

PRESS RELEASE

FOR IMMEDIATE RELEASE

THE WORST REALITY TV SHOW EVER

Nov. __, 2013 (Taft, CA). Former Las Vegas businessman, Larry Stockett, will be released at the end of the month to a halfway house in Las Vegas after having served almost ten years in prison for securities fraud and wire fraud. He released his first comments to the press since he was arrested in February 2004 and convicted in December 2005. He described the last ten years he has spent incarcerated as "The Worst Reality TV Show Ever". In a 30-page interview (posted at NYTimes.com???) Stockett describes how he was once the producer and host of "The IPO Show", a top rated television and radio show in 1997. Stockett was considered a leading expert in IPOs and held seminars in Las Vegas and other cities. The SEC charged Stockett with securities fraud and cheating a retired couple out of their life savings. They said he "pumped and dumped" the stock of Hightec, Inc., which owned the IPO Network, the television show, radio show and the rights to Stockett's best selling book and newsletter.

He says that with no notice or warning he was arrested while on a business trip in Costa Rica and held without bail for two years prior to his trial in Las Vegas. He then spent another year waiting to be sentenced and six months waiting to be sent to a prison camp to serve a minimum of ten years on his 12-year sentence. He described each phase of his ten year ordeal as episodes of the worst reality tv show ever. Starting with Episode 1, the IPO Show, he describes what it was like being suddenly separated from his family, friends and business associates. He was not allowed access to the Internet, or to any computer, word processor, smart phone, tablet, iPod or other modern technology. He was not allowed to access his stock accounts which contained over \$20 million in stocks at the date of his arrest. He couldn't retain a private attorney because his U.S. bank accounts had been frozen. His offshore accounts were also frozen by Interpol. He could not contact any of the witnesses in his case and could not obtain any of his corporate records that he claimed proved his innocence. In Episode 2 - he describes his year spent in the San Sebastian Penitentiary in Costa Rica as being a prisoner in paradise.

In Episode 3, Stockett describes the U.S. Cement Story, which is basically

his side of the story describing the facts in the case which neither the jury nor anyone else had ever heard before, except the SEC when he testified in five days of depositions. They disputed his claims but he had more than 600 pages of contracts, supply agreements, purchase orders, accounting records and other documents to prove that U.S. Cement Company was a legitimate company that tried to raise \$20 million to implement an innovative cement industry business plan but was never able to successfully complete any business in spite of numerous efforts and agreements which all subsequently fell through. Stockett alleges that it is not a crime to fail, and that he never lied, cheated, defrauded, or delivered any false or misleading business plans, letters of intent, supply agreements, purchase orders, acquisition agreements, escrow agreements, or other business transactions which subsequently were not completed. He claims his last failed effort came when he received a two-year, 200,000 ton cement supply agreement with TPI Polene, Thailand, on September 6, 2001 and that his customer cancelled its order and its letter of intent to be acquired by U.S. Cement after 9/11 terrorism attack which occurred five days later. His customer subsequently sold their company to a competitor a few weeks later.

Episode 4 describes the SEC Story and their press release claiming U.S. Cement, Hightec, and Larry Stockett were conducting a scam, and that Hightec did not even exist because its corporate charter in Delaware had expired for failing to file an annual list of officers and directors. They told the jury that because the company did not technically exist that all of the millions of shares of stock sales and all of the business conducted by Hightec, U.S. Cement and presumably its other legitimate subsidiaries including the IPO Network, had not conducted any legitimate business for for the entire year before the mistake was discovered and the company's charter was reinstated for \$115 and a list showing Stockett as the sole officer and director for the entire year.

Episode 5 describes the trial held in December 2005, nearly five years after the initial cement agreements which was held starting Dec. 20, 2005, and the jury ruled against Stockett on Christmas eve after spending less than an hour in deliberations. Stockett's public defender put on no defense, none of Stockett's witnesses, employees, customers, suppliers, or financing sources were ever called to testify, and Stockett did not take the stand.

Stockett and his trial attorney both believed that the government had not proven anything "beyond a reasonable doubt" and that Stockett's side of the story had been told by the government reading several hours of Stockett's testimony being told to an undercover FBI agent posing as as a potential investor in Hightec. Even the judge said that the transcript was nothing other than a sales presentation by Stockett, and that nothing in the transcript described anything illegal that Stockett was proposing.

After losing the trial, Episode 6 describes the next few years Stockett spent trying to appeal his case, trying to get the 12 year sentence reduced, and trying to get new evidence entered onto the record that wasn't available at the trial which he claims further proved who had actually sold millions of shares of Hightec and that Stockett was actually the victim of other people's fraud and not the perpetrator of a "pump and dump scheme".

Episode 7 describes how Stockett spent the last five years of his prison term trying to plan how to rebuild his life, his reputation and his retirement nest egg out of the ashes of destruction. Stockett says that during the first five years in prison before he was convicted and before he had exhausted all of his appeals, he was incarcerated in prisons and detention centers that were the worst prison conditions anyone would want to experience. But when he finally exhausted his defenses, even though he still maintained his innocence, he was transferred to a Federal Prison Camp in Taft, California where he lived in what he calls "Club Fed". Tennis, basketball, football, baseball, track, pool hall, television, leisure library, typewriters and copy machines, commissary where you could buy fruits, vegetables, and virtually any food you wanted if you could afford it. His prison job, cleaning the visitation center only paid him \$.12 per hour, however. Far less than the \$100,000 per year he made starring in his own television show. He was now approaching the final season in what he described as the worst reality tv show ever. He had spent the past years playing tennis, jogging five miles a day, losing 70 lbs, and generally becoming fit and healthier than he had been since he was in his 20's.

Episode 8, The Final Episode has yet to be written. It started out 90 days prior to Stockett's release when he contracted Valley Fever and pneumonia. He lost 15 lbs in 15 days, reached temperatures of 103,

developed rashes covering his entire body, his blood oxygen was dangerously low, his liver enzymes spiked in response to the medications he received, and he narrowly escaped death. Dozens of other California inmates who were mostly elderly or had other contributing illnesses have died of Valley fever in two California state prisons, and Stockett could have been one of the first Federal prisoners to die of the dangerous lung disease.

This near death experience caused Stockett to realize that if he was ever going to tell his side of the story and try to restore his reputation he had better at least write it down and see if anyone in the media would find it an interesting public interest story. After all, Stockett had been a successful businessman for more than 25 years prior to his arrest. He had served as a CEO, officer or director of seven public companies. He had a national following as the President of the IPO Network and his own syndicated television and radio shows.

For the complete story of the worst reality tv show ever in Stockett's own words, go to (NYTimes.com???). Once Stockett is released he plans to publish this 30 page story along with his 650 page autobiography on Lulu.com.

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THE WORST REALITY TV SHOW EVER

Imagine yourself as a star on your own television show. Without any warning or notice you are suddenly separated from your family, friends and business associates. You are not allowed access to the Internet, or to any computer, word processor, smart phone, tablet, iPod or video game. You are cut off from your research data base, stock market accounts, Google, Facebook, Wikipedia, Twitter, LinkedIn and all your favorite music and entertainment. You are essentially isolated from everything and everyone but your fellow cast members and your show's production crew.

Now imagine that unexpected plot twists and changes to your show's format cause your ratings to slip from the highest rated show in your genre to the worst reality reality tv show ever. Your salary is reduced from \$100,000 a year to \$.12 per hour. You assume that the show will be cancelled or that you can negotiate your way out of your contract. Instead you learn that your new reality show will continue with new and even worse episodes for an indeterminate period of time.

This is exactly what happened to Larry Stockett who's television show reached its highest ratings in 1997.

EPISODE 1 - THE IPO SHOW

At the age of 50, Stockett was already a highly successful businessman who had successfully conducted an IPO for his own company, PC Telemart which operated the National Software Library in Fairfax, VA and published the first software directories for Apple, Radio Shack and IBM PCs. After making \$8 million on his first IPO, Stockett continued to launch new companies and served as CEO, and director of seven public companies, including SAIC, IBM Realcom, Fibernet Communications, and Hightec, Inc.

Stockett was the creator, producer and host of a nationally syndicated television show called "The IPO Show". He was a best selling author of software directories and stock market IPO books and newsletters. He was the President of the IPO Network which was a membership organization he formed to teach thousands of individuals how to make money by investing in America's best new investment opportunities known as initial public offerings, or IPOs. Shortly after launching a live, two-hour weekly radio talk show also called the IPO Show, Stockett acquired control of a public shell corporation called Hightec, Inc. and transferred his ownership of the IPO Network

in exchange for 40 million shares of Hightec, making it a wholly owned subsidiary. The stock of Hightec was traded publicly for the next six years and the company continued a series of stock based acquisitions essentially using the publicly traded stock as an acquisition check book. At its peak in 1997 Stockett's 40 million shares (out of 50 million) were trading for \$5.00 per share and his net worth was over \$200 million.

With a 25-year track record of success under his belt, Stockett was about to face the greatest challenge of his career and a severe drop in his television ratings.

Stockett's role in the media as the leading IPO expert in the country took an unexpected plot twist when the SEC charged him with securities fraud and claimed he was conducting a pump and dump scheme. They said he used his Hightec stock to borrow \$700,000 from a retired couple in Canada and used the money to buy a new house, car, boat, and to spend money on a lavish lifestyle including travel, strippers, and hookers. The SEC raided Stockett's \$800,000 Street of Dreams house in a gated community in Las Vegas and claimed they could find no evidence of U.S. Cement Company having any assets, any revenue or any legitimate contracts other than non-binding letters of intent. The article didn't mention the IPO Network or any of the other operating subsidiaries of Hightec which contributed millions of dollars of revenue to Hightec's stock valuation.

The article had its effect, however, and Hightec soon found it difficult to find anyone willing to do business with it until the SEC complaint was settled.

EPISODE 2 - THE U.S. CEMENT COMPANY STORY

After taking the IPO Network public and conducting IPO seminars in 26 cities in 1997 Stockett opened an IPO Library and training center in Las Vegas and conducted regularly scheduled workshops at the Luxor, Alexis Park Hotel and Arizona Charlies as well as weekly IPO membership meetings in its own offices.

During this timeframe, a consultant told Stockett about an opportunity to conduct an IPO for a cement company with a \$25 million plant located 50 miles north of Las Vegas called Royal Cement. The plant had recently closed and laid off its last 25 employees and needed funding to modernize the plant and re-open with greater capacity. Stockett met with the owner of the cement plant and he told Stockett he was too old to restart the plant

and that his son who was the chief operating officer had recently died in a car accident which was why the plant had closed. The owner preferred to sell the company and quickly agreed to sell the company to Hightec for 25 million shares of publicly traded stock which was trading actively for approximately \$1 per share at the time.

Stockett immediately hired a former plant manager and relocated him from Salt Lake City and a plant manager of ConRoc which operated 25 ready mix concrete plants and relocated him from Billings Montana to Las Vegas. Using other consultants and former sales persons from competitor's cement companies serving the Las Vegas market, Stockett was able to conduct a comprehensive market research report on the costs and feasibilities of manufacturing and selling up to 2 million tons of cement per year in the Las Vegas market. While searching the Internet for used cement plant equipment necessary to replace worn out equipment at Royal Cement, Stockett discovered an offer for unused cement plant equipment that was for sale and had cost the owner more than \$100 million. It consisted of all of the equipment necessary to produce 2 million tons of cement per year. After talking to the equipment broker, Stockett learned that the equipment was sitting in containers at the port of Odessa in the Ukraine. It had been manufactured in Russia and was sold to a company called Phoenix India. When Stockett learned that Phoenix India was a publicly traded company on the Bombay stock exchange, he offered 100 million shares of stock of Hightec for the \$100 million of equipment owned by Phoenix India. He pointed out in his proposal that the equipment would be put to more valuable use and the cement would be sold at much higher prices in Las Vegas than it ever would be in India. Instead of selling the equipment at a discount which would create a loss for Phoenix India shareholders, the stock of Hightec would become an asset that would likely appreciate significantly as the plant was constructed and started operating in Las Vegas. If the equipment were added to the books of Hightec at its historic cost to Phoenix India, the \$100 million would be accounted for as a \$100 million equity investment into Hightec. This would allow Hightec to easily raise the additional capital necessary to ship the equipment from Odessa to Las Vegas and to construct the plant and have operating capital until it started generating revenue.

Hightec could use the Royal Cement company's five acre plant site and mining permits for mining limestone and clay as well as the company's EPA permits for burning coal to power the cement kilns. This would save a new company up to ten years just to obtain these permits in Nevada. Stockett submitted this proposal along with his recently completed market research report on the Las Vegas and U.S. cement markets to the owner of Phoenix India. He was receptive to the proposal and traveled from India to Las Vegas to meet with Stockett and his team of highly experienced cement industry executives. Stockett also arranged for meetings with GE Capital, Heller Financial, and several other industrial plant financing sources. The owner returned to India after reaching a hand shake agreement that he would present the Hightec/U.S. Cement Company proposal to his board of directors and seek permits to sell the equipment to U.S. Cement Company rather than construct the plant in India. Stockett immediately stepped up his own due diligence and financing activities and eventually spent more than \$300,000 obtaining all the necessary requirements for the permits, transportation, power plant requirements and other issues that would have to be resolved in order to construct and operate a new 2-million ton cement plant in Las Vegas. An additional cement plant site was also researched that was ten miles south of Las Vegas and had the U.P.R.R. rail siding on the site where a previous cement company had proposed to build a new cement plant. After months of Hightec funded effort to acquire the old Royal Cement Plant, its largest customer, All Star Transit Mix, who had previously purchased more than \$18 million in cement annually, and to hire an experienced management and consulting team, Stockett received word from the owner of Phoenix India, that the Indian government would not give them a permit to sell the equipment or relocate the equipment under their own ownership to the U.S. All of its permits and financing were predicated on the fact that the new cement plant was to be built in India to support India's infrastructure needs.

While this was a major setback for the Royal Cement acquisition and the U.S. Cement business plan, as a part of Stockett's competitive market analysis, he had discovered an opportunity to import cement from a distressed cement company in Indonesia, where their currency had recently been devalued and the Subarto government was encouraging them to sell cement internationally to support the operations of their new cement plant.

Cement was being offered for sale F.O.B. Indonesia for \$22 per ton and clinker (cement that has not yet been pulverised in the plant's ball mills) for only \$16 per ton. Apparently the new Indonesian cement plant had been operated continuously for over a year while their economy and civil war had reduced the construction and demand for cement. After their finished cement silos were full to capacity, the plant continued to produce clinker which could be stockpiled on the ground until there was sufficient ball mill and silo capacity to process it into the final product. The Indonesian prices were much cheaper than any U.S. cement company could possibly manufacture cement. Buying clinker, U.S. Cement could actually ship it in coal boats and coal rail cars (since it isn't damaged by moisture like the finished product is). In order to ship cement or clinker from Indonesia to Las Vegas Stockett had to develop all of the logistics, storage, loading and unloading strategies, and arrange with coal boat owners and coal train car owners to negotiate cheaper transportation than the ordinary tariffed rates for bagged or bulk cement.

After studying the problem and seeing how other cement companies had solved this problem in other foreign countries, the business plan of U.S. Cement company was changed to become an independent cement importer. The company would start with the 2 million ton per year market in Las Vegas where the transportation cost savings of using coal rail cars would give it a competitive advantage over trucking cement from the competitors cement plants in Victorville, Tehachapi, Lucerne, Riverside, and Long Beach California. The market price in California was \$77 per ton, F.O.B. each company's plant. Trucking costs to ship cement several hundred miles to Las Vegas would add \$20 per ton while backhauling cement in 2-ton bags on rail cars could be accomplished for \$5 per ton from Long Beach. The market price for cement delivered to the customer's sites in Las Vegas was \$95 to \$100 per ton. Stockett proposed to ship the cement in 2-ton bags on coal boats and coal train cars that were returning empty after shipping U.S. coal from the Powder River Basin in Utah and Montana via rail through Las Vegas to the Long Beach coal export facility located at the time on Terminal Island. Stockett predicted that U.S. Cement Company would be able to deliver cement meeting all U.S. cement standards to Las Vegas for under \$50 per ton. This included purchasing the

cement from the foreign cement plants, transporting it to the foreign port, storage and handling of the cement at the port, shipping entire boatloads of cement to Long Beach, San Diego, San Francisco, and other west coast port destinations, and raiing the cement to inland markets that have higher transportation costs and where U.S. Cement would be more competitive. It also included the cost of unloading the cement at a company leased or purchased distribution center where it could be removed from the 2-mton bags and transferred to cement delivery trucks for delivery to the storage silos of its ready mix concrete company customers. The cost of the warehouses, trucks, loading and unloading equipment, insurance, labor, fringe benefits, and import duties were all included in a comprehensive business model developed by Stockett in conjunction with his employees and consultants and quotes from the proposed suppliers.

U.S. Cement Company hired three sales persons to take advanced orders and obtain letters of intent from ready mix concrete companies in order to show investors and others that the company could potentially achieve 50% market share in any U.S. market where it had both an underlying cement cost advantage, and a transportation savings advantage. Most of the letters of intent were to purchase cement 5-10% below the prevailing market prices including delivery to the customer by cement trucks with a 25-ton average capacity.

As the business planning and market research progressed, Stockett began seeking a \$20 million dollar letter of credit to import cement and pay for costs of shipping, storage and handling. He submitted applications for purchase order financing based on the credit worthyness of the customers who regularly purchase cement for their concrete companies. He also submitted proposals for inventory financing so that he could assure customers that he would warehouse sufficient supply of cement that they would not be cut off if there was an interruption in foreign deliveries, longshoremen's strikes, or their current suppliers refused to sell them cement once they started purchasing cement from an independent importer. An average cement plant with 1 million ton capacity costs an average of \$275 million to construct according to the Portland Cement Association. They employ an average of 450 employees and operate 24 hours per day, 365 days per year. Traditionally they have been the only importers of cement from foreign countries and

only when their own plants are at full capacity or have been shut down for repairs or refurbishment. Their sales forces aggressively compete to shut down independent importers who have limited capital investment and can operate at much lower operating costs. As soon as they learn that an importer has offered cement at lower prices, they often enter into long term agreements with the customers at matching prices just to keep the new importer from getting a foothold. This happened to U.S. Cement several times.

After talking and meeting with dozens of potential financing sources for U.S. Cement Company, Stockett reached an agreement in November 1999 with a brokerage firm and trading company in London and Hong Kong called Inter Oil Gulf. They not only offered to provide a \$20 million letter of credit but would also provide a ten year supply agreement with the government of China to purchase cement for \$35 per ton, F.O.B. Shanghai. In return, they wanted 25 million shares of Stockett's personally owned stock in Hightec as collateral with the option to purchase it for \$1 per share within 90 days. Since Stockett owned 40 million shares at the time he figured whether he used it as collateral for a loan or sold it for cash that he would receive personally, either way his remaining 15 million shares would increase in value and he had nothing to lose. Inter Oil Gulf provided Stockett with a \$100,000 check signed by Eric Swan, an Inter Oil Gulf Director living in California. Stockett confirmed with the Bank of America that the checking account had sufficient funds to cover the check. He then flew to London and Hong Kong and delivered his 25 million share stock certificate to their London office while reviewing a draft letter of credit from Barclay's Bank of London. When he arrived with three Inter Oil Gulf directors in Hong Kong, he met with the Chinese military official who was supposedly in charge of approving exports from Shanghai Cement, and learned that Inter Oil Gulf had provided him with \$100,000 cash to secure their ten year supply agreement. Stockett wasn't receiving any phone calls from his office and all of their calls were going to the Hong Kong Office of Inter Oil Gulf. After being out of the U.S. for approximately ten days, Stockett called back to the U.S. and learned that

more than 8 million shares of Hightec stock had been sold in the open market by a brokerage firm called Platinum Trading in New York. Stockett had never heard of the firm. He called them from Hong Kong and learned that they had an account with Eric Swan of Inter Oil Gulf and that he had claimed that Inter Oil Gulf had bought the shares from Stockett and they wanted to liquidate them as quickly as possible. Against Platinum Trading firms recommendations they drove the stock price down from \$1.00 per share to \$.10 per share on more than 23 million shares of trading volume over the ten day period. Stockett told the brokerage firm that he was calling from the headquarters of Inter Oil Gulf and that he wanted a copy of the stock sale confirmations faxed to Hightec's headquarters in Las Vegas, since he was the President of Hightec, and he was the only shareholder who even owned one million shares of Hightec stock. The broker told him he would have to get Eric Swan's permission since he was the account holder. Stockett never received the confirmations but the market results clearly verified the reasons for the stocks rapid decline. Stockett also learned that Inter Oil Gulf had issued a press release with their name and phone number on it using their London address stating that they had purchased 51% of Hightec and would be providing them with \$20 million financing and a ten year supply agreement. When Stockett confronted the directors in Hong Kong they claimed that it was their trading departments standard operating procedure to sell stock short against their options and if they were able to raise the money necessary to complete the transaction they would provide Stockett with the \$1.00 per share that they promised. Stockett then discovered that the \$100,000 check he had deposited from Eric Swan bounced and that his checking account no longer had sufficient funds to cover a \$100,000 check. Presumably this is where the \$100,000 came from to provide the cash to the Chinese. After the confrontation in Hong Kong, Stockett realized that it would be very easy for Inter Oil Gulf or the Chinese to kill Stockett and that no one would ever realize that they had never paid him a penny for the 25 million shares of Hightec stock. He fled the hotel and took the first flight back to the U.S. He then hired an attorney to sue Inter Oil Gulf and reported their fraud to Scotland Yard. He subsequently learned that directors of Inter Oil Gulf had used hundreds of thousands of dollars of Hightec stock to pay their rent for the London offices and residences, and to pay for \$50,000 medical bills for another director.

Stockett never received a single penny from Inter Oil Gulf, and Hightec never received any shipments of cement or any actual letters of credit that had been promised in writing. He eventually received 16 million shares of his Hightec stock back after the price had declined to below \$.10 per share and the volume had dropped to nothing. Inter Oil Gulf had sold the other 9 million shares for somewhere between \$4 and \$6 million and had absolutely no cost to themselves for the stock whatsoever.

Stockett could no longer afford the legal fees wanted by the London attorney so he left the case to Scotland Yard to pursue Inter Oil Gulf for their ill gotten gains and fraud against Stockett and Hightec. They traced the funds received by Inter Oil Gulf from New York to London, then to Greece, and finally to Luxemburg and Norway where they lost track of them.

While most businessmen would simply have given up by this time trying to pursue a business opportunity that required significant capital investment and carrying so much baggage that that would take significant due diligence just to determine any contingent liabilities that Hightec might be exposed to. Stockett, on the other hand, was not like most businessmen. He was more convinced than ever of the potential profit margins available from importing cement from Asia and other low cost and subsidized producers and selling it in the highest price markets in the world including Las Vegas.

His only hope at restoring Hightec stock price to its previous glory was if he could successfully sell millions of dollars of cement into the booming Las Vegas construction market. Las Vegas had been growing by 100,000 residents per year for more than 18 years and it was consuming 2 million tons of cement annually. At \$100 per ton, this represented \$200 million that Stockett could potentially target if he could simply find a financial partner willing to provide the financing. He approached several coal companies, the U.P.R.R. railroad itself, and several cement companies that had previously imported cement when their plants were at full capacity. He showed them his potential transportation savings and they evaluated his proposals.

In September 2000, Stockett met with a stock broker at a restaurant in Las Vegas and described the profit potential of importing cement from Asia. His conversation was overheard by a husband and wife sitting at the next table. After Stockett left the restaurant, the stock broker had drinks with the couple. The next morning the stock broker told Stockett that the

couple wanted to invest a million dollars into Hightec. He wanted a 10% commission. Stockett met with the couple for breakfast at the Luxor and gave them a copy of his U.S. Cement Company business plan. It included the letters of intent to purchase cement which his sales persons had secured from more than ten potential customers. None were binding agreements because U.S. Cement Company did not have the financing to commit to binding delivery. The couple was in Las Vegas on vacation and they were returning later that day to Toronto, Canada where they lived. Over the next few days, Stockett received their financial statements and determined that they were capable of investing the \$1 million. Based on the fact that they were retired and only had a net worth of approximately \$2.5 million, Stockett recommended that they only invest \$500,000 and see how well the new business proceeded before investing any more of their retirement savings. He structured the deal to provide maximum protection for them. He provided them with a personal loan agreement and a personal promissory note that would pay them back their \$500,000 in one year with 10% interest. He would also provide them with 500,000 shares of Hightec stock which he personally owned at no cost as a "loan origination fee". This would guarantee the elderly couple that if the stock received was not worth \$500,000 or more within a year, they would receive their money back with interest from Stockett personally. He provided them with his own personal financial statements and with 5 million additional shares of his personally owned Hightec stock as further collateral for the loan since the stock was only trading at \$.10 per share at the time. They were very happy with the deal and made a return trip to Las Vegas to meet with All Star Transit Mix who was Royal Cement's largest customer and had agreed to a stock acquisition contingent upon U.S. Cement being able to import cement for \$50 per ton. They also visited the Royal Cement plant and a 200,000 square foot distribution center for sale by Levy Strauss which Stockett had made an offer to acquire personally. They proposed to put up half of the down payment (\$200,000 out of \$400,000) and to create a separate partnership with Stockett for ownership of the building and 50 acres of land with over one mile of rail road siding and 16 truck bays. Stockett submitted the offer through a realtor and the purchase of the facility was put in escrow in December 2000.

In September 2000, after Stockett issued a press release announcing that he had invested the \$500,000 he borrowed from investors into U.S. Cement Company, he was contacted by a local finance company called Akropolis Ventures, owned by Anthony Sterle. Akropolis Ventures entered into a letter of intent with U.S. Cement Company to provide the \$20 million of financing that Stockett sought and they opened an escrow at Southwest Escrow in Las Vegas. All purchase orders, and all receivables would go through escrow and all payments to suppliers would be paid out of escrow before U.S. Cement would receive its share of profits from the sale of any cement. Akropolis Ventures also agreed to provide the \$9 million real estate financing for for S&W partners to acquire the Levy Strauss distribution center and lease it for ten years to U.S. Cement Company.

Anthony Sterle met with the Canadian Investors for dinner in the Mirage Hotel and confirmed that his company would be providing the financing for Hightec and U.S. Cement Company.

The financing was to be provided within 90 days of executing the agreements between Stockett, Hightec, U.S. Cement Company and Akropolis Ventures. All documents were provided to the escrow company and Stockett started planning the second relaunch of U.S. Cement Company out of the ashes of previous destruction. At the end of the 90 days, Akropolis Ventures requested an extension and Stockett became suspicious. Stockett had previously confirmed the track record of Akropolis providing financing for large transactions from a reference provided to a large real estate mortgage company that had successfully operated for more than 25 years. They claimed they had processed numerous successful transactions for Anthony Sterle and Akropolis Ventures. On one of the transaction documents signed by Stockett he found the name of the lender in Texas that was to be the underlying source of the financing. Stockett called the bank in Texas and spoke with the loan manager. He confirmed that Akropolis had applied for the loan but denied that they had ever approved any loan. The next day Anthony Sterle called Stockett angry that he had gone behind his back and cancelled his financing agreement.

Stockett reported Anthony Sterle and Akropolis Ventures to the FBI and disclosed that they had provided forged documents to the escrow agent that Stockett had never seen. The documents had been delivered to escrow by John Oswald, the company executive Stockett had hired to serve as President of U.S. Cement. Oswald told Stockett that Anthony Sterle had him pick up the documents at the airport and deliver them to the escrow company and that Stockett was no longer part of the deal. Akropolis Ventures would be providing the financing and hiring John Oswald to manage a cement import business in conjunction with a company Stockett had previously tried to acquire and had paid \$100,000 delivered by Oswald to the seller who then refused to sign the acquisition agreement. After several months of trying to get the \$100,000 back, Stockett accepted \$100,000 of white cement owned by the seller that was sitting in a warehouse in Texas. Stockett did not have any customers in Texas and had to liquidate the white cement at a loss. The seller had already saturated the market with over a million tons of bagged white cement he had imported from the U.A.E.

Stockett made another acquisition offer to acquire a small white cement importer in San Diego called Universal White Cement. White cement is different than ordinary Portland cement and is used for statues, and for surfaces that are to be painted. It is sold in 94 lb bags and shipped on pallet racks. There was no opportunity for transportation savings, but it did open the door to delivering ordinary Portland cement to companies like Home Depot, Lowes, and Orchard Supply. Stockett offered one million shares of Hightec stock and \$400,000 of the cash received from the investors. The owner of Universal White Cement initially said he was interested in the deal and then changed his mind after Stockett traveled to San Diego and inspected his cement storage and distribution facility.

Stockett had initially hoped to use the \$500,000 to commence purchasing imported cement from these small white cement importers. After these opportunities fell through, he started contacting larger cement suppliers who could provide their own financing if U.S. Cement Company could provide the customers. If U.S. Cement Company couldn't raise the capital to establish their own cement import and distribution center, perhaps they could become a foreign manufacturer's sales representative in Las Vegas and the foreign manufacturer could provide all the financing and support necessary to deliver their product to U.S. Cement Company's potential customers.

Following this new strategy, Stockett searched the Internet and found that the largest capacity cement manufacturing plant in the world had recently been completed in Thailand. They had a 9-million mton per year capacity which was nine times larger than the average U.S. cement manufacturer's plant. They were called TPI Polene (Thailand). It was owned 50% by one of the wealthiest people in Thailand and 50% by the government of Thailand. Stockett submitted a proposal and copy of his business plan including letters of intent and purchase orders contingent on price and delivery schedules. He also submitted his letter of intent to acquire All Star Transit Mix for stock and the fact that they purchased \$18 million of cement annually. Finally he submitted his transportation quotes that showed he could ship 2-ton bagged cement on coal boats from Thailand to Long Beach for \$5 per ton, and from Long Beach to Las Vegas on empty coal cars returning through Las Vegas for an additional \$5 per ton. With all the trucking and transportation, storage and handling costs, labor, loading and unloading equipment, insurance, and import duties, Stockett's business plan showed that it was possible to deliver cement to Las Vegas for a total cost of approximately \$50 per ton.

On September 6, 2001 U.S. Cement Company received a two year supply agreement fully executed by TPI Polene that would allow them to purchase up to 200,000 mtons per year at a fixed price F.O.B. Thailand port for \$27 per ton. They would bill for the cement net 30 days after deliver to the customer. Stockett had resurrected U.S. Cement Company one more time out of the ashes of destruction. On September 7th, Stockett issued a press release announcing the new supply agreement. The stock price improved and things were starting to finally turn around. Stockett's loan from the Canadian couple was due on September 15th 2001, one year after he had received the \$500,000. While he was unable to repay the loan when it came due he felt sure that once cement deliveries commenced he would be able to quickly repay the loan. Five days after signing the new contract with TPI Polene, the 9/11 terrorism attack occurred. After New York and Washington, D.C. , Las Vegas was probably the third hardest hit city because it was so dependent on the 37 million airline passengers who visit annually, and all airline flights were cancelled or reduced for months. Las Vegas laid off more than 115,000 casino and culinary workers, and construction on new casinos, and government infrastructure projects were delayed or cancelled.

On September 16th, 2011, five days after the 9/11 attack, All Star Transit Mix cancelled their purchase order for cement and their letter of intent to sell the company to Hightec for it's stock. Shortly thereafter they sold their company to the former President of CSR, the largest ready mix company in Las Vegas. Stockett met with the new buyer to see if he would be interested in buying cement under the terms of the TPI Polene contract. He wanted lower prices and guarantees that U.S. Cement company could provide a continuing supply after the first shipments since he knew that his current cement suppliers might cut him off if he purchase cement from an independent importer. Ready mix batch plants store cement in overhead silos and don't have long term storage capacity. They receive multiple truckload deliveries of cement daily. Until Stockett had his own storage and distribution center, All Star Transit Mix would not take the risk of buying cement from an importer dependent on new sources of supply from Southeast Asia.

U.S. Cement Company simply couldn't catch a break anywhere. But not for lack of effort. Stockett had spent hundreds of thousands of dollars over a two year period and had met with hundreds of potential customers, dozens of potential financing sources, and multiple suppliers, equipment manufacturers, transportation companies, and had hired seven employees and consultants. He had traveled around the world seeking financing and supply agreements. He had lost more than \$20 million of the value of his personally owned shares of Hightec Inc. But he still believed that Las Vegas alone represented a \$200 million annual market with \$100 million potential annual profit if he could deliver cement for \$50 a ton rather than the California cement suppliers that sold it for \$100 per ton delivered. Stockett refused to give up knowing that it was his persistence and tenacity alone that had made him a multi-millionaire several times in his life. If it had been easy to do what Stockett was proposing, everybody would have been doing it already. Stockett had developed creative solutions to each obstacle that he faced and was convinced that it was just a matter of time before he would succeed in this venture as well.

Just when Stockett thought that things couldn't get any worse for U.S. Cement Company, Hightec, or himself, they actually did.

EPISODE 3 - THE SEC STORY

In October of 2001, Stockett received a subpoena from the Securities and Exchange Commission (SEC) requesting all the documentation and company records that could back up the claims made in company press releases and the statements made on the company's website. The subpoena was issued from the Denver office of the SEC in conjunction with another case involving press releases issued touting the "penny stock of the week". Hightec had been mentioned in one of these press releases along with a claim by the author that Hightec's stock could rise from \$.10 per share to \$.50 per share or more if it ever received any financing.

Stockett retained a Denver attorney, Declan O'Donnell who was well respected and very experienced dealing with the SEC. He visited Stockett's home in Las Vegas and reviewed all of the company records, all of the business cards that Stockett had collected from the hundreds of people he had met in the cement industry. They copied approximately 600 pages of documents and submitted the copies to the SEC. In March or April of 2002, the SEC scheduled a deposition of Stockett relating to the same newsletter case. Stockett, represented by O'Donnell spent five days going over virtually every document provided in the subpoenas. The two SEC attorneys conducting the deposition would summarize minutes or hours of Stockett's testimony with statements like, "In Summary, U.S. Cement had no revenue".. Or in summary, none of these letters of intent were binding. Or "technically since Hightec failed to file its annual list of officers and directors with the state of Delaware where it is incorporated, it has ceased to exist and therefore you have been selling stock in a company that doesn't even exist." They would make statements like, "you offered to buy \$100 million of cement equipment and yet you only had \$500,000 in the bank, Isn't this fraud?" It was clear that these two attorneys had no idea how much work is involved starting a new business with no guarantee that the company will ever achieve revenue or profitability. They then proceeded to go over a list of women that Stockett had previously dated.

It was obvious to Stockett that this list was taken from his own computer and that he had never printed it out himself much less provided it to the SEC in response to their subpoena. They admitted that they had asked the FBI to raid his house and search his computers because they were convinced that Stockett hadn't provided all the relevant data in

response to their subpoena. This FBI raid had taken place two weeks prior to the Denver depositions. The SEC has no criminal jurisdiction and had not requested access to criminal records seized pursuant to a criminal investigation. He objected to the line of questioning and stated that if Stockett was being investigated by a joint task force of the SEC and the FBI that they must use due process to gain access to any records seized in the criminal investigation. Why bother with a subpoena if you can simply search the company's records, the owners house and personal computers, and take whatever you want whether it is relevant to the case or not.

In May 2002, the SEC filed a civil complaint against Stockett and Hightec alleging securities fraud and loan fraud and inducing an investor to travel across state lines to commit a fraud. The complaint alleged that Hightec did not even exist, that U.S. Cement Company was a scam, and that Stockett had used \$700,000 of elderly investor's money for his own personal use. The complaint incorrectly stated that the money was invested directly into U.S. Cement by wire transfer from the investors when in fact it was delivered to Stockett with a check and a signed promissory note for a personal loan. The complaint alleged that the SEC could find no evidence of any assets, any contracts, any receivables, any binding agreements or any legitimate business since the company did not even exist. It alleged that Stockett admitted to these statements in his five days of depositions, all of which were completely false, and taken out of context.

Stockett responded to the complaint by filing copies of the Inter Oil Gulf Agreements, the Akropolis Agreements, The TPI Polene Agreements, the investor loan agreements, and the letters of intent contained in the company's business plan. The court scheduled a hearing in June where the SEC requested and received a temporary restraining order against Stockett and Hightec prohibiting them from selling stock or continuing to violate SEC regulations. Since Stockett had already provided five days of depositions and the Canadian investors were the only other people interviewed and subpoenaed by the SEC, the Judge ordered the SEC to proceed to trial as quickly as possible since Stockett argued that the Hightec stock was the only liquid asset that Stockett had to continue providing financing or acquisition opportunities for the company. The SEC agreed to proceed as soon as possible. After obtaining their restraining order they did not take any action in the case for the next 18 months.

In August, 2003 the U.S. Attorney in Las Vegas filed a sealed indictment in Las Vegas against Stockett and Hightec. Stockett did not become aware of this indictment until he was arrested on a business trip to Costa Rica in February 2004. Stockett was trying to sell the TPI Polene cement to the largest cinder block manufacturer in Latin America who was then paying approximately \$115 per ton to purchase cement from Cemex. Cemex had purchased the only cement plant in Costa Rica a year earlier and had raised the price from \$55 per ton to \$115 per ton. The day after meeting with the block company, the President of Cemex, Costa Rica met with Stockett and offered to acquire the entire TPI Polene contract from U.S. Cement Company. Stockett turned down the low offer. Five days later he was arrested in Costa Rica and placed in the San Sebastian Penitentiary. He remained there for over a year without spending a single day in court.

Stockett retained Declan O'Donnell a few months earlier to represent him in the acquisition of a call center in Costa Rica. Declan recommended that Stockett hire local criminal counsel to represent him in Costa Rica. He said he would either represent Stockett when he returned to the U.S. or serve as a witness at his trial based upon his knowledge of Stockett's efforts to conduct legitimate business for a start up company with an innovative business plan that required substantial financing that was difficult for a start up company to obtain.

EPISODE 4 - PRISONER IN PARADISE

Being locked up with murderers, rapists, Columbian and Nicaraguan drug gangs and government officials accused of corruption, is an experience that Stockett would not recommend to anyone. There were only a handful of Americans, Canadians, and British inmates who spoke English. All of the other inmates and guards spoke Spanish. The prison conditions do not resemble anything that you would recognize from visiting U.S. prisons. Prisoners wear their own cloths, must provide their own mattresses, blankets, pillows, and cleaning supplies. Laundry is done in a concrete court yard using a hose and sink. There are no windows to stop the wind from blowing through the bars. There are mosquitos on the damp walls of the bathrooms every night. There is an open sewer that empties into the river that flows behind the prison. The 750 inmates are allowed visits on a football field on the weekends. With hundreds of visitors, the visitors far outnumber the guards and the visitation field is not a safe place for anyone or anything that you don't want to be stolen before you can return to your

cell block. Visitors may bring in groceries, restaurant food, clothing, supplies and anything else that isn't considered contraband like knives, guns, and drugs. These get in anyway, but that is another story. Stockett was robbed more than 25 times during his year in prison. Every time his attorneys would bring him cash for use in the commissary, or a mattress, pillow and blanket, someone would rob him and then someone else would offer to sell the missing item back to him. He lost his glasses, his watch, his jacket, his prescription drugs, his telephone calling cards, his food stored in his locker, his shoes, and virtually everything else that he couldn't take with him when he went to chow or to the visitation field.

Stockett paid for personal protection and was eventually put in a segregated cell block with the other political prisoners and people who could afford to share their food and other items with the guards.

Eighteen people slept in each cell block with only ten beds made of concrete. The others slept on the floor. It was impossible to walk around after people went to sleep without stepping on someone. The toilets and showers were filthy and the inmates were expected to clean them only there was no discipline from the guards if they left them in filthy condition.

The library contained only books in Spanish & a handful of old books that had been there for years. Inmates were served two meals a day. Breakfast was coffee and hard rolls. Lunch was rice and beans and dinner was rice and beans. Occasionally soup was served that originally contained some vegetables and chicken but the chicken was all eaten by the first five people in line and no one else saw anything but dishwater. Bananas were often served as desert but these too were given to the first half of the people in line and the last people rarely saw them. You could purchase a wide selection of food items from the commissary, but you had to use cash and had to give it to an inmate known as a bandelero who would take your cash to the commissary and return with most of what you ordered and none of your change. They would lie about the prices of everything and always claim you gave them less money than you actually did.

The only good thing about the San Sebastian Penitentiary was the medical service and the bi-weekly conjugal visits with your loved ones. I was sent to the National hospital on several occasions and received blood tests, a cat scan, an MRI, and treatment for bronchitis. I also was sent to a local dentist to have my teeth filled. There was no cost because medical and prescriptions are free for everyone in Costa Rica.

It is amazing to me that a poor country like Costa Rica can afford free medical care and prescriptions for all of its citizens and the U.S. has the highest cost medical care and the lowest availability of medical services to people who can't afford it of any developed country. The primary difference is that Costa Rica doesn't have a military and their government is a small portion of their GDP.

56 When Stockett was arrested in Costa Rica by agents of Interpol and the local Costa Rican police, he was given a copy of the indictment for his arrest in the U.S. The U.S. government had 60 days to translate this indictment into Spanish and present it to the Costa Rican courts along with proof that the crimes that they were accusing him of were extradictable offenses. Essentially the crimes had to violate Costa Rican law in order to be extradictable. For instance, since Costa Rica doesn't have a death penalty, you cannot extradict a U.S. citizen on a capital murder charge. The U.S. must waive the death penalty before Costa Rica will allow the person to be extradicted. he was initially charged with Securities Fraud, wire fraud, and money laundering. The U.S. had to prove that these offenses were extradictable offenses. Costa Rica had only recently signed an extradition treaty with the U.S. and the treaty was primarily written for drug dealers and sex offenders. Since Costa Rica had no stock market, no publicly traded securities, they had no laws that were equivalent to securities fraud. In their culture if a bank or investor gives you money and you defrauded them, let the investor beware. For that reason they have very little capital investment in private or public companies in Costa Rica. Money laundering was also defined as using illegal profits from the sale of drugs and depositing it into legitimate businesses to hide the illegal source of funds. Since selling unregistered stock was not illegal in Costa Rica, their money laundering laws did not cover the use of proceeds from the illegal sale of stock. The U.S. had to modify their indictment and remove the money laundering charges in order to obtain an extradition order. It took them approximately a year to work through all of the issues since Stockett was the first person ever extradicted based on "loan fraud".

Stockett was actually begging his Costa Rican attorneys to send him back to the U.S. so that he could have access to the U.S. criminal justice system which he believed to be the best in the world. He thought that he was intitled to a speedy trial within 70 days of his arrest.

Since Stockett was firmly convinced that he had not violated any securities laws and that U.S. Cement and Hightec were not scams, he believed that the sooner he got his day in court the sooner his nightmare of a reality tv show would be over. On February 25, 2005, more than a year after he was arrested and held in prison without bail, Stockett was returned to the U.S. for trial in Las Vegas. He had been a prisoner in Paradise for more than a year and only the fond memories of his conjugal with his girlfriend to carry him for the next 9 years in U.S. prisons.

EPISODE 5 - COURT TV - JUSTICE DELAYED IS JUSTICE DENIED

Stockett saw these words engraved in the Lobby of the Federal Court House in Las Vegas when he appeared for his arraignment hearing. He requested a speedy trial and was assigned a court appointed public defender to handle the arraignment. The public defender immediately requested a 9 month delay with no bail because Stockett was considered a flight risk. The judge granted the delay and stated that any attorney needs more than 70 days to prepare for a complicated trial especially since the offenses took place in 1999, 2000, and 2001 and the arraignment was in 2005. It would be difficult to find witnesses and Stockett had no records since he was arrested in Costa Rica and never released for a single day to settle his affairs or gather his old company records.

Stockett then filed a motion to replace his counsel and represent himself, claiming that he had already had a year in prison to prepare for trial. He wanted a speedy trial and the fact that the attorneys needed time to review Stockett's extensive evidence was irrelevant. The judge denied Stockett's request to represent himself claiming he was incompetent even though he had represented himself in two previous cases brought by the SEC in which he won both cases.

The judge did however replace the first public defender with a second public defender who told him not to call him and he requested even more time to prepare for trial because he was busy with a Hell's Angel trial that would take several months.

Over the next nine months, Stockett's new public defender made a number of appointments to meet Stockett in the detention center. The attorney missed more than six of these appointments even though Stockett was held in the detention center for hours on each scheduled visit. Prior to trial, Stockett's public defender only met with Stockett three times for a total

of less than three hours and usually with five or six other inmates waiting to meet with the same public defender. He claimed he received \$75 per hour and represented approximately 100 people per year. He billed each case an average of 100 hours. He wanted to save the hours for Stockett's case for the trial, which the government estimated would take four to five days. At every meeting with the public defender the only thing he wanted to talk about was whether Stockett would accept a plea bargain. He said he pleaded out 97 percent of his cases and had never won a single case in 16 years of going to trial. He used every conversation with Stockett to emphasize that Stockett could get 5-7 years in prison if he went to trial and that he could be released after three years (including the two years he had already served) if he would accept a plea bargain. Stockett refused to accept a plea bargain because he wasn't guilty and he had all the documents and witnesses to prove his innocence. The attorney never even reviewed Stockett's documents which were eventually returned to Declan O'Donnell in the same unopened sealed box that Declan had sent them to the public defender.

Stockett's trial was finally commenced on Dec. 20, 2005 more than 22 months after he had been arrested and just short of the five year statute of limitations for the offenses that the government had charged him. The only witnesses against Stockett that he knew were the two Canadian investors. They testified first that they believed everything that Stockett had ever told them and that they didn't even sue Stockett civilly for their money after five years because they were not aware of any fraud that Stockett had committed. The only thing negative they had to say about him was that he had promised to repay them the \$500,000 and when it came due he never repaid them. He kept telling them he thought he would have the money soon but it never materialized. They had done enough due diligence, met Stockett's customers, seen the warehouse Stockett attempted to acquire, met with Akropolis Ventures who promised to provide the financing, and that they had received the stock of Hightec that he promised even though it didn't have the value that he had hoped it would achieve because he never received adequate financing to implement the U.S. Cement Company business plan that they had reviewed prior to their investment. Stockett and his attorney believed that after the testimony of the two investors, that the government had no case whatsoever for loan fraud, or wire fraud. They hadn't even wired the money to U.S. Cement's

bank account as the government claimed. They had written a personal check to Larry Stockett and signed a personal loan agreement and personal promissory note for its repayment by Stockett and not by U.S. Cement Company. It was fully collateralized by Stockett's personally owned shares of Hightec and was personally guaranteed by him in the loan agreement.

After the first day of prosecution's testimony, even Stockett questioned whether he needed to testify in his own defense or not. The government then proceeded to present its case against Stockett for securities fraud and conducting a "pump and dump scheme". Agents from The SEC, The IRS, the FBI and the NASD each testified that they found no evidence that Stockett had conducted any legitimate business. Hightec's corporate charter in Delaware had expired for one year. It was then discovered that the filings had not been made and it was reinstated for a cost of \$115 and a list of officers and directors, paid by Stockett.

On cross examination Stockett's attorney was very poorly prepared but he did manage to ask why they hadn't interviewed any of the employees, consultants, customers, acquisition target owners, cement suppliers, cement storage warehouse managers, sales reps, escrow agents, financing sources, Inter Oil Gulf, Akropolis Ventures, Universal White Cement, All Star Transit Mix or tried to confirm or deny any of the hundreds of documents that Stockett had presented in his depositions. Everyone but the SEC testified that they were unaware of any of these potential witnesses and that they had relied on the SEC to conduct the investigation. The SEC claimed that none of Stockett's documents were binding or material and that since Hightec didn't even technically exist, none of the business that it conducted or the millions of shares of stock that traded were even legitimate business. They claimed that they were violations of SEC regulations and that Stockett had essentially admitted to the charges in his deposition. The fact that they took short statements out of context from the depositions was never explained to the jury because the defense attorney wasn't familiar with the depositions because they were conducted in another case that wasn't even against Stockett or U.S. Cement. It was against an newsletter publisher that had touted Hightec stock.

At the end of the prosecutions case, Stockett's attorney requested that the judge reach a directed verdict that the government had not met its burden of proof beyond a reasonable doubt. The judge said he would review it over the weekend and make a decision on the following Monday. Stockett went back to the Detention Center and believed that he would likely win the case and that it might not even have to go to the jury. He celebrated and gave away all of his commissary items believing he would soon be released and that the worst reality tv show ever would soon be over. On Monday the judge decided not to grant a directed verdict. Stockett's public defender told the judge that he would rest the defense case without putting on any defense because he didn't believe that the jury would find enough evidence against Stockett to convict him.

Stockett wanted to testify in his own behalf but his attorney talked him out of it. He convinced him that if he took the stand the entire case would be about Stockett's personal lifestyle, a list of women he had spent money on, all of the money he spent on his new house, boat and car when the company didn't have enough money to implement its business plan. He believed that there was so little evidence presented against Stockett that it would only make the case more complicated and more difficult to determine whether certain transactions were legal or not and that Stockett stood a better chance of winning by confidently resting his case without any defense whatsoever. This was probably the worst decision Stockett ever made. The jury apparently believed that if Stockett was innocent of the charges he should have taken the stand and told his side of the story. The judge asked the jury if they thought they had enough time to start their jury deliberations on Christmas Eve or whether they would like to return after Christmas to begin deliberations. They went into deliberations and in less than an hour reached a verdict of guilty on all four counts. They barely had time to even read the jury instructions. They more than likely had no idea that Stockett could be sentenced to 12 years in prison for his role in issuing the press releases or selling approximately 100,000 shares of stock out of his 40 million shares. They never heard anything about Akropolis Ventures, Inter Oil Gulf, or TPI Polene. They never heard about the pending acquisition of Royal Cement or All Star Transit Mix.

They were told by the prosecution that Stockett had sold stock in a company that did not even exist and that he had never conducted any legitimate cement business or sold a single bag of cement. They were told the company was a scam and that Stockett was a con man. They never heard anything about Stockett's background as a successful businessman for more than 25 years. They never even heard that Hightec owned the IPO Network that had produced the IPO Show and conducted legitimate business with thousands of IPO Network members for years.

Immediately after the trial Stockett filed an appeal. The court ruled that he could not appeal until he was sentenced. The prosecution requested several delays and Stockett was not sentenced for an entire year. By this time he had already served three years in prison. Then he got the shock of his life when the sentence was 12 years considering he had already turned down a 3-year plea bargain. The judge had used Stockett's own losses in Hightec Stock (sold by Inter Oil Gulf) as the basis of his securities fraud amount and he received an extra five years because of these multi-million dollar losses in which he was the primary victim. He was sentenced to \$700,000 restitution even though the statute of limitations for the investors recovering their losses from securities had already expired and was not tolled because they had not filed a suit against Stockett themselves. They were told that if they testified against Stockett at the trial that the government would collect the \$700,000 restitution for them. They were not told that they would never see a penny of it even if it were collected because they had not filed a claim within three years of the original securities transaction.

The three year plea bargain looked pretty reasonable after the twelve year sentence was handed down! What Stockett couldn't understand or come to grips with is why innocent people who demand a trial are given sentences four times longer than people who admit they are guilty. Drug dealers can get a year off of their sentence for taking a drug rehabilitation class. White collar criminals are being sentenced to more time than murderers, rapists, drug dealers, and the sentences are unevenly applied based on math errors and arbitrary calculations of the amount of money lost by the victims, even when the victim is the defendant.

EPISODE 6 - THE APPEAL PROCESS

Stockett would spend the next few years appealing his case, remaining incarcerated the entire time. He was never allowed a single day outside on bail before or after his arrest to settle his personal affairs, secure his personal and business assets, or gather his own evidence demonstrating his innocence. Murderers and criminals like Bernie Madoff were allowed time under house arrest to settle their affairs. Because Stockett had acquired a business in Costa Rica, he was considered a flight risk. He wasn't allowed bail and had to remain in prison for two years before his trial even though he had never missed a single hearing or ever been convicted of any prior crime.

Once Stockett was finally sentenced, he retained new counsel to file his appeal. He filed a 2,500 page appeal including all the documents that demonstrated Stockett's innocence and all the reasons why Stockett had not violated any securities laws and why the investors had not been defrauded in their \$700,000 personal loan. Since none of these documents had been entered into evidence by his trial attorney they were not docketed on the lower court's record for Stockett's case. The 9th Circuit Court of Appeals denied the appeal on the basis that was too late to submit evidence of innocence. Since Stockett's attorneys had most of the evidence prior to the trial the appeals court said it would be like putting on a second defense after your first defense failed. Stockett's public defender had put on no defense at all however.

After the direct appeal was denied, Stockett filed a 2255 motion claiming ineffective assistance of counsel, ex post facto errors caused by using the wrong years sentencing guidelines, miscalculations in the amount of victims losses totalling millions of dollars, and other violations of due process itemized in 17 separate issues for appeal.

Stockett requested a hearing which was denied to expand the record and show that Stockett's attorney did not provide the minimum standards of legal representation that all people accused of crimes are entitled to.

For the first time since Stockett had been arrested in February of 2004, he knew with certainty that his new reality tv show was going to continue for five more years and that the likelihood of a happy ending, or surprise ending where he receives a Presidential pardon and an apology from the prosecutor and the judge were simply not in the script.

EPISODE 7 - PHOENIX RISING

Like any good television show producer, Stockett wanted to find a new ending or a new story line that would allow him to stop living in the worst reality tv show ever and start rebuilding his life out of the ashes of destruction. He had built companies out of the ashes of destruction many times in his career. Now he needed to do the same thing for his personal life and his personal reputation.

Stockett spent the next year at a Federal prison camp in Taft, Calif. This camp is more like a college campus than a prison. Stockett had been held in real prisons like the San Sebastian Penitentiary before he was ever put on trial. Once he was convicted, he was sent to a camp with no fences, very few guards, tennis courts, handball, baseball, football, pool, guitars, a track, access to a large leisure library and a law library with typewriters and a copy machine. It was like being punished for your innocence and rewarded for your guilt.

Once Stockett was arrested in Costa Rica, the SEC obtained a summary judgement against him by default while he was in prison. They sent the notice of the hearing to an old address in Las Vegas that was not even the correct street address and neither he nor his attorney ever realized they were seeking a \$2.3 million summary judgement. They also obtained a collateral bar from the penny stock industry meaning that Stockett could not be an officer or director of a penny stock company or work for any securities firm on any penny stock deals. Penny stocks are generally considered unregistered securities that sell below \$5 per share. They have special rules that apply to them that are different than say NASDAQ or NYSE stocks. His attorneys have assured him that the penny stock collateral bar does not preclude him from publishing his book or newsletter on IPOs or from producing an IPO television show for the Internet.

After spending almost five years in prison Stockett realized that while the government had taken away almost everything he owned, isolated him from his family and loved ones, ruined his reputation, and damaged his credibility, they had also done him a favor that he had not appreciated in the first few years of incarceration. At the camp, he was able to lose 70 lbs, improve his health and probably increase his lifespan by more time than the ten years he would spend in prison. He started jogging five miles a day, and doing pull-ups and push ups and other exercises every other day.

With his improved health and fitness and with the certainty of his sentence which actually provided some closure as to how long his nightmare would last, Stockett was able to start planning for the next few years in prison and set goals for what he wanted to accomplish and how he would rebuild his life and his fortunes when he was finally released.

Stockett had spent most of his life writing business plans, raising money to implement these plans, building businesses, creating jobs and being a workaholic whose work came first and family came second. He had been married and divorced three times and had one child with each marriage. His first divorce occurred when his first son was five years old. He ex moved to Hawaii, traveled the world on the Ship of Hope and he never saw his son again until he graduated from college. He then lived with him in Sausalito for a year and helped him financially to start his own Internet security company. His second divorce occurred when his daughter was only two years old. His ex moved 3,000 miles away and he only saw her once in the next 32 years. His ex remarried, had two more kids, remarried again and his daughter had more fathers than she could deal with. Stockett's third marriage ended when his son was eight years old. This time Stockett kept custody of his son and his ex moved 3,000 miles away. Eventually his son went to live with his mother so he could learn the Jewish faith, bar mitzvah, and work in the Jewish Summer camp. Stockett has maintained communications with him until he married and moved to Sweden after receiving his PhD from the University of Wisconsin in Quantum Physics.

After spending hundreds of hours jogging the track and thinking about his business successes and personal failures, Stockett realized that he needed to revise his priorities and concentrate on the things that are really important in life. He had lived for years in prison with no money, no need for expensive cloths, no need for expensive homes, cars, jewelry, or to spend his time chasing money. He realized that he needed to spend more time with his family, his loved ones, and in relationships with friends and future loved ones. He needed to find a way to make a living when he was released that did not consume him and rob him of the important time that he needs to spend with his grandchildren and new relationships. What would he like to do if he didn't need the money and didn't care about living the lavish lifestyle that had caused him to blow through millions of dollars without anything to show for it?

The answer to this question was actually easy, but it didn't come easily. While Stockett never planned to fail at any of his business endeavors he did fail to plan for his own pursuit of happiness. After retrospective review of his entire life, Stockett concluded that the jobs and tasks that Stockett enjoyed the most and that he would do for free even if clients weren't willing to pay for his knowledge and expertise was writing, teaching, speaking and educating people as to their opportunities to improve their lives or their careers or their financial condition.

Stockett had given hundreds of seminars in his career. For the Paperless Office, for the IPO Network, and as a keynote speaker at Comdex and many other office automation conventions. He joined the Toastmasters Club at Taft and gave speeches, participated in debates and eventually became the President of Toastmasters and reviewed the presentations and speeches of hundreds of other inmates.

Stockett was already a best selling author of Apple, Radio Shack, IBM and CPM software directories and the owner and publisher of a monthly magazine, California Digest, which featured pro and con articles on monthly topics before the California State legislature, Executive, or judicial departments. He also owned Green Pages of America, a national yellow page directory for doctors, chiropractors, medical emergency hotlines and other national medical services. His articles had been published in Fortune, Forbes, and the Opportunist Magazines. He decided he would write a sequel to his favorite novel, Ayn Rand's Atlas Shrugged. Over the course of a year in prison he wrote a 650 page novel that started at the end of the story in Atlas Shrugged where the economy of the U.S. collapsed and the lights went out in New York City. In his novel he starts out by watching the lights come on over the Luxor Hotel and the New York, New York Hotel and casino in Las Vegas. The economy of the U.S. has been rebuilt not by the gold provided by Midas Mulligan but by the 9,500 IPOs conducted since the great depression that financed virtually every industry and major business in America. Gambling and entertainment were the new economy of Las Vegas, and collectivism was no longer a threat to the world. The real threat to the world in Stockett's sequel was the U.S. Government and their regulatory controls of virtually every industry and threat to free enterprise. Their efforts to tax the Internet, prohibit medical marijuana, and finance the auto industry were just the latest examples of their abuse of power.

Stockett plans to publish his sequel to Atlas Shrugged which he calls "The New Industrialist" on Lulu.com when he is released.

He also plans to publish an updated edition of his previously best selling book, "Step By Step Guide For Investing In New Issues". His new book will be called The B.E.S.T. IPO Book. B.E.S.T. is an acronym for Book Value, Earnings, Sales, and The Target Price that an IPO is predicted to achieve at its 52-week high following its IPO. Stockett had his former IPO members, relatives and friends that he taught to analyze IPO financial information send him all of the financial data necessary to create a spread sheet that ranked the relative growth rates of more than 650 IPOs conducted between 2006 and 2013. Using this data base of IPO financial information, Stockett wrote a 250 page book that describes how to make money by short term investing in IPOs at several different stages of their IPO lifecycle. Stockett's financial spreadsheet which ranked the relative growth rates of book value, earnings and sales of 650 IPOs was able to accurately predict more than 85% of the top 10% best performing IPOs for their first years performance. It was also able to predict more than 95% of the worst 10% of IPO performance. Stockett believes that these predictions can be used to potentially make substantial profits from several different investment and day trading strategies.

Stockett uses 650 first day IPO stock charts and 650 12-month stock charts to create a comprehensive data base of the performance of all IPOs since 2006 for their first 52 week performance after their IPO. Using this IPO chart data base, Stockett plans to offer an electronic edition of his new book that will allow users to back test his IPO trading strategies or any other trading strategies against these 650 IPOs and see how much money they could potentially make using different buy and sell strategies.

Stockett plans to distribute this electronic version of the B.E.S.T. IPO Book for free to customers of participating on-line brokerage firms and to email to lists of the millions of Americans who own stocks and mutual funds but don't have the knowledge of how to make money and how to avoid losing money by investing and short term trading in IPOs. Stockett sees the free book as the razor and his monthly newsletter as the razor blades. His newsletter takes each IPO prospectus (which average 250 pages of financials and a lot of SEC boilerplate material) and summarizes them in a one page

format that will allow users to quickly identify the ranking of each IPO and whether their historical financial performance as determined from the 3 years of financial statements required to be filed in an IPO prospectus, will rank them in the top 10% best performers or the bottom 10% worst performers. Historically of the 650 IPOs recently studied the top 10% all doubled by their 52-week high. The bottom 10% all lost more than 50% by their 52-week low. Stockett says you can ignore the middle 80% because their performance does not justify the risks or volatility and you can make more money by concentrating on the winners and shorting the losers. Stockett's goal is to give away millions of electronic copies of his book that teach investors why and how to make money in IPOs and hopefully to obtain thousands or hundreds of thousands of subscribers to his newsletter which provide the specific recommendations of which IPOs to buy, which to short, and the B.E.S.T. ranking score of every future IPO. Stockett plans to give free seminars promoting his book and newsletter and to distribute the results of his B.E.S.T. predictions after the fact to demonstrate the accuracy of the B.E.S.T. models predictions. He hopes this will eventually increase the number of people who read his free book and subscribe to his paid newsletter. On-line brokerage firms will be allowed to download free electronic copies of his IPO chart backtesting database. Any of their clients that buy and sell even a single IPO will generate the average commission of \$9 per buy and \$9 per sell that is the current on-line average price for electronic trading. Every book they give away has the potential to generate thousands of dollars of increased trading fees from their existing clients. If their clients start making more money by investing in IPOs and more profit on the first day of IPO trading than most of their other stocks make in a single year, then Stockett believes that they will be encouraged to distribute his book to all of their customers and to use his book to attract new customers who want to know how to make money with IPOs.

Stockett's plan fulfills not only his need to develop a future source of income, but it will allow him to do what he enjoys most. Write, speak, and teach. It will also allow him to be remembered by his children and grandchildren for something other than spending the last ten years in prison.

On the personal front, Stockett has been divorced for more than 20 years, 10 of which he has spent in prison. He plans to join ourtime.com

and to find someone that he can romantically fall in love with and share companionship for the rest of his life. He plans to devote a much higher priority to his personal life and to semi-retirement and world travel.

Stockett realized that he never spent any time planning any of his marriages or other long term personal relationships. He simply met someone he was physically attracted to and then proceeded to fall in love and marry them or spend several years living with them. After spending years in prison trying to understand why he had failed so miserably at his personal relationships, Stockett decided that he needed to spend more time finding the right matching person, with the right personality, compatibility, common goals and desires how they wanted to spend their lives. He also needed to respect and understand their needs better and avoid focusing all of his attention on his own needs. While he has yet to demonstrate that he can succeed with this new strategy, Stockett is nothing if not persistent and optimistic about his approach to the future.

By reducing his weight from 260 lbs to 185 pounds and exercising daily, Stockett has achieved a level of fitness that actually makes him look younger than 66. Because of his fitness it should also make him a more desirable companion and help to overcome the negative baggage associated with his ten years of incarceration.

EPISODE 8 - THE FINAL EPISODE

The final episode of Stockett's ten year reality tv series has not yet been written. On September 25, 2013, 60 days before his scheduled release, Stockett contracted Valley Fever from inhaling dust contaminants that create a fungal disease. It led to severe dehydration, high temperature spikes, rashes over his entire body, and a loss of 15 lbs in 15 days. He was bedridden for a month and after chest x-rays were taken he was diagnosed with pneumonia which could have caused death if it hadn't been treated aggressively. Stockett found articles in the law library that said that dozens of inmates at two California State prisons had died in recent years and that hundreds had been hospitalized. There were more than 50 inmates at Taft currently being treated with the same medications for Valley Fever according to the nurses administering the pill line. After spending six and a half years at Taft walking and jogging around the dirt track and breathing the airborne dust particulates that have caused Valley Fever for so many inmates, and less than 60 days prior to his release, even Stockett could not foresee this final plot twist.

One thing that Stockett knows for sure is that the easiest way to fail is to simply stop trying to succeed. Starting over, publishing a book or newsletter, producing the IPO Show for the You Tube Channel or for Yahoo Finance all involve time, effort, and risk of failure. The alternative of not using your expertise, talent and years of experience to try to help others learn how to make money in the stock market would be an even greater failure in Stockett's eyes.

Whether or not anyone will give him a second chance is yet to be seen. If Stockett does succeed in relaunching a successful IPO Book, newsletter and tv show, it will be a comeback show worth watching.