

deposited into the UT of S, LLC Account referred to CDs and interest rates; (4) her business did not offer CDs; (5) she was not licensed to offer CDs; (6) checks being deposited into the UT of S, LLC account arrive in Napa by mail; (7) Jackie Hoegel is her mother, Ryan Hoegel is her brother, and Daryl Hoegel is Jackie's husband.

9. On March 9, 2009, WAMU froze the UT of S, LLC Account on a temporary basis. The account currently holds approximately \$34,500. The funds will be released and the account will be closed within the next several days.

Executed March 23, 2009

  
CASEY STEIN