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EXHIBIT "A"
TO
NEVADA SECRETARY OF STATE'S MOTION TO
RECONSIDER ORDER GRANTING MOTION FOR
TURNOVER PROPERTY OF THE ESTATE SO THAT
THE DEBTOR MAY COMPLETE ITS BANKRUPTCY
FILING AND FOR AN EXTENSION OF TIME TO FILE
DEBTOR'S FULL BANKRUPTCY PETITION

AFFIDAVIT OF CAROLYN ELLSWORTH

COUNTY OF CLARK)

) ss

STATE OF NEVADA)

I, Carolyn Ellsworth, being first duly sworn, depose and say:

1. That I am the Administrator of the Securities Division of the Office of the Secretary of State for the State of Nevada (the "Division"), having been duly appointed as such by Ross Miller, Secretary of State for the State of Nevada, on February 9, 2009. I am also an attorney duly licensed to practice before all of the courts of the states of Nevada and California, and admitted to practice before the United States District Courts, Nevada District, and the California Central District, as well as the United States Court of Appeals for the Ninth Circuit. I could, and would if called, testify from personal knowledge or upon information and belief as to the matters asserted below.

2. I make this affidavit in support of the Securities Division of the Office of the Nevada Secretary Of State's Motion to Reconsider Order Granting Motion For Turnover Property of the Estate so that the Debtor May Complete Its Bankruptcy Filing and for an extension of time to file Debtor's Full Bankruptcy Petition.

3. On June 23, 2009, Criminal Investigators within the Division, with assistance from Investigators with the Nevada Attorney General's Office, executed a judicially issued search warrant upon the offices of JKG Property Management and Development, LLC., Babuski LLC., and Jamal Eljawaidi aka Jean Marc, aka Jean Marc Eljawaidi (who sometimes did business as "JKG Development") located at 8820 West Russell Road, Suites #100 and #105, Las Vegas, Nevada 89148. I was present during the majority of time during which the search took place.

1 4. Investigators removed twenty-five (25) bankers boxes of documents which had
2 been described in the search warrant and were believed to be evidence tending to
3 prove that Eljawaidi and others had engaged in crimes including, but not limited to,
4 Securities Fraud, Obtaining Money Under False Pretenses, and Racketeering, in what
5 amounted to a lengthy and massive "Ponzi" scheme where individuals were sold
6 securities in the form of promissory notes which promised high rates of return over
7 very short time periods. Investors were told that Eljawaidi and/or JKG Development
8 were developing approximately 9 acres of raw land for an upscale shopping center
9 and that the investment monies were being used to purchase and develop the land.

10 5. That during the search of the premises, I was present in an office which had
11 been described as the office of the former in-house counsel who had resigned prior to
12 the execution of the search warrant. None of the documents described in the affidavit
13 of Rima Elzein, to-wit: a list of all known creditors, all known assets, all known
14 liabilities, bank information, tax information and other pertinent information relating to
15 Babuski LLC, was found or seized from said office.

16 6. Individual tax returns for Eljawaidi and his wife, for the years 2006 and 2007
17 were discovered, but no tax return for Babuski LLC was found. A file folder labeled
18 "Chapter 11 -2008" was seized from the offices which contained signed Voluntary
19 Petitions for bankruptcy under Chapter 11 for Babuski LLC and for Jamal Eljawaidi.
20 Each petition indicated that the debtor was *Pro Se* and appear to have been prepared
21 in October of 2008. Said file folder was removed from a file cabinet located near the
22 front door of the offices.

23 7. On or about June 29, 2009, I telephoned Matt Johnson after having been told
24 that Eljawaidi had filed bankruptcy and that Mr. Johnson was the bankruptcy counsel.

25 8. Mr. Johnson informed me that he had filed the bankruptcy petition that day in
26 order to stop the foreclosure sale on the property for which Vestin Mortgage held the
27 Trust Deed. He confirmed that this property was the approximately 10 acres of
28 undeveloped land adjacent to Eljawaidi's offices on Russell Road.

1 9. I explained to Mr. Johnson that the search warrant had been executed because
2 there was probable cause to believe that the offices contained evidence that Eljawaidi
3 and others were perpetrating a Ponzi scheme which investigators now believed
4 involved in excess of \$50 million. I also informed Mr. Johnson that I was concerned
5 that Eljawaidi was perpetrating a fraud upon the bankruptcy court since it appeared
6 that he had no legitimate source of income, no legitimate business activities, and that
7 investor monies had been converted by Eljawaidi to his personal use in the form of
8 mortgage payments on his personal residence, the leasing of expensive cars and a
9 lavish personal lifestyle. I asked him who had paid his fee for filing the bankruptcy
10 and he indicated that one of the creditors had paid his attorney fees.

11 10. Mr. Johnson explained that the documents he needed for the bankruptcy filing
12 had been gathered together for delivery to him, but had been seized during the
13 execution of the search warrant. I explained that 25 boxes of documents had been
14 removed and the investigator was currently going through each box to examine the
15 contents in detail, but that to my knowledge, nothing that appeared to be a package of
16 documents for him had been seized.

17 11. Mr. Johnson indicated that he wanted to obtain copies of documents seized,
18 and I told him that copies of documents could not be provided unless Mr. Eljawaidi,
19 who had fled the jurisdiction after learning of the warrant for his arrest, gave us his
20 express permission. Moreover, I would need a list of specific documents since there
21 were voluminous documents, many of which apparently had nothing to do with
22 Babuski LLC. In fact, documents seized indicate that Jamal Eljawaidi aka Jean Marc
23 Eljawaidi is the alter ego of Babuski LLC and JKG Property Management and
24 Development LLC, as he has freely transferred investor monies between at least 20
25 bank accounts including his personal accounts, some of which appear to be in foreign
26 countries.

27 12. Mr. Johnson followed our conversation with a letter dated June 29, 2009 and
28 indicated that he would be filing a motion with the bankruptcy court to obtain the

1 copies he required. As a result, I awaited service of the motion so that I could file an
2 opposition thereto. No motion was ever served. At no time did Mr. Johnson indicate
3 that it was his intent to move the court for an order that all original evidence seized via
4 the search warrant be returned.

5 13. Further affiant sayeth naught.

6
7
8 
Carolyn Ellsworth

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10 SUBSCRIBED AND SWORN to before me
on this 20 day of AUGUST, 2009.

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12 _____
13 NOTARY PUBLIC in and for said
County and State



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EXHIBIT "B"
TO
NEVADA SECRETARY OF STATE'S MOTION TO
RECONSIDER ORDER GRANTING MOTION FOR
TURNOVER PROPERTY OF THE ESTATE SO THAT
THE DEBTOR MAY COMPLETE ITS BANKRUPTCY
FILING AND FOR AN EXTENSION OF TIME TO FILE
DEBTOR'S FULL BANKRUPTCY PETITION

MATTHEW L. JOHNSON & ASSOCIATES, P.C.

Attorneys

MATTHEW L. JOHNSON
ALSO ADMITTED IN UTAH AND COLORADO

LAKES BUSINESS PARK
8831 WEST SAHARA AVENUE
LAS VEGAS, NEVADA 89117

e-mail: mjohnson@mjohnsonlaw.com

(702) 471-0065 office
(702) 471-0075 facsimile

MELISSA A. VERMILLION
RUSSELL G. GUBLER

Board Certified by the American Board of
Certification in Business Bankruptcy Law

June 29, 2009

Carolyn Ellsworth
Administrator of Securities
Nevada Secretary of State
555 E. Washington, Suite 5200
Las Vegas, NV 89101

NEVADA
SECRETARY OF STATE

JUL 02 2009

SECURITIES DIVISION

Re: Our Client: Babuski, LLC
Our File No.: 1367-001
Bankruptcy Case No. 09-21360-LBR

Dear Ms. Ellsworth:

It was a pleasure speaking with you today regarding this matter. As you know based on my conversation with you and based on conversations with Scott Balder in your office, my office has been retained to represent Babuski, LLC in a Chapter 11 bankruptcy filing to stop a foreclosure of the Debtor's real property located near the I-215 and Russell Road in Las Vegas that was scheduled by Vestin Mortgage. As I explained to Mr. Balder, the Debtor's agents were in the process of gathering together all of the necessary paper work for my office when your office executed a search warrant and seized all of the Debtor's books and records. In order to complete the bankruptcy schedules, I am in need of, at a minimum, the following:

1. Copies of all documents detailing the names, addresses, and amounts owing to all creditors;
2. Copies of all documents detailing any assets of the Debtor;
3. Copies of any insurance policies, if any;
4. Copies of all bank records for all accounts in which the Debtor holds an interest;
5. Copies of all last two-years tax returns;
6. Copies of Articles of Organization and Operating Agreements, if any;
7. Copies of all notes/deeds of trust from the Debtor and any loans secured or purportedly secured by the Debtor's property;
8. Copies of all appraisals of the Debtor's property;
9. All other documents relating to the operation of the Debtor's business.

As we discussed, you are waiting to speak with Jean Marc El Jwaidi before you can make copies of these items. Because I only have fifteen (15) days from today to complete the petition and schedules, I will file with the Bankruptcy Court a motion to require turnover and to extend the time for me to complete the schedules. That way you will have an Order in your file requiring the turnover of the documents and can be assured that turnover to my office is appropriate. I am

fine with having copies of the documents as opposed to the originals. I am not attempting in any way to interfere with your offices investigation or its police powers. I am merely assisting the Debtor by stopping the foreclosure in the hopes that the Debtor's property will have sufficient value to pay all or a portion of its creditor's claims. Until I receive the documents, I cannot complete the required papers and cannot adequately verify the information that I will need to complete a Chapter 11 reorganization. Your assistance is therefore greatly appreciated.

Thank you for your prompt attention in this matter. I look forward to hearing from you shortly regarding the above.

Very truly yours,

MATTHEW L. JOHNSON & ASSOCIATES, P.C.

A handwritten signature in black ink that reads "Matthew L. Johnson". The signature is written in a cursive, flowing style.

Matthew L. Johnson

For the Firm

MLJ/cab

cc: Babuski, LLC

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EXHIBIT "C"
TO
NEVADA SECRETARY OF STATE'S MOTION TO
RECONSIDER ORDER GRANTING MOTION FOR
TURNOVER PROPERTY OF THE ESTATE SO THAT
THE DEBTOR MAY COMPLETE ITS BANKRUPTCY
FILING AND FOR AN EXTENSION OF TIME TO FILE
DEBTOR'S FULL BANKRUPTCY PETITION

SEARCH WARRANT

1
2 STATE OF NEVADA)
3 COUNTY OF CLARK) ss:

4 The State of Nevada, to any Peace Officer in the County of Clark. Proof by affidavit
5 having been made before me by Secretary of State Criminal Investigator Scott Balder that
6 there is probable cause to believe that the premises sought to be searched contain property
7 and things to be seized which will show or tend to show that crimes, including securities fraud
8 and obtaining money by false pretenses have been committed by certain particular persons.

9 YOU ARE HEREBY COMMANDED to search the following premises:

10
11 The offices of JKG Property Management and Development, LLC, Babuski LLC
12 and JKG Development, LLC located at 8820 West Russell Road, Suites #100
13 and #105, Las Vegas, Nevada 89148. The building is located between Durango
14 and the 215 State Highway, on the North side of the Russell Road next to a
15 Nevada Energy power substation. The building is a two story industrial complex
16 with a gray exterior. The office subject to the search is located on the Southwest
17 corner of the building with the front of the business facing Russell Road. The
18 office door is marked "105"
19

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21
22 YOU ARE HEREBY COMMANDED to seize the following items:

23 A. Any and all documents and records, whether kept or maintained on paper or in
24 electronic format, pertaining or related to the offer, sale or purchase of securities (including,
25 but not limited to , investment contracts, promissory notes, evidences of indebtedness,
26 interests in a limited liability company, and/or limited partnership interests) by JKG Property
27 Management LLC and Development, LLC; Babuski LLC; and JKG Development, LLC; JKG
28 Development; Jamal El Jwaidi, aka Jean Marc, John Serabia; Belma Aspiras; Clint Howard;

1 and Bilal Joueidi and which have been received, created or maintained at the premises. Said
2 documents and records specifically include but are not limited to:

- 3 1. Any and all files, folders, and binders and their contents which are labeled to include
4 JKG Property Management and Development, LLC, Babuski LLC and JKG
5 Development, LLC, "Jamal Eljwaidi", "Eljwaidi", "Jean Marc"; and/or "PG Plaza".
- 6 2. Any and all telephone records or logs reflecting calls received from or made to
7 investors or potential investors in the securities enumerated above.
- 8 3. Any and all records, memorandums, billing statements, correspondence, promissory
9 notes, check copies, receipt books, receipts, bank statements, or bank reconciliations,
10 concerning the activities of JKG Property Management and Development, LLC,
11 Babuski LLC and JKG Development, LLC or Jamal Eljwaidi a.k.a. Jean Marc.
- 12 4. Any and all records concerning the obtaining of loans by JKG Property Management
13 and Development, LLC, Babuski LLC and JKG Development, LLC or Jamal Eljwaidi
14 a.k.a. Jean Marc, including correspondence, loan applications, promissory notes, and
15 copies of loan proceeds checks or bank wires.
- 16 5. Any and all retainer agreements, engagement letters or other documents evidencing
17 agreement by JKG Property Management and Development, LLC, Babuski LLC and
18 JKG Development, LLC or Jamal Eljwaidi a.k.a. Jean Marc for construction, labor or
19 materials in the development of PG Plaza.
- 20 6. Any and all records, notes, memorandums or correspondence memorializing
21 conversations between JKG Property Management and Development, LLC, Babuski
22 LLC and JKG Development, LLC or Jamal Eljwaidi a.k.a. Jean Marc or any of their
23 agents or employees regarding loans, contractual agreements or promissory notes.
- 24 7. Any and all records, notes, memorandums, or correspondence in any format,
25 memorializing conversations between Jamal Eljwaidi a.k.a. Jean Marc, John Serabia,
26 Bilal Joueidi, Bellma Aspiras, and/or Clint Howard or any of them, regarding the raising
27 of money for JKG Property Management and Development, LLC, Babuski LLC and
28 JKG Development, LLC or Jamal Eljwaidi a.k.a. Jean Marc.

1 8. Any and all records concerning the repayment of promissory notes issued by JKG
2 Property Management and Development, LLC, Babuski LLC and JKG Development,
3 LLC or Jamal Eljwaidi a.k.a. Jean Marc.

4 9. Any and all lists of investors and/or prospective investors.

5 10. Any and all scripts for use in the solicitation of investors.

6 11. Any and all letters, correspondence or e-mails of complaint or demand for payment by
7 investors or creditors.

8 12. Any and all correspondence, letters, e-mails or memoranda which evidence replies to
9 letters of demand or complaints, or which direct employees on what response should
10 be made to letters of complaint or demand.


11
12 B. The computer hard-drive, laptop computer or other computer storage device upon
13 which is stored any of the records or data enumerated in paragraphs 1 through and
14 including 12, above. The above items to be seized shall also be read to include any and all
15 electronic information or electronic data, stored in any form, which is used or has been
16 prepared for use either for periodic or random back-up (whether deliberate or inadvertent,
17 or automatically or manually initiated), of any computer or computer system. The form
18 such information might take includes, but is not limited to, floppy diskettes, fixed hard
19 disks, removable hard disk cartridges, tapes, laser disks, video cassettes, and other media
20 capable of storing magnetic or optical coding. These materials are therefore subject to
21 seizure pursuant to NRS 179.035(3) and the devices used to store or facilitate storage of
22 such materials may be retained as evidence in the commission of a crime for a reasonable
23 period of time and may be examined, analyzed, and tested for a reasonable period of time
24 as evidence in the commission of a crime.

25 I am satisfied that there is probable cause to believe that said property is located as
26 set forth above and that based upon the sworn Affidavit attached hereto, there are sufficient
27 grounds for the issuance of the Search Warrant.

28 You are hereby commanded to search forthwith said premises for said property,

1 serving this warrant between the hours of 7:00 a.m. and 7:00 p.m. and, if the property is there,
2 to seize it, prepare a written inventory of the property seized and make a return for me within
3 ten (10) days.

4 DATED this 22nd day of June 2009.

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7 JUDGE

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APPLICATION AND AFFIDAVIT FOR SEARCH WARRANT

1
2 STATE OF NEVADA)
3 COUNTY OF CLARK) ss:

4 I, Scott R. Balder, being first duly sworn, depose and state, under penalty of perjury,
5 that I am the affiant herein and these assertions are true and accurate to the best of my
6 knowledge.

7 I am investigating the suspected commission of the criminal offenses of **SECURITIES**
8 **FRAUD**, a felony, in violation of NRS 90.570; **TRANSACTING BUSINESS AS AN**
9 **UNLICENSED SALES REPRESENTATIVE**, a felony, in violation of NRS 90.310 (1); **SALE**
10 **OF UNREGISTERED SECURITIES**, a felony, in violation of NRS 90.460; **OBTAINING**
11 **MONEY UNDER FALSE PRETENSES**, a felony, in violation of NRS 205.380; and
12 **RACKETEERING**, a felony under NRS 207.400 within Las Vegas Township, Clark County,
13 State of Nevada. I have probable cause to believe that Jamal Eljwaidi, aka Jean Marc, aka
14 Jean Marc Eljwaidi; John Serabia; Belma Aspiras; Clint Howard; and Bilal Joueidi have
15 committed the above-listed criminal offenses, and/or aided and abetted each other in the
16 commission of said criminal offenses.

- 17 1. The affidavit is made of my own personal knowledge, except where stated on
18 information and belief, and as to those matters, I believe them to be true and if
19 called as a witness, I could competently testify thereto.
- 20 2. I am an investigator with the State of Nevada, Office of the Secretary of State,
21 Securities Division ("Division"). I have been assigned to the Division for thirteen
22 (13) years, three (3) months. Prior to my employment with the Secretary of State's
23 Office, I worked as an investigator with the Arizona Corporation Commission, for
24 three (3) years and ten (10) months. In these positions, I have investigated various
25 criminal offenses, including securities fraud, theft and racketeering. I have attended
26 various in-service training courses, including Financial Manipulation Analysis and
27 Financial Investigations Practical Skills. Your affiant received a bachelor's degree
28 in Criminal Justice from the Arizona State University. I have successfully completed

1 the requirements for Peace Officer Category II Basic Certification. Your affiant also
2 has assisted in the planning, preparation and execution of several search and
3 seizure warrants.

4 3. The Division has jurisdiction over enforcement of the Nevada Uniform Securities Act
5 contained in Chapter 90 of the Nevada Revised Statutes.

6 4. I believe that the property sought to be seized will include property designed or
7 intended for use, or which is and/or has been used as the means of committing the
8 criminal offenses enumerated above; and/or will constitute evidence which tends to
9 show that said criminal offenses have been committed, and/or which constitute
10 evidence which will tend to show that particular persons have committed said
11 offenses.

12 **I. DESCRIPTION OF LOCATION TO BE SEARCHED**

13 Probable cause exists to believe that certain property hereinafter described will be
14 found at the following premises, to-wit:

15 The offices of JKG Property Management and Development, LLC, Babuski LLC and JKG
16 Development, LLC located at 8820 West Russell Road, Suites #100 and #105, Las Vegas,
17 Nevada 89148. The building is located between Durango and the 215 State Highway, on the
18 North side of the Russell Road next to a Nevada Energy power substation. The building is a
19 two story industrial complex with a beige and brown exterior. The office subject to the search
20 is located on the Southwest corner of the building with the front of the business facing Russell
21 Road. Entry is accomplished through a door marked 105 JKG Development. The door to
22 Suite 100 is kept locked.

23 **II. DESCRIPTION OF PROPERTY TO BE SEIZED**

24 The property referred to and sought to be seized consists of the following:

25 A. Any and all documents and records, whether kept or maintained on paper or in
26 electronic format, pertaining or related to the offer, sale or purchase of securities (including,
27 but not limited to, investment contracts, promissory notes, evidences of indebtedness,
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1 interests in a limited liability company, and/or limited partnership interests) by JKG Property
2 Management LLC and Development, LLC; Babuski LLC; and JKG Development, LLC; JKG
3 Development; Jamal El Jwaidi, aka Jean Marc, John Serabia; Belma Aspiras; Clint Howard;
4 and Bilal Joueidi and which have been received, created or maintained at the premises. Said
5 documents and records specifically include but are not limited to:

- 6 1. Any and all files, folders, and binders and their contents which are labeled to include
7 JKG Property Management and Development, LLC, Babuski LLC and JKG
8 Development, LLC, "Jamal Eljwaidi", "Eljwaidi", "Jean Marc"; and/or "PG Plaza".
- 9 2. Any and all telephone records or logs reflecting calls received from or made to
10 investors or potential investors in the securities enumerated above.
- 11 3. Any and all records, memorandums, billing statements, correspondence, promissory
12 notes, check copies, receipt books, receipts, bank statements, or bank reconciliations,
13 concerning the activities of JKG Property Management and Development, LLC,
14 Babuski LLC and JKG Development, LLC or Jamal Eljwaidi a.k.a. Jean Marc.
- 15 4. Any and all records concerning the obtaining of loans by JKG Property Management
16 and Development, LLC, Babuski LLC and JKG Development, LLC or Jamal Eljwaidi
17 a.k.a. Jean Marc, including correspondence, loan applications, promissory notes, and
18 copies of loan proceeds checks or bank wires.
- 19 5. Any and all retainer agreements, engagement letters or other documents evidencing
20 agreement by JKG Property Management and Development, LLC, Babuski LLC and
21 JKG Development, LLC or Jamal Eljwaidi a.k.a. Jean Marc for construction, labor or
22 materials in the development of PG Plaza.
- 23 6. Any and all records, notes, memorandums or correspondence memorializing
24 conversations between JKG Property Management and Development, LLC, Babuski
25 LLC and JKG Development, LLC or Jamal Eljwaidi a.k.a. Jean Marc or any of their
26 agents or employees regarding loans, contractual agreements or promissory notes.
- 27 7. Any and all records, notes, memorandums, or correspondence in any format,
28 memorializing conversations between Jamal Eljwaidi a.k.a. Jean Marc, John Serabia,

1 Bilal Joueidi, Belma Aspiras, and/or Clint Howard or any of them, regarding the raising
2 of money for JKG Property Management and Development, LLC, Babuski LLC and
3 JKG Development, LLC or Jamal Eljwaidi a.k.a. Jean Marc.

4 8. Any and all records concerning the repayment of promissory notes issued by JKG
5 Property Management and Development, LLC, Babuski LLC and JKG Development,
6 LLC or Jamal Eljwaidi a.k.a. Jean Marc.

7 9. Any and all lists of investors and/or prospective investors.

8 10. Any and all scripts for use in the solicitation of investors.

9 11. Any and all letters, correspondence or e-mails of complaint or demand for payment by
10 investors or creditors.

11 12. Any and all correspondence, letters, e-mails or memoranda which evidence replies to
12 letters of demand or complaints, or which direct employees on what response should
13 be made to letters of complaint or demand.

14
15 B. The computer hard-drive, laptop computer or other computer storage device upon
16 which is stored any of the records or data enumerated in paragraphs 1 through and
17 including 12, above. The above items to be seized shall also be read to include any and all
18 electronic information or electronic data, stored in any form, which is used or has been
19 prepared for use either for periodic or random back-up (whether deliberate or inadvertent,
20 or automatically or manually initiated), of any computer or computer system. The form
21 such information might take includes, but is not limited to, floppy diskettes, fixed hard
22 disks, removable hard disk cartridges, tapes, laser disks, video cassettes, and other media
23 capable of storing magnetic or optical coding. These materials are therefore subject to
24 seizure pursuant to NRS 179.035(3) and the devices used to store or facilitate storage of
25 such materials may be retained as evidence in the commission of a crime for a reasonable
26 period of time and may be examined, analyzed, and tested for a reasonable period of time
27 as evidence in the commission of a crime.
28

1 **IV. PROBABLE CAUSE SUPPORTING SEARCH AND SEIZURE WARRANT**

2 In support of my assertion that grounds for the application for search warrant exist or
3 that there is probable cause to believe that they exist, the following facts are offered:
4

5
6 1. JKG Property Management and Development, LLC, is a Delaware limited liability
7 company (hereinafter "JKG") registered with the office of the Nevada Secretary of
8 State to do business in the State of Nevada. The current list of Managers or
9 Members for said company lists Jamal Eljwaidi as the Manager. Babuski LLC, is a
10 Nevada Limited Liability Company registered with the office of the Nevada
11 Secretary of State. The current list of Managers and Members for Babuski LLC lists
12 Jean Marc El Jwaidi at 8820 W. Russell Road, Suite 100 -105, Las Vegas, Nevada,
13 89148, as the Manager. The Clark County Clerk's Office, records of fictitious name
14 filings, show that JKG Property Management and Development, LLC, does
15 business as JKG Development and that said fictitious name filing was filed by Jamal
16 El Jwaidi.

17 2. Records of the Clark County Assessor's office show that Babuski, LLC is the record
18 owner of three parcels of vacant land located at Russell Road and Clark County
19 Highway 215 in Las Vegas, Nevada. The APN numbers for said parcels are
20 16329801004, 16329801013, and 16329801014. Taken together, said three parcels
21 constitute 9.23 acres of property. Said vacant land is immediately adjoining the
22 building located at 8820 W. Russell Road, Las Vegas, Nevada, which are the
23 premises sought to be searched.

24 3. In 2007, the Securities Division of the Secretary of State's Office opened an
25 investigation after receiving a complaint from Richard and Carol Sage, residents of
26 Las Vegas, NV. Said investigation was assigned to me and I interviewed the Sages
27 who stated that from December 1, 2004 to March 15, 2006 Richard Sage, without his
28 wife's knowledge, gave Jamal Eljwaidi, a.k.a. Jean Marc (hereinafter "Eljwaidi")

1 substantial sums of money in excess of \$250,000 in the belief that Sage and Eljwaidi
2 were going into business together to purchase and/or develop real estate, including
3 vacant land located at Russell Road and Highway 215 in Las Vegas Nevada. At the
4 time Sage met Eljwaidi; Sage was 62 years of age and was disabled by multiple
5 mental conditions including obsessive/compulsive disorder, bi-polar disorder, and
6 learning disabilities. My subsequent examination of the bank account records of
7 Eljwaidi revealed that Eljwaidi was using the money given to him by Richard Sage for
8 his own personal use, and that of his wife, in order to maintain a lavish lifestyle,
9 which he could not otherwise afford, and that none of the Sages money was used to
10 develop real estate. Much of the money which Sage gave to Eljwaidi was proceeds
11 of loans, which Sage obtained from the Bay Ridge Federal Credit Union in New
12 York. These loans were secured by assets belonging to the Sages.

13 4. On or about May 14, 2009, a criminal complaint was filed against Jamal Eljwaidi for
14 Elder Exploitation of Richard Sage, in Clark County Justice Court. An arrest warrant
15 for Jamal Eljwaidi was issued at the same time.

16 5. On or about June 8, 2009, in reviewing the on-line public record data compilations of
17 the Clark County Recorder's Office, the Division discovered that a promissory note
18 had been recorded in connection with the above described vacant land at Russell
19 Road and Highway 215, by Sadie and Leopoldo Yee, as Instrument Number
20 20090514-0002886, recorded on May 14, 2009. The Division obtained a copy of said
21 document from the Clark County Recorder's Office and found that the recorded
22 document consisted of three documents, each respectively entitled "Secured
23 Promissory Note", "First Extension of Promissory Note", and "Second Extension of
24 Promissory Note". The first Note indicated that the "Borrower" was "Babuski
25 LLC/JKG Development"; that the "Lender" was "Leopoldo and Sadie Yee" of Las
26 Vegas, Nevada; and that Babuski LLC and JKG Development LLC would pay the
27 Yees \$115,000.00 on March 21, 2008. The "First Extension of Promissory Note",
28 dated March 24, 2008, indicated that payment would be April 15, 2008 and that the

1 amount to be paid would now be \$135,000.00. The "Second Extension of
2 Promissory Note", dated May 15, 2008, indicated that the payment would be June
3 30, 2008 and that the amount to be paid would now be \$175,000.00. All three
4 documents were signed by Jamal El Jwaidi as "owner" of Babuski, LLC and JKG
5 Development LLC.

- 6 6. After reviewing these documents I located Sadie and Leopoldo Yee. I interviewed
7 Paul Yee ("Yee") on June 15, 2009. Yee stated that he found out about an
8 opportunity to invest with JKG Property Management & Development, LLC from
9 Belma Aspiras ("Aspiras"), his neighbor. Aspiras told Yee that the company she
10 worked for was seeking a short-term loan that paid 15 percent interest. The purpose
11 of the loan was stated to be for use in the development project of vacant land at
12 Russell Road and Highway 215 where JKG was developing a large shopping center.
- 13 7. In 2008, a two page special advertisement feature was published in a supplement to
14 "In Business Las Vegas", a Las Vegas publication. The supplement was entitled "In
15 Business Las Vegas, 2008 Business Profiles". The advertisement stated that "JKG
16 Development" and its "owner", "Jean Marc Joveidi", were "currently in the process of
17 developing PG Plaza at the northeast corner of Clark County 215 and Russell
18 Road." The advertisement described PG Plaza as a "Monte-Carlo-style, open-air
19 plaza [sitting] on 9.23 acres [which] will include two stories of patron and resident
20 parking underground." The advertisement further stated, " With 500,000 square feet
21 of Class A office and retail space, 230 executive rentals, 200 luxury condominium
22 units and a boutique hotel, the project will also feature a high-en grocer, gym, five
23 restaurants, multiplex theatres and 30 boutique shops on a streetscape modeled
24 after the famed Rodeo Drive in Beverly Hills. PG Plaza broke ground in October
25 2007 and is on a 24 month construction schedule." I have been to this property and
26 it consists of vacant, flatly graded off land with no visible improvements. Additionally,
27 the same advertisement represented that "Jean Marc Joveidi" was a "successful
28 businessman."

1 8. Paul Yee told me that on or about February 28, 2008, he entered into a secured
2 promissory note with Babuski, LLC/JKG Development for his investment of \$100,000
3 to be paid \$115,000 twenty-five days later on March 21, 2008. The note was signed
4 by Jamal Eljwaidi on behalf of Babuski, LLC/JKG Development. Yee said that on or
5 about March 24, 2008, Jamal Eljwaidi and Yee entered into a second promissory
6 note because Babuski, LLC/JKG Development could not pay the money owed Yee
7 at that time. The new note was written for an additional \$20,000 (as additional
8 interest) and the maturity date was April 15, 2008. The new loan amount with
9 interest was \$135,000. Yee stated that on or about May 15, 2008, Jamal Eljwaidi
10 and he entered into a third promissory note, again because Babuski, LLC/JKG
11 Development could not pay the money owed YEE at that time. The new note was
12 written for an additional \$40,000 and the maturity date was June 30, 2008. The new
13 loan amount with interest was \$175,000. Yee stated that to date he has not been
14 paid, except that, after begging for repayment because he needed money, Yee was
15 paid \$2,000 from Aspiras. Yee recorded the Secured Promissory Notes with the
16 Clark County Recorder in 2009 because he had still not been paid and he
17 understood that the three parcels of vacant land (described above) at Russell Road
18 and Highway 215, were the security for the Notes. Mr. Yee also indicated that there
19 were many other persons who had also invested money with Jamal Eljwaidi in the
20 same way, and they likewise had not been repaid. As a result of my interview with
21 Mr. Yee the Division opened another investigation into Jamal Eljwaidi's business
22 practices since it appeared that he and others working for him, might be committing
23 securities fraud.

24 9. On or about June 15, 2009, a television news story was aired involving Jamal
25 Eljwaidi and an existing warrant for his arrest in the first case referenced in this
26 affidavit. The news cast asked any persons who thought they might have been
27 defrauded by Jamal Eljwaidi to come forward and contact the Division. As a result of
28 that television news story, I began to receive many calls from persons claiming to

1 have been defrauded by Eljwaidi.

2 10. I interviewed Olga Nader ("NADER") on June 17, 2009. NADER stated that her
3 husband found out about an opportunity to invest with JKG Property Management &
4 Development, LLC, from a business contact. NADER stated that she was not aware
5 that her husband invested at the time of the investment. Jamal Eljwaidi told
6 NADER's husband that he had a need for a bridge loan for two days before receiving
7 a large investment to fund his shopping center development project at Russell Road
8 and Highway 215. In or about May of 2008, Jamal Eljwaidi and NADER's husband
9 agreed to a two day loan in the amount of \$50,000. Eljwaidi agreed to pay Mr. Nader
10 10% interest for the two day loan and Mr. Nader thought it would be a safe
11 investment for a large and quick return. Jamal Eljwaidi did not repay NADER's
12 husband after the two days had elapsed. NADER stated that Jamal Eljwaidi
13 approached her husband approximately one month later and stated that he needed
14 more funding or he was in danger of losing the property at Russell Road and
15 Highway 215. NADER stated that her husband took funds from his Chase Credit
16 Card credit line and gave Jamal Eljwaidi another \$43,000 as a short term loan, so
17 that his original investment with Eljwaidi would not be lost. In return, NADER's
18 husband received a "Promissory Note" dated June 10, 2008, from Jamal Eljwaidi
19 which provided that the "Borrower" was JKG Development LLC and the amount of
20 the note was \$120,000. The maturity date on the note was June 27, 2008. This
21 amount represented the \$93,000.00 principal investment and \$27,000.00 for interest.
22 When NADER's husband was not paid on June 27, 2008, he agreed to a "First
23 Extension of Promissory Note" which provided that George Nader would be paid
24 \$130,000.00 on July 25, 2008. Both the original Note and the Extension were
25 signed by Eljwaidi. To date George Nader has not received any return of his funds.
26 NADER stated that Jamal Eljwaidi, at this point, denies that NADER's husband ever
27 gave him any funds.

28 11. As part of my investigation into this matter, I located a civil lawsuit, filed in the Eighth

1 Judicial District Court, bearing Case Number A-09-589433, filed by Gerald Netsky
2 (“Netsky”), a former employee of Eljwaidi, against Jean Marc Joveidi aka Jamal
3 Eljwaidi, Kamila Zakoscienla, Babuski, LLC and JKG Management and Development
4 LLC, a Delaware Limited Liability Company. In connection with said lawsuit, the
5 plaintiff, Gerald Netsky filed a Declaration Made Under Penalty of Perjury which
6 alleged, among other things, that JKG Property Management and Development, LLC
7 has had absolutely no income since its inception.

8 12. On or about June 15, 2009, as part of my investigation, I interviewed Tony Andree
9 Jansz (“Jansz”) who called the Division. Jansz stated that he was employed by JKG
10 Property Management & Development, LLC until April 28, 2009. Jansz stated that
11 he was hired by Jamal Eljwaidi to be the Vice President of Real Estate/International
12 Marketing. Jansz stated the day to day operation of JKG is to raise money from
13 investors. Jansz stated that all contracts between JKG and the investors are held in
14 the JKG office address listed in this warrant. Jansz stated that he left employment
15 with JKG on April 28, 2009, when he realized that JKG had no intentions to build its
16 project and they were raising money from investors with no intention to pay them
17 back.

18 13. Jansz also told me that John Serabia, Belma Aspiras, and Clint Howard were all
19 employees of Eljwaidi and that all they did every day in the offices which are the
20 subject matter of this search warrant, was call people for the purpose of raising
21 money for Eljwaidi. Everyone is told that JKG is developing a lavish shopping center
22 at Russell Road and Highway 215, that the money will be used for that purpose and
23 that they will be repaid at a high rate of interest in a short amount of time. Jansz told
24 me that the offices which are the subject matter of this search warrant contain
25 computers which contain data and other documentary evidence of El Jwaidi’s
26 securities fraud activities.

27 14. Jansz also told me that Bilal Joueidi (“Joueidi”), Eljwaidi’s brother, goes and meets
28 with investors to collect the investment checks after the other employees solicit

1 them on the phone. Jansz stated that in some cases, Joueidi had actually signed
2 promissory notes in favor of investors.

3 15. Tony Adree Jansz, a former employee of JKG Development stated JKG has office
4 space in Suites #100 and #105. Jansz stated that the only way to enter #100 is
5 through #105 because they keep the office door for #100 locked at all times.

6 16. On multiple occasions over the past thirty (30) days, I and other investigators in the
7 Division have conducted surveillance on 8820 West Russell Road, Las Vegas,
8 Nevada 89148 in connection with my attempt to arrest Eljwaidi on his existing felony
9 warrant. On these occasions, I and other investigators have observed multiple
10 vehicles, all registered to Eljwaidi, parked adjacent to the premises which are the
11 subject matter of this affidavit in support of a search warrant.

12 17. Based upon my investigation, I believe that Eljwaidi, through JKG Property
13 Management and Development LLC and/or Babuski LLC is engaging in securities
14 fraud by offering to sell and selling securities in the form of investment contracts,
15 promissory notes, evidences of indebtedness, and/or interests in a limited liability
16 company, through the use of false representations and the omission of material
17 facts. Additionally, since Eljwaidi is paying employees to solicit the sale of these
18 securities, and said employees are not licensed as sales representatives pursuant to
19 the Nevada Uniform Securities Act, those employees are also committing crimes.

20 18. Your affiant also believes that it is necessary to secure the original evidence
21 contained in the offices of JKG Property Management and Development, LLC,
22 Babuski LLC and JKG Development, LLC so that it may be used at the criminal trial
23 anticipated in this matter.

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V. CONCLUSION

Based upon the representations above, I request the issuance of a search and seizure warrant directing a search for and the seizure of the aforementioned items at the premises set forth herein. I request that the warrant provide that it be executed between 7:00 A.M. and 7:00 P.M. at the afore-mentioned premises set forth herein.



Scott R. Balder, Investigator
Secretary of State Securities Division

SUBSCRIBED and SWORN to before me this 22 day of June 2009.



JUDGE

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EXHIBIT "D"
TO
NEVADA SECRETARY OF STATE'S MOTION TO RECONSIDER ORDER GRANTING MOTION FOR TURNOVER PROPERTY OF THE ESTATE SO THAT THE DEBTOR MAY COMPLETE ITS BANKRUPTCY FILING AND FOR AN EXTENSION OF TIME TO FILE DEBTOR'S FULL BANKRUPTCY PETITION

AFFIDAVIT OF SCOTT BALDER

COUNTY OF CLARK)

) ss

STATE OF NEVADA)

I, Scott Balder, being first duly sworn, depose and say:

1. That I am a Criminal Investigator III with the State of Nevada, Office of the Secretary of State, Securities Division ("Division") and have been so employed for thirteen (13) years. Prior to my employment with the Secretary of State's Office, I worked as an investigator with the Arizona Corporation Commission, for three (3) years and ten (10) months. In these positions, I have investigated various criminal offenses, including securities fraud, theft and racketeering. I have attended various in-service training courses, including Financial Manipulation Analysis and Financial Investigations Practical Skills. Your affiant received a bachelor's degree in Criminal Justice from the Arizona State University.

2. I make this affidavit in support of the Securities Division of the Office of the Nevada Secretary Of State's Motion to Reconsider Order Granting Motion For Turnover Property of the Estate so that the Debtor May Complete Its Bankruptcy Filing and for an extension of time to file Debtor's Full Bankruptcy Petition.

3. This affidavit is made of my own personal knowledge, except where stated on information and belief, and as to those matters, I believe them to be true and if called as a witness, I could competently testify thereto.

4. On June 23, 2009, I, along with Criminal Investigators within the office of the Secretary of State Securities Division and Investigators with the Nevada Attorney General's Office, executed a judicially issued search warrant upon the offices of JKG Property Management and Development, LLC., Babuski LLC., and Jamal Eljawaidi aka Jean Marc, aka Jean Marc Eljawaidi (who sometimes did business as "JKG

1 Development”) located at 8820 West Russell Road, Suites #100 and #105, Las
2 Vegas, Nevada 89148.

3 5. Twenty-five (25) bankers boxes of documents which had been described in the
4 search warrant and were believed to be evidence tending to prove that Eljawaidi and
5 others had engaged in crimes including, but not limited to, Securities Fraud, Obtaining
6 Money Under False Pretenses, and Racketeering, were seized from the premises,
7 along with the computers then upon the premises.

8 6. Since the time of the seizure I have been methodically examining the
9 documents contained in each of the boxes seized and examining bank records
10 seized, or later obtained via subpoena. I have also interviewed many witnesses and
11 examined documents, including promissory notes, given to me by those witnesses
12 and/or recorded with the Clark County Recorder’s Office. Thus far, my investigation
13 reveals that Jamal Eljawaidi, aka Jean Marc Eljawaidi engaged in securities fraud by
14 maintaining what is commonly known as a “Ponzi” scheme where individuals were
15 sold securities in the form of promissory notes which promised high rates of return
16 over very short time periods.

17 7. Investors were told that Eljawaidi and/or his company, JKG Development were
18 developing approximately 9 acres of raw land for an upscale shopping center and that
19 the investment monies were being used to purchase and develop the land. It appears
20 that Eljawaidi may have obtained as much as \$80 million in this manner. I have
21 located approximately 20 bank accounts, including trust accounts of lawyers retained
22 by Mr. Eljawaidi, through which he has moved investor funds and used those funds to
23 pay prior investors, divert money to family members, pay gambling debts amounting
24 to approximately \$1 million, and maintain a lavish lifestyle.

25 8. I have found no evidence that Babuski LLC engaged in any legitimate
26 business activities or that it functioned as a business entity apart from Mr. Eljawaidi.

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28

1 9. I have found no evidence that JKG Property Management and Development
2 LLC had any source of income apart from investor funds, the majority of which were
3 converted by Mr. Eljawaidi to his personal use and to further his fraudulent scheme.

4 10. That during my review of the seized documents, I have thus far found no lists
5 of creditors of Babuski LLC, no list of assets for Babuski LLC, and no tax returns for
6 Babuski LLC.

7 11. I have found copies of personal income tax returns for Mr. Eljawaidi and his
8 wife for the years 2006 and 2007 which do not appear to be accurate when compared
9 with the bank records.

10 12. I also found a file folder labeled "Chapter 11 -2008" which was seized from the
11 offices and which contained signed Voluntary Petitions for bankruptcy under Chapter
12 11 for Babuski LLC and for Jamal Eljawaidi. Each petition indicated that the debtor
13 was *Pro Se* and were together with e-mails which indicate that the petitions were
14 prepared in October of 2008 by someone other than Mr. Eljawaidi, though his
15 signature appears upon all of the documents associated with each petition.

16 13. A return of the documents seized in the search warrant would jeopardize the
17 completion of my criminal investigation.

18 14. Further affiant sayeth naught.

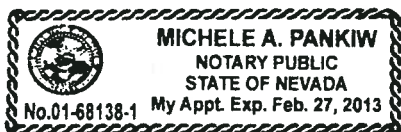
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21
22 Scott Balder

23 SUBSCRIBED AND SWORN to before me
24 on this 20 day of AUGUST, 2009.

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26 NOTARY PUBLIC in and for said
27 County and State



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EXHIBIT "E"
TO
NEVADA SECRETARY OF STATE'S MOTION TO
RECONSIDER ORDER GRANTING MOTION FOR
TURNOVER PROPERTY OF THE ESTATE SO THAT
THE DEBTOR MAY COMPLETE ITS BANKRUPTCY
FILING AND FOR AN EXTENSION OF TIME TO FILE
DEBTOR'S FULL BANKRUPTCY PETITION

E-filed July 14, 2009

1 Matthew L. Johnson (6004)
Melissa A. Vermillion (10261)
2 Russell G. Gubler (10889)
Matthew L. Johnson & Associates, P.C.
3 Lakes Business Park
8831 W. Sahara Ave.
4 Las Vegas, NV 89117
Phone: (702) 471-0065
5 Fax: (702) 471-0075
Email: mjohnson@mjohnsonlaw.com
6 mvermillion@mjohnsonlaw.com

7 Attorneys for Debtors

8 UNITED STATES BANKRUPTCY COURT
9 FOR THE DISTRICT OF NEVADA

10 In Re:

11 BABUSKI, LLC

12 Debtor.

) Case No.: 09-21360-lbr

) Chapter 11

) Hearing Date: July 29, 2009
) Hearing Time: 1:30 p.m.

14
15 **NOTICE OF CONTINUED HEARING ON MOTION FOR TURNOVER PROPERTY
OF THE ESTATE SO THAT THE DEBTOR MAY COMPLETE ITS BANKRUPTCY
16 FILING AND FOR AN EXTENSION OF TIME TO FILE DEBTOR'S FULL
BANKRUPTCY PETITION ON AND ORDER SHORTENING TIME**

17 TO: ALL INTERESTED PARTIES

18 NOTICE IS HEREBY GIVEN that the continued hearing on the MOTION FOR
19 TURNOVER PROPERTY OF THE ESTATE SO THAT THE DEBTOR MAY COMPLETE
20 ITS BANKRUPTCY FILING AND FOR AN EXTENSION OF TIME TO FILE DEBTOR'S
21 FULL BANKRUPTCY PETITION ON AND ORDER SHORTENING TIME will be held
22 before United States Bankruptcy Judge Linda B. Riegler, in the Foley Federal Building, 300
23 Las Vegas Boulevard South, Las Vegas, Nevada on July 29, 2009, at the hour of 1:30 p.m.

24 If you object to the relief requested, you *must* file a **WRITTEN** response to this
25 pleading with the court. You must also serve your written response on the person who sent you
26 this notice.

27 If you do not file a written response with the court, or if you do not serve your written
28 response on the person who sent you this notice, then:

- The court may *refuse to allow you to speak* at the scheduled hearing; and

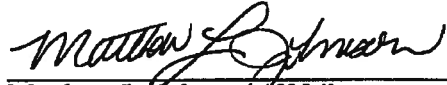
MATTHEW L. JOHNSON & ASSOCIATES, P.C.
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8831 WEST SAHARA
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(702) 471-0075

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• The court may *rule against you* without formally calling the matter at the hearing.

DATED this 14 day of July, 2009.

MATTHEW L. JOHNSON & ASSOCIATES, P.C.



Matthew L. Johnson (6004)
Melissa A. Vermillion (10261)
Russell G. Gubler (10889)
Lakes Business Park
8831 West Sahara Avenue
Las Vegas, Nevada 89117
Attorney for Debtor

CERTIFICATE OF SERVICE

I hereby certify that on this 14 day of July, 2009, I sent a true and correct copy of the foregoing NOTICE OF CONTINUED HEARING ON MOTION FOR TURNOVER PROPERTY OF THE ESTATE SO THAT THE DEBTOR MAY COMPLETE ITS BANKRUPTCY FILING AND FOR AN EXTENSION OF TIME TO FILE DEBTOR'S FULL BANKRUPTCY PETITION ON AND ORDER SHORTENING TIME via facsimile and U.S.

Mail, postage pre-paid, to the following:

Nevada Secretary of State
101 N. Carson Street, Suite 3
Carson City, Nevada 89701-4717
775-684-5717

Candace Carlyon, Esq.
701 Bridger Avenue, #850
Las Vegas, Nevada 89101
702-471-7435

US Trustee's Office
Attn: Michal Bloom
300 S. Las Vegas Blvd., #4300
Las Vegas, Nevada 89101
702-388-6658

Nevada Attorney General
555 E. Washington Avenue #3900
Las Vegas, Nevada 89101
702-486-3768



Candice Benson
An employee of Matthew L. Johnson & Associates, P.C.

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