

Exhibit 1

UNITED STATES BANKRUPTCY COURT

STATE OF UTAH

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DEBTOR: AMERICAN : REPORTER'S AUDIO  
INSTITUTIONAL PARTNERS, LLC, TRANSCRIPT OF HEARING

CHAPTER 11 MEETING OF : Case No. 09-25375  
CREDITORS :

DATE: July 2, 2009

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A P P E A R A N C E S

For the Debtor:

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Salt Lake City, Utah 84101

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For the United States Trustee's Office:

JOHN MORGAN

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1 P R O C E E D I N G S

2 MR. MORGAN: Good morning. It is July 2,  
3 2009. We're at the United States Trustee's hearing  
4 room, 405 South Main, Salt Lake City, in the case of  
5 American Institutional Partners, L.L.C., case No.  
6 09-25375, Chapter 11 meeting of creditors under section  
7 341 of the bankruptcy code.

8 My name is John Morgan. I'm an attorney  
9 with the United States Trustee's office. I'll be  
10 conducting this meeting. Present are debtor's  
11 attorney, Scott Blotter, and Mr. Paul Benson, who is, I  
12 understand, an advisor with American Institutional  
13 Partners.

14 The members -- the membership/ownership  
15 interest in this L.L.C., according to the statement of  
16 financial affairs, is an entity called Seven  
17 Investments, L.L.C. --

18 MR. BLOTTER: Correct.

19 MR. MORGAN: -- that is a hundred percent  
20 owner.

21 Counsel, does this -- does Mr. Benson have  
22 knowledge of the statements and schedules?

23 MR. BLOTTER: Yes. There are a few items  
24 that he's unsure of in reviewing them with him, but  
25 most of the items -- most of the questions he'll be

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1 able to respond to. And Mr. Robbins told me that next  
2 to Mr. Robbins, Mr. Benson knows more about the company  
3 than anybody, so...

4 MR. MORGAN: Is Mr. Robbins somewhere that  
5 he's unavailable for this meeting?

6 MR. BLOTTER: Correct.

7 MR. MCBRIDE: He has an arrest warrant out  
8 for him, so he hasn't been in the state for four  
9 months.

10 MR. MORGAN: These proceedings are being  
11 recorded, so I need anyone that speaks on the record to  
12 come forward at some point and identify yourselves,  
13 but...

14 Well, subject to possible objections by  
15 parties, including U.S. Trustee, Mr. Benson, will you  
16 raise your right hand, please, and be sworn?

17 Do you solemnly swear the testimony you'll  
18 give in this proceeding will be the truth, the whole  
19 truth and nothing but the truth?

20 THE WITNESS: I do.

21 EXAMINATION

22 BY MR. MORGAN:

23 Q. This is, again, being digitally recorded,  
24 so everyone needs to answer audibly, not nodding the  
25 head, and this will pick up most all of the statements

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1 that are made here.

2 Mr. Benson, can you tell me what  
3 precipitated the filing of this Chapter 11 case? Was  
4 there any one event or occurrence that happened that...

5 A. Just Mr. Robbins ran out of money and there  
6 were some debtors that were putting pressure for  
7 payment and --

8 Q. You mean creditors?

9 A. I'm sorry. Creditors --

10 Q. Yes.

11 A. -- that were putting pressure on  
12 Mr. Robbins for payment. And Mr. Robbins knew that  
13 he'd have money coming at a later date, but not yet, so  
14 the idea was to give him a chance to reorganize and --

15 Q. Can you tell me your position with --  
16 you've identified earlier that you're an advisor. Are  
17 you employed by the debtor?

18 A. I'm not a partner, I'm an employee.

19 Q. Okay. What does American Institutional  
20 Partners, L.L.C., do?

21 A. Investment -- structured finance investment  
22 firm.

23 Q. Do you know -- you heard me talking to your  
24 counsel before the meeting started about an initial  
25 debtor interview that was scheduled in this case. And

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1 I assume that was not going to include you, it was  
2 scheduled to include Mr. Robbins; is that correct?

3 A. That's correct.

4 Q. And Mr. Robbins was unable to -- do you  
5 know why he was unable to appear or make telephone  
6 contact for that meeting?

7 A. I have no idea with regard to that.

8 Q. All right. Have you reviewed the  
9 statements and schedules that have been filed in this  
10 case?

11 A. Yes.

12 Q. Did you have any part in their preparation?  
13 Did you assist in their preparation?

14 A. No.

15 Q. You did not provide the information?

16 A. No.

17 Q. So you don't know if the information in  
18 these documents is truthful, accurate, and correct?

19 A. I know -- as I go through some of the  
20 lines, I know -- anything I was familiar with I can  
21 answer whether it looks correct or not. There's  
22 nothing in this that does not look correct, but there  
23 are a few things that I'm unaware of.

24 Q. So you just don't know. And you don't if  
25 Mr. Robbins signed these documents?

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1 A. I'm told by counsel he did sign them.

2 Q. But you didn't, and you don't know if  
3 they're truthful, accurate, and correct?

4 A. Correct.

5 Q. This reflects that there have been --  
6 there's no income from operations of this debtor in the  
7 year 2009?

8 A. That would be correct.

9 Q. And that in 2007 it was -- the gross income  
10 was approximately 6 million, and in 2008 approximately  
11 2 million?

12 A. That's -- based on our controller, that  
13 would be correct.

14 Q. Is the debtor current in filing tax  
15 returns?

16 A. I am unaware if he filed for last year yet.

17 Q. 2007, yet?

18 A. Yes.

19 MR. MORGAN: Do you have a copy of that,  
20 Counsel?

21 MR. BLOTTER: I don't.

22 MR. MORGAN: Can you get me a copy of...

23 MR. BLOTTER: '07 and '08?

24 MR. MORGAN: Yeah.

25 BY MR. MORGAN:

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1 Q. Where is the debtor doing business?

2 A. Currently?

3 Q. What was the business address, yeah. Has  
4 it changed?

5 A. Well, the debtor's business was in Salt  
6 Lake City and currently the -- he is residing in  
7 California.

8 Q. When you say "debtor," you mean  
9 Mr. Robbins?

10 A. Mr. Robbins, yeah.

11 Q. But did A -- I'll call it AIP. I think you  
12 referred to it as that. Does AIP have a business  
13 address in Salt Lake?

14 A. No longer, no.

15 Q. Where was it though?

16 A. I don't know it off the top of my head.  
17 It's 155 North 400 West, Suite 150.

18 Q. But you don't go there to work? When you  
19 say you worked for them, you don't --

20 A. It's closed down.

21 Q. Okay. So you're presently not on a  
22 day-to-day basis engaged in working for this debtor?

23 A. I was involved in real estate activities  
24 with AIP.

25 Q. Do you know anything -- you said Seven

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1 Investments is owned by Mr. Robbins and who else?

2 A. Allison Robbins.

3 Q. Are they married?

4 A. Yes.

5 Q. Debtor doesn't own any real property?

6 A. No.

7 Q. Are the -- this identifies some office  
8 paintings valued at about a thousand dollars that are  
9 located still in the premises of 155 North 400 West; is  
10 that true?

11 A. I do not believe that to be true.

12 Q. And so the debtor has actually moved out,  
13 as far as you know, the premises?

14 A. I was told that they auctioned off the  
15 belongings of the premises.

16 Q. Is that the landlord?

17 A. What's that?

18 Q. The landlord did?

19 A. No.

20 Q. You said "they."

21 A. A creditor. I believe Fair Star.

22 Q. Okay. Do you know when that was?

23 A. Recently.

24 Q. Fair Star Resources Limited?

25 A. I believe so, yes.

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1 Q. Do you have any knowledge of the financial  
2 dealings of the debtor?

3 A. Currently?

4 Q. In the last year.

5 A. Yes.

6 Q. Why would Allison Robbins have been paid  
7 \$100,000 back in 2008?

8 A. I do not know the answer to that.

9 Q. Do you know the source of the money that  
10 was used to pay her?

11 A. No.

12 Q. You said, I believe, that the debtor  
13 anticipates -- filed because it expected that money  
14 would be coming in but had not yet come in.

15 A. Yes, the debtor -- I'm sorry. AIP is --  
16 well, Mark Robbins, who is in the process of finalizing  
17 a business transaction that will pay off the creditors.

18 Q. Do you know what that business -- nature of  
19 that transaction?

20 A. I do, I -- but it is confidential.

21 Q. Can you tell me what the -- so can you be  
22 more specific about what this debtor intends to do in  
23 Chapter 11, other than collect some sort of funds and  
24 pay off creditors? Can you be more specific than that?

25 A. Well, he doesn't have the ability to pay

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1 off the creditors currently, and he will shortly. It's  
2 pretty much that simple.

3 UNIDENTIFIED SPEAKER: How's he -- what's  
4 he going to do to get the money?

5 THE WITNESS: Well, this -- there's a  
6 confidentiality agreement that's been signed, but the  
7 business he's working on would pay off the creditors,  
8 if that's what you're asking, from my --

9 BY MR. MORGAN:

10 Q. Is it someone who is going to buy the  
11 interest of the debtor? Without identifying who that  
12 is, I mean, what's the nature of -- is it someone who's  
13 going to invest and buy out the debtor? Make a loan to  
14 the debtor?

15 A. It's a combination between a business that  
16 Mark Robbins is working on and a new entity that is in  
17 the process of buying out his interests. Forming that  
18 new business.

19 Q. And what -- what is -- is there any ongoing  
20 business assets in the nature of good will, or a  
21 customers list, or -- I mean, what assets are there  
22 that can be sold?

23 A. I don't know of any right now that can be  
24 sold. I mean, he did list his assets on here, but  
25 nothing is liquid. I mean, nothing -- from what I'm

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1 looking on here, nothing would be an easy asset to sell  
2 off in the meantime. That's why he filed Chapter 11.

3 Q. AIP Resort Development, L.L.C., tell me  
4 what that is.

5 A. It's an ownership and a management interest  
6 in an island in the Bahamas known as Little Exuma  
7 Island.

8 Q. Known as what?

9 A. Little Exuma Island. It's tied up in  
10 litigation that prevents him from being able to pull  
11 money out right now to settle his creditors.

12 Q. What's the basis of his valuation -- or the  
13 debtor's valuation of that interest at \$5.5 million?

14 A. That number came from a recent offer, but  
15 he cannot complete the transaction based on the  
16 lawsuits involved.

17 Q. Does the debtor have any ability to --

18 A. Loan against it?

19 Q. Well, no to -- well, I was going to ask  
20 does he have any ability -- does the debtor have any  
21 ability to fund or prosecute the lawsuit?

22 A. Yes. The attorney that was originally  
23 involved with it has agreed to take care of the  
24 lawsuits on their part.

25 Q. Is that lawsuit in the Bahamas?

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1           A.     It's in the Bahamas currently, yes.

2           Q.     And the other asset that's listed here is a  
3 note from that same entity, AIP Resort Development,  
4 L.L.C., to the debtor for \$30 million, if I'm reading  
5 that right.

6           A.     AIP has loaned AIP Resort Development  
7 somewhere between 20 to 30 million dollars over the  
8 last few years.

9           Q.     But what other assets does AIP have other  
10 than this interest in the Little Exuma Island property?

11          A.     Nothing that I know of.

12          Q.     So it can possibly pay back \$30 million, or  
13 20, or whatever the number is, to the debtor? It's not  
14 collectible, in other words, is it?

15          A.     Not currently, no.

16          Q.     Do you have any estimation of the actual  
17 value of that note receivable? Current liquidated  
18 value of that --

19          A.     Somewhere between 10 to 20 million dollars.

20          Q.     And what would that be based on if the  
21 debtor's --

22          A.     It would be based on a recent Cushman &  
23 Wakefield appraisal done in May.

24          Q.     Again, of this island property?

25          A.     Yes.

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1 Q. You'd mentioned some sort of an execution  
2 by the landlord. Who was the landlord? Or was it a  
3 judgment? I may not have followed that.

4 A. I'm not completely familiar with the  
5 details of his eviction and of the sale. I think there  
6 is somebody that's here from Fair Star that --

7 Q. Okay. So --

8 A. -- could go into more detail on that.

9 Q. But did you previously say you thought it  
10 was Fair Star Resources that had executed? Okay.  
11 That's your understanding.

12 A. Yes.

13 Q. Would that -- what I was going to ask you  
14 is, would that include these other assets listed as  
15 office equipment, filing cabinets, leather chairs,  
16 office chairs, all of that?

17 A. I do not know.

18 Q. All right.

19 A. I know the building is gone and the  
20 property is gone. As far as who ended up with it...

21 Q. Do you know when that occurred?

22 A. Over the last few months.

23 Q. Okay.

24 Is there any immediate asset that this  
25 bankruptcy was intended to stop foreclosure against? I

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1 mean, if the creditors had already executed and the  
2 debtor is not operating and is not in those premises  
3 and the assets are gone, I don't understand the need  
4 for Chapter 11.

5 A. I would assume the main creditor -- there's  
6 two main creditors, Colony Bank and Fair Star. Those  
7 are the two main creditors that are putting pressure on  
8 Mr. Robbins.

9 Q. Well, what more can they execute on? I  
10 mean, what more could they possibly execute on?

11 MR. BLOTTER: What more can -- he's just  
12 wondering what they could get a judgement on or what  
13 more property they could take if they've already taken  
14 the assets from the office place.

15 THE WITNESS: I'm not sure. I assume  
16 Exuma.

17 BY MR. MORGAN:

18 Q. Was it -- okay.

19 Was it -- and you didn't play any role, you  
20 have no voice in the management of the debtor, as to  
21 whether or not to have filed this Chapter 11 case?

22 A. I definitely do not.

23 Q. This shows on Schedule D, which is your  
24 secured -- the debtor's secured creditors -- it shows a  
25 note, security interest, about \$8 million to David Ray,

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1 trustee, in Los Angeles?

2 A. This is Colony Bank.

3 Q. That's Colony Bank? And what's the  
4 security interest? What does it cover?

5 A. Exuma.

6 Q. Okay.

7 And DPR Management, L.L.C., would that also  
8 be a security interest in Exuma? Are there any other  
9 assets they would have a security interest in?

10 A. DPR is one of the ones I'm unfamiliar with.  
11 I'm not sure who that is.

12 Q. Okay.

13 Durham Jones Pinegar is a law firm here in  
14 Salt Lake?

15 A. Yes.

16 Q. Do they have a security interest in the  
17 Exuma property?

18 A. No.

19 Q. Do you know what their security agreement  
20 and guarantee covers? Purports to cover?

21 A. No. I was told it was just AIP in general.

22 Q. You list -- are these wage claims? Kim  
23 Haskins?

24 A. It was a loan based on wages, but it was a  
25 loan. And Rama was also a loan.

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1 Q. Describe that in more detail for me. So  
2 they were -- Kim Haskins was owed wages?

3 A. She -- I believe she was owed wages. I  
4 know that she gave Mark Robbins a loan in addition to  
5 that.

6 MR. MORGAN: I want -- is that properly on  
7 E or should it be on F, Counsel? I don't know.

8 MR. BLOTTER: If it's a loan -- well, I'll  
9 look into it.

10 MR. MORGAN: I mean, I don't understand if  
11 it's --

12 MR. BLOTTER: Because I don't know if  
13 that's priority status.

14 MR. MORGAN: If it's not priority, yeah.

15 BY MR. MORGAN:

16 Q. Rama Chandra, is that a similar --

17 A. Yes.

18 Q. -- situation?

19 Although it's for a considerably larger  
20 amount of money, 125,000. So that wouldn't be what was  
21 owed in wages, correct?

22 A. Correct, that would be a loan to Mark  
23 Robbins.

24 MR. MCBRIDE: Sounds like it needs to be  
25 moved.

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1 BY MR. MORGAN:

2 Q. Okay.

3 We identified Salt Lake County Assessor,  
4 \$4,266. Do you know what that's for?

5 A. Taxes.

6 Q. On personal property?

7 A. I do not know what the nature of the tax  
8 bill is.

9 Q. And the State Tax Commission, \$100,000.  
10 What's that on? Do you know what that's for?

11 A. I do not know the nature of the tax, no.

12 Q. How long has the debtor been in business?  
13 Do you know when it was formed?

14 A. I don't know the exact date. It's been at  
15 least five years.

16 Q. Can you describe a little more specifically  
17 for me, other than structured finance investments, what  
18 this debtor actually did on a day-to-day basis?

19 A. Would raise money for projects, such as the  
20 Canyons. Attempted to raise money for Exuma.

21 Q. So he would have individual investors that  
22 would loan money to AIP, and AIP would then lend out  
23 money for big projects like Canyons?

24 A. Correct.

25 Q. And these -- all these people on Schedule

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1 F, I assume, are people that -- well, I guess they're  
2 not all that, but they're investors who were the first  
3 group I talked of that lent money to the debtor -- or  
4 invested with the debtor to have their money lent out  
5 for other projects?

6 A. No, the only person on here for that, I  
7 believe, is Colony Bank. Everything else was to be  
8 operational at this point.

9 Q. Okay.

10 A. (Inaudible.)

11 Q. So were most of the investors -- did they  
12 liquidate their position at some point? I mean, is  
13 there another list of investors?

14 A. For the most part, the only deal that I  
15 know of that was completed was the Canyons, and there  
16 was only one investor. That person --

17 Q. Who was that?

18 A. -- is not listed on here. That was a done  
19 deal two years ago.

20 Q. Okay.

21 So the rest of these debts on Schedule F  
22 are just operational?

23 A. Looks to be, as I go through them.

24 Q. Do you know if Allison Robbins's loan is  
25 documented by any --

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1           A.     Yes.

2           Q.     Are there loan documents that she actually  
3     lent \$2 million to the company?

4           A.     Yes.

5           Q.     What's the executory contract identified  
6     with DPR Management, L.L.C.? Do you know? That's the  
7     one you didn't know what it was, right?

8           A.     Correct.

9           Q.     Are there creditors that have questions?  
10    Come forward and just sit here and identify yourself  
11    and...

12           MR. MCBRIDE: My name is Darl McBride.

13           MR. MORGAN: Darwin?

14           MR. MCBRIDE: Darl, D-a-r-l.

15           MR. MORGAN: McBride?

16           MR. MCBRIDE: Yes.

17           MR. MORGAN: Thank you.

18           MR. MCBRIDE: I was not listed in their  
19    filing as a creditor, but between Mr. and Mrs. Robbins,  
20    they both owe me several hundred thousand dollars. I'm  
21    still trying to sort out how much. I believe a portion  
22    of that should be part of this filing, another portion  
23    would be personal, and another portion would be his  
24    wife. I have a judgment for check fraud against his  
25    wife that was issued last week for \$109,000.

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1 MR. MORGAN: That's against Mrs. Robbins?

2 MR. MCBRIDE: Yes, Allison Robbins as 51  
3 percent owner of Seven Investments. And then I've  
4 loaned several hundred thousand dollars to Mark Robbins  
5 that I'm still trying to collect.

6 MR. MORGAN: Let me ask, Mr. Benson, do you  
7 know Mr. McBride?

8 MR. BENSON: I do.

9 MR. MORGAN: Does the debtor -- does this  
10 debtor acknowledge any debt -- portion of this debt  
11 he's identified as being debt of this debtor?

12 MR. BENSON: He does not. Mr. James  
13 Nesland is an attorney and has asked me to make a  
14 statement that they're pursuing three different fraud  
15 lawsuits against Mr. McBride currently. I'm supposed  
16 to make that statement.

17 MR. MORGAN: Who is Mr. James Nesland?

18 MR. BENSON: Jim Nesland is an attorney for  
19 Mark Robbins.

20 MR. MORGAN: In California?

21 MR. BENSON: He's based in Denver.

22 MR. MORGAN: Okay, that's fine.  
23 Mr. McBride, you're free to file a proof of claim. In  
24 that you're not identified in the schedules, that's not  
25 preclusive against you, you can certainly file a claim

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1 and assert your claim, but the debtor has clearly  
2 stated at this point that they don't consider you  
3 current. But you're free to ask questions.

4 MR. MCBRIDE: Okay.

5 EXAMINATION

6 BY MR. MCBRIDE:

7 Q. The first question has to do with the  
8 entity that Mr. Robbins formed on March 27, 2009,  
9 called Pelican Equities Investments. That is  
10 supposedly now where the stock lending business is  
11 showing up. He claims that that --

12 MR. MORGAN: When did he form it? Sorry.

13 MR. MCBRIDE: March 27th.

14 MR. MORGAN: Go ahead.

15 MR. MCBRIDE: So it's been 90 days of when  
16 the bankruptcy was filed.

17 BY MR. MCBRIDE:

18 Q. It appears that he has tried to transfer  
19 out value from the estate to this new entity called  
20 Pelican Hills Equities. So a couple of questions with  
21 respect to that transfer. Do you know the exact date  
22 that the L.L.C. was formed?

23 A. I do not. I'm familiar with Pelican,  
24 L.L.C., and Pelican is the company that is slowly  
25 taking over anything Mark had and will be paying off

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1 the creditors. I do not know the exact date.

2 Q. And did that -- when you say it's taking  
3 over what he had, does -- what he -- is what they are  
4 taking over there, does that include elements of the  
5 stock lending business?

6 A. Yes, it does.

7 Q. Okay. And when you say "taking over," what  
8 is the form of taking over? How does it move from this  
9 estate to that estate? What was the transfer  
10 agreement?

11 A. I do not know the details on that.

12 Q. And who are the principals of Pelican Hills  
13 Equity?

14 A. I do not know the details of that, as well.

15 Q. But clearly, then, the stock lending  
16 business that was part of --

17 A. I am not part of Pelican Hills Equities.  
18 I'm just -- that's why I --

19 Q. But you do know about it?

20 A. Yes.

21 Q. So what I've come to understand is that  
22 they have, in fact, tried to take money out of this  
23 estate, take money -- take an operating entity that was  
24 called Smart Hedge, at one time it was known as  
25 Equitap, and another time -- it was roughly called the

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1 AIP lending business that has always been part of the  
2 AIP estate, and they have tried to set that up and pull  
3 the rug -- pull it out from underneath the estate here.

4 MR. MORGAN: What is it that Smart Hedge  
5 does?

6 MR. MCBRIDE: It's a stock --

7 MR. MORGAN: Or what you're calling the AIP  
8 lending business. What does it do?

9 MR. MCBRIDE: So, roughly, what they do is  
10 they go out and offer loans to people. There's someone  
11 in the room here that knows a lot about it, because  
12 it's someone that has a \$2.2 million judgement against  
13 Mr. Robbins.

14 But, roughly, what it does, Mr. Robbins  
15 would go to people and say, "If you transfer me the  
16 stock that you have in your publically traded company,  
17 I will give you a loan against that."

18 So instead of having to sell your stock and  
19 liquidate it, you give your stock to Mr. Robbins. And  
20 what Mr. Robbins does then is he says -- he signs an  
21 agreement with you that says, "I will transfer this  
22 back to you over some period of time, a two- or  
23 three-year period, with interest involved there."

24 What he has done in more than one case, it  
25 appears, at least in --

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1                   MR. MORGAN: So he gives his investors,  
2 shall we call them, cash that he has from somewhere?

3                   MR. MCBRIDE: Yes. Yeah. And the way he  
4 gets the cash, is he sells the stock.

5                   MR. MORGAN: Okay.

6                   MR. MCBRIDE: He doesn't actually have  
7 cash, but he takes the cash -- the stock that comes in  
8 and he sells it. Then he says, "In three years from  
9 now, I'll give you your stock back." Okay?

10                  MR. MORGAN: And this is all according to  
11 what is the setup or is this --

12                  MR. MCBRIDE: The stock lending business.  
13 They have an agreement --

14                  MR. MORGAN: But the sale of that stock is  
15 not outside of the course of what's supposed to happen.  
16 That's what supposed to happen?

17                  MR. MCBRIDE: This is the deal. There's a  
18 stock lending agreement, both parties sign it, and then  
19 part of the agreement is, "You give me your stock, I'll  
20 give you cash, about 50 cents on the dollar, roughly,  
21 of what it is trading at." And then what Mr. Robbins  
22 is supposed to do, is to give them their stock back in  
23 two years, and basically what he makes on it is the  
24 interest during that period of time. Unless they  
25 default on their payments along the way, then he gets

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1 to keep the whole stock.

2 Well, in the case of Fair Star, Mr. Robbins  
3 had a number of obligations he failed to meet last  
4 summer, including myself, and what he did is he did a  
5 deal with this Australian company called Fair Star, and  
6 the deal was he was supposed to --

7 MR. BLOTTER: Do you think if he's going to  
8 -- we ought to put him under oath? Because this really  
9 isn't questioning, it's kind of more testimony.

10 MR. ANDREASON: This is Rod Andreason on  
11 behalf of Fair Star. We could ask Mr. Benson these  
12 things, too, perhaps if that would help. To have  
13 testimony from the --

14 MR. MORGAN: Yeah. Really what you should  
15 be doing today is asking questions.

16 MR. MCBRIDE: Okay.

17 MR. MORGAN: I mean, you answered my  
18 question, and that was great.

19 BY MR. MCBRIDE:

20 Q. Okay. So I'll ask the question, then. Are  
21 you familiar with the Fair Star transaction?

22 A. Vaguely. I mean, I understand that it's a  
23 debt owed and I understand it was a stock loan out of  
24 Australia. I think that's the extent of what I  
25 understand about it.

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1 Q. And you're aware that Mr. Robbins has fully  
2 paid the \$2.2 million?

3 A. Through this document I'm aware of the \$2  
4 million. I've never actually seen it.

5 Q. But are you aware of how much money he  
6 actually paid them?

7 A. No.

8 Q. Are you aware -- you're not aware, then, he  
9 paid them zero?

10 MR. BLOTTER: It's been asked and answered.

11 THE WITNESS: I'm not aware of that. I was  
12 actually not --

13 BY MR. MCBRIDE:

14 Q. Are you aware that he has a judgement  
15 against him by Fair Star for the \$2.2 million that he  
16 did not transfer them in cash that was owed them?

17 A. It says that here as well as my  
18 understanding is that's why things were liquidated.

19 Q. Okay. So then on --

20 A. I want to make a correction. I was under  
21 the impression there was between two to four hundred  
22 thousand dollars paid, so... And I believe that figure  
23 stands. I believe it's \$400,000 that's been paid  
24 towards Fair Star so far.

25 MR. MORGAN: That's been paid to Fair Star?

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1 BY MR. MCBRIDE:

2 Q. Are you aware that there was monies on top  
3 of the 2.2 million owed for attorney fees and for  
4 interest?

5 A. I'm not aware of the detail of it. I've  
6 never been involved heavily in the stock loan side of  
7 the business, just the real estate side. So I know  
8 very little.

9 Q. Are you aware that for failure to appear in  
10 the Fair Star case, that Mr. Robbins has an arrest  
11 warrant out for him?

12 A. I have been told that, yes.

13 Q. And are you aware that since January,  
14 Mr. Robbins has left the state as a result of avoiding  
15 being arrested under that warrant?

16 A. I am -- I can't speak of the details why he  
17 hasn't come back or what the proceedings are. I am  
18 unaware of that. But my understanding is he has not  
19 been back in the state.

20 Q. Have you visited him?

21 A. Yes.

22 Q. And where is his current residence?

23 A. Newport Beach.

24 Q. And are you --

25 MR. MORGAN: I'm sorry, I didn't hear your

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1 answer.

2 THE WITNESS: Newport Beach, California.

3 MR. MORGAN: Go ahead.

4 BY MR. MCBRIDE:

5 Q. Are you aware of the circumstances, the  
6 lodging, that he lives in right now?

7 A. Yes.

8 Q. Do you know that he -- that the lodging  
9 that he lives in is roughly \$2,000 a night?

10 A. Yes.

11 Q. Do you know where he is getting his money  
12 to pay, you know, \$60,000 a month for that kind --

13 A. I don't believe he has any money. He has  
14 been put up by a company that is interested in what he  
15 can offer as far as the stock lending business. It's a  
16 company that he has previously owed money to that is  
17 interested in taking over AIP and paying off the  
18 creditors and is putting up Mr. Robbins in room and  
19 board.

20 Q. Who is that company?

21 A. That would be Pelican.

22 Q. Pelican is the one he just started, right?

23 A. That's the name of the group that they have  
24 formed. I know it's Mark Jensen. That's the best I  
25 can tell you. I don't know beyond that.

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1 Q. So Mark Jensen is paying for Robbins to  
2 live in the \$60,000 a month --

3 A. Well, the company. There's several people  
4 involved.

5 Q. Who are the other people involved?

6 A. I'm not part of the stock lending business,  
7 so I don't honestly know who is a partner, who is an  
8 investor, who is specifically involved. But I know  
9 that when I went down there, for example, there was a  
10 large group of about a dozen attorneys and about a  
11 dozen other people in many villas. So it's not  
12 specific to Mark Robbins, it's pretty much this group  
13 has almost the entire resort.

14 Q. And you said somebody owed some money.  
15 Which way -- Robbins owes the money to Jensen, or  
16 Jensen owes the money to Robbins?

17 A. Well, they've had previous business  
18 dealings and I think this is a situation where -- I  
19 honestly don't know the details of that. They've had  
20 previous business dealings and --

21 MR. MORGAN: Do you know the name of the  
22 resort?

23 THE WITNESS: Yes, Pelican.

24 MR. MORGAN: So that's actually its name?

25 MR. MCBRIDE: Pelican Hills Resort?

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1 THE WITNESS: Yeah, Pelican Hills Villas.

2 MR. MORGAN: Does that have the same name  
3 as the entity that was formed here in Utah that you  
4 talked about? Okay. Go ahead.

5 BY MR. MCBRIDE:

6 Q. So back to this stock lending business,  
7 then. Are you familiar with the company that's part of  
8 the estate here called Smart Hedge?

9 A. Yes.

10 Q. And Smart Hedge is basically the same thing  
11 that they're doing in Pelican, right?

12 A. Yes. A variation of it, but yes.

13 Q. Okay.

14 A. There are several changes from when I know  
15 you were involved in it, but it's evolved.

16 Q. And so how does -- how does the Smart Hedge  
17 entity get transferred into Pelican Hills Equities?

18 A. I do not know the structure of the Smart  
19 Hedge entity as I wasn't privy to that.

20 Q. I guess the issue that I want to raise here  
21 is that it feels like they're selling out from  
22 underneath the --

23 MR. MORGAN: Well, let me ask you this:  
24 Has it already occurred?

25 THE WITNESS: I didn't even know there was

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1 -- the Smart Hedge entity is at least listed on here.

2 So to the best of my knowledge, no, it has not

3 occurred.

4 BY MR. MCBRIDE:

5 Q. No, but Pelican --

6 A. I was under the impression Pelican was a

7 new company.

8 Q. But Pelican has taken, basically, what

9 Smart Hedge was?

10 A. Well, in every -- I mean, Pelican is

11 interested in all of AIP, not specific to Smart Hedge,

12 including Exuma, including everything. They're

13 interested in taking every single thing Mark Robbins

14 has ever looked at and thought of making money with and

15 finding a way to make money with it to pay off the

16 creditors.

17 Q. And I guess that's the issue I want to

18 raise here --

19 A. In any way they can help him do that.

20 Q. -- for the court is, they're interested in

21 taking everything that's on the estate, and now they're

22 off doing business with it, yet they're not doing it

23 under the purview of -- you know, file Chapter 11, but

24 then say, "We don't have to answer to them on this

25 other issue."

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1                   They filed a lawsuit yesterday in New York.  
2 They didn't file it here because he doesn't have any  
3 standing in Utah apparently now with his arrest  
4 warrant.

5                   MR. MORGAN: Who filed?

6                   MR. MCBRIDE: Pelican Equities and Mark  
7 Robbins filed a lawsuit yesterday in New York. And  
8 they're trying to use the standing of Pelican Equities,  
9 which really is just a derivative -- or really is just  
10 part of what we're talking about here in this  
11 proceeding.

12                   MR. MORGAN: And who's the lawsuit against  
13 and for what?

14                   MR. MCBRIDE: There's six or some-odd  
15 people named in it. The main person that was named in  
16 it was Rob Brasell, Steve Norris. There were a handful  
17 of other people. I was included in it.

18                   MR. BLOTTER: My understanding is that  
19 there were other lawsuits, including Utah and  
20 California, coming down, and the reason New York was  
21 the first one is because the office is based in New  
22 York that this group is operating.

23                   MR. MCBRIDE: So, again, back to my point,  
24 is they're trying to use the standing of an entity that  
25 is really an entity under the purview of this court,

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1 and they're trying to separate it and say it's not the  
2 same thing. But he just gave testimony that it is the  
3 same thing.

4 MR. MORGAN: Okay. Go ahead.

5 BY MR. MCBRIDE:

6 Q. Let's go back to the island. You said  
7 there was a Cushman & Wakefield appraisal and you said  
8 it was 10 or 20 million?

9 A. No, I said the value of the island is  
10 currently 10 to 20 million. There's a recent appraisal  
11 of 16 million.

12 Q. The appraisal was 16 million? And that was  
13 done when?

14 A. It was an informal appraisal done over the  
15 course of three days about two months ago in May.

16 Q. Can the court get a copy of that appraisal?

17 MR. BLOTTER: Why are you asking for the  
18 court?

19 THE WITNESS: I'm not sure.

20 MR. MORGAN: I would like a copy of the  
21 appraisal.

22 MR. BLOTTER: You can ask questions of the  
23 debtor.

24 BY MR. MORGAN:

25 Q. Can we get a copy of it?

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1           A.     I assume so.

2           Q.     Can the creditors get a copy of that  
3 appraisal?

4                   MR. BLOTTER: We'll make a copy available  
5 to the trustee. You can ask for the court to order us  
6 to give you one if you like, but we will give one to  
7 the trustee.

8                   MR. MCBRIDE: Okay.

9 BY MR. MCBRIDE:

10          Q.     But you say that's for 16 million?

11          A.     Not for Mark's interest, it's for the  
12 island in the Bahamas.

13          Q.     Okay. So how much would Mark's interest  
14 be?

15                   MR. BLOTTER: Let me answer that question,  
16 then. The appraisal is based on a free and clear of  
17 litigation island.

18 BY MR. MCBRIDE:

19          Q.     And what is the litigation that's  
20 involved in it right now that wouldn't make it free and  
21 clear?

22          A.     Well, you have one of the partners that is  
23 claiming he's entitled to the entire project because he  
24 has a mortgage on it. You have a question as far as  
25 whether the project has a free and clear title. And

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1 you have another partner suing the entire group for  
2 mismanagement. And then you have a partner that is  
3 suing because they believe they're entitled to a  
4 greater value on the island because of a set amount of  
5 acres that were assigned to them.

6 So you basically have four crossing  
7 lawsuits currently that make it pretty much still  
8 impossible.

9 MR. MORGAN: Who's the one partner that you  
10 identified?

11 THE WITNESS: Which one?

12 MR. MORGAN: That claims the entire island.

13 THE WITNESS: We have -- that would be  
14 Hamby, Jack Bistricher.

15 BY MR. MCBRIDE:

16 Q. So you're saying the one asset that shows  
17 up in your -- that has some value is almost impossible  
18 to sell?

19 A. Currently.

20 MR. MORGAN: Is the debtor's interest --

21 THE WITNESS: We believe we have a plan to  
22 work through it, but currently --

23 MR. MORGAN: Is the debtor's interest a  
24 percentage interest, then, in this? I mean, what --

25 MR. BLOTTER: He owns 50 percent.

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1 MR. MORGAN: AIP owns 50 percent?

2 MR. BLOTTER: AIP Resort Development owns  
3 50 percent of Exuma. That's not all Mark's, there are  
4 some other people in AIP Resort Development that have  
5 carried interest after expenses are recouped, and so  
6 forth, in, I believe, the court.

7 MR. MORGAN: What's the debtor's interest  
8 in the AIP development resort?

9 MR. BLOTTER: AIP owns AIP Resort  
10 Development.

11 MR. MORGAN: But I'm trying to understand,  
12 you said Mark's interest is not the -- 50 percent is  
13 owned by -- 50 percent of the island is claimed by AIP  
14 Resort Development.

15 THE WITNESS: The island is called  
16 Hermitage. Fifty percent is owned by AIP Resort  
17 Development --

18 MR. MORGAN: And what --

19 THE WITNESS: -- and AIP Resort Development  
20 is owned by AIP.

21 MR. MORGAN: Okay. So that passes through.  
22 Go ahead.

23 BY MR. MCBRIDE:

24 Q. And AIPRD, what's the ownership interest  
25 inside of that?

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1           A.     I don't know the exact breakdown on that.

2           Q.     Does Mark own a hundred percent of AIPRD?

3           A.     I believe so.  But there are written and  
4 carried interests after Mark recoups his expenses of  
5 approximately 30 or 35 percent.

6                   MR. ANDREASON:  I'm sorry, is that Mark or  
7 AIP that owns a hundred percent of AIPRD?

8                   THE WITNESS:  The way I believe it's  
9 written is Mark owns AIPRD up until he gets his money  
10 back that he's put in, as far as his loans, and then  
11 there are other interests for Rasmussen and Alan Cottle  
12 and Peterson.

13                   I'm not sure of your structure.  The  
14 attorney representing Mark on AIP, which is Jeff Jones,  
15 told me this morning that he would -- do not -- you do  
16 not own any interest on Exuma.  He said he could  
17 provide documents for that.

18                   MR. MORGAN:  I'm not sure I picked up that.  
19 You say Mr. Jones represents Mark personally?

20                   THE WITNESS:  On Exuma.  He's the attorney  
21 that's dealt with Exuma.

22                   MR. MCBRIDE:  I thought it was --

23                   MR. MORGAN:  But who does he represent?

24                   THE WITNESS:  Well, Mark, AIP, AIPRD.

25                   MR. RASMUSSEN:  This is Rodney Rasmussen.

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1 He has represented AIP. He's been the primary attorney  
2 for AIP and for the Exuma properties and almost  
3 everything AIP has done for five years up until  
4 recently.

5 THE WITNESS: And Mark Robbins.

6 MR. MORGAN: Okay. And is Durham Jones a  
7 creditor of this debtor?

8 THE WITNESS: Yes, and is listed.

9 MR. MORGAN: Okay. Go ahead.

10 BY MR. MCBRIDE:

11 Q. What is your personal interest in the  
12 island?

13 A. I do not have a specific partnership  
14 interest, I have a fee.

15 Q. And what is that fee? How much do you make  
16 if the island sells?

17 A. A million dollars.

18 Q. A million dollars flat? Have you been  
19 trying to sell the island --

20 A. Yes.

21 Q. -- recently?

22 A. Yes.

23 Q. And how is that going?

24 A. Have to get through the litigation. We're  
25 going in the right direction and thought we'd be in a

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1 position to get rid of the creditors and we were dealt  
2 a blow from the court this week that set us back  
3 another few months.

4 Q. And who have you been shopping it to?

5 A. That's confidential. There are people in  
6 this courtroom.

7 Q. What amount have they talked about buying  
8 it for?

9 A. Also confidential. We're under the --  
10 we're under a confidentiality agreement. He's told me  
11 that he got an offer for \$5.5 million.

12 Q. 5.5 million?

13 A. Well, for Mark's interest, yes.

14 Q. For Mark's interest. And then you get a  
15 million dollars of that?

16 A. Yes.

17 Q. So you're down to 4.5 million, then, if it  
18 goes through.

19 Do you know what the \$2 million deal was  
20 with Allison Robbins?

21 A. I believe she -- it came from her trust and  
22 money she put into AIP when AIP needed more operational  
23 dollars.

24 Q. And when did that come in?

25 A. A couple years ago. I don't know the exact

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1 date.

2 Q. You said you have that documented?

3 A. It was documented through Durham Jones &  
4 Pinegar, yes.

5 Q. So you can supply that also.

6 I think I'm about done now.

7 Would you agree that if you have a sale of  
8 the island, that that sale would need to be tied into  
9 the proceedings here in this bankruptcy court?

10 A. I can't speak to the legalities. I -- I'm  
11 not here with all of the knowledge that --

12 MR. BLOTTER: Asks for a legal conclusion,  
13 too, and he's not an attorney, so... There are plenty  
14 of them (inaudible).

15 THE WITNESS: I'm just here to answer any  
16 questions to help you guys out, I'm not here to make  
17 opinions of how it should go.

18 MR. MORGAN: You're not -- and this is for  
19 clarity. You're not a member of this debtor?

20 THE WITNESS: A member? A partner? No,  
21 I'm not a partner.

22 MR. MORGAN: Or a managing member, you're  
23 not -- of this L.L.C.?

24 THE WITNESS: I'm not a managing member of  
25 this L.L.C.

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1 MR. MORGAN: Okay.

2 Did Mr. Robbins ask you to come to this  
3 meeting?

4 THE WITNESS: Mr. Robbins' attorneys did.  
5 I have not spoken to Mr. Robbins about it.

6 BY MR. MCBRIDE:

7 Q. You haven't spoken to Mr. Robbins about  
8 this -- this issue?

9 A. No.

10 Q. Not at all?

11 A. No.

12 MR. MORGAN: When you said Mr. Robbins'  
13 attorneys asked you, who is that?

14 THE WITNESS: Well, that was Steve Altman,  
15 first, and then I met this gentleman this morning. He  
16 pulled me off the golf course. I'm the only person,  
17 other than Darl McBride, that's been with -- Mark is  
18 pretty much a one-man company for the most part, so I'm  
19 the only person that's been with him for the last few  
20 years, so -- not that I can answer all these questions,  
21 but I can answer more than probably anybody else.

22 BY MR. MCBRIDE:

23 Q. When did they ask you to come to this  
24 meeting?

25 A. Early this morning.

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1 Q. Really? So you didn't have any preparation  
2 time for this?

3 A. Can you tell?

4 Q. Okay. Well, it's interesting, to say the  
5 least.

6 Who is Steve Altman?

7 A. He's an attorney representing Pelican.

8 Q. And do you -- has Mr. Robbins paid you any  
9 monies in the last six months?

10 A. No.

11 Q. So you're working for free as an employee?

12 A. I am. I am. I'm working more for what's  
13 called a contractor's fee, assuming that there's ever  
14 an entity to sell.

15 Q. One last question. You mentioned that  
16 employees that were due money, Ms. Haskins and Mr. Rama  
17 Chandra, you said that those were loans. Are you aware  
18 that they're also owed money for payroll from wages?

19 A. I'm unaware of Rama's situation. I believe  
20 that to be the case for Kim Haskins, yes.

21 Q. You believe that Kim is owed money for  
22 wages?

23 A. Yes.

24 Q. And you think it might for Rama, but you  
25 don't know?

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1           A.     I don't know anything about Rama's  
2 financial situation with Mark.

3           Q.     Okay. Those are the questions. I guess  
4 I'd just like to register one issue, which is there is  
5 a real concern about the assets getting out of the  
6 barn, if you will. I would appreciate the trustee -- I  
7 realize I'm maybe not the right one to be asking all  
8 the right legal questions and making sure there's 363  
9 asset sale issues addressed and that there's --

10           MR. MORGAN: Do you have a card?

11           MR. MCBRIDE: Yes, I do.

12                     And it's a little bit disturbing that  
13 Mr. Robbins is able to use the court system, at the  
14 same time avoiding the courts trying to round him up  
15 and arrest him in various venues. And it seems to me  
16 that if he's going to use the legal system to his  
17 advantage, then he should be showing up here and facing  
18 the music and not calling some guy off the golf course  
19 an hour before -- not even him calling, but having an  
20 attorney call him and say, "Hey, go in and act like you  
21 know what we're doing." This is a pattern that we've  
22 seen with Mr. Robbins over and over.

23           MR. MORGAN: Thank you.

24                     FURTHER EXAMINATION

25 BY MR. MORGAN:

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1           Q.    Mr. Benson, can you tell me who has the  
2 books -- the accounting books and records of the  
3 company?

4           A.    Currently, no. I don't think any has been  
5 done since our controller left, which is about a year  
6 and a half, two years ago. I don't think any books  
7 were done last year because there was no money to  
8 continue operations of any kind.

9           Q.    Who was that controller?

10          A.    Matt Shaw.

11          Q.    Matt?

12          A.    Matthew Shaw.

13          Q.    Is Mr. Shaw owed money by the debtor --

14          A.    I don't think so.

15          Q.    -- for services? Okay.

16          A.    I don't know. All the books and everything  
17 were up-to-date up until the point where Matt left,  
18 including basically a team of accountants that came in  
19 to work on tax returns and so forth. But nothing since  
20 that point. And I think there's a statement in the  
21 back from Mr. Robbins that I read to that degree as  
22 well.

23                   MR. MORGAN: How soon will you be able to  
24 produce the tax returns, Counsel? Do you have them?

25                   MR. BLOTTER: I don't have them. I'll have

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1 to contact Mark and see where they're at.

2 MR. MORGAN: Okay. Any other creditors?

3 MR. ANDREASON: Rod Andreason with Kirton &  
4 McConkie on behalf of creditors Fair Star Resources  
5 Limited and Gold Law Party Limited.

6 EXAMINATION

7 BY MR. ANDREASON:

8 Q. Mr. Benson, do you know who the members are  
9 of AIP?

10 A. I believe at this point only Seven  
11 Investments.

12 Q. Seven Investments was a hundred percent  
13 member?

14 A. Yes.

15 Q. And its officers? AIP's.

16 A. What's that?

17 Q. Do you know AIP's officers?

18 A. I do not believe there are any.

19 Q. Any employees of AIP presently?

20 A. No.

21 Q. I believe you stated that you were an  
22 employee of AIP.

23 A. I said I was an advisor, basically an  
24 employee-type situation. I'm just -- I was -- I worked  
25 with AIP for a few years on the Exuma project, and more

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1 specifically the Canyon's project, so I was in the  
2 office every day. That's the only reason I'm here.

3 For the most part, the only interest I have  
4 in AIP whatsoever is hoping that Exuma gets sold and  
5 hoping that all the creditors have been paid back  
6 before that point so there's actually some money left  
7 for me.

8 Q. Is there any person presently that's  
9 employed by AIP?

10 A. Not that I know of, no.

11 Q. Anyone more knowledgeable than Mark Robbins  
12 regarding these issues?

13 A. Not that I know of. He had a right-hand  
14 man, attorney, for the last five years, that would be  
15 Jeff Jones. That would be the closest thing.

16 Q. I am not aware, procedurally, of the manner  
17 of doing this, but in terms of even a first creditor,  
18 you have someone who is not aware of the ownership,  
19 isn't an employee, isn't a member, isn't a manager,  
20 doesn't know about the taxes, was basically just  
21 notified of this this morning. I think this is fairly  
22 insufficient for creditors.

23 MR. MORGAN: For the record, I will be  
24 filing a minute entry in this case that I believe under  
25 the local rules recommends that the case be dismissed.

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1 Creditors or parties interested can object to that.  
2 The notice will go out from the court. With what I've  
3 heard today, that will be my present intent, based on  
4 failure of Mr. Robbins to appear.

5 That may not be what creditors want, it may  
6 not be what the debtor wants. So people can act  
7 accordingly. And it may not be, in fact, if I find out  
8 additional information, what I even want. So I may  
9 object to my own recommendation. But that will be the  
10 procedure after today, just for the record.

11 Go ahead, Mr. Andreason.

12 BY MR. ANDREASON:

13 Q. Mr. Benson, do you know the members of  
14 Pelican Equity, L.L.C.?

15 A. I do not.

16 Q. Do you know any of its officer?

17 A. I do not know the structure of it  
18 whatsoever.

19 Q. You mentioned that there were a number of  
20 persons involved with Pelican, L.L.C., including Mark  
21 Jensen. Do you recall that?

22 A. Yes.

23 Q. Do you know the nature of his involvement?

24 A. I do not know. I do not know -- I've never  
25 seen any paperwork on Pelican, I've -- I only am

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1 familiar with the fact that there's a new entity that's  
2 working on creating some form of assets to pay off the  
3 creditors.

4 Q. Do you know what the form of asset is?

5 A. I do not. It's a new company. May or may  
6 not have to do with a type of stock owned. I'm not  
7 positive.

8 Q. You're not positive of what business the  
9 company is going to conduct?

10 A. No, I'm not going to be part -- I'm not  
11 part of that.

12 Q. Is it presently conducting business, to  
13 your knowledge?

14 A. Is it?

15 Q. Presently conducting business, to your  
16 knowledge?

17 A. I would say it's probably presently in  
18 negotiations to conduct business.

19 Q. You mentioned a dozen attorneys and a dozen  
20 other people who are participating now regarding  
21 Pelican Equity, L.L.C. Do you recall that?

22 A. Yes.

23 Q. Do you recall any of the names of those  
24 persons?

25 A. I was there specifically to see Jim

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1 Nesland.

2 Q. But do you recall any of the names of those  
3 other persons?

4 A. Not first or last names, complete, no. I  
5 was not introduced to everybody and I'm not -- I've  
6 never been part of the stock side.

7 Q. To the best of your knowledge, can you  
8 identify those that you do have some identification  
9 regarding?

10 A. I know Mark Jensen was there, and I know  
11 Mark Robbins was there, and I know Jim Nesland, and I  
12 know Jeff Jones was there, but who's part of the  
13 company going forward, I have no idea.

14 Q. Any other persons?

15 A. Other people, I just do not know who they  
16 are.

17 Q. So you saw other people other than Mark  
18 Robbins, Mark Jensen, Jeff Jones, but you don't know  
19 first or last names or their company affiliations?

20 A. I met them a few weeks ago, that was it.  
21 Just really a handshake and that's it.

22 Q. But what I'm trying to understand is --

23 A. I was there specifically for a niche, so I  
24 kind of showed up, shook hands, and went off and  
25 worked --

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1 Q. I understand that. But my question is, do  
2 you know who they are?

3 A. No.

4 Q. Don't know any of their names, first or  
5 last, or the company affiliation?

6 A. No.

7 Q. You indicated earlier that AIP had been  
8 dealt a blow that set them back for a few weeks.

9 A. A few months, I said.

10 Q. A few months. What was that blow?

11 A. I was referring to AIPRD. I was referring  
12 to Exuma, and I was referring to a court ruling this  
13 week that was supposed to get rid of one of the  
14 lawsuits that was most pressing against us in Exuma.

15 Q. Which lawsuit was that?

16 A. That was a lawsuit from a group called  
17 Hamby against the rest of the entity for Exuma,  
18 referring to a mortgage that they believe they still  
19 hold on the property even though they have no debt and  
20 have been paid in full.

21 They're citing a jurisdictional reasoning  
22 for this mortgage to try to take control of the island,  
23 with the ultimate goal of negotiating everybody else  
24 out and developing it themselves.

25 It was supposed to be a slam dunk case and

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1 it turned out not to be a slam dunk case.

2 MR. MORGAN: And what did the court rule?

3 THE WITNESS: The court was going to -- the  
4 exact words from the judge were, "Although I do not  
5 believe in your case, I do think you at least have the  
6 right to be heard by a court, so we're going to  
7 postpone this for a few months and let you come to  
8 trial."

9 BY MR. ANDREASON:

10 Q. What court is it that issued that opinion?

11 A. Nassau, Bahamas.

12 Q. Is it a certain level in Nassau? Is that a  
13 court of appeals?

14 A. Yes, it is a court of appeals.

15 Q. Who were the parties to that case?

16 A. Parties in that case were AIPRD and Mark  
17 Robbins, Kendall Group, Barry Silverton, and Pacific  
18 Malibu, and Deidre Beau.

19 Q. And how is this going to set back the sale  
20 of the island a few months? You've already said this a  
21 little bit, but just to clarify.

22 A. Can't sell it until we get through the  
23 case.

24 Q. Does Hamby have a lien or other  
25 encumbrance, did he say a mortgage, on the Exuma

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1 property?

2 A. He does not. He's trying to hold -- he's  
3 trying to get the court to grant him a mortgage over  
4 the property.

5 Q. Other than litigation, there's nothing  
6 specifically that's tying up the property, in reference  
7 to that ruling by the court, the lis pendens lien --

8 A. There are still liens on the property.

9 Q. Trustees?

10 A. The only issue is the trust deed that I  
11 mentioned before the court that there is a question, as  
12 far as a cloud on the title, and that's with the  
13 Kendall Group.

14 Q. Any other plans regarding that property and  
15 its sale that have been formulated since this court  
16 issued that opinion?

17 A. We have plans, but part of the  
18 confidentiality agreement with the group that's working  
19 with us on those plans, so I cannot disclose those  
20 plans. But I can assure the court that we're trying to  
21 liquidate it the best we can.

22 Q. And what group is that?

23 A. I cannot disclose. That's what the nature  
24 of the confidentiality agreement is, is who the group  
25 is and the terms of the settlement.

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1 Q. You had mentioned that the sale of Little  
2 Exuma is being negotiated now and there is trying to  
3 be --

4 A. Was.

5 Q. -- was -- non-disclosable parties. And you  
6 also mentioned that this new entity, Pelican Hill,  
7 whatever -- L.L.C., or whatever it is, has a desire or  
8 a plan to -- and its partners, to pay off or acquire  
9 the AIP assets and to pay off the creditors. Those are  
10 two statements you made earlier.

11 Are you familiar if any of the selling of  
12 the assets of AIP, including Little Exuma, would be to  
13 an entity that Mark Robbins has an interest in?

14 A. I don't know.

15 Q. So none of the entities, that you're aware  
16 of, that still -- that just happened, none of those  
17 entities have Mark Robbins as a partner, that you're  
18 aware of -- or has an interest in?

19 A. Not that I'm aware of.

20 Q. And at Pelican Hill, obviously, he has --  
21 Mark Robbins has an interest in that per your statement  
22 before.

23 A. No, I don't think I said I knew he had an  
24 interest in Pelican. That's not what I said.

25 Q. Okay. I thought you -- he and the partners

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1 had gotten together and they were there for a meeting  
2 and that there was a --

3 A. Well, Pelican --

4 Q. It was his intent with Pelican --

5 A. Yeah, it was Pelican's intent to start a  
6 company that they believe will create enough income to  
7 pay off the creditors. Now, whether Mark will be a  
8 partner in that company or not, I do not know.

9 Q. Okay. So at this point --

10 A. I don't have a clue who the partners are in  
11 that company.

12 Q. Okay. You're not sure if Mark is a partner  
13 in that? Okay.

14 MR. RASMUSSEN: In the negotiation with  
15 Pelican, is Exuma part of that negotiation or  
16 discussion? The Exuma interest?

17 THE WITNESS: Only to the extent of if we  
18 needed somebody to give us legal fees so that we could  
19 best protect the project and move forward and sell if  
20 for the highest possible dollar. I believe that that  
21 would come from that group.

22 BY MR. PETERSON:

23 Q. Have you talked to Mark Robbins about these  
24 intentions and plans, and if so, when was the last time  
25 you did so?

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1           A.     I talked to Mark in the last couple weeks.  
2     No, not about any intentions or plans.

3           Q.     Has he ever mentioned to you anything about  
4     an EB5 Program?

5           A.     Never heard of it in my life.

6           Q.     Okay. That's it.

7           MR. RASMUSSEN: That's it. No more  
8     questions.

9           MR. MORGAN: I'd just like to keep your  
10    address as your contact information at the end.

11          THE WITNESS: Okay.

12          MR. MORGAN: Thank you.

13          MR. ARAMBURU: John, Troy Aramburu on  
14    behalf of Jones Waldo. The only question I have is,  
15    given your statement about the minute entry, I don't  
16    know what the U.S. Trustee's office wants to do about  
17    forming a creditors' committee, or if you've received  
18    any interest in forming a committee, but I just wanted  
19    to make sure that your office knew Jones Waldo is still  
20    interested in serving on any committee, and it sounds  
21    like there's some other creditors here that would be  
22    interested in keeping the case going. I don't know if  
23    they have any interest in serving on the committee.

24          MR. PETERSON: I just said my intent and  
25    interest to serve on it.

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1                   MR. RASMUSSEN: And so did I. This is Mike  
2 Peterson and Rodney Rasmussen.

3                   MR. ANDREASON: Fair Star Resources is also  
4 so interested, if this case proceeds.

5                   MR. MORGAN: I have Mr. Rasmussen's, Mr.  
6 Petersen's, I have Regents Bank. Are they secured?

7                   MR. RASMUSSEN: Regents Bank is the current  
8 owner of the holder of the loan on the jet. And I  
9 think they inherited it on a merger or a takeover of --

10                  MR. MORGAN: Well, I think they were listed  
11 on Schedule F.

12                  MR. BLOTTER: Yeah, they're listed.

13                  MR. MORGAN: All right.

14                  MR. BLOTTER: They're listed.

15                  MR. MORGAN: Those are the three I have.

16 So I don't have --

17                  MR. ARAMBURU: Jones Waldo.

18                  MR. MORGAN: Yeah.

19                  MR. ARAMBURU: Apparently Jeff Shields from  
20 my office tells me he sent one in. If he hasn't --

21                  MR. MORGAN: It could be in transit.

22                  MR. ARAMBURU: We're ready to address it  
23 and serve on the committee.

24                  MR. RASMUSSEN: Is that address sufficient  
25 for what you want, or do you want us to write it

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1 separately?

2 MR. PETERSON: Our addresses are both on

3 this.

4 MR. MORGAN: No, that's fine. Yes, that's

5 fine.

6 MR. PETERSON: Thank you.

7 MR. MORGAN: And --

8 MR. MCBRIDE: I just had a couple follow-up

9 questions.

10 MR. MORGAN: Go ahead, quickly.

11 FURTHER EXAMINATION

12 BY MR. MCBRIDE:

13 Q. On the current status of Mr. Robbins'

14 liquidity, do you know what it is?

15 A. I don't think he has any money whatsoever.

16 Q. Do you know -- you've gone through a number

17 of issues today where there's a lot of people doing

18 various lawsuits in the Bahamas. There's attorneys

19 down there working on it, and I assume they're being

20 paid.

21 A. Well, we had a -- Jim Nesland is working

22 with us. I don't know his financial arrangements.

23 He's worked that out with Pelican.

24 Q. You mentioned Jeff Jones. Is he still --

25 A. Jeff Jones is no longer --

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1 Q. He's no longer --

2 A. -- anything other than a person who gives  
3 opinion, but he's been helping us.

4 Q. Do you know if your bankruptcy counsel is  
5 being paid anything?

6 A. I don't know the pay and structure of these  
7 guys, no.

8 Q. Are you aware if the Mr. Altman you  
9 mentioned earlier is being paid anything?

10 A. Not by Mark Robbins.

11 Q. Who is he being paid by?

12 A. I'm not aware, I -- not by Mark, though.

13 Q. So you know he's -- you know Mark is not  
14 paying him.

15 A. Mark doesn't have any money. That's  
16 simple.

17 Q. I guess that's my question, is there's a  
18 lot of lawsuits being pursued here and usually people  
19 don't pursue things for nothing. So I'm just wondering  
20 where that money is coming from.

21 A. I assume Pelican.

22 Q. Pelican is Mark Jensen?

23 A. I don't honestly know who's in it, but I  
24 assume Pelican.

25 Q. So Pelican appears to be the money that is

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1 funding a lot of this and is also the one that the  
2 stock lending business is being pushed into?

3 A. (Inaudible response.)

4 Q. One last line of questions. Are you  
5 familiar with how much money -- are you familiar with  
6 whether or not Mr. Robbins flew on the jet?

7 A. Yes.

8 Q. And how frequent was that?

9 A. Frequent.

10 Q. Okay. Are you aware that he spent over  
11 \$2 million in 2007 on jet trips?

12 A. I don't know the dollar amount, but sounds  
13 probable.

14 Q. And did some of those trips include trips  
15 to Las Vegas?

16 A. Yes.

17 Q. To visit Pure Nightclub?

18 A. Yes.

19 Q. And you're aware that in 2007 over \$900,000  
20 was spent at Pure Nightclub?

21 A. I was not aware of that.

22 Q. That's all the questions that I have.

23 MR. MORGAN: Thank you.

24 MR. ANDREASON: I just maybe have one or  
25 two.

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1                   MR. BLOTTER: Can we maybe conclude this  
2 and they can have a 2004 group? We've been here three  
3 hours. This is kind of ridiculous.

4                   MR. PETERSON: I had to fly in from out of  
5 town, so if we have only have two more questions, I'd  
6 be happy to have them.

7                   MR. BLOTTER: Well, I think we got started  
8 a little late.

9                   MR. MORGAN: Yeah, we did. That's my  
10 fault. I apologize.

11                   Mr. Blotter has to be at another hearing,  
12 so we maybe have five minutes then.

13                   MR. ANDREASON: I'll take less than that.

14                   MR. MORGAN: All right.

15                   MR. ANDREASON: Rod Andreason again of  
16 Kirton & McConkie, representing Fair Star Resources  
17 Limited and Gold Law Party Limited.

18                                   FURTHER EXAMINATION

19 BY MR. ANDREASON:

20                   Q. Mr. Benson, we talked a little bit about  
21 Mr. Jack Bistricer and his Talisker entities owing  
22 money to Mark Robbins. Do you recall that?

23                   A. Yes.

24                   Q. Does he also owe money to AIP, as a  
25 separate entity?

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1           A.     No.

2           Q.     Are you aware of Mr. Bistricher's -- let me  
3 step back.

4                     Are you aware of the financial position of  
5 the Talisker entities in terms of their assets?

6           A.     Just the rumors like everybody else.

7           Q.     Do you have any personal knowledge of how  
8 much money Mr. Bistricher or the Talisker entities  
9 possess?

10          A.     No, I do not.

11          Q.     That's good enough.

12                    MR. MORGAN: Thank you. Did you have one  
13 more?

14                    MR. PETERSON: No.

15                    MR. MORGAN: All right. All right. Other  
16 than this organizational meeting for me and the  
17 creditors, I will -- this will conclude the meeting of  
18 creditors for now.

19                    Mr. Benson, you're free to go.

20                    That was fun guys. Let's do this again  
21 sometime.

22                    (End of proceedings.)

23

24

25

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C E R T I F I C A T E

STATE OF UTAH        )  
                          :  
COUNTY OF UTAH     )

I, DEIRDRE RAND, a Certified Court Reporter, Registered Professional Reporter, and Notary Public in and for the State of Utah, residing in Utah County, Utah, do hereby certify:

That the foregoing was transcribed from the electronic recording made of these proceedings.

That this transcript is full, true, and correct and contains all of the evidence, all of the objections of counsel and rulings of the court and all matters to which the same relate which were audible and intelligible through said recording.

I further certify that I am not of kin or otherwise associated with any of the parties to said cause of action, and that I am not interested in the outcome thereof.

That certain parties may not have been identified in the record and therefore the name associated with the statement may not be the correct name as to the speaker, and that some names may have been spelled phonetically.

WITNESS MY HAND and official seal this 10th day of July, 2009.

\_\_\_\_\_  
DEIRDRE RAND, CCR, RPR

My Commission Expires:  
July 28, 2012.