

IN THE DISTRICT COURT OF THE VIRGIN ISLANDS  
DIVISION OF ST. CROIX

UNITED STATES OF AMERICA :  
and :  
THE PEOPLE OF THE VIRGIN ISLANDS :  
v. :  
JAMES A. AUFFENBERG, JR., :  
AUFFENBERG ENTERPRISES OF :  
ILLINOIS, INC., :  
PETER G. FAGAN, :  
JAMES W. FERGUSON, III, :  
J. DAVID JACKSON, :  
KAPOK, INC., :  
KAPOK MANAGEMENT, L.P., :  
ST. CLAIR I, LLC, and :  
ST. CLAIR II HOLDINGS VI, LLC :

CRIMINAL ACTION

FILED THIS 4 DAY OF March 20 09  
WILFREDO F. MORALES  
CLERK OF THE COURT  
BY Margaret [Signature]  
DEPUTY

NO. 2007-0047

VERDICT SHEET

**COUNT ONE**

CONSPIRACY TO COMMIT AN OFFENSE AND TO DEFRAUD THE UNITED STATES  
(18 U.S.C. § 371)

Count One charges conspiracy to commit the offense of wire fraud and to defraud the United States, beginning in and around 1998 and continuing through on or about November 16, 2005.

1. On Count 1, we find defendant James A. Auffenberg, Jr.:

NOT GUILTY ✓

GUILTY \_\_\_\_\_

If you found the defendant 'Guilty' on Count 1, please answer 'yes' to either question 1.A or 1.B or both. If you found the defendant 'Not Guilty' on Count 1, proceed now to question 2.

1.A Did you find the defendant 'Guilty' on Count 1 because he or it engaged in a conspiracy to commit wire fraud?

YES \_\_\_\_\_ NO \_\_\_\_\_

1.B Did you find the defendant 'Guilty' on Count 1 because he or it engaged in a conspiracy to defraud the United States?

YES \_\_\_\_\_ NO \_\_\_\_\_

2. On Count 1, we find defendant Auffenberg Enterprises of Illinois, Inc.:

NOT GUILTY  \_\_\_\_\_ GUILTY \_\_\_\_\_

If you found the defendant 'Guilty' on Count 1, please answer 'yes' to either question 2.A or 2.B or both. If you found the defendant 'Not Guilty' on Count 1, proceed now to question 3.

2.A Did you find the defendant 'Guilty' on Count 1 because he or it engaged in a conspiracy to commit wire fraud?

YES \_\_\_\_\_ NO \_\_\_\_\_

2.B Did you find the defendant 'Guilty' on Count 1 because he or it engaged in a conspiracy to defraud the United States?

YES \_\_\_\_\_ NO \_\_\_\_\_

3. On Count 1, we find defendant Peter G. Fagan:

NOT GUILTY  \_\_\_\_\_ GUILTY \_\_\_\_\_

If you found the defendant 'Guilty' on Count 1, please answer 'yes' to either question 3.A or 3.B or both. If you found the defendant 'Not Guilty' on Count 1, proceed now to question 4.

3.A Did you find the defendant 'Guilty' on Count 1 because he or it engaged in a conspiracy to commit wire fraud?

YES \_\_\_\_\_ NO \_\_\_\_\_

3.B Did you find the defendant 'Guilty' on Count 1 because he or it engaged in a conspiracy to defraud the United States?

YES \_\_\_\_\_ NO \_\_\_\_\_

4. On Count 1, we find defendant James W. Ferguson, III:

NOT GUILTY  \_\_\_\_\_ GUILTY \_\_\_\_\_

If you found the defendant 'Guilty' on Count 1, please answer 'yes' to either question 4.A or 4.B or both. If you found the defendant 'Not Guilty' on Count 1, proceed now to question 5.

4.A Did you find the defendant 'Guilty' on Count 1 because he or it engaged in a conspiracy to commit wire fraud?

YES \_\_\_\_\_ NO \_\_\_\_\_

4.B Did you find the defendant 'Guilty' on Count 1 because he or it engaged in a conspiracy to defraud the United States?

YES \_\_\_\_\_ NO \_\_\_\_\_

5. On Count 1, we find defendant J. David Jackson:

NOT GUILTY  \_\_\_\_\_ GUILTY \_\_\_\_\_

If you found the defendant 'Guilty' on Count 1, please answer 'yes' to either question 5.A or 5.B or both. If you found the defendant 'Not Guilty' on Count 1, proceed now to question 6.

5.A Did you find the defendant 'Guilty' on Count 1 because he or it engaged in a conspiracy to commit wire fraud?

YES \_\_\_\_\_ NO \_\_\_\_\_

5.B Did you find the defendant 'Guilty' on Count 1 because he or it engaged in a conspiracy to defraud the United States?

YES \_\_\_\_\_ NO \_\_\_\_\_

6. On Count 1, we find defendant Kapok, Inc.:

NOT GUILTY  \_\_\_\_\_ GUILTY \_\_\_\_\_

If you found the defendant 'Guilty' on Count 1, please answer 'yes' to either question 6.A or 6.B or both. If you found the defendant 'Not Guilty' on Count 1, proceed now to question 7.

6.A Did you find the defendant 'Guilty' on Count 1 because he or it engaged in a conspiracy to commit wire fraud?

YES \_\_\_\_\_ NO \_\_\_\_\_

6.B Did you find the defendant 'Guilty' on Count 1 because he or it engaged in a conspiracy to defraud the United States?

YES \_\_\_\_\_ NO \_\_\_\_\_

7. On Count 1, we find defendant Kapok Management, L.P.:

NOT GUILTY  \_\_\_\_\_ GUILTY \_\_\_\_\_

If you found the defendant 'Guilty' on Count 1, please answer 'yes' to either question 7.A or 7.B or both. If you found the defendant 'Not Guilty' on Count 1, proceed now to question 8.

7.A Did you find the defendant 'Guilty' on Count 1 because he or it engaged in a conspiracy to commit wire fraud?

YES \_\_\_\_\_ NO \_\_\_\_\_

7.B Did you find the defendant 'Guilty' on Count 1 because he or it engaged in a conspiracy to defraud the United States?

YES \_\_\_\_\_ NO \_\_\_\_\_

8. On Count 1, we find defendant St. Clair I, LLC:

NOT GUILTY  \_\_\_\_\_ GUILTY \_\_\_\_\_

If you found the defendant 'Guilty' on Count 1, please answer 'yes' to either question 8.A or 8.B or both. If you found the defendant 'Not Guilty' on Count 1, proceed now to question 9.

8.A Did you find the defendant 'Guilty' on Count 1 because he or it engaged in a conspiracy to commit wire fraud?

YES \_\_\_\_\_ NO \_\_\_\_\_

8.B Did you find the defendant 'Guilty' on Count 1 because he or it engaged in a conspiracy to defraud the United States?

YES \_\_\_\_\_ NO \_\_\_\_\_

9. On Count 1, we find defendant St. Clair II Holdings VI, LLC:

NOT GUILTY

GUILTY \_\_\_\_\_

If you found the defendant 'Guilty' on Count 1, please answer 'yes' to either question 9.A or 9.B or both. If you found the defendant 'Not Guilty' on Count 1, proceed now to question 1 under Count Two.

9.A Did you find the defendant 'Guilty' on Count 1 because he or it engaged in a conspiracy to commit wire fraud?

YES \_\_\_\_\_ NO \_\_\_\_\_

9.B Did you find the defendant 'Guilty' on Count 1 because he or it engaged in a conspiracy to defraud the United States?

YES \_\_\_\_\_ NO \_\_\_\_\_

COUNT TWO

TAX EVASION FOR 2000 TAX YEAR  
(26 U.S.C. § 7201 and 18 U.S.C. § 2)

Count Two charges tax evasion for the 2000 tax year, beginning on or about April 16, 2001 and continuing thereafter through the date of Indictment, March 23, 2007.

1. On Count 2, we find defendant James A. Auffenberg, Jr.:

NOT GUILTY  GUILTY \_\_\_\_\_

2. On Count 2, we find defendant Auffenberg Enterprises of Illinois, Inc.:

NOT GUILTY  GUILTY \_\_\_\_\_

3. On Count 2, we find defendant Peter G. Fagan:

NOT GUILTY  GUILTY \_\_\_\_\_

4. On Count 2, we find defendant James W. Ferguson, III:

NOT GUILTY  GUILTY \_\_\_\_\_

5. On Count 2, we find defendant J. David Jackson:

NOT GUILTY  GUILTY \_\_\_\_\_

6. On Count 2, we find defendant Kapok, Inc.:

NOT GUILTY  GUILTY \_\_\_\_\_

7. On Count 2, we find defendant Kapok Management, L.P.:

NOT GUILTY  GUILTY \_\_\_\_\_

8. On Count 2, we find defendant St. Clair I, LLC:

NOT GUILTY

GUILTY \_\_\_\_\_

9. On Count 2, we find defendant St. Clair II Holdings VI, LLC:

NOT GUILTY

GUILTY \_\_\_\_\_

If you found any defendant 'Guilty' on Count 2, please answer 'yes' to one or more of questions 10, 11, and 12. If you found every defendant 'Not Guilty' on Count 2, please proceed now to question 1 under Count Three.

10. Did you find that substantial deductions taken for business expenses by James A. Auffenberg during tax year 2000 relating to services provided by Kapok Management, L.P. were unreasonable or for services not actually rendered?

YES \_\_\_\_\_ NO \_\_\_\_\_

11. Did you find that defendant James A. Auffenberg, Jr. was not a bona fide resident of the Virgin Islands during tax year 2000?

YES \_\_\_\_\_ NO \_\_\_\_\_

12. Did you find that a substantial amount of the management fees paid during tax year 2000 between Auffenberg Enterprises of Illinois, Inc., St. Clair I, LLC and Kapok Management, L.P. were sham transactions?

YES \_\_\_\_\_ NO \_\_\_\_\_

**COUNT THREE**

**TAX EVASION FOR 2001 TAX YEAR  
(26 U.S.C. § 7201 and 18 U.S.C. § 2)**

Count Three charges tax evasion for the 2001 tax year, beginning on or about April 15, 2002 and continuing thereafter through the date of Indictment, March 23, 2007.

1. On Count 3, we find defendant James A. Auffenberg, Jr.:

NOT GUILTY  \_\_\_\_\_ GUILTY \_\_\_\_\_

2. On Count 3, we find defendant Auffenberg Enterprises of Illinois, Inc.:

NOT GUILTY  \_\_\_\_\_ GUILTY \_\_\_\_\_

3. On Count 3, we find defendant Peter G. Fagan:

NOT GUILTY  \_\_\_\_\_ GUILTY \_\_\_\_\_

4. On Count 3, we find defendant James W. Ferguson, III:

NOT GUILTY  \_\_\_\_\_ GUILTY \_\_\_\_\_

5. On Count 3, we find defendant J. David Jackson:

NOT GUILTY  \_\_\_\_\_ GUILTY \_\_\_\_\_

6. On Count 3, we find defendant Kapok, Inc.:

NOT GUILTY  \_\_\_\_\_ GUILTY \_\_\_\_\_



7. On Count 3, we find defendant Kapok Management, L.P.:

NOT GUILTY  GUILTY \_\_\_\_\_

8. On Count 3, we find defendant St. Clair I, LLC:

NOT GUILTY  GUILTY \_\_\_\_\_

9. On Count 3, we find defendant St. Clair II Holdings VI, LLC:

NOT GUILTY  GUILTY \_\_\_\_\_

If you found any defendant 'Guilty' on Count 3, please answer 'yes' to one or more of questions 10, 11, and 12. If you found every defendant 'Not Guilty' on Count 3, please proceed now to question 1 under Count Four.

10. Did you find that substantial deductions taken for business expenses by James A. Auffenberg during tax year 2001 relating to services provided by Kapok Management, L.P. were unreasonable or for services not actually rendered?

YES \_\_\_\_\_ NO \_\_\_\_\_

11. Did you find that defendant James A. Auffenberg, Jr. was not a bona fide resident of the Virgin Islands during tax year 2001?

YES \_\_\_\_\_ NO \_\_\_\_\_

12. Did you find that a substantial amount of the management fees paid during tax year 2001 between Auffenberg Enterprises of Illinois, Inc., St. Clair I, LLC and Kapok Management, L.P. were sham transactions?

YES \_\_\_\_\_ NO \_\_\_\_\_

COUNT FOUR

TAX EVASION FOR 2002 TAX YEAR  
(26 U.S.C. § 7201 and 18 U.S.C. § 2)

Count Four charges tax evasion for the 2002 tax year, beginning on or about April 15, 2003 and continuing thereafter through the date of Indictment, March 23, 2007.

1. On Count 4, we find defendant James A. Auffenberg, Jr.:

NOT GUILTY  GUILTY \_\_\_\_\_

2. On Count 4, we find defendant Auffenberg Enterprises of Illinois, Inc.:

NOT GUILTY  GUILTY \_\_\_\_\_

3. On Count 4, we find defendant Peter G. Fagan:

NOT GUILTY  GUILTY \_\_\_\_\_

4. On Count 4, we find defendant James W. Ferguson, III:

NOT GUILTY  GUILTY \_\_\_\_\_

5. On Count 4, we find defendant J. David Jackson:

NOT GUILTY  GUILTY \_\_\_\_\_

6. On Count 4, we find defendant Kapok, Inc.:

NOT GUILTY  GUILTY \_\_\_\_\_

7. On Count 4, we find defendant Kapok Management, L.P.:

NOT GUILTY       ✓                          GUILTY                     

8. On Count 4, we find defendant St. Clair I, LLC:

NOT GUILTY       ✓                          GUILTY                     

9. On Count 4, we find defendant St. Clair II Holdings VI, LLC:

NOT GUILTY       ✓                          GUILTY                     

**If you found any defendant 'Guilty' on Count 4, please answer 'yes' to one or more of questions 10, 11, and 12. If you found every defendant 'Not Guilty' on Count 4, please proceed now to question 1 under Count Five.**

10. Did you find that substantial deductions taken for business expenses by James A. Auffenberg during tax year 2002 relating to services provided by Kapok Management, L.P. were unreasonable or for services not actually rendered?

YES                      NO                     

11. Did you find that defendant James A. Auffenberg, Jr. was not a bona fide resident of the Virgin Islands during tax year 2002?

YES                      NO                     

12. Did you find that a substantial amount of the management fees paid during tax year 2002 between Auffenberg Enterprises of Illinois, Inc., St. Clair I, LLC and Kapok Management, L.P. were sham transactions?

YES                      NO

**COUNT FIVE**

FALSE FORM 1065 TAX RETURN FOR 2000 TAX YEAR FOR INTERSTATE  
MARKETING SERVICE  
(26 U.S.C. § 7206(1))

Count Five charges filing a false form 1065 tax return for  
the 2000 tax year for Interstate Marketing Service on or about  
August 9, 2001.

1. On Count 5, we find defendant James A. Auffenberg, Jr.:

NOT GUILTY

GUILTY

COUNT SIX

FALSE FORM 1120-S TAX RETURN FOR 2000 TAX YEAR FOR AUFFENBERG  
ENTERPRISES OF ILLINOIS, INC.  
(26 U.S.C. § 7206(1))

Count Six charges filing a false form 1120-S tax return for  
the 2000 tax year for Auffenberg Enterprises of Illinois, Inc. on  
or about August 22, 2001.

1. On Count 6, we find defendant James A. Auffenberg, Jr.:

NOT GUILTY

GUILTY

2. On Count 6, we find defendant Auffenberg Enterprises of  
Illinois, Inc.:

NOT GUILTY

GUILTY

**COUNT SEVEN**

FALSE FORM 1120-S TAX RETURN FOR 2000 TAX YEAR FOR AUFFENBERG  
FORD, INC.  
(26 U.S.C. § 7206(1))

Count Seven charges filing a false form 1120-S tax return  
for the 2000 tax year for Auffenberg Ford, Inc. on or about  
August 31, 2001.

1. On Count 7, we find defendant James A. Auffenberg, Jr.:

NOT GUILTY

GUILTY

COUNT EIGHT

FALSE FORM 1120-S TAX RETURN FOR 2000 TAX YEAR FOR AUFFENBERG  
HYUNDAI, INC.

(26 U.S.C. § 7206(1))

*EB*  
*EIGHT*

Count Seven charges filing a false form 1120-S tax return  
for the 2000 tax year for Auffenberg Hyundai, Inc. on or about  
August 31, 2001.

1. On Count 8, we find defendant James A. Auffenberg, Jr.:

NOT GUILTY

GUILTY

**COUNT NINE**

**FALSE FORM 1120-S TAX RETURN FOR 2000 TAX YEAR FOR AUFFENBERG  
IMPORTS, INC.  
(26 U.S.C. § 7206(1))**

Count Nine charges filing a false form 1120-S tax return for the 2000 tax year for Auffenberg Imports, Inc. on or about September 11, 2001.

1. On Count 9, we find defendant James A. Auffenberg, Jr.:

NOT GUILTY

GUILTY



**COUNT TEN**

FALSE FORM 1120-S TAX RETURN FOR 2000 TAX YEAR FOR AUFFENBERG  
MOTORS OF ILLINOIS, INC.  
(26 U.S.C. § 7206(1))

Count Ten charges filing a false form 1120-S tax return for  
the 2000 tax year for Auffenberg Motors of Illinois, Inc. on or  
about September 11, 2001.

1. On Count 10, we find defendant James A. Auffenberg, Jr.:

NOT GUILTY

GUILTY

**COUNT ELEVEN**

FALSE FORM 1120-S TAX RETURN FOR 2000 TAX YEAR FOR AUFFENBERG  
LINCOLN MERCURY, INC.  
(26 U.S.C. § 7206(1))

Count Eleven charges filing a false form 1120-S tax return  
for the 2000 tax year for Auffenberg Lincoln Mercury, Inc. on or  
about September 11, 2001.

1. On Count 11, we find defendant James A. Auffenberg, Jr.:

NOT GUILTY

GUILTY

**COUNT TWELVE**

FALSE FORM 1120-S TAX RETURN FOR 2000 TAX YEAR FOR AUFFENBERG  
CHRYSLER-PLYMOUTH, INC.  
(26 U.S.C. § 7206(1))

Count Twelve charges filing a false form 1120-S tax return  
for the 2000 tax year for Auffenberg Chrysler-Plymouth, Inc. on  
or about September 14, 2001.

1. On Count 12, we find defendant James A. Auffenberg, Jr.:

NOT GUILTY   ✓  

GUILTY

**COUNT THIRTEEN**

FALSE FORM 1120-S TAX RETURN FOR 2000 TAX YEAR FOR AUFFENBERG  
FORD NORTH, INC.  
(26 U.S.C. § 7206(1))

Count Thirteen charges filing a false form 1120-S tax return for the 2000 tax year for Auffenberg Ford North, Inc. on or about September 14, 2001.

1. On Count 13, we find defendant James A. Auffenberg, Jr.:

NOT GUILTY

GUILTY

**COUNT FOURTEEN**

**FALSE TAX RETURN FOR 2000 TAX YEAR  
(26 U.S.C. § 7206(1))**

Count Fourteen charges filing a false tax return for the 2000 tax year for James A. Auffenberg, Jr. on or about November 12, 2001.

1. On Count 14, we find defendant James A. Auffenberg, Jr.:

NOT GUILTY

GUILTY

If you found Mr. Auffenberg 'Guilty' on Count 14, please answer 'yes' to one or more of questions 2.A, 2.B, and 2.C. If you found Mr. Auffenberg 'Not Guilty' on Count 14, please proceed directly to question 1 under Count 15.

2. Was James A. Auffenberg, Jr.'s 2000 federal individual income tax return false as to the following material items:

A. James A. Auffenberg, Jr.'s claim of bona fide Virgin Islands residency for the year 2000.

YES \_\_\_\_\_ NO \_\_\_\_\_

B. The deduction of sham management fees paid to Kapok Management, L.P.

YES \_\_\_\_\_ NO \_\_\_\_\_

C. The reduction in tax in the amount of \$1,868,014 claimed as a tax credit.

YES \_\_\_\_\_ NO \_\_\_\_\_

COUNT FIFTEEN

AIDING AND ASSISTING IN A FALSE TAX RETURN FOR 2000 TAX YEAR  
(26 U.S.C. § 7206(2))

Count Fifteen charges aiding and assisting in a false tax return for the 2000 tax year, from on or about September 30, 2000, and continuing through on or about November 19, 2001.

1. On Count 15, we find defendant Auffenberg Enterprises of Illinois, Inc.:

NOT GUILTY ✓ GUILTY \_\_\_\_\_

2. On Count 15, we find defendant Peter G. Fagan:

NOT GUILTY ✓ GUILTY \_\_\_\_\_

3. On Count 15, we find defendant James W. Ferguson, III:

NOT GUILTY ✓ GUILTY \_\_\_\_\_

4. On Count 15, we find defendant J. David Jackson:

NOT GUILTY ✓ GUILTY \_\_\_\_\_

5. On Count 15, we find defendant Kapok, Inc.:

NOT GUILTY ✓ GUILTY \_\_\_\_\_

6. On Count 15, we find defendant Kapok Management, L.P.:

NOT GUILTY ✓ GUILTY \_\_\_\_\_

7. On Count 15, we find defendant St. Clair I, LLC:

NOT GUILTY ✓ GUILTY \_\_\_\_\_

8. On Count 15, we find defendant St. Clair II Holdings VI, LLC:

NOT GUILTY ✓ GUILTY \_\_\_\_\_

**COUNT SIXTEEN**

**FALSE TAX RETURN FOR 2001 TAX YEAR  
(26 U.S.C. § 7206(1))**

Count Sixteen charges filing a false tax return for the 2001 tax year for James A. Auffenberg, Jr. on or about October 14, 2002.

1. On Count 16, we find defendant James A. Auffenberg, Jr.:

NOT GUILTY

GUILTY

If you found Mr. Auffenberg 'Guilty' on Count 16, please answer 'yes' to one or more of questions 2.A, 2.B, and 2.C. If you found Mr. Auffenberg 'Not Guilty' on Count 16, please proceed directly to question 1 under Count 17.

2. Was James A. Auffenberg, Jr.'s 2001 federal individual income tax return false as to the following material items:

A. James A. Auffenberg, Jr.'s claim of bona fide Virgin Islands residency for the year 2001.

YES

NO

B. The deduction of sham management fees paid to Kapok Management, L.P.

YES

NO

C. The reduction in tax in the amount of \$3,656,149 claimed as a tax credit.

YES

NO

COUNT SEVENTEEN

AIDING AND ASSISTING IN A FALSE TAX RETURN FOR 2001 TAX YEAR  
(26 U.S.C. § 7206(2))

Count Seventeen charges aiding and assisting in a false tax return for the 2001 tax year, from in or around 2001 and continuing through on or about October 15, 2002.

1. On Count 17, we find defendant Auffenberg Enterprises of Illinois, Inc.:

NOT GUILTY ✓ GUILTY \_\_\_\_\_

2. On Count 17, we find defendant Peter G. Fagan:

NOT GUILTY ✓ GUILTY \_\_\_\_\_

3. On Count 17, we find defendant James W. Ferguson, III:

NOT GUILTY ✓ GUILTY \_\_\_\_\_

4. On Count 17, we find defendant J. David Jackson:

NOT GUILTY ✓ GUILTY \_\_\_\_\_

5. On Count 17, we find defendant Kapok, Inc.:

NOT GUILTY ✓ GUILTY \_\_\_\_\_

6. On Count 17, we find defendant Kapok Management, L.P.:

NOT GUILTY ✓ GUILTY \_\_\_\_\_

7. On Count 17, we find defendant St. Clair I, LLC:

NOT GUILTY ✓ GUILTY \_\_\_\_\_

8. On Count 17, we find defendant St. Clair II Holdings VI, LLC:

NOT GUILTY ✓ GUILTY \_\_\_\_\_



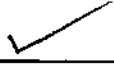
**COUNT EIGHTEEN**

**FALSE TAX RETURN FOR 2002 TAX YEAR  
(26 U.S.C. § 7206(1))**

Count Eighteen charges filing a false tax return for the 2002 tax year for James A. Auffenberg, Jr. on or about October 13, 2003.

1. On Count 18, we find defendant James A. Auffenberg, Jr.:

NOT GUILTY



GUILTY

If you found Mr. Auffenberg 'Guilty' on Count 18, please answer 'yes' to one or more of questions 2.A, 2.B, and 2.C. If you found Mr. Auffenberg 'Not Guilty' on Count 18, please proceed directly to question 1 under Count 19.

2. Was James A. Auffenberg, Jr.'s 2002 federal individual income tax return false as to the following material items:

A. James A. Auffenberg, Jr.'s claim of bona fide Virgin Islands residency for the year 2002.

YES

NO

B. The deduction of sham management fees paid to Kapok Management, L.P.

YES

NO

C. The reduction in tax in the amount of \$2,000,219 claimed as a tax credit.

YES

NO

COUNT NINETEEN

AIDING AND ASSISTING IN A FALSE TAX RETURN FOR 2002 TAX YEAR  
(26 U.S.C. § 7206(2))

Count Nineteen charges aiding and assisting in a false tax return for the 2002 tax year, from in or around 2002 and continuing through on or about October 15, 2003.

1. On Count 19, we find defendant Auffenberg Enterprises of Illinois, Inc.:

NOT GUILTY ✓ GUILTY \_\_\_\_\_

2. On Count 19, we find defendant Peter G. Fagan:

NOT GUILTY ✓ GUILTY \_\_\_\_\_

3. On Count 19, we find defendant James W. Ferguson, III:

NOT GUILTY ✓ GUILTY \_\_\_\_\_

4. On Count 19, we find defendant J. David Jackson:

NOT GUILTY ✓ GUILTY \_\_\_\_\_

5. On Count 19, we find defendant Kapok, Inc.:

NOT GUILTY ✓ GUILTY \_\_\_\_\_

6. On Count 19, we find defendant Kapok Management, L.P.:

NOT GUILTY ✓ GUILTY \_\_\_\_\_

7. On Count 19, we find defendant St. Clair I, LLC:

NOT GUILTY ✓ GUILTY \_\_\_\_\_

8. On Count 19, we find defendant St. Clair II Holdings VI, LLC:

NOT GUILTY ✓ GUILTY \_\_\_\_\_

COUNT TWENTY

WIRE FRAUD  
(18 U.S.C. § 1343)

Count Twenty charges wire fraud, on or about December 26, 2002.

1. On Count 20, we find defendant James A. Auffenberg, Jr.:

NOT GUILTY  GUILTY

2. On Count 20, we find defendant Auffenberg Enterprises of Illinois, Inc.:

NOT GUILTY  GUILTY

3. On Count 20, we find defendant Peter G. Fagan:

NOT GUILTY  GUILTY

4. On Count 20, we find defendant James W. Ferguson, III:

NOT GUILTY  GUILTY

5. On Count 20, we find defendant J. David Jackson:

NOT GUILTY  GUILTY

6. On Count 20, we find defendant Kapok, Inc.:

NOT GUILTY  GUILTY

7. On Count 20, we find defendant Kapok Management, L.P.:

NOT GUILTY  GUILTY

8. On Count 20, we find defendant St. Clair I, LLC:

NOT GUILTY ✓

GUILTY \_\_\_\_\_

9. On Count 20, we find defendant St. Clair II Holdings VI, LLC:

NOT GUILTY ✓

GUILTY \_\_\_\_\_

COUNT TWENTY-ONE

CONSPIRACY TO COMMIT AN OFFENSE  
(14 V.I.C. § 551)

Count Twenty-one charges conspiracy to commit an offense in violation of Virgin Islands law from in or around 1998 through on or about November 16, 2005.

1. On Count 21, we find defendant James A. Auffenberg, Jr.:

NOT GUILTY  GUILTY

2. On Count 21, we find defendant Auffenberg Enterprises of Illinois, Inc.:

NOT GUILTY  GUILTY

3. On Count 21, we find defendant Peter G. Fagan:

NOT GUILTY  GUILTY

4. On Count 21, we find defendant James W. Ferguson, III:

NOT GUILTY  GUILTY

5. On Count 21, we find defendant J. David Jackson:

NOT GUILTY  GUILTY

6. On Count 21, we find defendant Kapok, Inc.:

NOT GUILTY  GUILTY

7. On Count 21, we find defendant Kapok Management, L.P.:

NOT GUILTY  GUILTY

8. On Count 21, we find defendant St. Clair I, LLC:

NOT GUILTY

GUILTY

9. On Count 21, we find defendant St. Clair II Holdings VI, LLC:

NOT GUILTY

GUILTY

COUNT TWENTY-TWO

FALSE STATEMENT AGAINST THE GOVERNMENT  
(14 V.I.C. § 843)

Count Twenty-two charges false statement against the government in violation of Virgin Islands law on or about December 16, 2004.

1. On Count 22, we find defendant J. David Jackson:

NOT GUILTY  GUILTY \_\_\_\_\_

2. On Count 22, we find defendant Kapok, Inc.:

NOT GUILTY  GUILTY \_\_\_\_\_

3. On Count 22, we find defendant Kapok Management, L.P.:

NOT GUILTY  GUILTY \_\_\_\_\_

**COUNT TWENTY-THREE**

**FALSE REPRESENTATION OF EDC ELIGIBILITY  
(29 V.I.C. § 725)**

Count Twenty-three charges false representation of EDC eligibility in violation of Virgin Islands law on or about November 16, 2005.

1. On Count 23, we find defendant J. David Jackson:

NOT GUILTY ✓ GUILTY \_\_\_\_\_

2. On Count 23, we find defendant Kapok Management, L.P.:

NOT GUILTY ✓ GUILTY \_\_\_\_\_



COUNT TWENTY-FOUR

FALSE TAX RETURN FOR 2001 TAX YEAR  
(33 V.I.C. § 1525(1))

Count Twenty-four charges filing a false tax return for the 2001 tax year in violation of Virgin Islands law on or about October 24, 2002.

1. On Count 24, we find defendant Peter G. Fagan:

NOT GUILTY

GUILTY

COUNT TWENTY-FIVE

FALSE TAX RETURN FOR 2001 TAX YEAR  
(33 V.I.C. § 1525(1))

Count Twenty-five charges filing a false tax return for the 2001 tax year in violation of Virgin Islands law on or about October 24, 2002.

1. On Count 25, we find defendant James W. Ferguson, III:

NOT GUILTY       ✓      

GUILTY

**COUNT TWENTY-SIX**

**FALSE TAX RETURN FOR 2001 TAX YEAR  
(33 V.I.C. § 1525(1))**

Count Twenty-six charges filing a false tax return for the 2001 tax year in violation of Virgin Islands law on or about October 11, 2002.

1. On Count 26, we find defendant J. David Jackson:

NOT GUILTY

GUILTY