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FILED
OCT - 1 2009
Alma S. Williams
CLERK OF COURT

11 **DISTRICT COURT**
12 **CLARK COUNTY, NEVADA**

13 CMKM DIAMONDS, INC., a Nevada
14 corporation;

15 Plaintiff,

16 v.

17 DAVE DESORMEAU, individually; JOHN
18 EDWARDS, individually; DOES 1 through 50
19 and ROE CORPORATIONS 1 through 50,

20 Defendants.
21

Case No.: A538649
Department: XXV

**AFFIDAVIT OF KEVIN WEST IN
SUPPORT OF APPLICATION FOR
TEMPORARY RESTRAINING ORDER**

22
23 I, Kevin West, declare and state as follows:

24 1. I am the current Chief Executive Officer of CMKM Diamonds, Inc.
25 (“CMKM”), the Plaintiff in this action. I am at least 18 years of age and of sound mind. I
26 have personal knowledge of the facts alleged herein which are true and correct. I make this
27 affidavit in support of the Application for Temporary Restraining Order filed by CMKM.
28

1 2. The lawsuit in which this Temporary Restraining Order is being sought deals
2 with the coordinated efforts of numerous individuals to unlawfully sell billions of CMKM
3 shares to the public. Defendant John Edwards (hereafter Edwards) was one of the primary
4 participants in coordinating and executing the illegal sales and dilution of CMKM stock.
5 CMKM was incorporated in 2002 and has over 40,000 shareholders.

6 3. From December of 2002 through August of 2005, various stock dilution
7 techniques were employed by Edwards and other CMKM insiders to inflate the issued and
8 outstanding stock of CMKM to over 700,000,000,000 shares. The investing public was
9 unaware of the insider trading, self-dealing and market manipulation that was occurring as
10 a result of the activities of Edwards and others. To the contrary, Edwards and fellow
11 insiders were presenting CMKM in a positive light through numerous press releases.

12 **Edwards Was Illegally Issued Billions of Shares of CMKM Stock**

13 4. Edwards was issued CMKM stock through various companies and trusts
14 which he controlled or owned as a principal. CMKM management was in collusion with
15 Edwards in this conspiracy to dilute the company. CMKM management issued shares
16 without consideration to many of the Edwards' companies and trusts. In addition to
17 illegally receiving shares directly from CMKM for no or inadequate consideration, with
18 malice and evil intent, Edwards created additional methods to obtain stock and sell to the
19 public.

20 5. **Scheme 1** - Company insiders in collusion with the transfer agent would issue
21 shares to Edwards based on Board Resolutions containing false and fraudulent
22 representations. In preparation for this illegal activity, Edwards opened numerous trading
23 accounts at Nev West Securities, a Las Vegas brokerage firm. Edwards would then sell the
24 shares he received from the company out of his trading accounts before kicking part of the
25 proceeds back to the company CEO Urban Casavant and other participants of this
26 conspiracy.

27 6. **Scheme 2** - Edwards would obtain CMKM stock certificates representing
28 billions of shares of CMKM stock issued by the company to third parties. Edwards would

1 come into possession of these shares with the help of the transfer agent and other company
2 insiders. The individuals or companies named in the certificates typically had no
3 knowledge that Edwards had confiscated or come into possession of their certificate. A
4 transfer of these certificates would be orchestrated with the transfer agent into names of
5 companies that had trading accounts opened at various brokerages. To facilitate the
6 transfers, Edwards forged the names of recipients onto stock powers which contained pre
7 stamped medallion guarantees. Edwards would contort his signature to appear that it was
8 the signature of the owner of the certificate. (See Exhibit "D"). The stock would then be
9 sold into the public market and all proceeds from the sales would be wired to Edwards for
10 his pleasure.

11 **Trusts Are Formed to Liquidate the Stocks**

12 7. According to records produced by the SEC and the NASD (now FINRA),
13 Edwards opened 32 trading accounts at NevWest Securities. Most of these accounts were
14 opened in the name of trusts that designated Edwards as the sole trustee. Based on trading
15 activities, it is clear the sole purpose of opening these accounts was trading CMKM stocks
16 and only a relatively small number of shares in other issues. Many of the trust agreements
17 found in the account opening documents of these trading accounts contained forged
18 signatures of the trustors or creators. Edwards sold CMKM stock through these trading
19 accounts. Money would then be wired from the selling broker to other entities created by
20 Edwards in order to disguise the source of the income.

21 8. One of the entities created by Edwards to facilitate his illegal activities was
22 Asia Pacific Capital Corp. (hereafter "Asia Pacific") Funds derived from the sale of
23 CMKM stock were wired to accounts which ultimately were transferred to Asia Pacific.
24 (See Exhibit "E"). Asia Pacific was owned and controlled by Edwards. It was not
25 uncommon for Edwards to transfer money from Asia Pacific to the trust accounts of
26 attorneys so money could be wired to various title companies upon closing of the many real
27 estate purchases made by Edwards across the country.

1 9. The purchase and sale of 6264 Spring Mountain Road which has generated the
2 subject funds sought herein is a classic example of money laundering and efforts to hide
3 Edwards “ill-gotten gains”. Edwards signed a sales contract in the name of Asia Pacific
4 Capital Corp. (or its designee) in 2004 and began paying the purchase price into escrow
5 from funds obtained from the sale of CMKM stock. (See Exhibit “F”) This property was
6 apparently under construction for a period of time before the final closing of the purchase
7 by Edwards. Edwards then created Pham Commercial Holdings Trust by simply presenting
8 a trust agreement to the realtor indicating he was the trustee of a new trust created by Judy
9 Pham. The property was not put in the name of Asia Pacific Capital Corp. but was instead
10 placed in the name of Pham Commercial Holdings Trust as an entity to hide property
11 acquired by funds obtained from selling CMKM stock. (See Exhibit “G”).

12 **Evidence Supports Temporary Restraining Order**

13 10. I have personally examined numerous bank accounts, trading accounts and
14 several hundred thousand pages of documents related to the dealings of Edwards and
15 CMKM Diamonds, Inc. Edwards, personally and through his alter ego companies and
16 trusts, has purchased real estate and made personal investments with the proceeds from the
17 sale of CMKM stock. The funds used to purchase the property at 6264 Spring Mountain
18 Road in Spring Valley, Nevada were ill gotten gains from the illegal sale of CMKM stock.

19 11. I have personally reviewed the records obtained from the title companies that
20 handled both the purchase of the property situated at 6264 Spring Mountain Road and the
21 sale of such property. The funds wired from Old Republic Title Company to one of
22 Edwards’ attorneys on or about September 1, 2009 were proceeds from the sale of property
23 acquired by Edwards through illegal means.....specifically selling illegally acquired
24 common stock of CMKM.

25 //

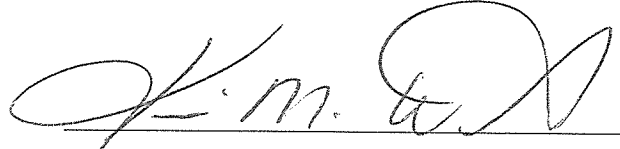
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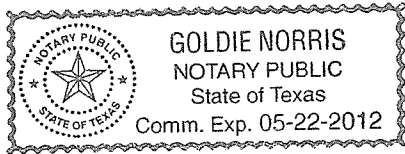
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28 //

1
2 I declare under penalty of perjury under the laws of the State of Nevada that the
3 foregoing is true and correct.”
4

5
6 Dated: September 30, 2009


7 KEVIN M. WEST, Affiant



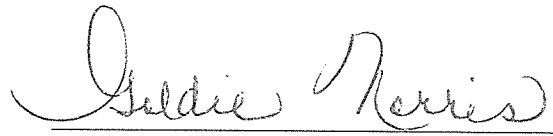
11 
12 Notary Public In and For
13 The State of Texas
14 Commission Expires:
15 05-22-2012

EXHIBIT A

1 GREGORY A. BROWER
United States Attorney
2 TIMOTHY S. VASQUEZ
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COUNSEL/PARTIES OF RECORD	
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CLERK US DISTRICT COURT	
DISTRICT OF NEVADA	
BY _____	DEPUTY _____

7 UNITED STATES DISTRICT COURT
8 DISTRICT OF NEVADA

9 -oOo-

10 UNITED STATES OF AMERICA,

11 Plaintiff,

12 vs.

- 13
- 14 1. JOHN M. EDWARDS,
15 2. URBAN CASAVANT,
16 3. HELEN BAGLEY,
17 4. BRIAN DVORAK,
18 5. GINGER GUTIERREZ, and
19 6. JAMES KINNEY,

20 Defendants.

21 SUPERSEDING INDICTMENT

22 02:09-CR-00132-RLH-RJJ

23 Violations:

- 24 18 U.S.C. § 371 - Conspiracy to Sell
Unregistered Securities, to Make False
Statements to SEC, to Desist from Filing
Periodic Reports, and to Commit Securities
Fraud in violation of 15 U.S.C. §§ 77e,
78ff, 78m & 78j;
25 15 U.S.C. § 78j - Securities Fraud;
26 18 U.S.C. § 1349 - Conspiracy to Commit
Securities Fraud in violation of 18 U.S.C.
§ 1348;
18 U.S.C. § 1348 - Securities Fraud;
18 U.S.C. § 1956(h) - Conspiracy to
Commit Money Laundering under
18 U.S.C. §§ 1956 & 1957
26 U.S.C. § 7201 - Tax Evasion

27 THE GRAND JURY CHARGES THAT:

28 . . .
29 . . .
30 . . .