

# CMKM Diamonds, Inc

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Dear Attorneys:

I apologize in advance for the length of this letter but I need and request your assistance as I continue my efforts to return CMKM Diamonds, Inc. (hereafter company) to trading status. The names listed above are set out in alphabetical order and no significance should be given to the order in which they are set out. Some of you have not been involved directly with the company for an extended period of time, thus I feel compelled to give you an update on the status of the company since my appointment as CEO and President of the company.

As you may know by now I was appointed President, CEO and Chairman of the Board of CMKM Diamonds, Inc. on March 29, 2007 by Urban Casavant. Mr. Casavant resigned all positions with the company on the same day I was appointed to these positions. My contract of employment with the company began in September of 2006 as interim CEO. I did have the opportunity to meet with a few of you during my time as interim CEO of the company.

One of my first acts following Urban Casavant's resignation was to review the lawsuits pending against the company. A shareholder derivative action was about to be filed on behalf of the shareholders by Bill Frizzell against John Edwards and Dave Desormeau because the company had failed to assert its rights against these parties. Bill Frizzell and I visited at length about this lawsuit and other legal problems facing the company. I requested that Mr. Frizzell not file the Edwards/Desormeau claims as derivative claims because it was apparent to me the legal actions needed to be pursued by the company. Thus, my first official action was to hire Mr. Frizzell to represent the company in its claims against these third parties and any other third parties that might be liable to the company and its shareholders.

There were only minimal funds in the company bank account and I was given no records from any party to assist me in the company business with the exception of the bank account that I opened at Mr. Casavant's request in September of 2006. I had no financial records nor company files in my possession when I began my duties as CEO and President. As you know this company was incorporated in November of 2002. A week or so after becoming President and CEO, I requested all company records from an attorney that had been representing Mr. Casavant personally in his SEC investigation. Initially, I was told there were no records available because all records pertained to Mr. Casavant personally. A few days later I received several boxes of records that contained information about prior business dealings of the company. I discovered a limited number of bank statements, some claims information and much correspondence between the company and many of its joint venture partners.

I have since filed damage claims against some former insiders of the company. The company has obtained an injunction from a Nevada District Court restraining certain individuals from selling or transferring certain assets that I believe belong to the company for the benefit of its shareholders. The discovery rights granted to the company in this litigation have allowed me to subpoena bank records of the company dating back to its inception. These bank records

confirm enormous amounts of money were diverted from the company at times when such funds should have been used to further the business of the company.

It is clear now from the results of our discovery that many bank accounts were set up to facilitate the diversion of funds which should have been used for valid corporate purposes. In addition to CMKI and CMKM accounts, we now have bank records of P.A. Holdings, Inc., CMKXtreme, Inc., Diamond Quality, Inc., Canadian Diamond Fields, Inc. and Spirit of Las Vegas, Inc. We have also obtained numerous bank accounts from insiders that used these accounts and their own accounts to divert company funds. Real estate, stocks and other investments were made with millions of dollars of company funds.

You are receiving this letter because I have located cancelled checks, wires, cashiers' checks or other evidence showing that you or your firm has been paid to represent CMKM Diamonds, Inc. at various times since 2002. Your checks may have come from any of the above named accounts or directly from insiders of the company. We have located checks payable to some of you from stock trading accounts belonging to various insiders and trusts created by these insiders. It is clear that much legal work was done by you since 2002 resulting in documents which the company must obtain to complete the audit work which I have undertaken.

I have been hired to run a company without being provided with records which are absolutely necessary in our efforts to become a trading company again. We have hired forensic accountants that have agreed to assist us in preparing our books for a full audit as we proceed.

It is very disturbing that we have located millions of dollars in payments to various third parties but the records needed to document such dealings are noticeably absent. We have been told these documents were created by many of you and I am requesting that you provide me with copies of such documents. We are seeking from your records, including but not limited to, all documents, agreements, promissory notes, copies of checks, memos, emails or other written correspondence pertaining to:

**1. 1 check payable to Urban Casavant for \$3,000,000 on 9-21-04, 1 check payable to Carolyn Casavant for \$3,000,000 on 9-21-04 and then 1 check from Urban Casavant to US Canadian Minerals (USCA) for \$3,000,000 on 9-21-04 and 1 check from Carolyn Casavant to USCA for \$3,000,000 on 9-21-04. 1 cashiers' check payable to USCA for \$3,000,000 on 9-7-04, 1 check payable to USCA for \$3,000,000 on 9-22-04, 1 check payable to USCA for \$3,000,000 on 9-27-04, 1 check payable to USCA for \$500,000 on 9-28-04, 1 check payable to USCA for \$500,000 on 10-15-04 and 1 wire transfer to USCA for \$200,000 on 12-9-04. Also, 5 Private Placement Subscription Agreements for \$3,000,000 each (involving the sale of 600,000 shares of USCA at \$5 per share to each person) from USCA to Urban Casavant, Carolyn Casavant, Wesley Casavant, Cindy Dwyer and Corrine Ward.**

2. 1 check for \$280,000 payable to Go Fast-Nevada signed by Urban Casavant on 7-19-04. Also, any documentation pertaining to agreements with James Kinney, Michael Williams, Urban Casavant and Go Fast Nevada. 1 funds transfer for \$150,000 dated 12-6-04 payable to James Kinney from Go Fast Nevada. From other insider accounts to Go Fast Nevada: 1 check for \$154,000 dated 5-26-04, 1 check for \$190,000 dated 5-26-04, 1 check for \$44,000 dated 6-7-04, 1 check for \$94,000 dated 6-17-04, 1 check for \$148,000 dated 7-6-04, 1 check for \$57,000 dated 7-8-04 and 1 check for \$250,000 dated 7-21-04

3. 1 wire transfer for \$3,310,000 payable to Fidelity National Title Agency or about 9-27-04 which resulted in the closing on a property situated at 90 Innisbrook in Las Vegas.

4. 1 cashier's check payable to First American Title for \$48,000 on 1-13-05.

5. 1 check payable to Fidelity National Title for \$5,000 on 1-5-05.

6. 1 cashier's check payable to Chicago Title for \$5,000 on 12-22-04.

7. 1 incoming wire transfer from Equity Title for \$400,353.38 sent out on 5-18-04

8. Several cashiers' checks made payable to Old Republic Title Company of Nevada to pay for the house at 30 Princeville Lane to include: 1 check for \$250,000 dated 4-5-04, 1 check for \$50,000 dated 4-7-04, 1 check for \$100,000 dated 4-9-04, 1 check for \$75,000 dated 4-15-04.

9. 1 check payable to Nevada title for \$5,000 dated 5-12-03 with memo: building / Michael.

10. 1 check payable to First American Title for \$100,000 dated 5-12-03.

11. 1 check payable to Advantage Real Estate for \$6,500 dated 10-28-02.

12. 2 checks payable to Robert Garcia; 1 check for \$50,000 and 1 check for \$25,000 both dated on 12-9-02.

13. 1 check payable to Entertainment Direct for \$55,000 on 5-12-03 with memo; EDTV / BBAN / PP.

14. 5 checks payable to Bob Golden or Bob & Betty Ann Golden; 1 check for \$10,000 on 5-7-04 with memo; LOAN, 1 check for \$25,000 on 6-1-04, 1 check for \$10,000 on 6-22-04, 1 check for \$12,300 on 7-26-04 and 1 check for \$75,000 on 6-28-04.

15. 1 check payable to Mobile Wireless Security for \$155,000 on 12-14-04 with memo; LOAN, 1 check to Mobile Wireless Security for \$200,000 on 7-27-04 and 1 check for \$200,000 on 4-29-05.

16. 1 check payable to Broadband Wireless for \$80,000 on 1-3-05.

17. 1 check payable to Excelsior Management for \$133,328 on 7-7-04.
18. 1 check payable to Platinum Island for \$55,000 on 10-24-04, 1 check for \$10,000 on 9-30-04 and 1 check for \$45,000 on 5-20-05.
19. 1 cashier's check payable to T.M. 1 LLC for \$200,000 on 12-6-04.
20. 1 cashier's check payable to Regal Holdings for \$40,000 on 11-30-04.
21. 1 check payable to Triad Holdings for \$163,105 on 10-13-04.
22. Cashier's checks payable to IB 2000, Inc., 1 for \$60,000 on 7-2-04 and 1 for \$5,000 on 7-2-04.
23. 1 wire transfer to Lazer Tek Designs for \$2,000,000 on 9-27-04.
24. Several checks payable to Tuk Yo Chain Records: 1 check for \$500,000 on 8-18-04, 1 check for \$15,000 on 1-27-04, 1 check for \$5,000 on 2-4-05, 1 check for \$50,000 on 3-24-05 and 1 check for \$5,000 on 5-20-05.
25. 1 check payable to Jay McFadden for \$350,000 on 12-12-02.
26. 1 check payable to Michael Mitchell for \$25,000 on 10-8-02.
27. Cashier's checks payable to Ed Dhonau; 1 for \$5,000 on 2-20-04 and 1 for \$100,000 on 9-7-04; 1 bank check for \$5,000 on 7-29-04; 1 wire transfer for \$130,000 on 7-29-04.
28. 1 check payable to Nevada Minerals for \$250,000 on 9-21-04 with memo; Loan Repayment and 1 cashier's check for \$500,000 on 9-7-04, 1 check for \$120,000 on 5-20-05 and 1 check for \$100,000 on 5-27-05.
29. 1 check payable to Rick Walker for \$3,300 on 10-28-02 and 1 wire transfer for \$155,000 dated 8-26-04.
30. Several checks payable to Rendal Williams: 1 check for \$2,000 on 12-9-03, 1 check for \$5,000 on 2-20-04, 1 check for \$3,000 on 6-3-04, 1 check for \$5,000 on 6-3-04, 1 check for \$3,000 on 6-16-04, 1 check for \$2,500 on 6-17-04, 1 check for \$2,000 on 6-28-04, 1 check for \$200,000 on 7-15-04 and 1 check made payable to Williams Investment Partners (a Rendal Williams company) for \$159,000 on 9-22-04
31. 4 checks payable to Golden Arch Resources: 1 check for \$134,992.11 on 1-24-05 and 3 checks for \$135,000 each on 1-24-05.

**32. 4 checks payable to Conversion Services Int. for \$500,000 each on 2-14-05 and 1 check for \$250,000 on 5-26-05.**

**33. 1 check payable to Chicago Title for \$40,000 on 5-26-05.**

**34. 1 check payable to Crystallix for \$50,000 on 5-26-05.**

**35. 1 check payable to Chicago Title for \$27,416.26 on 3-3-05 with memo; Durango Properties.**

**36. 2 checks payable to Guaranty RV: 1 check for \$65,000 on 1-19-05 and 1 check for \$300,000 on 3-9-05.**

This list does not represent a complete list of the records we are requesting. This is a partial list of transactions which are lacking in documentation. This list grows daily as we continue discovery into the company's past business dealings.

If any of you were asked to provide legal assistance in the sale or purchase of any of the real estate set out above, I am asking that any such documents be provided to me as a part of your file.

We have discovered a letter from Dave Desormeau dated 4-5-04 which references multiple real estate transactions which were completed by Mr. Desormeau while he was an officer of the company. We have identified several of the transactions in the list above, but we are requesting any and all documentation which any of you have that pertains to the purchase of any real estate by Urban Casavant or any company insiders. We are particularly interested in any and all real estate transactions which were orchestrated by Mr. Desormeau for any parties related to the company.

By this letter I hereby request a copy of your files which relate in any way to the business of CMKM Diamonds, Inc. or the expenditure of corporate funds. I also request a copy of any and all billing statements which were paid by the company or any of the other entities that were being used to make payments for company expenses. If you maintained funds on deposit in your client trust account, please provide me with an itemized statement of your deposits and withdrawals from this trust account and a front and back copy of any checks which were issued by your firm for company business. This request is for any such documents beginning October, 2002.

I have amassed quite a bit of documentation that will be used to bring these company records current. It will be expensive and time consuming but I will continue these efforts and will use every resource available to me to get these records. You know that the company is engaged in several lawsuits and my ability to discuss the company's progress in public is very limited because of this litigation. I plan on sharing the contents of this communication with company shareholders and will likely post this letter on the company website. This is not intended to embarrass any of you nor to imply any improper actions taken by any of you. In

fact, I have taken great care not to address any of you individually and I do not intend to do so. I do intend to obtain all of the company files and in particular the documents which are critical to the company as it moves forward.

The company is being assisted by the Frizzell Law Firm as I gather the company records. Please send copies of your file with related documents to Bill Frizzell at 602 South Broadway, Tyler, Texas 75701. If you need to contact me, please do so through his office at 903-595-1921.

Sincerely,

Kevin West, CEO  
CMKM Diamonds, Inc.

Cc: Bill Frizzell