

TRUSTEE:

The following is the 341 meeting of Agape World Inc. case number 09-70660, Kenneth Silverman as Trustee.

I note for the record that the debtor's principle Nicolas Cosmo is not here. Is there an attorney of Mr. Cosmo in this room?

Is there any creditor or creditors who wish to elect a Trustee in this proceeding?

Absent hearing the request of any creditor to elect a Trustee I as the interim trustee now serve as the Permanent Trustee pursuant to Section 702 and other applicable provisions of the Bankruptcy Code. Having said that, normally we would now conclude the 341 meeting because there is no Debtor to examine.

But in the case of this nature as I've indicated to the individuals that are in this courtroom today, we are now going to conduct a town meeting after I give a brief presentation as to how the bankruptcy process works.

For those of you who don't understand, a Trustee is appointed by the Office of the United States Trustee and my job is to try to marshal assets, reduce all assets to cash for the purposes of making distributions to creditors. My job is to investigate everything and anything regarding the acts, conduct and property of the debtor in aid and enforcement of attempting to try to get these assets reduced to cash. The Trustee has very broad powers. These powers are embodied in a Bankruptcy Rule called 2004, and that 2004 rule allows the Trustee, through its counsel, which is my firm, SilvermanAcampora LLP, to seek the discovery in depositions of witnesses. It allows a very broad opportunity to inspect books of records, documents and to the extent that there is any information that any of the individuals in this courtroom may have that they think may aid the discovery of assets or are relevant to this particular proceeding, you are free to contact my office. We have a website, it is agapeworldbankruptcy.com.

Many of you have already contacted our office, have provided us with information, have engaged in dialogue with both Mr. Friedman and Ms. Dioguardi. Also, Mr. Acampora, Mr. Hellman and Mr. Mahoney of our office, are working on this particular case.

Most particularly important for you immediately is that there has been a bar date established on this case, and a bar date is a date by which you are supposed to file claims. Now many of you have sent us copies of the claims, but also have sent us originals. To the extent that you have sent us the original claims we have sent them back to you because we can't act as your lawyer and instructed you to file them with the Court. The bar date is June 18th. And we have what is called a claims and noticing agent in this particular case and that's the Garden City Group. And The Garden City Group, after the claims are filed with the Court, receives and reviews and provides to my office all of the claims. So most importantly, I want each and every one of you that are here today to make sure that you file the claim that you believe you have a claim in this particular proceeding.

We can tell you as of this point in time that no schedules have been filed and the reasons are quite obvious. We do not have the cooperation of Mr. Cosmo, and therefore it's impossible to have provided or have rather, reduced the information we have reviewed to a schedule like form. But, that process is ongoing at the moment.

We have retained accountants, it's the Navigant group. The US Attorney has been incredibly cooperative with our offices and for that we are incredibly appreciative. They have participated in providing me and exchanging information with us. But for the efforts of the US Attorney, we would not be aware that there are some 6,000 or more investors/creditors that have claims in this particular proceeding. We have, to the best of our knowledge, what we think to be a pretty accurate list of who these investors are. This list is maintained through the Garden City Group. Obviously, on occasion, there are

new claims discovered and new investors bringing to our attention their particular claim and/or issue and I encourage all of you to the extent that you know of other investors or creditors that may have a claim in this proceeding, and may be living under and rock and not aware of what's going on here, to be sure that they file their claims in this particular Court.

So, before we go into the next topic I want you to be clear that you need to file your claims. Now for those of you who are not aware and to the extent we need to fill in any information, Ms. Dioguardi has been attending the bail hearings regarding Mr. Cosmo. Bail has been fixed at \$750,000. I believe the terms of bail, should he make bail, and he has not done so yet, is house arrest, no use of computer, federal bracelet, is there anything else?

MS. DIOGUARDI: He can only leave for medical emergencies.

TRUSTEE: He can only leave for medical emergencies.

MS. DIOGUARDI: And he is turning over his passport.

TRUSTEE: And he is turning over his passport.

The US Attorney, I am advised, has appealed from that. I believe it's called a decision regarding his bail and the date for that hearing has not been set yet. And I believe that there is a stay of that bail order. If and when Mr. Cosmo makes the bail meaning that he will remain incarcerated until such time as that appeal is heard.

My obligation is to examine Mr. Cosmo. And after this meeting and after we determine what his bail circumstance will be, I intend to examine him. Whether he answers the questions or not remains to be seen and it is subject to the advice and opinion of his own counsel.

As of this date, we are not aware that Mr. Cosmo has retained bankruptcy counsel. His criminal counsel is Stacey Richman and that's all we are aware of at this particular point in time.

Turning collaterally to pending litigations, there have been numerous litigations that have been commenced outside the auspices outside of the Trustee's program. We neither comment nor express an opinion on those litigations here and now except as to say, they are independent litigations commenced by third parties which we are reviewing, but have nothing to do with the administration of this bankruptcy case.

We have in this case and Mr. Friedman will speak to this in a moment, commenced many of these bankruptcy rule 2004 examinations. You would be more familiar with depositions and discovery requests and we are seeking information as I said earlier to discover assets, and we are aware of a lot of assets that the Debtor had as its property as of the filing of this petition. You should also be aware that there are multiple corporations, and I use this colloquially, in the Agape World conglomerate, that have been brought into this bankruptcy estate by Order of the Court recently, so that Agape Merchant, along with Agape Community, Agape Construction, 114 Parkway Drive South have been made part of this bankruptcy estate. The shares of another corporation called Esau have been assigned to this estate for their administration as well.

The next thing that you should know is that the Judge that is handling this case, Judge Eisenberg, is a very strong believer in an open forum policy as am I. And the next two status conference dates are May 21st and June 18th. And often at those status conferences there are other litigation issues pending on the calendar on that particular day and I bring this to your attention as well, if you have any interest in appearing on those days to observe. Again all of this information is on our website, and I encourage

you to look at the website to the extent that you are interested in deriving the information.

There are a series of assets. Some of them I will remark on now because they are a matter of common knowledge and in the press, that we are looking at. I don't want to discuss the details or exactly what state of either investigation, or litigation, or negotiation I am at with any of these assets, because I do not wish to compromise either the litigation, investigation or negotiation of any of those assets. But we are looking at Speranza restaurant, and ProMac, and the sports complex, and the Maine property, and the amusement park in St. Lawrence County and assets that some of you are most familiar with and some of you are not. There is a series of other assets that we are looking at as well and we intend to aggressively pursue those assets to the extent that we believe they are a property of this particular estate.

There are separate investigations ongoing by the FBI and the Postal Inspector and of course the US Attorney is doing what it does and those acts will continue and they are separate and apart from what we do as Trustee and Trustee's counsel in the administration of this estate. And our job, primarily, again is to marshal these assets, determine who the claimants are, determine that the claims are adjusted fair and then make distribution to the extent that we have any assets to do that. We are already equipped to handle all that process. It now takes the procedure and the process to liquidate those assets to cash and proceed.

TRUSTEE TO MR. FRIEDMAN: Would you care to make any remarks at this time?

MR. FRIEDMAN: Yes. Can everyone hear me okay? Just to elaborate on a couple of things that Ken said. His job as the Trustee is to marshal all the assets of the Agape estate, which include, as Ken said, the sports complex, many of the different loan transactions, basically any transfer of money or property that was from Agape that went

to a third party is subject to investigation. And as I explained to Judge Eisenberg at the initial case status conference, and as Ken said, that there will be monthly status conferences. The next two are May 21st and June 18th. At each one of those status conferences we will deal with all of the pending litigation that's scheduled to be heard by the Judge on that day and I will provide an overall status conference to the Court of what it is that the Trustee has done in the previous thirty days. The court, then as some of you who attended the last status conference asked counsel and the Trustee a number of questions and also opened up the floor to any of the creditors who were present in the courtroom, to the extent they had any questions as well. So this is an on-going process that you will get to participate in at each one of those status conferences.

But as I remarked to Judge Eisenberg at the first status conference, we had received some extraordinary cooperation from the US Attorneys Office, the FBI, the Postal Inspectors, the SEC, and the Commodities Futures Trading Commission in our investigation of the estate's claims. And by that I mean we have gotten full and complete access to all the Debtors' books and records, all of the computer hard drives and records and all of that information is now being looked at, not only by the Trustee and counsel but the forensic consultants that we hired. And so when Ken said it is his job to marshal the assets and look under every rock and stone to see what was there and what was supposed to be there, that means that we are looking at every single check, that was issued by the Agape entities to any third parties. It's a little bit of a tedious process but because of the nature and the way that the business was operated it's the only way to ensure that we can track all the money that came in and all of the money that went out. And make sure that any of the third parties whether it was the brokers, whether it was the transfers to the commodities trading accounts that you've all read about, all of those dollars will be accounted for so that we'll be able to make sure

that the extent we can recover any of those monies, we've identified the assets and pursue the claims.

The books and records of the entity have been extremely helpful in analyzing, what we call the legitimate loan transactions, where Agape actually did lend money to third parties through so called bridge loans, those loans are actually documented, there is a closing binder, we have all of those documents in our possession and we have contacted all of those parties that have received those monies, in order to collect the money that will be due to the Agape estate. Some of those loans have come to term, while some of them don't come to term for a few months, some of them were already in default at the time Ken was appointed, and some of them were already in foreclosure at the time Ken was appointed. We have continued the process of pursuing each and every one of them and do believe we will receive a (inaudible) from them.

The other aspect that I wanted to mention before I go back to Ken or Rachael, to see if there's anything else to ask and see if anybody has any questions, is that I know there has been status discussions that I have given to the Court. I know that many of you have attended some of the criminal proceedings and there has been a number of assets in form of cash and bank accounts and trading accounts that have been identified and there have been several million dollars of funds that have been restrained and frozen all of which will be dealt with subsequent to the time of the proof of claim bar date which Ken has mentioned is June 18th. And the US Attorneys office and the Trustee are working cooperatively to make sure that although there will be two different sources of recovery, it will really be treated as one pot to maximize recovery for the victim/creditors here. So, there is an extreme amount of cooperation between the Trustee here in this case, US Attorneys office in this case, which we believe to be beneficial to all the parties involved because it will be a very streamline process to make sure the dollars are maximized to the victim/creditors here. There are a number of proofs of claim on the

table up front here, so if anyone hasn't received them in the mail yet or downloaded it from the agapeworldbankruptcy.com website yet you can come up and retrieve one. If you have any questions about where it gets filed and how it gets filed, we will assist you to the extent that we can, but we do want to make sure that we have those claims all filed by the June 18th bar date. That is a pivotal date for us to assess how many creditors there are. We know that there's approximately 6,500 potential creditors on our list, but in order to get a real sense as to how much the debt in the case is, ie how much are the creditors are actually owed. The bar date is a key time for that because we will take all the proofs of claim and then analyze them one at a time to assess the overall claims in the case which will give us a census of the magnitude of the loss in the case. I know that from our investigation we have uncovered and revealed that an excess of 400 million dollars came into the Agape estates over a period of time that we analyzed. But, it is not clear to us at this point in time how much the actual loss is to all of the creditor body because we have not gotten to the June 18th date. Our initial estimate based on information that we have received today, both formally and informally from the proofs of claims filed and from who submitted forms to us, shows that the claims right now are probably an excess of about 165-175 million dollars. It's very important to us to remind you all to get the word out and to encourage you to the extent that you have not yet done so, to file the proofs of claim so that we can assess the total amount of claims that were lost here.

TRUSTEE: Alright, I am now going to open the floor to questions. Some of the questions we will answer, and some of the questions we will respectfully not answer because as I said early to the extent that they compromise any investigation, negotiation, or litigation I have pending, I would not think it appropriate. To the extent that it's a litigation, it will develop during the course of the proceedings. To the extent

that it's a consummated negotiation it will be put on notice to creditors so that anyone can weigh in on any negotiation that we may consummate in terms of whether they think that it's appropriate or not. Do you have any questions?

Sir in the front row, second row, and you can do it from your seat, and as I said we are trying to maintain informality

INVESTOR: I was a little curious how Nicholas Cosmo, despite the fact that he had a criminal record was allowed to fool around without any regulatory oversight and where was he able to hide this money – considering that banks (Inaudible).

TRUSTEE: Well, I don't think that we are prepared or can answer a how question. The fact is that he did, whether certain entities are liable for allowing him is the point of the US Attorneys investigation and our administration. I don't think that is a question that is capable of being answered. Sir?

INVESTOR: People were getting salaries from the business, weren't they paying taxes on that money? Shouldn't they receive a refund?

MR. FRIEDMAN: When you're saying these people, you're saying the people that worked at Agape, the brokers or any of the other employees that drew out salaries?

INVESTOR: (Inaudible) ...They were paying taxes on stolen money, but they were paying the money so shouldn't they get a refund?

MR. FRIEDMAN: To the extent the individuals who received a substantial portion of money in "salary or commissions" from Agape had the ability to get a refund on their individual tax returns, I know that this is a question we have dealt with in the past with

some of the investors individually. We have reached out to a number of the different brokers at varying levels, from the largest brokers to some of the sub-level brokers, and had conversations with respect to the Trustee's potential claims against them. We believe that is something we will be able to address in the context of the Trustee's pursuit of the claims against those individual brokers but we do not yet have an analysis as to their tax liability for the monies that they potentially may have paid in taxes on monies that they are not otherwise capable of being entitled to retain.

INVESTOR: How about Bank of America?

MR. FRIEDMAN: The issues with respect to Bank of America, we have seen on a number of occasions. It is something that we are investigating and are conducting an analysis of. To the extent that there is the ability for the Agape estate to pursue a claim against Bank of America is something that we are not going to comment on at this time because it's an ongoing investigation. There is a pending litigation, I know, by one of the attorneys on a class action basis that asserted certain claims against Bank of America. That claim is in its initial stages and is something quite frankly that in a forum like this would be inappropriate to comment on.

TRUSTEE: Yes, Sir.

INVESTOR: What about Entrepreneur magazine?

MR. FRIEDMAN: Entrepreneur?

TRUSTEE: I understand the question. You're identifying potential claims. That's your question. Entrepreneur is a magazine that featured the Agape World enterprise and said that it was successful. And your question is – I understand that.

INVESTOR: (Inaudible)

TRUSTEE: Again, all you have done is identify a claim or potential claim that we are looking at. We are aware of Entrepreneur magazine.

It has come to my attention, unfortunately, in order to make this transcript as clear as possible, you are going to have to come to the microphone to ask the questions, so that people that ultimately review this transcript can hear the basis of the answer.

INVESTOR: I have two questions. The first one is, are you aware of any creditors who are secured creditors, that have priority over the rest of us investors, as of this date?

MR. FRIEDMAN: According to the research we have done and looking at the Debtors' books and records and the UCC judgment lien search that we have done, there do not appear to be any secured creditors who would take priority.

INVESTOR: Good. I don't know if I heard this, if it was factual or if it was a rumor, but as the Trustee, are you pursuing to get money back from investors who were paid by Agape?

TRUSTEE: That is both a complex and sensitive question, but for those of you who don't understand the nuance of the question, the question is about drawbacks and redemptions. The question that was asked of me was, what is the Trustee's intent on

pursuing investors for monies that they have received. That issue has arisen in the Madoff case and nothing other than a letter by the Madoff trustee has occurred in that case. That issue for those attorneys and others in the room who are interested in researching the issue has been addressed in the Bayou bankruptcy case that was before Judge Hardin. It's a very complex and difficult question and as Trustee I am extremely sensitive about it. I am not in a position to even comment on it. It would require all of the claims to have been filed, all of the claims to have been analyzed, an analysis to have been undertaken as to who received what when, and how. And after that determination had been made, whether pursuit was a) legal, b) appropriate, and c) economically beneficial. So, there is no conceivable way in the first 90 days of an administration of this case that anybody could possibly comment on that question, except as to say, and I am extremely sensitive about the clawback issue and I will handle that with as much sensitivity as someone in my position can handle it with.

INVESTOR: In your sensitivity, do you see a difference between somebody who has paid Agape money, got back money, all of his money, meaning plus that, has gotten a profit versus an investor who has paid Agape money and only got back a portion?

TRUSTEE: You've answered your own question: Of course there's a difference. Each one has received a different amount.

INVESTOR: No, I see a distinction. I was just wondering where you lie?

TRUSTEE: Obviously there is a distinction: It's more important, what I will do about it. And at this point I have no conceivable way of advising you whether I intend to pursue clawbacks or not. I can come to the, and I will be very clear to everyone in this room, I

can come to legal and intellectual conclusion that I should pursue clawbacks and come to the economic and equitable conclusion that it would be a waste of time and money. I'll give you an illustration. Somebody may have received disparagingly more than someone else but that amount they received maybe a sum which is their life savings and they have used to live on. Why would you sue somebody that's judgment proof? So, it's a question that can only be answered with a hundred thousand permutations. So I am not quite sure as to why you would ask that knowing the answer.

INVESTOR: Thank you.

TRUSTEE: Yes, sir. There is some room in the second row if anyone wants to come and sit down.

INVESTOR: Along the lines of what you were just saying, I have a similar question. When you finally do all the legality thing and figure out how much the assets are at is available to return to the creditors, is there going to be an even amount that is distributed? Like, if someone lost \$500,000.00, and someone else lost \$10,000.00, is it going to be an even amount – take 5%, like is and everyone gets that?

TRUSTEE: That is a very good question. For the purposes of today's 341 meeting let's assume there are no secured creditors. Let's assume that all administrative fees have been paid. Let's assume there is ten dollars left over, and there are ten creditors but one creditor is out \$100.00 and one creditor is out 5.00 dollars, as your illustration suggests. Each one of those creditors is going to receive the exact same percentage. So if you have \$100.00 in claims and \$10.00 in assets, everybody is going to receive ten percent. And that's how each one will be treated. It's what's called a pro rata basis.

INVESTOR: The second question is: I read in a Newsday article that we were entitled to possibly file a claim under our homeowner's policy. If we have such coverage, and then I read in a court document that we may not take certain actions, would one action?

TRUSTEE: Good question. First of all, I can't give legal advice and tell you who to sue and not to sue, okay. You would have to ask your own counsel whether or not your particular homeowner's policy may cover this loss. Personally, on the record, I don't know the answer to that question. But, you should ask your counsel:

INVESTOR: I didn't want to jeopardize...

TRUSTEE: That would not compromise your ability to file a claim. However, it may invoke a process called marshalling. So if you were owed \$100.00 and your homeowners policy elected to pay you \$50.00, you are then owed \$50.00 and would be incumbent upon you to only file a claim for \$50.00. In other words you can't double dip. Ok?

INVESTOR: Ok.

TRUSTEE: That's a good question. Yes sir?

INVESTOR: Ya know, I just wanted to know, right now, at this point in time, outside of filling out this form and sending in the appropriate paper work, is there anything else that this group as creditors should be doing, any other agency that we should be filing paperwork with, the Postal Inspector, the FBI, is there anything else we should do to make sure that we are covering all the bases?

MR. FRIEDMAN: Thank you. I meant to address that. All you have to do is file a claim with the claims agent as reflected here with the Bankruptcy Court. The US Attorney's office, the Postal Inspectors, and our office are going to make sure to combine the entire list to make sure that we have one good list that covers everything that is out there. So, you don't have to file a separate claim with the Postal Inspectors. They've already given us a copy of all the claims that have been filed with the Postal Inspectors to make sure we have identified them on the creditor list. But it's essential that you have filed a proof of claim with the Bankruptcy Court in accordance with the instructions with the Garden City Group.

INVESTOR: Ok. And I assume we will not be getting anything back noting that, yes, in fact, you have received our claim? To make sure that the Bankruptcy Court got our claims?

MR. FRIEDMAN: There is two ways to handle that, one is that you can send it certified return receipt when you mail it in. The other is after you sent it you can contact the Garden City Group and they will confirm receipt over the phone.

TRUSTEE: Yes, sir.

INVESTOR: Good morning. I was wondering, during your investigation, if you find out a third party is liable in this case, other than Bank of America, just in case that comes up, will we then have the ability to file against them, or will you do that for us or do we have a time limit to file it against these people, is that a statute of limitations type thing?

TRUSTEE: Yes. First of all and I will reiterate it, my job is to marshal assets, I am a very aggressive trustee. If I believe I have a just claim for the benefit of the estate, I am going to pursue it aggressively. That's the first answer to your question. The second is, there are statutes and there is case law which tell you the statute of limitations giving me time limitations for when and how long I can sue. Lots of lawsuits, and I'll try and simplify this, different types of lawsuits can be brought and if they are under New York State law or common law I have six years to file those lawsuits. So, I have a pretty extensive period of time within in which to investigate, locate and sue and the Trustee's Office is the proper entity in conducting those law suits. Because those law suits ultimately are for the benefit of the collective creditor body. Yes? Back there.

INVESTOR: Let me ask you a question. Are any of the brokers' assets being seized? Their homes, their cars, all of their stuff?

TRUSTEE: The answer to that, the short answer is, the question is "are any of the brokers' assets being seized?" The short answer is, to the extent that the US Attorney has determined that a particular broker has committed a particular crime, there have been particular brokers, certain assets that have been seized. That is by the US Attorney and their auspices. We are independently looking at those brokers as well because we have a different set of rights and a panoply of tools to sue them. Sometimes those rights cross over with the governmental rights and that's part of the process by which we are trying to sort out who has entitlement to deal with certain assets. As I said previously, the US Attorney has been incredible with communication and education for us and in terms of being able to understand where certain assets are located without getting into too much detail, enabling us to do our job and allowing us to do our job without interfering with them doing their job.

INVESTOR: I was reading someplace...

TRUSTEE: I can't hear you. Why don't you come forward.

INVESTOR: I was reading, and I'm not sure if it was correct or not, but if your money went to the Carriage Loans, that those were legitimate investments? I don't know, and was hearing that that was separate from everything else. And I don't know if that is correct or not and how would you know if your money did in fact go directly to these Carriage Homes?

TRUSTEE: I am going to answer your question in a slightly broader way. Most of the money in this particular case came into Agape World, Agape Merchant or one of the Agape affiliates, became commingled and went out somewhere else. Even if each and every one of you was told that your money was being used for a specific transaction, you would have to have a specific documentation which would evidence that that money attached to that specific transaction.

For instance, I will use a hypothetical which I am not sure which is actually applicable. For example, if you were told your money was being used for a specific mortgage investment instead of a commercial bridge loan, or Merchant Advance you would have to have a mortgage, evidencing that your money, that amount, went to that specific mortgagor and having identified the property in that specific document, having it filed in the appropriate county clerk's office. So, the short answer to your question is, absent specific documentation which is readily identifiable and discernable, many promises have been made and many of you were under the impression that your money went for specific transactions but unless those transactions can be documented in the

way that I just described most of the money otherwise was commingled into one large pot, and that can't be documented.

INVESTOR: One more question. I know a person who invested in Agape and when all this broke out, he pulled out. But he did make money. Now is his interest a part of this?

TRUSTEE: It could be. Again that is part of the clawback issue. After we've vetted all of the filed claims and reviewed all the underlying documentation and I would like to comment about that. All of you are encouraged to file your claims and all of you are required in the filing of your claims to provide a specific accounting of what you received, what you are owed, how do you compute your interest, and what you believe your net balance is due in owing. If you file claims that say I'm owed ten thousand dollars, John Q. Public, we are going to be obligated to waste the resources of this estate and send you a letter that will have the specificity. When did you loan the money? Did you receive any paid back? What was your interest rate? How did you compute your interest rate? So, we are going to wind up having this correspondence going back and forth until such time as we can accurately determine what your claim is.

So, I encourage all of you to read the claim form and file the claim with as much underlying information as you can because we are not just going to accept the claim on its face. We are going to need to review the back up documentation.

INVESTOR: Do you have those claim forms here?

TRUSTEE: Yes, there is one right there.

INVESTOR: Hello Mr. Silverman.

TRUSTEE: Hi, how are you?

INVESTOR: To that question. A gentleman took his money out and now knowing that you may be looking at it. Is there a look back period? Let's say it takes you 6 months to determine who's got the money and where it went. Is there a look back period? This guy may be taking his cash.

TRUSTEE: Without getting too involved, there are two legal theories, at least two types of legal theories, upon which an estate can go and recover these monies. One of them is called a preference and one of them is called the fraudulent conveyance. A preference is an event that occurs within 90 days of the filing of the involuntary and I have two years from the filing of the involuntary to go pursue or pursue that action and a fraudulent conveyance is an action that goes back, I can look back 6 years and I have 2 years from the filing of the involuntary to go pursue that action. And you need to look at the underlying nature of the matter in which the money was repaid and the underlying circumstances to determine whether it's a preference or fraudulent conveyance.

INVESTOR: I understand. How do you go about recovering something if you see that it makes sense to go after it?

TRUSTEE: Well, we start a lawsuit in the Bankruptcy Court. The Bankruptcy Court from my experience, being both a federal court and state court practitioner, and is a very swift and expeditious environment within which to pursue these types of litigations. These are the litigations that are common to a bankruptcy practice. They are very straight forward and the bankruptcy court is very well equipped to expeditiously handle those types of litigations.

INVESTOR: Thank you.

TRUSTEE: You're quite welcome. Yes, sir? I'm sorry, you're next. I missed you.

INVESTOR: Thank you, sir. With regards to the commodities futures and the SEC that Cosmo dealt with, I understand Madoff, the people under Madoff are covered by an insurance SIPC?

TRUSTEE: Madoff was an investment banking corporation and may have certain coverage under certain SIPC laws. The Agape world entities were not that type of entity.

INVESTOR: How did he get into this position to?

TRUSTEE: How questions are impossible to answer.

INVESTOR: Well for me, he assigns me a broker, for our benefit (inaudible) isn't that under Madoff? That he was a broker and he invested their money and those people were covered by this insurance SIPC?

MR. FRIEDMAN: The question is, "why wasn't the Agape entities covered under the Securities Investment Protection Corporation, the SIPC? In order to be covered under the SIPC, you have to be a registered broker to avail yourself to that coverage, and in order to be a registered broker you have to fill out the appropriate forms, post a bond and there are certain ways to go about doing it. The Agape businesses did not register themselves as brokers, as commodities traders, as anything related to any of that business. So because of the way the Agape business was run, it is not covered under SIPC protection. It's not covered under the FDIC protection, it's not covered under any

of the governmental protections that are out there for many of the other things that we read about in the newspaper.

INVESTOR: I guess my question is, did he act on his own with the investors or did he go through a broker?

MR. FRIEDMAN: Let's do it this way. The investigation so far reflects that approximately, \$80 - \$90 million dollars of Agape money was transferred to approximately six different commodities trading accounts. Some of which have already produced documents and information to the Trustee with accordance to his subpoena power, because we have subpoenaed them already. The analysis of those trading accounts is on going. We can tell you that at the end of the day there is no money in those trading accounts. So the question would be is, when the eighty to ninety million dollars came out of Agape and was transferred to the commodities accounts, where did it go?

Some of the initial investigation which is reflected in the affidavit of Richard Cinnamo, the Postal Inspector in the criminal investigation, reflects that most of that money was squandered in poor trades on the commodities accounts. So, therefore it was lost. To the extent some of the money in the commodities account was transferred to any third parties, transferred to brokerage accounts is something that is being investigated. But, as I said from the outset and what Ken started, his job is marshal the assets and by that he is going to investigate and look into every transaction which includes, where did all the money go that went into the different commodities accounts.

INVESTOR: My other question. What about the insurance? I wrote a check for insurance, supposedly they would cover, um ...

MR. FRIEDMAN: The PPP plan? Yeah.

MR. FRIEDMAN: We have not found any documents to support that there was any valid insurance in place on the PPP plan.

INVESTOR: You mentioned the Premium something,

MR. FRIEDMAN: Premium Protection Plan.

INVESTOR: You didn't mention that as one of the companies?

MR. FRIEDMAN: It's not yet a debtor in the bankruptcy case. It may likely be, or it may also have no independent assets and claims because as we stated all of the money was commingled and intermixed. But, yes, that is something that is part of the investigation right now.

INVESTOR: Thank you.

MR. FRIEDMAN: You're welcome. Let me make a quick announcement, we are out of the proofs of claim forms that we brought with us that had the actual case number on them. I handed as many business cards we had. To the extent that you want one, you can email us and we will get it sent to you. In the Clerk's office, the Bankruptcy Clerk's Office, they have available, which is right around the corner here on the second floor, if you go out the door here to the left, they have a number of blank proofs of claims forms. You would then have to write in the case name and the case number, which is 09-70660-DTE. That's the Agape case number. You would have to write that on the form

and you would have to file it. You can also go to www.agapeworldbankruptcy.com which is the website that we have that has copies of the proofs of claim, and the instructions on where to file it, so if you weren't able to get one today and we ran out of business cards, you can check the website and freely contact us. All of the information is available there. I didn't want anyone to think that because there was no claim here today, they would lose out on that opportunity. Please sir, go ahead with your question.

INVESTOR: I have two questions. One, can you provide us with a number so someone can help us fill out this form?

TRUSTEE: Sir, if you want an explanation as to how to fill out the claim, I would go around the corner to the Clerk's Office and I can not give legal advice. The claim form is pretty much self explanatory.

INVESTOR: The last question, this is pertaining to myself. You were talking about a few minutes ago, that calculation has to include interest, it has to say where the interest came from and what was promised. So, on my documentation, now only because I'm only principal, and no interest at all, and all the documents I am not able prove whether Postal Inspector, whether they received documents even though I know I sent them to them over a month ago. I sent an email and haven't gotten any.....so I will prepare the documents over again and send them to Ohio? Am I correct?

MR. FRIEDMAN: Yes. To the extent that you delivered the documents to the Postal Inspector, they have provided them to our office. But so you can be sure that your proof of claim gets filed, you are required to fill out the form and file it with the Garden City Group in accordance with the instructions. So, just because you filed it with the Postal

Inspectors doesn't mean you have a proof of claim. In order to have a proof of claim in the bankruptcy process, you have to make sure that that claim is filed with the Garden City Group by June 18th. You have to do it again.

INVESTOR: With the documents?

MR. FRIEDMAN: With as many of the supporting documents that you have. Yes?

INVESTOR: Just a couple of basic questions. Thank you for being part of the team. Thank you for all of your hard work. Rachael, I talked to you several times. Question one: Is actually, how much in your firm right now, I'm sure we're all wondering, its unclear to me, how much do you have in your possession. And I know you don't have a crystal ball, we're all wondering when would we get , how much, but after June 18th, can this be a year and half from now or two years, how long can this thing get on? I mean, what are we looking at as far as after the June 18th? After its all submitted and the dust clears, are we are looking at a year from now? Is there any light or anything, from you experience, from your prior cases? I know this is not your first time dealing with bankruptcy court cases, I'm sure you have some experience and maybe perhaps.

TRUSTEE: Alright, let me do it in the following fashion. I'm a bankruptcy attorney for the last thirty years. I'm a Trustee in bankruptcy for the last twenty years. Our office has handled a lot of the larger complicated cases. I've handled over 20,000 consumer and commercial cases. So, we have a pretty good body of work to have an understanding. We have no money presently in our accounts. The US Attorney has their own forfeiture monies. Those are not our monies and no agreements have been worked out or understandings have been reached regarding the distribution of those funds. Those

funds are in the province of the US Attorney and they will do with it what they deem appropriate under the circumstances. We're hoping to have the claims analyzed by the fall. We're hoping that each and every one of you that filed claims, filed them in such a fashion we don't have to spend all too much to time trying to get you to get them right so we can have a fair sample and a true calculation of what the monies are.

Historically, sometimes it takes a year, or two or three to make distributions in cases. I am hoping that after the claims are resolved in the fall, and Mr. Friedman will correct me if I'm wrong, and we're as optimistic as we can be, after the claims are resolved in the fall and after, we have a baseline, that we have a very large percentage of identifiable claims and you can't have 100% of the claims ascertained but if you have 70, 80, 90% of them hopefully ascertained you can always reserve if you will those claims that are in dispute. We're hoping and we have to make an appropriate application before the bankruptcy court, subject in the review of creditors from the office of the US Trustee and historically there is precedent for this. We're hoping to make interim distributions after we've resolved claims, and as, if and when we recover assets. That's the first part of your.

INVESTOR: Yeah, right.

TRUSTEE: So, if we're really good at this and you are really good at this and we resolve some monies to a meaningful sum, late fall, winter or 2010. But, it's our desire to make interim distributions where we can. I don't want to give anybody any false hope, but having to review sixty five hundred claims of this nature is very complicated, because of the manner in which you invested the money and the matter in which it was treated. We will come up as we always do with a process of treating it in such a way that it will be fair and equitable so that we can move the process along. To put it bluntly, I'm not going

to micromanage and try to get the exact claim if I'm going to do it three percent depending on what the distribution is, there is a risk reward analysis that you make at a certain period of time. By illustration. You don't pay \$100,000.00 to make sure you are not over paying \$10,000.00 that's a waste of time, money and management. But, we are pretty good at claims analysis so we are going to try and get it done. What do I anticipate on collecting and distributing?

INVESTOR: Yes.

TRUSTEE: I'm not going to answer the question. And I'll tell you why. There are some very serious pieces of litigation that some of you eluded to previously that we're looking at. And these serious pieces of litigation have very complex, litigable issues, over standing, jurisdiction, my right to sue, my ability to collect, my right to penetrate a third-party third parties ability to pay me. To comment it would be unfair, and give you the false hope or create negativity where it shouldn't occur and I'm not trying to dodge the question but I am telling you that from the twenty years I have been doing this I am sometimes amazed and I underestimate and sometimes I'm wrong and I think I'll prevail on a litigation and I don't. I'll give you an example. I was the mediator in Adelphia in one of the cases after 15 hours of mediation and the parties were 75 million dollars apart, I got up to leave. They all looked at me and asked they said "what are you doing?" and I said "You're mediation is over. You guys can't seem to communicate any longer." And they looked at me and they said "no." Fifteen minutes later, the case was settled. So, for me to comment as to what I think the distribution would be at this time would be unfair, and a disservice to all of you, and myself and the litigation. I understand the anxiety, I understand the stress. I recognize that these monies for some of you, it's your life savings and families savings for some of you and we are incredibly

respectful of the posture in which you are here today and that is why we are having this open forum meeting in this town fashion. But I am not going to give you a number. I can't do it and if I could, I wouldn't do it today.

INVESTOR: That creditor form that we signed and dated? Is that the same form that you are referring to? So, we don't have to fill it out twice if we have sent it in to the Garden City Group?

MR. FRIEDMAN: If you've done it already and you've sent it to the Garden City Group, you don't have to do it again.

INVESTOR: And may I add, that if you send something certified mail, you have that copy. If you send something certified mail. I actually went to FBI and dropped off my paperwork because I'm in law enforcement. Cosmo, just a quick question, lets just say, because if I was Mr. Cosmo, to be honest with you, I'd skip town. If he leaves what does this have, what impact does this have on this case, if this happens? Because I don't believe a word this clown says.

TRUSTEE: I'm not going to answer the criminal part, except as I stated previously, the US Attorney is appealing from the Order that would allow Mr. Cosmo house arrest should he make bail. So, they will handle that part of it. As far as administering this case with or without Mr. Cosmo, that is almost irrelevant to us. I don't need Nicholas Cosmo to make a case, for the recovery of assets. Mr. Cosmo's behavior and conduct is well documented. So, to answer your question in a different sense, Mr. Cosmo's testimony is not going to bare on our ability to marshal assets in this case. So, if your fear is that in the absence of Mr. Cosmo being present or available will would hamper

the administration of this case, the answer is no. Would I like his testimony? Would I like information from him that would assist in the administration of the case? Perhaps. But, it's of no moment to us at the moment.

INVESTOR: Thank you. Thank you for all of your hard work.

MR. FRIEDMAN: One other comment is that there already is an asset freeze on all of his assets. He has consented, and we're waiting for the bankruptcy court to sign the order, an order of attachment and injunction against him and all of his assets in favor of the Agape estate as well. And as I mentioned earlier there already is an asset freeze on many, many of the brokers' assets as well.

TRUSTEE: Yes, sir.

INVESTOR: My question is, although all these things have transpired is there anything other than the fact because Nicholas Cosmo was not registered through the SEC, or anything like of that nature, is there anything through the federal government, as far as, a relief fund for scam victims, or Ponzi schemes, or anything like that that the people can contact or you know? Other than, basically is it just the funds that you are going through his properties and assets through repossession and eventually distributing to pay money to these people? Outside of that, is there anywhere else through our federal, city or state government that the people can file with under some kind of protection through as a scam victim of this sort?

TRUSTEE: Presently, we are not aware of any municipal fund that you can avail yourselves of. So the answer to your question is, the US Attorney has its forfeiture rules

and has its procedures for handling forfeited assets for the benefit and recovery to victims. And as you said, the balance of distribution will come through the efforts of this administration.

INVESTOR: And that will be solely based on all the properties and assets repossessed of Nicholas Cosmo and his associates and Agape?

TRUSTEE: It will be based on any justiciable asset I can find. And that to the extent if anyone is aware of any asset, should they want to provide us with that information, either directly or anonymously, please avail yourself of our website and our counsel and in any other manner you may see fit. I have seen some very interesting letters.

INVESTOR: One more question. Through the course of your investigation, have you recovered or have any evidence of any funds that were possibly transferred over seas or off shore accounts, anything of that nature?

TRUSTEE: I don't want to comment on that at this point in time, that might be prejudicial to the administration.

INVESTOR: Thank you very much.

TRUSTEE: Yes sir.

INVESTOR: My question is basically that I went and bought a contract from somebody else and Agape gave me a contract. Is that treated differently? Because the check went to the person that had the contract. Is that any different than giving money to Agape?

TRUSTEE: Is your question, you gave your money to a third party and the third party gave the money to Agape?

INVESTOR: No, no, no. My friend called me and said listen, somebody wants to sell their contract because he needs the money. I went got the check under their name, but I got the contract in my name. He had the previous contract. They just switched it to my name. Is that treated differently?

TRUSTEE: It may be. If you haven't already done so, why don't you file your proof of claim and send us a specific letter with all of your documentation. We will be happy to look at it.

TRUSTEE: Yes sir.

INVESTOR: I understand that you can't tell us what you anticipate getting as far as assets. But at the last status hearing, we were told that about \$20-24 million dollars currently in your possession.

TRUSTEE: No.

INVESTOR: No?

TRUSTEE: I think what Mr. Friedman said at the last status conference was that there is approximately twenty million dollars in legitimate commercial bridge loans that were extended, that we're investigating and pursuing. Investigating, negotiating and/or litigating. I believe that was his comment.

INVESTOR: It's me, I misunderstood.

TRUSTEE: That's okay. That's why we're here.

INVESTOR: Can you tell us now, where we are at with respect to assets?

TRUSTEE: No.

INVESTOR: Not a future prediction, but what you do have currently?

TRUSTEE: We don't have any money in the bank right now.

MR. FRIEDMAN: When Ken says that we don't have any money in the bank, he's not talking about the overall bank account. The bank accounts of Agape were frozen by the forfeiture account of the US Attorneys office, so there was no turn over of the bank accounts like in an ordinary would in a corporate case. But, for those of you who follow the case, we have done an auction sale of all of the furniture, fixtures and equipment in the Hauppauge office. We did sell the Mercedes vehicle that Mr. Cosmo drove that was in the name of Agape. So, there has been \$30,000.00 from that sale another \$28,000.00 or \$58,000.00 from various sales, and that money is in the account. But there's not probably more than about \$100,000.00 in funds that have been turned over to the Trustee. There are a number of different claims. There are approximately twenty million dollars in bridge loans.

TRUSTEE: So, those would be identified assets?

MR. FRIEDMAN: Those are the identified assets.

INVESTOR: So what are the identified assets of today? Do we know that number?

MR. FRIEDMAN: Well, you see, when you say identified assets, I include, and I'm hesitating because I want to make sure that everybody is clear, I include potential litigation claims. For example, Agape invested money in an entity called Adamis Pharmaceuticals. And so that claim could be, let's use it as an example, \$232,000.00. So, it's an identified asset of \$232,000.00. And just using that as an example, that's not the number of Adamis.

INVESTOR: So, it would be discounted then?

MR. FRIEDMAN: So, the question is, "if I identified that as an asset, how much to I identify it as". But to answer your question, it is difficult. I probably have a sheet and a half if I go down single space on my note pad, of identified assets that have nothing to do with the legitimate commercial bridge loans that add up to twenty million dollars. But the amount that would be recovered on those identified assets thus far, is something that we wouldn't want to anticipate or guesstimate at this time, because as Ken said, it's prejudicial.

INVESTOR: So how much do we have in identified assets at the moment?

TRUSTEE: I really want to be as respectful as possible. I'm not going to do that, because I may have a one hundred million dollar lawsuit and I don't want to suggest that it is an identifiable asset because I may or may not be able to pursue it.

INVESTOR: That's fair enough. Thank you.

TRUSTEE: So, I can do that with perhaps thirty or forty different types of claims.

INVESTOR: Right, right.

TRUSTEE: It's extremely, some of them are complex and some of them are extensive. To distinguish the difference. Identifying for the record so that I can give a number like I said earlier, to either give comfort or to cause consternation is premature. We've had this case...

INVESTOR: The reason I ask this question, not to interrupt, is because it was brought up at the status hearing. Otherwise, I wouldn't. Since we heard the numbers at the status hearing, I thought we might know that today.

TRUSTEE: The numbers that were offered were the numbers that we offered because we thought that they were vanilla in nature because they are commercial in nature, were offered in the sense of commercial bridge loans, they were documented, we have closing bindings, so on and so forth. You know, the assets range from the simple to the exotic. And to start identifying exotica, and this gentlemen will hear X, and that woman will hear Y, and this reporter will repeat Z, it just, it leads to confusion and it doesn't lead to clarity.

INVESTOR: Believe me, I understand.

TRUSTEE: Ok. So I really don't want to get into what into the bid and ask as to what is going to be distributed because I really don't know.

TRUSTEE: Anybody else? You have one more question sir?

INVESTOR: Yes. You said that the federal government, the Department of Justice, had determined assets and they had not yet become our assets, will they eventually become our assets or did I misunderstand?

MR. FRIEDMAN: The discussions that we've had with the US Attorneys office, that I have said on a number of occasions, including the status conference we had, we have an extreme level of cooperation and collaboration with the Department of Justice, the SEC, and the Commodities Future Trading Commission with the goal of ensuring that we maximize recovery to the creditor body. So the short answer is, the discussions we've had with the US Attorneys office on the funds that they have frozen or forfeited at this time will be available for distribution to the victim body and the mechanism of that was that they would try and ensure that they would be distributed, in essence, as one pot, to the victim body.

But, as I said from the outset, it is really two different pots that would get melded together because you have what is recovered from the bankruptcy case and you have what is recovered in the forfeiture pot and to the extent that we can bring those together to do distribution, that is obviously something that we are trying to accomplish. But it is not something that has been set up in a legal mechanical way yet, but that's been the discussion between the US Attorneys office and the Trustee.

INVESTOR: Great.

MR. FRIEDMAN: Thank you.

INVESTOR: And one last question I want to ask you. It appears to be that Nick is a 51% in Agape and someone else has that 49%. I believe PPP and Promac are not all owned by Nick as well as. There seems to be another shareholder. Is there any light you can shed on that without revealing your cards as to how that affects us? Do you know who those other shareholders are and how they play into the scenario?

TRUSTEE: Well, ProMac's interest is actually owned by an entity called Esau. And Nicholas Cosmo owns 100% of Esau. And Esau owns 20% of ProMac and I have been extremely engaged, as is my partners in dealing with the ProMac issue, and in fact it is being dealt with as we speak.

INVESTOR: Thank you very much. I appreciate it.

TRUSTEE: You're welcome. Yes sir. In the striped shirt. I would like everybody to have an opportunity. Yes sir?

INVESTOR: Hi. I apologize for being slightly redundant. But you just started to touch on this. But, can you just confirm our understanding about the research with US Attorneys office is finding, the Postal Inspector finding, FBI, and your research everything goes into one pot for the victims? And then also I think there is a lot of people out there wondering as other people pursue their own private counsel if that private counsel is trying to pursue funds that were uncovered funds, does that all still come into our pot?

TRUSTEE: No.

INVESTOR: If there is something that you miss and they find, and those people have their own independent investigation, are they the only ones entitled to that?

TRUSTEE: It depends. It's a very hard question. First of all victims are different than creditors. To distinguish the difference what the US Attorneys, the government and what I do. Just by illustration. Victims can represent 95% of the creditors in my case. They are similar but sometimes different. How? Well you have 6,500 investors that the US government may deem all to be victims, but I may have also have trade creditors and other vendors that did business with Agape that are not victims. So that you in a claims analysis first have to distinguish what's a victim and what's a creditor. Secondly, historically, the US Attorney has its own rules for dealing with forfeited funds and that those rules are separate and apart from the bankruptcy administration. And we, as Mr. Friedman, as Ron, has said and we have not finished completing any form of understanding as to how those monies will be treated and in what form. It's the discretion of the US government. So, we're working very hard to come up with the least complicated, most simplified way of dealing with it, but there are different statutes.

To answer your third question, if you consult or don't, but there is a private attorney that represents individual investors or classes of investors and they may be successful in their litigation that process has now occurred outside of the bankruptcy process, and have now created a third entity if you will that is marshaling and reducing it to cash. Whether they are successful with that I can not comment and I am not going to discuss the natures of litigation. And the only way I can answer the question is that their could be, by illustration the government, the bankruptcy administration, and third parties or outside litigations as you referred to them, all competing for the same collection of assets and that will have to be sorted out. But, it depends. You would like an answer. But, this is America and there are different statutes and there are different procedures

and they will all be vetted out in the process. And there is no answer today because I don't know what the government will do, although they have given us some indications at least to the fact that they want to make this as simple and straight forward as possible. Which will ensure to the benefit all of the investors at least, that I can say. That's clear. That's good. That's substantial. And that's the biggest part of your question.

As far as third party litigation is concerned, we'll have to see what it is, we'll have to see how it goes and we'll have to see whether it survives, whether it competes with an asset that I compete with, and who has jurisdiction and who gets there first and whether their lien attaches or can attach. I could give a whole tutorial on this for three days. It's a question incapable of being answered right now because we don't know how the story ends. We don't know where the litigation goes, or whether the litigation has or is bona fide or has any merits. And we don't know that if at the end of their independent litigation they attach to anything that has any value. It's a process.

INVESTOR: If I may ask another question. Can you give some more clarity, when you brought up the brokers earlier would it appear that they are you say that they are being handled differently then Mr. Cosmo?

TRUSTEE: They are being pursued.

INVESTOR: They're being pursued?

TRUSTEE: They are being pursued by the government and they are being pursued by me. They are being pursued.

INVESTORS: My question was going to be more along the lines of most of these folks are making a living that is directly coming directly from Agape. It seems you couldn't say definitively that all of them across the board have had their assets frozen, and I guess most of us are wondering as to why if that's where their income is derived from?

MR. FRIEDMAN: The reason why I can't say in a public forum that all brokers' assets have been frozen, and I said *many, many* of the brokers' assets have been frozen, and you were listening very carefully because I was trying to speak very carefully, in that regard is anybody who understands how Agape was run knows that there are levels of brokers, there would be the top 8 brokers, then there's a level from 9-16, then there's a level from 17-32 and then there are a series of sub-brokers underneath, and now I'm up to 32 people. Okay? And there are a series of these sub-brokers on many levels that all fed up to, let's say, the top 32. So, I can't say that all of the brokers assets are frozen, because I can not say that broker number 77 who is a sub, sub , sub of one of the larger ones has their independent assets frozen at this point and time, because they may be a small player in a larger scheme. But I can say that *many, many* of the brokers assets are frozen. And of course, because you would do a cost/benefit analysis when you would pursue these types of things you want to make sure that you tie up the assets of the larger brokers first.

INVESTOR: Thank you.

TRUSTEE: We'll take questions for ten more minutes. Yes, sir?

INVESTOR: You had mentioned earlier that Agape's records with respect to the legitimate bridge loans that it made, were rather detailed. My question is, can you

comment on Agape's records with respect to money they took from investors and money it paid out to investors?

TRUSTEE: I won't comment because that maybe prejudicial to my investigation, but we have substantial records. I would like questions about process, not about identifying claims or assets because there are people in this room who have different self interests. And I am not here to aid and give comfort to their litigation posture. I am here to help the investors, and unfortunately the nub of some of your questions while seeking information giving comfort to some of the people I may be pursuing. So, I don't want to seem curt, but I'd like to deal with process not assets and distribution, because it can't be answered at this point. It's not fair. It's not fair to the people sitting in this room, it's not fair to the administration, it's not fair to the government and it's not fair to the on-going investigations. Let's remember, the point of this town meeting is to educate how the process works and it's not to lay bare my litigation strategy. It's just not appropriate.

INVESTOR: Thank you.

TRUSTEE: You're welcome. Yes ma'am.

INVESTOR: Inaudible.

TRUSTEE: I can't hear you, I'm sorry.

INVESTOR: I don't have my notes with me, but when we had the meeting with Collins, with the attorney on Jericho Turnpike...

TRUSTEE: At Ruskin Moscou, yes.

INVESTOR: And from what I remember him saying was that you had, you were the first person that was allowed to go after all of the assets and that any law cases that would be put out, the way he described it, from what I remember that you would be calling all of the attorneys that would be suing people and would be asking them nicely to stop their cases so that you could go on to get the money so that you wouldn't have any conflict of everybody going after the same. But now from what you're saying, sorry if I'm getting upset, but from what you're saying, those cases are going to go on?

TRUSTEE: I didn't say that. I didn't say whether they would continue or not. I discussed it in a very general sense. The problem with the generalization of some of the questions is that, there may be seven lawsuits out there and I may ask for six of them to stop, one of them I may not be able to ask to stop. I may not want to stop it because I may think it's a frivolous lawsuit going nowhere anyway. The answer is, is that there is generally an incentive and a commonality to allow the bankruptcy estate to marshal all the assets and make the distribution. The competition for assets generally doesn't result in helping anybody.

And I mean this and I don't want it to sound cliché, this is America people are permitted to commence lawsuits, people are permitted to make legal arguments, people are permitted to do things. Some of these litigations are inappropriate and will be stayed or either we will ask them to stop or we will make the appropriate application. And some of them function outside of the bankruptcy world, without going through each and every one of these litigations. The problem is that there are so many different interest groups and so many different asset issues, there is no one answer fit all, for everybody's questions and that's why it is kind of hard to answer them without frustrating the

questioner. It's not my intent to frustrate you but its my intent to explain process. But I am the only one, but I am the only one, who has the authority, the power, if you will, to sue on behalf of Agape World. So there may be these other lawsuits out there that sound in the nature of suing on behalf of Agape World. Those are inappropriate lawsuits and they will be stayed. There may be other types of lawsuits that have nothing to do with Agape World. Those can't be stayed but they probably won't have an adverse impact on the estate otherwise, which really should be thrust of your question. Will they negatively impact my administration? Probably not. And that's really the answer.

INVESTOR: And the other question I had is, is there any law that prevent me from going after money that you think you would like to go after? I don't know how to ask this question properly. And do you feel that if all of us write to a government official to help you to change that law so that you could maybe that would make an exception or something? I know all of us have been writing senators and the President and whatever and I would like to help in some way if we needed to help in some way, is there anything that we can do?

TRUSTEE: I can't tell you how to address your public officials. But there are 6,500 of you and you are some what organized. So, you're free, as they say in the commercial "to roam the country" and figure that out. I am not aware of anybody that you can send that kind of communication to, or whether it would have any impact. That's not my job.

INVESTOR: I understand that, but you said there were some laws that keep you from going after some monies.

TRUSTEE: I didn't say that.

INVESTOR: You didn't say that?

TRUSTEE: I didn't say that.

MR. FRIEDMAN: There's a time period.

TRUSTEE: All I said is that there is a statute, a time limitation. I have two years from when I'm appointed to sue somebody and depending on the nature of the cause of action I may have as little as 90 days for what's called a preference and as much as six years to look back. So, if there was a transaction in 2004, it's now 2009, I can sue. If there's what's called fraudulent convenience or breach of contract, another type of litigation that we are commonly familiar with, I can sue. That's what I said.

TRUSTEE: Ok. Yes sir. And then, you sir, in the back. Come forward please.

INVESTOR: Thank you. Just a point of clarification as to how you view something in the process from where you're sitting. If an investor let's say invested \$100,000.00 with Agape and through a series of contracts should have gotten \$60,000.00 in interest and did get that \$60,000 in interest but never got his principle back, from the process side does the trustee view the claim as the \$100,000.00 principle he never got back or the \$40,000.00 because he got \$60,000.00 back in interest?

TRUSTEE: We have not concluded how we are treating the interest issue yet, one of the reasons is that different investors were promised different interest rates. Some of them were usurious, some of them were illegal. Every one of them is sui generis.

INVESTOR: So, it has not been determined that the interest has reduced the claim, regardless?

TRUSTEE: I haven't looked at the claim pool yet. We generally in the administration of all these cases, particularly on an issue as discrete as this interest issue is, we prefer to have the benefit of 20/20 hindsight looking at all of the claims. You know, we have a pretty good idea of what people are going to claim, but we would like to see how it plays out. If you have 6,500 people who all say they are entitled to 10% interest, by illustration, what difference does it make if I gross it up or reduce it down? It would be a waste of time to argue whether they're entitled to 10% or not, since its a pro rata distribution.

INVESTOR: My question was that without the interest their entitled to but rather the interest they were entitled to and have gotten paid already, so they're not asking for interest, it's a set-off.

TRUSTEE: You're working your way back to clawback again and I'm not going to.

INVESTOR: No, no, no I did not intend to... if they have received the money already for interest would they still be getting money ...

TRUSTEE: I understand. I have not formed an opinion on that yet.

INVESTOR: That wasn't intended to...

TRUSTEE: I understand. But, I haven't formed an opinion yet because right now we're concentrating on marshalling assets, not on who's entitled to what. So, we're not even

looking at whether if you have received what is characterized as interest and should have been principle, or whether you received principle and no interest. Remember the fact that *you* characterize it or *could* characterize it in a certain way may not necessarily be the correct treatment or nature of what you received.

INVESTOR: Yeah, no, ok, I was just curious how you saw it and thank you.

TRUSTEE: You're welcome. Sir, in the back. We have about three more minutes and after we conclude the meeting, Rachael and Ron will be happy to answer any further questions that you may have. We want you to vet out what is on your mind. But, at some point, we have to end the meeting. Yes sir.

INVESTOR: I have a quick question in reference to that clawback. But, I'm a little confused, on the claim form we're putting the money that we thought we were going to earn or the money that we invested?

TRUSTEE: I think that in order to give yourself as fair treatment as possible, you should put down what you believe your contractual rights were.

INVESTOR: And then lastly, as a group, there are a couple of people here that I am sure are involved with, what we have is a blog, what could you tell us that we could all could do or send back to any other investors or put out there that we can do to help you, what we can do to help you? Is there anything, something specific or some general things that we could do for you?

TRUSTEE: Other than ensuring that all of your friends and relatives file their claims and those of you who have discrete information about the location of particular assets, there really isn't anything else that you can do. In fact, we have been very judicious in responding to all of the inquiries but all of the inquiries drain our resources. So, we're asking you to think hard before you make any inquiries as to whether this is really aiding our administration or satisfying your curiosity. Which is extremely important, but if we have to take, as we have, on evenings and weekends staff to try to respond to all investors, because we want to inform you as much as possible, providing information that only satisfies curiosity you are taking away from our ability to marshal assets at the end of the day I think that you would want us to be devoting all of our resources to marshalling assets for the benefit of making larger distributions. We respect what's happened here tremendously. It is the worst situation that I have seen in my career in terms of the economic pain and devastation that has been wrought here. And we take that very seriously. 24/7. But, the reason why we are having this meeting today, in this fashion, which is not authorized, nor is it obligated, is to try and vet all of these things out, but at some point you gotta go let us go do our job. We're really good at it just let us go do it, if there are no more questions.

INVESTOR: Thank you.

TRUSTEE: Sir?

INVESTOR: (Inaudible)

TRUSTEE: Sir, I can't hear you.

INVESTOR: Will the transcripts be available from the status conference on the website?

MR. FRIEDMAN: The question is “will the transcripts from the main case status conference be available on the website?” Ordinarily, it is posted on the Court’s docket site. We will endeavor to have them once they are posted on the Court’s website to get them from the Court’s site and website site will be continually updated to provide that kind of information. But, at the same time again, we encourage everybody, to the extent that you have a particularized questions, to attend the status conference or send someone to the status conference, ask questions and we will endeavor to answer your question at that point and time. And again, one more request, to the extent that you want to participate in the distribution of the assets, in other words to receive a payment you MUST file a proof of claim form by June 18th.

TRUSTEE: Before I close the 341 meeting, not to put you on the spot, but would the US Trustee want to make a comment in conjunction to this 341 meeting?

US TRUSTEE: Good morning. We thank you all for coming out here and we appreciate creditor/victim involvement in these types of cases, the process works well when everyone works together and we try to do the best we can to make sure that creditors, and in this case, the objective is to get the best available distribution they can get.

If you have any questions, as well as Mr. Silverman’s office, our office is always available to help you, but once again, we have to caution you, we can not give you separate legal advice, but we are available to answer any of your questions. Once again we thank you all for coming out here, we appreciate your involvement in this case and we understand your pain and we sympathize with you all. Once, again, thank you.

TRUSTEE: This concludes...

INVESTOR: Wait.

TRUSTEE: Do you have a question? Sure. And then I'm going to conclude the meeting.

INVESTOR: We wanted to save this for the end to make sure all of the questions are answered. We, together, would like to request that a creditor's committee be formed.

TRUSTEE: You'll have to discuss that with Ms. Black.

INVESTOR: But, is this the appropriate forum?

TRUSTEE: With Ms. Black or Mr. Dimino, but yes this is the appropriate place and time, but it occurs outside of my 341 meeting.

INVESTOR: Ok, as long as I have it on the record.

TRUSTEE: Absolutely. Anything further? If not, I'm concluding the 341 meeting, and we are still open for questions.