

# **EXHIBIT 3**

**SWORN STATEMENT OF FRANK E. VENNES, JR.**

STATE OF FLORIDA    )  
  ) ss:  
COUNTY OF MARTIN    )

I, Frank E. Vennes, Jr., being first duly sworn upon oath, depose and state as follows:

1.     I am in the process of entering into Consent and Release Agreements with certain secured and unsecured creditors of myself and my company, Metro Gem, Inc. (the "Creditors") in order to discharge debt obligations owed to the Creditors.

2.     Each Consent and Release Agreement is part of a larger work-out plan designed to enable the Creditors to collect a portion of the debt owed to each of them (the "Work-out Plan").

3.     In the Work-out Plan, I have agreed to transfer the assets described on Exhibits A and B hereto to the Creditors.

4.     The assets I have agreed to transfer to the Creditors, as those assets are described collectively in all of the Consent and Release Agreements entered into between myself and/or Metro Gem, Inc. and the Creditors (and as described in the Work-out Plan attached as Exhibits A and B hereto), constitute all of the current assets belonging to me and all entities under my control, including Metro Gem, Inc., with the following exceptions:

(a) my personal effects (*e.g.*, clothing, photographs, books, computers, cell phone, etc.), and other such assets that would be protected under Florida law in a bankruptcy proceeding (other than the specific assets expressly listed in the Work-out Plan attached as Exhibits A and B hereto);

(b) my 2000 Buick Century (estimated value of \$1,200);

(c) reasonable living expenses for one calendar year following the Court's approval of the Work-out Plan in the amount of \$62,400 (\$3,000 monthly allowance and \$2,200 monthly rent), as allotted to me during the course of the Receivership implemented in the action entitled United States of America v. Vennes, et al., Civil No. 08-SC-5348 (ADM/JSM) (the "Action");

(d) any claim or entitlement to receive assets in the future as a result of the fraudulent scheme conducted by Thomas J. Petters or as a result of unrelated business activities (other than as set forth in the Work-out Plan attached as Exhibits A and B hereto); and

(e) certain assets provided to my attorneys in connection with my legal representation, which assets will be held in their trust account and utilized as referenced in the Work-out Plan attached as Exhibits A and B hereto.

5. Other than mortgages on certain properties, joint ownership interests in certain properties, and security interests in certain assets, and excepting (a) an alleged potential penalty claim for \$2,000,000 connected to the Riverwatch property, (b) a lis

pendens action filed in connection with the Dragon Point property, and (c) the adversary action filed in the *In re Petters Company, Inc., et al.*, bankruptcy matters, there are no claims, liens, or encumbrances of which I am aware on any of the assets I have agreed to transfer to the Creditors in the Work-out Plan. Those mortgages and interests are specifically identified in the Consent and Release Agreements.

6. The Work-out Plan does not transfer or in any way affect assets obtained by me or any entities under my control after Court approval of the Work-out Plan, except as expressly provided in the Work-out Plan attached as Exhibits A and B hereto.

7. I affirm that all approximate values ascribed to each of the assets described in the Consent and Release Agreements are based on good-faith estimations by me, a third party, or a qualified appraiser.

8. Metro Gem, Inc. and I were victims of the Petters fraud and have valid claims against Petters Company, Inc. and related persons and entities for the fraud associated with Petters Company, Inc. Notes. I was not a co-conspirator of Thomas J. Petters or anyone else in that fraud.

9. I understand and acknowledge that the foregoing representations are material to the Creditors, to the Court, and to law enforcement in connection with efforts relating to the Petters fraud.

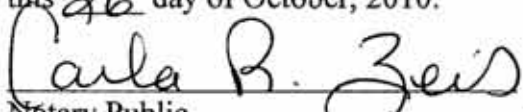
10. I understand and acknowledge that all of the terms, conditions, and obligations of the Consent and Release Agreements are subject to review by the Receiver

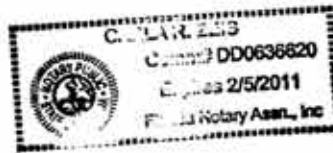
appointed in the Action and by the United States Attorney's Office and subject to approval by the Court.

Dated: October 26, 2010

  
\_\_\_\_\_  
Frank E. Vennes, Jr.

Subscribed and sworn to before me  
this 26 day of October, 2010.

  
\_\_\_\_\_  
Notary Public  
Carla R. Zeis  
2/5/11



Secured Creditor Work-Out Plan

Creditor	Amt. Owed	Secured By	Represented by Counsel?	Work-Out Plan
Crown Bank	\$1,364,572.18	Metro Gold coins	David Galle, Esq. Oppenheimer Wolff & Donnelly LLP	<ul style="list-style-type: none"> <li>• 1854 \$3 NGC MS 67 coin (current valuation: \$55,000)</li> <li>• 1895-O \$1 NGC MS 64 coin (current valuation: \$60,000)</li> <li>• 1884-S \$1 NGC MS64 coin (current valuation: \$75,000)</li> <li>• 1795 \$1 NGC MS65 coin (current valuation: \$200,000)</li> <li>• Proceeds from prior sale of coins of \$494,550</li> <li>• Cash from Receiver's account of \$130,000</li> <li><b>TOTAL VALUE: \$1,014,550</b></li> <li><b>TOTAL RECOVERY: 74.3%</b></li> </ul>
Private Bank	\$2,470,000	<ul style="list-style-type: none"> <li>• Mortgages on E. Third Street and Foxpoint Trail</li> <li>• Personal Guaranty</li> </ul>	Kevin M. Busch, Esq., and Jeffrey L. Watson, Esq. Moss & Barnett, P.A.	<ul style="list-style-type: none"> <li>• 11680 Point Drive, Merritt Island, FL ("Dragon Point" property) (last offer presented to receiver: \$700,000)</li> <li>• Proceeds from sale of additional properties included in original work-out plan (current valuation: \$992,266.55)                             <ul style="list-style-type: none"> <li>o 1599 SW Foxpoint Trail, Palm City, FL (\$504,670.16)</li> <li>o 2610 E. 3<sup>rd</sup> Street, Duluth (\$234,398.52)</li> <li>o 212 Sykes Loop Drive, Merritt Island, FL (\$253,197.87)</li> </ul> </li> <li><b>TOTAL VALUE: \$1,692,266.50</b></li> <li><b>TOTAL RECOVERY: 68.5%</b></li> </ul>
Home Federal Savings Bank	\$12,387,500	<ul style="list-style-type: none"> <li>• PCI notes</li> <li>• 2d mortgage on Shorewood</li> <li>• Personal Guaranty</li> </ul>	Nancy J. Berry, Esq. Moore, Cristello & Hart, PLLP	<ul style="list-style-type: none"> <li>• Riverwatch property (current valuation: \$3,000,000)</li> <li>• 2 S. Orange Ave. (current valuation: \$3,600,000 net after mortgage)</li> <li>• Proceeds from sale of 100 E. Pine St. (\$792,104.85)</li> <li>• Cash from Receiver's account of \$500,000</li> <li><b>TOTAL VALUE: \$7,892,104</b></li> <li><b>TOTAL RECOVERY: 63.7%</b></li> </ul>
Matthew D. Miller	\$1,427,914	Personal Guaranty	Matthew D. Miller, Esq.	<ul style="list-style-type: none"> <li>• Youngstown, Ohio, property (current valuation: approximately \$750,000)</li> <li>• Cash from Receiver's account of \$100,000</li> <li><b>TOTAL VALUE: \$850,000</b></li> <li><b>TOTAL RECOVERY: 59.5%</b></li> </ul>

Secured Creditor Work-Out Plan

<p><b>Reimer Foundation</b></p>	<p>\$213,500</p>	<ul style="list-style-type: none"> <li>• PCH notes</li> <li>• Personal Guaranty</li> </ul>	<p>No</p>	<ul style="list-style-type: none"> <li>• 31 1904 \$20 gold coins, graded MS65 by PCGS and NGC, taken from Vennes' FL home (current valuation: \$128,100)</li> <li><b>TOTAL VALUE: \$128,100</b></li> <li><b>TOTAL RECOVERY: 60%</b></li> </ul>
<p><b>Plaza 1, Inc.</b></p>	<p>\$0</p>	<ul style="list-style-type: none"> <li>• Promissory note</li> <li>• Personal Guaranty</li> </ul>	<p>Norman I. Taple, Esq. Gurstel Chargo</p>	<p>N/A</p>
<p><b>AI Plus, Inc.</b></p>	<p>\$4,350,333</p>	<ul style="list-style-type: none"> <li>• PCH notes</li> <li>• Personal Guaranty</li> </ul>	<p>Carolyn Glass Anderson, Esq. Zimmerman Reed</p>	<ul style="list-style-type: none"> <li>• Property at 3515 2<sup>nd</sup> Avenue South, Minneapolis, MN (current valuation: \$200,000)</li> <li>• Scottrade account (current valuation: \$1,200,000 on brokerage account; \$140,000 on IRA account)</li> <li>• All gold, coins and jewelry taken from Vennes' Minnesota home, other than 67 ounces of gold being transferred to Siemon and 25 ounces of gold being transferred to the unsecured creditors (current valuation: \$1,050,000)</li> <li>• 2 Harley-Davidson motorcycles (current valuation: \$31,000)</li> <li>• An ATV (current valuation: \$3,500)</li> <li>• Perry Redfin prisms (current valuation: \$9,000)</li> <li><b>TOTAL VALUE: \$2,633,500</b></li> <li><b>TOTAL RECOVERY: 60.5%</b></li> </ul>
<p><b>Siemon, Jeffrey</b></p>	<p>\$148,918</p>	<p>Personal Guaranty</p>	<p>Carolyn Glass Anderson, Esq. Zimmerman Reed</p>	<ul style="list-style-type: none"> <li>• 67 oz. of gold seized from Minnesota home (current valuation: approximately \$89,378)</li> <li><b>TOTAL VALUE: \$89,378</b></li> <li><b>TOTAL RECOVERY: 60%</b></li> </ul>

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Unsecured Creditor Work-Out Plan

Creditor	Total Debt	Counsel	Revised Work-Out Plan (Assets)
<p><b>All unsecured creditors (listed below)</b></p>	<p>\$33,098,441.91</p>	<p>See below</p>	<ul style="list-style-type: none"> <li>• Cash from Receiver's account in the approximate amount of \$3,875,000 (actual sum to be net of fees incurred and to be incurred by Receiver)</li> <li>• 195 acres of land in Nopeming, MN (current valuation: \$500,000)</li> <li>• Geo Mask stock (current valuation based on repurchase offer: \$250,000)</li> <li>• Chameleon stock (current valuation: \$0)</li> <li>• Red Tag stock (stock certificates seized by government) (current valuation: \$0)</li> <li>• Art Group LLC inventory (original cost of \$3,500,000)</li> <li>• Terry Redlin original art (ten paintings) (current valuation: \$350,000)</li> <li>• Gold figurines and collectibles, coins and jewelry in Receiver's account (current valuation: \$485,000)</li> <li>• ADM investor account (current valuation: \$27,000)</li> <li>• Any proceeds (not to exceed 100% of the Total Debt) from any and all claims of Vennes and Metro Gem, Inc., against Petters Company, Inc., in the Petters Company, Inc. bankruptcy matters (amount of claims equals \$165,375,772.56; current valuation: unknown)</li> <li>• Any proceeds (not to exceed 100% of the Total Debt) from any and all claims of Vennes and Metro Gem, Inc., against Palm Beach Finance II, LP and Palm Beach Finance Partners, LP (amount of claims equals \$14,367,460; current valuation: unknown)</li> <li>• Certain Metro Gold inventory in the approximate amount of \$1,000,000 (actual sum to be net of fees incurred and to be incurred by Faegre &amp; Benson LLP)</li> <li>• Tradition Bank stock (current valuation: \$120,000)</li> <li>• 225 1904 \$20 gold coins, graded between MS65 and MS66 by PCGS and NGC, plus silver half dollar coins, all taken from Vennes' FL home (current valuation: \$1,121,900)</li> </ul>



Unsecured Creditor Work-Out Plan

		<ul style="list-style-type: none"> <li>• 18-plex apartment building in Mandan, ND (400 12<sup>th</sup> Avenue NW) (current valuation: \$600,000)</li> <li>• All unsold Grace Offerings properties, as follows (current valuation: \$625,000):             <ul style="list-style-type: none"> <li>○ 3218 NE Dade Circle, Palm Bay, FL</li> <li>○ 1541 Talamore Lane, Melbourne, FL</li> <li>○ 1325 NW Serenade St., Palm Bay, FL</li> <li>○ 7014 Hammock Trace Dr., Melbourne, FL</li> <li>○ 923 NE Hampshire Ave., Palm Bay, FL</li> <li>○ 1271 San Matio, Palm Bay, FL</li> <li>○ 821 Eldron Blvd., Palm Bay, FL</li> <li>○ 346 Palm Ave., Cocoa, FL</li> <li>○ Lot 22, Block 2955, Port Malabar Unit 53, 2074 Midwest Ave. SE, Palm Bay, FL</li> <li>○ Lot 23, Block 2938, Port Malabar Unit 53, 2224 Tafon Circle SW, Palm Bay, FL</li> <li>○ Lot 4, Block 1585, Port Malabar Unit 32, 574 Lang Road SW, Palm Bay, FL</li> <li>○ Lot 32, Block 2956, Port Malabar Unit 53, 1962 Kentucky Dr. SW, Palm Bay, FL</li> </ul> </li> <li>• Proceeds from sale of 400 Ocean Trail condominium (current valuation: \$297,498.67)</li> <li>• Mandan 6-plex apartment building (1009 2<sup>nd</sup> Street NW) (current valuation: \$150,000)</li> <li>• 1893-S \$1 NGC MS 67 coin (current valuation: \$650,000)</li> <li>• 25 ounces of gold seized from Vennes' MN home (current valuation: \$33,350)</li> </ul> <p><b>TOTAL ESTIMATED VALUE: \$13,584,748.67</b>  <b>TOTAL ESTIMATED PERCENTAGE RECOVERY: 41%</b></p>
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## Unsecured Creditor Work-Out Plan

Creditor	Amount Owed Based On Out-Of-Pocket Loss	Counsel	Approximate Estimate Of Recovery Under Work-Out Plan	Approximate Estimate Of Pro-Rata Share Of Recovery
Petra Financial	\$10,000,000*	Richard Mark, Briggs & Morgan	\$4,100,000	30.1%
IOC Distribution, Inc.	\$2,249,319	Carolyn Anderson, Zimmerman Reed	\$922,220.79	6.7%
Chase Holdings	\$4,812,035	No attorney	\$1,972,934.35	14.5%
Boeser, Ray	\$1,666,880	No attorney	\$683,420.80	5%
Koentopf, David (Estate of)	\$1,504,641*	Christopher Cuneo, Lindquist & Vennum	\$616,902.81	4.5%
Reimer, William	\$751,664	No attorney	\$308,182.24	2.2%
Bliss, Gerald	\$395,165	William McNab, Winthrop & Weinstine	\$162,017.65	1.1%
Jagodzinski, James	\$1,840,000*	Christopher Cuneo	\$754,400	5.5%
Heupel, Richard	\$916,078	No attorney	\$375,591.98	2.7%
Ashton Revocable Living Trust	\$498,903	No attorney	\$204,550.23	1.5%
McCleary, Carol	\$1,254,167	No attorney	\$514,208.47	3.7%
Silker Inv.	\$377,477	Carolyn Anderson	\$154,765.57	1.1%
Stockman, Bruce	\$698,433	No attorney	\$286,357.53	2.1%
Glen Silker IRA	\$1,078,058	Carolyn Anderson	\$442,003.78	3.2%

(\*Amount may be reduced based upon in camera disclosures to the Court by counsel for the Creditor.)

## Unsecured Creditor Work-Out Plan

Creditor	Amount Owed Based On Out-Of-Pocket Loss	Counsel	Approximate Estimate Of Recovery Under Work-Out Plan	Approximate Estimate Of Pro-Rata Share Of Recovery
Corp. Direction of PB	\$1,071,357	No attorney	\$439,256.37	3.2%
Sue Silker IRA	\$760	Carolyn Anderson	\$311.60	.0002%
Scherber, Richard	\$423,759	No attorney	\$173,741.19	1.2%
Thomas, Darlene	\$386,305	No attorney	\$158,385.05	1.1%
Allex, Gordon	\$282,250.41	No attorney	\$115,722.66	.08%
Blue Chip Consulting	\$395,309	No attorney	\$162,076.69	1.1%
Van Dyke, Douglas	\$358,949	No attorney	\$147,169.09	1%
Wyder Family Trust	\$605,500	Carolyn Anderson	\$248,255	1.8%
Finley, Timothy	\$243,733	Carolyn Anderson	\$99,930.53	.07%
Winters, Donald	\$341,270	No attorney	\$139,920.70	1%
Ray Ross IRA	\$249,405.50**	No attorney	\$102,256.25	.07%
Johnson, Richard	\$186,946	No attorney	\$76,647.86	.05%
Hicks, David	\$223,010	No attorney	\$91,434.10	.06%
Leck, Janet	\$146,306**	No attorney	\$59,985.46	.04%
PBR Residential	\$67,848	No attorney	\$27,817.68	.02%
Lois Ross IRA	\$72,914	No attorney	\$29,894.74	.02%
Vennes, Norma	N/A	No attorney	N/A	N/A
Winner's Edge	N/A	No attorney	N/A	N/A

(\*\*Based on out-of-pocket losses during 2006-2008 time period.)