

BIOGRAPHICAL INFORMATION (PUBLIC)**Section I****Arthur Joseph Gajarsa****Page 31**

In February of 1994, the SBA, as receiver for TCC, filed suit against numerous officers and directors who were affiliated with TCC, JACC and SOCC. The lawsuit, filed in the United States District Court for the District of New Jersey, asserted that the defendants had breached their fiduciary duties of loyalty and care to TCC; that they were negligent; and that they had converted assets which rightfully belonged to TCC. We have filed an answer and developed a defense strategy for all of the defendants. To date, we have not been required to proceed to trial because all the parties would like to reach a negotiated settlement of these matters.

On behalf of Taroco Enterprises (a separate company from TCC), SOCC and JACC, I have preliminarily negotiated a global settlement with the SBA that encompasses the lawsuit filed in Federal Court by the SBA as receiver for TCC. A final settlement is pending. The SBA has also filed for the receivership of JACC and SOCC and we are presently negotiating on their behalf to avoid protracted litigation.

IX. United States v. Zaitech Capital Corporation, (not reported) C.A. 94-2537

a) **Date of Hearing:** July 7, 1995

b) **Name of Court/Judge:**

Federal District Court for the State of New Jersey

Judge Nicholas H. Politan

c) **Attorneys:**

For Defendant

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