

BEFORE THE COLORADO BANKING BOARD

STATE OF COLORADO

Case No. BA-07-0002

ORDER FOR INVOLUNTARY LIQUIDATION WITHOUT PRIOR NOTICE OR OPPORTUNITY FOR HEARING.

NOTICE AND ORDER FOR POSSESSION OF THE PREMISES, BANK ACCOUNTS, CASH, REAL AND PERSONAL PROPERTY, AND ALL CUSTOMER DEPOSITS AND FIDUCIARY ACCOUNTS OF AMERICAN INTERCAPITAL HOLDING, LLC, d/b/a AMERICAN INTERCAPITAL DEPOSITORY & TRUST.

IN THE MATTER OF AMERICAN INTERCAPITAL HOLDING, LLC, d/b/a AMERICAN INTERCAPITAL DEPOSITORY & TRUST.

This matter came before the Colorado Banking Board (“the Board”) at its November 19, 2007, emergency Board Meeting. At said emergency meeting, pursuant to C.R.S. 11-103-802(3)(b), it ordered the Commissioner of Banking (“the Commissioner”) to institute emergency involuntary liquidation procedures against American Intercapital Holding, LLC, d/b/a American Intercapital Depository & Trust (“AIDT”). As more fully set forth below, the general untrustworthiness of AIDT's officers and managers, AIDT's current lack of a President, AIDT's prior violations of the Foreign Capital Depository Act, AIDT's violations of its written agreement with the Commissioner, AIDT's continued operation in an unsafe and unsound manner, and its hopelessly insolvent condition, all require that the Commissioner immediately take possession and control of AIDT's remaining assets to prevent their dissipation, and to involuntarily liquidate AIDT to secure the maximum repayment to depositors.

Jurisdictional Allegations

1. At all times relevant hereto AIDT has been chartered by the Colorado Banking Board as a foreign capital depository pursuant to Foreign Capital Depository Act, article 37.5, Title 11, C.R.S.
2. The Colorado Division of Banking (“the Division”) has jurisdiction over AIDT.
3. Pursuant to C.R.S. 11-37.5-104, all provisions of the Colorado Banking Code apply to foreign capital depositories.

4. Pursuant to C.R.S. 11-103-802(3)(b), if, in the opinion of the Board, an emergency exists that may result in serious losses to the depositors, it may take possession of a foreign capital depository without notice or hearing.

Board Findings of Fact

5. On or about July 20, 2007, the Division and AIDT entered into a Stipulation to Vacate and Reset Hearing in Office of Administrative Courts case no. BA-06-0001.

6. Paragraph 6 of the Stipulation required AIDT to hold all new customer deposits in cash or liquid accounts, or which are offset by additional liquid assets of AIDT.

7. On November 9, 2007, AIDT held approximately \$4 million in deposits and \$120 million in fiduciary assets belonging to a qualified depositor.

8. No later than November 9, 2007, the depositor demanded AIDT to return the depositor's \$4 million deposit and \$120 million in fiduciary assets.

9. As of November 16, 2007 AIDT had failed or refused to return the depositor's \$4 million deposit and \$120 million in fiduciary assets.

10. Based on findings of fact set forth in paragraphs 5 – 9 above, on November 19, 2007, the Commissioner entered Order #BA-07-0001, which ordered AIDT to:

- a. Return all customer deposits and customer fiduciary accounts.
- b. Cease and desist from taking new customer deposits and fiduciary accounts.
- c. Cease and desist from transacting any foreign capital depository business except as may be necessary to return all customer accounts and fiduciary deposits and to report such returns to the Commissioner.

11. On or about November 15, 2007, AIDT submitted its financial report as of October 31, 2007 to the Division. A summary prepared by the Division of the relevant portions of AIDT's October 31, 2007, financial report, with the Division's findings, is attached as Exhibit 1.

12. AIDT's financial report as of October 31, 2007 shows that AIDT:
- a. Has a liquidity deficiency of approximately \$6.9 million.
 - c. Cannot pay depositors on demand.
 - d. Failed to maintain liquid assets equal to customer deposits as required by the Stipulation to Vacate and Continue Hearing.
 - e. Failed to maintain the additional \$2 million in liquid core capital required by the May 5, 2006 Stipulation to Maintain Adequate Capital and Liquid Assets between the Division and AIDT
13. Based on the foregoing, the Board finds that:
- a. AIDT's capital is inadequate. AIDT is in fact insolvent and its depositors are at great risk of losing most or all of their deposits.
 - b. AIDT is operating in an unsafe and unsound condition and manner.
 - c. AIDT is unable to continue normal operations.
 - d. AIDT has violated numerous agreements with the Commissioner.
 - e. There is no reasonable likelihood that AIDT's officers and board of managers can rehabilitate the company or operate in a safe and sound manner.

Conclusions of Law

14. Base upon the foregoing finding of fact, the State Banking Board finds that, pursuant to C.R.S. 11-103-802(1)(a), American Intercapital Holding, LLC, d/b/a American Intercapital Depository & Trust, should be involuntarily liquidated.
15. Based on the facts of this case, pursuant to C.R.S. 11-103-802(3)(b), the Board finds that an emergency exists and that it should take immediate possession of AIDT and appoint a liquidator without prior notice or opportunity for hearing.

Order Placing American Intercapital Holding, LLC, d/b/a American Intercapital Depository & Trust, into Immediate Involuntary Liquidation

16. The Colorado Banking Board enters the following orders:

a. **Ordered** that pursuant to C.R.S. 11-103-802(3)(b), American Intercapital Holding, LLC, d/b/a American Intercapital Depository & Trust, is placed into immediate involuntary liquidation without prior notice or opportunity for hearing.

b. **Ordered** that the Commissioner of Banking, as agent for the Board, is appointed liquidator for American Intercapital Holding, LLC, d/b/a American Intercapital Depository & Trust. Pursuant to C.R.S. 11-103-802(d), the Commissioner, with the Board's approval, shall obtain a surety bond in sufficient amount. Said surety bond shall be paid for from the assets of AIDT.

c. **Ordered** that the Commissioner may appoint a deputy receiver, and employ such accountants, attorneys, and other professionals as he deems appropriate. Pursuant to C.R.S. 11-103-802(6), all costs associated with the liquidation shall be paid for from the assets of AIDT.

d. **Ordered** that the Commissioner, or the deputy receiver, shall have all powers to operate or liquidate AIDT consistent with the Foreign Capital Depository Act, art. 37.5, Title 11, C.R.S., and the Colorado Banking Code, articles 101 to 109, Title 11, C.R.S.

e. **Ordered** that the Commissioner shall post this Order for Involuntary Liquidation on the premises of AIDT.

Order for Immediate Possession of AIDT's Premises, Bank Account, Cash, Real and Personal Property, and all Customer Deposits and Fiduciary Accounts

17. Pursuant to C.R.S. 11-103-802(2)(a), the Colorado Banking Board orders as follows:

a. **Ordered** that the Commissioner, or the deputy receiver, shall take immediate possession of AIDT's premises, bank accounts, cash, real and personal property, and customer deposits and fiduciary accounts, and all other property of AIDT, wherever located.

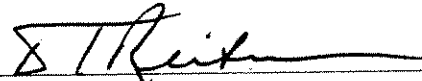
b. **Ordered** that the Commissioner, or the deputy receiver, shall immediately post a copy of this Notice and Order for Possession at the offices of AIDT, and shall promptly file a copy of this Order for Involuntary Liquidation and Notice and Order for Possession with the District Court for the City and County of Denver, Colorado.

Notice of Right to Apply for Rescission of Order

18. Pursuant to C.R.S. 11-103-802(3)(b), within 10 days of the date of the Board's emergency determination, AIDT may file an application with the Banking Board to rescind its determination. If AIDT fails to timely file its application, all actions by the Banking Board shall be final.

Dated November 19, 2007.

COLORADO BANKING BOARD



D. Terry Reitan
Acting Chair
State Banking Board

State of Colorado

American Intercapital Depository Trust
Schedule of Liquid Assets Available to Pay Depositors
October 31, 2007

Description	Ref.	AIDT	AIDT Consolidated
Total Liquid Assets	1	\$ 2,980,007	\$ 10,669,372
Less			
Mission Management & Trust	2	\$ (895,883)	\$ (895,883)
Cash in Fortis Bank	3	\$ (1,500,000)	\$ (1,500,000)
Stock in CBOT	4	\$ -	\$ (4,140,887)
Brokerage Accounts	5		\$ (597,101)
Adjusted Liquid Assets		\$ 584,124	\$ 3,535,501
AIDT Customer Deposits	1-7	\$ 6,626,907	\$ 6,626,907
Liquidity Deficiency - Adjusted		\$ (6,042,783)	\$ (3,091,406)
Other Liquidity Concerns			
Elite Trading Cash Balances	6		\$ (2,944,080)
Estimated Liquidity Deficiency		\$ (6,042,783)	\$ (6,035,486)
Indicated payout per dollar of deposit		\$ 0.09	\$ 0.09

Ref.

- 1 Monthly Financial Statements as of October 31, 2007 - filed with the Division 11/15/07
- 2 Cash balance in AIDT #0001 held at Mission Management and Trust. The representative of the depositor alleges that all funds in the Mission custodial account belong to his client.
- 3 Deposit in Belgium bank as basis for subscription receivable. Supporting documents provided to examiners consists only of statements by Jerry James and others as to the existence and ownership of the account.
- 4 Reported Market Value of Chicago Board of Trade stock held by Elite Trading. Operating Agreement indicate that this is a "founders asset" and cannot be liquidated by AIDT
- 5 Accounts reported by Elite Trading as brokerage accounts are likely restricted deposits
- 6 Operating Agreement with Elite Trading and disclaimer on AIDT financial statements appear to indicate that AIDT does not have access to these funds.
- 7 Reported customer deposits (\$7,522,790) net of Mission Management cash which is included on AIDT financials as a deposit.

American Intercapital Depository Trust
Schedule of Adjusted Equity
October 31, 2007

Description	Ref.	AIDT	AIDT Consolidated
Total Assets	1	\$ 14,164,203	\$ 21,030,070
Less			
Mission Management & Trust	2	\$ (895,883)	\$ (895,883)
Cash in Fortis Bank	3	\$ (1,500,000)	\$ (1,500,000)
American Intercapital Invest.	4	\$ (7,177,311)	\$ (7,177,311)
Epoch Settlement Payments	5	\$ (700,000)	\$ (700,000)
Adjusted Total Assets		\$ 3,891,009	\$ 10,756,876
Liabilities			
AIDT Customer Deposits	1-10	\$ 6,626,907	\$ 6,626,907
Other Liabilities	1	\$ 224,623	\$ 2,651,273
Total Liabilities	1-11	\$ 6,851,530	\$ 9,278,180
Adjusted Equity		\$ (2,960,520)	\$ 1,478,696
Other Questionable Assets			
Advances and Loans	6	\$ 262,400	\$ 262,400
Dubai Deposit	7	\$ 84,794	\$ 84,794
Fee Receivable	8	\$ 1,251,376	\$ 1,251,376
Charter	9	\$ 96,000	\$ 96,000
Total		\$ 1,694,570	\$ 1,694,570
Estimated Insolvency of AIDT		\$ (4,655,091)	\$ (215,875)

Ref.

- 1 Monthly Financial Statements as of October 31, 2007 - filed with the Division 11/15/07
- 2 Cash balance in AIDT #0001 held at Mission Management and Trust. The representative of the depositor alleges that all funds in the Mission custodial account belong to his client.
- 3 Deposit in Belgium bank as basis for subscription receivable. Supporting documents provided to examiners consists only of statements by Jerry James and others as to the existence and ownership of the account.
- 4 Partnership contribution consisting of receivables on lot sales in a development in Islamabad Pakistan. Management provided a Pakistani audit, but there are no appraisals or other valuations to support the amount.
- 5 Pursuant to the terms of a settlement agreement between AIDT and the creditors of Epoch Investments, AIDT is obligated to make payments in 2008 amounting to \$700,000. Management has not established a contingency reserve for this amount.
- 6 Amount consists of loans and advances to employees and managers
- 7 Deposit on office facility in Dubai
- 8 Account management fees that were recorded in September, but refuted by depositor
- 9 Franchise value based on amount of application fee paid in 2003
- 10 Reported customer deposits (\$7,522,790) net of Mission Management cash which is included on AIDT financials as a deposit.
- 11 Reported total liabilities net of Mission Management cash

BEFORE THE COLORADO BANKING BOARD

STATE OF COLORADO

Case No. BA-07-0002

ORDER APPOINTING PHILIP FEIGIN AS DEPUTY RECEIVER AND DEPUTY LIQUIDATOR

IN THE MATTER OF AMERICAN INTERNATIONAL HOLDING, LLC, d/b/a
AMERICAN INTERCAPITAL DEPOSITORY & TRUST.

General Allegations

1. On November 19, 2007, the Colorado Banking Board ("the Board") entered its Order for Involuntary Liquidation of American Intercapital Holding, LLC, d/b/a/ American Intercapital Depository & Trust ("AIDT").
2. Pursuant to paragraphs 16(b) & (c) of its November 19 Order, the Board appointed the Commissioner of Banking as Liquidator for AIDT, and authorized the Commissioner to appoint a Deputy Receiver to conduct the liquidation of AIDT.

ORDER APPOINTING PHILIP FEIGIN AS DEPUTY RECEIVER AND DEPUTY LIQUIDATOR

3. Effective immediately upon the execution of this Order, the Commissioner:
 - a. Appoints Philip Feigin, Esq., as Deputy Receiver and Deputy Liquidator ("Deputy Receiver") of AIDT.
 - b. Orders the Deputy Receiver to take possession and control of the business and assets of AIDT, including all of AIDT's premises, bank accounts, cash, customer deposits, fiduciary accounts, contracts, rights of action, books, records, electronic data, and all other real or personal property of AIDT, of whatever type and wherever located and administer them under the general supervision of the Colorado Banking Board in accordance with Colo. Rev. Stat. § 11-103-801 *et seq.*.
 - c. Retains the law firm Rothgerber Johnson & Lyons LLP to serve as legal counsel on behalf of the Commissioner and the Deputy Receiver in these proceedings and matters related thereto.

4. Subject to the Commissioner's oversight and approval and to the jurisdiction of the Colorado Banking Board, the Deputy Receiver for AIDT shall have all the powers of the members, directors, officers and committees of AIDT. The Deputy Receiver is authorized to operate AIDT in its own name, to conserve AIDT's assets, to conduct and liquidate AIDT's business, to occupy AIDT's office space, and to hire professionals to assist him in these proceedings conduct of the sale, rehabilitation, or liquidation of AIDT. The Deputy Receiver's powers include the power to acquire, hypothecate, encumber, lease, improve, sell, transfer, abandon, or otherwise dispose of or deal with, any property of AIDT at its market value or upon such terms and conditions as are fair and reasonable. The Deputy Receiver shall have the power to execute, acknowledge, and deliver any and all deeds, assignments, releases and other instruments necessary or proper to effectuate any sale of property or other transaction in connection with the liquidation of AIDT. In addition to those powers expressly enumerated herein, the Deputy Receiver shall have power to take any actions necessary to carry out the orders of the Colorado Banking Commission and the Direction of the Colorado Commissioner of Banking in accordance with Colo. Rev. Stat. § 11-3-801 *et seq.*, including but not limited to entering into such contracts as are necessary to carry out the order to liquidate AIDT. All actions taken by the Deputy Receiver with respect to the liquidation of AIDT shall be considered the actions of the Commissioner pursuant to his appointment as Receiver by the Colorado Banking Board.

5. The Deputy Receiver's powers shall include taking all steps necessary to accomplish a sale of AIDT should a qualified buyer be found.

6. The Officers and Board of Managers of AIDT, and any officer, manager, director, trustee, owner, employee or agent of AIDT shall cooperate with the Deputy Receiver in this proceeding, related proceedings and investigations and shall cease immediately all activity on behalf of AIDT, except as specifically authorized in advance by the Deputy Receiver.

7. AIDT's Board of Managers, officers, employees and agents, shall preserve and protect all of its books, records, accounts, documents, electronic data, attorney work product, assets and property, both real and personal, of every description.

8. AIDT's Board of Managers, officers, employees and agents, shall deliver to the Deputy Receiver all of its books, records, accounts, documents, electronic data, attorney work product, assets and property, both real and personal, of every description, including but not limited to computers, computer management systems, digital files and computer security and access codes, upon demand.

9. All persons, including but not limited to, banks and asset managers, landlords and building management, service providers and other vendors, receiving notice of the Order for Involuntary Liquidation and Notice and Order for Possession of Premises, shall cooperate with the Deputy Receiver and shall assist the Deputy Receiver to transfer all of AIDT's real and personal property to his possession and control. No person shall obstruct or interfere with the Deputy Receiver in the conduct of this proceeding or any proceeding or investigation related thereto.

10. All costs incident to the liquidation shall be paid from the assets of AIDT.

Dated November 20, 2007

COLORADO DIVISION OF BANKING



RICHARD FULKERSON

Commissioner of Banking in his capacity
as Liquidator for AIDT.

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Legal Counsel (00477967-2).DOC