

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES *ex rel.*)
ERVIN AND ASSOCIATES, INC.,)
)
Plaintiffs,)
)
v.) Civil Action No. 1:96-CV-1258 (LFO)
)
THE HAMILTON SECURITIES GROUP,)
INC.,)
)
Defendants.)

DECLARATION OF JEFFREY A. PARKER

I, Jeffrey A. Parker, state and declare as follows:

1. I am currently a Senior Vice President of Cargill Financial Services Corporation ("Cargill") and manage its Asset Investment & Finance Group ("AIF") located at 12700 Whitewater Drive, Minnetonka, Minnesota. Cargill's AIF is a financier for credit-intensive portfolio transactions and often joint ventures with servicers and other asset investors.

2. In and around July-November 1995, I held the position of Senior Trader at Cargill. In 1995, the predecessor to AIF also focused on financing credit intensive-portfolio transactions and joint ventures with servicers and other asset investors.

3. I am aware that Cargill, or an affiliate, participated in a bidding team with Goldman Sachs and BlackRock Capital on the Department of Housing and Urban Develop-

ment's single-family loan sale (No. 1) in and/or around October 1995, however, I had no responsibility for or direct involvement with Cargill's participation in that bidding team.

4. Bidding teams were common at the time, and remain so, particularly for large transactions. The combination of several companies typically enhances the team's knowledge base, increases its financial and other resources, and reduces the costs that each otherwise would incur individually.

5. I have reviewed copies of the October 24, 2000 Declaration of John J. Ervin and the attached Memorandum of Michael G. Nathans of Penn Capital Inc. dated June 21, 1996. I never saw either of these documents until last week.

6. Certain statements are attributed to me on p. 2 of the Nathans memorandum and at ¶ 3 of the Ervin Declaration. Specifically, Michael Nathans wrote:

I spoke with Terry DeWitt at J-Hawk who told me that Jeff Parker at Cargill told him that after Hamilton received the SFLS #1 bids, Hamilton called the Goldman bidding group to encourage them to raise their offer by \$0.02 to \$0.74, but did not tell Goldman why, only that if they raised their offer, they would be the winner. Terry said they refused, and that Cargill dropped out of the Goldman bidding group.

John Ervin then stated at ¶ 3 of his Declaration that:

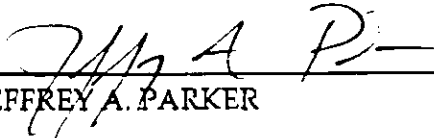
Michael Nathans informed me that he had learned from Terry DeWitt of J-Hawk (an investment firm), that Jeff Parker of Cargill, BlackRock's bidding partner on the sale, had told Mr. DeWitt that Hamilton had approached the BlackRock bidding team and offered it an opportunity to increase its single family note sale bid and win all of the assets. At this time, there was no information that Hamilton had not offered this opportunity to other bidders.

7. During that period in 1995, I spoke with Terry DeWitt at J-Hawk regularly. I have no recollection of stating that Hamilton Securities encouraged the Goldman/BlackRock/Cargill bidding group to raise its offer to \$0.74, or any other figure, to win the bid.

8. Approximately six months ago (around April or May 2000), John Ervin contacted me by telephone. Ervin and Cargill had worked together on another loan sale, and I recognized John's voice. He asked me to confirm the statement that I allegedly made to Terry DeWitt, and I told him that I had no recollection of that comment

9 I have no knowledge that anyone at Hamilton provided insider information to the Goldman/BlackRock/Cargill bidding group or to anyone else during the single-family No. 1 loan sale.

I declare under penalty of perjury that the foregoing is true and correct.




JEFFREY A. PARKER

STATE OF MINNESOTA)
)
COUNTY OF HENNEPIN)

ss

SUBSCRIBED AND SWORN TO before me this 7th day of November, 2000.



Notary Public

My commission expires: Jan 31, 2005