

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. §

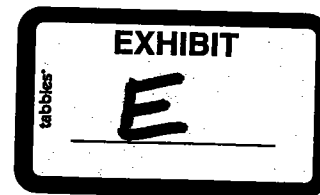
Consolidated Case
CASE NO. 4:07-CV-346 RAS

DECLARATION OF SCOTT S. ASKUE REGARDING GRANT CARDNO

I, Scott S. Askue, 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 SCOTT S. ASKUE REGARDING GRANT CARDNO:

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1. I am a managing director at Hays Financial Consulting (“HFC”). The founder and managing principal of HFC is S. Gregory Hays (the “Receiver”), who is the duly appointed Receiver for the Defendants and Relief Defendants in the case styled *Securities and Exchange Commission vs. Correll, et. al.* Civil Action No. 4:05CV472 (the “Correll Action”). Grant Cardno (“Cardno”) is a named defendant in the Correll Action.

2. I am a Certified Restructuring and Insolvency Advisor. In assisting the Receiver in this action, part of my job duties have been to assist in the investigation regarding Cardno. Additionally, I reviewed the available documents and information available to the Receiver regarding Cardno.

3. The best information available from my investigation is that Mr. Cardno resides in the South Pacific on Norfolk Island. Although properly served with this action, he defaulted and the SEC took a default judgment against him on June 1, 2006 (docket number 124). Other than serving him with the lawsuit, however, there was very little interaction or communication with Cardno. There was an inquiry from someone purporting to be a barrister on Norfolk Island, a Mr. Walsh. Additionally, Cardno sent correspondence to the SEC counsel in charge of this matter, Marshall Gandy, in May of 2006. The only real relevant information was an e-mail, purportedly sent by Cardno on December 20, 2005. In said e-mail, he admitted to having received \$100,000.00 “in three payments over a two week period” from the initial start-up for “various reasons.”

4. According to Wikipedia: “**Norfolk Island** is a small island in the Pacific Ocean located between Australia, New Zealand and New Caledonia. For practical purposes, the island


is considered to be part of the Commonwealth of Australia but it enjoys a limited degree of self-governance and has no representation in the Australian parliament. Together with two neighbouring islands, it forms one of Australia's external territories.” Additionally, also according to Wikipedia: “Residents of Norfolk Island do not pay Australian federal taxes, creating a tax haven for locals and visitors alike. Because there is no income tax, the island's legislative assembly raises money through an import duty, fuel levy, medicare levy, GST and local/international phone calls. . . The exact status of Norfolk Island is controversial. Despite the island's status as a self-governing territory of Australia administered by the Attorney-General's Department, some Islanders claim that it was actually granted independence at the time Queen Victoria granted permission to Pitcairn Islanders to re-settle on the island. These views have been repeatedly rejected by the Australian parliament's Joint Standing Committee on the National Capital and External Territories, most recently in 2004, and were also rejected by the High Court of Australia in *Berwick Limited v R R Gray Deputy Commissioner of Taxation*.”

5. As is set forth in the Receiver's Second Interim Report (docket number 194) in the late summer or early fall of 2001, Travis Correll began the “investment offering” that is the subject of the primary action by using the name “Horizon Establishment.” Initially, Correll raised \$200,000 from friends and family. To be cautious, the initial Horizon Establishment program offered returns of 4% to 6% per month, rather than the much higher returns that Cardno had represented to be the “historically achieved” returns on his trading program. From this initial \$200,000 in investment proceeds, Correll wired \$100,000 to Cardno and retained the other half for start-up operating expenses. The only available direct information regarding Cardno's ill-

gotten gain is his own admission to receiving \$100,000.00 for "various reasons." Based on that limited information, it is the Receiver's recommendation that an appropriate disgorgement would be \$100,000.00. However, this recommendation is based solely on Cardno's admission. The Receiver does not possess any additional information to corroborate the basis for Cardno's receipt of \$100,000.

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

EXECUTED in Atlanta, Georgia this 12th day of March, 2010.



Scott S. Askue