

April 11, 2017

Federal Bureau of Investigation  
2600 Lord Baltimore Dr.  
Windsor Mill, MD 21244  
410.265.8080

Re: Report to investigate and prosecute for fraud, embezzlement, ponzi scheme, unjust enrichment, breach of fiduciary duties and racketeering against Rodney John Fox, Suzanne Fox, Marty Helfand, Debbie Baseman and Donald Kennedy of Forest Capital LLC.

Dear Maryland FBI,

I am writing regarding the company I founded, People's Power & Gas LLC ("PPG") and about their lender Forest Capital LLC ("Forest") who has defrauded and embezzled PPG's funds. I have attached with this letter the history of events called the PPG Timeline. The timeline should be read first to get an overview of the company, it's goals and objectives and then the events that followed. In addition, I have the corroborating statements and evidence within the timeline as PDF attachments. Attachments for evidence include full bank statements, emails, accounting reports, and more, are all provided within tabs of the PPG Accounting Report.

I have hired multiple attorneys, accountants, filed court documents, contacting the attorney general's office and filed a police report. I am now sending everything to the FBI headquarters in Maryland. To me this is very simple. Forest Capital understated over \$8.8M in 2013 of payments they received directly from the utilities, they did not provide credit to PPG for money sent from us to them, they created a transactional ponzi scheme in December 2013 to exacerbate what they could embezzle from PPG receivables by creating their own PPG advance requests to receive advance payments from their lenders and then they created more PPG advance requests themselves to pay off a previous advance request they created, right before they deliberately defaulted PPG with the NEISO on Christmas Eve to put us out of business. They reversed and omitted payments they received in their accounting which would have been applied to principle, if owed, or passed through to PPG. Even the ponzi payments they received to pay off the previous fictitious request they created was reversed to show as an advance instead of a payment. Now that this has been uncovered, seems like the trustee, accountants and previous attorneys are more interested in not admitting they were wrong and protecting themselves from malpractice than to do the right thing by adjusting course to help fix and go after Forest Capital.

The original PPG Timeline has all the corroborating evidence within it as attachments by date. The PPG accounting report only uses verifiable third party data which includes bank statements and utility payment reports against Forest Capital's fraudulent accounting. The evidence and statements are herein provided in full, from beginning to end and are all within the PPG Accounting reports as PDF attachments. PPG was put into an involuntary bankruptcy and the trustee wanted a daily run rate to show money in against money out which is where the \$9 Million number comes from in the timeline and says what Forest owes "no less than". When done on a transaction by transaction basis as you will see in the PPG Accounting Summary tab, Forest Capital defrauded and embezzled \$16 Million Dollars from PPG. The corroborating statements and evidence is irrefutable and the numbers don't and can't lie!

I read yesterday about another energy factor company in NYC, David Levy from Platinum was arrested for a ponzi scheme in December 2016. Forest Capital competed for the same energy clients and borrowed money from lenders in the US and Israel, seemingly like Platinum. Forest Capital has since been put into bankruptcy in Maryland. As I understand it from reading those bankruptcy files and transcripts, they also defrauded those they borrowed from and tried to blame me and PPG for their default. I provided PPG's trustee with a private investigators report proving that Forest had lied by conspicuously omitted the bank account they had for PPG in their Maryland bankruptcy on their initial documents and in multiple months of reporting thereafter. I provided to PPG's trustee who did ask if he could share it and then the following month you see Forest list that bank account in their monthly filing. It is my opinion from my research and conversations, that I am not the only client that Forest Capital has defrauded but the only one who has lasted and continues to fight them. I have said that Forest Capital's best defense was an aggressively made up offense as I have proven that everything they accused me of was completely false and preemptively done and what they accused me of is what they were doing. I can walk you through example after example or you can read the PPG timeline to see the corroborating evidence for yourself.

PPG was a natural gas and electricity supplier serving residential, commercial and municipal customers in seven states and expanding. An involuntary bankruptcy petition was filed on April 18th 2014 by Utilities who said it was to protect everyone's interest in PPG from the lender and their aggressive attorney. The following provides irrefutable evidence that John Fox, Suzanne Fox, Marty Helfand, Debbie Baseman and Don Kennedy of Forest Capital falsified accounting records, created a transactional Ponzi scheme, embezzlement, breached their fiduciary duties and committed perjury on multiple occasions. Forest submitting a false proof of claim in PPG's bankruptcy and Forest's lenders have since put them into Maryland's bankruptcy court. According to a private investigator report, Forest did not initially disclose to its creditors the bank account that was used for People's Power & Gas, which seemingly was to also defraud their own lenders.

People's Power & Gas timeline of events highlights evidence that suggests Forest Capital's attorney Jeff Wurst at Ruskin Moscou Faltischeck ("RMF") is a co-conspirator. I believe Jeff Wurst has been crucial in perpetuating Forest Capital's fraud and is more than just their attorney; he is a co-conspirator, obstructionist, extortionist and a vexatious litigator. Forest became the first recipient of PPG's funds whether they provided an advance on receivables or not. Forest used ambiguous control agreements and then refused to advance or to even pass through PPG's own money from paid and unfactored invoices. Forest's own accounting understates over \$8.8 million in payments they directly received from PPG's customers in 2013 alone. Wurst created anticipatory documents for use in future legal proceedings while Forest falsely accounted for and withheld funds to create events for duress and extortion to get them signed. Wurst is helping cover up Forest's embezzlement and their own wrongdoing from tortuous intervention. Their best defense was a slanderous and aggressive offense. In a shotgun approach with contingency fees, they filed frivolous lawsuits against multiple defendants in multiple states for the same funds they made a false claim for in PPG's bankruptcy. It was a blatant disregard of PPG's automatic stay while the trustee seems to have turned a blind eye.

The new PPG Accounting Report has full bank statements, Forest's accounting statements and Utility EDI payment reports with a filterable tab that allows you to search and compare advances against payments by date and/or by Utility. The PPG Accounting Report uses Forest own accounting for advances against third party, verified payments that Forest received directly from PPG customers. Forest has also not provided an accounting of or remitted any payments to the tax authorities for taxes they received from those payments. Further, you can clearly see that Forest has repeatedly omitted or reversed PPG customer payments they received and added them as debt instead of payments against principle.

The exhibits within the 60-page timeline are about 700 pages in total. The exhibits are corroborating evidence that start with the email from Forest that has an attachment with breakout of each wire sent. Portions of a wire are Advance, Rebate and Unfactored pass through documents, transcripts, accounting reports and bank accounts to irrefutably show that Forest Capital defrauded People's Power & Gas. Just a few things within the Accounting Report & Timeline that show as evidence:

- The embezzlement of PPG's funds is proven, accurate and irrefutable. Only third party statements are used so that anyone may verify via Utility and/or bank statements. When a wire is sent by Forest, I provided the original email with their attachments, which is a statement from Forest's own accounting software that shows the breakout of funds they sent from each wire sent.
- Forest has understated millions from PPG customer payments they directly received according to their own accounting against the verified payments seen from the Utilities and in bank statements. In 2013 alone, **Forest understated \$8,800,390.46** of PPG customer payments.
- There has been several accounting companies involved. The numbers do not lie. Any way you want to run the numbers, Forest owes PPG. Use Forest's own auditors, SCH's 12/31/2013 audit report against payments received after the report, Forest owes \$2,481,452.28 to PPG. Use Citrin Cooperman's draft accounting report, they show \$2,136,977.00 is owed to PPG. Even use Forests own numbers that RMF provided, Mike Kates CPA on 5/30/2014 shows that Forest owes \$1,675,149.80 to PPG and that is without him knowing about the amounts RMF added instead of subtracted, as previously explained. Now run Forest Capitals own numbers from their Factor Fox accounting software reports. When you run actual Advances on a transaction by transaction basis as Forest Capital's own accounting shows, against verifiable third party payments that Forest has received directly into their bank accounts, as the summary tab will show within the "PPG Accounting Report V 12.13", **Forest Capital LLC owes \$15,926,439.75 to People's Power & Gas LLC.**
- On the 12/23/2013 Factor Fox accounting report shows that Forest Capital paid themselves **\$1,687,703.73** out of PPG's billed invoices as they have on dozens of other days unbeknownst to myself. Forest Capital created their own internal transactions and called them Over Advances to falsely compound debt they say PPG owed to try and cover up their embezzlement. Forest took an advance that would go to pay off a previous advance from a few days prior, then request another advance to pay that one off, so on and so on. Advances were fictitiously created by Forest and this transactional Ponzi scheme was to create further financial duress for PPG and myself by exacerbating what was said to be owed while Forest extracts as much money from the company and from their lenders for themselves for unjust enrichment. Forest further was defrauding their own lenders they borrowed from while saying the funds are requested by and for PPG's behalf. Forest preemptively liquidated PPG by creating these fictitious advance

requests to also not pass any unknown funds they withheld that PPG was questioning. This month of December 2013 is a Ponzi scheme created to defraud PPG, myself personally and seemingly against Forests own lenders.

- Forest blatantly disregards the automatic stay by continuing to bill, collect and cash PPG customer checks even after the initial request to have relief from the automatic stay was denied. I proved that John Fox committed perjury by then lying in his declaration to get the relief of stay. Forest says they did not have access to ECI and I have clearly explained the impossibility of that being true above. You can also see that it was Forest was the one billing even during the automatic stay on 6/4/2014 invoices with their logo on them saying it is on PPG's behalf. I have shown the Citibank lockbox account that only Forest has the ability to withdraw funds from and that deposits and withdraws were done by Forest during PPG's automatic stay period. You can see the full Citibank Lockbox account statement showing Forest withdrawals made during the automatic stay
- In December 2013, Forest provided just enough funds to satisfy the ISO's until they deliberately defaulted PPG with the NEISO on December 23rd 2013. They then planned to have PPG's operations terminated by not curing the known 23rd default to put PPG out of business on Christmas Eve, December 24th 2013. We then lost about 34,000 customers in Maine, New Hampshire, Massachusetts, Connecticut and Rhode Island. All of PPG's customer's would go back the regulated Utilities throughout New England.
- To show the brazen extent of which they will go, Forest Capital continues to say they provided PPG an Over Advance and that amount still owed is \$1,729,668.45. But they go further by showing those Over Advances repaid by the next Over Advance in their accounting, they show a repayment amount of \$1,347,659.77 and have reflected even the Ponzi payments are an adder to principle debt PPG supposedly owes, not a deduction for payment against principle.
- It is proven that Forest reversed amounts it received that should have been used to pay down debt, however adding it on multiple occasions whereby it could not be considered an accident. In the Forest/RMF provided accounting report, in December an astounding total \$1,552,472.25 was reversed and added instead of subtracting against what PPG supposedly owes. Forest even conspicuously omitted FA payments they received in January 2013 for \$525,000 as the \$393,750 of Forest portion is left blank and the remaining you can see in the provided wire report from M&T, that Forest writes that wire was added to the Over Advance amount as debt. The \$285K Forest received in March from BlackRock is added as debt, not subtracted against the supposed principle owed. Due to the multiple times payments are reversed to become debt owed to Forest, this could only be another deliberate attempt to defraud.
- The PPG Timeline shows that Forest was having funding issues throughout the relationship. First seen in an email I write on May 6th 2014 where I express my concern about not being able to budget and plan my own financials in advance without knowing if Forest is going to fund. Forest funding issues show at times, they either did not fund as told and expected and/or Forest admitted to withholding PPG's own funds and advancing PPG using it's won money and calling it an advance.
- I am alleging that Forest's Attorneys are co-conspirators and are knowingly obstructing justice and have deliberately breached PPG's automatic stay. They are actively helping Forest cover up the fraud, have tortuously intervention, caused an obstruction of justice and vexatiously litigate with fees contingent on the successful collection of funds by any means possible. The contingency fees are explained by RMF in their 01/18/2016 letter to Forest Capitals lenders within the timeline.
- Forest accuses others of things that they were doing behind the scenes as a diversion tactic to cover up their wrong doing. Examples are when they blamed PPG for not

having access to systems when it was them who locked PPG out of the accounting software. John Fox email admitted in his response on 1/29/2014. Forest told UMAC that PPG was billing and cashing customer's checks until I proved it was Forest by showing the clearing account numbers where a perfect match and that only Forest has access to that account to withdraw funds from in the 3/29/2014 email. UMAC was the exclusive agent to invoice and collect payments according to the Stipulation, which is why they blamed PPG.

- The motive is further found from simple math as Forest Capital could not survive mathematically alone off the arbitrage of interest charges. Especially when upside down by them borrowing up to 24% and charging 20%. Forest makes money from the difference in interest fees between the cost of borrowed funds being their cost of goods against the interest fees they charge and collect from their clients, like PPG. According to the loan agreement between Forest and one of their lenders, CoFund. Forest was borrowing at rates up to 24% annually. Forest may have agreed to pay it but evidence suggests they didn't have the intention to pay it back by carrying this ruse against both CoFund and PPG.
- PPG is apparently not the only company that Forest has done this against. I have spoken to another company that Forest had an MFA with. I have reviewed their Factor Fox report who Forest seemed to also defraud and who also suggested that they default with the ISO as Forest would not continue to fund any further. This happened ironically around the same time John Fox of Forest told me that PPG should withdraw or default in the NYISO as I stated in timeline on 12/09/2013.
- Forest kept tax money they received and has never provided an accounting of or remitted to any states tax authorities in several states. According to the Citibank Lockbox account statements which was only for our LIPA customers in New York, it is proven that Forest has withdrawn payments in total of \$9,253,227.50 from the Lockbox.
- Forest kept a significant portion of Unfactored LIPA pass through and what they had sent to PPG and Forest then listed Unfactored money sent to PPG as debt owed back to Forest. This has been proven and is very clear according to their own accounting records. Payments were made on a customer's behalf to LIPA after it was received by the customer which was also made regardless if PPG had received it from Forest. The LIPA pass through was to be paid upon payment received as part of our standard operating procedures so that each transaction was handled only once for efficiency and to mitigate errors. Without Forest passing through the Unfactored funds, they initially created our negative cash flow. Accounting shows and is proven from bank statements that PPG has passed through about \$4,297,713.00 of LIPA portion to LIPA on a paid customer's behalf after being received by either Forest or PPG.
- I prove that Forest falsely accused PPG of MFA breach by saying PPG had an Over Advance. John Fox offered and then provided PPG an over advance agreement which I signed on December 2nd 2013. This was because I bought two other companies customers with my own and PPG's money and Forest knew I was in discussion to purchase another company in Massachusetts. As of 12/2/2013, Forest proceeded to then just call all Advances, Over Advances to charge PPG more money in interest and postured in the plan to call it a PPG breach of MFA. As the records show, it is now known and proven that no Over Advance was actually ever requested or provided. On 1/17/2014 a lawsuit Forest filed to get a restraining order in part to this fictitious Over Advance. I further proved that same month a total of 61 \$3,326,566.22 in new PPG Billed invoices were available to provide an Advance from. Forest further unaccounted for the additional money that they would also receive from taxes and other charges totaling \$159,538.10. A total of \$3,486,104.33 Forest would receive for the month of

December 2013. Also, 3rd party verified payments totaling \$2,178,688.91 show that the Utilities sent directly to Forest's bank account although it is believed that Forest actually received at least \$2,807,501.75 from PPG customer payments in December 2013.

- Forest demanded that PPG sign over all profits of customers in NY. I proved that Forest was not providing the Received Remittance/Rebate portions or all the Advances on NY Utilities and customers as Forest would be the recipient of the full amount regardless of Advancing or not.
- Forest extortion was done when they anticipated and repeatedly demanded to have PPG agree in an email or to sign forms under clear duress before they would fund or even provide PPG their own money that Forest was withholding. Forest Capital's attorneys filed an emergency/expedited motion in Maryland by creating a declaration that Rodney John Fox signed to get a restraining order which was to preclude me from being involved in PPG or going to PPG's office without having any basis of wrongdoing and therefore committed perjury.
- Forest lied in their MD bankruptcy, committing bankruptcy fraud by initially omitting the M&T bank account # 1696. I provided an investigator's report that shows this account used for PPG is still open and shows the last deposit made on 8/22/2016 for \$6,298.94. Forest seems to sweep the account's funds to a zero balance once payments are cleared in the M&T 1696 account like they previously did with the PPG Lockbox. I provided the report to PPG's trustee, Richard Coen's attorney, Tim Miltenberger. Forest then suspiciously has since listed this M&T account including the deposit from the private investigators findings. Although the evidence is overwhelming against Forest, Tim Miltenberger still wants funds to be disbursed to Forest which is not in the best interest of creditors. Collusion may be a possibility as Jeff Wurst of RMF did tell the trustee to use \$100K of the funds for collection and then adversarial proceedings are initiated. Tim Miltenberger is also a partner with trustee Coen in his firm hired who he hired as special counsel which I see done to double dip into PPG's estate of funds.
- Nothing from Forest or Coen has been or could be provided as proof to contradict any of my statements within this timeline or in new PPG DOP Accounting Report. The documents, letters, statements, reports, spreadsheet, Factor Fox sheets, ECI Utility reports and Bank Statements are all from third parties and therefore are completely verifiable if in question.
- In the PPG Accounting Report, there are about 130 emails with attachments from Suzanne Fox from Forest Capital. The attachments are from their Factor Fox accounting reports to show the wires components. One of the many wire examples on 10/18/2013 shows Forest paying \$34,838.36 to cover the cost of power and was sent directly to the NEISO. The wire was consisting of PPG's own funds from Rebate and Unfactored pass through. These funds are not an Advance; it is Forest simply paying something on PPG's behalf with PPG's own money. This is evidence from many examples of wires showing that not all wires were Advances. By Forest having the Rebates and Unfactored portions as tools, they could scalp from the invoices and categorize it as Escrow and calculated it as debt owed. The debt would compound to eventually create a negative cash flow when it surpasses a company's margins and unless they were replaced or more money was put into the company, it would eventually be under financial duress. Forest and RMF then tried to do a "workout" as they have seemingly done with their other victims to cover their tracks otherwise the anticipatory documents signed under duress are used in legal proceedings to vexatiously litigate by filing frivolous lawsuits.

The emails, exhibits and accounting are large files and are all provided on the USB along with this letter. These thieves have fooled everyone and they knew how to do it with decades of experience. I have lost everything because of these con artists and I lost a successful company with 58 employees.

I have the original bank statements which are the same exact ones, in full, from beginning to end that are scanned in and provided within the PPG Accounting report as PDF attachments and you can get them from the banks themselves. I also am completing a contact list to provide you the names, emails and phone numbers of involved PPG employees, Forest Capital owners and employees, consultants, Bank, Utility/EDI contact names and numbers. When applicable, I wrote notes on each contact so you know their relevance and importance in the case. After your review and when you have questions and would like to discuss, please feel free to call me at any time day or night, no matter how late it may be. I can also come to Maryland at any time to explain more in detail and walk you through the PPG Accounting Report. Thank you!

Sincerely,

David Pearsall



Provided within the new CLIP-IT USB:

**FBI USB (G:)**

Name	Date modified	Type	Size
FBI USB	4/11/2017 1:48 PM	File folder	

(G:) > FBI USB

Name	Date modified	Type	Size
Pearsall Exhibits Filed (full timeline and accounting report was also provided to court on USB and in print, about 760 pages)	4/11/2017 1:36 PM	File folder	
PPG Timeline and PPG Accounting reports (evidence within as PDF attachments)	4/1/2017 4:30 PM	File folder	
Pearsall statement to CT Attorney General Budzik 10-25-2016	10/25/2016 5:38 PM	PDF File	375 KB
Pearsall statement to MD FBI 4-11-2017	4/11/2017 1:30 PM	PDF File	188 KB
Pearsall statement to NMPD 2-27-2017	2/27/2017 12:54 PM	PDF File	135 KB
PPG Accounting Report screenshot (shows Summary tab total of what Forest Capital embezzled)	2/27/2017 11:10 AM	PDF File	309 KB
PPG Timeline V 10.16 (original in word has the evidence as PDF attachments)	2/27/2017 1:14 PM	PDF File	1,658 KB

(G:) > FBI USB > Pearsall Exhibits Filed (full timeline and accounting report was also provided to court on USB and in print, about 760 pages)

Name	Date modified	Type	Size
14-50574 12-13-2016 DOP Brief	12/13/2016 2:05 PM	PDF File	395 KB
14-50574 12-13-2016 Exhibit #1	12/13/2016 2:06 PM	PDF File	223 KB
14-50574 12-13-2016 Exhibit #2	12/13/2016 2:06 PM	PDF File	178 KB
14-50574 12-13-2016 Exhibit #3	12/13/2016 2:07 PM	PDF File	184 KB
14-50574 12-13-2016 Exhibit #4	12/13/2016 2:07 PM	PDF File	282 KB
14-50574 12-13-2016 Exhibit #5	12/13/2016 2:08 PM	PDF File	161 KB
14-50574 12-13-2016 Exhibit #6	12/13/2016 2:10 PM	PDF File	4,013 KB
14-50574 12-13-2016 Exhibit #7	12/13/2016 2:13 PM	PDF File	6,214 KB
14-50574 330 Dan Objection to Disburse on 08162016	9/1/2016 8:25 PM	PDF File	124 KB
14-50574 334 Dan Objection Cover before my Statement on 08182016	9/1/2016 8:11 PM	PDF File	88 KB
14-50574 334-1 David Pearsall Support Statements and Exhibits for Objection on 08182016	9/1/2016 8:13 PM	PDF File	445 KB
14-50574 364 10-18-2016 David Pearsall (Movant) Objection Motion public file	2/27/2017 1:12 PM	PDF File	3,857 KB

(G:) > FBI USB > PPG Timeline and PPG Accounting reports (evidence within as PDF attachments)

Name	Date modified	Type	Size
Citrin Cooperman Accounting Reports	1/31/2017 11:31 AM	Microsoft Excel Worksheet	1,538 KB
PPG Accounting Report V 12.13	1/31/2017 11:32 AM	Microsoft Excel Worksheet	149,780 KB
PPG Timeline with Exhibits V 10.16	10/18/2016 1:47 PM	Microsoft Word Document	51,323 KB