



U. S. Department of Justice

*United States Attorney
Central District of California*

*United States Courthouse
312 North Spring Street
Los Angeles, California 90012*

May 1, 2001

Victor Sherman, Esq.
2115 Main Street
Santa Monica, CA 90405

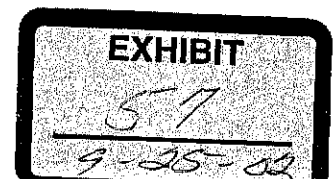
Ellyn Garofalo, Esq.
O'Neill, Lysaght & Sun
100 Wilshire Boulevard
Suite 700
Santa Monica, CA 90401-1142

Re: Criminal Referral Regarding Ami Shafir

Dear Mr. Sherman and Ms. Garofalo:

Several months ago you advised me that you believed this Office should commence an investigation of criminal activity of Ami Shafir. You told me that Mr. Sherman represented Daniel Nicherie and Abner Nicherie and that Ms. Garafalo represented Mr. Shafir's former wife, both of whom were involved in litigation adverse to Mr. Shafir. You further stated that Daniel Nicherie and Abner Nicherie had assumed management of a company formerly operated by Mr. Shafir, Amtec. You told me that the Nicherie's had obtained evidence demonstrating that Mr. Shafir, while in control of Amtec, had used the firm to engage in the fraudulent billing of credit card accounts of consumers. You believed that I would be interested in this matter because I am the Assistant United States Attorney responsible for the representation of the United States in the investigation of the credit card fraud scheme perpetrated by Kenneth Taves. You advised me that you could show that Mr. Shafir was a participant in the credit card fraud scheme undertaken by Mr. Taves.

Following our meeting, I asked Special Agent Michael Kelly of the Federal Bureau of Investigation to look into the issues that you raised. I called on Special Agent Kelly because he is the case agent who has successfully completed the investigation of the Taves credit card fraud case.



Victor Sherman, Esq.
Ellyn Garofalo, Esq.

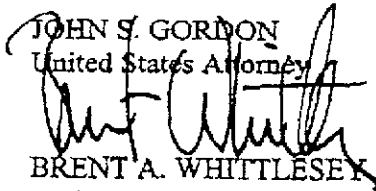
Special Agent Kelly has advised me that he has conducted interviews of relevant witnesses and reviewed business records in order to attempt to substantiate the allegations against Mr. Shafir that you have made. In particular, Special Agent Kelly has interviewed Mr. Shafir and employees of Amtec.

Several weeks ago I advised each of you that this Office had been unable to identify any evidence suggesting that Mr. Shafir had been involved in the Taves credit card fraud, or that he had engaged in a credit card fraud scheme through Amtec independent of the activities of Taves. I suggested that if your clients had business records of Amtec which showed that fraudulent credit card charges had been processed by the company, such records should be assembled and produced either to me or to the Federal Bureau of Investigation. Additionally, Special Agent Kelly requested that employees of Amtec provide any relevant information to the Federal Bureau of Investigation. To date, we have received nothing from you.

As a result of the preliminary inquiry of this matter conducted by the Federal Bureau of Investigation to date, we believe that there is no basis for opening a formal criminal investigation of Mr. Shafir. Accordingly, we do not intend to pursue the matter further.

Very truly yours,

JOHN S. GORDON
United States Attorney


BRENT A. WHITTLESEY
Assistant United States Attorney

cc: SA Michael Kelly
Mr. Ami Shafir