

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

SECURITIES AND EXCHANGE COMMISSION, §
Plaintiff, §

v. §

TRAVIS E. CORRELL, GREGORY THOMPSON, §
DWIGHT JOHNSON, HARRY ROBINSON §
"ROBBY" GOWDEY, et al., §
Defendants, §

and §

BANNER SHIELD, LLC, HOSPITALITY §
MANAGEMENT GROUP, INC., CREATIVE §
WEALTH VENTURES and JTA ENTERPRISES, §
Relief Defendants. §

Lead Case
CASE NO. 4:05-CV-472 RAS

SECURITIES AND EXCHANGE COMMISSION, §
Plaintiff, §

v. §

GLOBAL FINANCE & INVESTMENTS, INC. §
et al., §
Defendants, §

and §

USASSET & FUNDING CORP., et al. §
Relief Defendants. §

Consolidated Case
CASE NO. 4:07-CV-346 RAS

DECLARATION OF RALPH S. FREEMAN

I, Ralph S. Freeman, do hereby declare under penalty of perjury and in accordance with 28 U.S.C. § 1746 that this declaration is made of my own personal knowledge, that I am competent to testify as to the matters stated herein, and that the following statements are all true and correct.

DECLARATION OF RALPH S. FREEMAN:



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1. I am a principal and co-owner of Bray & Freeman, LLP, and a licensed private investigator by the State of Texas. Additionally, I am a certified fraud investigator and have been since 1995, and have been investigating and working in support of receivers for the Securities Exchange Commission and Federal Trade Commission since July of 2002. In this endeavor, I was hired by the counsel for the receiver in this action, by Clark Will of Quilling, Selander, Cumiskey & Lownds, P.C. The receiver in this matter is S. Gregory Hays (the "Receiver"), who is the duly appointed Receiver for the Defendants and Relief Defendants in the above captioned civil action (the "Correll Action"). Greg Thompson and TNT Office Supply, Inc. (together "Thompson") are named defendants in the Correll Action.

2. When the Correll Action was filed, I accompanied Mr. Will, and other attorneys with his firm, to San Antonio to begin investigating, locating, seizing, accounting, and ultimately liquidating the assets of Thompson in San Antonio. We commenced said actions on December 7, 2005. Since that time, I have worked with Mr. Will to locate, seize and liquidate Thompson's assets, as directed by the various orders of the Court in the Correll Action.

3. As a certified fraud examiner, I examined the records, books and accounts kept by Greg Thompson and TNT Office Supply, Inc. This activity was facilitated because Thompson utilized the services of a certified public accountant in San Antonio, Mr. John Sabatino. Mr. Sabatino had prepared form 1099's for the various investors, based upon information and documentation provided to him by Thompson.

4. Attached hereto as Exhibit 1 and incorporated by reference herein for all purposes, is a true and correct copy of any analysis memorandum that I prepared in this case. Said memorandum was based upon my analysis of accounts, records and documentation that I

DECLARATION OF RALPH S. FREEMAN:

PAGE-2

had assisted in the preparation of, with the exception of the data from Travis Correll's documents. Mr. Correll's information was supplied to me by Scott Askue, who also works for the Receiver in this action.

5. As is reflected in Exhibit 1, I have determined that the total of the ill gotten gain or benefit from the Horizon Establishment ponzi scheme to Greg Thompson, either directly or to his immediate family or entities controlled by him, was **\$1,208,539.00**. The Receiver, through the actions of me and Mr. Will, had collected and liquidated assets belonging to Thompson that totaled **\$1,138, 080.33** as of the date of Exhibit 1. There was some discussion with Mr. Thompson's counsel, Mr. Scott Baker, to the extent that the Receiver was willing to conclude that no further action or disgorgement needed to be done or collected from Mr. Thompson, however, after initially seeming to indicate that such was agreeable, Mr. Baker has not responded to inquiries or correspondence.

6. Since I prepared the analysis at Exhibit 1, additional assets were identified and liquidated. Additionally, part of the assets collected by the Receiver from Thompson included Oil & Gas royalty and working interest revenue. Attached hereto as Exhibit 2 and incorporated by reference herein for all purposes is an updated version of Exhibit D to Exhibit 1. As can be seen the amount of assets collected from Mr. Thompson now total **\$1,167,629.37**.

7. Based upon my over fifteen years experience as a certified fraud investigator, private investigator, and my review of the account documents and other information made available to me in this case, Greg Thompson profited from the ponzi scheme in this case in the amount of **\$1,208,539.00**. Based upon my personal knowledge of the investigation, location, collection and liquidation of Thompson's assets in this case, the Receiver, has collected


DECLARATION OF RALPH S. FREEMAN:

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\$1,167,629.37, more or less, towards this amount, leaving a net ill gotten gain of **\$40,909.70**.

I declare under penalty of perjury and in accordance with 28 U.S.C. § 1746 that the foregoing is true and correct.

EXECUTED in Dallas, Texas this 12th day of March, 2010.

A handwritten signature in cursive script, appearing to read "Ralph S. Freeman", is written over a horizontal line.

Ralph S. Freeman

DECLARATION OF RALPH S. FREEMAN:

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APP 4

BRAY & FREEMAN, L.P.

MEMORANDUM

To : Clark Will
Scott Askue

From : Ralph S. Freeman
Office 817-688-6186

Date : January 20, 2009

Subject : Thompson Collected Funds

1. According to Sabatino, at Thompson's direction he adjusted the 1099's re: Greg Thompson, Dwight Johnson, and Robbie Gowdey (see exhibit A). Sabatino advised that Thompson directed him to amend his tax returns for 2003 and 2004. The result was refunds totaling \$123,472 to Thompson (see exhibit B). These funds were not tendered to the receiver.
2. The 1099 summary provided by Sabatino, addressing the time period of April 1, 2003 to September 30, 2005, indicates that Sandra Thompson was a Ponzi winner in the amount of \$169,750 (see exhibit C).

Summary:

- Records in Dallas indicate we have collected to date re: Thompson and TNT: \$1,138,080.33 (see exhibit D).
- Documents provided by Scott (see exhibit E) indicate a net gain to Thompson of \$915,317.

915,317 net gain

123,472 amended tax returns

169,750 Sandra Thompson Gains

\$1,208,539 total gain to Thompson et al.

The difference between funds collected and that gain is \$70,459 in Thompson's favor. We are hoping to collect an additional \$20,000 to 25,000 from Messrs. Cadwell and Bush re: Thompson's investment in One Smart Tool. There were also entries in Thompson's

Memorandum

and TNT tax returns indicating income from Ginbug which are not considered in this rendering.

Exhibit “A”

Subj: 1099 adjustments
Date: 12/19/2006 15:24:31 Central Standard Time
From: frog4mercy@yahoo.com
To: JohnSabatinoCPA@aol.com

John,

Below are the numbers summarized from the spreadsheet with regard to service only distributions and the adjustments to the 1099's.

2003

Greg 60,707.50
Dwight 32,492.50
Robbie/banner shield 12,550.00

2004

Greg 821,642.50
Dwight 485,627.50
Robbie/banner shield 111,650.00

2005

Greg 555,425.00
Dwight 448,250.00
Robbie/banner shield 198,510.00

Thanks,

Greg

Do You Yahoo?
Tired of spam? Yahoo! Mail has the best spam protection around
<http://mail.yahoo.com>

Exhibit “B”

REDACTED

COPY

Form **1040X**
(Rev. November 2003)

Department of the Treasury — Internal Revenue Service
Amended U.S. Individual Income Tax Return
▶ See separate instructions.

OMB No. 1545-0091

This return is for calendar year ▶ **2003**, or fiscal year ended ▶

Please print or type

Your first name: **Greg** MI: **W** Last name: **Thompson** Your social security number: _____
 If a joint return, spouse's first name: **Sandra** MI: _____ Last name: **Thompson** Spouse's social security number: _____
 Home address (no. and street) or P.O. box if mail is not delivered to your home: _____ Apt. no.: _____ Phone number: _____
 City, town or post office. If you have a foreign address, see instructions. State: _____ ZIP code: **TX 75044** For Paperwork Reduction Act Notice, see instructions.

- A** If the name or address shown above is different from that shown on the original return, check here Yes No
- B** Has the original return been changed or audited by the IRS or have you been notified that it will be? Yes No
- C** Filing status. Be sure to complete this line. **Note.** You cannot change from joint to separate returns after the due date.
- On original return ▶ Single Married filing jointly Married filing separately Head of household Qualifying widow(er)
- On this return ▶ Single Married filing jointly Married filing separately Head of household* Qualifying widow(er)
- * If the qualifying person is a child but not your dependent, see instructions.

Use Part II on page 2 to explain any changes		A Original amount or as previously adjusted (see instructions)	B Net change — amount of increase or (decrease) — explain in Part II	C Correct amount
Income and Deductions (see instructions)				
	1 Adjusted gross income (see instructions).....	1 455,289.	-222,380.	232,909.
	2 Itemized deductions or standard deduction (see instructions)	2 27,520.	6,672.	34,192.
	3 Subtract line 2 from line 1	3 427,769.	-229,052.	198,717.
	4 Exemptions. If changing, fill in Parts I and II on page 2	4 0.	9,760.	9,760.
	5 Taxable income. Subtract line 4 from line 3	5 427,769.	-238,812.	188,957.
Tax Liability	6 Tax (see instructions). Method used in column C: TRS	6 124,926.	-81,125.	43,801.
	7 Credits (see instructions)	7 0.	0.	0.
	8 Subtract line 7 from line 6. Enter the result but not less than zero	8 124,926.	-81,125.	43,801.
	9 Other taxes (see instructions)	9 0.	0.	0.
	10 Total tax. Add lines 8 and 9	10 124,926.	-81,125.	43,801.
Payments	11 Federal income tax withheld and excess social security and tier 1 RRTA tax withheld. If changing, see instructions	11 27,525.	0.	27,525.
	12 Estimated tax payments, including amount applied from prior year's return	12 0.	97,401.	97,401.
	13 Earned income credit (EIC)	13 0.	0.	0.
	14 Additional child tax credit from Form 8812	14 0.	0.	0.
	15 Credits from Form 2439, Form 4136, or Form 8885	15 0.	0.	0.
	16 Amount paid with request for extension of time to file (see instructions)	16		
17 Amount of tax paid with original return plus additional tax paid after it was filed	17			
18 Total payments. Add lines 11 through 17 in column C	18		124,926.	
Refund or Amount You Owe				
	19 Overpayment, if any, as shown on original return or as previously adjusted by the IRS	19		
	20 Subtract line 19 from line 18 (see instructions)	20		124,926.
	21 Amount you owe. If line 10, column C, is more than line 20, enter the difference and see instructions ..	21		
	22 If line 10, column C, is less than line 20, enter the difference	22		81,125.
	23 Amount of line 22 you want refunded to you	23		81,125.
	24 Amount of line 22 you want applied to your estimated tax	24		

Sign Here

Under penalties of perjury, I declare that I have filed an original return and that I have examined this amended return, including accompanying schedules and statements, and to the best of my knowledge and belief, this amended return is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which the preparer has any knowledge.

Joint return? See instrs. Keep a copy for your records.

Your signature: _____ Date: _____ Spouse's signature. If a joint return, both must sign: _____ Date: _____

Preparer's signature: _____ Date: **03/02/2007** Check if self-employed: Preparer's EIN or CMAA: _____

Paid Preparer's Use Only

Firm's name (or yours if self-employed), address, and ZIP code: **John M Sabatino, CPA**
3800 NW Loop 410 Ste 103
San Antonio TX 78229-3618

EIN: _____ Phone no.: **(210) 735-1558**

BAA

FDIA1812 12/02/03

Form 1040X (Rev 11-2003)

REDACTED

Form 1040X (Rev 11-2003) **Greg W & Sandra Thompson**

Page 2

		A Original number of exemptions reported or as previously adjusted	B Net change	C Correct number of exemptions															
Exemptions. See Form 1040 or 1040A instructions. If you are not changing your exemptions , do not complete this part. If claiming more exemptions , complete lines 25 - 31. If claiming fewer exemptions , complete lines 25 - 30.																			
25 Yourself and spouse	25																		
Caution. If your parents (or someone else) can claim you as a dependent (even if they chose not to), you cannot claim an exemption for yourself.																			
26 Your dependent children who lived with you	26																		
27 Your dependent children who did not live with you due to divorce or separation	27																		
28 Other dependents	28																		
29 Total number of exemptions. Add lines 25 through 28	29																		
30 Multiply the number of exemptions claimed on line 29 by the amount listed below for the tax year you are amending. Enter the result here and on line 4.																			
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Tax year</th> <th style="width: 20%;">Exemption amount</th> <th style="width: 65%;">But see the instructions for line 4 if the amount on line 1 is over:</th> </tr> </thead> <tbody> <tr> <td>2003</td> <td style="text-align: right;">\$3,050</td> <td style="text-align: right;">\$104,625</td> </tr> <tr> <td>2002</td> <td style="text-align: right;">3,000</td> <td style="text-align: right;">103,000</td> </tr> <tr> <td>2001</td> <td style="text-align: right;">2,900</td> <td style="text-align: right;">99,725</td> </tr> <tr> <td>2000</td> <td style="text-align: right;">2,800</td> <td style="text-align: right;">96,700</td> </tr> </tbody> </table>	Tax year	Exemption amount	But see the instructions for line 4 if the amount on line 1 is over:	2003	\$3,050	\$104,625	2002	3,000	103,000	2001	2,900	99,725	2000	2,800	96,700	30			
Tax year	Exemption amount	But see the instructions for line 4 if the amount on line 1 is over:																	
2003	\$3,050	\$104,625																	
2002	3,000	103,000																	
2001	2,900	99,725																	
2000	2,800	96,700																	

31 Dependents (children and other) not claimed on original (or adjusted) return:					Number of your children on line 31 who:
(a) First name	Last name	(b) Dependent's social security number	(c) Dependent's relationship to you	(d) <input type="checkbox"/> if qualifying child for child tax credit	
					• lived with you <input type="checkbox"/> • did not live with you due to divorce or separation (see instructions) <input type="checkbox"/> Dependents on line 31 not entered above <input type="checkbox"/>

Explanation of Changes to Income, Deductions, and Credits
 Enter the line number from page 1 of the form for each item you are changing and give the reason for each change. Attach only the supporting forms and schedules for the items changed. If you do not attach the required information, your Form 1040X may be returned. Be sure to include your name and social security number on any attachments.

If the change relates to a net operating loss carryback or a general business credit carryback, attach the schedule or form that shows the year in which the loss or credit occurred. See the instructions. Also, check here

line 1: Payer re-issued erroneous Form 1099-MISC (copy attached).

Part III Presidential Election Campaign Fund. Checking below will not increase your tax or reduce your refund.
 If you did not previously want \$3 to go to the fund but now want to, check here
 If a joint return and your spouse did not previously want \$3 to go to the fund but now wants to, check here

REDACTED

9595 <input type="checkbox"/> VOID <input checked="" type="checkbox"/> CORRECTED		OMB No. 1545-0115		Miscellaneous Income
PAYER'S name, street address, city, state, ZIP code, and telephone no. TNT Office Supply, Inc 313 N Park Dr San Antonio TX 78216		2003 Form 1099-MISC		
PAYER'S Federal identification number		RECIPIENT'S identification number		Copy A For Internal Revenue Service Center File with Form 1099.
RECIPIENT'S name Greg W. Thompson		4 Federal income tax withheld \$		
Street address (including apt. no.) 6850 N Shiloh Rd #130		5 Fishing boat proceeds \$		For Privacy Act and Paperwork Reduction Act Notice, see the 2003 General Instructions for Forms 1099, 1098, 5498, and W-2G.
City, state, and ZIP code Garland TX 75044		6 Medical and health care payments \$		
Account number (optional)		7 Nonemployee compensation \$		8 Substitute payments in lieu of dividends or interest \$
2nd TIN not <input type="checkbox"/>		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>		
15		10 Crop insurance proceeds \$		11
		12		
		13 Excess golden parachute payments \$		14 Gross proceeds paid to an attorney \$
		16 State tax withheld \$		
		17 State/Payer's state no.		18 State income \$

Form 1099-MISC 41-1628061 Department of the Treasury - Internal Revenue Service
Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page

9595 <input type="checkbox"/> VOID <input checked="" type="checkbox"/> CORRECTED		OMB No. 1545-0115		Miscellaneous Income
PAYER'S name, street address, city, state, ZIP code, and telephone no.		2003 Form 1099-MISC		
PAYER'S Federal identification number		RECIPIENT'S identification number		Copy A For Internal Revenue Service Center File with Form 1099.
RECIPIENT'S name		4 Federal income tax withheld \$		
Street address (including apt. no.)		5 Fishing boat proceeds \$		For Privacy Act and Paperwork Reduction Act Notice, see the 2003 General Instructions for Forms 1099, 1098, 5498, and W-2G.
City, state, and ZIP code		6 Medical and health care payments \$		
Account number (optional)		7 Nonemployee compensation \$		8 Substitute payments in lieu of dividends or interest \$
2nd TIN not <input type="checkbox"/>		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>		
15		10 Crop insurance proceeds \$		11
		12		
		13 Excess golden parachute payments \$		14 Gross proceeds paid to an attorney \$
		16 State tax withheld \$		
		17 State/Payer's state no.		18 State income \$

Form 1099-MISC 41-1628061 Department of the Treasury - Internal Revenue Service

REDACTED

COPY

Form **1040X**
(Rev. November 2004)

Department of the Treasury — Internal Revenue Service
Amended U.S. Individual Income Tax Return
▶ See separate instructions.

OMB No. 1545-0091

This return is for calendar year ▶ **2004**, or fiscal year ended ▶

Please print or type	Your first name	MI	Last name	Your social security number
	Greg	W	Thompson	
	If a joint return, spouse's first name	MI	Last name	Spouse's social security number
	Sandra		Thompson	
Home address (no. and street) or P.O. box if mail is not delivered to your home		Apt. no.		Phone number
6850 N Shiloh Rd K155				
City, town or post office. If you have a foreign address, see instructions.		State	ZIP code	For Paperwork Reduction Act Notice, see instructions.
Garland		TX	75044	

A If the name or address shown above is different from that shown on the original return, check here Yes No

B Has the original return been changed or audited by the IRS or have you been notified that it will be? Yes No

C Filing status. Be sure to complete this line. **Note.** You cannot change from joint to separate returns after the due date.

On original return ▶	<input type="checkbox"/> Single	<input checked="" type="checkbox"/> Married filing jointly	<input type="checkbox"/> Married filing separately	<input type="checkbox"/> Head of household	<input type="checkbox"/> Qualifying widow(er)
On this return ▶	<input type="checkbox"/> Single	<input checked="" type="checkbox"/> Married filing jointly	<input type="checkbox"/> Married filing separately	<input type="checkbox"/> Head of household*	<input type="checkbox"/> Qualifying widow(er)

* If the qualifying person is a child but not your dependent, see instructions.

Use Part II on page 2 to explain any changes		A Original amount or as previously adjusted (see instructions)	B Net change — amount of increase or (decrease) — explain in Part II	C Correct amount
Income and Deductions (see instructions)				
	1 Adjusted gross income (see instructions).....	1 2,054,936.	-949,646.	1,105,290.
	2 Itemized deductions or standard deduction (see instructions).....	2 29,741.	28,489.	58,230.
	3 Subtract line 2 from line 1.....	3 2,025,195.	-978,135.	1,047,060.
	4 Exemptions. If changing, fill in Parts I and II on page 2.....	4 0.	0.	0.
	5 Taxable income. Subtract line 4 from line 3.....	5 2,025,195.	-978,135.	1,047,060.
Tax Liability	6 Tax (see instructions). Method used in column C: TCW	6 683,461.	-342,347.	341,114.
	7 Credits (see instructions).....	7 0.	0.	0.
	8 Subtract line 7 from line 6. Enter the result but not less than zero.....	8 683,461.	-342,347.	341,114.
	9 Other taxes (see instructions).....	9 739.	0.	739.
	10 Total tax. Add lines 8 and 9.....	10 684,200.	-342,347.	341,853.
Payments	11 Federal income tax withheld and excess social security and tier 1 RRTA tax withheld. If changing, see instructions.....	11 143,199.	0.	143,199.
	12 Estimated tax payments, including amount applied from prior year's return.....	12 0.	0.	0.
	13 Earned income credit (EIC).....	13 0.	0.	0.
	14 Additional child tax credit from Form 8812.....	14 0.	0.	0.
	15 Credits from Form 2439, Form 4136, or Form 8885.....	15 0.	0.	0.
	16 Amount paid with request for extension of time to file (see instructions).....			125,000.
	17 Amount of tax paid with original return plus additional tax paid after it was filed.....			116,001.
	18 Total payments. Add lines 11 through 17 in column C.....			384,200.
Refund or Amount You Owe				
	19 Overpayment, if any, as shown on original return or as previously adjusted by the IRS.....			19
	20 Subtract line 19 from line 18 (see instructions).....			20 384,200.
	21 Amount you owe. If line 10, column C, is more than line 20, enter the difference and see instructions.....			21
	22 If line 10, column C, is less than line 20, enter the difference.....			22 42,347.
	23 Amount of line 22 you want refunded to you.....			23 42,347.
	24 Amount of line 22 you want applied to your estimated tax.....	24		

Sign Here

Under penalties of perjury, I declare that I have filed an original return and that I have examined this amended return, including accompanying schedules and statements, and to the best of my knowledge and belief, this amended return is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which the preparer has any knowledge.

Joint return? See instrs. Keep a copy for your records.	Your signature	Date	Spouse's signature, if a joint return, both must sign	Date
Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN
	Firm's name (or yours if self-employed), address, and ZIP code			

John M. Sabatino CPA PC
3800 N.W. Loop 103 Ste 103
San Antonio TX 78229

Date: 12/20/2006

Phone no.: 210-735-1553

REDACTED

Form 1040X (Rev 11-2004) Greg W & Sandra Thompson

		A Original number of exemptions reported or as previously adjusted	B Net change	C Correct number of exemptions															
Part II Exemptions. See Form 1040 or 1040A instructions. If you are not changing your exemptions, do not complete this part. If claiming more exemptions, complete lines 25 - 31. If claiming fewer exemptions, complete lines 25 - 30.																			
25 Yourself and spouse	25																		
Caution. If someone can claim you as a dependent, you cannot claim an exemption for yourself.																			
26 Your dependent children who lived with you	26																		
27 Your dependent children who did not live with you due to divorce or separation	27																		
28 Other dependents	28																		
29 Total number of exemptions. Add lines 25 through 28	29																		
30 Multiply the number of exemptions claimed on line 29 by the amount listed below for the tax year you are amending. Enter the result here and on line 4.																			
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Tax year	Exemption amount	But see the instructions for line 4 if the amount on line 1 is over:																	
2004	\$3,100	\$107,025																	
2003	3,050	104,625																	
2002	3,000	103,000																	
2001	2,900	99,725																	

31 Dependents (children and other) not claimed on original (or adjusted) return:					Number of children on 31 who:
(a) First name	Last name	(b) Dependent's social security number	(c) Dependent's relationship to you	(d) <input type="checkbox"/> if qualifying child for child tax credit	
					• lived with you <input type="checkbox"/> • did not live with you due to divorce or separation (see instructions) <input type="checkbox"/> Dependents on 31 not entered above <input type="checkbox"/>

Part III Explanation of Changes to Income, Deductions, and Credits
 Enter the line number from page 1 of the form for each item you are changing and give the reason for each change. Attach only the supporting forms and schedules for the items changed. If you do not attach the required information, your Form 1040X may be returned. Be sure to include your name and social security number on any attachments.

If the change relates to a net operating loss carryback or a general business credit carryback, attach the schedule or form that shows the year in which the loss or credit occurred. See the instructions. Also, check here

line 1: Payer re-issued erroneous Form 1099-MISC (copy attached).

Part III Presidential Election Campaign Fund. Checking below will not increase your tax or reduce your refund.
 If you did not previously want \$3 to go to the fund but now want to, check here
 If a joint return and your spouse did not previously want \$3 to go to the fund but now wants to, check here

REDACTED

9595 VOID CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no. TNT OFFICE SUPPLY INC 313 N PARK DR SAN ANTONIO TX 78216		1 Rents \$	OMB No. 1545-0115 2004 Form 1099-MISC		Miscellaneous Income
		2 Royalties \$	3 Other income \$ 821642.50	4 Federal income tax withheld \$	
PAYER'S Federal identification number	RECIPIENT'S identification number	5 Fishing boat proceeds \$	6 Medical and health care payments \$	Copy A For Internal Revenue Service Center File with Form 1096.	
RECIPIENT'S name Greg W. Thompson		7 Nonemployee compensation \$	8 Substitute payments in lieu of dividends or interest \$	For Privacy Act and Paperwork Reduction Act Notice, see the 2004 General Instructions for Forms 1099, 1098, 5498, and W-2G.	
Street address (including apt. no.) c/o 6850 N Shiloh Rd #130		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>	10 Crop insurance proceeds \$		
City, state, and ZIP code Garland TX 75044		11	12		
Account number (optional)	2nd TIN not <input type="checkbox"/>	13 Excess golden parachute payments \$	14 Gross proceeds paid to an attorney \$		
15		16 State tax withheld \$	17 State/Payer's state no.	18 State income \$	

Form 1099-MISC 41-1628061 Department of the Treasury - Internal Revenue Service
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9595 VOID CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.		1 Rents \$	OMB No. 1545-0115 2004 Form 1099-MISC		Miscellaneous Income
		2 Royalties \$	3 Other Income \$	4 Federal income tax withheld \$	
PAYER'S Federal identification number	RECIPIENT'S identification number	5 Fishing boat proceeds \$	6 Medical and health care payments \$	Copy A For Internal Revenue Service Center File with Form 1096.	
RECIPIENT'S name		7 Nonemployee compensation \$	8 Substitute payments in lieu of dividends or interest \$	For Privacy Act and Paperwork Reduction Act Notice, see the 2004 General Instructions for Forms 1099, 1098, 5498, and W-2G.	
Street address (including apt. no.)		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>	10 Crop insurance proceeds \$		
City, state, and ZIP code		11	12		
Account number (optional)	2nd TIN not <input type="checkbox"/>	13 Excess golden parachute payments \$	14 Gross proceeds paid to an attorney \$		
15		16 State tax withheld \$	17 State/Payer's state no.	18 State income \$	

Form 1099-MISC 41-1628061 Department of the Treasury - Internal Revenue Service

DETACH BEFORE MAILING

Exhibit “C”

Analysis of Horizon Deposits and Payments

For the Period From Apr 1, 2003 to Sep 30, 2005

Date	Check #	Payee	Block	Deposit Amount	Description	Payment Amount	Difference
		aboutboul daniel Total		30,000.00		47,775.00	17,775.00
		adv health services Total		30,000.00		15,600.00	-14,400.00
		allman betty Total		0.00		136,500.00	136,500.00
		anderson brett Total		60,000.00		16,500.00	-43,500.00
		anderson dennis Total		25,000.00		4,500.00	-20,500.00
		armstrong bill Total		75,000.00		14,300.00	-60,700.00
		artana limited Total		0.00		25,000.00	25,000.00
		arvizu richard Total		10,000.00		14,400.00	4,400.00
		atlas llc Total		20,000.00		9,200.00	-10,800.00
		barrett tom Total		220,000.00		94,500.00	-125,500.00
		beagle steve Total		225,000.00		80,750.00	-144,250.00
		bean jason Total		10,000.00		8,400.00	-1,600.00
		bingo bills partners Total		30,000.00		21,600.00	-8,400.00
		borgard ron Total		40,000.00		47,600.00	7,600.00
		bowen lorna Total		0.00		3,500.00	3,500.00
		bowers lee Total		240,000.00		236,100.00	-3,900.00
		bush kent Total		60,000.00		32,050.00	-27,950.00
		bush productions Total		0.00		52,000.00	52,000.00
		business/life mgt Total		655,000.00		87,150.00	-567,850.00
		caldwell joyce Total		30,000.00		11,200.00	-18,800.00
		caldwell tony Total		0.00		850.00	850.00
		carrillo daniel Total		60,000.00		13,750.00	-46,250.00
		catalani alan Total		150,000.00		135,000.00	-15,000.00
		cunningham consultin Total		353,000.00		123,445.00	-229,555.00
		dahlen jack Total		0.00		8,500.00	8,500.00
		davis benny Total		90,000.00		177,950.00	87,950.00
		delp trudy Total		40,000.00		41,550.00	1,550.00
		dm marketing Total		2,140,000.00		838,275.00	-1,301,725.00
		moody jim Total		50,000.00		39,000.00	-11,000.00
		moody patsy Total		50,000.00		39,000.00	-11,000.00
		don ross nabb prod Total		220,000.00		58,000.00	-162,000.00
		jobe donna Total		0.00		12,600.00	12,600.00
		donley doug Total		35,000.00		36,150.00	1,150.00
		driskell george Total		140,000.00		144,100.00	4,100.00
		duckworth michelle Total		562,000.00		535,400.00	-26,600.00
		sax sonia Total		0.00		14,700.00	14,700.00
		england girls Total		625,000.00		125,800.00	-499,200.00
		fee john Total		50,000.00		42,275.00	-7,725.00
		fisher marsha Total		30,000.00		15,800.00	-14,200.00
		fleming scott Total		50,000.00		9,000.00	-41,000.00
		ford david Total		125,000.00		55,100.00	-69,900.00
		fossil ridge Total		-57,621.41		16,500.00	74,121.41
		fruit jar junction Total		175,000.00		36,000.00	-139,000.00
		fugitt enterprises Total		130,000.00		30,000.00	-100,000.00
		fugitt julie Total		-10,000.00		6,300.00	16,300.00
		fugitt pat Total		-20,000.00		4,200.00	24,200.00
		gardiner heidi Total		10,000.00		47,050.00	37,050.00
		gin bug dev Total		140,000.00		90,200.00	-49,800.00
		gowdy robbie Total		113,000.00		688,030.00	575,030.00
		gudmundsen brent Total		0.00		2,200.00	2,200.00
		gudmundsen leland Total		30,000.00		10,800.00	-19,200.00
		gussiaas roger Total		20,000.00		6,500.00	-13,500.00
		hanson todd Total		75,000.00		8,800.00	-66,200.00
		island inc Total		50,000.00		4,400.00	-45,600.00
		hartsoch klint Total		10,000.00		2,400.00	-7,600.00
		hartsoch monica Total		70,000.00		69,300.00	-700.00
		hendry stuart Total		350,000.00		195,400.00	-154,600.00
		hendry emily Total		0.00		56,200.00	56,200.00
		huckins jeff Total		80,000.00		33,300.00	-46,700.00

Analysis of Horizon Deposits and Payments

For the Period From Apr 1, 2003 to Sep 30, 2005

Date	Check #	Payee	Block	Deposit Amount	Description	Payment Amount	Difference
		infinity & holdings Total		50,000.00		38,750.00	-11,250.00
		jehl roland Total		150,000.00		74,100.00	-75,900.00
		jenke roxanne Total		10,000.00		9,100.00	-900.00
		jericho productions Total		235,000.00		165,875.00	-69,125.00
		johnson dj Total		10,000.00		82,680.00	72,680.00
		johnson dwight Total		1,982,000.00		3,477,765.00	1,495,765.00
		kneedler pete Total		40,000.00		8,400.00	-31,600.00
		lambert nancy Total		693,800.00		648,476.00	-45,324.00
		lambert paul Total		232,200.00		254,996.00	22,796.00
		langin bobby Total		10,000.00		4,500.00	-5,500.00
		lc family trust Total		-10,000.00		3,500.00	13,500.00
		lclh 2003 lp Total		27,000.00		110,240.00	83,240.00
		life span Total		25,000.00		34,125.00	9,125.00
		linda kay mann trust Total		10,000.00		5,400.00	-4,600.00
		lombardo camille Total		750,000.00		531,300.00	-218,700.00
		loose allan Total		0.00		44,400.00	44,400.00
		loose val Total		20,000.00		10,000.00	-10,000.00
		martin jackie hubbar Total		140,000.00		158,400.00	18,400.00
		mcdow ed jr Total		10,000.00		4,800.00	-5,200.00
		merrifield stan Total		0.00		6,000.00	6,000.00
		mocca group internat Total		585,000.00		54,275.00	-530,725.00
		moody dan Total		0.00		6,000.00	6,000.00
		moody hubert Total		100,000.00		56,500.00	-43,500.00
		moody mark Total		200,000.00		99,450.00	-100,550.00
		moody wendell Total		40,000.00		43,400.00	3,400.00
		moses sam Total		20,000.00		7,200.00	-12,800.00
		nabors jack Total		226,000.00		358,210.00	132,210.00
		novikoff lee Total		40,000.00		38,700.00	-1,300.00
		oursler henry Total		50,000.00		13,000.00	-37,000.00
		palo verde enterpris Total		515,000.00		134,500.00	-380,500.00
		patterson colleen Total		70,000.00		26,600.00	-43,400.00
		ralston ron Total		200,000.00		142,025.00	-57,975.00
		ralston william Total		40,000.00		29,200.00	-10,800.00
		rankin paul Total		-10,000.00		68,500.00	78,500.00
		reddington barbara Total		80,000.00		60,800.00	-19,200.00
		rgt pioneer capital Total		70,000.00		16,800.00	-53,200.00
		rhodes roy Total		100,000.00		75,900.00	-24,100.00
		rhoten doris Total		130,000.00		157,200.00	27,200.00
		rogers kelly Total		350,000.00		191,500.00	-158,500.00
		runyan pat Total		125,000.00		22,750.00	-102,250.00
		salmon fel Total		75,000.00		95,750.00	20,750.00
		sanchez remi Total		10,000.00		3,000.00	-7,000.00
		sasser melissa Total		35,000.00		16,100.00	-18,900.00
		saunders george Total		50,000.00		19,125.00	-30,875.00
		saunders randy Total		75,000.00		103,275.00	28,275.00
		shepard john r Total		95,000.00		60,900.00	-34,100.00
		shepard john w Total		255,000.00		170,400.00	-84,600.00
		shepard susan Total		25,000.00		17,000.00	-8,000.00
		sibert ron Total		185,000.00		252,900.00	67,900.00
		sizemore jason Total		50,000.00		8,800.00	-41,200.00
		spilman tom Total		50,000.00		15,600.00	-34,400.00
		sullivan john Total		60,000.00		14,200.00	-45,800.00
		sullivan joan Total		0.00		4,200.00	4,200.00
		tabak lawrence Total		100,000.00		42,000.00	-58,000.00
		tay jak enterprises Total		170,000.00		39,900.00	-130,100.00
		tech-etrends llc Total		55,000.00		35,800.00	-19,200.00
		tejeda joy l Total		80,000.00		84,700.00	4,700.00
		thompson greg Total		2,228,000.00		2,975,192.00	747,192.00
		thompson orville Total		10,000.00		12,600.00	2,600.00

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Analysis of Horizon Deposits and Payments

For the Period From Apr 1, 2003 to Sep 30, 2005

Date	Check #	Payee	Block	Deposit Amount	Description	Payment Amount	Difference
		thompson robert Total		150,000.00		104,650.00	-45,350.00
		thompson sandra Total		-25,000.00		144,750.00	169,750.00
		triem sara Total		30,000.00		16,000.00	-14,000.00
		true focus llc Total		200,000.00		45,500.00	-154,500.00
		vaughan steve Total		180,000.00		37,800.00	-142,200.00
		verner loretta Total		0.00		10,720.00	10,720.00
		verner matt Total		123,000.00		119,890.00	-3,110.00
		vision holdings Total		150,000.00		18,000.00	-132,000.00
		weedon doug Total		10,000.00		1,950.00	-8,050.00
		white debra Total		50,000.00		38,000.00	-12,000.00
		white lion Total		10,000.00		1,800.00	-8,200.00
		wilkinson richard Total		98,000.00		68,240.00	-29,760.00
		williams hayden Total		70,000.00		34,500.00	-35,500.00
		windsor dennis Total		0.00		15,800.00	15,800.00
		windsor greg Total		100,000.00		55,100.00	-44,900.00
		wixom mike Total		50,000.00		71,750.00	21,750.00
		wood karen Total		20,000.00		47,500.00	27,500.00
		wretlind norm Total		30,000.00		32,900.00	2,900.00
		Grand Total		19,865,378.59		16,844,059.00	-3,021,319.59

Exhibit “D”

Thompson Assets:			
#	description	amount	total
1	4-wheelers & dirt bikes	\$4,200.00	\$4,200.00
2	Sunrise Beach Property	\$20,613.34	
3	Ancestral Trail Property	\$294,031.66	
4	Gin-Bug	\$264,000.00	
5	flooring	\$2,000.00	
6	VIAO Computer	\$500.00	
7	Oil & Gas Revenue	\$38,030.90	
	Total:		\$623,375.90

TNT OFFICE SUPP ASSETS:			
#	description	amount	total
1	TNT Office Supply Assets	\$45,000.00	
2	Escalades (2)	\$1,000.00	
3	313 North Park	\$352,696.59	
4	sea doos	\$8,500.00	
5	sale of receivables	\$5,812.39	
6	collected receivables	\$92,864.25	
7	oil & gas revenues	\$6,881.20	
8	artwork	\$750.00	
9	jewelry	\$1,200.00	
			\$514,704.43
Total assets liquidated:		\$1,138,080.33	

Exhibit “E”

SEC v. Travis E. Correll et al**Transactions with Gregory Thompson**

Note: The following summary and supporting schedules were prepared based on available information. Not all transaction have been confirmed.

Horizon Related Funds Received from Gregory Thompson by TNT and Horizon Establishments

		<u>Exhibit</u>
TNT Office Supply Inc.		
Funds Received per TNT Records	2,150,000.00	A
Travis E. Correll, Horizon Establishments		
Funds Received per Funds Tracing Database	<u>40,000.00</u>	B
Total Funds Received from Gregory Thompson	2,190,000.00	

Horizon Related Funds paid to Gregory Thompson by TNT, Horizon Establishments and Banner Shield

TNT Office Supply Inc.		
Funds Paid per TNT Records	2,975,192.00	A
Travis E. Correll, Horizon Investments		
Funds Paid per Funds Tracing Database:	32,125.00	B
Banner Shield		
Funds Paid per Funds Tracing Database:	<u>98,000.00</u>	C
Total Funds Paid to Gregory Thompson	<u>3,105,317.00</u>	
Net Gain	<u><u>915,317.00</u></u>	

Thompson Assets:			
#	description	amount	total
1	4-wheelers & dirt bikes	\$4,200.00	\$4,200.00
2	Sunrise Beach Property	\$20,613.34	
3	Ancestral Trail Property	\$294,031.66	
4	Gin-Bug	\$264,000.00	
5	flooring	\$2,000.00	
6	VIAO Computer	\$500.00	
7	Oil & Gas Revenue	\$39,944.98	
8	One Smart Tool Recovery	\$27,500.00	
	Total:		\$652,789.98