

1 STIPULATED STATEMENT OF FACTS

2 I. BACKGROUND

3 From at least October 1999, through at least May 2001,  
4 DANIEL W. JACOBS resided in Burbank, California and offered  
5 business consulting services, individually, or through the  
6 entities, D.W. Jacobs & Associates, Inc. or Corporate  
7 Development International. During at least the same time frame,  
8 Reed E. Slatkin ("Slatkin") resided in Santa Barbara County,  
9 California, portrayed himself as an investment adviser and money  
0 manager and accepted funds from individuals for the stated  
1 purpose of investing these funds in securities and other  
2 investments. Slatkin was not registered as an investment adviser  
3 with the Securities and Exchange Commission ("SEC").

4 From approximately 1986 until May 2001, Slatkin obtained  
5 over \$593 million from approximately 800 investor accounts.  
6 Slatkin, with the assistance of others, promoted himself as a  
7 successful financial adviser and provided his investors with  
8 account statements which purported to document a consistent  
9 record of achieving above-market returns on their investments.  
10 From approximately 1988 until May 2001, JACOBS provided Slatkin  
11 with, among other things, business consulting services.

12 II. THE CONSPIRACY TO OBSTRUCT JUSTICE

13 In or about November 1999, the SEC initiated a formal  
14 investigation of Slatkin's investment activities. On or about  
15 December 13, 1999, the SEC issued a subpoena requiring Slatkin to  
16 testify under oath before the SEC and to identify and provide  
17 various documents including account statements for all of his  
18 investors.

Admission of concealing hundreds of millions of dollars- where there actually some dollars that he concealed?

1 Beginning in or about October 1999, and continuing until in  
2 or about May 2001, in the Central District of California and  
3 elsewhere, JACOBS, Slatkin, and others knowingly and unlawfully  
4 conspired and agreed to obstruct the SEC's investigation of  
5 Slatkin's activities and to conceal the whereabouts of the  
6 hundreds of millions of dollars Slatkin had raised from  
7 investors.

8 More specifically, Slatkin fabricated an entity known as  
9 "NAA Financial" (hereinafter "NAA") which, he informed the SEC,  
10 was a legitimate Swiss brokerage company that held hundreds of  
11 millions of dollars of investor funds. Slatkin also concocted  
12 various stories to explain to the SEC why investor funds  
13 purportedly being held by NAA could not be withdrawn. Among  
14 other stories, Slatkin claimed that another fabricated European  
15 entity, Romulus Investment Trust ("RIT"), controlled NAA assets  
16 and refused to allow the release of the investor funds in the  
17 purported NAA accounts.

18 Slatkin enlisted the assistance of JACOBS and others to  
19 obstruct the SEC's investigation and to conceal the whereabouts  
20 of hundreds of millions of dollars Slatkin had raised from  
21 investors.

22 JACOBS, Slatkin and others caused the SEC to be provided  
23 with documentation that maintained the fictions that NAA really  
24 existed, that it was a legitimate brokerage company, that  
25 investor funds were held overseas in one or more NAA accounts,  
26 that RIT existed, and that there were legitimate reasons why the  
27 investor funds could not be withdrawn. JACOBS encouraged the  
28 participation of, paid, and acted as a liaison with an unindicted

1 co-conspirator in Europe who, among other things, pretended to be  
2 "Michel Axiall," a representative of NAA, and assisted defendant  
3 JACOBS and co-conspirator Slatkin in convincing the SEC that NAA  
4 was a legitimate European brokerage company in which Slatkin held  
5 investor funds. JACOBS also signed fabricated NAA correspondence  
6 as "Michel Axiall" and pretended to be Charles Thibodeau, a  
7 representative of RIT, in order to convince the SEC that hundreds  
8 of millions of dollars of investor funds were held overseas and  
9 that there were legitimate reasons why the funds could not be  
10 released. Moreover, JACOBS helped to prepare co-conspirator  
11 Slatkin to testify falsely before the SEC by reviewing the  
12 details of the concocted NAA story with Slatkin prior to the  
13 testimony.

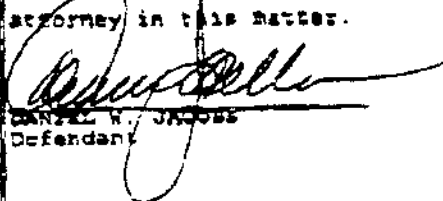
14 JACOBS, Slatkin, and others committed and caused the  
15 commission of numerous acts within the Central District of  
16 California and elsewhere, including, but not limited to the  
17 following: (1) In or about October 1999, JACOBS agreed to  
18 assist Slatkin in deceiving the SEC into believing that investor  
19 funds were held at NAA, an entity JACOBS knew to be fictitious;  
20 (2) In or about November 1999, JACOBS introduced an unindicted  
21 co-conspirator in Europe to Slatkin and encouraged the unindicted  
22 co-conspirator to assist Slatkin and him in convincing the SEC  
23 that NAA was a legitimate European brokerage company in which  
24 Slatkin held investor funds; (3) In or about December 1999,  
25 JACOBS and an unindicted co-conspirator set up false European  
26 telephone numbers for NAA; (4) In or about January 2000, JACOBS  
27 purchased European-style NAA letterhead stationery in Europe,  
28 transported it to Santa Barbara, California, and provided it to

1 Slatkin; (5) On an unknown date, JACOBS altered a facsimile  
2 machine at his residence so that recipients of documents sent  
3 from the machine would see a header which reflected the name NAA  
4 and a European facsimile number; (6) Between on or about January  
5 19, 2000 and in or about April 2000, JACOBS, Slatkin, and others  
6 caused the SEC to be provided with false documentation regarding  
7 NAA, including fabricated correspondence and account statements  
8 on NAA letterhead; (7) On or about January 21, 2000, Slatkin  
9 falsely testified under oath during a deposition before the SEC  
10 that NAA was an established investment firm located in Zurich,  
11 Switzerland and that as of March 31, 1999, he had been holding  
12 over \$217 million in investor funds in an account with NAA; (8)  
13 On or about February 2, 2000, JACOBS and an unindicted co-  
14 conspirator fabricated a letter on NAA letterhead reflecting that  
15 Slatkin had an account with NAA through which assets were being  
16 held in five different European banks; (9) On or about the same  
17 date, Slatkin falsely testified under oath during a deposition  
18 before the SEC that he was holding over \$300 million in personal  
19 and investor funds in two managed accounts with NAA; (10) On or  
20 about May 15, 2000, JACOBS and an unindicted co-conspirator  
21 caused the SEC to be advised that NAA's delay in providing  
22 detailed information regarding co-conspirator Slatkin's NAA  
23 accounts was due to the conduct of another entity, RIT, which  
24 controlled the accounts; (11) On or about August 5, 2000, JACOBS,  
25 using the name Charles Thibodeau, caused the SEC to be advised  
26 that RIT was transferring Slatkin's funds to a new NAA account in  
27 a Swiss bank; (12) Between on or about September 11, 2000 and on  
28 or about October 6, 2000, JACOBS, using the name Charles

1 Thibodeau, fabricated bank records and correspondence which  
2 reflected that over \$400 million had been wire-transferred into  
3 purported Swiss accounts held for the benefit of Slatkin; (13)  
4 Between in or about September 2000 and in or about October 2000,  
5 JACOBS caused the SEC to be falsely informed that over \$400  
6 million had been transferred into purported Swiss accounts held  
7 for the benefit of Slatkin; (14) On or about October 10, 2000, an  
8 unindicted co-conspirator, using the name Michel Axiall, caused  
9 the SEC to be falsely advised that European law enforcement  
10 authorities had begun a money laundering investigation into the  
11 purported Swiss accounts held for the benefit of co-conspirator  
12 Slatkin; (15) Between in or about November 1999 and in or about  
13 March 2001, JACOBS received payment of approximately \$1 million  
14 plus a quantity of gold coins from Slatkin for JACOBS'  
15 participation in the obstruction of the SEC's investigation; (16)  
16 Between in or about December 1999 and in or about March 2001,  
17 JACOBS paid over \$550,000 and a quantity of gold coins to an  
18 unindicted co-conspirator in Europe; (17) On an unknown date  
19 after October 1999, JACOBS created backdated invoices and other  
20 documents to make it appear that the monies paid to him by  
21 Slatkin were for legitimate services provided before the SEC's  
22 investigation commenced, when in fact they were in large part for  
23 JACOBS' participation in the plan to obstruct the SEC  
24 investigation; and (18) In or about March 2001, JACOBS shredded  
25 portions of Slatkin's NAA files which exposed JACOBS' role in the  
26 conspiracy in an effort to conceal those records from the SEC and  
27 law enforcement authorities.

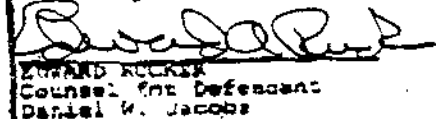
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1 I have read this agreement and carefully discussed every  
 2 part of it with my attorney. I understand the terms of this  
 3 agreement, and I voluntarily agree to those terms. My attorney  
 4 has advised me of my rights, of possible defenses, of the  
 5 Sentencing Guideline provisions, and of the consequences of  
 6 entering into this agreement. No promises or inducements have  
 7 been made to me other than those contained in this agreement. No  
 8 one has threatened or forced me in any way to enter into this  
 9 agreement. Finally, I am satisfied with the representation of my  
 10 attorney in this matter.

11   
 12 DANIEL W. JACOBS  
 13 Defendant

14 10 Oct 2002  
 15 Date

16 I am Daniel W. Jacobs' attorney. I have carefully discussed  
 17 every part of this agreement with my client. Further, I have  
 18 fully advised my client of his rights, of possible defenses, of  
 19 the Sentencing Guideline provisions, and of the consequences of  
 20 entering into this agreement. To my knowledge, my client's  
 21 decision to enter into this agreement is an informed and  
 22 voluntary one.

23   
 24 EDWARD RUCKA  
 25 Counsel for Defendant  
 26 Daniel W. Jacobs

27 10-10-02  
 28 Date