

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND
SOUTHERN DIVISION**

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

AMERIDEBT, INC., et al.,

Defendants.

Civil Action No. PJM 03-3317

**APPLICATION FOR ORDER TO SHOW CAUSE AS TO WHY JANIS PUKKE
SHOULD NOT BE HELD IN CONTEMPT OF COURT FOR VIOLATION OF ORDER
COMPELLING JANIS PUKKE TO TURN OVER RECEIVERSHIP PROPERTY**

Robb Evans & Associates LLC as Receiver over the assets of Andris Pukke and DebtWorks, Inc. ("Receiver") hereby applies to the Court for issuance of an order to show cause as to why non-party Janis Pukke should not be held in contempt of court ("Order to Show Cause") for violation of the Court's Order Compelling Janis Pukke to Turn Over Receivership Property ("Turnover Order") entered by the Court on March 30, 2007 and personally served on Janis Pukke on April 18, 2007, which Turnover Order enforces the terms and provisions of the Court's prior Preliminary Injunction Order with Asset Freeze, Appointment of A Receiver, Repatriation of Assets, and Other Equitable Relief dated April 20, 2005 (the "Preliminary Injunction Order") and the Stipulated Final Judgment and Permanent Injunction Against Defendants Andris Pukke and DebtWorks, Inc. ("Stipulated Final Judgment") entered by the Court on May 17, 2006.

I. SUMMARY OF RELIEF SOUGHT

The Receiver contends that an order should issue holding Janis Pukke in contempt of Court for his failure to turn over to the Receiver the following Receivership Property consisting

of all right, title and interest of Janis Pukke in the real properties located in Latvia despite demand therefor by the Receiver:

1. Apartment house owned by the entity SIA Pumpura 3 located at Andreja Pumpura Street 3, Riga, Latvia, cadastral No. 0100 010 0018 ("Pumpura 3");

2. Those undeveloped farmland properties owned by the entity Pilsdangas/Stali consisting of undeveloped farmland located in Liepija, Latvia, including property located at 648 Pilsdangas, a property known as Stali in Staliem, and the property known as Starkiem (individually and collectively "Pilsdangas-Stali"), or the sum of \$227,847.80 paid with Hansabanka Funds and Proceeds (as defined in the Turnover Order) in connection therewith, whichever value is greater;

3. A residential property located at Strelnieka Iela (Street) 4B and/or 4A, in Riga, Latvia ("Strelneika Iela"), or the sum of \$206,904.33 paid with Hansabanka Funds and Proceeds in connection therewith, whichever value is greater; and

4. Certain undeveloped land located in Adazi, Latvia originally known as "Boki" and subsequently known as "Dizi," cadastral No. 3044 006 0015 ("Adazi Boki"), or the sum of \$144,666.95 paid with Hansabanka Funds and Proceeds in connection therewith, whichever value is greater.

The foregoing properties are individually and collectively referred to herein as the "Latvian Properties." The Latvian Properties constitute Receivership Property as they constitute proceeds of the funds held in the Hansabanka accounts and/or property to which the Hansabanka Funds and Proceeds were converted. All or a portion of the purchase price and/or post-acquisition payments concerning the Latvian Properties were paid from funds in the accounts at Hansabanka that are subject to the Turnover Order.

The Receiver further seeks an order holding Janis Pukke in contempt of Court for his failure to return to the receivership estate the following sums paid or transferred post-receivership from the Hansabanka accounts that constitute Receivership Property as Hansabanka Funds and Proceeds under the Turnover Order:

1. The sum of \$24,748.62 paid by Janis Pukke from the Hansabanka accounts to Janis Krummins, and \$10,350.51 paid by Janis Pukke from the Hansabanka accounts to Atis Sakars;
2. The sum of \$231,039.35 paid to Janis Pukke from the Hansabanka accounts;
3. The sum of \$118,715.14 paid from the Hansabanka accounts to third parties post-receivership not in connection with any of the Latvian Properties; and
4. The sum of \$100,311.20 retained by Janis Pukke from the Hansabanka account.

The foregoing payments in the aggregate sum of \$485,164.82 (“Unrestored Hansabanka Funds”) were required to be returned to the receivership estate under the Turnover Order and have not been returned to date despite the Receiver’s demand therefor.

Additionally, the Receiver contends Janis Pukke has failed to comply with the Turnover Order by refusing to provide the Receiver bank account records for three bank accounts: accounts of Langas Krasti SIA, Hansabanka Account No. LV36 HABA 0551012276562, SIA Pumpura 3, account no. LV41 RIKO 0002930013862 at a bank presently unknown to the Receiver, and Pilsdangas-Stali SIA, Hansabanka account no. LV 42 HABA 0551009029670 (“Undisclosed Bank Records”). The Turnover Order obligates Janis Pukke to comply with all reasonable requests for information made by the Receiver and to provide information and documents pertaining to the Receivership Property subject to the Turnover Order. The Receiver believes IO/Sportingbet Stock and Proceeds, as defined in the Turnover Order, Hansabanka Funds and Proceeds and/or other Receivership Property may have been deposited into one or more of the foregoing accounts that would be reflected in the Undisclosed Bank Records.

The Receiver seeks an order holding Janis Pukke in contempt of Court for his failure to comply with the Turnover Order and seeks relief in the form of an order directing Janis Pukke (a) to turn over all of the Latvian Properties, or to turn over Pumpura 3 and the amount of the Hansabanka Funds and Proceeds used in connection with Pilsdangas-Stali, Strelneika Iela, and Adazi Boki, whichever value is greater, (b) to return the Unrestored Hansabanka Funds, and (c) to provide the Undisclosed Bank Records, and an order providing such other relief as may be just and proper based on Janis Pukke’s contempt, including monetary relief to reimburse the estate

for injury sustained by Janis Pukke's violation of the Turnover Order, and other relief such as will compel Janis Pukke's full and complete compliance with the Turnover Order. The Receiver submits that an Order to Show Cause in the form of the proposed Order to Show Cause lodged concurrently herewith should issue based on the facts and circumstances detailed hereafter and based on the Memorandum of Law, the Request for Judicial Notice and the Declarations of Brick Kane and Gary Owen Caris filed in support hereof and on such additional oral and documentary evidence and arguments of counsel as may be presented by the Receiver prior to and at the hearing on the Order to Show Cause.

II. STATEMENT OF FACTS AND GROUNDS FOR CONTEMPT

A. Procedural Background

The Receiver was appointed permanent receiver over the assets of Andris Pukke and DebtWorks, Inc. pursuant to the Court's April 20, 2005 Preliminary Injunction Order. By stipulation of the parties, the Court entered the Stipulated Final Judgment against Andris Pukke and DebtWorks on May 17, 2006.

In October 2006, after extensive investigation by the Receiver pursuant to the discovery and investigative powers and duties conferred on the Receiver in the Preliminary Injunction Order and Stipulated Final Judgment, the Receiver filed a detailed application to hold Andris Pukke and his friend and business associate Peter Baker ("Baker") in contempt of Court for numerous violations of these orders. The Court conducted ten days of evidentiary hearings and argument on the Receiver's contempt application beginning February 6, 2007 and ending March 14, 2007.

Janis Pukke is Andris Pukke's father. Janis Pukke voluntarily appeared and testified at the hearing on the Contempt Application, having been called as a witness by Andris Pukke and Baker. Janis Pukke appeared to testify on two separate days of the hearing on February 15, 2007 and March 7, 2007. On the second day, March 7, 2007, Janis Pukke appeared with his own counsel and on the advice of his counsel, asserted his Fifth Amendment privilege against self-incrimination in response to questions by the Receiver's counsel, including questions pertaining

to the content of various federal and state income tax returns of Janis Pukke offered into evidence by Andris Pukke and Baker.

On March 14, 2007, at the conclusion of the hearing, the Court issued extensive oral findings of fact and conclusions of law. On March 30, 2007, the Court entered three orders, including the Turnover Order, the Order Holding Andris Pukke and Peter Baker in Contempt of Court ("Contempt Order") and the Order for Vesting and Control of Dolphin Development Company Limited ("Dolphin Order"). On April 18, 2007, the Receiver personally served Janis Pukke with the Turnover Order and the Contempt Order as well as a letter from counsel for the Receiver with a detailed demand for compliance with these orders, to provide accountings and turn over documents and assets constituting Receivership Property under these orders.

B. Non-Compliance with Contempt Order and Incarceration of Contemnors

As reflected in both the Contempt Order and the Turnover Order, the Court found that various bank accounts at Hansabanka in Latvia, nominally titled to Janis Pukke, were beneficially owned and controlled by Andris Pukke and constituted Receivership Property and that the accounts, the funds in the accounts and any proceeds of such funds or property into which the funds were converted ("Hansabanka Funds and Proceeds") constituted Receivership Property. The Court also found that certain stock held in the company Sportingbet Plc, as successor to Internet Opportunity Entertainment Ltd., and its proceeds and property into which such stock and proceeds may have been converted ("IO/Sportingbet Stock and Proceeds"), some of which was transferred to Janis Pukke, were beneficially owned and controlled by Andris Pukke and therefore constituted Receivership Property.

Andris Pukke and Baker failed to comply with the Contempt Order and other related orders. On May 2, 2007, the Court conducted a hearing on applications by the FTC and the Receiver to have the contemnors incarcerated in order to compel their compliance with the Contempt Order and related orders, and the Court granted the applications. Thereafter, the Receiver, the FTC and Baker agreed on the terms of a stipulation for conditional release of Baker from incarceration. The stipulation was approved by the Court by order entered May 15, 2007.

On May 31, 2007, the FTC, the Receiver and Andris Pukke entered into a Stipulation for Conditional Release of Andris Pukke from Incarceration Subject to Compliance with Court Orders (“Pukke Release Stipulation”) which was approved by the Court by an order entered the same date. Under the Pukke Release Stipulation, John Vipulis paid the sum of \$4.5 million to the receivership estate as a condition to Andris Pukke’s release. The Receiver agreed to release its claim to the real property in Latvia known as Langas Krasti (a property separate from the Latvian Properties subject to this application). In addition, while the Receiver agreed not to seek to recover from Janis Pukke the amounts purportedly loaned by DebtWorks to Janis Pukke in the original principal sum of \$2,150,000, the Receiver also reserved all rights and claims the Receiver had to any Receivership Property other than Langas Krasti, including “the right to recover from any person or entity all Receivership Property.” The Pukke Release Stipulation specifically provides that “all rights the Receiver may have in Latvian real property which may directly or indirectly constitute Receivership Property shall remain unaffected by this Stipulation and any order entered hereon.” The Pukke Release Stipulation also provides for Andris Pukke to cause Janis Pukke to assign to the Receiver all rights he may have had in any tax refunds on account of his payment of taxes pertaining to the IO/Sportingbet Stock and Proceeds.

C. Janis Pukke’s Partial Compliance with Orders

The Turnover Order directed Janis Pukke to turn over to the Receiver all Hansabanka Funds and Proceeds and all IO/Sportingbet Stock and Proceeds. It also provided for Janis Pukke to account for all of such Receivership Property in writing and to provide the Receiver any additional information the Receiver may request pertaining to such Receivership Property.

Janis Pukke has partially complied with the Turnover Order and the Pukke Release Stipulation. Janis Pukke filed amended federal and New York state income tax returns to modify the treatment of the IO/Sportingbet Stock and Proceeds he previously listed on his returns, and Janis Pukke turned over the tax refunds he received from the Internal Revenue Service and the New York State Department of Taxation. Janis Pukke also provided bank account records for the Hansabanka accounts and an accounting prepared by his accountants Citrin Cooperman & Co. LLP (“Citrin Accounting”). A copy of the Citrin Accounting is attached as Exhibit 1 to the

Declaration of Brick Kane, and a copy of the certification of the Citrin Accounting provided by Janis Pukke's accountant is attached as Exhibit 3 to the Declaration of Gary Owen Caris in support of this application. Janis Pukke also turned over more than \$1 million in Hansabanka Funds and Proceeds that had been transferred from Hansabanka to an account in the name of Janis Pukke at Hypo Investment Bank in Liechtenstein.

D. Findings of Citrin Accounting

The Receiver's accounting staff has analyzed the banking and other records produced concerning the accounts at Hansabanka and the disposition of the Hansabanka Funds and Proceeds and IO/Sportingbet Funds and Proceeds obtained by Janis Pukke. The Receiver's accounting staff has analyzed the Citrin Accounting and is in substantial agreement with the conclusions reached by the Citrin Accounting as to the disposition of the Receivership Property that flowed through the Hansabanka accounts. Specifically, the Citrin Accounting confirms the Unrestored Hansabanka Funds were paid to third parties or otherwise disposed of as follows:

(1) Two post-receivership payments totaling \$35,099.13 from the Hansabanka accounts were made to third parties by Janis Pukke consisting of a payment of (a) \$24,748.62 paid to Janis Krumins ("Krumins") as a refundable deposit for a failed purchase of an old bank building in Riga, and (b) \$10,350.51 paid to Atis Sakars ("Sakars"), an ex-government official in Latvia, to enable him to pay his property tax on Alberta No. 5 property.

(2) The sum of \$231,039.35 was paid to Janis Pukke from the Hansabanka accounts subject to the Contempt Order and Turnover Order after inception of the receivership between June 2005 and September 2006.

(3) The sum of \$118,715.14 was withdrawn by Janis Pukke for payments to third parties after inception of the receivership estate in addition to the payments to Krumins and Sakars. The majority of these payments were for Janis Pukke's mother, although there were additional payments to Miami Country Day School, where Andris Pukke's children attended school, and for a down payment for an apartment house known as Chocolate SIA.

(4) Janis Pukke has failed to account for and return to the receivership estate the sum of £56,108.82 GBP exchanged for U.S. dollars between August 2005 and July 2007, an amount

equal to \$100,311.20, based on the exchange rate in effect when the transfers were made. This sum represents the difference between (a) the amounts on hand in the Hansabanka accounts when funds were transferred out of the Hansabanka accounts to the account at Hypo Investment Bank held by Janis Pukke, some of which Janis Pukke subsequently transferred to an account at Hypo Investment Bank in the name of the Valkyr Trust, and (b) the aggregate of the amounts received by the Valkyr Trust account at Hypo Investment Bank from Janis Pukke's Hypo Investment Bank account and the amount transferred by Janis Pukke to the Receiver from his account at Hypo Investment Bank.

The Unrestored Hansabanka Funds total \$485,164.82. Based on the Citrin Accounting, there can be no dispute these sums should have been turned over to Receiver by Janis Pukke. The Receiver has demanded turnover of the Unrestored Hansabanka Funds, and Janis Pukke has failed and refused to return such sums to date.

In addition to the Unrestored Hansabanka Funds, the Citrin Accounting confirms the funds constituting Receivership Property transferred from the Hansabanka accounts toward acquisition, preservation and/or maintenance of the four Latvian Properties. While the Receiver's accounting staff concluded slightly different amounts were paid toward the four properties, the Receiver does not consider the differences to be material and is willing to accept the conclusions reached by the Citrin Accounting with respect to those amounts. Thus, according to the Citrin Accounting, the following amounts were applied toward the following four Latvian Properties:

- (1) The sum of \$2,342,209.79 paid toward Pumpura 3;
- (2) The sum of \$206,904.33 paid toward Strelneika Iela;
- (3) The sum of \$144,666.95 paid toward Adazi Boki; and
- (4) The sum of \$227,847.80 paid toward Pilsdangas-Stali.

As explained in the Declaration of Brick Kane, to the extent that any of the four Latvian Properties are owned by an entity rather than directly in the name of Janis Pukke, the entity is one owned almost exclusively by Janis Pukke and is controlled by him. Further, based on the source of funding and the Court's prior findings, it appears Janis Pukke holds nominal interests

only, with the beneficial owner and interest holder being Andris Pukke. The four Latvian Properties therefore constitute Receivership Property and are required to be turned over to the Receiver under the terms of the Preliminary Injunction Order, the Stipulated Final Judgment, the Contempt Order and the Turnover Order. The properties all constitute property to which the Hansabanka Funds and Proceeds were converted and provided the source of funding necessary to the acquisition and continued ownership of the Latvian Properties, nominally, by Janis Pukke. Alternatively, with respect to Pilsdangas-Stali, Strelneika Iela and Adazi Boki, all receivership funds constituting Hansabanka Funds and Proceeds, in the aggregate sum of \$579,419.08, paid toward those properties should be turned over to the Receiver along with the Pumpura 3 real property.

E. Dispute Concerning Pumpura 3

The Receiver is informed and believes that Janis Pukke does not dispute the Receiver's rights and claims to three of the four Latvian Properties or the receivership funds used for three of the Latvian Properties. However, the Receiver is informed and believes that Janis Pukke disputes that the Receiver is entitled to a turnover of Pumpura 3. At the heart of this dispute are the following two paragraphs of the Pukke Release Stipulation:

6. The Receiver agrees that it shall not seek to recover from Janis Pukke, in whole or in part, any amounts purportedly lent by DebtWorks, Inc. to Janis Pukke which purported loan was in the original aggregate sum of \$2,150,000 ("DebtWorks Loan").

7. Notwithstanding paragraph 6 above, other than Langas Krasti, the Receiver retains all of its rights in and to all Receivership Property, as defined in the Stipulated Final Judgment, wherever located and regardless of the title holder thereof, and to recover from any person or entity all Receivership Property, and the Receiver does not waive, release or discharge any of its rights whatsoever to recover all Receivership Property. Without limiting the generality of the preceding sentence, all rights the Receiver may have in Latvian real property which may directly or indirectly constitute Receivership Property shall remain unaffected by this Stipulation and any order entered hereon. (Emphasis added.)

Janis Pukke contends that the purported “loan” he obtained from DebtWorks, the proceeds of which were deposited into the Hansabanka 5390 account, provided the funding for the acquisition of Pumpura 3 and that the provisions of the Pukke Release Stipulation preclude the Receiver from obtaining a turnover of Pumpura 3. However, the Receiver contends that the provisions of paragraph 6 only prevented the Receiver from recovering the outstanding amount of the DebtWorks loan as a recourse obligation of Janis Pukke but that paragraph 7 expressly reserved the Receiver’s right to obtain any Latvian real properties constituting Receivership Property.

Pumpura 3 is Receivership Property in that Receivership Property, namely the Hansabanka Funds and Proceeds, was the source of the funding for that property. Pumpura 3 represents property into which the Hansabanka Funds and Proceeds were converted. Under paragraph 7 of the Pukke Release Stipulation, the parties specifically agreed that the Receiver’s rights in any Latvian real property would “remain unaffected” by the Pukke Release Stipulation such that Janis Pukke’s claim that the Pukke Release Stipulation bars the Receiver from obtaining a turnover of Pumpura 3 would directly violate the provisions of paragraph 7.

F. Undisclosed Bank Records

The Receiver has made multiple demands in writing and orally for copies of the Undisclosed Bank Records. These demands have simply been ignored. There is no basis for Janis Pukke to refuse to provide these records given that it is clear Receivership Property was paid to and/or used by the entities who hold nominal title to the bank accounts and given Janis Pukke’s nominal ownership interests in those entities.

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III. CONCLUSION

The Receiver respectfully requests that the Court grant relief as requested herein based on this Application and the supporting Memorandum of Law, Declarations of Brick Kane and Gary Owen Caris and Request for Judicial Notice in support hereof.

Dated: April 13, 2009

MCKENNA LONG & ALDRIDGE LLP

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I. JANIS PUKKE HAS ACTUAL KNOWLEDGE OF THE TURNOVER ORDER AND IS BOUND TO COMPLY WITH ITS TERMS

In civil enforcement proceedings by the Federal Trade Commission and Securities and Exchange Commission, blanket injunctions in aid of a federal equity receivership may be issued and are binding on nonparties whether or not they have notice of the injunction in order to protect and preserve the receivership assets. Federal Trade Commission v. Productive Marketing, Inc., 136 F. Supp. 2d 1096, 1105-1106 (C.D. Cal. 2001); Eller v. Indian Motorcycle Mfg., Inc., 929 F. Supp. 369 (D. Colo. 1995); Securities and Exchange Commission v. United Financial Group, 576 F. 2d 217, 221 n. 8 (9th Cir. 1978) and Securities and Exchange Commission v. Wencke, 622 F. 2d 1363, 1369 (9th Cir. 1980). When a party or a nonparty obtains actual notice of the order, the party and the nonparty are bound to the terms of the injunction. F.R. Civ. P. 65(d).

On March 30, 2007, the Court issued the Turnover Order directed to Janis Pukke and required him to return Receivership Property to the receivership estate, an order in aid of the Court's pending equity receivership proceeding. On April 18, 2007, Janis Pukke was personally served with the Turnover Order as well as the related Order Holding Andris Pukke and Peter Baker in Contempt of Court ("Contempt Order") issued March 30, 2007. Further, Janis Pukke's attorneys were also served with copies of the Turnover Order and Contempt Order. Janis Pukke has taken steps to comply in part with the Turnover Order, as further evidence of his knowledge of the Turnover Order and his acknowledgment he is bound to comply therewith.

II. CIVIL CONTEMPT IS THE APPROPRIATE REMEDY FOR VIOLATION OF THE COURT'S TURNOVER ORDER

"Courts have inherent power to enforce compliance with their lawful orders through civil contempt." Federal Trade Commission v. Productive Marketing, Inc., 136 F. Supp. 2d 1096, 1107 (C.D. Cal. 2001) (citing Spallone v. United States, 493 U.S. 265, 276, 107 L. Ed. 2d

644, 110 S. Ct. 625 (1990)). When a nonparty with actual notice of the injunction aids and abets another in violating an injunction, the nonparty may be held in contempt of court. Chicago Truck Drivers, etc. v. Brotherhood Labor Leasing, 207 F. 3d 500, 507 (8th Cir. 2000).

The standards for holding a party in contempt of court for violation of a court order are established in numerous decisions.

To establish civil contempt, each of the following elements must be shown by clear and convincing evidence:

(1) the existence of a valid decree of which the alleged contemnor had actual or constructive knowledge; (2) ... that the decree was in the movant's "favor"; (3) ... that the alleged contemnor by its conduct violated the terms of the decree, and had knowledge (at least constructive knowledge) of such violations; and (4) ... that [the] movant suffered harm as a result.

Ashcroft v. Conoco, Inc., 218 F. 3d 288, 301 (4th Cir. 2000). See also Federal Trade Commission v. Affordable Media, LLC, 179 F. 3d 1228, 1239 (9th Cir. 1999); Wagner v. Board of Education, 340 F. Supp. 2d 603, 619-620 (D. Md. 2004); Yancheng Baolong Biochemical Products Co., Ltd. v. United States, 406 F. 3d 1377, 1381 (D.C. Cir. 2005).

A similar standard applies to a nonparty with the additional element of proof of the nonparty's actual notice of the order. See Federal Trade Commission v. Productive Marketing, Inc., 136 F. Supp. 2d 1096 (C.D. Cal. 2001). When the moving party has made a prima facie showing of a violation of the order, the burden shifts to the potential contemnor to produce evidence of his compliance with the injunction or order. To avoid a finding of contempt, potential contemnors "must show that they took every reasonable step to comply" with the Court's order. Stone v. City and County of San Francisco, 968 F. 2d 850, 856 n. 9 (9th Cir. 1982).

In this case, Janis Pukke is obligated under the Turnover Order to turn over to the Receiver on behalf of the receivership estate Hansabanka Funds and Proceeds and

IO/Sportingbet Stock and Proceeds. Janis Pukke has partially complied with the Turnover Order but has failed to deliver to the Receiver (a) the four Latvian Properties, which by the Citrin Accounting clearly constitute Receivership Property acquired directly with Hansabanka Funds and Proceeds, title to which is held directly or indirectly by Janis Pukke and which are subject to the control of Janis Pukke, or alternatively, to deliver Pumpura 3 and the amount of the Hansabanka Funds and Proceeds used in connection with Pilsdangas-Stali, Strelneika Iela and Adazi Boki in the aggregate sum of \$579,419.08, whichever value is greater; (b) \$485,164.82 (“Unrestored Hansabanka Funds”) in funds transferred by Janis Pukke either to third parties or retained by Janis Pukke, all of which constitute Hansabanka Funds and Proceeds which should be restored and repaid to the receivership estate; and (c) bank account records for entities as to which Janis Pukke nominally holds a 100% or other controlling interest that may disclose additional transfers or deposits of Receivership Property, including without limitation Hansabanka Funds and Proceeds and IO/Sportingbet Stock and Proceeds (“Undisclosed Bank Records”), as those records are more fully described in the application. Janis Pukke is clearly aware of the Receiver’s demands for compliance and has failed and refused to comply with the Turnover Order with regard to the four Latvian Properties, the Unrestored Hansabanka Funds and the Undisclosed Bank Records.

III. THE REMEDIES SOUGHT BY THE RECEIVER ARE APPROPRIATE RELIEF FOR CIVIL CONTEMPT

The remedies for civil contempt are designed to compensate the other party for the loss or injury sustained as a proximate result of the contemnor’s failure to comply with the order in question. The remedies imposed for civil contempt are designed to compel the contemnors to bring themselves into compliance with the order in question, and can include incarceration not for the purpose of punishment but for the purpose of causing the contemnor to take steps to bring himself into compliance with the order. Civil contempt remedies may also include imposition of

a monetary award where the award is designed to reimburse the party injured by the violations of the Court order for the damages sustained. Federal Trade Commission v. Productive Marketing, Inc., 136 F. Supp. 2d at 1112. An award of attorneys' fees in favor of the party injured by the contumacious conduct is appropriate where the disobedience of the Court's order is willful. Landmark Legal Foundation v. Environmental Protection Agency, 272 F. Supp. 2d at 86-87.

Sanctions in civil contempt are permitted for two purposes: (1) to coerce defendant into compliance with the court's order; and (2) to compensate the complainant for losses sustained as a result of the contumacious behavior.

Dystar Corp. v. Canto, 1 F. Supp. 2d 48, 58 (D. Mass. 1997).

The Receiver seeks an order compelling Janis Pukke to take immediate steps to comply with the Turnover Order by (a) delivering title and possession to the four Latvian Properties, or alternatively delivering title and possession to Pumpura 3 together with the amount of the Hansabanka Funds and Proceeds used in connection with Pilsdangas-Stali, Strelneika Iela and Adazi Boki in the aggregate sum of \$579,419.08, whichever value is greater; (b) turning over the Unrestored Hansabanka Funds; and (c) turning over the Undisclosed Bank Records. Janis Pukke's own accounting, set forth in the Citrin Accounting, confirms the Receiver's right to the four Latvian Properties as to which the Hansabanka Funds and Proceeds provided the funding and to the Unrestored Hansabanka Funds used and/or retained by Janis Pukke. Janis Pukke has simply ignored the Receiver's requests for the Undisclosed Bank Records, offering no excuse or justification whatsoever for his failure to turn over those records to the Receiver.

IV. THE APPLICATION IS PROPERLY HEARD BY THE DISTRICT JUDGE IN THAT THE ISSUES RAISED BY THE APPLICATION REQUIRE THE INTERPRETATION AND APPLICATION OF THE DISTRICT JUDGE'S ORDERS

This Court previously appointed a Magistrate Judge in this case to assist the Court in addressing discovery disputes and disputes concerning Receivership Property. While the

Receiver contends that Janis Pukke is in possession, custody and control of Receivership Property that should be restored to the receivership estate and has caused injury to the receivership estate which must be redressed, the issues raised in this application involve the interpretation and application of the Court's Turnover Order, and potentially the Preliminary Injunction Order and Stipulated Final Judgment. As a result, the Receiver submits that this matter is properly decided by the District Judge under the circumstances. See The Colonial Williamsburg Foundation v. The Kittinger Co., 792 F. Supp. 1397, 1405 (E.D. Va. 1992).

WHEREFORE, the Receiver respectfully submits that an order to show cause should issue forthwith and relief be granted as requested in the Receiver's application filed concurrently herewith.

Dated: April 13, 2009

MCKENNA LONG & ALDRIDGE LLP

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**IN THE UNITED STATES DISTRICT COURT
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FEDERAL TRADE COMMISSION,

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v.

AMERIDEBT, INC., et al.,

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**DECLARATION OF GARY OWEN CARIS IN SUPPORT OF APPLICATION FOR
ORDER TO SHOW CAUSE AS TO WHY JANIS PUKKE SHOULD NOT BE HELD IN
CONTEMPT OF COURT FOR VIOLATION OF ORDER COMPELLING JANIS
PUKKE TO TURN OVER RECEIVERSHIP PROPERTY**

I, Gary Owen Caris, declare:

1. I am an attorney at law duly admitted to practice before the Courts of the State of California, before all four of the United States District Courts in California and pro hac vice in this Court for the purposes of this action. If called upon to testify as to the facts set forth in this declaration, I could and would testify competently thereto as the facts are true and within my personal knowledge.

2. Since the inception of the receivership, I have been lead counsel for Robb Evans & Associates LLC as Receiver over the assets of Andris Pukke and DebtWorks, Inc. ("Receiver"). In that capacity, I am familiar with the filings made by the Receiver in this case and the events and activities that have occurred in the case as they affect the Receiver.

3. As lead counsel for the Receiver, in October 2006, I caused to be prepared and filed the Receiver's application to hold Andris Pukke and his friend and business associate Peter Baker ("Baker") in contempt of court for numerous violations of the Preliminary Injunction Order issued April 20, 2005 and the Stipulated Final Judgment issued May 17, 2006, more fully

identified in that application. I participated as lead counsel in each of the ten days of evidentiary hearings conducted in the case on the contempt application beginning February 6, 2007 and concluding on March 14, 2007.

4. Janis Pukke is Andris Pukke's father. Janis Pukke voluntarily appeared and testified at the hearing on the Receiver's contempt application, having been called as a witness by Andris Pukke and Baker. Janis Pukke appeared to testify on two separate days of the hearing on February 15, 2007 and March 7, 2007. On the second day, March 7, 2007, Janis Pukke appeared with his own counsel, and on the advice of his counsel, asserted his Fifth Amendment privilege against self-incrimination in response to my questions, including questions pertaining to the content of various federal and state income tax returns of Janis Pukke offered into evidence by Andris Pukke and Baker.

5. On March 14, 2007, at the conclusion of the hearing on the Receiver's contempt application, the Court issued extensive oral findings of fact and conclusions of law. On March 30, 2007, the Court entered three orders, including the Order Holding Andris Pukke and Peter Baker in Contempt of Court ("Contempt Order"), the Order for Vesting and Control of Dolphin Development Company Limited ("Dolphin Order") and the Order Compelling Janis Pukke to Turn Over Receivership Property ("Turnover Order").

6. On April 18, 2007, my office caused Janis Pukke to be personally served with copies of the Turnover Order and the Contempt Order as well as a letter dated April 2, 2007 from me requesting accountings, turnover of records and various other compliance with the Turnover Order and Contempt Order. A true and correct copy of the proof of service indicating service of all of the foregoing documents on Janis Pukke on April 18, 2007 is attached hereto as Exhibit 1. A true and correct copy of my April 2, 2007 letter to Janis Pukke, with enclosures, personally served on Janis Pukke on April 18, 2007 is attached hereto as Exhibit 2.

7. Andris Pukke and Baker failed to comply with the Contempt Order and related orders. As a result, on April 30, 2007, the Receiver and the Federal Trade Commission each filed applications requesting that the Court order Andris Pukke and Baker incarcerated to coerce

their compliance. On May 2, 2007, I attended a hearing held by the Court on these applications, and at the conclusion of that hearing, Andris Pukke and Baker were both incarcerated.

8. On behalf of the Receiver, I subsequently negotiated separate stipulations with Baker and Andris Pukke for their conditional release from custody, conditioned upon their compliance with the Contempt Order and related orders. I personally negotiated and drafted the Stipulation for Conditional Release of Andris Pukke from Incarceration Subject to Compliance with Court Orders ("Pukke Release Stipulation") filed with the Court on May 30, 2007, including the provisions of paragraphs 6 and 7 of the Pukke Release Stipulation. While under paragraph 6 the Receiver agreed not to seek to recover the outstanding amount of the purported DebtWorks "loan" to Janis Pukke as a recourse obligation of Janis Pukke, paragraph 7 expressly reserved the Receiver's right to obtain any Latvian real properties constituting Receivership Property.

9. Since Janis Pukke was served with the Turnover Order and other orders and the Receiver's counsel's April 2, 2007 letter, I have had an ongoing dialogue with counsel for Janis Pukke in an effort to obtain full and complete compliance with the Turnover Order and to recover all Receivership Property wrongfully transferred. These communications have resulted in Janis Pukke's partial compliance with the Turnover Order. Specifically, Janis Pukke filed amended federal and New York state income tax returns to modify the treatment of the IO/Sportingbet Stock and Proceeds he previously listed on his returns and turned over the tax refunds to the Receiver. He also provided bank account records for the Hansabanka accounts and an accounting prepared by his accountants Citrin Cooperman & Co. LLP ("Citrin Accounting"), and in connection therewith, provided a certification by the Citrin accounting firm as to the accuracy and completeness of the records provided as part of the Citrin Accounting, a true and correct copy of which certification along with the accompanying e-mail transmitting the certification, with a copy of the forwarding e-mail to Brick Kane of the Receiver's office redacted, are attached hereto collectively as Exhibit 3. He also turned over to the Receiver more than \$1 million in Hansabanka Funds and Proceeds that had been transferred from Hansabanka to an account in the name of Janis Pukke at Hypo Investment Bank in Liechtenstein.

10. I have made both written and oral demands on Alan Pollack at Robinson Brog Leinwand Greene Genovese & Gluck P.C., counsel for Janis Pukke, regarding his failure to comply with the remainder of his obligations under the Turnover Order. I refrain from offering the correspondence exchanged between Mr. Pollack and me regarding Janis Pukke's obligations under the Turnover Order because such communications constitute inadmissible settlement communications. Suffice it to say that Janis Pukke has refused to turn over the Latvian Properties, any of the Unrestored Hansabanka Funds and any of the Undisclosed Bank Records, as those terms are defined in the accompanying contempt application.

11. Prior to the filing of the Receiver's contempt application against Andris Pukke and Baker, I conducted depositions of numerous third party witnesses, including Janis Pukke. I conducted depositions of Janis Pukke in New York, New York, in two sessions, the first held on May 22, 2006 and the second held on September 14, 2006. I subsequently reviewed in its entirety the transcripts prepared of the two deposition sessions (individually and collectively "J. Pukke Transcript"), and I determined that, with the exception of non-substantive typographical errors, the J. Pukke Transcript accurately reflects the questions and testimony presented during each of the sessions of the deposition. I specifically questioned Janis Pukke regarding the various real properties located in Latvia which are the subject of the accompanying contempt application. Attached hereto collectively as Exhibit 4 are true and correct copies of excerpts of the J. Pukke Transcript supporting the Receiver's contempt application, including without limitation certain excerpts which address the ownership of the four Latvian Properties and the persons or entities that hold title to certain of those properties.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed this 10th day of April 2009 at Los Angeles, California.


GARY OWEN CARIS

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND
SOUTHERN DIVISION**

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

AMERIDEBT, INC., et al.,

Defendants.

Civil Action No. PJM 03-3317

**DECLARATION OF BRICK KANE IN SUPPORT OF APPLICATION FOR ORDER TO
SHOW CAUSE AS TO WHY JANIS PUKKE SHOULD NOT BE HELD IN CONTEMPT
OF COURT FOR VIOLATION OF ORDER COMPELLING JANIS PUKKE TO TURN
OVER RECEIVERSHIP PROPERTY**

I, Brick Kane, declare:

1. I am a member of Robb Evans & Associates LLC, the Receiver in the above-captioned matter. I am one of the members of Robb Evans & Associates LLC with primary responsibility for the supervision, management and administration of the receivership estate on a day-to-day basis. I have personal knowledge of the matters set forth in this declaration and if I were called upon to testify as to these matters, I could and would competently testify based upon my personal knowledge.

2. On April 20, 2005, the Court entered the Preliminary Injunction Order appointing Robb Evans & Associates LLC as Receiver over the assets of Andris Pukke and DebtWorks, Inc. ("DebtWorks"). The receivership estate established by the Preliminary Injunction Order includes all assets owned or controlled, in whole or in part, directly or indirectly, by Andris Pukke and DebtWorks. On May 17, 2006, the Court entered judgment against defendants Andris Pukke and DebtWorks pursuant to the Stipulated Final Judgment and Permanent Injunction Against Defendants Andris Pukke and DebtWorks, Inc. ("Stipulated Final Judgment"). The Receiver's

powers and duties under the Preliminary Injunction Order have been substantially continued under the Stipulated Final Judgment.

3. The Preliminary Injunction Order charges the Receiver with the power and duty to locate receivership assets and take possession and control of those assets to prevent their dissipation. The Order also confers investigatory powers and duties on the Receiver, including the power to issue subpoenas under Rule 45 pursuant to Section XIII of the Order. The Preliminary Injunction Order specifically provides the Receiver with the power and duty to, among other things, take custody, control and possession of all Receivership Property (Order, Section VI.A.2), to hold, conserve and manage such Property (Order, Section VI.A.3), to prevent the dissipation and concealment of such Property (Order, Section VI.A.5), to oversee the operation of businesses owned or controlled by Defendants or that constitute Receivership Property (Order, Section VI.A.6) and to investigate the nature and location of and obtain records pertaining to all such Property, including through subpoena powers granted to the Receiver under the Order (Order, Sections VI.A.1, VII., VIII, IX.D. and XIII). Based on a motion filed by the Receiver in November 2005, the Preliminary Injunction Order was modified in part to clarify the Receiver's powers to conduct discovery and in part to eliminate the limitation on the Receiver's power to liquidate assets to "wasting" assets pursuant to the Revised Order (A) Assigning Magistrate Judge; and (B) for Limited Modification of Receivership Provisions of Preliminary Injunction Order entered December 13, 2005.

4. Since the Receiver was appointed on April 20, 2005 in this matter, I have been one of the principals of the Receiver with primary responsibility for the investigation of assets and analysis of financial and other information obtained from the defendants, from subpoenas and from other sources, in an effort to locate all Assets that constitute Receivership Property, as those terms are set forth in the Preliminary Injunction Order and the Stipulated Final Judgment. I attended many of the depositions conducted on behalf of the Receiver by its counsel, and I have reviewed all of the transcripts of all of the depositions conducted by the Receiver's counsel in the case as well as certain depositions conducted by the FTC prior to the Receiver's appointment. I attended all ten days of the evidentiary hearing conducted on the Receiver's application to hold

Andris Pukke and Peter Baker ("Baker") in contempt of Court conducted between February 6, 2007 and March 14, 2007, and I also participated in the contempt hearing as a witness for the Receiver.

5. I have supervised the subpoenas for records issued on the Receiver's behalf to third parties. I have reviewed and supervised the accounting and financial analysis of the tens of thousands of pages of banking records which I have reviewed along with other senior members of the Receiver and its accounting staff. I have personally reviewed the summaries of bank account records prepared by the Receiver through members of its accounting staff in the course of the Receiver's performance of its duties under the Preliminary Injunction Order and Stipulated Final Judgment. I have personally reviewed most of the records turned over to the Receiver by Andris Pukke and by Janis Pukke, including banking records for the accounts at Hansabanka (a bank in Latvia) in the name of Janis Pukke, banking records of Hypo Investment Bank (a bank in Liechtenstein) to which funds from the Hansabanka accounts were transferred, domestic bank account records of Janis Pukke, real property records concerning various properties located in Latvia turned over by Janis Pukke, and banking and other financial and business records turned over by Andrew Baker, a director of Miselva Etablissement which is the trustee of the Valkyr Trust. I have personally investigated, located, reviewed and analyzed public records and other documents and sources of information concerning the entity Sportingbet Plc ("Sportingbet") and Internet Opportunity Entertainment Ltd., including other entities with similar names to Internet Opportunity Entertainment Ltd. and those related to Internet Opportunity Entertainment Ltd. ("Internet Opportunity"). With respect to transactions involving properties in Latvia which the Receiver contends constitute Receivership Property, including those that are the subject of the contempt application which this declaration supports, the Receiver has also obtained informal translations of certain banking records and real estate documents, all or portions of which may have been written in Latvian, to the extent necessary to the Receiver's analysis of transfers of funds and claims made by the Receiver to those properties. I have also read in their entirety the two volumes of the deposition transcripts of the Receiver's deposition of Janis Pukke conducted on May 22, 2006 and September 14, 2006 in this matter. The statements I make in this

declaration are based on these and other activities, the records of the receivership estate comprising more than 170,000 pages of documents, the interviews and investigation I have conducted, and the findings and conclusions drawn by the Receiver in the Receiver's Reports filed in this case.

Contempt Application Against Andris Pukke and Peter Baker

6. After extensive investigation by the Receiver through financial reconstruction, analysis of banking and other business records, depositions and informal witness interviews, in October 2006, the Receiver filed an application to hold Andris Pukke and his friend and business associate Baker in contempt of Court for numerous violations of the Preliminary Injunction Order and Stipulated Final Judgment. The Receiver asserted, and ultimately proved, that Andris Pukke and Baker had concealed, failed to turn over and transferred to third parties assets constituting Receivership Property, including funds held in several bank accounts at Hansabanka, a bank in Latvia, stock and the proceeds of stock in an internet gaming company Internet Opportunity Entertainment Ltd. and the company that acquired it, Sportingbet Plc, as well as a real estate development in Belize known as Sanctuary Bay Estates owned by Dolphin Development Ltd. and a multi-million dollar residence located at 69 Emerald Bay, Laguna Beach, California.

7. On March 14, 2007, at the end of ten days of evidentiary hearings, the Court issued extensive oral findings of fact and conclusions of law, finding that Andris Pukke, among other things, had concealed his ownership interest in various assets by using nominee owners to take title to such assets in which he held the beneficial ownership and control. On March 30, 2007, the Court issued three written orders, including the Court's Order Holding Andris Pukke and Peter Baker in Contempt of Court ("Contempt Order"), the Order for Vesting and Control of Dolphin Development Company Limited ("Dolphin Order") and the Order Compelling Janis Pukke to Turn Over Receivership Property ("Turnover Order").

8. The Turnover Order is directed to Janis Pukke, defendant Andris Pukke's father. Janis Pukke appeared voluntarily at the contempt hearing and provided testimony as a witness called by Andris Pukke and Baker on February 15, 2007. On March 7, 2007, Janis Pukke

appeared for a second day of testimony represented by his own counsel, and Janis Pukke refused to respond to any substantive questions by the Receiver's counsel on that date, asserting his Fifth Amendment privilege against self-incrimination on the advice of counsel.

Incarceration of Contemnors and Conditional Release Stipulations

9. When Andris Pukke and Baker failed and refused to comply with their obligations to purge their contempt under the Contempt Order and related orders, the Receiver and the Federal Trade Commission ("FTC") filed applications to have them immediately incarcerated to compel their compliance with the Court's orders. The Court conducted a hearing on May 2, 2007 on the incarceration applications, and the Court ordered both Andris Pukke and Baker immediately incarcerated. The Receiver, the FTC and Baker subsequently reached an agreement for Baker's conditional release from custody which was approved by Court order on May 15, 2007.

10. On May 31, 2007, the FTC, the Receiver and Andris Pukke entered into a Stipulation for Conditional Release of Andris Pukke from Incarceration Subject to Compliance with Court Orders ("Pukke Release Stipulation") which was approved by the Court by an order entered the same date. Under the Pukke Release Stipulation, John Vipulis paid the sum of \$4.5 million to the receivership estate as a condition to Andris Pukke's release.

11. Under the Pukke Release Stipulation, the Receiver agreed to release its claim to the real property in Latvia known as Langas Krasti. In addition, under the Pukke Release Stipulation, the Receiver agreed not to seek to recover from Janis Pukke the amounts purportedly loaned by DebtWorks to Janis Pukke in the original principal sum of \$2,150,000. However, the Pukke Release Stipulation also expressly reserves to the Receiver all rights and claims the Receiver had to any Receivership Property other than Langas Krasti, including "the right to recover from any person or entity all Receivership Property." The Pukke Release Stipulation specifically provides that "all rights the Receiver may have in Latvian real property which may directly or indirectly constitute Receivership Property shall remain unaffected by this Stipulation and any order entered hereon." The Pukke Release Stipulation also provides for Andris Pukke to

cause Janis Pukke to assign to the Receiver all rights he may have had in any tax refunds on account of his payment of taxes pertaining to the IO/Sportingbet Stock and Proceeds.

Janis Pukke's Partial Compliance with Turnover Order; Citrin Accounting

12. Janis Pukke has partially complied with the Turnover Order and the Pukke Release Stipulation. Pursuant to the terms of the Turnover Order, Janis Pukke provided the Receiver bank statements for all accounts as to which he is nominal title holder at Hansabanka as well as an accounting of the funds deposited into and transferred out of the Hansabanka accounts. The accounting was in writing and prepared by Janis Pukke's accountants, Citrin Cooperman & Company ("Citrin Accounting"). A true and correct copy of the Citrin Accounting is attached hereto as Exhibit 1.

13 Janis Pukke also filed amended federal and New York state income tax returns to modify the treatment of the IO/Sportingbet Stock and Proceeds he previously listed on his returns, and Janis Pukke turned over the tax refunds he received from the Internal Revenue Service and the New York State Department of Taxation. Janis Pukke also turned over more than \$1 million in Hansabanka Funds and Proceeds that had been transferred from Hansabanka to an account in the name of Janis Pukke at Hypo Investment Bank in Liechtenstein. In addition to the Citrin Accounting, Janis Pukke has also provided the Receiver with copies of documentation concerning real properties located in Latvia purchased in whole or in part with funds from the Hansabanka accounts.

14. The Receiver's accounting staff has reviewed the Citrin Accounting and also prepared its own independent analysis of the Hansabanka bank records, other related bank records, business and financial records and other documents and information pertaining to the Hansabanka Funds and Proceeds and IO/Sportingbet Stock and Proceeds, as those terms are defined in the Contempt Order and Turnover Order. Both the Citrin Accounting and the analysis prepared by the Receiver's accounting staff indicate that substantial sums representing Hansabanka Funds and Proceeds were used by Janis Pukke to purchase five real properties in Latvia. The Receiver's claim to one of the real properties, Langas Krasti, was resolved and satisfied through the Pukke Release Stipulation, as noted above.

The Latvian Properties Not Turned Over by Janis Pukke

15. There are four remaining properties located in Latvia as to which Hansabanka Funds and Proceeds were used to pay all or a portion of the purchase price and/or post-acquisition payments concerning such properties based on both the Citrin Accounting and the conclusions of the Receiver's accounting staff. The four properties and the amounts of Hansabanka Funds and Proceeds which the Citrin Accounting concludes were used to pay their acquisition and/or post-acquisition costs consist of the following:

a. The sum of \$2,342,209.79 paid toward an apartment house owned by the entity SIA Pumpura 3 located at Andreja Pumpura Street 3, Riga, Latvia, cadastral No. 0100 010 0018 ("Pumpura 3");

b. The sum of \$227,847.80 paid toward those undeveloped farmland properties owned by the entity Pilsdangas/Stali consisting of undeveloped farmland located in Liepija, Latvia, including property located at 648 Pilsdangas, a property known as Stali in Staliem, and the property known as Starkiem (individually and collectively "Pilsdangas-Stali"). According to Janis Pukke's deposition testimony, a portion of the purchase price, approximately \$40,000, was paid through Janis Pukke's sale of real property he inherited from his grandfather;

c. The sum of \$206,904.33 paid toward a residential property located at Strelneika Iela (Street) 4B and/or 4A, in Riga, Latvia ("Strelneika Iela"); and

d. The sum of \$144,666.95 paid toward certain undeveloped land located in Adazi, Latvia originally known as "Boki" and subsequently known as "Dizi," cadastral No. 3044 006 0015 ("Adazi Boki"). Pumpura 3, Pilsdangas-Stali, Strelneika Iela and Adazi Boki are referred to in this declaration individually and collectively for convenience as the "Latvian Properties."

16. The Receiver's accounting staff has prepared summaries of each of the Latvian Properties setting forth the results of the Citrin Accounting and the Receiver's staff accounting analyzing the Hansabanka Funds and Proceeds paid in connection with each such property and the purpose of the payments based on the documentation supplied by Janis Pukke, the banking

records and any other available sources of information. True and correct copies of these summaries for the four Latvia Properties are attached hereto collectively as Exhibit 2.

17. In addition to the Citrin Accounting and the Receiver's accounting which confirms the source of funding for the Latvian Properties, the documentation and testimony provided by Janis Pukke concerning the ownership of any entities in whose names the Latvia Properties are titled show that each of the entities is owned entirely or almost entirely by Janis Pukke and that he therefore has the controlling interest in those entities. The Receiver contends that the ownership and control by Janis Pukke are ultimately exercised as a nominee for Andris Pukke as the beneficial owner. Specifically, the entity Pumpura 3 is an entity owned 95% by Janis Pukke and 5% by Aldis Plaudis. Aldis Plaudis is a real estate broker in Latvia who, according to the documentation and bank records turned over by Janis Pukke, has been involved in the purchase of certain of the real properties in Latvia. Attached hereto as Exhibit 3 is a true and correct copy of the documentation concerning Pumpura 3 demonstrating this ownership structure, and excerpts of the deposition testimony of Janis Pukke concerning this entity are submitted with the Declaration of Gary Owen Caris filed in support of this contempt application.

18. The entity Pilsdangas-Stali is owned 100% by Janis Pukke based on documentation turned over to the Receiver by Janis Pukke's lawyer in Latvia, Ieva Sakare, and the deposition testimony of Janis Pukke. The entity is managed by an individual, Atis Sakars, who has been paid management fees for those services from the Hansabanka Funds and Proceeds. A true and correct copy of the documentation concerning the formation and ownership of Pilsdangas-Stali turned over by Janis Pukke is attached hereto as Exhibit 4. Excerpts of the Janis Pukke deposition transcripts addressing the ownership of this entity are submitted with the accompanying Declaration of Gary Owen Caris.

19. The Strelneika Iela property was purchased by Janis Pukke and Aldis Plaudis, according to documentation submitted by Janis Pukke's counsel in Latvia, Ieva Sakare. True and correct copies of the purchase documents provided to the Receiver concerning this property are attached hereto collectively as Exhibit 5.

20. The Adazi-Boki property was acquired in the name of Janis Pukke according to the documentation submitted by Janis Pukke's counsel in Latvia, Ieva Sakare. True and correct copies of the purchase documents provided to the Receiver concerning this property are attached hereto collectively as Exhibit 6.

Additional Non-Compliance with the Turnover Order by Janis Pukke

21. The Citrin Accounting and the Receiver's accounting staff are also in substantial agreement regarding the dollar amount of funds transferred from the Hansabanka accounts for other purposes. The Citrin Accounting confirms the following Hansabanka Funds and Proceeds were paid to third parties or otherwise disposed of as follows:

a. Two post-receivership payments totaling \$35,099.13 from the Hansabanka accounts were made to third parties by Janis Pukke consisting of a payment of (a) \$24,748.62 paid to Janis Krumins ("Krumins") as a refundable deposit for a failed purchase of an old bank building in Riga, and (b) \$10,350.51 paid to Atis Sakars ("Sakars"), an ex-government official in Latvia, to enable Sakars to pay Sakars' property tax on Alberta No. 5 property.

b. The sum of \$231,039.35 was paid to Janis Pukke from the Hansabanka accounts subject to the Contempt Order and Turnover Order after inception of the receivership between June 2005 and September 2006.

c. The sum of \$118,715.14 was withdrawn by Janis Pukke for payments to third parties after inception of the receivership estate in addition to the payments to Krumins and Sakars. The majority of these payments were for Janis Pukke's mother, although there were additional payments to Miami Country Day School, where Andris Pukke's children attended school, and for a down payment for an apartment house known as Chocolate Sia.

d. Janis Pukke has failed to account for and return to the receivership estate the sum of £56,108.82 GBP exchanged for U.S. dollars between August 2005 and July 2007, an amount equal to \$100,311.20, based on the exchange rate in effect when the transfers were made. This sum represents the difference between (a) the amounts on hand in the Hansabanka accounts when funds were transferred out of the Hansabanka accounts to the account at Hypo Investment Bank held by Janis Pukke, some of which Janis Pukke subsequently transferred to an account at

Hypo Investment Bank in the name of the Valkyr Trust, and (b) the aggregate of the amounts received by the Valkyr Trust account at Hypo Investment Bank from Janis Pukke's Hypo Investment Bank account and the amount transferred by Janis Pukke to the Receiver from his account at Hypo Investment Bank.

22. The foregoing sums referred to collectively herein for convenience as the "Unrestored Hansabanka Funds" total \$485,164.82. The Receiver has demanded turnover of the Unrestored Hansabanka Funds by Janis Pukke, and Janis Pukke has failed and refused to return such sums to date.

23. The Receiver has also made demand on Janis Pukke to provide the Receiver with additional bank account records for certain Latvian entities connected with the properties acquired with Hansabanka Funds and Proceeds consisting of the following:

- a. Accounts of Langas Krasti SIA, Hansabanka Account No. LV36 HABA 0551012276562.
- b. Accounts of SIA Pumpura 3, account no. LV41 RIKO 0002930013862 at a bank presently unknown to the Receiver.
- c. Accounts of Pilsdangas-Stali SIA, Hansabanka account no. LV 42 HABA 0551009029670. The foregoing account records are collectively referred to in this declaration for convenience as the "Undisclosed Bank Records." The Receiver believes IO/Sportingbet Stock and Proceeds, Hansabanka Funds and Proceeds and/or other Receivership Property may have been deposited into one or more of the foregoing accounts, and if such deposits or transfers were made, they would be reflected in the Undisclosed Bank Records.

Dispute Concerning Pumpura 3

24. The Receiver is advised that Janis Pukke disputes that the Receiver is entitled to a turnover of Pumpura 3 based on the provisions of paragraph 6 of the Pukke Release Stipulation. The Receiver contends, however, that pursuant to the provisions of paragraph 7 of the Pukke Release Stipulation, the Receiver expressly reserved the right to recover all of the Latvian Properties and only relinquished its ability to demand turnover of the Langas Krasti property that was released to Vipulis under the Pukke Release Stipulation. The Receiver never intended to

forego or waive its right to recover the four Latvian Properties under the Pukke Release Stipulation, including Pumpura 3, given that the source of the funding for Pumpura 3 was Hansabanka Funds and Proceeds. The Receiver instead only waived the right to pursue a claim against Janis Pukke personally for recovery of the outstanding balance of the purported "loan" made by DebtWorks to Janis Pukke.

25. Prior to filing the within contempt application, the Receiver made oral and written demand on Janis Pukke to fulfill the remainder of his obligations under the Turnover Order. Janis Pukke has refused or ignored those demands and remains in violation of his duties under the Turnover Order as a result.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed this 13 day of April 2009 at Sun Valley, California.


BRICK KANE

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND
SOUTHERN DIVISION**

FEDERAL TRADE COMMISSION,

Plaintiff,

vs.

AMERIDEBT, INC., et al.,

Defendants.

Civil Action No. PJM 03-3317

**REQUEST FOR JUDICIAL NOTICE IN SUPPORT OF RECEIVER'S APPLICATION
FOR ORDER TO SHOW CAUSE AS TO WHY JANIS PUKKE SHOULD NOT BE
HELD IN CONTEMPT OF COURT FOR VIOLATION OF ORDER COMPELLING
JANIS PUKKE TO TURN OVER RECEIVERSHIP PROPERTY**

Pursuant to Rule 201 of the Federal Rules of Evidence, Robb Evans & Associates LLC as Receiver over the assets of Andris Pukke and DebtWorks, Inc. ("Receiver") hereby requests that the Court take judicial notice of the following in support of the Receiver's application ("Application") for issuance of an order to show cause as to why Janis Pukke should not be held in contempt of court for violation of the Court's Order Compelling Janis Pukke to Turn Over Receivership Property issued March 30, 2007:

1. The following pleadings, records and files of this Court in this action:
 - A. Preliminary Injunction Order with Asset Freeze, Appointment of A Receiver, Repatriation of Assets, and Other Equitable Relief dated April 20, 2005 [Docket No. 122];
 - B. Stipulated Final Judgment and Permanent Injunction Against Defendants Andris Pukke and DebtWorks, LLC entered by the Court on May 17, 2006 [Docket No. 473];
 - C. Order Holding Andris Pukke and Peter Baker in Contempt of Court entered by the Court on March 30, 2007 [Docket No. 571];

- D. Order for Vesting and Control of Dolphin Development Company Limited and Proceeds in Receiver entered by the Court on March 30, 2007 [Docket No. 572];
- E. Order Compelling Janis Pukke to Turn Over Receivership Property entered by the Court on March 30, 2007 [Docket No. 573];
- F. Receiver's Application for Supplemental Relief Under Order Holding Andris Pukke and Peter Baker in Contempt of Court; Request for Order for Immediate Incarceration of Andris Pukke and Peter Baker filed April 30, 2007 [Docket No. 596];
- G. Order entered May 4, 2007 confirming arrest warrants were executed as to Andris Pukke and Peter Baker [Docket No. 604];
- H. Stipulation for Conditional Release of Peter Baker from Incarceration Subject to Compliance with Court Orders ("Baker Release Stipulation") filed May 15, 2007 [Docket No. 614];
- I. Order approving Baker Release Stipulation entered May 15, 2007 [Docket No. 615];
- J. Stipulation for Conditional Release of Andris Pukke from Incarceration Subject to Compliance with Court Orders ("Pukke Release Stipulation") filed May 30, 2007 [Docket No. 622], a true and correct copy of which is attached hereto as Exhibit 1;
- K. Order approving Pukke Release Stipulation entered May 31, 2007 [Docket No. 625], a true and correct copy of which is attached hereto as Exhibit 1, to which a copy of the Pukke Release Stipulation is attached;
- L. Order for release of Andris Pukke from incarceration pursuant to the Order which approved the Pukke Release Stipulation entered May 31, 2007 [Docket No. 626].

Except where noted, copies of the foregoing pleadings have not been re-filed with the Court to avoid undue duplication of these voluminous records in the Court file. Copies of all or

any portion of the foregoing pleadings will be supplied to any interested parties and the Court upon request.

Dated: April 13, 2009

MCKENNA LONG & ALDRIDGE LLP

By: /s/ Gary Owen Caris
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Dated: April 13, 2009

MCKENNA LONG & ALDRIDGE LLP

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Attorneys for Robb Evans & Associates LLC,
Receiver

EXHIBIT 1

FILED ENTERED
LOGGED RECEIVED

MAY 31 2007

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND
SOUTHERN DIVISION**

AT GREENBELT
CLERK U.S. DISTRICT COURT
DISTRICT OF MARYLAND DEPUT

FEDERAL TRADE COMMISSION,

Plaintiff,

vs.

AMERIDEBT, INC., et al.,

Defendants.

Civil Action No. PJM 03-3317

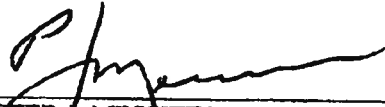
**ORDER APPROVING STIPULATION FOR CONDITIONAL RELEASE OF ANDRIS
PUKKE FROM INCARCERATION SUBJECT TO COMPLIANCE WITH COURT
ORDERS**

The Court, having reviewed and considered the Stipulation for Conditional Release of Andris Pukke from Incarceration Subject to Compliance with Court Orders ("Pukke Conditional Release Stipulation") by and among Robb Evans & Associates LLC as Receiver over the assets of Andris Pukke and DebtWorks, Inc. ("Receiver"), Plaintiff Federal Trade Commission ("FTC"), contemnor Andris Pukke ("Pukke"), and John Vipulis ("Vipulis"), and good cause appearing therefor,

IT IS ORDERED that the Pukke Conditional Release Stipulation, a true and correct copy of which is attached hereto as Exhibit 1, is hereby approved and all terms, provisions and conditions thereof are hereby made the order of this Court.

Dated:

5/31/07



PETER J. MESSITTE
United States District Judge

EXHIBIT 1

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND
SOUTHERN DIVISION**

FEDERAL TRADE COMMISSION,

Plaintiff,

vs.

AMERIDEBT, INC., et al.,

Defendants.

Civil Action No. PJM 03-3317

**STIPULATION FOR CONDITIONAL RELEASE OF ANDRIS PUKKE FROM
INCARCERATION SUBJECT TO COMPLIANCE WITH COURT ORDERS**

Robb Evans & Associates LLC as Receiver over the assets of Andris Pukke and DebtWorks, Inc. ("Receiver"), Plaintiff Federal Trade Commission ("FTC"), contemnor Andris Pukke ("Pukke"), and John Vipulis ("Vipulis") by and through their respective counsel, hereby enter into this Stipulation for Conditional Release of Andris Pukke from Incarceration Subject to Compliance with Court Orders ("Stipulation") based on the following facts:

RECITALS

A. On March 30, 2007, the Court entered three orders in connection with the Receiver's application to hold Pukke and Peter Baker ("Baker") in Contempt of Court: (a) Order Holding Andris Pukke and Peter Baker in Contempt of Court ("Contempt Order"); (b) Order for Vesting and Control of Dolphin Development Company Limited and Proceeds in Receiver ("Dolphin Order"); and (c) Order Compelling Janis Pukke to Turn Over Receivership Property ("Turnover Order").

B. On May 2, 2007, following the filing of the Receiver's Application for Supplemental Relief Under Order Holding Andris Pukke and Peter Baker in Contempt of Court;

Request for Immediate Incarceration of Andris Pukke and Peter Baker to Coerce Compliance With Court Orders ("Receiver's Application") and the FTC's Application for Immediate Incarceration ("FTC Application"), the Court conducted a hearing on the Receiver's Application and the FTC's Application and ordered the immediate incarceration of Pukke and Baker as reflected in the Order For Immediate Incarceration of Andris Pukke and Peter Baker to Coerce Compliance with Court Orders ("Incarceration Order") entered May 4, 2007.

C. On May 15, 2007, the Receiver, the FTC, and Baker by and through their counsel, entered into the Stipulation for Conditional Release of Peter Baker from Incarceration Subject to Compliance with Court Orders ("Baker Stipulation"). On May 15, 2007, the Court entered the Order approving the Baker Stipulation and thereafter Baker was conditionally released from incarceration.

D. Since his incarceration pursuant to the Incarceration Order, Pukke caused to be transferred to the Receiver from the Valkyr Trust which is designated as the "Liechtenstein Trust" in the Cash Proceeds Chart attached as Exhibit I to the Contempt Order the sum of \$1,749,975 as part of Pukke's attempt to purge his contempt.

E. Pukke has not purged his contempt of Court but has promised to cooperate with the Receiver under the Contempt Order, the Dolphin Order and the Incarceration Order, and to assist the Receiver in obtaining Janis Pukke's cooperation under the Turnover Order, in order to purge Pukke's contempt of Court.

F. Vipulis has offered to pay the Receiver the sum of \$4,500,000 as an inducement to obtain the agreement by the Receiver and the FTC to stipulate to Pukke's conditional release from incarceration, pursuant to the terms and conditions of this Stipulation.

G. The Receiver and the FTC recommend that Pukke be released from incarceration under the terms of this Stipulation for the purpose of complying with the terms of the Contempt Order, the Dolphin Order, and the Incarceration Order, and to further assist the Receiver in obtaining Janis Pukke's cooperation under the Turnover Order.

NOW THEREFORE, with reference the facts set forth above the parties hereto do stipulate and agree as follows:

1. Vipulis shall transfer to the Receiver by wire transfer the sum of \$4,500,000, net of all wire transfer fees and any other fees and charges of any kind, which sum shall be unconditionally retained by the Receiver and which shall become a part of the funds of the receivership estate pursuant to the terms of the Stipulated Final Judgment and Permanent Injunction as to Defendants DebtWorks, Inc. and Andris Pukke ("Stipulated Final Judgment") (this payment is hereinafter referred to as the "Vipulis Payment"). The Vipulis Payment shall be applied against the \$172,000,000 judgment in favor of the FTC pursuant to the Stipulated Final Judgment. The Vipulis Payment shall not be applied against the non-suspended \$35,000,000 portion of the judgment, whether or not the balance of the money judgment set forth in the Stipulated Final Judgment is suspended, in whole or in part. Vipulis represents and warrants that the Vipulis Payment is not Receivership Property, as defined in the Stipulated Final Judgment, and the Receiver and the FTC are relying on that representation and warranty in entering into their Stipulation. Based upon that representation and warranty by Vipulis, the Receiver and the FTC agree that they will not use the fact of the Vipulis Payment as a basis to assert that Vipulis is in possession of Receivership Property, as defined in the Stipulated Final Judgment.

2. The sum of \$3,250,000 of the Vipulis Payment shall be considered to be a loan from Vipulis to Pukke ("Vipulis Loan"). The terms of the loan shall be the subject of such

separate agreement as Vipulis and Pukke may enter into, if any, provided however that Vipulis agrees to subordinate repayment of the Vipulis Loan to satisfaction in full of the FTC judgment under the terms of the Stipulated Final Judgment. Therefore, Pukke shall not repay all or any portion of the Vipulis Loan to Vipulis until such time as the FTC judgment is satisfied in full under the terms of the Stipulated Final Judgment, as such terms and satisfaction shall be agreed to by the FTC and Pukke or determined by the Court.

3. The sum of \$1,250,000 of the Vipulis Payment shall be paid to the Receiver in consideration for the transfer and relinquishment of all of the Receiver's rights in the property designated as "Riga Latvia Farm Land" in the Cash Proceeds Chart, Exhibit 1 to the Contempt Order and generally referred to as "Langas Krasti" ("Langas Krasti"). Upon receipt of the Vipulis Payment, the Receiver does hereby transfer and relinquish all of its rights in Langas Krasti. It is agreed that as a consequence of this transfer and relinquishment, Pukke will thereafter cause to be transferred to Vipulis all right, title and interest in and to Langas Krasti irrespective of the person or entity currently holding title to Langas Krasti. Vipulis agrees that he will not, at any time thereafter, transfer or assign any beneficial interest in Langas Krasti, in whole or in part, directly or indirectly, to Pukke, or to any entity owned or controlled in whole or in part by Pukke.

4. Pukke shall be conditionally released from his incarceration in the Charles County Detention Center immediately upon the Receiver's verification that the Vipulis Payment has been paid by wire transfer to the Receiver. Pukke is subject to re-incarceration if he fails to fully and strictly comply with his duties under the Contempt Order to fully purge his contempt by fulfilling Pukke's turnover duty and duty of cooperation concerning the Concealed Assets as set forth in the Contempt Order and the Incarceration Order. Without limiting the generality of the

preceding sentence, Pukke specifically agrees that his release from incarceration is subject to the additional express condition that Pukke shall meet with the Receiver and the Receiver's counsel in person at one or more dates, times and locations to be provided by the Receiver, through counsel, to Pukke or his counsel on 24 hours' telephonic notice for the purpose of answering questions, producing and turning over documents and records, executing and causing to be executed such additional documents and letters as may be required by the Receiver, and taking all such other steps to complete turnover to the Receiver of all Concealed Assets which Pukke is obligated to return to the Receivership Estate under the Contempt Order and the Incarceration Order and otherwise fulfilling Pukke's duty of cooperation concerning the concealed assets as specified under the Contempt Order and the Incarceration Order.

5. Any failure by Pukke to fully and strictly comply with his duties under the Contempt Order, Incarceration Order and this Stipulation, including without limitation his failure to meet with the Receiver and the Receiver's counsel and/or to make the disclosures and turnover of Concealed Assets, and information and documents related thereto, and/or to execute such additional documents and letters as may be required by the Receiver, shall be grounds for immediate re-incarceration of Pukke upon the filing of a declaration of non-compliance by the Receiver or its counsel and entry of an order for re-incarceration.

6. The Receiver agrees that it shall not seek to recover from Janis Pukke, in whole or in part, any amounts purportedly lent by DebtWorks, Inc. to Janis Pukke which purported loan was in the original aggregate sum of \$2,150,000 ("DebtWorks Loan").

7. Notwithstanding paragraph 6 above, other than Langas Krasti, the Receiver retains all of its rights in and to all Receivership Property, as defined in the Stipulated Final Judgment, wherever located and regardless of the title holder thereof, and to recover from any

person or entity all Receivership Property, and the Receiver does not waive, release or discharge any of its rights whatsoever to recover all Receivership Property. Without limiting the generality of the preceding sentence, all rights the Receiver may have in Latvian real property which may directly or indirectly constitute Receivership Property shall remain unaffected by this Stipulation and any order entered hereon.

8. Pukke shall cause Janis Pukke to assign to the Receiver all of Janis Pukke's rights to any refund paid or to be paid from the Internal Revenue Service on account of Janis Pukke's payment of taxes in connection with Janis Pukke's purported gain on the sale of Sportingbet Plc stock.

9. All obligations, duties and requirements imposed upon Pukke, Baker, and/or Janis Pukke pursuant to the Contempt Order, Dolphin Order, Turnover Order, and Incarceration Order shall remain in full force and effect according to their terms.

10. By agreeing to this Stipulation, the Receiver and the FTC do not in any way limit or waive the right to seek and obtain further permissible contempt remedies against Pukke.

DATED: May 30, 2007

McKENNA LONG & ALDRIDGE LLP

By: _____ /s/

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Attorneys for Robb Evans & Associates LLC
as Receiver over the Assets of Andris Pukke
and DebtWorks, Inc.

DATED: May 30, 2007

FEDERAL TRADE COMMISSION

By: _____ /s/

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DATED: May 30, 2007

JONES DAY

By: _____ /s/

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E-Mail: jwilliams@jonesday.com

Attorneys for Andris Pukke

DATED: May ____, 2007

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By: _____

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Attorneys for John Vipulis

DATED: May __, 2007

FEDERAL TRADE COMMISSION

By: _____
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DATED: May __, 2007


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Attorneys for John Vipulis

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND
SOUTHERN DIVISION**

FEDERAL TRADE COMMISSION,

Plaintiff,

vs.

AMERIDEBT, INC., et al.,

Defendants.

Civil Action No. PJM 03-3317

**ORDER TO SHOW CAUSE AS TO WHY JANIS PUKKE SHOULD NOT BE HELD IN
CONTEMPT OF COURT FOR VIOLATION OF ORDER COMPELLING JANIS
PUKKE TO TURN OVER RECEIVERSHIP PROPERTY**

Robb Evans & Associates LLC as Receiver over the Assets of Andris Pukke and DebtWorks, Inc. ("Receiver") appointed pursuant to this Court's Preliminary Injunction Order with Asset Freeze, Appointment of a Receiver, Repatriation of Assets, and Other Equitable Relief dated April 20, 2005 (the "Preliminary Injunction Order") and the Stipulated Final Judgment and Permanent Injunction as to Defendants DebtWorks, Inc. and Andris Pukke filed May 17, 2006 (the "Stipulated Final Judgment") having filed the Receiver's Application for Order to Show Cause as to Why Janis Pukke Should Not Be Held in Contempt of Court for Violation of Order Compelling Janis Pukke to Turn Over Receivership Property and the declarations and other pleadings and papers filed in support thereof (collectively, the "Show Cause Application"), and the Court having reviewed and considered the Show Cause Application, and good appearing therefor,

IT IS ORDERED as follows:

1. Janis Pukke shall appear in person before this Court for a hearing to be conducted commencing at _____ .m. on _____, 2006 in Courtroom 4C of this Court located at 6500 Cherrywood Lane, Greenbelt, Maryland 20770, and shall there and

then show cause as to why he should not be held in contempt of court for violations of the Order Compelling Janis Pukke to Turn Over Receivership Property ("Turnover Order") as described in the Receiver's Show Cause Application and why an order granting the following relief ("Contempt Order") should not be issued against him:

(a) An order holding Janis Pukke in contempt of Court for violation of the Turnover Order;

(b) An order providing for Janis Pukke to purge his contempt of Court by doing all of the following within fifteen (15) days of the date of the order: (i) Janis Pukke turning over to the Receiver all of his right, title and interest in that certain apartment house owned by the entity SIA Pumpura 3 located at Andreja Pumpura Street 3, Riga, Latvia, cadastral No. 0100 010 0018 ("Pumpura 3"); (ii) Janis Pukke turning over to the Receiver all of his right, title and interest in those certain undeveloped farmland properties owned by the entity Pilsdangas/Stali consisting of undeveloped farmland located in Liepija, Latvia, including property located at 648 Pilsdangas, a property known as Stali in Staliem, and the property known as Starkiem (individually and collectively "Pilsdangas-Stali"), or the sum of \$227,847.80 paid with Hansabanka Funds and Proceeds in connection therewith, whichever value is greater; (iii) Janis Pukke turning over to the Receiver all of his right, title and interest in that certain residential property located at Strelnieka Iela (Street) 4B and/or 4A, in Riga, Latvia ("Strelneika Iela"), or the sum of \$206,904.33 paid with Hansabanka Funds and Proceeds in connection therewith, whichever value is greater; (iv) Janis Pukke turning over to the Receiver that certain undeveloped land located in Adazi, Latvia originally known as "Boki" and subsequently known as "Dizi," cadastral No. 3044 006 0015 ("Adazi Boki"), or the sum of \$144,666.95 paid with Hansabanka Funds and Proceeds in connection therewith, whichever value is greater; (v) repaying to the Receiver on behalf of the receivership estate the aggregate sum of \$485,164.82 ("Unrestored Hansabanka Funds"), comprised of (1) the sum of \$24,748.62 paid by Janis Pukke from the Hansabanka accounts to Janis Krummins, and \$10,350.51 paid by Janis Pukke from the Hansabanka accounts to Atis Sakars; (2) the sum of \$231,039.35 paid to Janis Pukke from the Hansabanka accounts; (3) the sum of \$118,715.14 paid from the Hansabanka accounts to third

parties post-receivership not in connection with any Latvian properties; and (4) the sum of \$100,311.20 retained by Janis Pukke from the Hansabanka account; (vi) Janis Pukke turning over to the Receiver bank account records for accounts of Langas Krasti SIA, Hansabanka Account No. LV36 HABA 0551012276562, SIA Pumpura 3, account no. LV41 RIKO 0002930013862 at a bank presently unknown to the Receiver, and Pilsdangas-Stali SIA, Hansabanka account no. LV 42 HABA 0551009029670 (“Undisclosed Bank Records”); and (vii) such other and further relief as the Court deems just and proper after the hearing on the Show Cause Application, including Janis Pukke paying forthwith to the Receiver on behalf of the receivership estate, from sources other than receivership property, an amount to be determined by the Court representing the attorneys’ fees and costs incurred by the Receiver in enforcing the Turnover Order through the Show Cause Application;

2. Written opposition or response to the Show Cause Application shall be filed with the Court and served on counsel for the Receiver and the parties to this action on or before _____, 2009;

3. Reply to any written opposition or response to the Show Cause Application may be filed by the Receiver and served on the opposing party and all parties to this action on or before _____, 2009; and

4. Service of this Order to Show Cause shall be effectuated by the Receiver on proposed contemnor Janis Pukke by: (a) service of this Order on his counsel Robinson Brog Leinwand Greene Genovese & Gluck P.C. by overnight mail service for receipt by no later than _____, 2009; and (b) personal service upon Janis Pukke effectuated prior to the hearing on this Order to Show Cause.

Dated:

PETER J. MESSITTE
United States District Judge