

John S. Pierce (074908)
Michael D. Haupt (197093)
Dawn N. Valentine (206486)
BARGER & WOLEN LLP
650 California Street, 9th Floor
San Francisco, California 94108
Telephone: (415) 434-2800
Facsimile: (415) 434-2533

Attorneys for Plaintiff
VESTA FIRE INSURANCE CORP.

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA**

VESTA FIRE INSURANCE CORP.,

Plaintiff,

vs.

INSURANCE VENTURES, INC.; PAUL
McNEESE ROESER; ROLAND CLARK
COLTON; STEPHANIE FRANCIS SMITH;
CARL FRANK; LAW OFFICE OF COLTON
& ROESSER; DOES 1 THROUGH 10,

Defendants.

CASE NO.: S-04-0296 FCD PAN

**DECLARATION OF JOHN S. PIERCE IN
SUPPORT OF PLAINTIFF'S
OPPOSITION TO DEFENDANTS'
MOTION FOR A PROTECTIVE ORDER,
OR IN THE ALTERNATIVE, MOTION
TO QUASH THE SUBPOENA DIRECTED
TO THE CALIFORNIA DEPARTMENT
OF INSURANCE**

Date: January 19, 2005
Time: 9:00 a.m.
Courtroom: 8-200
Judge: Hon. Peter A. Nowinski

DECLARATION OF JOHN S. PIERCE IN SUPPORT OF PLAINTIFF'S OPPOSITION
TO DEFENDANTS' MOTION TO QUASH DOI SUBPOENA

1
2 I, John S. Pierce, declare as follows:

3 1. I am an attorney licensed to practice before this Court and am a partner with Barger
4 & Wolen LLP, counsel of record for plaintiff Vesta Fire Insurance Corporation. Except as alleged
5 on information and belief the following facts are within my personal knowledge and, if called on to
6 testify, I could and would testify competently thereto.

7 2. Based on information and belief, on November 8, 2004, the San Diego Superior
8 Court issued a search warrant for the records of Insurance Ventures and its attorneys, Colton &
9 Roesser. The warrant was based on the sworn affidavit of Bernadine Spivey, a senior investigator
10 with the California Department of Insurance who had been assigned to the criminal investigation of
11 Insurance Ventures and its affiliation with Roland Colton, Paul Roesser and the Law Offices of
12 Colton & Roesser. A true and correct copy of the search warrant and supporting affidavit of Ms.
13 Spivey is attached hereto as Exhibit A.

14 3. Based on information and belief, the search warrant was executed on November 10,
15 2004. A total of 18 boxes of documents were seized from the Offices of Insurance Ventures and
16 Colton & Roesser. Based on my review of the "Receipt and Inventory" of the items seized in
17 connection with the search warrant, it appears that many of the documents seized are relevant to
18 Vesta's claims in this matter and are responsive to requests for production of documents served on
19 Defendants. It further appears that these documents have not been produced to Vesta in discovery.

20 4. Despite numerous requests by Vesta, Insurance Ventures has produced
21 approximately only 1,633 documents in this case. Insurance Ventures has liberally asserted
22 objections to numerous document requests and other written discovery on the basis of the attorney-
23 client privilege, work product doctrine and its purported "constitutional right to financial privacy"
24 and has refused to produce such documents.

25 5. To ensure that Vesta has obtained all relevant, non-privileged documents in the
26 possession of Insurance Ventures and Colton & Roesser, Vesta issued a subpoena to the Department
27 of Insurance on or about December 4, 2004 for all "non-privileged" documents obtained in
28

7. Vesta's subpoena served on the Department of Insurance seeks only those documents which are determined by the San Diego Superior Court to be non-privileged.

I declare under penalty of perjury under the laws of the United States and California, that the foregoing is true and correct.

Executed on January 5, 2005 at San Francisco, California.

_____/s/
JOHN S. PIERCE

SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN DIEGO
CENTRAL DIVISION

STATE OF CALIFORNIA) AFFIDAVIT FOR SEARCH WARRANT
(ss
COUNTY OF SAN DIEGO) NO. 30974

I, Bernadine Spivey, do on oath make complaint, say and depose the following on this 8th day of November 2004: that I have substantial probable cause to believe, and I do believe, that I have cause to search:

The business known as Insurance Ventures, Inc., also known as the Law Offices of Colton & Roesser located at 445 Marine View Avenue, Suite 105, Del Mar, further described as a multi-story office complex. The building is yellow-colored brick with brown wood siding. At the north entrance to the complex is a sign noting "445 Marine View Avenue." The building is located on the west side of Marine View Avenue. Suite 105 is located in the south west corner of the business complex. The front of the suite is glass with gold-colored numbers "105" displayed to both the right and left of the front door. See identifying picture below:



The areas to be searched shall include: all rooms, closets, attics, storage areas,

1 outbuildings, boxes, briefcases, desks, containers, cabinets, files, safes, trash areas,
2 attached or unattached structures, electronic storage and computers, and
3 surrounding grounds, as well as to search any and all vehicles owned by, registered
4 to, or in the possession of: Roland Clark Colton; Paul McNeece Roesser; and Carl
5 Douglas Frank for the following property to wit:

- 6 1. All Insurance Ventures, Inc. business records related in any way to the
7 sale or attempted sale of insurance policies, for the period January 1,
8 2003 through the present.
- 9 2. All Insurance Ventures, Inc. client insurance files, including but not
10 limited to: applications, binders, quotes, insurance policies, certificates
11 of coverage, and claims documents covering the period from January 1,
12 2003 through the present.
- 13 3. All Insurance Ventures, Inc. sales and commission records, sub-agent
14 agreements and commission statements including but not limited to
15 monthly billing statements from January 1, 2003 through the present.
- 16 4. All Insurance Ventures, Inc. financial records, including but not
17 limited to: check registers, cash disbursement journals, cash receipts
18 and journals, petty cash vouchers, wire transfers and records, bank
19 statements including personal accounting documents and business and
20 trust accounts, canceled checks, records of deposits and withdrawals
21 and check books covering the period from January 1, 2003 through the
22 present.
- 23 5. All financial records for Ronald Clark Colton, including but not
24 limited to: check registers, cash disbursement journals, cash receipts
25 and journals, petty cash vouchers, wire transfers and records, bank
statements including personal accounting documents and business and
trust accounts, canceled checks, records of deposits and withdrawals

1 and check books covering the period from January 1, 2003 through the
2 present.

3 6. All financial records for Paul McNeece Roesser, including but not
4 limited to: check registers, cash disbursement journals, cash receipts
5 and journals, petty cash vouchers, wire transfers and records, bank
6 statements including personal accounting documents and business and
7 trust accounts, canceled checks, records of deposits and withdrawals
8 and check books covering the period from January 1, 2003 through the
9 present.

10 7. All Insurance Ventures, Inc. business records relating to the
11 administration of the California homeowner's program with Equity
12 Insurance Managers, Inc. including but not limited to money transfer
13 directives, wire transfer requests, policy sales, policy cancellations,
14 premium receipts, and commission payments from January 1, 2003
15 through the present.

16 8. All Insurance Ventures, Inc. business records including but not limited
17 to: advertising and marketing information and materials, appointment
18 books and/or records and client lists covering the period from January
19 1, 2003 through the present.

20 9. Any and all telephone messages, storage receipts, correspondence,
21 memorandums, internal memos, billings, address books, rolodexes and
22 notes, including documents or items tending to show dominion and
23 control of said premises covering the period from January 1, 2003
24 through the present.

25 10. All electronic data-processing and storage devices, computers and
computer systems including central processing unit; internal and
peripherals storage devices such as a fixed disk, external hard drives,
floppy disk drives and diskettes, cables; documents, data drives and

1 tapes, CD-ROM drives and diskettes, optical storage devices warm
2 other memories storage devices; all peripheral input/output devices
3 such as keyboards, printers, video display monitors, optical readers,
4 drives; and relay communication devices such as modems; together
5 with backup media call, system documentation, software and
6 instructional manuals.

- 7 11. All of the above records, whether stored on paper, or magnetic media
8 such as tape, cassette, diskette or on memory storage devices such as
9 optical disks, programmable instruments such as telephones,
10 "electronic calendar and/or address books," personal communication
11 service (PCS) devices, or any other storage media, together with indicia
12 of use, ownership, possession, or control of such records.

13 AFFILIANT'S TRAINING AND EXPERIENCE

14 Your affiant is a Senior Investigator employed by the California Department of
15 Insurance, Investigation Division, San Diego Office for the past four years. Prior to
16 working for the California Department of Insurance, I was employed by the San Diego
17 County District Attorney's Office, Insurance Fraud Division, as a Supervising
18 Investigative Specialist. For the last 11 years, I have investigated numerous insurance
19 fraud cases, specifically insurance agent fraud, auto insurance fraud, and workers'
20 compensation applicant fraud and premium fraud. During that period of time, I have
21 attended numerous insurance fraud training classes for law enforcement, including the
22 California Department of Insurance Basic Investigator Course, the National Insurance
23 Crime Bureau Advanced Investigative Academy and the California District Attorneys
24 Association, Insurance Fraud Seminars.

25 I have also taught at the statewide California District Attorney's Association
Insurance Fraud Seminars and the California Department of Insurance Investigation
Division and Fraud Division Investigators Academy. Additionally, I have education,

1 training and over twelve years of job-related experience in the accounting field. I have
2 also supervised and trained California Department of Insurance Investigators and District
3 Attorney Investigative Specialists in the investigation of insurance fraud cases.

4 Your affiant has participated in the execution of numerous search warrants on
5 businesses for documents related to insurance and financial records. Based on your
6 affiants' training and experience, businesses will keep records concerning insurance
7 quotes and policies, premium payments on account by insureds and insurance transaction
8 records for years, and that records of this nature are often kept in computer systems. Title
9 10 of the California Code of Regulations, requires insurance agents and brokers to
10 maintain these and other records for a minimum of 5 years after the expiration or
11 cancellation date of the policy to which the records pertain.

12 Your affiant is also aware that these records may be protected either by computer
13 encryption or password. It is possible to "hide" computer files so that it does not appear
14 on the computer's directory without the use of a password or special software to make the
15 file readable again. Your affiant is aware that portions of erased or deleted computer-
16 generated documents and files may continue to reside on hard disks and floppy diskettes
17 and that access to this data may be done only through the use of special software.
18 Based on your affiant's training and experience, it may be necessary to seize all electronic
19 data-processing and storage devices, computers and computer systems including central
20 processing units; internal and peripheral storage devices such as fixed disks, external hard
21 drives, floppy disk drives and diskettes, cables; documents, data drives and tapes, CD-
22 ROM drives and diskettes, optical storage devices, other memory storage devices, all
23 peripheral input/output devices such as keyboards, printers, video display monitors,
24 optical readers, drives; any relay communication devices such as modems, together with
25 backup media, system documentation, software and instructional manuals.

26 Your affiant requests that computer forensic experts employed by the State of
27 California, Department of Insurance, or other California or Federal law enforcement

1 agency, be given access to the evidence including the computer system(s), diskettes, and
2 the cards and correspondence seized. That computer forensic specialist may then make
3 "mirror images" of the computer hard drive and diskettes, for forensic analysis.

4 After recovery of any hidden, deleted or erased data, the analyst will determine
5 which files, communications, or documents found in the system constitute evidence of the
6 offenses enumerated within; only those items will be copied and the copies retained in
7 evidence for further proceedings. The storage media upon which the duplicate original,
8 or "mirror image" is stored will be sealed and retained in evidence for later discovery and
9 trial purposes. None of the contents of the seized data-storage hardware or copies
10 thereof, other than data which may be required for prosecution, will be displayed to any
11 person other than the computer forensic analyst(s), prosecutor(s) or case agents, nor will
12 the contents otherwise be disclosed, used or copied.

13 Your affiant is aware that the location of seized objects with respect to others is of
14 evidentiary value, and that comparative locations are most accurately recorded
15 photographically. Your affiant requests that the court authorize the photographing, both
16 interior and exterior of each of the locations listed above.

17 During the course of my investigation, I have reviewed numerous documents,
18 records and reports and have conducted numerous interviews. Based on this information,
19 as well as my training and experience in the area of Insurance Fraud, I have learned the
20 following:

21 BACKGROUND

22 Insurance Ventures, Inc (hereinafter IV) is a licensed insurance agency in
23 California. In February 2004, a complaint was filed with the California Department of
24 Insurance (CDI) by attorneys for Vesta Fire Insurance Corporation (Vesta) regarding the
25

1 possible theft of insurance premium totaling \$2.6 million.

2 Insurance Code Section 1733 states that: All funds received by any person
3 acting as an insurance agent or broker, as premium or return premium on or under any
4 policy of insurance, are received and held by that person in his or her fiduciary capacity.
5 Any such person who diverts or appropriates those fiduciary funds to his or her own use
6 is guilty of theft and punishable for theft as provided by law.

7
8 On September 22, 2004, I interviewed James Watje, President and Chief Operating
9 Officer for California Select, regarding the insurance program established between his
10 company and IV. California Select is an affiliate of Vesta which entered into a
11 homeowner's insurance program with IV in October 2002. During the interview Watje
12 told me the following:

13
14 Watje met Carl Frank, President of IV and began discussing the possibility of
15 entering an agreement between Vesta & IV. Watje had heard that Explorer Insurance
16 Company (Explorer), a subsidiary of Insurance Company of the West (ICW), was
17 terminating their California homeowner's insurance program.

18 Frank and Watje began discussions to enter into a contract where IV would
19 become the General Agent for Vesta and its California homeowner's insurance program.
20 Several meetings and discussions were held where Watje learned that Stephanie Smith of
21 IV would be the underwriter of the program and that the policy processing would be out-
22 sourced to Equity Insurance Managers, Inc. (EIM) in Lexington, Kentucky. Present at all
23 of the meetings between Frank and Watje were Paul Roesser and Roland Colton. Roesser
24 and Colton were introduced as the attorneys for IV.
25

1 In September 2002, Watje went to Kentucky and met with EIM management. He
2 met Bobby Owens (President) and Todd Densmore (Operational Vice-President). The
3 meeting was to make introductions, discuss Vesta reporting requirements, and to see the
4 operation.

5 Sometime in November 2002, Watje met with Gene Irizarry, Claims Manager for
6 ICW to discuss the program between Explorer and IV. Also present at the meeting were
7 Frank, Colton and Roesser. Watje asked Irizarry why Explorer was "getting out" of the
8 homeowner's program with IV. Irizarry stated that Explorer was getting out of the
9 homeowner's insurance business completely as it was not their "core of competency."

10 On October 31, 2002, an agreement was reached and a contract signed to establish
11 a program between Vesta and IV. In March 2003, the IV/Vesta program went "live."
12 Vesta policies could be marketed and sold with new policies effective March 17, 2003.
13 Roll-over policies from the Explorer program could be marketed and sold with effective
14 dates of May 1, 2003.

15 By June 2003 the program had been active for 3 months and Vesta had not
16 received any reports. On June 9, 2003, Watje went to EIM and showed them the reports
17 that Vesta required and discussed the lack of reports being generated. Vesta received
18 their first reports from EIM and IV towards the end of the month and the data was
19 "skewed." They also learned that EIM and IV had failed to establish a separate trust
20 account in which to deposit Vesta premium funds. On July 9, 2003, a formal request was
21 made to EIM and IV to establish a Vesta premium trust account.

22 EIM failed to produce or sent faulty reports to Vesta for July and August 2003.
23 Vesta estimated that approximately 6-7 million dollars in premium had been written by IV
24 since the inception of the program but were still unable to verify where the premium
25 funds were located. Vesta made repeated requests to Densmore of EIM and Frank of IV

1 between July and December 2003 for bank account access to the trust fund account for
2 Jennie Wiedrick, their Chief Financial Officer and other principals. EIM and IV failed to
3 comply with their requests.

4 By September 2003, Vesta was still not getting any reports, or the reports they
5 received could not be reconciled. Wiedrick and Watje returned to Kentucky to meet with
6 EIM (Densmore, Owens and Don Thomas- IT Director) to discuss reporting problems.
7 On October 21, 2003, Wiedrick requested an on-site audit at EIM when the reports still
8 did not materialize. The audit was scheduled for November 2003.

9 On November 17, 2003, outside auditors from the firm of Baumann, Raymondo &
10 Company PA, hired by Vesta, arrived in Kentucky to begin the two week on-site audit at
11 EIM. On November 18, 2003, Watje had a telephone conversation with Densmore and
12 was told that something was wrong with the settlement statements produced by EIM.
13 Densmore wasn't sure what the problem was, but that EIM was looking into the problem
14 and would figure it out. On November 24, 2003, Watje spoke with auditor Brian
15 Adamski and was told that it appeared IV had shorted Vesta \$1.5 million in unpaid
16 premium for the July 2003 receipts.

17 A conference call was placed that included: Frank (IV); Densmore and Thomas
18 (EIM); and Wiedrick and Watje (Vesta). When asked why Vesta had been shorted \$1.5
19 million, Thomas stated that the research "we've" done shows that the settlement
20 statement report "bombed" or "crashed" and that is why the report was shorted. Frank
21 spoke up and stated that "if we owe you \$1.5 million, we will pay you, but first we are
22 going to find out if we really owe you the money."

23 On December 5, 2003, another conference call took place that included: Wiedrick,
24 Mike Leffler (Wiedrick's boss), Watje and Mitchell Kraus (Vesta legal counsel in
25 Florida) - Vesta; and Colton - IV. A demand was made by Vesta for repayment of the

1 \$1.5 million. Colton asked Vesta for additional time to conduct research. He stated that
2 Owens and the EIM team needed to complete their research. Vesta offered to return the
3 audit team to Kentucky and recommended that IV also send their own auditor to EIM.
4 Colton agreed and said "they could use the help." Wiedrick requested that IV place the
5 \$1.5million into a trust account pending final results. Colton stated, "We don't have it."
6 At that time it was agreed that Vesta would take control of all future premium funds. So,
7 on that date, Vesta instructed EIM to apply payments to the policies and send all money to
8 the Florida office of Vesta for deposit. Watje told me that he spoke with Wiedrick after
9 the phone conference. She stated that when Colton said they did not have the funds,
10 "Bells and whistles went off" and she had a "sense of dread."

11 On December 15, 2003, the Vesta audit team consisting of Wiedrick, Adamski,
12 Susan Bach and Eric Williams returned to EIM. That same day, Watje attended a
13 meeting in San Diego with Colton and Roesser. According to Watje, Frank was in the
14 San Diego IV office, but was not invited to attend the meeting. Colton and Roesser
15 acknowledged that some money was due to Vesta, but they were not sure how much or
16 where the money was. They provided Watje with a document that showed it had been
17 faxed from "Bob Owens" on December 12, 2003. The document appeared to be a
18 reconciliation of premiums received and payments made that indicated a shortage to
19 Vesta of \$1.6 million. Colton and Roesser stated that they believed the premium trust
20 funds owing to Vesta were caused by an overpayment of commissions to themselves (IV)
21 and their sub-producers. They believed the amount owing was approximately \$845,000.

22 Roesser and Colton offered to pay Vesta \$50,000 per month after commissions for
23 as long it would take to repay Vesta. They were unsure how long this would take, but
24 offered to give Vesta access to a \$1.2 million letter of credit which was written for the
25 benefit of Explorer/ICW. When asked about the letter of credit, Colton and Roesser

1 explained that the letter of credit was established for the Explorer claims IV was
2 processing. They explained that as soon as Explorer released the letter of credit, they
3 would provide it to Vesta. When asked when the letter of credit was to be released,
4 Colton and Roesser stated they were unsure but it could be June 2004 or later.

5 Colton and Roesser also proposed that funds would be available from a new
6 program that they were establishing to write business with Countywide Mortgage. Funds
7 from this program would be available to pay Vesta. Watje declined the offer and told
8 Colton and Roesser their proposal was unacceptable. Roesser then told Watje that "we
9 are gonna have to litigate this." He indicated that the litigation would take years and
10 "you're not gonna get paid anyway." Colton stated that he sued multimillion dollar
11 companies for a living and told Watje that he "should really take this deal."

12 Watje traveled to the Vesta Florida office and on December 16, 2003 another
13 conference call convened. The participants included: Watje, Leffler, Krouse - Vesta;
14 Frank and Roesser - IV; and Owens - EIM. Roesser again conveyed IV's payment plan
15 offer which was again rejected by Vesta. Vesta then told IV they would like to find a
16 cooperative way to "shut the program down." Owens spoke up and stated that he
17 believed EIM was just a "couple of days" away from knowing where the missing
18 premiums were. It was relayed that Colton was out of the country for a month and
19 additional time was needed. Vesta agreed to give IV and EIM until January 5, 2004 to
20 locate and identify the missing premiums.

21 Watje was notified by the audit team on either December 17 or 18, 2003, that they
22 had discovered additional missing premiums. The total premiums now due to Vesta,
23 which included October and November 2003 premiums that had not been remitted,
24 totaled \$2.6 million. The audit report showed that October 2003 premiums were more
25 than \$800,000, but the trust account balance reflected only \$500,000. Upon learning of

1 the additional shortage, Vesta initiated an electronic "sweep" of the trust account and
2 moved all remaining funds to the Florida account.

3 On the evening of December 17, 2003, Owens asked to speak with auditor
4 Adamski in private. Owens provided Adamski with an accounting document showing the
5 amount owed to Vesta as \$2.9 million. Adamski provided this document to Watje who
6 recognized the form as the same one he received from Colton and Roesser in San Diego.
7 The document Adamski received appeared to be the complete document whereas the one
8 Watje was provided had certain figures deleted.

9 On January 5, 2004, a conference call was held between Vesta, IV and EIM. The
10 participants included: Watje, Wiedrick, Leffler and Krouse – Vesta; Frank, Roesser and
11 Colton (from France) – IV; and Owens, Densmore and Thomas – EIM. Prior to the
12 conference call, an offer of repayment, signed by Colton, was faxed to the Vesta Florida
13 office. The letter acknowledged a report prepared by EIM showed a potential deficiency
14 of \$2.5 million in the Vesta trust account. The remaining part of the letter contained the
15 same repayment agreement previously offered by Colton and Roesser. Although Colton
16 labeled the offer letter "Privileged & Confidential," Vesta legal counsel (Krouse)
17 informed Colton that none of the discussions were to be deemed confidential.

18 According to Watje, during the conference call, the team from EIM did not
19 contribute anything to the conversation. Colton and Roesser did all of the talking for IV.
20 During the call the audit results were discussed and everyone agreed to the final amount
21 of \$2.5 million that was owed to Vesta. The offer presented by Colton was again rejected
22 and a counter offer was proposed. Vesta demanded an immediate payment of \$1.5
23 million and a plan would be arranged for the balance owed.

24 Colton and Roesser declined the counter-offer saying they did not have the funds
25 to make payment. Vesta indicated that if payment was not received they would seek other

1 alternatives for collection. Colton and Rosser told Vesta that they should accept their
2 offer or they would have to wait for a judge to decide their case. The call ended with no
3 resolution to the problem.

4 On January 14, 2004, Vesta faxed a Cease and Desist letter to IV suspending their
5 authority to bind any insurance policies. The letter also made a demand for repayment of
6 all missing premiums by January 24, 2004. Watje notified Densmore at EIM to shut
7 down the program.

8 On January 26, 2004, Colton and Roesser filed a lawsuit in Sacramento Superior
9 Court on behalf of IV against Vesta alleging fraud and misrepresentations. On February
10 9, 2004, Vesta filed a lawsuit in U. S. District Court against IV and EIM alleging breach
11 of contract, breach of fiduciary duty, and mishandling of fiduciary funds.

12 According to Watje, all business conducted with IV was at their offices located at
13 445 Marine View Ave, Suite 105, Del Mar, CA. This office is also the office for Colton
14 and Roesser, Attorneys at Law. All correspondence received from IV lists the Del Mar
15 address on the letterhead.

16
17 On June 7, 2004, I interviewed Frank Antonio, Vice President for ICW regarding
18 his knowledge of the insurance program ICW had established with IV. During the
19 interview Antonio told me the following:

20
21 ICW and IV entered into a relationship in 1998, whereas IV became a general
22 agent for ICW. The program was for IV to sell homeowners insurance written on ICW
23 paper. The program was considered low-risk as the target clientele were new
24 homeowners with no prior homeowners insurance. IV was to establish relationships with
25 mortgage lenders as a way of marketing the product.

1 The program failed to grow and expand as ICW had expected, so in November
2 2002 there was a change in the relationship with IV. ICW amended the agreement with
3 IV and began procedures to terminate the general agency contract effective March 31,
4 2004. ICW agreed to take all renewal business per insurance code statute and did so until
5 the end of April 2004. ICW pressured IV to find a replacement insurance company for
6 the program.

7 IV employed EIM as the Third Party Administrator (TPA) for the program.
8 Antonio described EIM's record keeping system as "horrendous." ICW believes that IV
9 owes them approximately \$1 million in premium payments. IV is now stating to ICW
10 that about \$900,000 of the money owing is uncollected premium. Recently ICW received
11 a policy cancellation list from IV which was for the years 2001-2002. Antonio has been
12 dealing with Carl Frank, President of IV, and Roland Colton who is represented as the
13 attorney for IV.

14 Around mid-year 2003, IV owed ICW around \$3.5 million. ICW was able to
15 collect most of the premium funds owing. Payments to ICW appeared to be current until
16 August or September 2003. The balance due was reduced to about \$300,000 - \$400,000,
17 but the amount owing has "built back up" to about \$1-1.5 million.

18 On October 26, 2004, I again interviewed Antonio regarding the ICW insurance
19 program and the current status of premium collections. Also present during the interview
20 was David Reilly, Assistant Vice President of Claims. Antonio and Reilly told me the
21 following:

22
23 Based on accounting records provided by IV, ICW is currently owed \$1.3 - \$1.8
24 million in written insurance premiums.
25

1 ICW issued a 60-day demand for mediation to IV about one month ago. To date,
2 no response has been received from IV. If no response is received from IV, ICW will file
3 for arbitration at the end of the 60 days. The basis for the mediation demand is the profit
4 and loss sharing contract established with IV in November 2002. According to ICW, IV
5 owed them \$3 million in losses for the period of January 1, 2003 through June 30, 2004.
6 ICW did call in a line of credit for \$1.25 million that was established as a partial
7 guarantee for the profit/loss program. Currently IV owes ICW \$1.75 million for losses
8 incurred during the 18 month time period.

9 In June 2004, IV and EIM submitted about \$800,000 in policy cancellations which
10 ranged in age from 4 months to 4 years. At that time Antonio met with Colton of IV and
11 asked about the cancellations. Colton explained the policy cancellation problem as
12 follows: EIM was behind in processing the cancellations. There was about a 6 month
13 delay in EIM's processing of the paperwork. A portion of the cancellations were due to
14 problems with the mortgage companies (who were the IV sub-agents). Colton told
15 Antonio that "there could be more." To date, ICW has not received any additional
16 cancellations.

17 In 2002, ICW decided to terminate their homeowner's program and in November
18 2002 amended the agreement with IV and began procedures to terminate the general
19 agency contract effective March 31, 2004. ICW agreed to accept new business with
20 effective dates through March 31, 2003. They would continue to accept renewal business
21 as required by insurance code statute with effective dates through March 31, 2004. ICW
22 extended accepting new business on homeowner's policies through April 2003 and
23 dwelling/fire policies through May 2003 while IV arranged for a new insurance company
24 to take over the program. As part of the new agreement, ICW and IV established a profit
25 and loss sharing agreement. As collateral for the agreement, IV was initially required to

1 secure a line of credit of \$600,000 in favor of ICW. In February 2003, ICW required an
2 increase in the line of credit to \$800,000 based on policy sales. Then, in April 2003, ICW
3 demanded an increase to the line of credit of \$425,000, making the total funds available
4 \$1.25 million. The required increases to the line of credit were based on the contract
5 terms that correlated to insurance policies sold and premium collected. According to
6 Antonio and Reilly, almost no new business was written after March 2003.

7 At the beginning of 2003, with the program drawing to a close, IV stopped
8 remitting premium payments to ICW. Antonio was not initially involved in the collection
9 activity, but was asked to assume the responsibility in about June 2003. The reasons
10 given by IV for the problems centered on the EIM record keeping system. IV and EIM
11 provided monthly reports of "account current" to ICW without apparent problems until
12 2003. When problems arose, EIM then acted as if they were unfamiliar with the "account
13 current" reporting format. ICW managed to get several payments from IV in 2003 that
14 reduced the amount owing from about \$4 million to about \$400,000. Due to non-
15 payments and continued policy renewals, the amount owing has now increased to \$1.3 -
16 \$1.8 million.

17 According to Antonio and Reilly, all business conducted with IV was at their
18 offices located at 445 Marine View Ave, Suite 105, Del Mar, CA. This office is also the
19 office for Colton and Roesser, Attorneys at Law. All correspondence received from IV
20 lists the Del Mar address on the letterhead.

21 INVESTIGATION

22 I reviewed numerous documents provided to me by Jack Pierce, legal counsel for
23 Vesta. These documents were obtained pursuant to court issued subpoena in the pending
24 civil litigation between IV and Vesta. The records I reviewed were obtained from: EIM,
25

1 ICW, Baumann, Raymondo & Company PA (auditing firm), Unified Banking Company,
2 and Bank of America. After reviewing these documents I have learned the following:

3 EIM is responsible for processing all homeowner's insurance applications
4 (including underwriting duties), insurance premium accounting, collection and
5 disbursement of insurance premiums and monthly reporting. IV and their sub-agents
6 remit insured's premiums and policy applications to EIM for processing. EIM receives
7 direction from IV for all premium trust fund disbursements.

8 Financial documents and bank statements showed that EIM and IV executed the
9 following transfers of insurance premium trust funds from the Vesta Premium Trust
10 Account to the Explorer checking account:

DATE	AMOUNT
4/28/2003	\$425,000
8/21/2003	\$200,000
9/9/2003	\$1,362,847
9/26/2003	\$900,000
10/15/2003	\$250,000
11/14/2003	\$350,000
TOTAL	\$3,487,847

21 Supporting documents obtained from EIM and the auditing firm show that the fund
22 transfers were conducted after either verbal or hand-written requests from Colton and
23 Roesser of IV. Records show that the Vesta premium trust funds, which were transferred,
24 were then used by IV to support repayment demands being made by ICW regarding their
25 missing premium trust funds. The April 2003 transfer of \$425,000 coincides with the line

1 of credit increase IV secured subsequent to a demand from ICW. Additional premium
2 trust funds were also wired to the IV bank account held at Bank of America in Solana
3 Beach, CA.

4 Email correspondence between Densmore of EIM and the Vesta auditors stated
5 that IV was in possession of all supporting documentation for fund transfer requests.
6 Densmore wrote, "the remittance to IV is calculated by IV. They send us directions each
7 month to wire a specific amount." He also added, "we pay them as they direct us. It is
8 their account and we do as they direct us to." A fax communication dated December 9,
9 2003 from Densmore to Roesser and Colton regarding the Vesta auditors requests stated,
10 "Please let me know if there is any information that you do not want them to have access
11 to." Densmore also noted he could not assist the auditors with supporting documents for
12 the wire transfers to IV of premium trust funds.

13 The final audit report prepared by Baumann, Raymondo & Company PA stated
14 that IV owed Vesta \$2,923,925 in collected premium monies. The report noted that the
15 hand-written calculations prepared monthly by IV for premium trust fund transfers lacked
16 supporting documentation for the disbursed funds. According to the audit, IV appeared to
17 overstate their earned commission, therefore funds transferred to them, by using
18 inappropriate production results and calculation methods.

19 Bank of America records obtained through subpoena showed that the funds being
20 wired from EIM to IV were deposited into the IV operating account. A review of the
21 individual checks for the period March 2003 through January 2004 showed the
22 authorizing signatures on all checks were either Roesser or Colton. Also, during this
23 same time period, Colton and Roesser wrote checks to themselves for \$696,956 and
24 \$722,206 respectively.

25

1 CDI Agent Information records show that Insurance Ventures, Inc. (IV) is a
2 licensed Fire and Casualty Broker/Agent, license #0C21611. The license was issued by
3 CDI and became effective February 9, 1998.

4 Search of the California Secretary of State records revealed on October 15, 1997
5 IV became incorporated. The registered agent for IV is Paul Roesser at 445 Marine View
6 Avenue, Suite 105, Del Mar, California.

7 CDI records revealed that IV has entered into a new agreement to act as a general
8 agent for State National Insurance Company and their California homeowner's program.
9 This agreement became effective around June 2004 with the new insurance policies
10 approved for sale at a higher premium rate.

11
12 On November 1, 2004, I checked the business located at 445 Marine View
13 Avenue, Del Mar. The business was open and operating. Several phone calls to the
14 business revealed that office hours are Monday through Friday, 8:30am until 5:00pm.

15
16 Through my investigation and review of the evidence I believe that Roland Colton
17 and Paul Roesser, doing business as Insurance Ventures, Inc., are operating a highly
18 organized and sophisticated scheme designed to defraud insurance companies of premium
19 monies.

20 Based on your affiant's training and experience in the investigation of insurance
21 fraud schemes, it is routine and common for insurance agents to maintain both a home
22 and business office. In order to maintain both offices it is necessary to transport relevant
23 records and documents in their vehicles.

1 Your affiant, therefore, prays that a search warrant be issued for the above-
2 described evidence on the grounds that the records seized will show evidence of PC
3 487(a) Grand Theft.

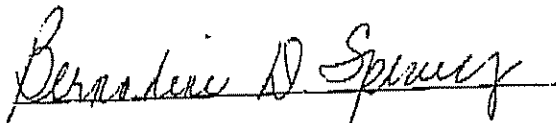
4 Your affiant also requests the court to authorize Paralegals employed by the San
5 Diego District Attorney's Office to be present at the search site and to actively participate
6 in the search.

7 Based upon the aforementioned information and investigation, I believe that
8 grounds for the issuance of a search warrant exists as set forth in Penal Code section
9 1524.

10 I, the affiant, hereby pray that a search warrant be issued for the seizure of said
11 property or any part thereof, from said locations at any time of the day, good cause being
12 shown, therefore, and the same be brought before this magistrate or retained subject to the
13 order of the Court.

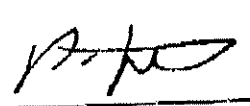
14 Deputy District Attorney Steve Davis has reviewed this search warrant affidavit.

15 Given under my hand and dated this 8th day of Nov 2004.

16
17 

18 Bernadine D. Spivey

19 Subscribed and sworn to before
20 me this 8th day of November
21 2004, at 10:00 (A.M./P.M.)

22
23 
24 JUDGE OF THE SUPERIOR COURT
25 San Diego Central Division

SD-0088 (Rev. 1/94) Subpoena in a Civil Case

Issued by the
UNITED STATES DISTRICT COURT

CENTRAL DISTRICT

DISTRICT OF

CALIFORNIA

VESTA FIRE INSURANCE

SUBPOENA IN A CIVIL CASE

V.

INSURANCE VENTURES, INC.

Case Number:¹ CIV S-04-0296 FCD PAN

TO: CALIFORNIA DEPARTMENT OF INSURANCE
ATTN: CUSTODIAN OF RECORDS, DARRYL WOO
300 CAPITOL MALL, 17th FL., SACRAMENTO, CA 95814

- ☐ YOU ARE COMMANDED to appear in the United States District court at the place, date, and time specified below to testify in the above case

PLACE OF TESTIMONY	COURTROOM
	DATE AND TIME

- ☐ YOU ARE COMMANDED to appear at the place, date, and time specified below to testify at the taking of a deposition in the above case.

PLACE OF DEPOSITION	DATE AND TIME
---------------------	---------------

- ☒ YOU ARE COMMANDED to produce and permit inspection and copying of the following documents or objects at the place, date, and time specified below (list documents or objects):


All documents identified in Exhibit "A" attached hereto and more specifically identified on Superior Court, County of San Diego, "RECEIPT and INVENTORY" for search warrant #30974 executed on Insurance Ventures, Inc. on November 17th, 2004, attached as Exhibit "B"

PLACE FIRST REPROGRAPHICS, 1517 W BEVERLY BLVD., Los Angeles, CA 90026	DATE AND TIME January 4, 2005 10:00 a.m.
---------------------------------------------------------------------------	---------------------------------------------

- ☐ YOU ARE COMMANDED to permit inspection of the following premises at the date and time specified below.

PREMISES	DATE AND TIME
----------	---------------

Any organization not a party to this suit that is subpoenaed for the taking of a deposition shall designate one or more officers, directors, or managing agents, or other persons who consent to testify on its behalf, and may set forth, for each person designated, the matters on which the person will testify. Federal Rules of Civil Procedure, 30(b)(6).

ISSUING OFFICER'S SIGNATURE AND TITLE (INDICATE IF ATTORNEY FOR PLAINTIFF OR DEFENDANT)	DATE
	12-04-04
ISSUING OFFICER'S NAME, ADDRESS AND PHONE NUMBER	
JOHN S. PIERCE, BARGER & WOLEN LLP, 650 California Street, Ninth Floor, San Francisco, California 94108. Telephone: (415) 434-2800	

(See Rule 45, Federal Rules of Civil Procedure, Parts C & D on next page)

¹ If action is pending in district other than district of issuance, state district under case number.

EXHIBIT A TO DEPARTMENT OF INSURANCE SUBPOENA

Definitions

- 1) "DOCUMENTS" shall have the meaning of "writings" and "recordings" as defined under Federal Rules of Evidence, Rule 1001.
- 2) "WRITINGS" and "RECORDINGS" shall consist of letters, words, or numbers, or their equivalent, set down by handwriting, typewriting, printing, photostating, photographing, magnetic impulse, mechanical or electronic recording, or other form of data compilation
- 3) "INSURANCE VENTURES" shall mean Defendant Insurance Ventures Inc., its officers, employees, shareholders, directors, subsidiaries, affiliates and/or successors.

DOCUMENTS

- 1) All non-privileged "DOCUMENTS" and "WRITINGS or RECORDINGS" seized by the California Department of Insurance from Insurance Ventures, Inc. located at 445 Marine View Ave., Suite 105, Del Mar, CA on November 10th and/or November 17th, 2004 pursuant to the execution of San Diego County Superior Court Search Warrant #30974.
- 2) Said documents shall include but not limited to any and all non-privileged "DOCUMENTS" and "WRITINGS and RECORDINGS" contained or reflected in the 18 boxes of documents and writings seized and inventoried on the attached RECEIPT and INVENTORY prepared by the California Department of Insurance, appended hereto as EXHIBIT "B"

EXHIBIT B

SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN DIEGO
San Diego Central District

RECEIPT AND INVENTORY

Search Warrant # 30974

Date Executed: November 10, 2004

Name: Insurance Ventures, Inc.

Location: 445 Marine View Avenue #105
Del Mar, CA 92014

BOX	FLOOR	ROOM	AREA	DESCRIPTION	FINDER
1	1	6	B	INSURANCE VENTURES CLIENT BALANCE LISTINGS FOR ACCOUNTING PERIODS 2003-2004	ML
2	2	6	B	HOMEOWNERS INSURANCE VENTURE REPORTS (PREMIUM AND LOSSES BY POLICY YEARS) 2004	ML
3	3	6	B	2003 EQUITY INSURANCE ADMINISTRATORS/ INSURANCE VENTURES ADMINISTRATORS REPORTS	ML
4	4	2	F	CHECKS / CHECK REGISTERS / BANK STATEMENTS / FINANCIAL RECORDS/ AIMS BILLING SHEETS / ADJUSTER PAYMENT LISTINGS / COPIES OF CLAIMS CHECKS	EC
5	5	9	C	IV FINANCIAL RECORDS / INSURANCE VENTURES TRUST ACCOUNT BLANK CHECKS / FILE OF OFFICE MEMOS/ COLTON AND ROESSER MONTHLY SUMMARY REPORTS 2003 /2004 / VESTA CONTRACTS / ICW LETTER OF CREDIT	CP
6	6	1	C	IV POLICIES AND PROCEDURES / LETTERS SENT TO AGENTS	KH
6	7	1	C	18 AGNECY FILE FOLDERS E & O FORMS	KH
6	8	1	C	STATE NATIONAL 2004 HOMEOWNERS POLICY FILES (16)	KH
6	9	1	C	IV LETTERS RE: NON RENEWALS 2003	KH
6	10	1	A	WHITE BINDER INS VENTURES PERSONNEL JOB DESCRIPTIONS, ETC	KH

SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN DIEGO
San Diego Central District

RECEIPT AND INVENTORY

Search Warrant # 30974

Date Executed: November 10, 2004

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Location: 445 Marine View Avenue #105
Del Mar, CA 92014

BOX	ITEM	ROOM	AREA	DESCRIPTION	FINDER
6	11	1	C	YELLOW FOLDER LABELED AND CONTAINING STATE NATIONAL OFFERS TO QUOTE	KH
6	12	1	A	DIRECTORY / FILE FOLDERS FOR GEOVERA TO INS. VENT / RED FOLDER LABELED QUOTING INFO CONTAINING CLIENT QUOTES	KH
6	13	1	B	ROLODEX	KH
7	14	5	L	BOXES ~"CCR THRU 9/02" RCC BK MATTER VOL 2	LS
7	15	5	E	CNP ANNUAL STATEMENT 2003	DT
7	16	5	FLOOR	ICW CLAIMS REPORTS 1/1/04-9/30/04 / HOMEOWNERS PROFIT SHARING COMPUTATION HANDWRITTEN NOTES REGARDING INSURANCE	DT
7	17	5	D	2003-2004 DAYMINERS	DT
7	18	5	F	CA HO LOSS RATIO ANAL: ICW AND IV CORRESP. /PROGRAM RECONCIL DOCS 2003	JB
7	19	5	D	CAIXA BANK CHECK REGISTER	DT
7	20	5	D	COLTON CASHIER CHECK RECEIPTS, BANK RECEIPTS / WIRE ORDER	DT
7	21	5	D	COLTON 2003 TAX RETURN	DT
7	22	5	D	ICW CLAIMS ADJ, WIRE TRANSFER REQUESTS	DT
7	23	5	D	BUSINESS CARDS AND ROLODEX CARDS	DT
7	24	5	C	HANDWRITTEN NOTES RE: VESTA PREMIUM	DT

IB-SW1 (08/02)

SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN DIEGO
San Diego Central District

RECEIPT AND INVENTORY

Search Warrant # 30974

Date Executed: November 10, 2004

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Location: 445 Marine View Avenue #105
Del Mar, CA 92014

BOX	ITEM#	ROOM	AREA	DESCRIPTION	FINDER
7	25	5	J	IV VESTA DOCS INCLUDING AUDIT AND HANDWITTEN NOTES	JB
7	26	5	K	EMAILS 7/03-04 BETWEEN IV, EIM AND VESTA; 7/03 PRODUCTION REPORTS	JB
8	27	9	C	TRUST ACCOUNT BANK RECORDS	CP
9	28	6	B	IV 2003 THRU PRESENT CLIENT ACCOUNT BALANCE SHEETS (EIM DOCS)	ML
10	29	2	F	POLICY INFO , WIRE TRANSFERS , IV CLAIM INFO	EC
10	30	2	G	EMPLOYMENT INFO, HO POLICY INFO	EC
10	31	2	F	CLAIM FILES, VESTA PREMIUM INVOICE	EC
10	32	3	C	COLTON LUXEMBOURG INFO RE: INS	ML
10	33	2	F	COLTON EXPENSE REPORT	EC
10	34	2	F	COMMISSION STATEMENTS AND MISCELL DOCS	EC
11	35	9	D	GREEN ACCORDIAN FOLDERS CONTAINING FOLDERS LABELED "ICW REC"/"EQUITY/IV/MILLMAN 2003-2004"/ "EQUITY PROGRAM RECONCILIATION"	EH
11	36	9	D	FILE FOLDER LABELED "PMR, APC WELLS FARGO 2004" CONT FINANCIAL RECORDS/ FILE FOLDER LABELED "C&R US BANK 2004"/ FILE FOLDER LABELED "PMR US BANK 2004" / FILE FOLDER "TV BANK OF AMERICA 2004" / FILE FOLDER" PMR SCHWAB 2003/2004"	EH

SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN DIEGO
San Diego Central District

RECEIPT AND INVENTORY

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Date Executed: November 10, 2004

Name: Insurance Ventures, Inc.

Location: 445 Marine View Avenue #105
Del Mar, CA 92014

BOX	ITEM	ROOM	AREA	DESCRIPTION	FINDER
12	37	9	F	DEPOSIT RECORD BOOKS US BANK / EVIDENCE CONTROL MISC RECEIPTS LABELED "RECEIPTS 2004" / STAPLED PACKETS OF HANDWRITTEN NOTES / COPY OF "INSURANCE VENTURES INC" STATEMENT BY DOMESTIC STOCK CORP / PACKET OF DOCS LABELED "INSURANCE VENTURES/ STATE NATIONAL TARGET STATES OCTOBER 2004"	EH
12	38	9	D	BINDER LABELED "A LOSS RATIO ANALYSIS OF CA HOMEOWNERS EXPERIANCE FOR INSURANCE VENTURES, INC" / BINDER "STATE NATIONAL INSURANCE COMPANY CALIFORNIA HOMEOWNER RATE AND RULE MANUAL" / FOLDER "TV PRODUCTION REPORT 2004-2005" / CHECK LEDGER W/ CHECKS B OF A / CHECK LEDGER W/ CHECKS BANK OF COMMERCE / BOOK WITH US BANK CHECKS (NO LEDGER)	EH
12	39	9	D	ENV LABELED "TV CLAIMS ACCT" CONT'G BANK OF AMERICA DOCS AND ACCOUNT INFO / ENV LABELED "TIME CERTIFICATE OF DEPOSIT" WITH TWO "TIME DEPOSIT RECEIPTS" / ENV. LABELED "PAUL" WITH HANDWRITTEN NOTE AND ACCT AND WIRE TRANSFER DOCUMENTS / ENV. "TO PAUL FROM ROLAND" / CONT'G WIRE TRANSFER INSTRUCTIONS AND BANKING INFORMANTION / BOX "SCHWAB ONE CHECKS AND RECEIPTS" / FED-EX ENV. CONT'G "UNIFIED BANKING COMPANY "CORRESPONDENCE	EH

SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN DIEGO
San Diego Central District

RECEIPT AND INVENTORY

Search Warrant # 30974

Date Executed: November 10, 2004

Name: Insurance Ventures, Inc.

Location: 445 Marine View Avenue #105
Del Mar, CA 92014

BOX	ITEM	ROOM	AREA	DESCRIPTION	ENDER
12	40	9	F	CONFLICT OF INTEREST MEMO DATED 11/10/04; NEWS ARTICLE ON VESTA INSURANCE DATED 11/09/04; HANDWRITTEN NOTES 11/08/04 / COMMISSION STATEMENTS 10/31/04; LTR. IO CDI RATE REGULATIONS 11/09/04 / EMAIL PRINTOUTS	EH
12	41	9	F	PAYMENT/DEPOSIT LEDGER WITH CHECKS TO WELLS FARGO BANK CHECKS / ENVELOPE WITH "PAY TO THE ORDER OF" STAMP INFORMATION	EH
12	42	9	F	YELLOW FOLDER LABELED "TO DO 2004" / ENVELOPE CONT. BANK OF AMERICA STATEMENTS AND CHECKS / 4-PAGE "BILLING DETAIL" 10/26/04	EH
13	43	9	E	ONE YELLOW FOLDER, "TV PAID 2004" CONTAINING BILLING STATEMENTS, RECEIPTS AND PAYMENT RECORDS; TWO BINDERS, WHITE, "INSURANCE VENTURES, INC." "CLAIMS POLICIES AND PROCEDURES"	EH
13	44	9	A	ROSSER "TO DO" LIST 2003	CP
13	45	9	A	CLAIMS RUN	CP
13	46	9	A	STATE NATIONAL AGREEMENTS	CP
13	47	5	L	MISC. INSURANCE VENTURES RECORDS -- WIRE TRANSFERS; CLAIMS LISTING; VESTA HOMEOWNERS RATE MANUAL	DT
13	48	5	FLR	PROFIT AND LOSS SHARING REPORT	JB
13	49	5	A	11/08/04 EMAIL REGARDING INSURANCE	DT

IB-SW1 (08/02)

SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN DIEGO
San Diego Central District

RECEIPT AND INVENTORY

Search Warrant # 30974

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Location: 445 Marine View Avenue #105
Del Mar, CA 92014

BOX	ITEM	ROOM	AREA	DESCRIPTION	FINDER
				PROGRAM WITH STATE NATIONAL	
14	50	5	K	VARIOUS EMAILS REGARDING IV AND VESTA; PRODUCTION RECEIPTS FROM 07/03	JB
14	51	5	A	MISC. COLTON FINANCIAL DOCUMENTS (IN FRENCH LANGUAGE)	DT
14	52	2	I	FINANCIAL STATEMENT DATED 01/31/04, HANDWRITTEN BALANCE STATEMENT DATED 05/25/04; 08/23/04	JM
14	53	6	F	PRODUCERS LISTINGS / IV PRODUCTION REPORTS/ VESTA CAL SELECT MANUAL/ VESTA HOMEOWNERS POLICY BOOKLET/ ICW GROUP MANUAL/ IV DIRECTORY SHEET	ML
14	54	6	B	2003 CANCELLATION NOTICES, 2003/2004 COMPLAINTS AND CLAIMS	ML
14	55	6	F	2003 SHARE REPORT P&C/ 2003 IV SUMMARY REPORTS	ML
14	56	6	F	EQUITY 2003 SUMMARY OF BUSINESS/ IV MGA PROGRAM BINDER TAB 13/ IV VESTA PORTFOLIO 10/31/2003 - TAB 27 OF IV MGA PROGRAM BINDER	ML
14	57	6	C	DESKTOP INSURANCE VENTURES CD-ROM AND ROLODEX	ML
14	58	6	C	IV STATS REPORT/ E&O CLAIM FILE/ IV PROCESSING PROCEDURES/ 2003 IV SUMMARY REPORTS/ 2004 ICW POLICY HIGHLIGHTS/ 2003- 2004 IV PRODUCTION REPORTS	ML

IB-SW1 (08/02)

SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN DIEGO
San Diego Central District

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Del Mar, CA 92014

BOX	ITEM	ROOM	AREA	DESCRIPTION	FINDER
14	59	6	C	FRANKS IV BINDER WITH PHONE LISTS AND CALENDAR/ VESTA'S PORTFOLIO TOTALS/ IV FILES/ PR PRODUCER COMMISSION STATEMENTS AND PRODUCTION INCENTIVE PROGRAM	ML
15	60	6	C	FROM THE DESK OF CARL D. FRANK; INSIDE DATERUNNER FILE "TV I PRES.COMP"; W/MISC. MEMOS AND LETTERS FROM COLTON AND ROESSER	ML
15	61	7	A	CORRESPONDENCE FROM INSURED'S TO INSURANCE VENTURES	KH
15	62	7	A	CLAIMS LOSS RUNS AND DECLARATIONS HOMEOWNERS / 2 FOLDERS TOTAL	KH
15	63	7	B	CLAIMS RESERVES AND PAYMENT PRINTOUT	KH
15	64	7	A	ONE COMPUTER DISKETTE "INSURANCE VENTURES VS. VESTA" - DISCOVERY FILE	KH
15	65	7	E	CLAIMS DIARY LOG	JM
15	66	2	E	VARIOUS COMPUTER DISKETTES	JB
15	67	2	E	VARIOUS COMPUTER DISKETTES	JB
15	68	2	E	QUICK BOOKS CD'S AND DISKETTES	JB
15	69	2	E	PAC BELL 2003 DOMINION & CONTROL	JB
16	70	2	E	PAYCHEX PAYROLL FOR 2003	JB
16	71	2	E	CANCELLED CHECKS 2003	JB

SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN DIEGO
San Diego Central District

RECEIPT AND INVENTORY

Search Warrant # 30974

Date Executed: November 10, 2004

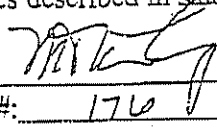
Name: Insurance Ventures, Inc.

Location: 445 Marine View Avenue #105
Del Mar, CA 92014

BOX	ITEM	ROOM	AREA	DESCRIPTION	FINDER
16	72	6	E	15 FLOPPY DISKETTES	ML
16	73	6	D	2003 VESTA LOSSES FILE; FLOPPY DISK FROM PC; 2003 IV FINANCIALS FILE; 2003 COMMISSIONS; 3 PAGE IV HISTORY; 4 PAGE IV PROPOSAL; 2003- 2004 PRODUCERS COMMISSION STATEMENTS	ML
17	74	6	E	2003 ICW HIGHLIGHT AND SUMMARY REPORTS	ML
18	75	1	A	HARD DRIVE IMAGE -- DOUG KLINGLESMTIH	JR
18	76	4	B	HARD DRIVE IMAGE -- TONY KRAJEWSKI	JR
18	77	5	C	HARD DRIVE IMAGE -- ROLAND COLTON	SB
18	78	6	D	HARD DRIVE IMAGE -- CARL FRANK	SB
18	79	7	B	HARD DRIVE IMAGE -- CHUCK ALLENS	MR
18	80	7	A	HARD DRIVE IMAGE -- MELISSA JACKSON	MR
18	81	9	F	HARD DRIVE IMAGE -- PAUL ROESSER	MV
18	82	2	H	HARD DRIVE IMAGE -- SANDY STONE	MV

Receipt is hereby acknowledged, and the undersigned makes this inventory, of the listed property and things seized by him this day in the search of the premises described in said warrant and taken pursuant thereto:

Date: Nov. 10, 2004
Time: 4:38 P.M.

Signed: 
Agency/Badge #: 176

The search warrant was issued on 11/8/2004, by the Honorable Peter Deddeh,
Judge of the Superior Court of the State of California, in and for the County of San Diego, 220
West Broadway, San Diego, California and filed under court number 30974.