

EXHIBIT A

04159600478 J114836515

Fidelity Business Ultra Service Account

New Account Application

X23-196134
A206382

Please print the name of your business.

Business Name D. O. K. SPECIAL ADMMI VISA ATM NOW

Disc 10

Tax ID or 314-107145518

Social Security Number

Principal Person on the Account JOSEPH H. SMITH

Mailing address (You must provide your legal residential address below)

Number 3153 ST. ANDREWS Street

City WESTLAKE State OHIO Zip 44145

Business Phone (216) 835-8359

Legal address Number Street

City State Zip

COMPANY STRUCTURE:

- CORPORATION S-CORPORATION NON-PROFIT ORGANIZATION
- GENERAL PARTNERSHIP LIMITED PARTNERSHIP SOLE PROPRIETORSHIP OTHER

Bank information for funds transfer service

For bank wire and electronic funds transfer (EFT) services, complete the following for each bank account you wish to have set up for funds transfer. Bank must be a member of Automated Clearing House (ACH) and Electronic Funds Transfer (EFT) cannot be set up for a bank savings account.

Name of Bank
Transit or Routing Number
Account Number
Name of Account
Street Address
City/State/Zip Code

Name of Bank
Transit or Routing Number
Account Number
Name of Account
Street Address
City/State/Zip Code

Name of Bank
Transit or Routing Number
Account Number
Name of Account
Street Address
City/State/Zip Code

Please staple a voided check to this page from each bank account for which you are opening an account.

For internal use only
Account No. Assigned _____ Registered Rep. _____
Manager _____

EXHIBIT

A

2004

Financial Information

Type of Business: Not-for-Profit Organization

Approximate annual income from all sources:
 Under \$20,000 (please state amount \$ _____) \$20,000 to \$50,000 \$50,000 to \$100,000

Federal Tax Bracket: 15% 28% greater than 28%

Estimated Net Worth: Please indicate combined net worth exclusive of home and term life insurance:
 Under \$30,000 \$30,000-\$50,000 \$50,000-\$100,000

Estimated Liquid Net Worth:
 Under \$15,000 \$15,000-\$50,000 \$50,000-\$100,000

(please state amount \$ _____)

Preservation of Capital Income Growth

Affiliations and acknowledgments

I am affiliated with, or work for Fidelity an exchange or a member firm of an exchange

I am a director, 10% shareholder, policyholder, or trustee of a company, trust, or other entity. If so, provide name of company and stock symbol: _____

Transaction money market choice

Choose between taxable and tax-exempt money market funds based on your account balance from the following table. Dividends and earnings will be automatically reinvested in the selected fund.

Fidelity Daily Income Fund (Taxable)

Fidelity Tax-Exempt Money Market Fund (Tax-Exempt)

Fidelity New York Tax-Free Money Market Portfolio (Tax-Exempt)

Fidelity Massachusetts Tax-Free Money Market Portfolio (Tax-Exempt)

Fidelity New Jersey Tax-Free Money Market Portfolio (Tax-Exempt)

The tax-free portfolios are only available to legal residents of that state.

Checkstyle instructions

1. Standard Check Orders: Wallet sized, 100 checks per order, no charge.

2. Special Orders: If you check this box we will mail you a check selection brochure and price list. Special orders include one-write and computer checks. 100 wallet sized checks will be mailed to your address free of charge for use in the interim until you receive the special order checks.

How to open your account

Open your account by one or a combination of these easy methods:

The minimum initial investment is \$25,000 in a combination of cash and securities.

Enclosed is a check made payable to Fidelity USA in the amount of \$ 125,000

Please sell my shares in my account _____

Please transfer securities from my Fidelity Brokerage account # _____

Please deposit my equity and/or bond mutual funds from my Fidelity Brokerage account # _____

Please send me a transfer form so I can authorize you to transfer my account from _____

Account registrations must be identical when transferring securities. A guaranteed letter of instruction from all authorized individuals is required.

Adding other Fidelity accounts to your Fidelity Business USA investment (optional)

To report other Fidelity accounts (Fidelity mutual funds, brokerage accounts, etc.) on your statement, list the fund(s) and account number(s) below:

Fund Name: _____

Fund Name: _____

Fund Name: _____

Note: This is an added convenience for reporting all of your Fidelity business. The minimum initial investment of \$25,000 in a combination of cash and securities is required. For more information on this feature, contact a Fidelity USA representative.

0 4 1 5 7 6 0 0 4 7 6

823-196134

Please read and sign below

This Agreement and its enforcement shall be governed by the laws of the Commonwealth of Massachusetts; shall cover individually and collectively all accounts which the undersigned may open or reopen with Fidelity; and shall inure to the benefit of Fidelity's successors, whether by merger, consolidation or otherwise, and assigns and Fidelity may transfer the account of the undersigned to your successors and assigns, and this Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the undersigned.

AFTER YOU HAVE READ THE APPLICABLE CUSTOMER AGREEMENTS, PLEASE SIGN BELOW

To: Fidelity Brokerage Services, Inc., and National Financial Services Corporation

I ACKNOWLEDGE THAT I HAVE READ, UNDERSTOOD AND AGREE TO THE TERMS SET FORTH IN THE CUSTOMER AGREEMENT AND MARGIN ACCOUNT AGREEMENT (if applicable) AND REQUEST THAT YOU ACCEPT ONE OR MORE ACCOUNTS IN MY NAME. I am at least 18 years of age and of full legal age in the state in which I reside. I understand you will supply my name to issuers of any securities held in my account so I might receive any important information regarding them, unless I notify you in writing not to do so. I certify under penalty of perjury that (1) I have provided the correct Social Security or Taxpayer Identification Number; (2) the IRS has never notified me that I am subject to 20 percent backup withholding, or has notified me I am no longer subject to such. (NOTE: If part 2 does not apply, please strike out before signing.) I understand that telephone calls to Fidelity may be recorded and consent to such recording.

Tax Withholding Information: As required by federal law, I (we) certify under penalties of perjury (1) that the Social Security or Taxpayer Identification Number provided herein is correct and (please check only if appropriate):

Yes, the IRS has notified me (us) that I (we) are subject to 20% backup withholding. (20% of all dividend payments, interest payments and proceeds will be automatically withheld.)


Yes, the IRS has notified me (us) that I (we) are no longer subject to such backup withholding. (20% backup withholding will not be withheld.)

If you do not wish to have the ability to margin your securities, check this box.

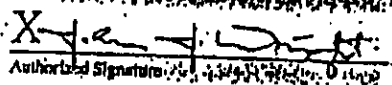
I represent that I have read the terms and conditions concerning this account and agree to be bound by such terms and conditions as are currently in effect and as may be amended from time to time.

Lending Authority (for margin accounts only). YOU ARE HEREBY AUTHORIZED TO LEND SEPARATELY, OR WITH THE PROPERTY OF OTHERS, EITHER TO YOURSELVES OR TO OTHERS, ANY PROPERTY YOU MAY BE CARRYING FOR ME ON MARGIN. THIS AUTHORIZATION APPLIES TO ALL MY ACCOUNTS YOU CARRY AND SHALL REMAIN IN FORCE UNTIL YOU RECEIVE WRITTEN NOTICE OF REVOCATION AT YOUR MAIN OFFICE IN BOSTON, MA.

THIS ACCOUNT IS GOVERNED BY A PRE-DISPUTE ARBITRATION CLAUSE, WHICH IS FOUND IN PARAGRAPH 17 OF THE CUSTOMER AGREEMENT. I ACKNOWLEDGE RECEIPT OF THE PRE-DISPUTE ARBITRATION CLAUSE.


Authorized Signature
Treva
Title

3/27/96
Date


Authorized Signature
Secretary
Title

3/27/96
Date

All accounts are carried with our subsidiary, National Financial Services Corporation, member of the New York Stock Exchange, other principal exchanges and SIPC.

Signature Card

Important: Please complete signature card in order to enjoy unlimited check writing.



X23-196134

Fidelity Brokerage Services, Inc.
Attn: Brokerage Operations
PO Box 2151
Boston, MA 02108-9907

RESOLUTION OF UNINCORPORATED BUSINESS

B.605-FORM-492

Please complete all sections. Section 1 must be signed by an officer other than listed in Section 2.
Section 2 identifies those officers or individuals authorized by Resolution to transact business on the account.
If you have any questions, please call our Brokerage Account Assistance Line, 24 hours a day, at 1-800-544-8688.

1 CERTIFICATION This certification must be signed by an Officer other than those named in Section 2 unless you have designated that you are the sole officer of the Organization.

Name
JOHN J. WRIGHT

SECRETARY

herby certify that the Organization identified is duly organized and existing under the laws of the State of

OHIO

governing body of the named Organization at a meeting duly held on

Date 03-27-1996

and that the following is a true copy of a resolution duly adopted by the

and effect and does not conflict with the by-laws of said Organization as stated in

Name of Document under which Organization is operating
RESOLUTION

Signature of Authorized Officer (not named below)
John J. Wright

Date 03-27-1996

2 AUTHORIZED INDIVIDUALS Please choose A or B and list those Officers or Individuals authorized by the Resolution to transact business on behalf of the Organization.

A. Be it resolved that:
Name(s)

JOHN J. WRIGHT
JOSEPH H. SMITH

SECRETARY
TREASURER

or any one of them acting individually be, and they hereby are, authorized to purchase, sell, assign, transfer and/or deliver any and all stocks, bonds, options, CDs or other securities now or hereafter registered in the name of this Organization, and to execute any and all instruments necessary, proper and desirable for the purpose, including executing any and all documentation necessary to establish cash margin option account (check all that apply). Further, that any past action in accordance herewith is hereby ratified and confirmed, and further, that any officer of this Organization (other than those listed here) hereby authorized to carry this resolution to Fidelity Brokerage Services, Inc.

OR
B. Be it resolved that:
Organization and as such is authorized to purchase, sell, assign, transfer and/or deliver any and all stocks, bonds, options, CDs or securities, now or hereafter registered in the name of this Organization, and to execute any and all instruments necessary, proper and desirable for the purpose, including executing any and all documentation necessary to establish cash margin option account (check all that apply). Further, that any past action in accordance herewith is hereby ratified and confirmed.

3 NOTARIZATION

State of OHIO
County of CUYAHOGA
Date

On 03-27-1996, before me personally appeared JOSEPH H. SMITH and to me known to be the person(s) described in, and executing the foregoing instrument, and acknowledged that he/she/they

Notary Public
Janice A. Hesselton

Commission Expires
JANICE A. HESSELTON
Notary Public, State of Ohio
Recorded in Cuyahoga County





Fidelity Investments
 Brokerage Services

Fidelity Brokerage Services
 A/B/C Brokerage Corporation
 P.O. Box 6101
 Boston, MA 02111

PARTNERSHIP ACCOUNT AGREEMENT

Please complete all sections. Section 1, "Authorized Individuals," must be completed on the account. Section 2 must be signed by all partners. If you have any questions, please call 800-422-4527.

1 AUTHORIZED INDIVIDUALS

Authorized individuals are those persons who are authorized to execute transactions on the account. This section must be completed for each authorized individual.

Name	Relationship	Signature	Date

2 SIGNATURES

Name	Signature	Date

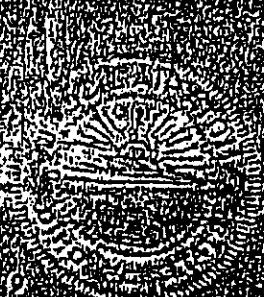


EXHIBIT C

Payments to Basilica Memorial Products

Check Number	Date	Amount
65041	12/5/2003	\$3,000.00
59709	10/10/2002	\$5,000.00
37567	11/7/2002	\$5,000.00
61374	2/3/2003	\$10,000.00
62441	4/25/2003	\$5,524.89
63018	6/10/2003	\$2,500.00
53107	8/24/2001	\$5,000.00
54525	11/9/2001	\$10,000.00
54751	11/21/2001	\$5,000.00
55667	1/17/2002	\$10,000.00
57086	4/25/2002	\$10,000.00
57881	6/19/2002	\$15,000.00
41922	8/2/1999	\$6,000.00
42333	8/26/1999	\$10,000.00
42721	9/10/1999	\$10,000.00
43556	10/29/1999	\$20,000.00
43661	11/11/1999	\$15,000.00
44156	12/16/1999	\$20,000.00
44590	1/20/2000	\$20,000.00
45329	3/22/2000	\$20,000.00
46249	6/9/2000	\$20,000.00
47458	7/2/2000	\$20,000.00
48894	11/9/2000	\$20,000.00
51733	5/2/2001	\$15,000.00
51993	6/8/2001	\$2,298.84
39788	2/4/1999	\$6,000.00
41168	6/10/1999	\$6,000.00
37223	6/30/1999	\$6,000.00



EXHIBIT D

\$140/mo - lunch x 12 = \$480.
3 yrs x 480 = \$1440

\$60/mo living expenses x 12 = \$720.
9 yrs x 720 = \$6480
~~3 yrs x 720 = 2160~~
8 mos x 60 = \$480.

1440
6480
480
\$8400

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND ON WHITE PAPER

The Provident Bank

1849005

13-42/420

CINCINNATI, OHIO

CASHIER'S CHECK

JANUARY 12, 19 97

捌 肆 拾

PAY
TO
THE ORDER OF

*** JOHN J. WEIGHT ***

\$ ***8400.00***
NOT VALID OVER \$50,000.00

COPY NOT NEGOTIABLE

7771 001200

AUTHORIZED SIGNATURE

EXHIBIT

D

EXHIBIT E

Payments to Renee Bales

Check Number	Date	Amount
12144	6/15/2000	\$800.00
12816	7/14/2000	\$800.00
13431	8/11/2000	\$800.00
13980	9/12/2000	\$800.00
14787	10/16/2000	\$800.00
15627	11/16/2000	\$800.00
15914	12/1/2000	\$800.00
16737	1/3/2001	\$800.00
17526	2/1/2001	\$800.00
18185	3/1/2001	\$800.00
18941	4/2/2001	\$800.00
19582	5/1/2001	\$800.00
20277	6/1/2001	\$800.00
21223	7/2/2001	\$800.00
21781	8/1/2001	\$800.00
22546	9/4/2001	\$800.00
23239	10/1/2001	\$800.00
24232	11/1/2001	\$800.00
24971	12/3/2001	\$800.00
25614	1/2/2002	\$800.00
26478	2/1/2002	\$800.00
27237	3/1/2002	\$800.00
27879	4/1/2002	\$800.00
28702	5/1/2002	\$800.00
29352	6/3/2002	\$800.00
30224	7/1/2002	\$800.00
30914	8/1/2002	\$800.00
32172	10/1/2002	\$800.00
32972	11/1/2002	\$800.00
33639	12/2/2002	\$800.00
34311	1/2/2003	\$800.00
35066	2/3/2003	\$800.00
35767	3/3/2003	\$800.00
36425	4/1/2003	\$800.00



EXHIBIT F



THE FIRST FEDERAL SAVINGS BANK

09 394337

MAIN OFFICE
OFFICIAL CHECK

87-91/840

PAY TO THE
ORDER OF

ANTHONY M. PILLA

: 85,825.61

TWO SIGNATURES REQUIRED ON AMOUNTS OVER \$5,000.00

REMITTER

DRAWN ON FEDERAL HOME LOAN BANK
NASHVILLE, TENNESSEE



NOT NEGOTIABLE

~~VOID~~ ~~VOID~~ ~~VOID~~ ~~VOID~~ ~~VOID~~

⑆064000910⑆ 10019 987⑈ 0305



EXHIBIT G

JONES DAY

NORTH POINT • 901 LAKESIDE AVENUE • CLEVELAND, OHIO 44114-1119
TELEPHONE: 216-586-3835 • FACSIMILE: 216-579-0212

(216) 586-7163
cdhassell@jonesday.com

jp164265
217642-017-033

May 3, 2004

VIA FEDERAL EXPRESS

Carl M. Grant
Bond Claims Analyst
AIG Technical Services, Inc.
National Union Claims Division
175 Water Street, 5th Floor
New York, New York 10038

Re: **INSURED:** The Diocese of Cleveland
CLAIM NO.: 165-029063
POLICY NO.: 985-88-51
INSURER: National Union Fire Insurance Company of Pittsburgh, PA
MATTER: Employee Dishonesty - Joseph H. Smith

Dear Mr. Grant:

Enclosed please find the following documents being submitted in connection with the above-captioned crime-insurance claim:

1. Executed endorsement on Deletion of FRJSC Procedures
2. Executed Fidelity Bond Claim Department Proof of Loss

As you will note, the Proof of Loss contains various Attachments, which are as follows:

- A. Description of Circumstances of Diocese's "Discovery" of Smith Losses
- B. Anonymous "Whistleblower" Letters
- C. Description of Circumstances Under Which Loss Occurred
- D. Set of Documents Received From Anton Zgoznic's Attorneys
- E. Ernst & Young Report on Smith Losses
- F. Description of Details of Referral to Law Enforcement Authorities

GOV 08716

CCD-DOJ 00001

ATLANTA • BEIJING • BRUSSELS • CHICAGO • CLEVELAND • COLUMBUS • DALLAS • FRANKFURT • HONG KONG
HOUSTON • IRVINE • LONDON • LOS ANGELES • MADRID • MENLO PARK • MILAN • MUNICH • NEW YORK
PARIS • PITTSBURGH • SAN FRANCISCO • SHANGHAI • SINGAPORE • SYDNEY • TAIPEI • TOKYO

EXHIBIT

6

JONES DAY

Carl M. Grant
May 3, 2004
Page 2


Because they are bulky, Attachments B and D are not physically attached to the Proof of Loss packet.

Please note that the Diocese reserves the right to submit an amended proof of loss to augment the material being submitted herewith in support of the "Smith" losses detailed in the enclosed Ernst & Young report. As we have discussed, the Diocese also wishes to reserve the right to amend the enclosed proof of loss by adding to it, if warranted, any additional covered losses associated with Diocesan monies unlawfully taken and retained by Anton Zgoznic and/or the various entities with which he is affiliated or through which he conducts business. As indicated, a Cleveland accounting firm, Howard Wershbaile & Co., is currently investigating the possible existence and scope of these latter potential losses. In view of the volume of documents and the complexity of the analysis required, we anticipate that the "Zgoznic" investigation may take up to several months.

We very much appreciate the level of cooperation you have exhibited in connection with the processing of this claim. Please let us know if there is any additional information or material you need.

We look forward to your response to this submission.

Sincerely,



Charles D. Hassell

Enclosures

cc: Joanne Lloyd-Bragg, Esq.

GOV 08717

CCD-DOJ 00002

ATTACHMENT C

Description of Circumstances Under Which Loss Occurred

1. The facts and circumstances of which CDC is currently aware indicate that CDC has sustained covered crime losses consisting of a series of unlawful takings of Diocesan money by a CDC official and employee, Joseph H. Smith, that some such takings occurred during the Policy Period of the Diocese's 2003 AIG primary crime insurance policy and that the rest of such takings occurred during the policy periods of that policy's predecessor AIG primary crime policies.
2. As the attached E&Y report reflects, the takings occurred in either of two ways.
 - a. Some takings (amounting to \$67,500.00) consisted of Smith's causing Diocesan funds to be withdrawn and, without authorization or any other legal justification, to be then paid directly to him or deposited into Smith's personal accounts.
 - b. A second set of takings (amounting to \$784,627.25) was accomplished through the implementation of an elaborate "kickback" scheme into which Smith entered with one Anton Zgoznic.
3. The attached E&Y Report establishes the amount and date of each individual taking and sorts and aggregates those individual takings by year and by category.
4. Mr. Zgoznic owned, controlled or was affiliated with various businesses (the "Zgoznic Entities") that provided accounting and computer services to CDC under a series of contracts with CDC or affiliated entities.
 - a. The total billings to the Diocese and some affiliated organizations by various Zgoznic Entities were in excess of \$16 million since 1997.
 - b. The bulk of the fees was for outsourced internal accounting and IT work.
5. Mr. Smith was CDC's Financial and Legal Secretary.
 - a. As such, Mr. Smith possessed, and exercised, the power to award, or influence the awarding of, contracts to professional firms that provided professional services to the Diocese.
6. In particular, Smith had the power to award, control or influence the awarding of, and to approve or influence payments under, various lucrative contracts between CDC and various Zgoznic-controlled or affiliated entities.

GOV 08746

CCD-DOJ 00031

7. Using that power, Smith either retained Zgoznik Entities, recommended that other Diocese-affiliated entities retain Zgoznik Entities or otherwise influenced the retention of the Zgoznik Entities and the amount of compensation they were paid.
- a. For instance, Smith urged, and in some instances forced, other Secretariats (such as the Office of Catholic Education) to use Zgoznik Entities and Smith approved the charges.
 - b. There is some evidence that after Smith contracted with Zgoznik to Zgoznik Entities perform certain accounting functions for some of the Diocesan offices, the internal accountants continued to do much of the work.

Paul Ryan 10/15/03
When questioned in late 2003, Smith misrepresented to the Diocesan Finance Council the total amount in fees paid to Zgoznik Entities.

9. As apparent reciprocation for the awarding of lucrative contracts and payments of millions of dollars, Zgoznik was sending Smith substantial payments on a regular basis.
- a. As reflected in the tabulations in the attached E&Y report, for the past couple of years, these payments amounted to between \$15,000 and \$20,000 per month.
 - b. In fact, in the course of the Diocese's investigation here, Zgoznik's lawyer informed the Diocese's counsel that Smith had recently requested that his payments reflect a percentage of the Diocesan billings.
10. Messrs. Smith and Zgoznik are apparently planning to defend themselves and their longstanding arrangement by claiming that it was not unlawful.
- a. In records created for CDC, Mr. Zgoznik euphemistically characterized his hundreds of thousands of dollars of payments to Mr. Smith as part of some so-called "executive compensation" package.
 - b. Mr. Smith is apparently going to claim that his arrangements with Zgoznik were in part somehow "authorized" by the Diocese.
11. Neither approach is factually supportable based upon the investigation undertaken thus far.
12. Although Zgoznik's payments to Smith are routinely described in Zgoznik's records as "consulting fees," Zgoznik's lawyer has stated that Smith performed no work for any Zgoznik Entities to earn any such fees.

GOV 08747

CCD-DOJ 00032

13. Nor can the payments be part of some compensation package from the Diocese because CDC did not approve the deliberate inflation of the Zgoznic contracts and bills to include what amounted to a "surcharge" for the payments (the original source of which was Diocesan funds) that Zgoznic was diverting back to Smith.
- a. The Diocese did not "authorize" this arrangement that Smith struck with Zgoznic.
 - b. In fact, CDC's funds were circuitously and surreptitiously diverted to Smith in a manner designed to conceal their existence from Diocesan review.
 - c. The conspirators' consciousness of the utter lack of any authorization for their conduct is reflected, moreover, by Zgoznic's contrived and transparent effort to lend credence to this claim of "authorization" by his deliberate misuse of Diocesan stationery to generate the binder containing the backup information concerning the supposed "executive compensation" payments to Smith (which binder is attached to this Proof of Loss as Attachment D), in an effort to create an aura of authorization, where none actually existed.
 - (1) Note Stephen G. Sozio's January 21, 2004 letter to Mr. Robert J. Rotatori, Zgoznic's lawyer, to which Mr. Rotatori never responded. (Mr. Sozio's January 21, 2004 letter and Mr. Rotatori's January 19, 2004 transmittal letter are appended to this Attachment as Exhibit Nos. 1 and 2, respectively.)
14. Smith apparently will claim that at least some of the so-called "executive compensation" package was authorized by Father John Wright, who until late 1999 preceded Smith in the position of Financial and Legal Secretary for the Diocese.
- a. Father Wright categorically denies ever doing so, however.
15. In a letter of February 14, 2004, Mr. Smith offered Bishop Pilla his resignation from his Diocesan positions, and Bishop Pilla formally accepted that resignation on February 17, 2004. (These letters are appended to this Attachment as Exhibit Nos. 3 and 4, respectively.)