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STATUS REPORT

May 15, 2007

Banco Santos

CONFIDENTIAL

Prepared for: **Josefina Fernandez McEvoy, Esq.**
K & L Gates LLP

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Assignment

1. Interfor was retained by Josefina Fernandez McEvoy, Esq. of K & L Gates LLP on March 12, 2007 to conduct an in-depth asset search on Edemar Cid Ferreira and his family, focusing on his assets in the U.S.

Summary of Investigation

2. Interfor has been able to locate significant assets held by the Cid Ferreriras in the U.S. (primarily at JP Morgan Chase). Relationships with Bank of New York and Wachovia Bank have also been uncovered. Additionally, Interfor has developed information about several New York based companies that were considered subsidiaries of Banco Santos but took direction from Edemar and Rodrigo Cid Ferreira.

3. Interfor was also able to uncover a network of alliances that was used by the Cid Ferreriras to move money out of Banco Santos to the U.S.

4. Interfor has also determined that the Cid Ferreriras have transferred many of their assets out of the U.S., into accounts in the Cayman Islands, Liechtenstein, Luxembourg and Gibraltar. These holdings total over \$1.3 billion. The interesting thing about these holdings is that two of them are being held for the Cid Ferreriras by hedge funds meaning the accounts are not in their names. This has made the investigation very difficult but nevertheless, Interfor was able to get necessary details, including account numbers.

5. Interfor's investigation into _____ ; successful. Although Interfor has confirmed through confidential sources that he was paid approximately \$3 million to delay and obstruct any investigation into the current location of the Cid Ferreira assets, it has not been possible to date to obtain the relevant details.

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Identifiers

Edemar Cid Ferreira

DOB: May 30, 1943

CPF#: 287.413.408-25

Marcia de Maria Costa Cid Ferreira a/k/a Marcia Cid Ferreira

DOB: May 10, 1951

CPF#: 114.140.141-04

Address:

Rua Galia, 120-Morumbi

Sao Paulo-SP-Brazil

05602-000

Tel: (55 11) 3095-9022

Fax: (55 11) 3031-4404/3812-4036

Interfor's sources have learned that Mr. Ferreira is providing consulting services to two companies and a financial institution. He is working from an office in his home and has one secretary, Alice, to assist him. He is being paid in cash because he is not allowed to have a bank account.

According to our sources, all searches targeting Edemar Cid Ferreira are being monitored by the Brazilian authorities. Interfor's sources report that the telephone number, (55 11) 3095-9022, is for the office in Mr. Ferreira's home and is monitored by the police.

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Rodrigo Rodrigues de Cid Ferreira a/k/a Rodrigo Cid Ferreira

DOB: August 14, 1970

SS#: 010-72-4036

CPF#: 091.938.198-70

Address:

Rua Dom Paulo Pedrosa, 791 Apt. 81, Real Parque

Sao Paulo-SP-Brazil

Tel: (55 11) 3097-9077/3758-5410

Rua Joao Dalmacio Azevedo, 105 Cidade Jardim

Sao Paulo-SP-Brazil

Tel: (55 11) 3097-9466

Previous U.S. address from May 1993-February 2005:

90 Prince Street, Apt. 6B

New York, NY 10012

Interfor determined that Rodrigo Cid Ferreira earned an MBA in Finance from the NYU Stern School of Business on September 22, 1997. Based upon that information, we conducted discreet investigations of his colleagues and learned that Rodrigo Ferreira lived at 90 Prince Street in Manhattan while he attended NYU. During the time that Rodrigo Cid Ferreira resided at 90 Prince Street, the apartment was owned by Nori Ann Vacari. Interfor's numerous attempts to contact Ms. Vacari have been unsuccessful. Her current address is c/o Leevac Industries, 111 Bunge St., Jennings, LA 70546, Tel: (337) 824-5832; however, she spends most of her time in Paris and Venice.

Interfor has not been able to determine whether Ms. Vacari is the genuine owner of the apartment or whether she is a front for the Cid Ferreriras.

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U.S. Financial Investigation

JP Morgan Chase

Interfor's sources have determined that the Ferreriras have the following bank accounts at JP Morgan Chase, 270 Park Ave., NY, NY 10017:

Account Type: Trust Account
 Account #: 339071
 Signatory: Edemar Ferreira
 Balance: \$8,000,000.00 as of April 3, 2007

Recent credits and deposits into the account:

March 4	DEPOSIT	\$11,220.00
March 12	DEPOSIT	\$31,489.00
March 25	DEPOSIT	\$14,000.00
April 3	WITHDRAWAL	\$51,112.00
April 19	DEPOSIT	\$114,223.89
April 25	DEPOSIT	\$7,500.00

Account Type: Trust Account
 Account #: 53196543
 Signatory: Marcia Ferreira
 Balance: \$800,000.00 as of April 3, 2007

Recent credits and deposits into the account:

March 14	DEPOSIT	\$117,984.63
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March 24 DEPOSIT \$39,700.00
April 12 DEPOSIT \$211,644.00

Account Type: Trust Account
Account #: 019853124
Signatory: Rodrigo Ferreira
Balance: \$4,000,000.00 as of April 3, 2007

Recent credits and deposits into the account:

March 23 DEPOSIT \$355,600.00
April 12 DEPOSIT \$21,742.00

6.

Interfor's sources found no evidence of any safe deposit boxes located at JP Morgan Chase for Edemar, Marcia or Rodrigo Ferreira; however, the investigation is continuing at other banks.

7.

Interfor's sources confirmed the previous existence of a bank account at JP Morgan Chase for Prime Capital Corporation. The account is now closed.

Account Type: Business Checking
Account #: 904819329
Account Name: Prime Capital Corporation
Balance: Account is closed
Signatory: Daniel Casal
FEIN: 13-145325

Bank of New York

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Interfor located a bank account for Banco Santos at the Bank of New York. The account is a special cash collateral account established with the Bank of New York, account number 8900554452, entitled "BNY Asset Solutions as Collateral Agent for Banco Santos S.A." Interfor's sources have confirmed that the bank account is still open and is located at the Bank of New York office for Asset Solutions in Irving, Texas. See Exhibit 1.

During the course of their inquiries, our sources discovered the existence of another bank account for Banco Santos in the Asset Solutions Department at the Bank of New York. The account is open but no further information was available. We believe that Tequila English has first hand knowledge of these accounts and should be subpoenaed. The department manager is Steven O'Neil, VP. (Tel: (972) 401-8516) and his assistant is Tequila English (Tel: (972) 401-8569).

Sources are developing information on bank accounts for BrasilConnects at Bank of New York and also Wachovia.

American Express

Interfor's sources were able to confirm that the statements for Edemar Ferreira's American Express card, #37265557987, were sent to Milton Schwartz, an attorney, at 201 E 42nd Street, Room 1200, New York, NY 10017. Milton Schwartz is a partner in the law firm Grant, Herrman, Schwartz & Linger LLP. Interfor confirmed that Edemar Ferreira used this American Express card to purchase \$36,370 of maps from Fair Winds Antique Maps in October 2001. The card was an international American Express card issued to a non-American in US\$. American Express cancelled the account in April 2005 due to non-payment.

Milton Schwartz, Esq.
Grant, Herrmann, Schwartz & Klinger, LLP
675 Third Avenue
New York, NY 10017
Tel: (212) 682-1800

Milton Schwartz, Esq., the attorney who handled Edemar's American Express bills, is knowledgeable about Edemar's U.S. finances. His name has been mentioned to several of our sources in the context of managing Edemar Cid Ferreira's U.S. assets. Mr. Schwartz specializes in International Law and is fluent in Portuguese. He is the author of "Fundamentals of Doing Business in Latin America" and "Directors' Duties and Shareholder Rights in Latin America". Mr. Schwartz was admitted to the New York Bar in 1956.

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Off-shore Financial Investigation

Interfor's confidential sources developed information indicating that in the last few months, the Cid Ferreiras have been systematically setting up a new asset protection strategy. This involves taking their assets out of the U.S. and other jurisdictions and transferring them to four new protected areas, three of which, are under the control of hedge funds. The way this works is that the hedge fund is the account holder and the Cid Ferreiras have an agreement with the hedge fund which locks their investment for a period of time, usually two years. Interfor has been able to obtain details of this new structure, including bank account numbers and balances. The following pages detail our findings.

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CAYMAN ISLANDS

BANK OF BUTTERFIELD

Butterfield House, 68 Fort Street
Cayman Island, KY1-1107

Tel: 345-949-7055

Acct. # 01-645613310-11

US\$ 163,665,083

Acct. # 32-655372233-13

Euro 129,311,177

Account manager – Alan R. Thompson

(1) *Account established and managed by LTE Partners, LP for Melkonian Capital Mgmt. LLC

Contact – Ryan@melkoniancapital.com

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LIECHTENSTEIN

1. HYPO INVESTMENT BANK, AG

Austrasse 59
FL-9490 Vaduz

Tel: 423-265-5656

Acct. # 323466-3

Euro 343,968,793

Account Manager – Peter Bader

2. LIECHTENSTEINISCHE LANDESBANK, AG

Städle 44 Postfach 384
9490 Vaduz

Tel: 423-236-8811

Acct. # 83364631

Euro 250,191,365

Account Manager -- Erwin Vogl

**Funds in these two accounts originated in and were transferred from Vienna, Austria*

LUXEMBOURG

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1. CREDIT SUISSE LUXEMBOURG, S.A.

56 Grand Rue
2010 Luxembourg

Tel: 352 46 00 11-1

Acct. # 30047

Euro 295,477,009

Account manager – Alexander Zeller

2. FORTIS BANK LUXEMBOURG

Contact Center
50, Av. J F Kennedy
L-2951 Luxembourg

Tel: 352-4242-2001

Acct. # LU-34Z678AL9173F21P6T

US\$ 97,045,200

**Both accounts were established and managed by Ibis Management, LLC. for Ibis Capital LP.*

Contact – Jake03@village.albourne.com

GIBRALTAR

ABN AMRO PRIVATE BANKING
Suite 731-4
Block 7, 3rd Floor
Europort, Gibraltar
Tel: 350-74474

Acct. # 537411-840
Acct. # 539963-978
Acct. # 410031-756

US \$ 75,331,142
Euro 33,101,300
CHF 50,681,936

**Account established and managed by Arbitrage Capital Management Fund LP*

Manager – Leena@arbitragecapital.com

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U.S. Operations

Interfor's investigation revealed that Edemar Ferreira and Rodrigo Ferreira, with Banco Santos, owned the following business entities located in New York: Prime Capital Corporation, Prime Capital Management, Inc., BrasilConnects, Inc., and FTC Capital Markets, Inc. Interfor was able to identify, locate and interview several people who worked at Prime Global Securities, Prime Capital Corporation and Prime Capital Management and referred to these businesses as subsidiaries of Banco Santos. We also located a real estate broker who negotiated the lease for Banco Santos at 555 Madison Avenue and we recommend that he be subpoenaed as numerous attempts to reach him via investigators were not successful. Michael Rolls may be reached at 90 Bryant Ave. Apt. B6B, White Plains, NY 10605, Tel: (914) 831-9205, Cell: (917) 892-0352. / 2.

Our investigation revealed that Rodrigo Cid Ferreira was in the office at 555 Madison Avenue on a monthly basis if not more frequently. At one time, all of the businesses shared a common phone number, (212) 583-9363. That is now the phone number for FTC Capital Markets.

Banco Santos also employed U.S. based consultants to establish business connections for Banco Santos in the U.S. and the U.K. Interfor located and interviewed Vivian Wadiche, a former consultant employed by Banco Santos.

Businesses located at 555 Madison Avenue

Prime Capital Corporation

555 Madison Ave., 26th floor
New York, NY 10022

Prime Capital Corporation was incorporated in Delaware on January 18, 2002 as a domestic corporation. The filing number was 3478098. Prime Capital Corporation was

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subsequently registered in New York on March 21, 2002 as a foreign corporation with filing number 2745576. According to the office of the New York Secretary of State, the status of Prime Capital Corporation is inactive and the registration was terminated as of August 10, 2006.

Interfor conducted an extensive interview with Robert Goldstein, a former employee of Business Technology Partners who handled the IT installation and support at Prime Capital Corporation. Mr. Goldstein told Interfor that Prime Capital Corporation was set up to "help transition Brazilian equity to the U.S." and that the majority of the employees were from Brazil or Portugal. He also told Interfor that Rodrigo Ferreira was in the office on a regular basis and he met Edemar Cid Ferreira once. According to Mr. Goldstein, his work at Prime Capital Corporation was supervised by Antoinette Geyelin and he referred to her as the Executive Vice President. Mr. Goldstein believed that the Ferreriras had apartments in Manhattan but he never socialized with them. Mr. Goldstein lives at 6625 103rd Street, Apt. 6Z, Forest Hills, NY 11375, Tel: (212) 931-0189, Cell: (516) 850-2178. Mr. Goldstein gave Interfor names of other people to contact but our calls were not returned. Following are their details:

Crisley Thome
32-10-33rd Street, Apt. 1
Astoria, NY 11106
Cell:(917) 459-7902
Former: Project Assistant at Prime Capital Corporation

Joshua Aaron
111 Broadway 18th Floor
New York, NY 10006
Office: (646) 442-4700
Partner, Business Technology Partners, an IT consulting firm. Prime Capital was a client.

Prime Capital Management Inc.

555 Madison Ave., 26th floor
New York, NY 10022

Prime Capital Management Inc was incorporated in New York as a domestic corporation on September 20, 2000. The filing number was 2555014 and Antoinette Geyelin was listed as the Chairman and CEO. The current status is inactive as of April 23, 2003.

Interfor has concluded that Prime Capital Management Inc was an investment vehicle trading through Prime Global Securities.

Interfor believes Antoinette Geyelin holds critical information and recommends that she should be subpoenaed. Several attempts were made to contact her but our calls were not returned.

Antoinette R. Geyelin Hoar
16 East 96th St. Apt. 6A
New York, NY 10128
Tel: (212) 427-5316

Former: CEO at Prime Capital Management; also, EVP, Prime Capital Corporation

Antoinette R. Geyelin is a former international banker at Chase Manhattan and Bankers Trust. She was the treasurer of Sotheby's at the time of the price fixing scandal with Christie's. She was not accused of wrong doing.

BrasilConnects Inc (not-for-profit foundation)

555 Madison Ave, 11th floor

New York, NY 10022

Tel: (212) 583-9363

FEIN: 13-4102999

BrasilConnects was Edemar Cid Ferreira's private, tax exempt foundation, established to promote Brazilian culture in the United States. Interfor identified the former officers and directors of BrasilConnects. Edemar Cid Ferreira served as President and Pedro Paulo Braga de Sena Madureira served as Vice President. See Exhibit 2.

Interfor believes that the following people who worked at BrasilConnects have knowledge of Edemar Cid Ferreira's finances and should be subpoenaed.

Adam Segall

426 Blinn Road

Croton-on Hudson, NY 10520

Former: Executive Director of BrasilConnects

Rosemary R. Hochberg

301 East 66th Street Apt. 10H

New York, NY 10021

Former: Director Special Projects, BrasilConnects

The accountants for BrasilConnects were:

Cicinelli & D'Ippolito, CPAs, PC

555 Pleasantville Road

North Building, Suite 120

Briarcliff Manor, NY 10510

Tel: (914) 769-5899

Fax: (914) 769-5997

FTC Capital Markets, Inc. f/k/a Prime Global Securities Inc.

126 East 56th Street

Suite 3110

New York, NY 10022

Prime Global Securities Inc was incorporated as a domestic corporation in Delaware on December 6, 2002. The original directors clearly show ties to Banco Santos. The chairman was Jose Fernando Rocha of Sao Paulo. The vice chairman was Alexandre Lodyginsky of Sao Paulo. The remaining director was Pedro Braga de Sena Madureira, an attorney employed by Procid Invest, the largest shareholder of Banco Santos. Procid was owned almost entirely by Edemar Cid Ferreira. Madureira was vice president of Brasil Connects.

The president was Daniel A. Casal. The secretary was Guillermo D. Clamens. Casal was president of Prime Global Securities from January, 2003 to October, 2005, when Guillermo D. Clamens became the chairman, president, and director. The other current directors are Mariela H. Clamens and Chengy Huang.

Prime Global Securities Inc. changed its name to FTC Capital Markets, Inc. on November 10, 2006.

According to a former employee who was employed at Prime Global Securities ("PGS") during 2004, Banco Santos was a client of PGS. Banco Santos was in the business of importing and exporting commodities and needed PGS to make connections within the New York financial community. PGS earned commissions on these deals.

The following people have intimate knowledge of the operations of Prime Global Securities and Interfor recommends that they be subpoenaed.

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Daniel Alberto Casal
53 Trailing Rock Road
Stamford, CT 06903

Current: Chief Operating Officer, Fator Securities Former: President, Prime Global Securities

Guillermo David Clamens
Mariela Hernandez Clamens
126 East 56th Street Ste. 3110
New York, NY 10022

Tel: (212) 583-9363

Current: Officers and Directors of FTC Capital Markets Former: Officers of Prime Global Securities (now FTC)

Mitchell Pineda
21 Myrtle Avenue
Cedar Grove, NJ 07009

Tel: (973) 571-1685

Cell: (201) 306-8173

Former: Marketing Operations Manager for Prime Global Securities

U.S. Based Consultant for Banco Santos

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Vivian Wadiche
5214 Rothchilde Ct.
Houston, TX 77069
Tel: (281) 586-0548

Former: U.S.-Based Consultant and Business Development Director for Banco Santos

Interfor located Ms. Vivian Wadiche of Houston, TX, and conducted numerous phone interviews with her. Ms. Wadiche has 20 years of banking experience and her specialty was Latin America. Before joining Banco Santos she worked in Miami for a New York bank. She was hired by Banco Santos as an international consultant and was part of a team of five consultants hired to "open doors" for Banco Santos and Edemar Cid Ferreira in the U.S. and the UK. She was hired to do business development for Banco Santos in the U.S. and establish connections for Banco Santos in New York and Washington, DC. Ms. Wadiche successfully arranged multi-million dollar lines of credit for Banco Santos with several U.S. banks.

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Originally, Ms. Wadiche's territory covered all of the U.S. with the exception of Miami. A consultant was in place in Miami at the time she was hired. The other consultants who came on board after Ms. Wadiche was hired covered New York and London but only worked for Banco Santos for a few months. In 2002 the consultants were called to Sao Paolo and fired by Banco Santos.

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Unfortunately, Banco Santos did not honor her contract and did not pay her for the work performed. She sued and the case was settled in July 2004. Part of the settlement included a non-disclosure agreement. Further questions regarding Ms. Wadiche's involvement with Banco Santos must be addressed to her attorney: Mr. Gerald (Gerry) Drought of San Antonio, TX, Tel: (210) 227-7591.

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Registration with Federal/State Banking Authorities

Inquiries made with the Federal Reserve and the Federal Deposit Insurance Corporation (FDIC) indicate that Banco Santos did not apply for a license to operate as a national bank in the U.S.

Our inquiries made with the Foreign and Wholesale Banks Division, New York Superintendent of Banks, indicate that Banco Santos never applied for a New York State banking license to operate a representative office in New York.

U.S. Corporate Affiliations-U.S. Connections

At various times since March 1996, Guillermo David Clamens, Carlos Julio Penaloza, Sebastiao Cunha, Alexandre Lodygensky, Daniel Casal and Pedro Madureira have intersected with Banco Santos as well as several U.S. companies that have been used to funnel money out of Banco Santos. See Exhibit 3.

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Guillermo Clamens' employment history with the NASD lists Westfalia Investments from March 1996 to May 2000.

Westfalia Investments was incorporated in New York in 1995 and had offices in New York City, Jersey City, and Cranford, New Jersey. Annual reports were filed in Florida for the years 1996-1998, which listed Carlos J. Penaloza as director, chairman and president. Guillermo Clamens was listed as a director of Westfalia on the 1998 annual report. Westfalia's authority to do business in Florida was revoked for the lack of a 1999 annual report.

Carlos Julio Penaloza currently lives at 3007 De Sota Boulevard, Coral Gables, FL 33134. His telephone number is (305) 448-7841.

An article of amendment to the articles of incorporation of FTC Securities, Inc., filed in Florida on August 4, 2000, listed Carlos Penaloza as president. The 2001 annual report for FTC Securities listed Guillermo Clamens as VP, Fixed Income. The 2003 annual report lists Guillermo Clamens and Mariella H. Clamens as the sole directors and officers of FTC Securities.

On March 12, 2007, FTC Securities, Inc. changed its name to FTC Futures, Inc.

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As stated earlier, Guillermo D. Clamens was an officer of Prime Global Securities, Inc., now ⁶²⁵FTC Capital Markets.

Banco Latino Americano de Exportaciones (BLADEX)

Several executives of Banco Santos and Prime Global Securities have ties to BLADEX.

Banco Latino Americano de Exportaciones, S. A. (Bladex) is a supranational bank originally established by the central banks of Latin American and Caribbean countries to promote trade finance in Central and South America and the Caribbean. The bank operates under the commercial name of Bladex. The bank is principally engaged in providing short-term trade financing to selected commercial banks in the region, which, in turn, lend to businesses primarily active in foreign trade and to state and private corporations. The Bank's lending activities are funded by interbank deposits, primarily from central banks and financial institutions in the region, by borrowings from international commercial banks and, to a lesser extent, by sales of debt securities (placement) made with financial institutions and investors in Japan, Europe and North America. BLADEX trades on the New York Stock Exchange as an ADR. Its symbol is BLX.

Banco Latino Americano de Exportaciones, S. A. is headquartered in Panama City. The bank has an agency office at 600 Lexington Avenue, New York, NY 10022.

Edemar Cid Ferreira was a director of BLADEX.

Sebastiao T. Cunha, who was the head of Banco Santos' international operations, was a director of BLADEX. BLADEX documents list his address as Banco Santos USA, 555 Madison Avenue.

Since 2004, Alexandre Lodyginsky has been a director of BLADDEX in Panama City. He is, also, a director of Comexport in Sao Paulo. 626

From 2002 through 2004, Alexandre Lodyginsky was president of Rutherford Trading S.A. and designated member of Rutherford UK LLP. Rutherford UK LLP received approximately \$25,500,000 indirectly from Banco Santos. Rutherford Trading S.A. received approximately \$42,000,000 indirectly from Banco Santos. Sources have confirmed that Lodyginsky was giving some of this money back to Edemar Ferreira personally.

Daniel Alberto Casal was employed at BLADDEX from January, 1993 to September, 1998. He is currently the chief operating officer of Fator Securities LLC in Stamford, CT. A Brazilian subsidiary of Fator Securities LLC' parent, Banco Fator, received approximately \$15,000,000 indirectly from Banco Santos.

It is assumed that this was another intermediary via which Edemar Cid Ferreira transferred monies out of Banco Santos.

Walter Appel, the sole owner of Banco Fator, and one of its subsidiaries, Fator Administracao de Recursos Ltda, have been charged in the first insider trading case in Brazilian financial history. The case involves the privatization of a state power utility, Companhia Paranaense de Electricidade (Copel) in 2001. Fator was found to have traded in 30% of the shares of Copel on the day the IPO was approved. Fator reputedly made 29.1% profit in two days. Banco Santos was implicated in the insider trading.

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New York Contacts

Interfor's research indicates that Edemar Cid Ferreira did business with the following New York-based entities. All have been contacted and all have confirmed that Edemar Cid Ferreira or one of his businesses was a client. See Exhibit 4.

SMA Limousine Service

3615 10th Street
Long Island City, NY 11106
Tel: (718) 729-0742
Silmaro Murta, Owner

Interfor confirmed that the drivers took Edemar Ferreira to his office at 555 Madison Ave when he visited New York between May 2001 and July 2003.

Business Technology Partners

111 Broadway 18th Floor
New York, NY 10006
Office: (646) 442-4700
Joshua Aaron, Partner

Prime Capital was a client and Mr. Aaron's firm provided IT consulting, installations and support at 555 Madison Avenue between 2001 and 2004.

Swann Galleries Inc

104 East 25th Street
New York, NY 10010
212-254-4710

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In 2002, Edemar Cid Ferreira spent \$130,521 for fine art.

Lion Heart Autographs Inc

470 Park Avenue South

New York, NY 10016

212-779-7050

In 2003, Edemar Cid Ferreira spent \$512,200 for autographs.

Acquavella Galleries

18 East 79th Street

New York, NY 10021

212-734-6300

In 2003, Edemar Cid Ferreira spent \$425,000 for fine art.

Galeria Ramis Barquet

41 East 57th Street

New York, NY 10022

212-644-9090

In 2003, Edemar Cid Ferreira paid \$380,000 for fine art for "The Cid Collection."

Fairwinds Antique Maps

7 East 14th Street Ste 20-S

New York, NY 10003

212-414-1058

In 2001, Edemar Cid Ferreira paid \$23,560 for antique maps.

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Barry Rice Architects

54 West 39th Street
New York, NY 10018
212-944-1929

Barry Rice architects provided architectural and design services for the build-out at 555 Madison Avenue during 2002 and 2003.

Herbert Kunstadt Associates-Engineering firm

54 West 39th Street 14th floor
New York, NY 10018
212-221-6803

Herbert Kunstadt Associates provided mechanical and electrical engineering services for the build-out at 555 Madison Avenue during 2002 and 2003.

Invoices

Interfor's sources were able to obtain various invoices. The invoices indicate that the artwork was shipped to Mr. Ferreira's address in Brazil but Interfor believes that it is highly likely that the invoices were prepared this way so that Mr. Ferreira could avoid paying New York State sales tax and in fact that much of the art work remained here in the U.S. Payments for the artwork were made with Mr. Ferreira's American Card or by transfer from Mr. Ferreira's account at Bank of America or Standard Chartered Bank. See Exhibit 5.

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Field Investigations

Interfor's investigators made discreet inquiries about the Ferreira family at several deluxe apartment buildings in Manhattan. The investigation is continuing.

117 East 57th Street, New York, NY 10022 (The Galleria)

725 Fifth Avenue, New York, NY 10022 (Trump Tower)

465 Park Avenue, New York, NY 10022 (The Ritz Tower)

15 West 53rd Street, New York, NY 10019 (Muscum Tower)

UCC Filings

Interfor searched the files of all fifty states and the District of Columbia for uniform commercial code filings associated with Banco Santos, the Ferreriras and related companies. The following filing was uncovered:

Debtor:	Banco Santos S.A.
Secured Party:	BNY Asset Solutions LLC, as collateral agent
Filing Date:	June 28, 2004
Filing Number:	2004089818, District of Columbia Dept. of Finance and Revenue
Collateral:	Chattel paper including proceeds and products; account(s) including proceeds and products; farm products/crops including proceeds and products.
Status:	Unlapsed
Expiration Date:	June 28, 2009

See Exhibit 1.

Bond Offering

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Interfor has obtained the prospectus of the \$100,000,000 Euro Note program put together by JP Morgan Chase in March, 2004 for Banco Santos. The issuing agent was JP Morgan Chase Bank. The paying agent was JP Morgan Trust Bank Ltd. The listing agent was JP Morgan Bank Luxembourg S.A. The arranger and dealer was Eurovest Global Securities Inc. Moody's was the rating agency. United States counsel was Mayer, Brown, Rowe & Maw LLP. Ernst & Young was the auditor. (Exhibit 6)

It is noted that Banco Santos named Prime Global Securities, 555 Madison Avenue, as its American process address.

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Offshore Companies

Diamin

Interfor obtained information from the National Registry of Brazil about a holding company affiliated with the Ferreira family which we believe to be an important corporate link to other companies connected to Edemar Cid Ferreira. It appears that Diamin is the controlling shareholder of Prime Capital Ltd (BVI) which in turn we believe is the controlling entity of Prime Capital Corp and Prime Global Securities; companies incorporated in Delaware and authorized to do business in New York. The majority shareholder of Diamin is Rodrigo Cid Ferreira.

Diamin Empreedimentos e Participacoes Ltd (Diamin)

Rua Jose Bonifacio 278
4 Andar Sala 41
Sao Paulo SP Brazil

Diamin was incorporated on April 11, 2001 and the filing number was CNPJ: 04.401.804/0001-53. There are two shareholders. The majority shareholder with 99.9% of the shares is Rodrigo Cid Ferreira. The minority shareholder with 0.01% of the shares is Edna Ferreira de Souza e Silva.

Caribbean Companies

Interfor conducted searches in the Public Registry offices of the British Virgin Islands (BVI) and Panama for information regarding selected offshore companies affiliated with the Ferreras. Sources indicated that these companies were holding open bank accounts and that these companies had links to the U.S. Our sources are actively developing banking

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information for Wailea Corporation. Interfor also searched for assets in the U.S. associated with these companies and none were located. 637

The companies registered in the BVI use the services of Icaza, Gonzalez-Ruiz & Aleman, a law firm specializing in off-shore incorporations. The Panama incorporations were facilitated by Arias, Fabrega & Fabrega, a law firm located in Panama City and specializing in off-shore incorporations.

The investigation is in process and to date we have examined the following companies. 18

Companies Registered in the British Virgin Islands

Active:

Wailea Corporation

Registered Office:

Vanterpol Plaza, Wickhams Cay 1

P.O. Box 873

Road Town, Tortola

BVI

Wailea Corporation was incorporated on July 2, 2002 and the filing number was 50169.

The registered agent was Icaza, Gonzalez-Ruiz & Aleman (BVI) Trust Limited. The company is currently in good standing. The most recent license fee was paid on October 30, 2006.

The attorneys-in-fact in Brazil are Edna Ferreira de Souza e Silva and Rodrigo Cid Ferreira.

Inactive:

Alphatec Investing Corporation

Registered Office:

Vanterpol Plaza, Wickhams Cay 1

P.O. Box 873

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Road Town, Tortola
BVI

Alphatec Investing Corporation was incorporated on July 4, 2000 and the filing number was 394312. The registered agent was Icaza, Gonzalez-Ruiz & Aleman (BVI) Trust Limited. The company was struck off the Register on May 1, 2005 for non-payment of the 2004 license fee. The registered agent resigned on July 27, 2005. The attorney-in-fact in Brazil was Edna Ferreira de Souza e Silva.

Bluoshell Inc.

Registered Office:
Vanterpol Plaza, Wickhams Cay 1
P.O. Box 873
Road Town, Tortola
BVI

Bluoshell Inc was incorporated on October 8, 2001 and the filing number was 465726. The registered agent was Icaza, Gonzalez-Ruiz & Aleman (BVI) Trust Limited. The company was struck from the Register on May 1, 2005 for non-payment of the 2004 license fee. The registered agent resigned on July 27, 2005. The attorney-in-fact in Brazil was Marcia Cid Ferreira.

Sherburne Equities Inc.

Registered Office:
Vanterpol Plaza, Wickhams Cay 1
P.O. Box 873
Road Town, Tortola
BVI

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Sherburne Equities Inc was incorporated on December 19, 2002 and the filing number was 524994. The registered agent was Icaza, Gonzalez-Ruiz & Aleman (BVI) Trust Limited. The company was struck from the Register on May 1, 2005 for non-payment of the 2004 license fee. The registered agent resigned on July 27, 2005. The attorney-in-fact in Brazil was Edna Ferreira de Souza e Silva.

Companies Registered in Panama

Bluecrown International Corporation

Registered Office:

Calle Aquilino de la Guardia No.8

P.O. Box 0823-02435

Panama, Republic of Panama

Bluecrown International Corporation was incorporated on July 25, 2000 and the filing number was 383015. The registered agent was Icaza, Gonzalez-Ruiz & Aleman (Panama). The officers and directors were listed as: Ezequiel Ruiz, Lilian de Muschett and Carmen O. Barrios. The attorney-in-fact in Brazil is Angela Gomes de Almeida. The status is active and the most recent license fee was paid in March 2003.

Super Link Corporation

Registered Office:

16th Floor, Plaza 2000 Building

50th Street

P.O. Box 0816-01098

Panama, Republic of Panama

Super Link Corporation was incorporated on April 2, 1991 and the filing number was 245855. The registered agent was Arias, Fabrega & Fabrega (Panama). The officers and directors were listed as Luis Alberto Rodriguez, Luis Antonio Gordillio and Omaira Cordoba.

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There is no attorney-in-fact for Brazil listed. The status is active and Interfor is still researching license fee payments.

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Principle Enterprises Inc

Registered Office:

16th Floor, Plaza 2000 Building

50th Street

P.O. Box 0816-01098

Panama, Republic of Panama

Principle Enterprises Inc was incorporated on April 23, 1986 and the filing number was 169319. The registered agent was Arias, Fabrega & Fabrega (Panama). The directors were listed as Luis Alberto Rodriguez, Luis Antonio Gordillo and Adolfo Sauri. The attorney-in-fact in Brazil is Marcia Cid Ferreira. The status is active and the most recent license fee was paid on October 31, 2002.

Stamstate Inc.

Registered Office:

16th Floor, Plaza 2000 Building

50th Street

P.O. Box 0816-01098

Panama, Republic of Panama

Stamstate Inc was incorporated on January 29, 1985 and the filing number was 145121. The registered agent was Arias, Fabrega & Fabrega (Panama). The directors were listed as Luis Alberto Rodriguez, Luis Antonio Gordillo and Adolfo Sauri. There is no attorney-in fact for Brazil listed. The status is active and Interfor is still researching license fee payments.

The complete list of offshore companies used by Banco Santos includes these companies listed by jurisdictions.

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Antigua

Bank of Europe, Liquidated

Bahamas

Omega Capital Management Inc.
Winterbotham

BVI

Alphatech Investing Corp.
Alsace Lorraine, Liquidated
Amicorp Nominees Limited
Arletti Investments Inc.
Blue Rays Enterprises Ltd.
Blueshell Inc.
Boldwoor Corp.
Chory Investments Corp.
Cooperland International Corp.
Cosipa Steel Ltd.
Dalberg International Holdings Inc.
Hinkel Overseas Inc.
Lessard Investing Corp.
Misty Springs Corporation
Prime Capital Limited
Shepparton Investing Inc.
Sherburne Equities Inc.
Tamworth Financial Corp.

Vilhemina Corporation

Wailea Corp.

Wursen Finance

GH
(

Isle of Man

Trumanx Administration Limited, still active

Trumanx Company Limited, still active

Trumanx Nominees Limited, still active

Netherlands

Ascot Worldwide Investments C.V.

Duke of Wales Investment Group C.V.

Princetown Partners C.V.

Rutherford Investment Group C.V.

Panama

Bluecrown International Corp.

Principle Enterprises Inc.

Stamstate Inc.

Super Link Corp.

Portugal

Chemonceaux

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Switzerland

Beauford Holdings SA

Beauford Services SA

United Kingdom

Amicorp Nominee Limited

Brighton Investors Ltd.

Carter & Walsh Ltd.

Dalby & Lewis Ltd.

Rutherford UK LLP

Uruguay

Bokara Corp.

Bracson

Bridaine

Edalco Sociedad Anonima

Folgent Investment

Gainex Realty

Inversora Felten

Laurex Holding Corp.

Zertond

Switzerland

The Swiss companies associated with Banco Santos, Beauford Holding SA and Beauford Services SA, are especially interesting. They were set up to become the shareholders of

record of the Bank of Europe, which was instrumental in siphoning money out of Banco Santos. They replaced Edemar Cid Ferreira as shareholder of the Bank of Europe. GHO

The directors of the Beauford entities are interesting because of their past associations. Hubert Secretan is one of the founding partners of Secretan Troyanov, a Geneva law firm with offices in London and Moscow. According to the Financial Times, the firm was instrumental in helping Russian oligarchs move money into Switzerland during the wave of privatization after the fall of the Soviet Union. From October 11, 1993 to January 1, 1999, Hubert Secretan was secretary and a director of Merrill Lynch Bank (Suisse) SA. Hubert Secretan lives at 31 Avenue De Bude, 1202 Geneva.

The other director of the Beauford entities, William Burkle, is currently a director of Faisal Private Bank. Formerly, he was an executive with Credit Suisse.


Beauford Holding SA was formed on June 5, 2002 with a capitalization of 24,450,00 Swiss Francs. Beauford Services SA was formed on December 16, 2003 with a capitalization of 100,000 Swiss Francs. They were both liquidated on December 17, 2004.

Interfor continues to work to develop information about the Ferreira holdings at Merrill Lynch and Credit Suisse.

Travel

Interfor's sources determined that the Ferreira family used the Maringa Turismo travel agency to book plane travel between Brazil and the U.S. Interfor's sources confirmed that Maringa Turismo did not book hotel reservations for the Ferreras for their trips to New York which suggests the existence of a New York apartment.

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The owner of Maringa Turismo is Marcos Arbaitman, the former Secretary of Tourism for the state of Sao Paulo. 

HQ - Av. Sao Luis, 165 – Sao Paolo 01046-001

International

Manager: Elson Castilho

Tel: (55 11) 3156-7538

United States Real Estate

Interfor conducted a national real estate search for property using the names of Cid Ferreira family members and known business associates. The search was negative.

The Cid Ferreiras are believed to own an apartment in New York. A cooperative apartment in New York City is not considered to be real estate. One buys shares in a corporation, which owns title to the property. Shares in a cooperative are not publicly listed.

A condominium is considered real property and can be owned by a corporation. Most cooperative apartment buildings will not allow a corporation to purchase shares.

Interfor has examined the property records of the buildings visited during the field investigation. Interfor found hundreds of condominiums owned by foreign corporations but could not determine if any were associated with the Cid Ferreiras.

Banco Santos Trustee

Vânio César Pickler Aguiar

DOB: August 10, 1951

CPF: 017.384.459-68

Rua Cons. Carrão, 1284

Juvevê - Curitiba - PR - CEP: 80040-130

Tel: (55 41) 3262-4817

Rua Cons. Carrão, 1284

Juvevê - Curitiba - PR - CEP: 80040-130

Tel: (55 41) 3029-4817

Rua Prof. Rui Leal, s/n bl B ap 204

Bal Gaivotas - Matinhos - PR - CEP: 83260-000

Tel: (55 41) 3456-9231

Financial Investigation

Interfor's confidential sources continue to report that Vanio Aguiar was paid approximately \$3 million by Edemar Cid Ferreira to slow down any and all investigations into Banco Santos in particular, investigations into the current location of the Cid Ferreira family fortune. Interfor received a solid lead that this money was transferred to Mr. Aguiar through JP Morgan in New York and that he has an account there where it is being held. However, there is nothing there under his name. It is possible that the account is under a different name but Interfor has been unable to develop further information on this. Since being officially retained, a number of sources with information about Mr. Aguiar have

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stopped cooperating with Interfor. It appears that Mr. Aguiar is aware of Interfor's retention and has effectively closed ranks.

Handwritten signature or initials in black ink, appearing to be 'G.H.' followed by a checkmark-like flourish.

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Kroll Associates

Interfor continues to work to obtain evidence that Edemar Cid Ferreira paid Kroll \$2.4 million to assist in covering up the movement of funds out of Banco Santos and delay any subsequent investigations.

Interfor has heard that Banco Santos and Kroll worked closely together for many years. Kroll was a supporter of the 2004 Gala for BrazilFoundation in New York, where Banco Santos was one of the main patrons. See Exhibit 7. Kroll's reputation in Brazil has taken a hit in recent years because of the phone-bugging scandal involving Brasil Telecom. See Exhibit 8.