

AFFIDAVIT OF HAROLD F. CHORNEY

I Harold F. Chorney being duly sworn, depose and says the following:

1. Harold F. Chorney is the Appellant in CA. NO. 89-11051 in the Bankruptcy Court in the District of Rhode Island.
2. Appellant was a professional numismatist for over 30 years.
3. Appellant presently suffers from cognitive disabilities as a result of a head injury he sustained in 1996 while incarcerated.
4. In preparation of the Designation of the Record for an Appeal to the Bankruptcy Appellate Panel for the First Circuit, Appellant attempted to obtain copies of exhibits filed at the 2/15/96 Bankruptcy Court Hearing in CA. No. 89-11051.
5. Appellant was told on October 17, 2000, that the court no longer had the exhibits that he was seeking, consequently Appellant prepared an Affidavit in response to the missing information that was dated October 19, 2000. (See A-3, in Designation of the Record.)
6. On November 21, 2000, Appellant inquired at the clerk of court's office at the bankruptcy court concerning the exhibits of the February 15, 1996 hearing. The clerk produced a set of exhibits from the February 15, 1996 hearing.
7. Upon information and belief, missing from this set of exhibits are the following: 1. The 178 auction lots from Christies, 2. The undated 14 page inventory from FDIC, (See Exhibit A), 3. The undated 8/15 coin inventory estimate, (See Exhibit B.)
8. The silver dollar inventory of Cumberland Investment Corporation was comprised of 3 sets of coins. The first set originally contained 7,826 silver dollars, rare stamps and currency that were stored at Eastland Bank in Woonsocket, R.I., known as the "possessory" collateral. The second set was the non-possessory collateral. This was comprised of the silver dollars, foreign and U.S. coins and

stamps and other collectibles, located at 141 Main Street, Woonsocket and 2,066 silver dollars that Appellant had stored in safe deposit box 945 at Eastland Bank in Woonsocket. The Third set was a set of coins that belonged to the so called "redemption clients" of Cumberland Investment Corporation that were located at 141 Main Street, Woonsocket, R.I.

9. Appellant has claimed that there is a history of discrepancies with the inventory that was seized by the Trustee, John F. Cullen in August 17, 1990.
10. Appellant has personal knowledge that the auction catalogs presented by Bowers and Merena & Christies on June 1991 of the estate of Cumberland Investment Corporation, cataloged only 5,899 silver dollars for sale. The Grand Jury testimony of John Truslow on July 14, 1992, page 37 indicates that 6,055 (3,005 + 3,050) silver dollars were shipped to the auction houses. (See T-1, G.J. Testimony of John Truslow, pg. 37.) Upon information and belief, 156 silver dollars were either not shipped, or added to the "possessory collateral" at Eastland Bank in Woonsocket. (See Exhibit C and D, auction summaries) (See Exhibit O, Diagram.)
11. Appellant has claimed that there is a history of missing inventory records since the Trustee, John F. Cullen, seized the records on August 15 and August 17, 1990 and that without these records it becomes increasingly difficult to reconcile the inventory. However, further auction sales in themselves indicate still more discrepancies and validate that the inventory is being moved around and tampered with.
12. Appellant was aware from independent sources that there were massive problems with the non possessory collateral. (See Exhibit E, Affidavit of Robert Moffatt, dated February 28, 1994.) Mr. Moffatt inventoried and appraised approximately 8,600 silver dollars from the non possessory collateral subsequent to Appellant being convicted of false statements to an FDIC insured institution.
13. Compilations within the Affidavit of Appellant, dated October 19, 2000, and the compilations of Mr. Taft on February 1996, came to the same conclusion, namely there were substantial major

differences between the Ramapo and the Christies inventories. (See Exhibit D, comparison by Warren Taft.) The approximately 8600 silver dollars in the Christies sale were allegedly all from the non possessory collateral.

14. Mr. Taft's comparison, Exhibit F, that was in the set of exhibits referred to in paragraph 6 above, was not marked with an exhibit number or an identification number. None of the other exhibits were marked either.
15. Appellant has personal knowledge that the undated 14 page inventory of FDIC and the undated 8/15 coin inventory estimate, are the same two exhibits attached as Exhibit A and Exhibit B to this Affidavit because these exhibits were given to Mr. Taft by Appellant.
16. Appellant has request several individuals to provide him with an affidavit for the purpose of this appeal.
17. Subsequent to the June 3, 1996 auction sale, another group of coins was sold on December 7, 1999.
18. Appellant avers, that it is apparent, strictly from the number of coins in the Spink America Auction in this December 7, 1999, that there is a problem with the assets that were under the custody and control of parties other than Appellant. The auction contained 8,004 silver dollars when the court authorized the sale of 7,491 silver dollars. These coins allegedly were from the "possessory collateral" and shipped directly from the U.S. Attorney to Christies.
19. Appellant has made a comparison of the coins sold at the December 7, 1999, Spink America Auction and the inventory of the "possessory collateral" performed by Agent Truslow that contained 7,809 silver dollars. See Exhibit F, long hand written inventory by Agent Truslow and Exhibit G, Spink America sale.
20. The Spink America sale contained 28 different years and mint marked coins that were not in the Eastland Bank "possessory" collateral. See Exhibit H, comparison of Truslow inventory and

Spink America sale of 12/7/99. (See Exhibit I, Brief of the Appellant in CR-96-1187, containing comparison of Truslow inventory and Sotheby's inventory, pages 13-15.)

21. I have personal knowledge that many of 28 different years and mint marks are considered as being high value coins. Parties unknown to Appellant took these silver dollars from other inventories of Cumberland Investment Corporation, the "redemption client" coins or from some other source at some point in time and added these coins to the "possessory collateral" silver dollars.

22. The Appellant has personal knowledge of other discrepancies with the possessory collateral under the control of Eastland Bank. See the Affidavit of Carlos Caetano, dated May 21, 1990 states that, (See Exhibit J.)

"5. On one occasion, on March 22, at the end of the day, my duties were to count coins with a bank representative, Jeff Washington, at the end of the day we were 160 coins short."

Affidavit of Peter Lockey, CPA, on May 24, 1990 states that, (See Exhibit K.)

"6. During the 1989 audit, several discrepancies concerning the silver dollar quantities and issue years and mint marks were noted in comparing physical quantities with the bank collateral records."

The "possessory collateral" was appraised by Sothebys in September 1989. Peter Boisvert was present during this appraisal. On March 1990, Peter Boisvert was involved in a process of placing the silver dollars from containers holding 20 silver dollars to placing these same silver dollars into clear plastic flips, each flip holding one silver dollar. Peter Boisvert, a professional numismatist for over 20 years stated the following: (See Exhibit L.)

"14. There is not [sic] doubt in my mind that the 300 or so

coins listed in 11-13 that I personally inspected while placing coins from the rolls into flips are not the same coins that Sothebys appraised in September.”

NOTE: The minimum wholesale value for the most common date and mint mark for 300 silver dollars in MS 63 in June 1990, was \$7500; in MS 64, \$21,000; and MS 65, \$66,000. A superior roll of 1922-S as described by Mr. Boisvert in paragraph 11.e. would have a wholesale value of \$100,000 for just the 20 coins in that roll number 282. (See Exhibit M, Coin Dealer Newsletter vol. XXVIII No. 2, June 1, 1990.)

23. Agent Truslow’s testimony before the Grand Jury on July 14, 1992 page 35 also indicates a shortage of 160 silver dollars. Ten of the 170 coins referred to below were authorized to be sold by the bankruptcy court. See Grand Jury Testimony of John Truslow, July 14, 1992.

“Now going back to that group that Chorney looked at, that 4,000 coins, of which Chorney pulled out 575 coins, Augustine looks at those coins, but at this point in time, there only exists 405 of them. Some of them were sold off.”

24. The Government in their MEMORANDUM IN SUPPORT OF ITS OBJECTION TO DEFENDANT’S MOTION FOR PRODUCTION OF APPRAISAL RESULTS FROM THE FDIC indicates that the “possessory collateral” is intact. In fact all the Government witnesses, at Appellant’s criminal trial in April and May 1993, testified that the assets were intact at Eastland Bank in Woonsocket. This was not true. The rare stamp lot from the “possessory collateral” was sold prior to trial. In addition, the General Inventory of FDIC indicates that there were 1099 silver dollars missing from the possessory collateral when Eastland Bank failed on December 11, 1992. The Government argued that when Donald Etnier from FDIC performed an inventory, it was approximate and could be off by 1000 coins. See Motions and Court Orders 2.

25. About 2 years later, the Government explains that 953 silver dollars were shipped to Eastland Bank in Cranston from the

“possessory collateral”. (See A-1, Affidavit of John Truslow, 11/8/95, pg. 4.)

26. The 8/15 coin inventory estimate shows that there are 1,113 silver dollars from the “possessory collateral”, originally at Eastland Bank in Woonsocket, were now at Eastland Bank in Cranston. Upon information and belief, this 1,113 silver dollars is comprised of the missing 160 silver dollars in March 1990, and the 953 silver dollars in the Truslow Affidavit, dated November 8, 1995.
27. On November 21, 2000, John D’Angelo executed the attached Affidavit. See Exhibit N. Appellant has personal knowledge that the Affidavit of John D’Angelo is true and accurate. This Affidavit indicates that when the coins were inspected on June 14, 1995, there were 3 coins dated 1880-S that were missing from Mr. D’Angelo’s silver dollar container, and that these coins were replaced, by parties unknown, with coins dated 1887.
28. Interesting to note that the Spink America Sale of December 7, 1999, contained 9 coins dated 1880-S (lot 1170, 1 coin; lot 1172, 1 coin; lot 1217, 2 coins; and lot 1227, 5 coins dated 1880-S). The Eastland Collateral FBI Inventory Summary 1995, performed by Agent Truslow contained 6 coins dated 1880-S. Three more coins were sold at the Spinks America Auction dated 1880-S than were in the inventory taken by FBI Agent Truslow.
29. Upon information and belief, the silver dollars from the so called redemption client coins have been co-mingled with other inventories as evidenced by the information contained in paragraphs 26 and 27 above.
30. Appellant avers that the inhouse inventory and the so called “redemption client” coins were mishandled when they were seized by the Chapter 11, Trustee, John Cullen as evidenced by the 19 videotapes in the possession of the Appellant. Appellant received 19 videotapes as the result of an FOIA with the Executive Office of United States Attorneys on October 19, 1999.

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31. Documentary evidence indicates that there are discrepancies with all three sets of inventories, the "possessory collateral", the non-possessory collateral, and the so called "redemption client" coins.
 32. Appellant has noted discrepancies with the "possessory collateral" prior to being petitioned into bankruptcy as well as subsequent to this.
 33. Appellant has noted discrepancies with the in-house inventory and the so called "redemption client" client coins since they were seized by the Chapter 11 Trustee.
 34. Appellant has not been able to obtain from the court appointed Examiner, the Chapter 11 Trustee, or the Chapter 7 Trustee an accounting of the assets seized, those sold, and those remaining in order to reconcile the inventory. Consequently the full extent of the discrepancies cannot be compiled.
 35. Appellant has been tied and gagged by an order of the bankruptcy court dated July 3, 1991, that states:

".....without further input from Chorney.....Chorney, whose standing is as an alleged general creditor only, and whose interests as such are adequately represented by the Trustee."
 36. Upon information and belief, the Trustee has a fiduciary responsibility to investigate discrepancies with the estate.
 37. Upon information and belief, it is the Trustee's responsibility to provide an accounting of estate assets and expenses.
 38. Upon information and belief, this Trustee is not a disinterested party, and that he has a conflict of interest since he represents or represented the interests of Eastland Financial Corporation.
 39. Upon information and belief, Mr. Monzack does not represent Appellant's interests, and it appears as if he is actively involved with the cover up of missing, switched, and tampered assets.

I swear that the information contained in paragraphs 1-38 above
are true or based upon information and belief that I believe to be true.

Harold F. Chorney
HAROLD F. CHORNEY

Sworn to me this 30 day of November, 2000

Elizabeth Dorka
NOTARY PUBLIC my comm. exp. 6/27/01