

1-348-6736B  
183 → Nos 96

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DATE: 01-26-2012  
CLASSIFIED BY [redacted] (b)(6);(b)(7)(C);(k)(2)  
REASON: 1. 4 (c,d) *check*  
DECLASSIFY ON: 01-26-2037

Thurs, 20 Sept 2001

*Good*

Mr. [redacted] (b)(6);(b)(7)(C);(k)(2)

Ref. Internet page [redacted] (k)(2);(b)(7)(E) (18/8/01)

Subject: Sale of krytrons to Heli trading, Ltd.

Dear [redacted]

Our names have been linked again in the referenced web page. I was surprised how little you've changed since the last time I saw you in 1985. I still feel young and vibrant at 72 years since I run a mile every day. My hair is all white and thinning on top.

At the present time, I am in prison in Malaga, Spain, awaiting extradition to the USA for exporting krytrons from the US to your company, Heli Trading, Ltd, using a Commerce License rather than a Munitions License. The reason I was arrested: I went to the Malaga Police Station for my non-resident certificate as required by my Málaga bank for my Social Security (US pension) bank account. While waiting 2 hours for the certificate, an Interpol FAX came in about the old krytron case. I was arrested on the spot and sent immediately to jail. I've been in this Spanish prison for three months and 10 days along with murderers, armed bank robbers, drug dealers, and drug addicts. It hasn't been a very pleasant experience with violent outbreaks that could threaten my life at any time. I expect to be extradited to the US within 2 or 3 weeks from today.

I have been living in Málaga, Spain, under a nom d'plume [redacted] (b)(6);(b)(7)(C) for 16 years, writing books and software for options trading on the Chicago and London Options Markets, making a good return on what little capital I have. I had to leave behind my multi-million dollar real estate holdings when I fled the US to Málaga in August 1985. I had been indicted for smuggling krytrons to you at Heli Trading. The US authorities kept asking me to list all the things you had done wrong. I told them I didn't believe either you or I had done anything wrong. I hadn't "smuggled" krytrons, I had exported them to you using a perfectly legal Commerce License. The authorities believed it should have been a Munitions License.

I have retained an excellent lawyer named [redacted] (b)(6);(b)(7)(C) who is confident he can "plea bargain" my case and get me released with a fine and credit for time spent in prison in Spain.

I have two propositions to make to you which should avoid bringing the case to trial which would be "messy" and you would certainly be called as a witness with all the adverse publicity.

My first proposition: pay the \$35,000 of [redacted] (b)(6);(b)'s fee since I only have less than \$10,000 in my Málaga bank account. This would greatly aid me.

*Added* → A second proposition which would make back the lawyer fee: Set up an account in your name (and non-US address) with Man Financial Ltd. in London with \$100,000 in dollars and £50,000 stipulating that I would be authorized to trade in your behalf using my nom d'plume Jon Schiller, which the head broker, Mr. Duncan Dunn, knows quite well. Man Financial would put the dollars in NY (not traceable to you) and the pounds in London. I would trade OEX naked spreads or covered spreads with the NY funds and the same strategies using SEI (American style FTSE-100 options) in London. These strategies are explained fully in my book "The 100% Return Options Trading Strategy", published by Windsor Books of Brightwaters, NY. Many copies have been sold all over the world.

ENCLOSURE #4 FDPS pages 356-357

(S)

b1 per FBI

Section 1

*7/26/01  
List 1.3 S*

Continuing with this second proposition: 75% of the trading profits would go to you, paid semi annually, and 25% of the trading profits would be paid to me, semi annually. The payment dates would be 1 Jan and 1 Jul each year. Man would send you monthly trading statements; they have a web page for you on the Internet if you or your accountant would like to check the trading results and funds in your account at any time – both the dollars and pounds. You could cancel the options trading at any time you wished.

I would expect that the \$35,000 lawyer's fee would be earned back in about 6 months or less.

Arnon, for old times sake, I would greatly appreciate your granting these two propositions.

I was delighted to hear your former employee, Netanyahu, had become Prime Minister of Israel. I heard from someone that (b)(6) had left. I hope it was false information, since she was such a delightful and intelligent woman to work with.

(b)(6);(b)(7)(C);(k)(2)  
(b)(6);(b)(7)(C);(k)(2) Enfermeria  
raga

My wife (b)(6);(b)(7) address (We have been married 50 years as of 30 Aug 2001)

(b)(6);(b)(7)(C);(k)(2) 6 - 2 - C  
(b)(6);(b)(7)(C);(k)(2) AÑA  
Fax: 34 - 952 21 (b)(6);(b)  
- mail (b)(6);(b)(7)(C);(k)(2)

My son's address in Calif - (We will be relocating to near here after  
I get out of the Spanish prison)

(b)(6);(b)(7)(C);(k)(2)

Stanford, CA 94301  
Tel: 818/353 (b)(6);(b)(7)(C);  
email: (b)(6);(b)(7)(C);(k)(2)