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8 Attorneys for Plaintiff

Securities and Exchange Commission

9 Rosalind R. Tyson, Regional Director

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13 **UNITED STATES DISTRICT COURT**

14 **CENTRAL DISTRICT OF CALIFORNIA**

15
16 SECURITIES AND EXCHANGE
COMMISSION,

17 Plaintiff,

18 vs.

19 DIVERSIFIED LENDING GROUP, INC.;
20 APPLIED EQUITIES, INC.; and BRUCE
FRIEDMAN,

21 Defendants, and

22 TINA M. PLACOURAKIS,
23

Case No.:

**AMENDED DECLARATION
OF NINA Y. YAMAMOTO**

RECEIVED

MAR 09 2009

DARTMOUTH, GILL
DIAMOND & KOLITZ LLP

1 I, Nina Y. Yamamoto, declare pursuant to 28 U.S.C. § 1746, as follows:

2 1. I am a certified public accountant employed by Plaintiff Securities and
3 Exchange Commission (the "Commission") in its Los Angeles Regional Office,
4 located in Los Angeles, California.

5 2. I have personal knowledge of the following facts.

6 3. In the course of my duties with the Commission, I analyze bank
7 records, financial records, and other books and records of companies, and I make
8 calculations and observations based on those records. The documents that I
9 analyze in the course of my duties with the Commission are of the type reasonably
10 relied upon by accountants in forming opinions and inferences about, among other
11 things, the finances of the company and its sources and uses of money.

12 4. During the course of the Commission's investigation *In the Matter of*
13 *Diversified Lending Group, Inc.* and pursuant to my duties as an accountant with
14 the Commission, I reviewed bank documents from Wells Fargo Bank, some of
15 which were produced to the Commission pursuant to administrative subpoenas
16 issued by the Commission on February 24 and 25, 2009. These administrative
17 subpoenas sought, among other things, account opening documents, account
18 statements, signature cards, cancelled checks, bank wires, deposit slips and copies
19 of items deposited, for the period January 2007 through the date of production, the
20 most recent date of production being March 3, 2009, for Diversified Lending Group
21 Inc.'s Wells Fargo bank records. These accounts include:

- 22 a. Wells Fargo Bank Account No. 2000451001 in the name of
23 Diversified Lending Group, Inc. ("DLG") for the period June 1,
24 2008 to February 24, 2009;
- 25 b. Wells Fargo Bank Account No. 7193206666 in the name of
26 DLG for the period June 30, 2008 through February 24, 2009;
- 27 c. Wells Fargo Bank Account No. 3610903233 in the name of
28 DLG for the period January 1, 2007 through February 24, 2009;

- 1 d. Wells Fargo Bank Account No. 3827425475 in the name of
2 DLG/Medical Group Account for the period January 8, 2007
3 through February 24, 2009;
- 4 e. Wells Fargo Bank Account No. 8938904177 in the name of
5 Applied Equities, Inc., ("AEI") ACH account for the period
6 January 24, 2007 through February 24, 2009;
- 7 f. Wells Fargo Bank Account No. 4121610745 in the name of AEI
8 for the period September 24, 2007 through February 24, 2009;
- 9 g. Wells Fargo Bank Account No. 7713271497 in the name of AEI
10 for the period January 24, 2007 through February 24, 2009; and
- 11 h. Wells Fargo Bank Account No. 8938903757 in the name of AEI
12 for the period December 23, 2006 through January 24, 2007.

13 The declarations of the custodian of record of Wells Fargo Bank are attached as
14 Exhibit 1.

15 5. I also reviewed the following additional accounts from Merrill Lynch:

- 16 a. Merrill Lynch Account No. 23607199 in the name of DLG for
17 the period November 1, 2007 through November 30, 2008;
- 18 b. Merrill Lynch Account No. 23607088 in the name of MMHIM,
19 Inc./DLG, for the period July 31, 2008 to November 28, 2008;
- 20 c. Merrill Lynch Account No. 23607217 in the name of MMHIM,
21 Inc./DLG, for the period March 31, 2008 through November 21, 2008;
- 22 d. Merrill Lynch Account No. 23615L42 in the name of Bruce
23 Friedman and Tina M. Placourakis for the period November 1, 2007 to
24 November 30, 2008;
- 25 e. Merrill Lynch Account No. 23615H42 in the name of Bruce
26 Friedman and Diane Cano for the period November 30, 2007 through
27 November 28, 2008; and
- 28 f. Merrill Lynch Account No. 236-1107 in the name of Bruce

1 Friedman and Robert Knight for the period November 1, 2008 through
2 November 30, 2008.

3 Based on my review of account opening documents for Merrill Lynch, I have
4 determined that Bruce Friedman was one of the authorized signatories for all the
5 DLG, MMHIM, Inc., and Friedman accounts at Merrill Lynch listed above.

6 6. In conjunction with my duties as an accountant, I calculated total
7 investor funds deposited into DLG's accounts at Wells Fargo Bank based on bank
8 records and DLG's check register for the period January 1, 2004 through February
9 24, 2009.

10 7. In conjunction with my duties as an accountant, I calculated investor
11 funds misappropriated by Bruce Friedman, for his personal benefit and the benefit
12 of family and friends based on my review of the Wells Fargo Bank account records
13 and the Merrill Lynch accounts.

14 8. In order to calculate the amount of investor deposits, I computed the
15 total deposits to the DLG Wells Fargo Bank Account No. 2000451001, using the
16 company's check register and the bank records.

17 9. In order to calculate the amount of investor funds deposited into the
18 DLG Wells Fargo Bank Account No. 2000451001, I identified those deposits in the
19 company's check register that indicated income from individuals and entities and
20 was coded as "income from AEI," or Applied Equities, Inc., the company's
21 subsidiary. Additionally, I reviewed bank deposits made to the DLG Wells Fargo
22 Bank Account No. 20000451001 that indicated deposits from individuals and
23 entities.

24 10. Based on a review of DLG's bank account records produced by Wells
25 Fargo Bank and the company's check register, I calculated that from January 2004
26 through February 24, 2009, DLG raised approximately \$216 million from
27 approximately 300 individuals and entities who appear to be investors based on
28 investor lists and detail in the company's check register.

1 11. Based on my review of the account records as described above, I have
2 made the following observations and calculations concerning DLG and Bruce
3 Friedman and uses of monies:

- 4 a. My review of the DLG account records revealed that Bruce
5 Friedman paid \$6.53 million from investor funds to purchase a
6 home in Malibu in 2008. Attached as Exhibit 2 is a copy of the
7 Merrill Lynch wire transfer instructions that show this payment
8 and the settlement agreement for the purchase of the property.
- 9 b. My review of DLG's account records revealed that from at least
10 2007 to 2008, Bruce Friedman spent at least \$4 million in investor
11 funds to purchase vacations in Europe, jewelry, designer clothing,
12 and to pay for renovation costs for his Malibu home. Attached as
13 Exhibit 3 are copies of excerpts from Merrill Lynch account
14 statements that show various credit card charges for the above
15 items as well as payments for other personal expenses.
- 16 c. My review of DLG's account records revealed that \$1.815
17 million in investor funds was paid to the Friedman Charitable
18 Foundation. For example, in October 2007 a payment for
19 \$1,050,000 was made to the Friedman Charitable Foundation. All
20 the payments to the Friedman Charitable Trust were made from
21 the DLG Wells Fargo Bank Account No. 200-0451001.
22 Substantially all deposits to this DLG bank account were investor
23 funds. To verify that the \$1,050,000 payment made to the
24 Friedman Charitable Foundation was made from investor funds, I
25 traced the \$1,050,000 payment to the Friedman Charitable
26 Foundation on October 9, 2007 to DLG's bank account and check
27 register and noted the following: The balance in the DLG bank
28 account at October 1, 2007 was \$682,410 and approximately

1 \$610,100 in expenditures were made from the account from
2 October 1, 2007 through October 5, 2007. From October 1, 2007
3 through October 5, 2007, before the \$1,050,000 payment on
4 October 9, 2007 was made, approximately \$5.68 million was
5 deposited into the DLG bank account of which 99.6% were
6 investor deposits. Attached as Exhibit 4 is a copy of the bank
7 statements and an excerpt from the check register that shows the
8 \$1,050,000 payment and the deposit slips that show payment from
9 DLG to the Friedman Charitable Foundation bank account.

10 d. My review of DLG's account records revealed that at least
11 \$650,000 of investor funds was used to pay Bruce Friedman's
12 family members, including his mother and brothers from at least
13 2005 to 2008. Attached as Exhibit 5 are excerpts from DLG's
14 check register and Merrill Lynch account statements that show the
15 payments made to Friedman's family members.

16 e. My review of DLG's accounts revealed that at least \$1.2 million
17 was used for the purchase of automobiles and \$3 million paid to
18 Net Jet Sales company from at least 2004 to 2008. For example,
19 on December 16, 2006 Bruce Friedman purchased a 2007 Bentley
20 ContinentalG for approximately \$254,985. Attached as Exhibit 6
21 are excerpts from DLG's check register that show payments for
22 automobiles, payments to Net Jet Sales and a copy of the purchase
23 agreement for the 2007 Bentley automobile.

24 f. My review of DLG's account revealed that \$13 million in
25 investor deposits was used for the bulk purchase of MRI
26 equipment for Consolidated Healthcare dba Ambulatory
27 Services in 2007 to 2008. Attached as Exhibit 7 are copies of the
28 Merrill Lynch wire instructions and an excerpt from DLG's check

1 register that show the payments.

2 g. My review of DLG's accounts indicated that from at least 2007 to
3 2008, \$1.7 million in investor funds was paid to Makin' Fun, Inc., a
4 children's toy company and children's internet web site. Attached
5 as Exhibit 8 are copies of Merrill Lynch wire instructions and
6 excerpts from DLG's check register that show the payments.

7 h. My review of DLG's accounts indicate that \$500,000 of
8 investor funds was used to pay RockDoc LLC, a film
9 production company for the film, Rock Prophecy, in 2007 and
10 2008. Attached as Exhibit 9 is an excerpt from DLG's check
11 register that shows the \$500,000 in payments.

12 i. My review of DLG's accounts indicates that Tina Placourakis
13 has received approximately \$275,000 of investor funds in 2007
14 and 2008. Placourakis received \$200,000 from DLG in a
15 Merrill Lynch account she holds jointly with Friedman. My
16 review also indicated that during the period April 2007 to April
17 2008, DLG paid Placourakis \$75,504 purportedly for consulting
18 services. Attached as Exhibit 10 are excerpts from Merrill Lynch
19 account statements that show transfers of investor funds made to
20 Placourakis' account with Friedman and an excerpt from DLG's
21 check register that shows the payments to Placourakis.

22 j. My review of DLG's accounts indicates that SunWest Bottlers,
23 was paid a total of \$1.8 million from investor funds during 2007
24 and 2008. SunWest Bottlers acquired Clearwater Beverages in
25 June 2008. Clearwater Beverages was paid a total of \$932,000 in
26 2008 from investor funds. Attached as Exhibit 11 are excerpts
27 from the company's check register and information from the
28 internet that states that SunWest Bottlers acquired Clearwater

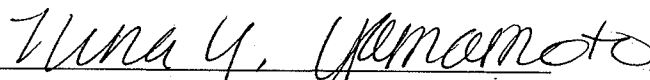
1 Beverages.

- 2 k. My review of DLG's account records indicates that Mydonose
3 USA Inc., a private retail company, was paid a total of \$1.6
4 million from investor funds in 2007 and 2008. Attached as
5 Exhibit 12 is an excerpt from DLG's check register that shows the
6 payments and a printout from the internet on Mydonose USA Inc.
- 7 l. My review of DLG's account records indicates that Kevin Keller,
8 an officer of DLG, purchased a home with investor funds for
9 \$1.27 million in 2008. Attached as Exhibit 13 is a copy of the
10 Merrill Lynch wire instructions showing the payment.
- 11 m. My review of DLG's account records indicates that on April 9,
12 2008 Bruce Kaplan was paid \$500,000 from investor funds.
13 Attached as Exhibit 14 is a copy of the Merrill Lynch statement
14 that shows the payment.
- 15 n. My review of DLG's account records indicates that in December
16 2007, DLG used \$9 million in investor funds to purchase taxable
17 auction market preferred shares. Attached as Exhibit 15 is a copy
18 of the Merrill Lynch statement that shows the purchase of the
19 securities.

20 The total of investor funds used to pay the above expenses total in excess of \$47
21 million.

22 I declare under penalty of perjury that the foregoing is true and correct.

23 Executed this 6th day of March, 2009 in Los Angeles, California.

24
25 
26 Nina Y. Yamamoto
27
28

FILED

2009 MAR -4 PM 4:00

CLERK OF DISTRICT COURT
CENTRAL DISTRICT OF CALIF.
LOS ANGELES

BY

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Regional Trial Counsel

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13 UNITED STATES DISTRICT COURT
14 CENTRAL DISTRICT OF CALIFORNIA

15 SECURITIES AND EXCHANGE
16 COMMISSION,

17 Plaintiff,

18 vs.

19 DIVERSIFIED LENDING GROUP, INC.;
20 APPLIED EQUITIES, INC.; and BRUCE
21 FRIEDMAN,

22 Defendants, and

23 TINA M. PLACOURAKIS,

Case No.:

CV09-01533 R

JTLX

DECLARATION OF NINA Y.
YAMAMOTO

1 I, Nina Y. Yamamoto, declare pursuant to 28 U.S.C. § 1746, as follows:

2 1. I am a certified public accountant employed by Plaintiff Securities and
3 Exchange Commission (the "Commission") in its Los Angeles Regional Office,
4 located in Los Angeles, California.

5 2. I have personal knowledge of the following facts.

6 3. In the course of my duties with the Commission, I analyze bank
7 records, financial records, and other books and records of companies, and I make
8 calculations and observations based on those records. The documents that I
9 analyze in the course of my duties with the Commission are of the type reasonably
10 relied upon by accountants in forming opinions and inferences about, among other
11 things, the finances of the company and its sources and uses of money.

12 4. During the course of the Commission's investigation *In the Matter of*
13 *Diversified Lending Group, Inc.* and pursuant to my duties as an accountant with
14 the Commission, I reviewed bank documents from Wells Fargo Bank, some of
15 which were produced to the Commission pursuant to administrative subpoenas
16 issued by the Commission on February 24 and 25, 2009. These administrative
17 subpoenas sought, among other things, account opening documents, account
18 statements, signature cards, cancelled checks, bank wires, deposit slips and copies
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26 DLG for the period June 30, 2008 through February 24, 2009;
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28 DLG for the period January 1, 2007 through February 24, 2009;

- 1 d. Wells Fargo Bank Account No. 3827425475 in the name of
2 DLG/Medical Group Account for the period January 8, 2007
3 through February 24, 2009;
- 4 e. Wells Fargo Bank Account No. 8938904177 in the name of
5 Applied Equities, Inc., ("AEI") ACH account for the period
6 January 24, 2007 through February 24, 2009;
- 7 f. Wells Fargo Bank Account No. 4121610745 in the name of AEI
8 for the period September 24, 2007 through February 24, 2009;
- 9 g. Wells Fargo Bank Account No. 7713271497 in the name of AEI
10 for the period January 24, 2007 through February 24, 2009; and
- 11 h. Wells Fargo Bank Account No. 8938903757 in the name of AEI
12 for the period December 23, 2006 through January 24, 2007.

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14 Exhibit 1.

- 15 5. I also reviewed the following additional accounts from Merrill Lynch:
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17 the period November 1, 2007 through November 30, 2008;
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21 Inc./DLG, for the period March 31, 2008 through November 21, 2008;
- 22 d. Merrill Lynch Account No. 23615L42 in the name of Bruce
23 Friedman and Tina M. Placourakis for the period November 1, 2007 to
24 November 30, 2008;
- 25 e. Merrill Lynch Account No. 23615H42 in the name of Bruce
26 Friedman and Diane Cano for the period November 30, 2007 through
27 November 28, 2008; and
- 28 f. Merrill Lynch Account No. 236-1107 in the name of Bruce

1 Friedman and Robert Knight for the period November 1, 2008 through
2 November 30, 2008.

3 Based on my review of account opening documents for Merrill Lynch, I have
4 determined that Bruce Friedman was one of the authorized signatories for all the
5 DLG, MMHIM, Inc., and Friedman accounts at Merrill Lynch listed above.

6 6. In conjunction with my duties as an accountant, I calculated total
7 investor funds deposited into DLG's accounts at Wells Fargo Bank based on bank
8 records and DLG's check register for the period January 1, 2004 through February
9 24, 2009.

10 7. In conjunction with my duties as an accountant, I calculated investor
11 funds misappropriated by Bruce Friedman, for his personal benefit and the benefit
12 of family and friends based on my review of the Wells Fargo Bank account records
13 and the Merrill Lynch accounts.

14 8. In order to calculate the amount of investor deposits, I computed the
15 total deposits to the DLG Wells Fargo Bank Account No. 2000451001, using the
16 company's check register and the bank records.

17 9. In order to calculate the amount of investor funds deposited into the
18 DLG Wells Fargo Bank Account No. 2000451001, I identified those deposits in the
19 company's check register that indicated income from individuals and entities and
20 was coded as "income from AEI," or Applied Equities, Inc., the company's
21 subsidiary. Additionally, I reviewed bank deposits made to the DLG Wells Fargo
22 Bank Account No. 20000451001 that indicated deposits from individuals and
23 entities.

24 10. Based on a review of DLG's bank account records produced by Wells
25 Fargo Bank and the company's check register, I calculated that from January 2004
26 through February 24, 2009, DLG raised approximately \$216 million from
27 approximately 300 individuals and entities who appear to be investors based on
28 investor lists and detail in the company's check register.

1 11. Based on my review of the account records as described above, I have
2 made the following observations and calculations concerning DLG and Bruce
3 Friedman and uses of monies:

- 4 a. My review of the DLG account records revealed that Bruce
5 Friedman paid \$6.53 million from investor funds to purchase a
6 home in Malibu;
- 7 b. My review of DLG's account records revealed that Bruce
8 Friedman spent at least \$4 million in investor funds to purchase
9 vacations in Europe, jewelry, designer clothing, and to pay for
10 renovation costs for his Malibu home;
- 11 c. My review of DLG's account records revealed that \$1.815
12 million in investor funds was paid to Friedman Charitable
13 Foundation;
- 14 d. My review of DLG's account records revealed that at least
15 \$650,000 of investor funds was used to pay Bruce Friedman's
16 family members, including his mother and brothers;
- 17 e. My review of DLG's accounts revealed that at least \$1.2 million
18 was used for the purchase of automobiles and \$3 million paid to
19 Net Jet Sales company;
- 20 f. My review of DLG's account revealed that \$13 million in
21 investor deposits was used for the bulk purchase of MRI
22 equipment for Consolidated Healthcare dba Ambulatory
23 Services;
- 24 g. My review of DLG's accounts indicate that \$400,000 of
25 investor funds was paid to Makin' Fun, Inc., a children's
26 toy company and children's internet web site;
- 27 h. My review of DLG's accounts indicate that \$500,000 of
28 investor funds was used to pay RockDoc LLC, a film

1 production company for the film, Rock Prophecy; and
2 i My review of DLG's accounts indicate that Tina Placourakis
3 has received approximately \$275,000 of investor funds in 2007
4 and 2008. Placourakis received \$200,000 from DLG in a
5 Merrill Lynch account she holds jointly with Friedman. My
6 review also indicated that during the period April 2007 to April
7 2008, DLG paid Placourakis \$75,504 purportedly for consulting
8 services.

9 The total of investor funds used to pay the above expenses total in excess of \$31
10 million.

11 I declare under penalty of perjury that the foregoing is true and correct.

12 Executed this 4th day of March, 2009 in Los Angeles, California.

13
14 Nina Yamamoto
15 Nina Y. Yamamoto



Subpoena Processing Department
 P.O. Box 29728
 MAC S3928-020
 Phoenix, AZ 85038-9728

DECLARATION FOR RECORDS OF REGULARLY CONDUCTED BUSINESS ACTIVITY	
Re: Subpoena	Our Reference #: 1224171
Agency Case #: LA3591	Date Served: 02/24/09
Banking Entity: Wells Fargo Bank, N.A. (the "Bank")	

I, **Heather Prince**, declare that I am employed by Wells Fargo Bank, N. A., in the Subpoena Processing Department and the Bank's designated duly authorized Custodian of Records for documents and/or information produced under the above referenced legal order. The Bank reserves its right to designate another Custodian as it deems appropriate in the event an actual appearance is required concerning the records produced herein. I certify the authenticity of the records produced herewith and that they were:

- A) Made at or near the time of the occurrence, condition or event of the matters set forth by, or from information transmitted by, a person with knowledge of those matters.
- B) Kept in the course of regularly conducted activity.
- C) Made by the regularly conducted activity as a regular practice, by the personnel of the business.

The identities of the records produced herewith are as follows:

- Signature Card(s)
- Statement(s)
- Cashiers' Check(s)
- Deposit(s)/Credit(s)
- Check(s)/Withdrawal(s)
- Wire Transfer(s)
- Other:

Records necessary for compliance may have been limited as indicated below:

- The Bank does not possess any of the records as described in the above referenced legal order.
- The enclosed records are true copies of bank records in the custodian's possession as described in the above referenced legal order. This constitutes final production, unless notified otherwise.
- The enclosed records are true copies of bank records. This submission constitutes only part of the records in the custodian's possession as described in the above referenced legal order.
- The Bank has received notification that no further production is required. File closed.
- Compliance with the above referenced legal order was limited to the following through agreement with the requesting party:
- The Bank is unable to provide the following records as described in the above referenced legal order:

Microfilm copies of requested transactions may be missing for the following reasons: Item(s) not on film, Film fogged, blank, black, damaged, destroyed or not available, Item(s) piggy-backed on film, electronic transaction(s), or other reasons that may prevent the Bank from completing a thorough search of records. The Bank, generally and routinely, destroys records in accordance with its standards for records retention and destruction. The Bank's Legal Group will direct compliance for various types of loan information, and other non-depository information subject to the above referenced legal order.



Subpoena Processing Department
P.O. Box 29728
MAC S3928-020
Phoenix, AZ 85038-9728

Our Reference #: 1224171

I am familiar with the mode of preparation of the enclosed records. They were prepared as follows:

- Signature Card(s): The customer(s) whose name appears on the signature card/account application and agreement form submitted the form to the Bank requesting checking and/or savings account(s). The customer(s) submitted personal and financial information which were relied upon by the Bank. The customer(s) signed the form. The Bank opened the savings and/or checking account(s) listed on the signature card. The signature card was stored at and retrieved from the Bank's designated retention site(s).
- Check(s): The check(s) drawn on the customer(s) account(s) were presented to the Bank and paid. During the process of paying the check(s), a microfilm image of the front and back of the check(s) is taken in the sequence the check(s) is processed by the Bank. The microfilm/fiche is then stored in the Bank's secured facilities. In response to this legal order, the Bank retrieved the microfilm reel/fiche and produced an image of the check(s).
- Withdrawal Slip(s)/Deposit(s): The withdrawal(s) (as evidenced by a withdrawal slip) made by customer at a teller window and all deposits made either at a teller window or through an ATM are processed by the Bank at designated central processing centers. When the transaction is processed, a microfilm/fiche image of the front and back of the item is taken in the sequence the item is processed by the Bank. The microfilm/fiche is then stored in the Bank's secured facilities. In response to this legal order, the Bank retrieved the microfilm reel/fiche and produced an image of the withdrawal slip(s)/deposit(s).
- Statement(s): Each monthly statement was prepared immediately after the closing date of the monthly account cycle as indicated on the statement(s). The statement(s) accurately reflects all debit entries (checks, point of sale, ATM, teller withdrawals, fees, etc.) and credits (deposits, etc.) which occurred on the account(s) during the monthly account cycle.
- Other: Original records were prepared or received at or near the time of their creation and were stored by the Bank in the ordinary course of business. Upon receipt of this subpoena, we searched and retrieved the original records and prepared a true and correct copy using generally accepted photocopying techniques.

I declare under penalty of perjury under the law(s) of the state of California that the foregoing is true and correct. Executed on this 2nd day of March, 2009, in the City of Chandler, State of Arizona.

Heather Prince
Subpoena Processing Representative (480) 724-2056

Microfilm copies of requested transactions may be missing for the following reasons: Item(s) not on film, Film fogged, blank, black, damaged, destroyed or not available, Item(s) piggy-backed on film, electronic transaction(s), or other reasons that may prevent the Bank from completing a thorough search of records. The Bank, generally and routinely, destroys records in accordance with its standards for records retention and destruction. The Bank's Legal Group will direct compliance for various types of loan information, and other non-depository information subject to the above referenced legal order.



2/24/09
Fed-Ex

SUBPOENA

UNITED STATES OF AMERICA
SECURITIES AND EXCHANGE COMMISSION

In the Matter of Diversified Lending Group, Inc. (LA-3591)

09 FEB 24 AM 11:07

To: Wells Fargo Bank
Subpoena Processing Center
2700 South Price Road, 2nd Floor
Chandler, AZ 85248

YOU MUST PRODUCE everything specified in the Attachment to this subpoena to officers of the Securities and Exchange Commission, at the place, date and time specified below.
5670 Wilshire Blvd., 11th Floor, Los Angeles, CA 90036, on March 3, 2009 at 10:30 a.m.

YOU MUST TESTIFY before officers of the Securities and Exchange Commission, at the place, date and time specified below.
5670 Wilshire Blvd., 11th Floor, Los Angeles, CA 90036, on March 9, 2009 at 10:30 a.m.

FEDERAL LAW REQUIRES YOU TO COMPLY WITH THIS SUBPOENA.

Failure to comply may subject you to a fine and/or imprisonment.

By: *Finola H. Manvelian*
Finola H. Manvelian
Assistant Regional Director
Los Angeles Regional Office
5670 Wilshire Blvd. 11th Floor
Los Angeles, CA 90036

Date: February 23, 2009

I am an officer of the Securities and Exchange Commission authorized to issue subpoenas in this matter. The Securities and Exchange Commission has issued a formal order authorizing this investigation under Section 20(a) of the Securities Act of 1933 and Section 21(a) of the Securities Exchange Act of 1934.

NOTICE TO WITNESS: If you claim a witness fee or mileage, submit this subpoena with the claim voucher.

ATTACHMENT TO
SUBPOENA ISSUED TO WELLS FARGO BANK
FEBRUARY 23, 2009
IN THE MATTER OF DIVERSIFIED LENDING GROUP
(LA-3591)

I. Instructions and Definitions

This subpoena requires the production of certain documents, as specified in Paragraph II of this Attachment. The required documents are to be produced in accordance with the following general requirements:

- A. The term "DOCUMENT" or "DOCUMENTS" means and refers to all written or graphic matter, however produced or reproduced onto any other tangible record, including but not limited to, all writings or recordings, whether set down in handwriting, typewriting, printing, photostating, photographing, magnetic impulse, mechanical or electronic recording or other form of data compilation, and any drafts of all documents, whether or not used or circulated, and all versions of a document, both with and without notations. This definition includes any information in electronic form stored in any computer file.
- B. DOCUMENTS that "EVIDENCE" a given subject matter mean any document or communication that constitutes, contains, embodies, comprises, reflects, identifies, states, refers to, deals with, comments on, responds to, describes, analyzes or is in any way pertinent to that subject, including, without limitation, documents concerning the presentation of other documents.
- C. "ACCOUNT" refers to any current or past accounts in which Diversified Lending Group, Inc., Applied Equities, Inc., and/or World Financial Corp. has or had an interest or control, including, but not limited to, account numbers 2000451001; 7193206666; 3610903233; 3622099608; 3827425475; 9397908642; 9814827631; 9450422838; 9450422846; 9450422861; and 9450423372:
1. At any and all branches of this financial institution
 2. Of every nature, whether checking, savings, trust, or otherwise; and
 3. In which such entity is or was named as holder or co-holder, has or had a beneficial interest, or has or had discretionary control.

- D. The connectives "and" and "or" shall be construed either disjunctively or conjunctively as necessary to bring within the scope of the attachment all responses that might otherwise be construed to be outside of its scope.
- E. The use of the singular form of any word includes the plural and vice versa.
- F. You must produce all DOCUMENTS responsive to this subpoena that are in your possession, custody, or subject to your control, regardless of whether the documents are in your possession.
- G. You must produce the entirety of each and every DOCUMENT described below, without alteration, deletion or redaction of any information contained therein, even though such information is not specifically requested. All DOCUMENTS produced must be legible.
- H. You must also execute and produce the accompanying Declaration Certifying Records of Regularly Conducted Business Activity with the requested DOCUMENTS at the time and place specified by this subpoena.
- I. If the document production contains Bank Secrecy Act materials, please segregate and label those materials within the production.

II. Documents Requested

Please produce the following documents:

- A. For each ACCOUNT, for the period from the opening of the ACCOUNT to the date of production, produce the following:
 - 1. All ACCOUNT opening documents, including but not limited to agreements, financial statements, authorized signatures and modifications to ACCOUNT opening documents;
 - 2. All signature cards identifying all persons authorized to sign; and
 - 3. All ACCOUNT closing documents.
- B. For each ACCOUNT, produce all DOCUMENTS for the period from January 1, 2007 to the present that EVIDENCE:
 - 1. ACCOUNT statements;
 - 2. Canceled checks (both sides);

3. Cashier's checks (both sides), and receipts from cashier's checks, and all related DOCUMENTS for each such check;
4. Bank wire advances, statements, transfers and transmittal notices;
5. Deposit slips and copies of items deposited (both sides);
6. Notices of transfers between ACCOUNTS;
7. Letters of credit;
8. Line of credit agreements;
9. Credit card agreements;
10. Service agreements;
11. Correspondence and memoranda;
12. Powers of attorney;
13. Overdraft notices and officer's approval slips;
14. Loan payment summaries;
15. Time and/or demand notes;
16. Loan guarantees;
17. Credit references, reports and inquiries; and
18. Home equity or other loan ACCOUNTS.

Provided, however, that there shall not be produced in response to this subpoena any original of, copy of, or information known to have been derived from any record maintained by Wells Fargo Bank in relation to an account in the name of a "customer." The term "customer" is limited to any individual, sole proprietorship, or partnership of five or fewer individuals, or authorized representative of that individual, sole proprietorship, or partnership, who utilized or is utilizing any service of Wells Fargo Bank, or for whom Wells Fargo Bank is acting or has acted as a fiduciary, in relation to an account maintained in such individual's, sole proprietorship's, or partnership's name. The term "customer" does not include (i) any trust or corporation; (ii) any partnership that has more than five members or that has as a member any trust or corporation; (iii) any person that holds an account jointly with any person whose records are otherwise called for by this subpoena; nor (iv) any other person, with respect to any records (including

Attachment to Subpoena issued to
Wells Fargo Bank
February 23, 2009
Page 4

cashier's checks, money orders and documents maintained in relation to the issuance thereof) not maintained in relation to an account in the name of that person.



RECEIVED

JUL 15 2008

OFIR / Securities

Subpoena Processing Department
P.O. Box 29728
MAC S3928-020
Phoenix, AZ 85038-9728

Page 1 of 2

DECLARATION FOR RECORDS OF REGULARLY CONDUCTED BUSINESS ACTIVITY	
Re: Subpoena	Our Reference #: 1203403
Agency Case #: None	Date Served: 07/01/08
Banking Entity: Wells Fargo Bank, N.A. (the "Bank")	

I, Heather Prince, declare that I am employed by Wells Fargo Bank, N. A., in the Subpoena Processing Department and the Bank's designated duly authorized Custodian of Records for documents and/or information produced under the above referenced legal order. The Bank reserves its right to designate another Custodian as it deems appropriate in the event an actual appearance is required concerning the records produced herein. I certify the authenticity of the records produced herewith and that they were:

- A) Made at or near the time of the occurrence, condition or event of the matters set forth by, or from information transmitted by, a person with knowledge of those matters.
- B) Kept in the course of regularly conducted activity.
- C) Made by the regularly conducted activity as a regular practice, by the personnel of the business.

The identities of the records produced herewith are as follows:

- Signature Card(s)
- Statement(s)
- Cashiers' Check(s)
- Deposit(s)/Credit(s)
- Check(s)/Withdrawal(s)
- Wire Transfer(s)
- Other: Attached declaration

Records necessary for compliance may have been limited as indicated below:

- The Bank does not possess any of the records as described in the above referenced legal order.
- The enclosed records are true copies of bank records in the custodian's possession as described in the above referenced legal order. This constitutes final production, unless notified otherwise.
- The enclosed records are true copies of bank records. This submission constitutes only part of the records in the custodian's possession as described in the above referenced legal order.
- The Bank and/or WFSC received notification that no further production is required. File closed.
- Compliance with the above referenced legal order was limited to the following through agreement with the requesting party:
- The Bank is unable to provide the following records as described in the above referenced legal order:
Unable to locate a signature card for account # 8948066843.

Microfilm copies of requested transactions may be missing for the following reasons: Item(s) not on film, Film fogged, blank, black, damaged, destroyed or not available, Item(s) piggy-backed on film, electronic transaction(s), or other reasons that may prevent the Bank from completing a thorough search of records. The Bank, generally and routinely, destroys records in accordance with its standards for records retention and destruction. The Bank's Legal Group will direct compliance for various types of loan information, and other non-depository information subject to the above referenced legal order.



Subpoena Processing Department
P.O. Box 29728
MAC S3928-020
Phoenix, AZ 85038-9728

Our Reference #: 1203403

I am familiar with the mode of preparation of the enclosed records. They were prepared as follows:

- Signature Card(s): The customer(s) whose name appears on the signature card/account application and agreement form submitted the form to the Bank requesting checking and/or savings account(s). The customer(s) submitted personal and financial information which were relied upon by the Bank. The customer(s) signed the form. The Bank opened the savings and/or checking account(s) listed on the signature card. The signature card was stored at and retrieved from the Bank's designated retention site(s).
- Check(s): The check(s) drawn on the customer(s) account(s) were presented to the Bank and paid. During the process of paying the check(s), a microfilm image of the front and back of the check(s) is taken in the sequence the check(s) is processed by the Bank. The microfilm/fiche is then stored in the Bank's secured facilities. In response to this legal order, the Bank retrieved the microfilm reel/fiche and produced an image of the check(s).
- Withdrawal Slip(s)/Deposit(s): The withdrawal(s) (as evidenced by a withdrawal slip) made by customer at a teller window and all deposits made either at a teller window or through an ATM are processed by the Bank at designated central processing centers. When the transaction is processed, a microfilm/fiche image of the front and back of the item is taken in the sequence the item is processed by the Bank. The microfilm/fiche is then stored in the Bank's secured facilities. In response to this legal order, the Bank retrieved the microfilm reel/fiche and produced an image of the withdrawal slip(s)/deposit(s).
- Statement(s): Each monthly statement was prepared immediately after the closing date of the monthly account cycle as indicated on the statement(s). The statement(s) accurately reflects all debit entries (checks, point of sale, ATM, teller withdrawals, fees, etc.) and credits (deposits, etc.) which occurred on the account(s) during the monthly account cycle.
- Other: Original records were prepared or received at or near the time of their creation and were stored by the Bank in the ordinary course of business. Upon receipt of this subpoena, we searched and retrieved the original records and prepared a true and correct copy using generally accepted photocopying techniques.

I declare under penalty of perjury under the law(s) of the state of Michigan that the foregoing is true and correct. Executed on this 10th day of July, 2008, in the City of Chandler, State of Arizona.

Heather Pruce
Subpoena Processing Representative (480) 724-2056

Microfilm copies of requested transactions may be missing for the following reasons: Item(s) not on film, Film fogged, blank, black, damaged, destroyed or not available, Item(s) piggy-backed on film, electronic transaction(s), or other reasons that may prevent the Bank from completing a thorough search of records. The Bank, generally and routinely, destroys records in accordance with its standards for records retention and destruction. The Bank's Legal Group will direct compliance for various types of loan information, and other non-depository information subject to the above referenced legal order.



Subpoena Processing Department
P.O. Box 29728
MAC# S3928-020
Phoenix, AZ 85038-9728

DECLARATION

Re: Subpoena	Our Reference #: 1203403
Agency Case #: None	Date Served: 07/01/08
Banking Entity: Wells Fargo Bank, N.A. (the "Bank")	

I, Heather Prince, declare that I am employed by Wells Fargo Bank, N.A., in the Subpoena Processing Department and the Bank's designated duly authorized Custodian of Records for this matter, with the authority to certify the information provided herein. The Bank reserves its right to designate another Custodian as it deems appropriate in the event an actual appearance is required.

Checking Account #: 3597119035
Opened: 09/29/05
Closed: 09/25/06

Checking Account #: 3610903241
Opened: 12/13/05
Closed: 12/13/05

Checking Account #: 3622099608
Opened: 02/08/06
Closed: 01/03/07

Checking Account #: 8948066843
Opened: 06/29/06
Closed: 12/08/06

I declare under the penalty of perjury under the law(s) of the state of Michigan the foregoing is true and correct. Executed this 10th day of July, 2008, in the City of Chandler, State of Arizona.

Heather Prince
Subpoena Processing Representative (480) 724-2056

4/1/08
CSC
C. + M. J.

**STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE REGULATION**

In the Investigation of:

Diversified Lending Group, Inc.
15260 Ventura Boulevard, Suite 1240
Sherman Oaks, CA 91403

SUBPOENA DUCES TECUM

TO: Wells Fargo Bank N.A.
601 Abbott Road
East Lansing, MI 48823

The staff of the Michigan Department of Labor and Economic Growth, Office of Financial and Insurance Regulation ("OFIR") has informed the Commissioner of OFIR (the "Commissioner") that it has received information indicating that Diversified Lending Group, Inc. and Bruce Friedman (collectively "DLG") may be engaged in activities that do not comply with the requirements of the Michigan Uniform Securities Act, 1964 PA 265, as amended, MCL 451.501-451.818 (the "Securities Act").

Section 407(a) of the Securities Act, MCL 451.807(a), authorizes OFIR, by and through the Commissioner, to conduct public or private investigations as it deems necessary to determine whether any person has violated or is about to violate any provision of the Securities Act. To carry out these broad investigatory powers, Section 407(b) expressly authorizes OFIR, by and through the Commissioner, to:

[A]dminister oaths and affirmations, subpoena witnesses, compel their attendance, take evidence and require the production of any books, papers, correspondence, memoranda, agreements or other documents or records which the administrator deems relevant or material to the inquiry.

Pursuant to the foregoing and other provisions of the Securities Act, the Commissioner deems it necessary and appropriate to investigate the business records of Wells Fargo Bank N.A. for the purpose of ascertaining DLG's compliance with the provisions of the Securities Act.

ACCORDINGLY, Wells Fargo Bank N.A. is **HEREBY COMMANDED**, pursuant to Section 407(b) of the Securities Act, MCL 451.807(b), to appear personally before the Commissioner of the Michigan Office of Financial and Insurance Regulation (or his authorized representative), and to produce documents in connection with the above-entitled investigation on 7-11-08 at the Office of Financial and Insurance Regulation, Ottawa State Office Building, Third Floor, Conference Room A, 611 West Ottawa Street, Lansing, Michigan 48933. Wells Fargo Bank N.A. is hereby directed to bring all documents and papers in its possession and control as specified below:


SEE ATTACHED DOCUMENT LIST

Production of the requested documents on or before the date and time indicated above shall excuse the need to personally appear.

Pursuant to Section 407(c) of the Securities Act, MCL 451.807(c), in case of Wells Fargo Bank N.A.'s contumacy or refusal to otherwise obey this subpoena, the Commissioner is authorized to apply to the circuit court for the county of Ingham for an order requiring Wells Fargo Bank N.A.'s appearance and/or production of the requested documents.

Questions concerning this subpoena may be directed to Lindsay DeRosia at (517) 243-2437.

Dated: June 26, 2008


Barbara Streffling, Deputy Commissioner
Enterprise Monitoring Division
Office of Financial and Insurance Regulation

DOCUMENT LIST

Produce, in full and unexpurgated form, copies of the following in your possession relating to the account(s) of Diversified Lending Group, Inc.

1. For Accounts Number 200-0451001 and 719-3206666, provide the following for each:
 - a. Account opening date
 - b. Account closing date (if applicable)
 - c. Signature Cards
 - d. All monthly and annual account statements for the period of January 1, 2007 through May 31, 2008
 - e. All deposit and credit items, including deposit slips, electronic and/or wire transfers, etc. for the period of January 1, 2007 through May 31, 2008
 - f. All disbursement or other debit items including checks (both sides) for the period of January 1, 2007 through May 31, 2008
 - g. Cashiers checks and money orders for the period of January 1, 2007 through May 31, 2008

2. Identify all other Accounts, whether currently opened or closed, owned in whole or in part, directly or indirectly, by Diversified Lending Group, Inc., providing for each:
 - a. Account type
 - b. Account number
 - c. Signature cards
 - d. Account opening date
 - e. Account closing date (where applicable)

236-07199

\$1,268,447.22 18362 FEDWIRE D3QC120C003082 12:47 01/15/2008

RCV=121137522COMERICA SCO VLY/*FNC=CTRINA=USD1268447,22*BBK=D1891609958*WEST COAST ESCROW*LOS ANGELES CA 90004*BNF=DHP3722IMP*DIVERSIFIED LENDING GROUP*ORG=D23607199*DIVERSIFIED LENDING GROUP INC 15260* VENTURA BLVD STE 1240 SUITE 1240 S*HERMAN OAKS CA 91403*OGB=BMLCOUS33XXX*MERRILL LYNCH AND CO., I NC.*NEW YORK,NY*INS=D1011730*MERRILL LYNCH PIERCE FENNER*AND SMITH INC*4804 DEER LAKE DR E 4TH FL*JACKSONVILLE FL 32246-6484*

\$6,530,000.00 27633 FEDWIRE D3QC120C006763 14:04 02/01/2008

RCV=322070381EW BK SMRINO/*FNC=CTRINA=USD6530000,00*BBK=D82705609*WOODLAND FINANCIAL ESCROW DIVISION*BNF=D000162SR*DIVERSIFIED LENDING GROUP INC*ORG=D23607199*DIVERSIFIED LENDING GROUP INC 15260* VENTURA BLVD STE 1240 SUITE 1 240 S*HERMAN OAKS CA 91403*OGB=BMLCOUS33XXX*MERRILL LYNCH AND CO., INC.*NEW YORK,NY*INS=D1011730*MERRILL LYNCH PIERCE FENNER*AND SMITH INC*4804 DEER LAKE DR E 4TH FL*JACKSONVILLE FL 32246-6484*

\$8,000,000.00 25509 FEDWIRE D3QC120C004695 16:49 05/14/2008

RCV=122016066CITY NATL BK BH LA*FNC=CTRINA=USD8000000,00*BBK=D01362599*BLA CKMORE ESCROW*BNF=D083914LE*FBO DIVERSIFIED LENDING GROUP*ORG=D23607199*DIVERSIFIED LENDING GROUP INC 15260* VENTURA BLVD STE 1240 SUITE 1240 S*HERMAN OAKS CA 91403*OGB=BMLCOUS33XXX*MERRILL LYNCH AND CO., INC.*NEW YORK,NY*INS=D1011730*MERRILL LYNCH PIERCE FENNER*AND SMITH INC*4804 DEER LAKE DR E 4TH FL*JACKSONVILLE FL 32246-6484*

\$100,000.00 17318 FEDWIRE D3QC120C002775 14:12 06/09/2008

RCV=322271627WASH MUT BANK/*FNC=CTRINA=USD100000,00*BNF=D4256846557*DARYN FRIEDMAN*ORG=D23607199*DIVERSIFIED LENDING GROUP INC 15260* VENTURA BLVD STE 1240 SUITE 1240 S*HERMAN OAKS CA 91403*OGB=BMLCOUS33XXX*MERRILL LYNCH AND CO., INC.*NEW YORK,NY*INS=D1011730*MERRILL LYNCH PIERCE FENNER*AND SMITH INC*4804 DEER LAKE DR E 4TH FL*JACKSONVILLE FL 32246-6484*

\$100,000.00 7325 FEDWIRE B1B7TQ1C000993 10:22 07/23/2008

RCV=021200957COMMERCE NORTH/*FNC=CTRINA=USD100000,00*BNF=D3453312988*MMHIM, INC*ORG=D23607199*DIVERSIFIED LENDING GROUP INC 15260* VENTURA BLVD STE 12 40 SUITE 1240 S*HERMAN OAKS CA 91403*OGB=BMLCOUS33XXX*MERRILL LYNCH AND CO., INC.*NEW YORK,NY*INS=D1011730*MERRILL LYNCH PIERCE FENNER*AND SMITH INC*4804 DEER LAKE DR E 4TH FL*JACKSONVILLE FL 32246-6484*

A. SETTLEMENT STATEMENT U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

FINAL

B. Type of Loan OMB No. 2502 0265

1. [FHA 2. [FmHA 3. [Conv. Unins. 4. [VA 5. [Conv. Ins.	6. File Number 000162-SR	7. Loan Number	Mortgage Insurance Number
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C. Note: THIS NOTE IS FURNISHED TO GIVE YOU A STATEMENT OF THE ACTUAL SETTLEMENT COSTS. AMOUNTS PAID TO ANY AND BY THE SETTLEMENT AGENT ARE SHOWN. ITEMS MARKED "(P.O.C.," WERE PAID OUTSIDE OF THE CLOSING. THEY ARE SHOWN HERE FOR INFORMATION PURPOSES AND ARE NOT INCLUDED IN THE TOTALS.

D. Name and Address of Borrower MMHIM, Inc. 31610 Broad Beach Road Malibu, CA 90265	E. Name and Address of Seller LTL Trust I, Bradley M. Lakin Trustee 919 Hibiscus Key West, FL 33040	F. Name and Address of Lender None , CA
--	--	---

G. PROPERTY LOCATION 31610 Broad Beach Road Malibu, CA 90265	H. Settlement Agent Woodland Financial, Escrow Division Place of Settlement
--	---

J. SUMMARY OF BORROWER'S TRANSACTIONS

Exhibit 2

100. GROSS AMOUNT PAID BY BORROWER		500. REDUCTIONS IN AMOUNT DUE TO SELLER	
101. Contract Sales Price	€	501. Excess deposit (see instructions)	
102. Personal Property		502. Settl. chrgs. to seller (line 1400)	
103. Settl. Chrgs. to Borrower (line 1400)		503. Existing loan(s) taken subject to	
104.		504.	
105.		505.	
Adjustments for items unpaid by borrower		Adjustments for items unpaid by seller	
106. City/Town Taxes		510. City/Town taxes	
107. County Taxes		511. County taxes	
108. Assessments		512. Assessments	
109. Taxes (Proration) at \$19332.91/semi-annually from 02/06/2008 to 06/30/2008	19,	513.	
110.		514.	
111.		515.	
112.		516.	
120. Gross Amount Due From Borrower	6,533,026.91	517.	
		518.	
		519.	
		520. Total Reductions in Amount Due Seller	
420. Gross Amount Due to Seller		600. CASH AT SETTLEMENT FROM TO SELLER	
200. AMOUNTS PAID BY OR IN BEHALF OF BORROWER		600. CASH AT SETTLEMENT FROM TO SELLER	
201. Deposits or Earnest Money		601. Gross amount due to Seller (line 420)	
202. Principal amount of new loan(s)		602. Less reductions in amount due Seller (line 520)	
203. Existing loan(s) taken subject to		603. CASH FROM SELLER	
204. Deposit from MMHIM, Inc	6,530,000.00		
205.			
206.			
207.			
208.			
209.			
220. Total Paid By/For Borrower	6,533,866.58		
300. CASH AT SETTLEMENT FROM TO BORROWER		600. CASH AT SETTLEMENT FROM TO SELLER	
301. Gross Amounts due from Borrower (line 120)	6,533,026.91		
302. Less amounts paid by/for Borrower (line 220)	6,533,866.58		
303. CASH TO BORROWER	839.67		

L. SETTLEMENT STATEMENT		
700. TOTAL SALES/BROKER'S COMMISSION	PAYED FROM BORROWER'S FUNDS AT SETTLEMENT	PAYED FROM SELLER'S FUNDS AT SETTLEMENT
Based on price \$ @ %		
701.		
702.		
703. Commission paid at settlement		
704.		
800. ITEMS PAYABLE IN CONNECTION WITH LOAN		
801. Loan origination fee		
802. Loan discount		
803. Appraisal fee		
804. Credit report		
805. Lender's inspection fee		
806. Mortgage insurance application fee		
807. Assumption fee		
808.		
809.		
810.		
811.		
900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE		
901. Interest		
902. Mortgage insurance		
903. Hazard insurance		
904. Flood insurance		
905.		
1000. RESERVES DEPOSITED WITH LENDER		
1001. Hazard insurance		
1002. Mortgage insurance		
1003. City property taxes		
1004. County property taxes		
1005. Annual assessments		
1006.		
1007.		
1008. Aggregate Reserves		
1009.		
1100. ESCROW AND TITLE CHARGES		
1101. Escrow Fee to Woodland Financial, Escrow Division	13,195.00	
1102. Abstract or title search		
1103. Title examination		
1104. Title insurance binder		
1105. Document preparation		
1106. Notary fees		
1107. Attorney's fees		
1108. Title insurance		
1109. Lender's coverage \$		
1110. Owner's coverage \$7,072.00		
1111. Messenger Fee to Lawyers Title	49.00	
1112.		
1113.		
1200. GOVERNMENT RECORDING AND TRANSFER CHARGES		
1201. Recording fees		
1202. City/County tax stamps		
1203. State tax/stamps		
1204.		
1205.		
1300. ADDITIONAL SETTLEMENT CHARGES		
1301. Survey		
1302. Pest inspection		
1303. Transfer Fee HOA for Malibu Encinal HOA	450.00	
1304.		
1305.		
1306.		
1307.		
1400. TOTAL SETTLEMENT CHARGES (ENTER ON LINES 101 SECTION J AND 602 SECTION K)	13,694.00	

YOUR WCMA TRANSACTIONS

November 01, 2007 - November 30, 2007

CASH/OTHER TRANSACTIONS (continued)

Date	Transaction Type	Quantity	Description	Debit	Credit
11/28	Visa Signature		MONTH END SUMMARY DEBIT	65,840.99	
	Subtotal (Other Debits/Credits)			293,107.95	
NET TOTAL					759,817.13

VISA SIGNATURE CARD ACTIVITY FOR BRUCE FRIEDMAN

Trans. Date	Date Cleared	Description	Location / Transaction	Debit	Credit
10/24		OPENING BALANCE		.00	
11/16	11/19	TM *TICKETMASTER TICKT	212-307-4100 NY		
10/25	11/28	*. HILTON HOTELS WALDORF	NEW YORK NY	3,213.90	
10/25	11/28	*. MILLENIUM HILTON F&B	NEW YORK NY	55.25	
10/26	11/28	*. WINES OF THE WORLD	818-7891811 CA	368.00	
10/30	11/28	*. AURORA SUMMIT STEAKHOU	AURORA CO	104.64	
10/30	11/28	*. KABUKI RESTAURANTS-WH	WOODLAND HILL CA	158.68	
10/31	11/28	*. LOEWS HOTELS DENVER	DENVER CO	126.26	
10/31	11/28	*. CHART HSE MALIBU	MALIBU CA	162.26	
11/02	11/28	*. CUCINA BENE	SHERMAN OAKS CA	634.93	
11/02	11/28	*. VONS Store00022145	BURBANK CA	162.53	
11/02	11/28	*. RUTH'S CHRIS STEAK 019	SAN DIEGO CA	305.35	
11/03	11/28	*. MARMALADE CAFE #11	SHERMAN OAKS CA	97.67	
11/03	11/28	*. THE US GRANT A LUXURY COL	SAN DIEGO CA	3,869.78	
11/05	11/28	*. CUCINA BENE	SHERMAN OAKS CA	534.88	
11/05	11/28	*. HAMBURGER HAMLET 6 SHERMA	SHERMAN OAKS CA	59.15	
11/06	11/28	*. SUSHI HOUSE OF TAKA	SHERMAN OAKS CA	176.52	
11/06	11/28	*. FRUIT LADY PRODUCE DEL	206-3640457 WA	50.00	
11/06	11/28	*. JIMSAIR AVIATION SERVICES	SAN DIEGO CA	2,235.29	
11/08	11/28	*. JUDITH RIPKA	NEW YORK NY	95,261.62	
11/08	11/28	*. INTUIT *TURBOTAX	800-446-8848 CA	74.95	
11/09	11/28	*. MILLENIUM HILTON F&B	NEW YORK NY	116.18	
11/10	11/28	*. PRADA-FIFTH AVENUE	NEW YORK NY	2,249.28	
11/10	11/28	*. PRADA-FIFTH AVENUE	NEW YORK NY	3,516.77	
11/10	11/28	*. SAKS FIFTH AVENUE #0001	NEW YORK NY	1,323.67	

Exhibit

3

Page

30+



TOTAL MERRILL

DIVERSIFIED LENDING GROUP INC

Account Number: 236-07199

November 01, 2007 - November 30, 2007

YOUR WCMA TRANSACTIONS

VISA SIGNATURE CARD ACTIVITY FOR BRUCE FRIEDMAN (continued)

Trans. Date	Date Cleared	Description	Location / Transaction	Debit	Credit
11/12	11/28	*. HAMBURGER HAMLET 6 SHERMA	SHERMAN OAKS CA	80.27	
11/12	11/28	*. BROTHERS SUSHI	WOODLAND HILL CA	109.42	
11/12	11/28	*. HILTON HOTELS WALDORF	NEW YORK NY	23,229.59	
11/12	11/28	*. HILTON HOTELS WALDORF	NEW YORK NY	24.16	
11/12	11/28	*. HILTON HOTELS WALDORF	NEW YORK NY	25.50	
11/12	11/28	*. HILTON HOTELS WALDORF	NEW YORK NY	199.26	
11/13	11/28	*. JERRY'S FAMOUS DELI	NEW YORK NY	6.50	
11/15	11/28	*. CLAY OVEN	WOODLAND HILL CA	47.79	
11/15	11/28	*. BARRYS TICKET SERVICE	SHERMAN OAKS CA	131.17	
11/19	11/28	*. FOUR SEASONS HOTEL WLK VL	818-9908499 CA	2,600.00	
11/19	11/28	*. FOUR SEASONS HOTEL WLK VL	WESTLAKE VLLG CA	4,174.50	
11/19	11/28	*. FOUR SEASONS HOTEL WLK VL	WESTLAKE VLLG CA	1,182.50	
11/20	11/28	*. SOUTHWESTAIR5262348090936	WESTLAKE VLLG CA	1,182.50	
11/21	11/28	*. CUCINA BENE	DALLAS TX	146.40	
11/21	11/28	*. GLADSTONE S 4 FISH	SHERMAN OAKS CA	102.45	
11/24	11/28	*. THE MEN'S WEARHOUSE #2702	PACIFIC PALIS CA	98.54	
11/24	11/28	*. RUTH'S CHRIS STEAK 043	WOODLAND HILL CA	54.11	
11/25	11/28	*. TOAST	WOODLAND HIL CA	179.98	
11/25	11/28	*. SHOETREEMARKETPLACE.CO	WOODLAND HILL CA	645.21	
11/26	11/28	*. NORDSTROM #0341 Q18	866-2918472 CT	455.97	
11/27	11/28	*. RUTH'S CHRIS STEAK 043	CANOGA PARK CA	27,506.33	
		Subtotal (Visa Purchase Activity)	WOODLAND HIL CA	227.25	
		TOTAL Visa Signature Card Activity for Bruce Friedman		175,706.36	
11/28		CLOSING BALANCE		.00	

*-Month-End Debit for Visa Purchases

VISA SIGNATURE CARD ACTIVITY FOR KEVIN KELLER

Trans. Date	Date Cleared	Description	Location / Transaction	Debit	Credit
10/24		OPENING BALANCE		.00	
11/13	11/15	DELL CATALOG SALES L.P.	800-624-9897 TX		1,503.64

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DIVERSIFIED LENDING GROUP INC

Account Number: 236-07199

24-Hour Assistance: (866) 4MLBUSINESS

YOUR WCMA TRANSACTIONS

December 01, 2007 - December 31, 2007

SECURITY TRANSACTIONS (continued)

Date	Description	Transaction Type	Quantity	Unit Price	Debit	Credit	Accrued Interest Earned/(Paid)
FIRST COUPON	01/04/08						
CASH TRADE							
PRICE	24995.63						
Subtotal (Purchases)					8,999,067.94		
TOTAL					8,999,067.94		

CASH/OTHER TRANSACTIONS

Date	Transaction Type	Quantity	Description	Debit	Credit
12/20	Funds Received		CHECK DEPOSIT		10,000,000.00
			Deposit Sub-Total		10,000,000.00
12/17	Journal Entry		TR TO 23615L42	50,000.00	
			N/O BRUCE FRIEDMAN AND		10,000,000.00
12/26	Journal Entry		MONTH END SUMMARY DEBIT	179,316.38	
12/26	Journal Entry		MONTH END SUMMARY DEBIT	9,700.89	
12/28	Journal Entry		CHECK ORDER FEE - 12/07	7.50	
			Subtotal (Other Debits/Credits)	239,024.77	
NET TOTAL					9,760,975.23

VISA SIGNATURE CARD ACTIVITY FOR BRUCE FRIEDMAN

Trans. Date	Date Cleared	Description	Location /Transaction	Debit	Credit
11/28		OPENING BALANCE		.00	
12/16	12/18	RIO SUITES FRONT DESK	LAS VEGAS NV		207.49
11/27	12/26	*. FABROCINIS ITALIAN KITCHEN	TARZANA CA	84.23	
11/28	12/26	*. MARMALADE CAFE #15	CALABASAS CA	33.85	
11/28	12/26	*. ALBUQUERQUE FLORIST	505-8813336 NM	150.00	
11/28	12/26	*. SUSHI HOUSE OF TAKA	SHERMAN OAKS CA	101.08	
11/28	12/26	*. FLORALIA DECORATORS	212-7594527 NY	335.96	
11/30	12/26	*. VONS Store00022145	BURBANK CA	151.62	
12/01	12/26	*. CHURCH STREET CAFE	ALBUQUERQUE NM	130.51	

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TOTAL MERRILL

DIVERSIFIED LENDING GROUP INC

Account Number: 236-07199

YOUR WCMA TRANSACTIONS

December 01, 2007 - December 31, 2007

VISA SIGNATURE CARD ACTIVITY FOR BRUCE FRIEDMAN (continued)

Trans. Date	Date Cleared	Description	Location / Transaction	Debit	Credit
12/01	12/26	*. ARTICHOKE CAFE	ALBUQUERQUE NM	217.40	
12/02	12/26	*. HYATT HOTELS ALBUQUERQUE	ALBUQUERQUE NM	2,050.45	
12/02	12/26	*. HYATT HOTELS ALBUQUERQUE	ALBUQUERQUE NM	408.08	
12/02	12/26	*. HYATT HOTELS ALBUQUERQUE	ALBUQUERQUE NM	269.50	
12/03	12/26	*. THE PAINTED HORSE CAFE	SCOTTSDALE AZ	187.61	
12/04	12/26	*. CHARLESTON'S	SCOTTSDALE AZ	153.57	
12/04	12/26	*. A BRILLIANT LIMOUSINE	858-7590041 CA	151.20	
12/04	12/26	*. HILTON HOTELS WALDORF	NEW YORK NY	3,428.00	
12/05	12/26	*. FAIRMONT HOTEL SCOTTSDALE	SCOTTSDALE AZ	5,169.02	
12/05	12/26	*. SOL Y LUNA	TARZANA CA	52.76	
12/07	12/26	*. MARMALADE CAFE #11	SHERMAN OAKS CA	55.43	
12/07	12/26	*. C AND O TRATTORIA	MARINA DL REY CA	270.88	
12/09	12/26	*. LIDO'S PIZZA	VAN NUYS CA	158.44	
12/09	12/26	*. A LOTTA WIRELESS	818-7131300 CA	205.56	
12/09	12/26	*. A LOTTA WIRELESS	818-7131300 CA	376.17	
12/09	12/26	*. MCCORMICK & SCHMICK#18	BEVERLY HILL CA	555.11	
12/10	12/26	*. NORDSTROM #0341 Q18	CANOGA PARK CA	16,318.69	
12/15	12/26	*. FUTURETRONICS	LAS VEGAS NV	8,264.09	
12/15	12/26	*. FUTURETRONICS	LAS VEGAS NV	3,649.93	
12/16	12/26	*. RIO SUITES FRONT DESK	LAS VEGAS NV	1,443.70	
12/19	12/26	*. RADISSON HOTELS	KALAMAZOO MI	2,570.99	
12/19	12/26	*. RIO SUITES FRONT DESK	LAS VEGAS NV	84.00	
12/20	12/26	*. DODGERS TICKETS	866-DODGERS CA	9,280.01	
12/20	12/26	*. DODGERS TICKETS	866-DODGERS CA	49,999.99	
12/20	12/26	*. DODGERS TICKETS	866-DODGERS CA	50,000.00	
12/21	12/26	*. THE WOODLANDS INN	WILKES-BARRE PA	291.22	
12/21	12/26	*. THE WOODLANDS INN	WILKES-BARRE PA	120.99	
12/21	12/26	*. ZONE HEALTHY	SHERMAN OAKS CA	22,596.34	
		Subtotal (Visa Purchase Activity)		179,108.89	
		TOTAL Visa Signature Card Activity for Bruce Friedman		179,108.89	
12/26		CLOSING BALANCE			.00

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DIVERSIFIED LENDING GROUP INC

Account Number: 236-07199

24-Hour Assistance: (866) 4MLBUSINESS

YOUR WCMA TRANSACTIONS

December 01, 2007 - December 31, 2007

VISA SIGNATURE CARD ACTIVITY FOR BRUCE FRIEDMAN (continued)

Trans. Date	Date Cleared	Description	Location / Transaction	Debit	Credit
*-Month-End Debit for Visa Purchases					
VISA SIGNATURE CARD ACTIVITY FOR KEVIN KELLER					
11/28		OPENING BALANCE		.00	
11/27	12/26	*. Continental Cater00 OF 00	619-6983500 CA	2,987.61	
11/27	12/26	*. HELI-JUSA	818-9941445 CA	2,595.00	
11/30	12/26	*. HELI-JUSA	818-9941445 CA	3,750.00	
12/08	12/26	*. HI *WINECNTRYGIFTBSKT	866-226-0431 CA	122.15	
12/10	12/26	*. MRS*BEASLEY MISS GRACE	800-710-7742 CA	113.90	
12/11	12/26	*. HI *WINECNTRYGIFTBSKT	866-226-0431 CA	82.15	
12/20	12/26	*. CONFERENCEING	888-289-0593 CA	18.59	
12/23	12/26	*. AT&T W146 6620	COLUMBIA MD	31.49	
Subtotal (Visa Purchase Activity)				9,700.89	
TOTAL Visa Signature Card Activity for Kevin Keller				9,700.89	

12/26		CLOSING BALANCE		.00	
*-Month-End Debit for Visa Purchases					
Total Visa Signature Card Purchase Activity					
Total Visa Credit Activity					
Total Visa Purchases (Net of Credits)					
Total Visa ATM/Cash Advances					
TOTAL VISA CARD ACTIVITY				188,809.78	

VISA SIGNATURE REWARDS	Point Balance	Points Earned This Period	Points Redeemed	Point Adjustments	Bonus Points	Ending Balance
11/29/2007 to 12/26/2007	2,183,953	188,811	0	0	0	2,372,764



TOTAL MERRILL

Account Number: 236-07199

DIVERSIFIED LENDING GROUP INC

YOUR WCMA TRANSACTIONS

January 01, 2008 - January 31, 2008

REALIZED GAINS/(LOSSES)

Description	Quantity	Acquired Date	Liquidation Date	Sales Price	Cost Basis	This Statement	Gains/(Losses) * Year to Date
CALL CFC JUL 0005	2501.0000	01/16/08	01/30/08	480,186.63	395,158.00	85,028.63	
CALL CFC JUL 0005	2499.0000	01/17/08	01/30/08	479,802.64	394,842.00	84,960.64	
Subtotal (Short-Term)						169,989.27	169,989.27
TOTAL				959,989.27	790,000.00	169,989.27	169,989.27

* - Excludes transactions for which we have insufficient data

CASH/OTHER TRANSACTIONS

Date	Transaction Type	Quantity	Description	Debit	Credit
01/15	Wire Transfer		WIRE TRF OUTP30801509271	1,268,447.22	
	Subtotal (Electronic Transfers)			1,268,447.22	
01/15	Journal Entry		TRANSFR FEE P30801509271	30.00	
01/23	Visa Signature		MONTH END SUMMARY DEBIT	26,139.51	
01/23	Visa Signature		MONTH END SUMMARY DEBIT	3,788.87	
	Subtotal (Other Debits/Credits)			29,958.38	
	NET TOTAL			1,298,405.60	

VISA SIGNATURE CARD ACTIVITY FOR BRUCE FRIEDMAN

Trans. Date	Date Cleared	Description	Location / Transaction	Debit	Credit
12/26		OPENING BALANCE		.00	
01/04	01/07	FUTURETRONICS	LAS VEGAS NV		135.00
12/26	01/23	*. VONS StorE00022145	BURBANK CA	155.10	
12/26	01/23	*. VEGASCOM-WYNN	702-4923935 NV	349.80	
12/26	01/23	*. CALIFORNIA ROLL N SUSHI	WOODLAND HLS CA	172.51	
12/28	01/23	*. FUTURETRONICS	LAS VEGAS NV	754.24	
12/28	01/23	*. FUTURETRONICS	LAS VEGAS NV	700.35	
12/28	01/23	*. SAVOYA, LLC	DALLAS TX	184.23	
12/28	01/23	*. NORDSTROM #0386 Q18	LAS VEGAS NV	1,055.95	
12/28	01/23	*. NORDSTROM #0386 Q18	LAS VEGAS NV	4,791.72	
12/28	01/23	*. NORDSTROM #0386 Q18	LAS VEGAS NV	1,185.34	

