

EXHIBIT B

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July 27, 1995

David O. Bailey
Federal Bureau of Investigation
212 North Wahsatch Ave., Suite 305
Colorado Springs, Colorado 80903

Re: The El Paso County Pension Fund Property Activity / El Paso County DA's Investigation

Dear Mr. Bailey;

As per your request, the following is a typed account of the content of a conversation that took place on September 27, 1994 between myself and David Zook, the El Paso County Assistant District Attorney. Mr. Zook along with his special investigator, John Kramer were assigned to a criminal investigation regarding certain real estate transactions and business records of The El Paso County Pension Fund and its contractor service agents and their principals. The contractors and their principals are as follows:

Alliance Partners, Inc., d/b/a/ Re/Max Commercial Properties, Inc., Paragon Management Co. Inc., d/b/a/ Paragon Management Company, Paragon Properties, Colorado Commercial Contractors, Inc. and their respective principals; Douglas A. Dragoo, Russell Roehrkasse and Edwin Hume.

The basis of the conversation was focused upon providing the DA with the location of information within the offices of the above named contractors and their principals and through specific individuals doing business within or by contract with these organizations to expose potential criminal activity. The moneys referenced in this examination were in all cases being funded directly from the Pension Fund into the hands of the above named companies and individuals who have since been found to be in a profit sharing arrangement relating to these specific contracts and accounts through the Pension Fund administrator Mr. Michael Witty. Mr. Witty has since resigned from the Fund and is now being investigated for considerable alleged personal expense violations during his time as Administrator of the Fund. The following are thirteen primary points communicated to David Zook and recorded in my business diary based upon where verified information regarding possible improprieties and criminal activity could be obtained for this investigation, provided the DA's office moved quickly:

- 1) The examination of all commission invoices submitted to the Pension fund for payment on all tenant lease transactions for the properties known as the Village Market Place and the Landing Shopping Center. Such invoices were submitted from Paragon Management Company and or Remax commercial Properties. (Information received since this conversation would indicate that at least two additional entities under the names Sierra Equities and Paragon Properties should also be examined.)
- 2) Colorado Commercial Contractor's bank account should be examined for the construction draw submittals and deposits before, during and after the invoiced draws dated June 6, 1994 and June 16, 1994 in the amounts of \$35,416.40 and \$15,114.52 respectively. Also check for any maintenance deposits or withdrawals. Find out where the money went during the following approximately two week period when, to my knowledge, no legitimate expenses or withdrawals were authorized, yet no money was in the accounts.
- 3) Check the invoices submitted to the Fund for all common area maintenance (CAM), taxes and property insurance expenses for the Landing and Village Market Place and all other properties being serviced for the Fund from Paragon Management Company's records. From my direct information and observation these expenses were being billed for as much as double the amounts contracted for or justified. In some cases services were being billed that may not have been performed at all. In a specific incident a tenant at the Landing, Chuck Kellog of Jet Way Liquors, complained that when he sent an asphalt contractor to Paragon Management Company to submit a proposal, he was told that the only way he could be hired is if he would be willing to kick back money to Ed Hume, the President of Paragon, under the table. (I also provided Mr. Zook with Mr. Kellog's telephone number and a list of all of Paragon's maintenance contractors to verify the specific incident referenced and check for other possible illegal activity.)
- 4) Conduct interviews with all of the tenants of the properties being serviced for the Fund with a special emphasis upon the Landing and Village Market regarding the quality and or the existence of services being performed with a special emphasis on the amounts being billed for same.
- 5) Conduct interviews with all maintenance and subcontractor companies doing business with Paragon and Colorado Commercial Contractors to determine the extent of kick backs and or other improprieties including, but not limited to, unreported thefts of major amounts of construction materials, equipment and tools taken from secured storage areas and or job sites with no apparent evidence of forced entry.
- 6) Conduct an overall visual inspection of the Pension Fund properties herein referenced for the clear evidence of neglect and or deferred maintenance. Special attention should be given to those areas that directly affect the properties marketing image and or the tenants functional ability to conduct business (ie: parking lot condition, HVAC, roof integrity, lighting, etc.). Such information should be compared to the fact that the expenses being charged for such maintenance and upkeep is being billed at over twice the market average when the tenants have generally

complained that such services are nearly non-existent. Also with the occupancy at less than 50% during the period in question, these services and expenses were being substantially funded directly by the Pension Fund.

7) Conduct an audit for financial leaks in the billing system to the tenants that may be deliberate or a direct result of negligence. Examples already found and noted are as follows:

a) The tenant known as SS Sub having their utilities paid by the property subsidized by the Fund when the lease contract clearly states that the tenant is required to contract and pay for its utilities directly.

b) The tenant known as Mike's and other tenants having their trash removal paid by the property subsidized by the Fund with leases that clearly denote such expense as the tenants responsibility.

8) Conduct an audit for all subcontractor services performed directly by Colorado Commercial Contractors and their affiliate maintenance group for improprieties such as overcharging and billing for work never completed. (ie: billing basic labor for parking lot and grounds clean-up at \$15.00 per hour, a rate nearly 3 times the market when work in some cases was reported by the tenants as non-existent.)

9) Conduct interviews with two former seasoned property managers of Paragon Management who left the organization during the period in question. One former manager will have direct information on the highly questionable business practices of the firm with a special emphasis on invoices presented to the Fund for payment that were either highly inflated or for non-existent materials and services.

10) Conduct an interview with Pastor John Woods, a new tenant at the Landing during the period in question, and a participant with me in reporting the suspected improprieties and criminal wrong doings of the above organizations and individuals in question on September 9, 1995 to the DA. Discuss the specifics of the lease agreement with respect to moneys funded, checks bounced, broken promises and the overall effect of a total breach of contract that dramatically effected the loss of over \$100,000 of the Pension Funds money and the financial ruin of Pastor Wood's church and business. Also conduct similar interviews with the principals of two other businesses who signed leases during the period in question with substantially the same or similar results as the Wood's deal with proportionate amounts of financial losses incurred to the tenants and the Fund.

11) Conduct interviews with the contractors and agents involved in-house as to the degree of incentives and payment plans that were offered, utilizing the Funds properties without the authority or authorization of the Fund, in order to bribe and or bait and switch with these contractors and agents creating excessive expense and or potential legal liability for the Fund.

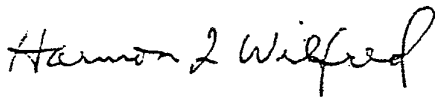
12) Enquire with the Pension Fund Administrator, Michael Witry, as to why the companies in question have continued to service the Fund's properties, control bank accounts, and disperse hundreds of thousands of dollars of funds monthly, in light of his full knowledge of the alleged improprieties and criminal activity reported to his office on the morning of September 9, 1994. (These companies have continued to operate and control the properties in question on behalf of the Fund without interruption through the so called DA's investigation and up to the present date.)

13) Answer the question ; Why is the DA's office not being more receptive to involving me, and answering my phone calls to offer further information and assistance as one who not only reported this situation in the first place but have the in depth information readily available to locate and investigate this situation with considerable efficiency.

The answer to the Question in #13 has become obvious since the so called two month investigation came and went last year. By checking with the tenants, contractors and other individuals mentioned in this letter, I can confidently report to the Federal Bureau of Investigation at this time that no investigation ever took place. This entire situation appears to involve a cover up involving at least Re/Max, Paragon, Colorado Commercial, Douglas Drago, Russell Roherkasse, Edwin Hume, Mike Witry, the DA's office and other elected officials including Pension Fund Board members and possibly even the County Treasurer's office.

I trust that the FBI will utilize this information to conduct its own investigation of these matters. Thank you for your prompt attention this situation. I am available to help in any way I can.

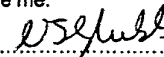
Sincerely,



Harmon L. Wilfred

EXHIBIT NOTE

This is the annexure marked "B" referred to in the within affidavit of HARMON LYNN WILFRED and sworn at Christchurch this 24th day of February 2006 before me:


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A Solicitor of the High Court of New Zealand
(Solicitor to sign in part on Exhibit)

Christina Jane Glubb
Solicitor
Christchurch