

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION :

Plaintiff, :

v. :

ENTERPRISES SOLUTIONS, INC. :

HERBERT S. CANNON :

DR. JOHN A. SOLOMON, :

Defendants, :

And :

ROWEN HOUSE, LTD, :

MONTVILLE, LTD., :

Relief Defendants. :

00 Civ 2685 (MGC)

ORDER APPROVING PLAN OF DISTRIBUTION AND PROVIDING  
IMPLEMENTATION THEREOF

This cause coming on to be heard on the "Motion and Memorandum *Con*  
*Plan of Distribution*" (the "MOTION AND MEMORANDUM") of Phillip S. Stenger (th  
his status as Receiver pursuant to the "Order for Appointment of Receiver and Admi  
entered by this Court on July 23, 2003 (the "APPOINTING ORDER"), by and thr  
Stenger & Stenger, P.C., moving this Court to enter an order: (i) defining those  
CLAIMANTS") entitled to participate in the distribution of the FUND as here  
approving the Proof of Claim Form attached as Exhibit A to the MOTION AND  
"PROOF OF CLAIM FORM"); (iii) providing a procedure for the filing by "POT  
CLAIMANTS," as defined in the proposed "DISTRIBUTION PLAN" attached as EXH  
AND MEMORANDUM, of their PROOF OF CLAIM FORMS, including the establishing  
DATE," as defined in the DISTRIBUTION PLAN; (iv) approving the DISTRIBU

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

SECURITIES AND EXCHANGE COMMISSION :

Plaintiff, :

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v. :

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HERBERT S. CANNON :

DR. JOHN A. SOLOMON, :

Defendants, :

And :

ROWEN HOUSE, LTD, :

MONTVILLE, LTD., :

Relief Defendants. :

**ORDER APPROVING PLAN OF DISTRIBUTION AND PROVIDING FOR  
IMPLEMENTATION THEREOF**

This cause coming on to be heard on the "*Motion and Memorandum Concerning Proposed Plan of Distribution*" (the "**MOTION AND MEMORANDUM**") of Phillip S. Stenger (the "**RECEIVER**") in his status as Receiver pursuant to the "*Order for Appointment of Receiver and Administration of Fund*" entered by this Court on July 23, 2003 (the "**APPOINTING ORDER**"), by and through his attorneys, Stenger & Stenger, P.C., moving this Court to enter an order: (i) defining those persons ("**ELIGIBLE CLAIMANTS**") entitled to participate in the distribution of the FUND as hereinafter defined; (ii) approving the Proof of Claim Form attached as Exhibit A to the MOTION AND MEMORANDUM (the "**PROOF OF CLAIM FORM**"); (iii) providing a procedure for the filing by "**POTENTIALLY ELIGIBLE CLAIMANTS**," as defined in the proposed "**DISTRIBUTION PLAN**" attached as Exhibit B to the MOTION AND MEMORANDUM, of their PROOF OF CLAIM FORMS, including the establishment of a "**CLAIMS BAR DATE**," as defined in the DISTRIBUTION PLAN; (iv) approving the DISTRIBUTION PLAN, with such

revisions as the Court deems appropriate, as the basis for distribution of the FUND to the ELIGIBLE CLAIMANTS, subject to possible further revision as provided below; (v) providing a procedure for the filing by POTENTIALLY ELIGIBLE CLAIMANTS of any DISTRIBUTION PLAN OBJECTIONS to the DISTRIBUTION PLAN (including the establishment of an “**OBJECTIONS BAR DATE**,” as defined in the DISTRIBUTION PLAN) and for the resolution of such DISTRIBUTION PLAN OBJECTIONS by the Court; (vi) ordering and directing the “**COOPERATING PARTIES**” (the DEFENDANTS, the RELIEF DEFENDANTS, and their officers, directors, agents, servants, employees, attorneys-in-fact and, as defined in the DISTRIBUTION PLAN, their “**RELATED PARTIES**”) to cooperate with the RECEIVER as hereinafter set forth; and (vii) authorizing the RECEIVER to issue subpoenas to third parties to secure information needed or useful in identifying and/or verifying the eligibility of POTENTIALLY ELIGIBLE CLAIMANTS, or otherwise needed or useful in the performance of the RECEIVER’s duties.

The Court having carefully considered such matters, the Court finds and concludes as follows:

## **I. BACKGROUND**

1. On April 6, 2000, the Securities and Exchange Commission (the “**COMMISSION**”) filed this securities fraud action against Enterprises Solutions, Inc. (“**ENTERPRISES**”), Herbert S. Cannon (“**CANNON**”) and Dr. John A. Solomon (jointly, the “**DEFENDANTS**”), seeking and obtaining an asset freeze over the securities accounts of two Gibraltar companies, Rowen House Limited and Montville Limited, who were named as Relief Defendants (the “**RELIEF DEFENDANTS**”). On May 1, 2000, the Court granted the COMMISSION’s motion to freeze the assets of the RELIEF DEFENDANTS held by the Manhattan brokerage firm of Wall Street Equities, Inc. Then, in an opinion dated June 6, 2001 the Court found that the DEFENDANTS had engaged in fraud in the sale of ENTERPRISES stock. By

judgment dated June 28, 2001, CANNON was ordered to disgorge the sum of \$1,000,000 into the Registry of the Court, to be distributed in accordance with a plan of distribution to be approved by the Court; CANNON and Solomon were also ordered to pay statutory penalties of \$100,000 and \$10,000, respectively. \$1,100,000 has been paid into the Court Registry; however, Solomon did not pay his \$10,000 fine due to his death.

2. The APPOINTING ORDER appointed the RECEIVER to effectuate distribution of \$1,100,000 held in the Court Registry (the “FUND”) and directed the RECEIVER, in consultation with the COMMISSION, to propose to this Court a plan of distribution (the “DISTRIBUTION PLAN”) with respect to the manner in which the FUND shall be distributed. Specifically, the APPOINTING ORDER required that the DISTRIBUTION PLAN identify: (i) the steps to be taken to identify potential claimants; (ii) what information must be submitted by claimants and the form in which it must be submitted; (iii) how claims will be reviewed and either accepted or denied; and (iv) how the eventual distribution of the FUND will be effected. By order of this Court, the RECEIVER transferred the FUND into a frozen bank account at Citibank, Account No. 76283449 (the “FROZEN ACCOUNT”).

3. As set forth in detail in the MOTION AND MEMORANDUM, the RECEIVER has pursued identifying potential claimants to the FUND with thoroughness; and the Court finds that the RECEIVER’s actions have been diligent and reasonable.

## II. DEFINITION OF “*ELIGIBLE CLAIMANTS*”

4. The RECEIVER has recommended that, except as set forth below, all persons who purchased stock of ENTERPRISES during the period from March 1, 1999 to April 30, 2000 (the “RELEVANT TIME PERIOD”) be authorized to participate in distribution(s) from the FUND (“ELIGIBLE

CLAIMANTS”), in the ratio of their NET STOCK LOSSES, as defined below. The RECEIVER has also recommended that, unless waived by the RECEIVER or the Court for good cause shown, the following persons be excluded from the class of ELIGIBLE CLAIMANTS:

- a. The DEFENDANTS and their RELATED PARTIES, as defined in the DISTRIBUTION PLAN;
- b. The RELIEF DEFENDANTS and their RELATED PARTIES;
- c. Global Financial Group (“GLOBAL”) and its RELATED PARTIES; and
- d. All other persons who the RECEIVER determines participated in the development or implementation of the fraudulent scheme of the DEFENDANTS, or in the marketing of ENTERPRISES stock, or who knew or with the exercise of reasonable diligence could have known of the fraudulent nature of the scheme.

5. The Court finds that these recommendations of the RECEIVER are fair, reasonable and equitable, and in the best interests of those who invested in the stock of ENTERPRISE, and hereby adopts the same.

### III. THE PROPOSED *PROOF OF CLAIM FORM*

6. The Court finds that the filing by each POTENTIALLY ELIGIBLE CLAIMANT of a properly-completed PROOF OF CLAIM FORM similar to that attached as **Exhibit A** to this Order will provide the RECEIVER with the information necessary to verify the amount, if any, of the POTENTIALLY ELIGIBLE CLAIMANT’S “NET STOCK LOSS”,<sup>1</sup> as well as information necessary to determine whether or not the

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<sup>1</sup> Under the DISTRIBUTION PLAN, “NET STOCK LOSS” is defined as the amount paid per share of ENTERPRISES stock purchased during the RELEVANT TIME PERIOD by a POTENTIALLY ELIGIBLE CLAIMANT less \$2.00, (ii) times the number of shares so purchased by the POTENTIALLY ELIGIBLE CLAIMANT, (iii) less any amounts realized by that POTENTIALLY ELIGIBLE CLAIMANT through sales of ENTERPRISES stock.

person filing such PROOF OF CLAIM FORM qualifies as an ELIGIBLE CLAIMANT.<sup>2</sup> The Court hereby approves the proposed PROOF OF CLAIM FORM attached as Exhibit A to this Order.

7. The Court hereby directs the RECEIVER: (i) to mail to those POTENTIALLY ELIGIBLE CLAIMANTS identified by the RECEIVER a CLAIMS PACKET as set forth in Section II.(i) of the attached DISTRIBUTION PLAN; and (ii) to give notice as provided in Section II.(i) – (ii) of the attached DISTRIBUTION PLAN.

8. The Court hereby establishes a CLAIMS BAR DATE for the filing by POTENTIALLY ELIGIBLE CLAIMANTS of their PROOF OF CLAIM FORMS, in the manner and with those consequences set forth in Section II.(v) of the attached DISTRIBUTION PLAN; the Court hereby orders that such CLAIMS BAR DATE be **August 23, 2005**. The Court further establishes an OBJECTIONS BAR DATE for the filing by POTENTIALLY ELIGIBLE CLAIMANTS of their DISTRIBUTION PLAN OBJECTIONS, in the manner and with those consequences set forth in Section II.(iv) of the attached DISTRIBUTION PLAN; the Court hereby orders that such OBJECTIONS BAR DATE be **June 24, 2005**.

#### IV. **THE DISTRIBUTION PLAN**

9. The Court finds that it is in the best interests of those who invested in the stock of ENTERPRISES, and is fair, reasonable and equitable, for the Court to adopt as a plan of distribution for the FUND the DISTRIBUTION PLAN attached as **Exhibit B** to this Order.

a. The APPOINTING ORDER provides for preparation of a plan of distribution by the RECEIVER in consultation with the COMMISSION. The RECEIVER has submitted the DISTRIBUTION PLAN to the COMMISSION and has discussed the contents of the

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<sup>2</sup> POTENTIALLY ELIGIBLE CLAIMANTS who have previously filed with the RECEIVER (and received confirmation of filing) a properly completed INVESTOR RESPONSE FORM will not be required to duplicate that filing.

DISTRIBUTION PLAN with the COMMISSION. The COMMISSION was also provided a copy of the MOTION AND MEMORANDUM, including the DISTRIBUTION PLAN, at least ten (10) days prior to the filing of the MOTION AND MEMORANDUM, as required by paragraph 5 of the APPOINTING ORDER.

- b. The exclusion from the definition of ELIGIBLE CLAIMANTS of the DEFENDANTS, the RELIEF DEFENDANTS, GLOBAL, and their RELATED PARTIES, as well as those who participated in the development, implementation or marketing of the scheme, or who should have known of the fraudulent nature of the scheme, is reasonable, since it permits the FUND to be distributed to those who are most innocent.
- c. The DISTRIBUTION PLAN provides for notice to POTENTIALLY ELIGIBLE CLAIMANTS by mailing, publication and website posting; a right to file a claim, with supporting documentation, and to object to the DISTRIBUTION PLAN; review of DISTRIBUTION PLAN OBJECTIONS by the Court; review of claims by the RECEIVER before issuance of his RECEIVER'S DETERMINATION, with a right to seek reconsideration of that determination; and a right of appeal to the Court, including, if necessary, reasonable discovery. In addition, as discussed in the MOTION AND MEMORANDUM and as demonstrated to the Court, the RECEIVER has expended significant efforts to identify POTENTIALLY ELIGIBLE CLAIMANTS, and to notify them of their potential claims and the steps to be taken to protect and assert such claims. The Court finds that the steps taken by the Receiver to identify Potentially Eligible Claimants and to notify them of their potential claims are diligent and reasonable.

- d. As directed by the Court in paragraph 5 of the APPOINTING ORDER, the DISTRIBUTION PLAN includes provisions for qualifying the FUND as a “qualified settlement fund”: see DISTRIBUTION PLAN, Section II.(xiii).
- e. The Court accordingly approves and adopts the DISTRIBUTION PLAN, attached as **Exhibit B** to this Order. As a part thereof, the Court further approves and adopts the proposed DISTRIBUTION PLAN NOTICE and the proposed SUMMARIZING LETTER attached as **Exhibits C and D** to this Order,

#### V. COOPERATION BY PARTIES

10. In order to perform his duties, it may prove necessary for the RECEIVER to request information and other cooperation from the COOPERATING PARTIES. To facilitate such requests, and subject to all rights and privileges available under the law, the Court hereby orders and directs that the COOPERATING PARTIES provide to the RECEIVER all information requested by the RECEIVER that is in their possession and control or could be made available if requested, and that the COOPERATING PARTIES take no action, directly or indirectly, to hinder, obstruct, delay or otherwise interfere in any manner with the actions of the RECEIVER or any other person engaged or employed by the RECEIVER to assist him in carrying out his duties and obligations herein.

#### VI. AUTHORITY TO ISSUE SUBPOENAS

11. In order to perform his duties, the RECEIVER may also find it necessary to compel testimony or the production of records and other documents from banks and other financial institutions, brokerage firms and other third parties. Accordingly, the RECEIVER is hereby granted the power and authority to issue subpoenas to compel testimony of persons or production of records in a



manner consistent with the Federal Rules of Civil Procedure and the Rules of the Court concerning any subject matter which in the opinion of the RECEIVER is reasonably necessary or useful for the performance of his duties.

**WHEREFORE, IT IS HEREBY ORDERED AND DIRECTED THAT:**

- A) The proposed PROOF OF CLAIM FORM attached as **Exhibit A** to this Order, is hereby approved by this Court;
- B) The proposed DISTRIBUTION PLAN attached as **Exhibit B** to this Order, including the proposed DISTRIBUTION PLAN NOTICE and proposed SUMMARIZING LETTER attached as **Exhibits C and D** to this Order, are hereby approved and adopted as the DISTRIBUTION PLAN, subject to any revisions the Court hereafter deems appropriate, including revisions based upon the Court's rulings on any DISTRIBUTION PLAN OBJECTIONS;
- C) All potential claimants are hereby ordered and directed to file with the RECEIVER a PROOF OF CLAIM FORM on a form substantially identical to that approved by the Court in Ordering Paragraph A) of this Order in the manner provided in Section II.(v) of the DISTRIBUTION PLAN by no later than the CLAIMS BAR DATE of **August 23, 2005**, and to file with the Court any DISTRIBUTION PLAN OBJECTIONS in the manner provided in Section II.(iv) of the DISTRIBUTION PLAN by no later than the OBJECTIONS BAR DATE of **June 24, 2005**.
- D) The Court hereby sets a CLAIMS BAR DATE of **August 23, 2005** and an OBJECTIONS BAR DATE of **June 24, 2005**;
- E) The Court hereby orders and directs the COOPERATING PARTIES to cooperate as set forth above;

- F) The Court hereby grants the RECEIVER the authority to issue subpoenas as set forth above;
- G) The Court hereby authorizes the RECEIVER to pay such amounts as are required to publish the DISTRIBUTION PLAN NOTICE and hereby unfreezes up to \$20,000 from the FROZEN ACCOUNT for such purposes; and
- H) The Court reserves the right without further notice to amend this Order from time to time as it sees fit and the Court retains exclusive jurisdiction and venue as to all matters relating to the validity, interpretation, revision and implementation of the DISTRIBUTION PLAN, including any alleged liability, and the exoneration, of the RECEIVER.

SO ORDERED this 5<sup>th</sup> day of May, 2005.

Miriam Goldman Cedarbaum  
HONORABLE MIRIAM GOLDMAN CEDARBAUM  
UNITED STATES DISTRICT JUDGE  
SOUTHERN DISTRICT OF NEW YORK

**Exhibit A**  
**To Distribution Plan Approval Order**  
**PROOF OF CLAIM FORM**

**PROOF OF CLAIM FORM**

If you bought stock in ENTERPRISES SOLUTIONS, INC. [TRADING SYMBOL: EPSO] (f/k/a AMERICAN CASINOS INTERNATIONAL, INC. – TRADING SYMBOL: ACII), you may be eligible to receive compensation for some portion of your losses. Please complete and return this form as directed by the CLAIMS BAR DATE of August 23, 2005.

**Re: SECURITIES AND EXCHANGE COMMISSION,**

v.

**ENTERPRISES SOLUTIONS, INC.  
HERBERT S. CANNON  
DR. JOHN A. SOLOMON,**

Defendants,

and

**ROWEN HOUSE, LTD.  
MONTVILLE, LTD.,**

Relief Defendants

Case No. 00 civ 2685 (MGC)  
Honorable Miriam Goldman Cedarbaum  
United States District Court  
Southern District of New York

To: Phillip S. Stenger, Receiver  
Enterprises Solutions, Inc. Disgorgement Fund  
Stenger & Stenger, P.C.  
4095 Embassy Drive, S.E., Suite A  
Grand Rapids, MI 49546  
Telephone: (616) 940-1190  
Facsimile: (616) 940-1192  
Website: [www.stengerlaw.com](http://www.stengerlaw.com)

The purpose of this Proof of Claim Form is to allow the Receiver to determine the particulars of any purchase(s) or sale(s) you may have made in the stock of Enterprises Solutions, Inc. ("ESI") [trading symbol: EPSO] (f/k/a American Casinos International, Inc., trading symbol: ACII) to determine if you are eligible to receive partial compensation from a court-established "Disgorgement Fund" for your losses. Additional information and filings may be requested in the future. Thank you.

INVESTOR NAME: \_\_\_\_\_

Soc. Sec./EIN: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone No.: \_\_\_\_\_

Facsimile No.: \_\_\_\_\_

Email Address: \_\_\_\_\_

Type:    ☐ Individual   ☐ Corporation   ☐ General Partnership  
              ☐ Limited Partnership   ☐ Estate of a Decedent  
              ☐ Guardian for \_\_\_ Minor \_\_\_ Incompetent (mark one)  
              ☐ Custodian   ☐ Other \_\_\_\_\_ (explain)

**Note:** Proof of authority to act must be submitted as to a Corporate Claimant. Name and address of the deceased, minor or incompetent must be submitted, as well as the person completing this form, must be submitted for Estate, Guardian, or Custodian claims, together with copies of currently effective Letters Testamentary, or orders of appointment.

Attorney Information (if applicable):

Name: \_\_\_\_\_

Firm Name: \_\_\_\_\_

Address \_\_\_\_\_

Telephone No.: \_\_\_\_\_

Facsimile No.: \_\_\_\_\_

Email Address: \_\_\_\_\_

**PLEASE COMPLETE A SEPARATE PROOF OF  
CLAIM FORM FOR EACH INVESTOR**

**GUIDELINES FOR COMPLETING THIS FORM:**

1. Attach *copies* of all records that support your Proof of Claim Form, including, but not limited to, proof of payment (i.e. wire transfer confirmations, cancelled checks, bank statements), brokerage account statements and trade confirmations. *Do not send original documents to the Receiver.*
2. ***Initial each page of the documents you produce, including this form.***
3. If a particular item does not apply to you specifically, write “not applicable.” If you do not know the answer to a particular item, write, “not known.” ***Do not leave a question blank.***
4. You must certify the accuracy of the Proof of Claim Form and sign it under penalties of perjury in the space provided on the final page. ***If you are signing on behalf of an entity, you must provide the Receiver with documentation to show that you have the authority to make this claim on behalf of the entity and to bind the entity.***
5. Correspondence concerning your Proof of Claim Form should be addressed to Stenger & Stenger, attorneys for the Receiver, at the address shown for the Receiver on the cover page to this Proof of Claim Form. The firm of Stenger & Stenger is a law firm for the Receiver and cannot give you personal legal advice concerning your Proof of Claim Form; such advice must come from *your own* attorney or other advisor. Likewise, information communicated by you to Stenger & Stenger is not confidential and will be utilized by the Receiver in administering the Disgorgement Fund, including the resolution of any claim you may make against the Disgorgement Fund. All such communications should be in writing.
6. This Proof of Claim Form consists of eight (8) pages. If you did not receive all eight pages, please immediately notify Stenger & Stenger at the address shown above.
7. The Receiver reserves the right to request additional information from you.
8. In the event that any information provided in this Proof of Claim Form, including your contact information, changes or becomes inaccurate or incomplete, ***you are obligated to so advise the Receiver and revise and update your Proof of Claim Form.*** Failure to do so would make your Proof of Claim Form inaccurate or misleading and could subject you to penalties.
9. The fact that you have received this Proof of Claim Form from the Receiver, or that the Receiver accepts your return of that form, does not constitute a determination by the Receiver that you are in fact an eligible claimant to share in any distributions from the Disgorgement Fund. Approval of claims and distributions, if any, are dependent upon the procedures established by, and orders of, the Court.
10. Please note that ***the statements made by you in this Proof of Claim Form are being submitted by you under penalty of perjury.*** If you have any questions concerning how to complete this form, consult your own attorney or other independent advisor. ***The Receiver recommends that you secure such independent advice.***

### Investment Information

1. a. I purchased stock in Enterprises Solutions, Inc. ("ESI") [trading symbol: EPSO] as follows (add extra sheets if necessary):

Name Under Which Shares were Purchased	Purchase Date	Number of Shares Purchased	Purchase Price per Share	Total Dollar Amount Paid for Shares	Name of Brokerage Firm	Name of Brokerage Agent
<b>TOTAL</b>						

- b. I sold stock in Enterprises Solutions, Inc. [trading symbol: EPSO] as follows (add extra sheets if necessary):

Name Under Which Shares were Sold	Sale Date	Number of Shares Sold	Sale Price per Share	Total Dollar Amount Received*	Name of Brokerage Firm	Name of Brokerage Agent
<b>TOTAL</b>						

**PLEASE ATTACH PROOF OF THE ABOVE-MENTIONED TRANSACTIONS, INCLUDING (IF APPLICABLE) STOCK CERTIFICATES, ACCOUNT STATEMENTS, CANCELLED CHECKS, WIRE TRANSFER CONFIRMATIONS, BROKERAGE ACCOUNT STATEMENTS, TRADE CONFIRMATIONS OR ANY OTHER EVIDENCE.**

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\* Gross, including commissions.

2. Please indicate the method of payment you used on your purchase(s) of Enterprises Solutions, Inc. stock:

☐ check      ☐ cash      ☐ wire transfer      ☐ credit card      ☐ other

ATTACH PROOF OF PAYMENT FOR YOUR PURCHASE(S), INCLUDING (IF APPLICABLE) CANCELLED CHECKS, BANK STATEMENTS, RECEIPTS, ETC.

3. a. If you sold any of your Enterprises Solutions, Inc. stock, please indicate the form of payment(s) you received for the sale:

☐ check      ☐ cash      ☐ wire transfer      ☐ other

- b. If you received payment by check, please indicate the payor on the check(s):

\_\_\_\_\_

- c. If payment was made in cash, please identify the person(s) who made the payment(s):

\_\_\_\_\_

- d. If payment was made via wire transfer, please indicate the account number(s) and name(s) on the account(s) from which the funds were transferred:

\_\_\_\_\_

- e. If other, please describe the form in which payment(s) were made to you and the name of the person who made the payment(s):

\_\_\_\_\_

4. a. Have you ever received a payment of cash, stock or anything else from Enterprises Solutions, Inc., American Casinos International, Inc., Herbert S. Cannon, John A. Solomon, Rowen House, Ltd. and/or Montville, Ltd.?      ☐ Yes      ☐ No

- b. If so, please indicate the amount of each payment received and the form in which the payment was made (i.e., cash, check, wire transfer, additional stock, etc.)

Date Payment was Received	Amount of Payment	Form in which Payment was Made
<b>TOTAL</b>		

5. a. Do you still own stock in ESI?      ☐ Yes      ☐ No



- b. If so, please indicate how many shares you still own: \_\_\_\_\_  
(Also, please attach copies of any documents confirming any current ownership of stock in ESI).
6. a. Please identify the individual(s) or entity(ies) who informed you about the investment(s) and any relationship they may have had with ESI, ACII, Herbert S. Cannon, John A. Solomon or any other person affiliated, directly or indirectly, with any of these persons or entities: \_\_\_\_\_  
\_\_\_\_\_
- b. If the individual(s) worked for a company other than ESI or ACII, please indicate the name of the company and their position with that company: \_\_\_\_\_  
\_\_\_\_\_
- c. If the individual(s) worked for Global Financial Group, Inc. ("Global Financial"), please identify the person(s) and their position: \_\_\_\_\_  
\_\_\_\_\_

**Investor Information**

7. a. Did you recommend this investment to any other individual(s) or entity(ies) who may have invested? ☐ Yes ☐ No
- b. Did the person(s) or entity(ies) ultimately purchase the stock? ☐ Yes ☐ No
- c. If the person(s) or entity(ies) purchased the stock, please provide the person(s) or entity(ies)' current name, address and phone number: \_\_\_\_\_  
\_\_\_\_\_
- d. Did you receive any form of compensation, including finders fees, stock, gifts or other benefits, for recommending other individuals to invest? ☐ Yes ☐ No
- e. If Yes, what was the total dollar value of any compensation you received? \_\_\_\_\_  
\_\_\_\_\_
- f. In what form did you receive your compensation? \_\_\_\_\_

8. If you are an entity other than a natural person (e.g., a corporation, general or limited partnership, limited liability company, trust etc.), please list the officers, directors, managing partners, managers, beneficial owners, consultants, attorneys, promoters, agents and controlling persons of the entity and provide their current addresses:

Name	Position	Address

If the stock was purchased and/or sold by an entity other than a natural person, and you plan to assert a claim on behalf of that entity, please provide documentation to show your authority to make this claim on behalf of the entity.

9. a. Are you or any of your entity's beneficial owners related to or affiliated with any past or present owner, officer, director, employee, consultant, attorney, promoter or agent of ESI? ☐ Yes ☐ No
- b. If Yes, to whom are you related or affiliated, and what is that person's past or present position with ESI? \_\_\_\_\_
- c. Are you or any of your entity's beneficial owners related to or affiliated with any past or present owner, officer, employee, consultant, attorney, promoter or agent of Global Financial Group, Inc.? ☐ Yes ☐ No
- d. If Yes, to whom are you related or affiliated, and what is that person's past or present position with Global Financial Group, Inc.? \_\_\_\_\_
- e. Are you or any of your entity's beneficial owners directly or indirectly related to or affiliated with Herbert S. Cannon or any business or entity associated, directly or indirectly, with Cannon? ☐ Yes ☐ No
- f. If Yes, what is your relationship to Herbert S. Cannon or the related business or entity? \_\_\_\_\_

- g. Are you or any of your entity's beneficial owners directly or indirectly related to or affiliated with John A. Solomon? ☐ Yes ☐ No
- h. If Yes, what is your relationship to John A. Solomon? \_\_\_\_\_
- i. Are you or any of your entity's beneficial owners related to or affiliated with any past or present owner, officer, director, manager, employee, consultant, attorney, promoter or agent of Rowen House, Ltd or Montville, Ltd.? ☐ Yes ☐ No
- j. If Yes, to whom are you related or affiliated, and what is that person's past or present position with Rowen House, Ltd or Montville, Ltd? \_\_\_\_\_

*Attach Additional Pages if Necessary*

**By Signing Below, I Hereby Make the Following  
Acknowledgements and Certifications:**

- I will supplement this Proof of Claim Form if any information given herein later becomes, or is determined to be, inaccurate or incomplete;
- I certify, under penalty of perjury, that my answers on this Proof of Claim Form are true, correct and accurate.

**Dated:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Print Name:** \_\_\_\_\_

**Reminder Checklist:**

- Remember to attach supporting documentation, including the following: proof of payment for each transaction; brokerage account statements; trade confirmations; and any other documents reflecting your transactions involving the stock of ESI.
- Initial each page of this Proof of Claim Form and each page of your supporting documentation.
- If you move, please send us your updated address and telephone number.

***All Information is Provided under Penalties of Perjury***

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**Exhibit B**  
**To Distribution Plan Approval Order**  
**DISTRIBUTION PLAN**

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

SECURITIES AND EXCHANGE COMMISSION :

Plaintiff, :

00 Civ 2685 (MGC)

v. :

ENTERPRISES SOLUTIONS, INC. :

HERBERT S. CANNON :

DR. JOHN A. SOLOMON, :

Defendants, :

And :

ROWEN HOUSE, LTD, :

MONTVILLE, LTD., :

Relief Defendants. :

**PLAN OF DISTRIBUTION**

Adopted May 5, 2005

**I. DEFINITIONS**

As used herein, the following words shall have the following meanings:

- (i) **"APPROVED NET STOCK LOSS"** shall mean the amount of a POTENTIALLY ELIGIBLE CLAIMANT'S asserted NET STOCK LOSS that is finally approved pursuant to this plan.
- (ii) **"CANNON"** shall mean DEFENDANT Herbert S. Cannon.
- (iii) **"CLAIMS BAR DATE"** shall mean the date established by the DISTRIBUTION PLAN APPROVAL ORDER by which date a POTENTIALLY ELIGIBLE CLAIMANT'S PROOF OF CLAIM FORM must be filed as prescribed in this plan to avoid the permanent barring of any right of the POTENTIALLY ELIGIBLE CLAIMANT to participate in any

distributions from the FUND. Subject to certain extensions provided for under Section II.(v), the CLAIMS BAR DATE shall be **August 23, 2005**; provided that such CLAIMS BAR DATE may be extended by the RECEIVER in his absolute discretion, in which event such extension shall constitute the CLAIMS BAR DATE.

- (iv) “**CLAIMS DETERMINATION DATE**” shall mean the date on or before which the RECEIVER is to reach his determination concerning the validity and amount of each POTENTIALLY ELIGIBLE CLAIMANT’S APPROVED NET STOCK LOSS. Except as provided in Section II.(vi), the CLAIMS DETERMINATION DATE shall be **September 22, 2005**.
- (v) “**CLAIMS PACKET**” shall mean the materials directed by the DISTRIBUTION PLAN APPROVAL ORDER to be provided to POTENTIALLY ELIGIBLE CLAIMANTS known to the RECEIVER or so requesting, including a copy of the DISTRIBUTION PLAN NOTICE, the PROOF OF CLAIM FORM (together with instructions for completion of the PROOF OF CLAIM FORM) and a SUMMARIZING LETTER.
- (vi) “**COURT**” shall mean the United States District Court for the Southern District of New York.
- (vii) “**COURT CLERK**” shall mean the Clerk of the COURT.
- (viii) “**DEFENDANT**” shall mean ENTERPRISES, CANNON and SOLOMON (collectively, “**DEFENDANTS**”).

- (ix) “***DETERMINATION NOTICE***” shall mean the notice sent by the RECEIVER to a POTENTIALLY ELIGIBLE CLAIMANT stating the RECEIVER’S DETERMINATION concerning the claim of the POTENTIALLY ELIGIBLE CLAIMANT.
- (x) “***DISTRIBUTION PLAN***” shall mean the plan approved by the COURT for the distribution of the FUND to the ELIGIBLE CLAIMANTS as set forth in this document, as the same may be modified by the COURT from time to time.
- (xi) “***DISTRIBUTION PLAN APPROVAL ORDER***” shall mean the order or orders entered by the COURT adopting a DISTRIBUTION PLAN.
- (xii) “***DISTRIBUTION PLAN NOTICE***” shall mean the notice given to POTENTIALLY ELIGIBLE CLAIMANTS as provided in this plan, notifying the POTENTIALLY ELIGIBLE CLAIMANTS of their right and obligation to file their PROOF OF CLAIM FORMS and any DISTRIBUTION PLAN OBJECTIONS. The DISTRIBUTION PLAN NOTICE shall be substantially in the form prescribed by the COURT and attached to the DISTRIBUTION PLAN APPROVAL ORDER.
- (xiii) “***DISTRIBUTION PLAN OBJECTION(S)***” shall mean objections to the DISTRIBUTION PLAN filed by a POTENTIALLY ELIGIBLE CLAIMANT in the manner provided in this plan.
- (xiv) “***ELIGIBLE CLAIMANT(S)***” shall mean those persons and entities filing a PROOF OF CLAIM FORM with the RECEIVER in the manner provided

in this plan that purchased stock of ENTERPRISES during the RELEVANT TIME PERIOD and who are finally determined in the manner provided in this plan to have sustained an APPROVED NET STOCK LOSS. Unless waived by the RECEIVER or the COURT for good cause shown, in no event shall an ELIGIBLE CLAIMANT include any of the EXCLUDED PARTIES.

- (xv) “**ENTERPRISES**” shall mean the DEFENDANT Enterprises Solutions, Inc.
- (xvi) “**EXCLUDED PARTIES**” shall mean the DEFENDANTS, RELIEF DEFENDANTS, GLOBAL, their RELATED PARTIES, or any other person or entity who the RECEIVER determines participated in the development or implementation of the fraudulent scheme of the DEFENDANTS, or in the marketing of ENTERPRISES stock, or who knew or with the exercise of reasonable diligence could have known of the fraudulent nature of the scheme
- (xvii) “**FINAL DETERMINATION NOTICE**” shall mean the RECEIVER’S response to a request for reconsideration of an initial RECEIVER’S DETERMINATION.
- (xviii) “**FUND**” shall mean the monies held in the Court Registry or by the RECEIVER for distribution as directed by the COURT.
- (xix) “**GLOBAL**” shall mean Global Financial Group, a Minneapolis-based brokerage firm.



(xx) “**INVESTOR RESPONSE FORM**” shall mean a document previously submitted to the RECEIVER by a POTENTIALLY ELIGIBLE CLAIMANT on a form developed by the RECEIVER containing financial and other information requested by the RECEIVER in reference to purchases of ENTERPRISES stock.

(xxi) “**IRS**” shall mean the United States Internal Revenue Service.

(xxii) “**NET STOCK LOSS**” shall mean: (a) the amount paid per share of ENTERPRISES stock purchased during the RELEVANT TIME PERIOD by a POTENTIALLY ELIGIBLE CLAIMANT less \$2.00; (b) times the number of shares so purchased by the POTENTIALLY ELIGIBLE CLAIMANT; (c) less any amounts realized by that POTENTIALLY ELIGIBLE CLAIMANT through sales of ENTERPRISES stock (collectively, “**NET STOCK LOSSES**”). In the event a POTENTIALLY ELIGIBLE CLAIMANT purchased ENTERPRISES stock on more than one occasion, such determination shall be made as to each such purchase and the POTENTIALLY ELIGIBLE CLAIMANT’S NET STOCK LOSS shall equal the sum of such determinations.

(xxiii) “**OBJECTIONS BAR DATE**” shall mean the date established by the DISTRIBUTION PLAN APPROVAL ORDER by which a POTENTIALLY ELIGIBLE CLAIMANT must file, as prescribed in this plan, any DISTRIBUTION PLAN OBJECTIONS, to avoid the permanent barring of any right of the POTENTIALLY ELIGIBLE CLAIMANT to object to the

DISTRIBUTION PLAN. The OBJECTIONS BAR DATE shall be **June 24, 2005**.

(xxiv) “**POTENTIALLY ELIGIBLE CLAIMANT(S)**” shall mean those persons identified by the RECEIVER as having possible claims against the FUND under this plan, or who are asserting such status. Designation of a person or entity as a POTENTIALLY ELIGIBLE CLAIMANT does not involve any determination of the validity or amount of such person or entity’s claim, or its status as an ELIGIBLE CLAIMANT.

(xxv) “**PROOF OF CLAIM FORM**” shall mean the form prescribed by the DISTRIBUTION PLAN APPROVAL ORDER for the filing of proof of a POTENTIALLY ELIGIBLE CLAIMANT’S claim, and may also include any INVESTOR RESPONSE FORM accepted in lieu thereof as provided in Section II. (v).

(xxvi) “**RECEIVER**” shall mean Phillip S. Stenger.

(xxvii) “**RECEIVER’S DETERMINATION**” shall mean the determination of the RECEIVER concerning a POTENTIALLY ELIGIBLE CLAIMANT’S claim, as reflected in the relevant DETERMINATION NOTICE.

(xxviii) “**RELATED PARTY**” or “**RELATED PARTIES**” shall mean family members (blood or marriage); entities such as corporations, trusts, partnerships or limited liability companies, etc., in which the POTENTIALLY ELIGIBLE CLAIMANT or EXCLUDED PARTY (or any of its family members or other RELATED PARTIES or affiliates) were officers,

directors, general partners, trustees, beneficiaries, members, equity owners, or otherwise played a significant role or held a significant position; and if the POTENTIALLY ELIGIBLE CLAIMANT or EXCLUDED PARTY is a “legal entity” (corporation, trust, partnership, limited liability company, etc.) rather than a “natural person,” its RELATED PARTIES would include its own officers, directors, general partners, trustees/beneficiaries, members, equity owners, and those who otherwise played a significant role or held a significant position.

(xxix) “**RELEVANT TIME PERIOD**” shall mean the period from March 1, 1999 to April 30, 2000.

(xxx) “**RELIEF DEFENDANT**” shall mean Rowen House, Ltd., a Gibraltar entity, and Montville, Ltd., a Gibraltar entity (collectively, “**RELIEF DEFENDANTS**”).

(xxxi) “**SOLOMON**” shall mean DEFENDANT Dr. John A. Solomon.

(xxxii) “**SUMMARIZING LETTER**” shall mean a letter from the RECEIVER summarizing the DISTRIBUTION PLAN, in a form approved by the COURT.

## **II. THE DISTRIBUTION PLAN**

The following, including the definitions set forth above, is hereby established as the DISTRIBUTION PLAN:

- (i) Within twenty (20) calendar days following the date of the DISTRIBUTION PLAN APPROVAL ORDER, the RECEIVER shall cause to be

mailed by United States First Class Mail to those POTENTIALLY ELIGIBLE CLAIMANTS known to the RECEIVER a CLAIMS PACKET consisting of the DISTRIBUTION PLAN NOTICE, a PROOF OF CLAIM FORM (together with instructions for completion of the PROOF OF CLAIM FORM) and a SUMMARIZING LETTER.

- (ii) Within twenty (20) calendar days following the date of the DISTRIBUTION PLAN APPROVAL ORDER, the RECEIVER shall also: (a) post a copy of the DISTRIBUTION PLAN APPROVAL ORDER including Exhibits on the RECEIVER'S ENTERPRISES website, [www.enterprisessolutions.com](http://www.enterprisessolutions.com); and (b) publish a copy of the DISTRIBUTION PLAN NOTICE once in the national edition of either *USA Today* or *The Wall Street Journal*. The RECEIVER, at his sole discretion, may also give additional notice of the distribution process in such manner as the RECEIVER deems appropriate.
- (iii) The RECEIVER shall promptly provide a CLAIMS PACKET to any POTENTIALLY ELIGIBLE CLAIMANT so requesting.
- (iv) Any POTENTIALLY ELIGIBLE CLAIMANT who objects to the DISTRIBUTION PLAN may file a written DISTRIBUTION PLAN OBJECTION with the COURT, with a copy to the RECEIVER. Such written DISTRIBUTION PLAN OBJECTION must be mailed by the objecting POTENTIALLY ELIGIBLE CLAIMANT in sufficient time that it is received by both the COURT and the RECEIVER by no later than the OBJECTIONS

BAR DATE; the burden of insuring such timely receipt shall be upon the POTENTIALLY ELIGIBLE CLAIMANT. The RECEIVER shall have the right, in his discretion, to file with the COURT a written response to any such DISTRIBUTION PLAN OBJECTION, with copies to the objecting POTENTIALLY ELIGIBLE CLAIMANT. The Court shall thereafter rule upon the DISTRIBUTION PLAN OBJECTIONS, making such revisions, if any, to the DISTRIBUTION PLAN as the COURT feels advisable, or may set the matter for hearing. Any POTENTIALLY ELIGIBLE CLAIMANT who does not timely file a DISTRIBUTION PLAN OBJECTION in the manner herein provided shall be forever barred from subsequently asserting objections to the DISTRIBUTION PLAN.

- (v) On or before the CLAIMS BAR DATE, each POTENTIALLY ELIGIBLE CLAIMANT must file with the RECEIVER a properly completed PROOF OF CLAIM FORM substantially in the form approved by the COURT and attached to the DISTRIBUTION PLAN APPROVAL ORDER, reflecting such POTENTIALLY ELIGIBLE CLAIMANT'S claim, together with all supporting documentation; provided that if any POTENTIALLY ELIGIBLE CLAIMANT has previously provided investment information to the RECEIVER by providing the RECEIVER a properly completed INVESTOR RESPONSE FORM, and has received written confirmation from the RECEIVER of receipt of such INVESTOR RESPONSE FORM, then such POTENTIALLY ELIGIBLE CLAIMANT shall not be required to

complete and/or file with the RECEIVER an additional PROOF OF CLAIM FORM, but shall provide to the RECEIVER such additional information, if any, as the RECEIVER may request. The CLAIMS BAR DATE shall be August 23, 2005; provided that, as to any POTENTIALLY ELIGIBLE CLAIMANT, such CLAIMS BAR DATE may be extended by the RECEIVER in his absolute discretion for good cause shown, in which event such extension shall constitute the CLAIMS BAR DATE as to such POTENTIALLY ELIGIBLE CLAIMANT. Unless waived by the RECEIVER in his sole discretion for good cause shown, any POTENTIALLY ELIGIBLE CLAIMANT who does not file a properly completed and documented PROOF OF CLAIM FORM in the manner herein provided, so that such form and documentation are received by the RECEIVER on or before the CLAIMS BAR DATE, shall be forever barred from asserting a claim against the RECEIVER or the FUND. The burden shall be upon the POTENTIALLY ELIGIBLE CLAIMANT to insure that its PROOF OF CLAIM FORM has been properly and timely received by the RECEIVER, as evidenced by a letter of confirmation from the RECEIVER.

- (vi) The RECEIVER shall review each PROOF OF CLAIM to determine the apparent validity and amount of such POTENTIALLY ELIGIBLE CLAIMANT'S NET STOCK LOSS, together with any additional conclusions of the RECEIVER on other issues relevant to the claim. Each POTENTIALLY ELIGIBLE CLAIMANT shall have the burden of proof

to establish the validity and amount of its claim, and that it qualifies as an ELIGIBLE CLAIMANT; and the RECEIVER shall have the right to request, and the POTENTIALLY ELIGIBLE CLAIMANT shall be obligated to provide to the RECEIVER, any additional information and/or documentation deemed relevant by the RECEIVER in order to make the RECEIVER'S DETERMINATION. On or before the CLAIMS DETERMINATION DATE, the RECEIVER shall mail by United States First Class Mail a DETERMINATION NOTICE to each POTENTIALLY ELIGIBLE CLAIMANT who has filed a PROOF OF CLAIM FORM with the RECEIVER, setting forth the RECEIVER'S conclusions concerning such claim. The CLAIMS DETERMINATION DATE shall be September 22, 2005, unless such date is extended by the RECEIVER; provided that for any PROOF OF CLAIM FORM permitted to be filed after the CLAIMS BAR DATE, the CLAIMS DETERMINATION DATE shall be thirty (30) calendar days after it is determined by the RECEIVER for good cause shown to permit the late filing of such PROOF OF CLAIM FORM or such longer time as the RECEIVER determines is necessary for a proper determination concerning such claim; provided further that if the RECEIVER has not issued his DETERMINATION NOTICE concerning a particular PROOF OF CLAIM FORM on or before the regular CLAIMS DETERMINATION DATE for such claim, the CLAIMS DETERMINATION DATE for such claim shall be deemed automatically extended by the RECEIVER.

- (vii) Any POTENTIALLY ELIGIBLE CLAIMANT that is dissatisfied with the RECEIVER'S DETERMINATION concerning its claim, as reflected in the relevant DETERMINATION NOTICE, may request reconsideration of the RECEIVER'S DETERMINATION by filing a written request for reconsideration with the RECEIVER. Such written request must be mailed by the POTENTIALLY ELIGIBLE CLAIMANT in sufficient time that it is received by the RECEIVER no later than twenty (20) calendar days after the date on which the DETERMINATION NOTICE was mailed to the POTENTIALLY ELIGIBLE CLAIMANT by the RECEIVER; the burden of insuring such timely receipt shall be upon the POTENTIALLY ELIGIBLE CLAIMANT. Such request for reconsideration shall clearly explain the POTENTIALLY ELIGIBLE CLAIMANT'S disagreement with the RECEIVER'S DETERMINATION as reflected in the DETERMINATION NOTICE and shall include copies of all relevant documentation not previously provided to the RECEIVER. A failure to properly and timely seek reconsideration of a RECEIVER'S DETERMINATION as reflected in the relevant DETERMINATION NOTICE shall permanently waive the POTENTIALLY ELIGIBLE CLAIMANT'S right to object to or contest the RECEIVER'S DETERMINATION. The RECEIVER shall respond to such request for reconsideration by no later twenty (20) calendar days following receipt by the RECEIVER of such request for reconsideration, or such longer time as the RECEIVER determines is necessary for a



proper determination concerning such request for reconsideration; provided further that if the RECEIVER has not issued his FINAL DETERMINATION NOTICE concerning a particular request for reconsideration on or before the regular date for responding to such a request, the date for response to such request shall be deemed automatically extended by the RECEIVER.

- (viii) Any POTENTIALLY ELIGIBLE CLAIMANT that is dissatisfied with a FINAL DETERMINATION NOTICE concerning its claim may appeal such decision by the RECEIVER to the COURT by filing a written notice of appeal with the COURT CLERK, with a copy to the RECEIVER. Such written notice of appeal must be mailed by the appealing POTENTIALLY ELIGIBLE CLAIMANT in sufficient time that it is received by both the COURT CLERK and the RECEIVER by no later than twenty (20) calendar days after the date on which the FINAL DETERMINATION NOTICE was mailed to the POTENTIALLY ELIGIBLE CLAIMANT by the RECEIVER; the burden of insuring such timely receipt shall be upon the POTENTIALLY ELIGIBLE CLAIMANT. Such appeal shall clearly explain the POTENTIALLY ELIGIBLE CLAIMANT'S disagreement with the RECEIVER'S decision as reflected in the FINAL DETERMINATION NOTICE and shall include copies of all relevant documentation, which shall also be provided to the RECEIVER. The RECEIVER shall have the right, in his discretion, to supplement his position as stated in his

DETERMINATION NOTICE and FINAL DETERMINATION NOTICE by filing with the COURT CLERK a written response to such appeal, with copies to the appealing POTENTIALLY ELIGIBLE CLAIMANT.

- (ix) An appealing POTENTIALLY ELIGIBLE CLAIMANT shall have the right to reasonable discovery from the RECEIVER relating to its claim if necessary for the proper preparation and presentation of the POTENTIALLY ELIGIBLE CLAIMANT'S appeal, so long as such discovery and its manner of conduct would not interfere with, or unduly burden, the administration of the Receivership. If the RECEIVER and the POTENTIALLY ELIGIBLE CLAIMANT cannot agree concerning the reasonableness and appropriateness of such discovery request and/or implementation, the request for discovery shall be referred to the COURT for determination. A revised written notice of appeal, with supporting documentation, may be filed with the COURT CLERK by the POTENTIALLY ELIGIBLE CLAIMANT, with copies to the RECEIVER, within twenty (20) calendar days after the date such discovery materials are delivered to the POTENTIALLY ELIGIBLE CLAIMANT by the RECEIVER.

- (x) A failure to properly and timely request reconsideration of a RECEIVER'S DETERMINATION as reflected in the relevant DETERMINATION NOTICE, or to appeal the decision contained in a FINAL DETERMINATION NOTICE, shall permanently waive the

POTENTIALLY ELIGIBLE CLAIMANT'S right to object to or contest the RECEIVER'S DETERMINATION or the FINAL DETERMINATION NOTICE.

- (xi) In the event that a POTENTIALLY ELIGIBLE CLAIMANT properly appeals a FINAL DETERMINATION NOTICE, the POTENTIALLY ELIGIBLE CLAIMANT shall have the burden of proof in such appeal. The COURT shall review the documentation provided by the POTENTIALLY ELIGIBLE CLAIMANT and the RECEIVER. At that time, the COURT may make a final determination or may set the matter for hearing and at the conclusion of the hearing make a final determination. In the COURT'S discretion, any such matter may be referred to a Magistrate Judge.
- (xii) No POTENTIALLY ELIGIBLE CLAIMANT who has failed to timely file an appropriate PROOF OF CLAIM FORM or DISTRIBUTION PLAN OBJECTION, or to request reconsideration of an initial RECEIVER'S DETERMINATION, or to appeal a FINAL DETERMINATION NOTICE, shall be permitted to object to the barring or treatment of its claim or any objections to the DISTRIBUTION PLAN on the basis that the RECEIVER failed to mail, or properly to mail, or that such POTENTIALLY ELIGIBLE CLAIMANT failed to receive, a copy of the DISTRIBUTION PLAN NOTICE, CLAIMS PACKET or the relevant DETERMINATION NOTICE or FINAL DETERMINATION NOTICE, or that a PROOF OF CLAIM FORM, DISTRIBUTION PLAN OBJECTION, request for reconsideration, or appeal made by the POTENTIALLY ELIGIBLE CLAIMANT, was improperly reflected as not

having been received by, or properly recorded as received by, the RECEIVER or the COURT CLERK, or that a POTENTIALLY ELIGIBLE CLAIMANT'S name and/or contact information was not properly reflected on the RECEIVER'S records. The burden of notifying the RECEIVER of a POTENTIALLY ELIGIBLE CLAIMANT'S current address and other contact information, and of insuring that a POTENTIALLY ELIGIBLE CLAIMANT'S name and/or contact information are properly reflected on the RECEIVER'S records, shall be upon the POTENTIALLY ELIGIBLE CLAIMANT; and the RECEIVER shall be under no obligation to attempt to determine current contact information for any POTENTIALLY ELIGIBLE CLAIMANT or to determine the identity of POTENTIALLY ELIGIBLE CLAIMANTS whose names and/or current contact information do not appear, or properly appear, on the RECEIVER'S records. The RECEIVER shall be exonerated against any and all liability arising out of or related to the conduct of his duties, including implementation of this DISTRIBUTION PLAN, except for willful misconduct.

(xiii) Provisions Concerning Taxation of the FUND:

- a. The RECEIVER shall take all necessary steps to enable the FUND to be a taxable "settlement fund," within the meaning of Internal Revenue Code §468B and regulations thereunder, including the filing of the elections and statements contemplated by those provisions. The RECEIVER shall file all

necessary federal, state and local tax returns for the FUND, and cause the FUND to pay any appropriate taxes as a “qualified settlement fund,” within the meaning of Treasury Regulations §1.468B-2.

- b. The RECEIVER shall make estimated tax payments as required, and make and cause to be filed with the IRS an annual income tax return for the settlement fund.
- c. The RECEIVER shall petition the IRS for a final determination of taxes owed before closing the settlement fund. The RECEIVER in his discretion may file a petition for a Prompt Assessment so that a final determination of taxes due and owing by the FUND can be made and finalized.

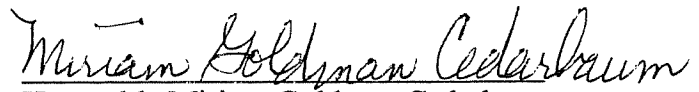
- (xiv) Within forty-five (45) calendar days following completion of processing of all POTENTIALLY ELIGIBLE CLAIMANT claims and DISTRIBUTION PLAN OBJECTIONS, including the resolution of any appeals arising therefrom, the RECEIVER shall prepare a list of all ELIGIBLE CLAIMANTS, the APPROVED NET STOCK LOSS of each such ELIGIBLE CLAIMANT, and the percentage of the aggregate APPROVED NET STOCK LOSSES of all ELIGIBLE CLAIMANTS represented by each ELIGIBLE CLAIMANT’S APPROVED NET STOCK LOSS, and shall petition the COURT for approval of such list. At the same time, the RECEIVER shall petition the COURT for authority to distribute a specified

distributable amount from the FUND to the ELIGIBLE CLAIMANTS in the ratio of their APPROVED NET STOCK LOSSES. In recommending such distributable amount to the COURT, the RECEIVER shall hold back a prudent reserve to take into account final fees and expenses incurred in administration of the Receivership as well as any federal, state or local taxes payable in connection with the Receivership.

- (xv) Following such distribution, any monies remaining in the FUND shall be distributed to the United States Treasury or otherwise be disposed of as the COURT shall order.

The COURT reserves the right to amend this DISTRIBUTION PLAN from time to time.

AS ORDERED BY THIS COURT on the 5<sup>th</sup> day of May, 2005.

  
Honorable Miriam Goldman Cedarbaum  
United States District Court Judge  
Southern District of New York

**Exhibit C**  
**To Distribution Plan Approval Order**  
**DISTRIBUTION PLAN NOTICE**

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION :	
Plaintiff, :	
v. :	00 Civ 2685 (MGC)
ENTERPRISES SOLUTIONS, INC., et al. :	
Defendants. :	

**TO ALL INTERESTED CLAIMANTS AGAINST THE ENTERPRISES SOLUTIONS, INC. ("ESI") SETTLEMENT FUND:**

**Note:** *Terms used in this Notice bear the meanings set forth in the Distribution Plan, referenced below.*

Notice is hereby given that, on \_\_\_\_\_, 2005, United States District Court Judge Miriam Goldman Cedarbaum issued an "Order Approving Plan of Distribution and Providing for Implementation Thereof" (the "Order"), establishing a Distribution Plan for a \$1,100,000 Settlement Fund established by the Court (the "Fund"). The Order established a "Claims Bar Date" of **August 23, 2005**.

Under the terms of the Distribution Plan, "Eligible Claimants" — persons not otherwise disqualified under the terms of the Distribution Plan who file a Proof of Claim Form with Receiver Phillip S. Stenger in the manner provided in the Distribution Plan who purchased stock of ESI during the period from March 1, 1999 to April 30, 2000 — may share in the Fund in the ratio of their "Approved Net Stock Losses" — the amount paid per share of ESI stock purchased during this time period less \$2.00, (ii) times the number of shares so purchased, (iii) less any amounts realized through sales of ESI stock.

*Note that, under the terms of the Distribution Plan, the Defendants, the Relief Defendants, Global, their Related Parties, and others who participated in the development or implementation of the scheme, or in the marketing of ESI stock, or who with reasonable diligence could have known of the fraudulent nature of the scheme, are excluded from participating in the distribution of the Fund.*

To qualify as an Eligible Claimant, a Potentially Eligible Claimant among other requirements must, on or before **August 23, 2005** (the "**Claims Bar Date**"), file with the Receiver a properly completed Proof of Claim Form in the manner provided in the Distribution Plan. Potentially Eligible Claimant may also on or before **June 24, 2005** (the "**Objections Bar Date**") file with the Court objections to the Distribution Plan in the manner provided in the Distribution Plan. A failure to properly file the required Proof of Claim Form, or to object to the Distribution Plan, on or before the Claims Bar Date and/or the Objections Bar Date may bar a Potentially Eligible Claimant's claim against the Fund and waive any right to object to the Distribution Plan.

Any Potentially Eligible Claimant may secure a Claims Packet, including a Proof of Claim Form and a letter summarizing the Distribution Plan, by contacting Receiver



Phillip S. Stenger, c/o Stenger & Stenger, P.C., 4095 Embassy Drive SE, Suite A, Grand Rapids, MI 49546, (616) 940-1190, (616) 940-1192 (fax), phil@stengerlaw.com (email). These documents, and the Order, may also be downloaded from the Receiver's ESI website, [www.enterprisessolutions.com](http://www.enterprisessolutions.com).

**Note:** The Receiver has already mailed Claims Packets to known Potentially Eligible Claimants as reflected on his records. **If you did not receive a copy of this notice by mail, you may not be listed, or your contact information may not be correct, on the Receiver's list of possible claimants and you should contact the Receiver immediately to avoid a loss of your possible ESI Settlement Fund claim.**

**Potentially Eligible Claimants are strongly urged to carefully study the Order and the Distribution Plan, and to consult with their attorneys or other advisors, to understand their rights and obligations under the Distribution Plan. Copies of these documents are available from Mr. Stenger or may be downloaded from his ESI website as set forth above.**

**Exhibit D**  
**To Distribution Plan Approval Order**  
**SUMMARIZING LETTER**

Re: *Securities and Exchange Commission v. Enterprises Solutions, Inc. et al.*  
United States District Court for the Southern District of New York  
Case No. 00 Civ 2685 (MGC)

**TO ALL POTENTIALLY ELIGIBLE CLAIMANTS AGAINST THE  
ENTERPRISES SOLUTIONS, INC. ("ESI") SETTLEMENT FUND:**

On \_\_\_\_\_, 2005, United States District Court Judge Miriam Goldman Cedarbaum issued an "Order Approving Plan of Distribution and Providing for Implementation Thereof" (the "Order"), establishing a Distribution Plan for a Settlement Fund established by the Court (the "Fund"). "Eligible Claimants" — persons not otherwise disqualified under the terms of the Distribution Plan who file a Proof of Claim Form with Receiver Phillip S. Stenger on or before the **Claims Bar Date of August 23, 2005** in the manner provided in the Distribution Plan who purchased stock of ESI during the period from March 1, 1999 to April 30, 2000 — may share in the Fund in the ratio of their "Approved Net Stock Losses" — the amount paid per share of ESI stock purchased during this time period less \$2.00, (ii) times the number of shares so purchased, (iii) less any amounts realized through sales of ESI stock.

*Note that the Defendants, the Relief Defendants, Global, their Related Parties, and others who participated in the development or implementation of the scheme, or in the marketing of ESI stock, or who with reasonable diligence could have known of the fraudulent nature of the scheme, are excluded from participating in the distribution of the Fund.*

This letter has been prepared by Receiver Phillip S. Stenger to assist you in determining how you may be affected by the Order, including whether or not you are an Eligible Claimant against the Fund; how to establish and protect your possible claim; and how to object to the Distribution Plan adopted by the Court. ***You are encouraged to carefully study the accompanying Distribution Plan Notice and Judge Cedarbaum's Order, including the Distribution Plan attached to the Order, to determine how the Order may affect you; you are also strongly encouraged to consult with your own attorney or other advisors concerning your rights and obligations thereunder.***

***The following summary of the provisions of the Order is provided for your convenience only. Copies of the Order and the Distribution Plan are available from the Receiver or by accessing the Receiver's ESI website. Again, you are encouraged to carefully study the Order and the Distribution Plan and to consult with your own advisors.***

**SUMMARY OF THE ESI DISTRIBUTION PLAN**

**Distribution Plan**

(i) **Notice — Mailing to Known Potential Claimants.** Within 20 days following the date of the Order, the Receiver shall mail a Claims Packet, consisting of the Distribution Plan Notice, a Proof of Claim Form, and this Summarizing Letter, to known

Potentially Eligible Claimants. [Note: If you did not receive a copy of this letter by mail, you may not be listed, or your contact information may not be correct, on the Receiver's list of possible claimants; and you should contact the Receiver immediately to avoid a loss of your possible ESI Settlement Fund claim.]

(ii) **Notice — Publication and Website Posting.** Within 20 days following the date of the Order, the Receiver shall post a copy of the Order with exhibits on the Receiver's ESI Website ([www.enterprisessolutions.com](http://www.enterprisessolutions.com)) and shall publish a copy of the ESI Distribution Plan Notice once in the national edition of *USA Today* or *The Wall Street Journal*.

(iii) **Requests for Claims Packet.** The Receiver shall promptly provide a Claims Packet to any requesting Potentially Eligible Claimant.

(iv) **Filing Distribution Plan Objections.** On or before the **Objections Bar Date of June 24, 2005**, a Potentially Eligible Claimant may file a written Distribution Plan Objection with the Court, with a copy to the Receiver. A failure timely to file a Distribution Plan Objection on or before the Objections Bar Date will permanently bar the Potentially Eligible Claimant from subsequently objecting to the Distribution Plan; the burden is on the claimant to insure that its Distribution Plan Objection has been properly received.

(v) **Filing Proofs of Claim.** On or before the **Claims Bar Date of August 23, 2005**, each Potentially Eligible Claimant must file a Proof of Claim Form together with all supporting documentation with the Receiver. Certain revised requirements apply to Potentially Eligible Claimants who have previously filed an Investor Response Form with the Receiver. Unless waived by the Receiver, a failure to properly file a Proof of Claim on or before the Claims Bar Date bars the claim; the burden is on the claimant to insure that its Proof of Claim has been properly received by the Receiver.

(vi) **Review of Claims and Issuance of Determination Notices.** The burden of proof shall be on the Potentially Eligible Claimant and the Receiver shall have the right to request additional information. On or before the **Claims Determination Date of September 22, 2005**, the Receiver shall mail a Determination Notice to each Potentially Eligible Claimant, setting forth the Receiver's conclusions concerning such claim.

(vii) **Reconsideration.** Any Potentially Eligible Claimant dissatisfied with the Receiver's Determination may request in writing reconsideration within 20 days after the date of mailing of the Receiver's Determination and the Receiver shall issue a Final Determination Notice responding to such request. A failure to seek reconsideration will waive the Potentially Eligible Claimant's right to object to the Receiver's Determination.

(viii) **Right of Appeal.** Any Potentially Eligible Claimant dissatisfied with the Receiver's Final Determination Notice may appeal in writing to the Court within 20 days

after the date of mailing to him of the Receiver's Final Determination Notice. A failure to appeal will waive the Potentially Eligible Claimant's right to object.

(ix) **Right to Discovery.** An appealing Potentially Eligible Claimant shall have the right to reasonable discovery from the Receiver.

(x) **Waiver.** A failure to request reconsideration or to appeal shall waive a Potentially Eligible Claimant's right to object to the Receiver's Determination or Final Determination Notice.

(xi) **Appeal Procedure.** The Potentially Eligible Claimant shall have the burden of proof.

(xii) **Validity; Exoneration.** No Potentially Eligible Claimant who has failed timely to file an appropriate Proof of Claim or Distribution Plan Objection or to request reconsideration or to appeal, shall be permitted to object to the barring or treatment of its claim on the basis that the Receiver failed to mail, or that such Potentially Eligible Claimant failed to receive, a copy of the Distribution Plan Notice or the relevant Determination Notice or Final Determination Notice, or that a Proof of Claim Form, Distribution Plan Objections, request for reconsideration or appeal made by the Potentially Eligible Claimant were not received by, or properly recorded as received by, the Receiver or the Court Clerk or that the Potentially Eligible Claimant's name and/or contact information was not properly reflected on the Receiver's records. The burden of notifying the Receiver of a Potentially Eligible Claimant's current address and other contact information, and of insuring that the Potentially Eligible Claimant's name and proper contact information are on the Receiver's list, shall be upon the Potentially Eligible Claimant; and the Receiver shall be under no obligation to attempt to determine current contact information or identities of Potentially Eligible Claimants. The Receiver is exonerated except for willful misconduct.

(xiii) **Taxation of the Fund.** The Receiver shall take necessary steps to secure taxation of the Fund as a "qualified settlement fund" under the Internal Revenue Code, and shall file necessary tax returns and make related payments.

(xiv) **Final List and Distribution.** Within 45 days after completion of processing of claims and objections, including resolutions of any appeals, the Receiver shall prepare a list of Eligible Claimants and the Approved Net Stock Loss of each and shall petition the Court for the right to make a distribution from the Fund to the Eligible Claimants in the ratio of their Approved Net Stock Losses, subject to retention of a prudent reserve.

(xv) **Remaining Monies.** Monies remaining in the Fund, if any, following such distribution shall be distributed to the United States Treasury or as the Court shall order.

**Definitions**

The Distribution Plan, and this Summarizing Letter, contain a number of specially defined terms that should be carefully studied by you and your advisors to insure you accurately understand your rights and obligations.

\* \* \*

For further information, contact Phillip S. Stenger, c/o Stenger & Stenger, P.C., 4095 Embassy Drive SE, Suite A, Grand Rapids, MI 49546 (616) 940-1190, (616) 940-1192 (fax), [phil@stengerlaw.com](mailto:phil@stengerlaw.com) (email), or visit the Receiver's ESI website ([www.enterprisessolutions.com](http://www.enterprisessolutions.com)).