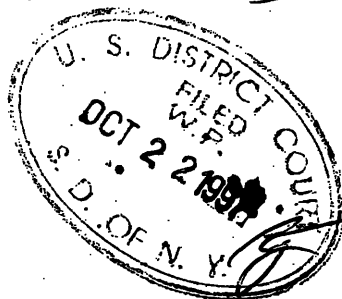


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FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

AUG 10 3 02 PM '99



ORDER TO SURRENDER

UNITED STATES DISTRICT COURT  
FOR THE  
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES of AMERICA )

-v- )

MICHAEL F. ZINN )

) SI 97 CR 486-(01) (CUB)

TO:

It is hereby ordered that Michael F. Zinn

the defendant, having been sentenced in the above case to the custody of the Attorney General, it is hereby ordered to surrender himself to the Attorney General by reporting to the Correctional Institution to be designated by the Bureau of Prisons before 2 P.M. on November 12, 1997.  
(date)

Cherene Bricant  
U.S. DISTRICT JUDGE

October 22, 1997  
DATE

Acknowledgment:

I agree to report as directed in this order and understand that if I fail to do so I may be cited for contempt of court and if convicted of contempt may be punished by imprisonment or fine or both.

Willie R  
(ATTORNEY/WITNESS)

Michael F. Zinn  
(DEFENDANT)

CC: U.S. Marshal, S.D.N.Y.  
Probation Dept., S.D.N.Y.  
U.S. Attorney, S.D.N.Y.  
Defense Counsel

1007

21-04-403-0483

21-04-403-0484

the money judgment book  
James M. Johnson, Clerk  
New York - Deputy Clerk

MARY JO WHITE  
United States Attorney for the  
Southern District of New York  
By: KATHLEEN A. ZEBROWSKI (KZ-7966)  
Assistant United States Attorney  
100 Church Street, 19th Floor  
New York, New York 10007

ORIGINAL

U. S. DISTRICT COURT  
FILED  
W.P.  
JAN 13 1998  
S. D. OF N. Y.

UNITED STATE DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA,

Plaintiff,

-v.-

MICHAEL ZINN,

Defendant.

-x

SATISFACTION OF JUDGMENT

97 CR 0486 (CLB)

Judgment # 97,0285 WP

-x

Satisfaction is acknowledged between United States of America, plaintiff, and MICHAEL ZINN, defendant, for the sum of thirty six thousand seven hundred seventy three dollars and zero cents (\$36,773.00). Judgment was entered in the Judgment Book of the United States District Court for the Southern District of New York on the 22nd day of October, 1997.

MARY JO WHITE  
United States Attorney for the  
Southern District of New York  
By: Kathleen A. Zebrowski  
KATHLEEN A. ZEBROWSKI  
Assistant United States Attorney  
KZ-7966

STATE OF NEW YORK)

ss:

COUNTY OF NEW YORK)

On the 12th day of January, 1998, before me personally came KATHLEEN A. ZEBROWSKI, Assistant United States Attorney for the Southern District of New York, to me known, and known to me to be the individual described in and who executed the foregoing instrument, and acknowledged that she executed the same.

NOTARY PUBLIC

KATHY TAYLOR  
Notary Public, State of New York  
No. 01TA5077230  
Qualified in Kings County  
Commission Expires May 5, 1999

## United States District Court

## Southern District of New York

UNITED STATES OF AMERICA

v.

MICHAEL F. ZINN

## JUDGMENT IN A CRIMINAL CASE

(For Offenses Committed On or After November 1, 1987)

Case Number: 7:97CR00486-001

William M. Brodsky, Esq.

Defendant's Attorney

## THE DEFENDANT:

☒ pleaded guilty to count(s) S1 and S2☐ pleaded nolo contendere to count(s) \_\_\_\_\_  
which was accepted by the court.☐ was found guilty on count(s) \_\_\_\_\_  
after a plea of not guilty.

JUDGMENT # 97,0285 WP

Title & Section	Nature of Offense	Date Offense Concluded	Count Number(s)
18 U.S.C. ' 1001	AIDING AND ABETTING SUBM. OF FALSE STATEMENTS TO THE FED. ELEC. COMM.	12/03/1992	S1
26 U.S.C. ' 7206 (2)	AIDING AND ABETTING PREPARATION OF FALSE CORPORATE TAX RETURNS	12/20/1993	S2

The defendant is sentenced as provided in pages 2 through 6 of this judgment. The sentence is imposed pursuant to the Sentencing Reform Act of 1984.

☐ The defendant has been found not guilty on count(s) \_\_\_\_\_☒ Count(s) Underlying Indictment are dismissed on the motion of the United States.

IT IS FURTHER ORDERED that the defendant shall notify the United States Attorney for this district within 30 days of any change of name, residence, or mailing address until all fines, restitution, costs, and special assessments imposed by this judgment are fully paid.

Defendant's Soc. Sec. No.: 055-46-3657Defendant's Date of Birth: 12/20/1952Defendant's USM No.: 82300-054

Defendant's Residence Address:

214 Ulster Landing RoadKingston, NY 12401

Defendant's Mailing Address:

214 Ulster Landing RoadKingston, NY 1240110/22/1997

Date of Imposition of Judgment

Charles L. Bricant

Signature of Judicial Officer

Hon. Charles L. Bricant

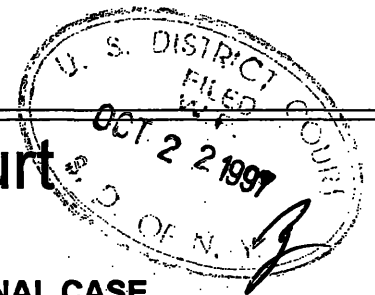
U.S. District Judge

Name &amp; Title of Judicial Officer

October 22, 1997

Date

21 "04" 403 "0485



DEFENDANT: MICHAEL F. ZINN

CASE NUMBER: 7:97CR00486-001

**IMPRISONMENT**

The defendant is hereby committed to the custody of the United States Bureau of Prisons to be imprisoned for a total term of 6 month(s).

SIX (6) MONTHS on Counts S1 and S2 to run CONCURRENTLY.

- ☐ The court makes the following recommendations to the Bureau of Prisons:
- ☐ The defendant is remanded to the custody of the United States Marshal.
- ☐ The defendant shall surrender to the United States Marshal for this district:
- ☐ at \_\_\_\_\_ a.m./p.m. on \_\_\_\_\_
- ☐ as notified by the United States Marshal.
- ☒ The defendant shall surrender for service of sentence at the institution designated by the Bureau of Prisons:
- ☒ before 2 p.m. on 11/12/1997
- ☐ as notified by the United States Marshal.
- ☐ as notified by the Probation or Pretrial Services Office.

**RETURN**

I have executed this judgment as follows:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Defendant delivered on \_\_\_\_\_ to \_\_\_\_\_

at \_\_\_\_\_, with a certified copy of this judgment.

UNITED STATES MARSHAL



DEFENDANT: MICHAEL F. ZINN

CASE NUMBER: 7:97CR00486-001

**SUPERVISED RELEASE**

Upon release from imprisonment, the defendant shall be on supervised release for a term of 2 year(s).  
**TWO(2) YEARS on Count S1 and ONE (1) YEAR on Count S2 to run CONCURRENTLY.**

The defendant shall report to the probation office in the district to which the defendant is released within 72 hours of release from the custody of the Bureau of Prisons.

The defendant shall not commit another federal, state, or local crime.

The defendant shall not illegally possess a controlled substance.

*For offenses committed on or after September 13, 1994:*

The defendant shall refrain from any unlawful use of a controlled substance. The defendant shall submit to one drug test within 15 days of release from imprisonment and at least two periodic drug tests thereafter, as directed by the probation officer.

☒ The above drug testing condition is suspended based on the court's determination that the defendant poses a low risk of future substance abuse. (Check, if applicable.)

☒ The defendant shall not possess a firearm as defined in 18 U.S.C. § 921. (Check, if applicable.)

If this judgment imposes a fine or a restitution obligation, it shall be a condition of supervised release that the defendant pay any such fine or restitution that remains unpaid at the commencement of the term of supervised release in accordance with the Schedule of Payments set forth in the Criminal Monetary Penalties sheet of this judgment.

The defendant shall comply with the standard conditions that have been adopted by this court (set forth below). The defendant shall also comply with the additional conditions on the attached page (if indicated below).

**STANDARD CONDITIONS OF SUPERVISION**

- 1) the defendant shall not leave the judicial district without the permission of the court or probation officer;
- 2) the defendant shall report to the probation officer and shall submit a truthful and complete written report within the first five days of each month;
- 3) the defendant shall answer truthfully all inquiries by the probation officer and follow the instructions of the probation officer;
- 4) the defendant shall support his or her dependents and meet other family responsibilities;
- 5) the defendant shall work regularly at a lawful occupation unless excused by the probation officer for schooling, training, or other acceptable reasons;
- 6) the defendant shall notify the probation officer ten days prior to any change in residence or employment;
- 7) the defendant shall refrain from excessive use of alcohol;
- 8) the defendant shall not frequent places where controlled substances are illegally sold, used, distributed, or administered;
- 9) the defendant shall not associate with any persons engaged in criminal activity, and shall not associate with any person convicted of a felony unless granted permission to do so by the probation officer;
- 10) the defendant shall permit a probation officer to visit him or her at any time at home or elsewhere and shall permit confiscation of any contraband observed in plain view of the probation officer;
- 11) the defendant shall notify the probation officer within seventy-two hours of being arrested or questioned by a law enforcement officer;
- 12) the defendant shall not enter into any agreement to act as an informer or a special agent of a law enforcement agency without the permission of the court;
- 13) as directed by the probation officer, the defendant shall notify third parties of risks that may be occasioned by the

DEFENDANT: **MICHAEL F. ZINN**CASE NUMBER: **7:97CR00486-001****CRIMINAL MONETARY PENALTIES**

The defendant shall pay the following total criminal monetary penalties in accordance with the schedule of payments set forth on Sheet 5, Part B.

	<u>Assessment</u>	<u>Fine</u>	<u>Restitution</u>
<b>Totals:</b>	\$ 100.00	\$ 36,673.00	\$

☐ If applicable, restitution amount ordered pursuant to plea agreement ..... \$ \_\_\_\_\_

**FINE**

The above fine includes costs of incarceration and/or supervision in the amount of \$ 16,673.00.

The defendant shall pay interest on any fine of more than \$2,500, unless the fine is paid in full before the fifteenth day after the date of judgment, pursuant to 18 U.S.C. § 3612(f). All of the payment options on Sheet 5, Part B may be subject to penalties for default and delinquency pursuant to 18 U.S.C. § 3612(g).

☐ The court determined that the defendant does not have the ability to pay interest and it is ordered that:

☐ The interest requirement is waived.

☐ The interest requirement is modified as follows:

**RESTITUTION**

☐ The determination of restitution is deferred in a case brought under Chapters 109A, 110, 110A and 113A of Title 18 for offenses committed on or after 09/13/1994, until \_\_\_\_\_. An Amended Judgment in a Criminal Case will be entered after such determination.

☐ The defendant shall make restitution to the following payees in the amounts listed below.

If the defendant makes a partial payment, each payee shall receive an approximately proportional payment unless specified otherwise in the priority order or percentage payment column below.

<u>Name of Payee</u>	<u>** Total Amount of Loss</u>	<u>Amount of Restitution Ordered</u>	<u>Priority Order or Percentage of Payment</u>
----------------------	------------------------------------	--	--

21 "04" 403 "0488

DEFENDANT: MICHAEL F. ZINN

CASE NUMBER: 7:97CR00486-001

**SCHEDULE OF PAYMENTS**

Payments shall be applied in the following order: (1) assessment; (2) restitution; (3) fine principal; (4) cost of prosecution; (5) interest; (6) penalties.

Payment of the total fine and other criminal monetary penalties shall be due as follows:

- A ☐ in full immediately; or
- B ☐ \$ \_\_\_\_\_ immediately, balance due (in accordance with C, D, or E); or
- C ☐ not later than \_\_\_\_\_; or
- D ☐ in installments to commence \_\_\_\_\_ day(s) after the date of this judgment. In the event the entire amount of criminal monetary penalties imposed is not paid prior to the commencement of supervision, the U.S. probation officer shall pursue collection of the amount due, and shall request the court to establish a payment schedule if appropriate; or
- E ☐ in \_\_\_\_\_ (e.g. equal, weekly, monthly, quarterly) installments of \$ \_\_\_\_\_ over a period of \_\_\_\_\_ year(s) to commence \_\_\_\_\_ day(s) after the date of this judgment.

The National Fine Center will credit the defendant for all payments previously made toward any criminal monetary penalties imposed.

Special instructions regarding the payment of criminal monetary penalties:

Defendant is FINED \$36,673.00 for Counts S1 and S2, NON-CUMULATIVE, for a total fine of \$36,673.00, which includes the costs of incarceration and supervision, to be paid within ten days. See transcript.

☐ Joint and Several

- ☐ The defendant shall pay the cost of prosecution.
- ☐ The defendant shall pay the following court cost(s):

☐ The defendant shall forfeit the defendant's interest in the following property to the United States:

Unless the court has expressly ordered otherwise in the special instructions above, if this judgment imposes a period of imprisonment payment of criminal monetary penalties shall be due during the period of imprisonment. All criminal monetary penalty payments are to be made to the United States Courts National Fine Center, Administrative Office of the United States

6840 "304" 40 "12

DEFENDANT: MICHAEL F. ZINN

CASE NUMBER: 7:97CR00486-001

## STATEMENT OF REASONS

☐ The court adopts the factual findings and guideline application in the presentence report.

OR

☒ The court adopts the factual findings and guideline application in the presentence report except (see attachment, if necessary):

The Court rejects proposed upward adjustments for the amount involved and for abuse of authority. See trans.

## Guideline Range Determined by the Court:

Total Offense Level: 10Criminal History Category: IImprisonment Range: 6 to 12 monthsSupervised Release Range: 2 to 3 yearsFine Range: \$ 9,000.00 to \$ 15,000.00☐ Fine waived or below the guideline range because of inability to pay.Total Amount of Restitution: \$ 0.00☐ Restitution is not ordered because the complication and prolongation of the sentencing process resulting from the fashioning of a restitution order outweighs the need to provide restitution to any victims, pursuant to 18 U.S.C. § 3663(d).☐ For offenses that require the total amount of loss to be stated, pursuant to Chapters 109A, 110, 110A, and 113A of Title 18, restitution is not ordered because the economic circumstances of the defendant do not allow for the payment of any amount of a restitution order, and do not allow for the payment of any or some portion of a restitution order in the foreseeable future under any reasonable schedule of payments.☐ Partial restitution is ordered for the following reason(s):☒ The sentence is within the guideline range, that range does not exceed 24 months, and the court finds no reason to depart from the sentence called for by the application of the guidelines.

OR

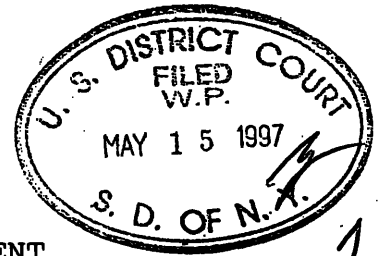
☐ The sentence is within the guideline range, that range exceeds 24 months, and the sentence is imposed for the following reason(s):

OR

☐ The sentence departs from the guideline range:☐ upon motion of the government, as a result of defendant's substantial assistance.☐ for the following specific reason(s):

21 "04" 403 "0490

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK



UNITED STATES OF AMERICA

-v-

MICHAEL F. ZINN and  
BESICORP GROUP, INC.,

Defendants.

INDICTMENT

97 CRIM. 0486

BRIEANT

J.

COUNT ONE

I. Introduction

1. At all times relevant to this Indictment, Defendant MICHAEL F. ZINN was the chief executive officer and majority shareholder of BESICORP GROUP, INC. ("BESICORP").

2. At all times relevant to this Indictment, Defendant BESICORP was a New York corporation whose corporate headquarters were located in Kingston, New York and whose principal business consisted of designing, engineering and constructing power plants.

3. At all times relevant to this Indictment, Ansaldo North America Inc., ("Ansaldo North America"), a coconspirator separately charged, was a New York corporation whose corporate headquarters were located in New York City and whose principal business consisted of designing, engineering and constructing power plants.

4. At all times relevant to this Indictment, Defendant Ansaldo Industria of America, Inc. ("Ansaldo Industria"), a coconspirator separately charged, was a Delaware corporation

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21-04-403-0491

21-04-403-0491

whose corporate headquarters were located in New Jersey and whose principal business consisted of designing, engineering and constructing power plants.

5. At all times relevant to this Indictment, Hinchey for Congress was the principal campaign committee authorized to support the candidacy of Maurice D. Hinchey for election to the office of United States Representative from the 26th Congressional District of New York State, and as such was subject to the reporting provisions and the campaign financing limitations of the Federal Election Campaign Act, Title 2, United States Code, Sections 431-455 ("the Campaign Act").

6. At all times relevant to the Indictment, the Campaign Act, in particular Title 2, United States Code, Section 441b, specifically prohibited corporations from making contributions or expenditures in connection with any election at which a Representative in Congress was to be voted for or in connection with any primary election held to select a candidate for such office.

7. At all times relevant to this Indictment, the Campaign Act, in particular Title 2, United States Code, Section 441f, specifically prohibited the making of a campaign contribution in the name of another person.

8. At all times relevant to this Indictment, the Campaign Act, in particular Title 2, United States Code, Section 434, required that each treasurer of a political committee file reports of receipts and disbursements, which reports were to

identify each person who made a contribution to such committee during the relevant reporting period whose contribution or contributions had an aggregate amount or value in excess of \$200 within the calendar year, as well as each person who made a loan to such committee during the reporting period.

9. At all times relevant to this Indictment, the Federal Election Commission ("FEC") was an agency of the United States Government entrusted with the responsibility of enforcing the reporting requirements of the Campaign Act and for detecting, investigating and instituting enforcement actions with respect to violations of the Campaign Act, including the provisions referred to in paragraphs 6 through 8 above.

## II. The Conspiracy

10. From in or about June 1992, through on or about December 3, 1992, in the Northern District of New York and elsewhere, MICHAEL F. ZINN and BESICORP, the defendants, and others known and unknown, unlawfully, willfully, and knowingly did combine, conspire, confederate, and agree together and with each other to defraud the United States and its departments and agencies in connection with the performance of lawful governmental functions and to commit offenses against the United States, to wit, violations of Section 1001 of Title 18, United States Code.

## III. Objects of the Conspiracy

11. It was a part and object of the conspiracy that MICHAEL F. ZINN and BESICORP, the defendants, and others known

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and unknown, in a matter within the jurisdiction of a department and agency of the United States, to wit, the FEC, unlawfully, knowingly, and willfully would and did falsify, conceal, and cover up by trick, scheme, and device material facts, make false, fictitious, and fraudulent statements and representations, and make and use false writings and documents knowing the same to contain false, fictitious, and fraudulent statements and entries, to wit, the defendants caused the preparation of documents falsely indicating that certain individuals had contributed to Maurice D. Hinchey's 1992 campaign for the office of United States Representative from the 26th Congressional District of New York ("the Hinchey campaign") and concealing the facts that BESICORP, Ansaldo North America, and Ansaldo Industria had actually made contributions to the Hinchey campaign, in violation of Title 18, United States Code, Section 1001.

12. It was a further part and object of the conspiracy that MICHAEL F. ZINN and BESICORP, the defendants, and others known and unknown, would and did defraud the United States and an agency thereof, to wit, the FEC, by impairing, impeding, obstructing, and hindering the FEC in the lawful discharge of its statutory duties, namely:

a. The duty imposed on the FEC by the Campaign Act to make available to the public accurate information concerning the identities of contributors to federal campaigns, and the dates and amounts of such contributions; and

b. The duty imposed on the FEC by the Campaign



Act to detect illegal corporate campaign contributions, and to seek civil and administrative sanctions against individuals who make illegal corporate campaign contributions.

13. It was the ultimate objective of the conspiracy to permit BESICORP, Ansaldo North America, and Ansaldo Industria to make illegal corporate contributions to the Hinchey campaign without detection by the FEC or the voting public.

#### IV. Means Of The Conspiracy

14. Commencing in or about July 1992, the defendant MICHAEL F. ZINN became the finance chairman of the Hinchey campaign.

15. The finance operation of the Hinchey campaign was conducted, in part, out of the corporate headquarters of the defendant BESICORP in Kingston, Ulster County, New York. Meetings of the Hinchey campaign finance committee, chaired by the defendant MICHAEL F. ZINN, were regularly conducted in a BESICORP conference room. Phone and mail solicitations for contributions to the Hinchey campaign were organized and carried on from BESICORP headquarters, and contributions to the campaign were regularly received, tabulated and recorded there. In addition, Hinchey campaign fundraising events were organized and planned at BESICORP.

16. Commencing in or about July 1992 and extending at least through the general election in November 1992, a number of BESICORP employees devoted a significant portion of their normal work day to work on the Hinchey campaign.

5640-304-40-12

17. In or about July 1992, the defendant MICHAEL F. ZINN solicited the president of Ansaldo North America to make a contribution to the Hinchey campaign.

18. On or about August 11, 1992, Ansaldo North America and Ansaldo Industria made a secret \$30,000 payment to the Hinchey campaign.

19. On or about October 8, 1992, Ansaldo North America made a secret \$10,000 contribution to the Hinchey campaign.

20. From in or about August of 1992 through in or about November of 1992, BESICORP employees, relatives of BESICORP employees, and an employee of Carroll Air Service, Inc. (a company controlled by ZINN), made a total of \$27,000 in contributions to the Hinchey campaign. During that same period, those individuals were reimbursed for said contributions by the defendants MICHAEL F. ZINN and BESICORP through bonus checks, a raise, and cash.

21. In or about October of 1992, MICHAEL F. ZINN asked a vice-president of Ansaldo Industria to cause Ansaldo Industria employees to make contributions to the Hinchey campaign and to reimburse those employees for those contributions.

22. In or about October of 1992, a vice-president of Ansaldo Industria asked three of his employees ("the three Ansaldo Industria employees") to make contributions to the Hinchey campaign in connection with a campaign fundraising event in New York City and promised those employees that Ansaldo

Industria would reimburse them for their campaign contributions.

23. On or about October 26, 1992, the three Ansaldo Industria employees made \$1000 donations each to the Hinchey campaign.

24. On or about October 26, 1992, the three Ansaldo Industria employees were given Ansaldo Industria checks, each in the amount of \$1,100 and each purportedly for "travel advance."

25. In or about September 1992, and on or about October 14, 1992, October 19, 1992 and December 3, 1992, the treasurer of the Hinchey campaign filed FEC Forms 3 (Reports of Receipts and Disbursements) with the FEC. The reports, based in part upon information supplied by MICHAEL F. ZINN and BESICORP, contained false and misleading information as well as material omissions concerning the sources of various contributions to the Hinchey campaign.

V. Overt Acts In Furtherance Of The Conspiracy

26. In furtherance of said conspiracy and to effect the objects thereof, the defendants, and others known and unknown, committed the following overt acts, among others, in the Northern District of New York and elsewhere:

a. In or about July 1992, MICHAEL F. ZINN solicited BESICORP employees to make monetary contributions to the Hinchey campaign.

b. In or about July 1992, MICHAEL F. ZINN solicited the president of Ansaldo North America to make a contribution to the Hinchey campaign.

21 "04" 403 "0498

c. On or about August 11, 1992, Ansaldo Industria and Ansaldo North America made a secret \$30,000 contribution to the Hinchey campaign.

d. On or about July 31, 1992, MICHAEL F. ZINN made a \$2,000 donation to the Hinchey campaign.

e. On or about August 17, 1992, MICHAEL F. ZINN caused a relative to make a \$2,000 contribution to the Hinchey campaign.

f. On or about August 18, 1992, MICHAEL F. ZINN caused a relative to make a \$2,000 contribution to the Hinchey campaign.

g. On or about October 10, 1992, MICHAEL F. ZINN caused a relative to make a \$2,000 contribution to the Hinchey campaign.

h. On or about October 9, 1992, MICHAEL F. ZINN caused a relative to make a \$2,000 contribution to the Hinchey campaign.

i. On or about October 14, 1992, MICHAEL F. ZINN caused a relative to make a \$2,000 contribution to the Hinchey campaign.

j. On or about September 4, 1992, BESICORP paid MICHAEL F. ZINN a net bonus of \$7,368.38.

k. On or about August 24, 1992, BESICORP gave a coconspirator a net bonus of \$2,342.85.

l. On or about August 31, 1992, the coconspirator in subparagraph k. above made a \$1,000 donation to the Hinchey

campaign.

m. On or about July 31, 1992, a coconspirator made a \$1,000 contribution to the Hinchey campaign.

n. On or about August 17, 1992, the coconspirator in subparagraph m. above made another \$1,000 contribution to the Hinchey campaign.

o. On or about August 22, 1992, the coconspirator in subparagraph m. above caused a relative to make a \$2,000 contribution to the Hinchey campaign.

p. On or about September 3, 1992, the coconspirator in subparagraph m. above caused a relative to make a \$2,000 contribution to the Hinchey campaign.

q. On or about August 19, 1992, BESICORP paid the coconspirator in subparagraph m. above \$4,500.

r. On or about August 31, 1992, BESICORP paid the coconspirator in subparagraph m. above \$3,000.

s. On or about August 14, 1992, a coconspirator made a \$2,000 donation to the Hinchey campaign.

t. On or about September 4, 1992, BESICORP paid the coconspirator in subparagraph s. above a net bonus of \$2105.25.

u. On or about September 10, 1992, a coconspirator made a \$1,000 contribution to the Hinchey campaign.

v. On or about September 10, 1992, MICHAEL F. ZINN gave \$1,000 to the coconspirator in subparagraph u. above.

w. On or about September 3, 1992, a coconspirator

6640-304-40-12

made a \$1,000 contribution to the Hinchey campaign.

x. On or about September 3, 1992, the coconspirator in subparagraph w. above caused a relative to make a \$1,000 contribution to the Hinchey campaign.

y. On or about September 4, 1992, BESICORP paid the coconspirator in subparagraph w. above a net bonus of \$1,919.25.

z. On or about September 11, 1992, a coconspirator made a \$1,000 contribution to the Hinchey campaign.

aa. On or about September 23, 1992, BESICORP paid the coconspirator in subparagraph z. above a net bonus of \$959.62.

bb. On or about September 1, 1992, BESICORP authorized a \$10,000 raise for a coconspirator.

cc. On or about September 8, 1992, the coconspirator in subparagraph bb. above made a \$2,000 contribution to the Hinchey campaign.

dd. In or about October 1992, MICHAEL F. ZINN asked a vice-president of Ansaldo Industria to cause Ansaldo Industria employees to make contributions to the Hinchey campaign and to reimburse those employees for those contributions.

ee. On or about October 26, 1992, the three Ansaldo Industria employees made \$1,000 donations each to the Hinchey campaign.

ff. On or about October 26, 1992, Ansaldo Industria gave each of the three Ansaldo Industria employees a

21-04-403-0500

company check in the amount of \$1,100 marked "travel advance."

gg. In or about September 1992, MICHAEL F. ZINN and BESICORP willfully caused the Hinchey campaign to file a false FEC Form 3 with the FEC.

hh. On or about October 14, 1992, MICHAEL F. ZINN and BESICORP willfully caused the Hinchey campaign to file a false FEC Form 3 with the FEC.

ii. On or about October 19, 1992, MICHAEL F. ZINN and BESICORP willfully caused the Hinchey campaign to file a false FEC Form 3 with the FEC.

jj. On or about December 3, 1992, MICHAEL F. ZINN and BESICORP willfully caused the Hinchey campaign to file a false FEC Form 3 with the FEC.

(Title 18, United States Code, Section 371.)

21.04.403.0501

COUNTS TWO THROUGH FIVE

The Grand Jury further charges:

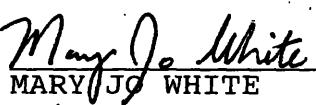
27. The allegations contained in paragraphs 1 through 9 of this Indictment are hereby repeated, realleged and incorporated by reference as though fully set forth herein.

28. On or about the dates set forth below, in the Northern District of New York and elsewhere, MICHAEL F. ZINN and BESICORP, the defendants, in a matter within the jurisdiction of a department and agency of the United States, to wit, the FEC, unlawfully, knowingly, and willfully did falsify, conceal, and cover up by trick, scheme, and device material facts and make false, fictitious, and fraudulent statements and representations, and make and use false writings and documents knowing the same to contain false, fictitious, and fraudulent statements and entries, to wit, the defendants MICHAEL F. ZINN and BESICORP aided and abetted the creation and submission to the FEC of false FEC Forms 3:

<u>COUNT</u>	<u>DATE</u>
TWO	SEPTEMBER 1992
THREE	OCTOBER 14, 1992
FOUR	OCTOBER 19, 1992
FIVE	DECEMBER 3, 1992

(Title 18, United States Code, Sections 1001 and 2.)

  
FOREPERSON

  
MARY JO WHITE  
United States Attorney



Hon. Charles L. Brieant

Page Two

July 25, 1997

When I first founded TCI Incorporated, Michael was one of the few people that stuck by me and encouraged me in such an overwhelming venture. He gave me the confidence and courage I needed to succeed in a business that has had many trials and tribulations. I believe that if it were not for Michael's support, I might not be where I am today; employing over 130 people who make our planet a safer place to live.

I want you to know from the depth of my heart, that Michael Zinn is a person I can fully trust. I sincerely believe that he would not intentionally do anything to compromise his family or his freedom for political or economic gains. Michael has been like a brother to me, and I care greatly for his well being.

I know that Michael has suffered through this entire ordeal. You can be certain that he will never make a similar mistake which would place him and his family in such an agonizing situation again.

Your leniency in this matter would be greatly respected.

Sincerely,

A handwritten signature in black ink, appearing to read "David Laskin", written over a horizontal line.

David Laskin  
President

21-04-403-0503

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

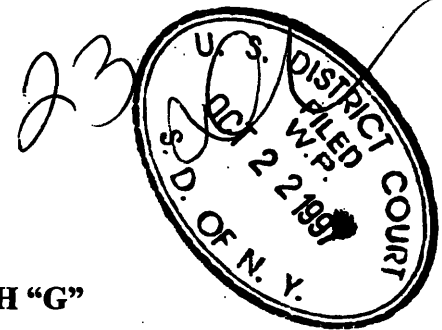
----- X  
UNITED STATES OF AMERICA,

-against-

MICHAEL F. ZINN and BESICORP  
GROUP, INC.,

Defendants.  
----- X

97  
S1 91 CR. 486 (CLB)



ADDENDUM "A" THROUGH "G"

TO THE

MEMORANDUM IN RESPECT TO SENTENCE  
SUBMITTED ON BEHALF OF  
MICHAEL F. ZINN

DOCKET IN CASE #

AS: *Addendum to Memo*

DATE:

CLB/USDJ

Respectfully Submitted,

BADEN KRAMER HUFFMAN & BRODSKY, P.C.  
William M. Brodsky, Esq.  
Attorneys for Michael F. Zinn  
20 Broad Street  
New York, New York 10005  
(212) 363-7020

21.04.403.0504

21.04.403.0505



OFFICE: 338-4271  
RABBI'S STUDY: 338-4384

Rabbi Jonathan Eichhorn, M.A.H.L.  
1018 Pine Place  
Kingston, New York 12401

**Temple Emanuel**  
243 ALBANY AVENUE  
Kingston, New York 12401

July 31, 1997

Hon. Charles L. Brieant  
United States District Judge  
Southern District of New York  
300 Quarropas Street  
White Plains, NY 10601

Dear Judge Brieant:

I am writing to you on behalf of Michael Zinn, a member of my congregation. I have served as spiritual leader of Temple Emanuel for thirty-two years and have been a New York State prison chaplain for thirty-one years, at Coxsackie, Hudson, and Greene Correctional Facilities.

I have known Michael and his lovely and loving family, his wife Valerie and his daughter, Randi, for approximately fourteen years. They have been dedicated, generous, active members of our congregation during this time. They have been truly a model Temple family. Our congregation shares their present personal burdens and supports them with our love and concern.

Michael Zinn is a special person. He is a very intelligent, talented, creative, sensitive, compassionate, helpful human being. He has a very positive attitude towards life, an attitude which is clearly communicated to others. He has a terrific rapport with people, because he genuinely cares for them. Michael is also a well-known and highly respected businessman in our community.

I have been impressed over the years with Michael's interest in Judaism and his desire to be a more spiritual person, someone who helps make this world a better place for all. There is little doubt in my mind that Michael is truly sorry for any wrongs he committed. I am convinced that having learned the hard way, he will be a more mature, responsible, hardworking citizen in the years ahead.

I pray that you will be merciful in your judgment upon him so as to allow him the hope and the opportunity to begin the arduous task of rebuilding his life and his reputation as soon as possible.

Sincerely,

  
Rabbi Jonathan Eichhorn

9050 "404" 403 "0506

BADEN KRAMER HOFFMAN  
&  
BRODSKY, P.C.

97 JUL 28 AM 10:01



July 25, 1997

Hon. Charles L. Brieant  
United States District Judge  
Southern District of New York  
300 Quarropas Street  
White Plains, NY 10601

Your Honor;

I am writing on behalf of my long time acquaintance Michael Zinn who is under consideration by your court.

I am President and owner of TCI Incorporated in Hudson, New York. I founded this company 12 years ago for the recycling and disposing of PCB's and hazardous wastes. I have been married for twenty-one years, and I have two children, Beth who is 17 and Jacob who is 13. I reside in East Chatham, New York.

I would like to take this opportunity to tell you how I met Michael Zinn and how much his friendship has meant to me over the past twelve years. My first acquaintance with Michael was through the start up of a private school in New Paltz for our daughters. As myself, Michael has always had the interest of his family as his top priority. In consideration of this, about ten parents began to form a Rudolf Steiner School. Michael and I served on the Board of Directors together for two years in support of this fledgling school. Whenever a need arose for any type of financial support, Michael was always the first volunteer. Michael's business sense and generosity successfully created a unique school and early primary education for our children.

21-04-403-0507

21 "04" 403 "0508

July 10, 1997

Hon. Charles L. Brieant  
United States District Judge  
Southern District of New York  
300 Quarropas Street  
White Plains, NY 10601

Dearest Judge Brieant:

I feel great urgency to ask for your attention; My friend and past employer, Michael Zinn presents in Your Honor's Court on September 24 for sentencing.

I am an extremely lucky man as I had the honor of working for Michael and Valerie Zinn for a great period of my life as their airport property manager and caretaker. Michael, Valerie, and their daughter Randi and I became extremely close as I lived on the same premises as they. My duties were multi-faceted including property landscaping, building maintenance and airport security. My interactions with the Zinns and particularly Michael were both intense and numerous throughout the day, month in and month out. Four seasons a year. I only left his employment in 1995 due to illness.

I recently learned of Michael's troubles as it relates to the campaign of Congressman Maurice Hinchey. I'm deeply saddened for I feel I know Mike Zinn inside and out. To me, Michael is the most caring, gentle, and most honest man I have ever worked for. I have been employed in connection with various properties my entire adult life. Believe me, I've met some very difficult and also appreciative people on my journey. This man is unique in his ability to be helpful and to love people.

I had the opportunity to experience being with a successful business

man who had nothing but a few alternative energy ideas years ago. What I witnessed was a man who shared his success with all of those around him. Its his nature, and Your Honor, it is real.

I could recount many instances of kindness. I can imagine how busy you are. An extremely loving man, Michael maintained a condominium near Kingston close to his residence for his ailing Mother and Father. He would not consider institutional care for them. His Dad was a total stroke patient, wheelchair bound and basically unresponsive. Michael would appear on his nightly visit to the folks and his father would perk up and smile radiantly Michael would then tell them both how much he loved them As if his Dad were of full faculty, he would ask if there were any problems. He would take care of all their worries.

His father passed away two years ago, and at the funeral Michael eulogized. He spoke of how as a child he went to meet his Dad after work at a printing shop where his Dad was a laborer. His father's boss kicked a heavy box cart into his father's legs and hurt the elder Mr. Zinn. Michael said that he made a decision to take care of his parents forever and not to let any harm come to them if he could help it.

Michael's mother passed away during the horrible press stories in the local press of Michael's legal problems in the case Your Honor presides over. I saw a very pained man who seemed to me to only give love, helpfulness, and kindness to those around him, . Experiencing life's sometimes unjust twists and turns, he always made us feel important.

Your Honor, I don't expect a letter in return; I'm grateful for your attention.

I feel in my heart of hearts that Mike Zinn's mistakes of past in 1992 were born of the same love and caring. Mr. Hinchey asked

6050 "304" 40 "12

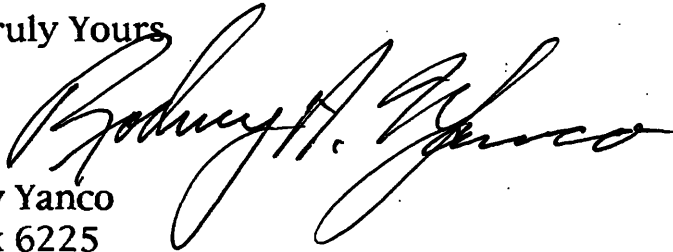
him to be a campaign manager. Michael agrees.... to be helpful and give of himself -- that's Mr. Zinn all the way.

I feel so bad that he is left alone on this moment of judgment for the many he helped could be composing a letter of support such as I am. So I ask your consideration and mercy on his day of sentencing. His wife and daughter love him so.

You see your Honor, those of us that are close to Michael know his virtue as a friend of all friends. To his family and to me he is a hero.

Thanks your Honor for considering my feelings.

Very Truly Yours

A handwritten signature in cursive script, reading "Rodney H. Yanco". The signature is fluid and stylized, with a large, sweeping "R" and a long, trailing "Y".

Rodney Yanco  
PO. Box 6225  
335 Boulevard  
Kingston, NY 12401

21-04-403-0510



BADEN KRAMEE, JUDGE  
BROOKLYN, P.C.

97 JUL 14 AM 11:56

**Beth Petramale  
52 Deer Haven Lane  
Saugerties, NY 12477**

July 10, 1997

Hon. Charles L. Brieant  
United States District Judge  
Southern District of New York  
300 Quarropas Street  
White Plains, NY 10601

re: Michael F. Zinn

Dear Hon. Charles L. Brieant,

I am only one person of many who will write you as a character reference for Michael Zinn. If you take any of them to heart, I hope it will be mine, as I am just a small town soccer mom who has absolutely nothing to gain by writing to you. My professional and personal relationship with Mike Zinn began in 1989. My name is Beth Petramale and I am currently employed as an Accountant with Besicorp Group. When I started with this company, our desks consisted of second- hand countertops supported by old filing cabinets. There were no computers in the accounting department. We were so cash poor that Mike Zinn personally, on several occasions, funded the payroll to save our jobs. He had a dream and shared his vision with his employees. Through the years I have marveled at his accomplishments, had the joy of watching his beautiful daughter Randi grow up, and shared many great times and a few sad times with him and his family. I wish you knew him personally. I wish you could see him dance with us to Reggae music on a Saturday night and then sit down on Monday morning and negotiate multi- million dollar energy projects. He consistently treats people with respect and dignity, so naturally, so professionally, and with such strong integrity that it seems second nature to him.

Two years ago, I suffered an extreme family tragedy. My husband suffered a paralyzing (literally) accident. Mike and Valerie Zinn personally and professionally supported my young son and I as we struggled to rebuild our lives. They gave me the time off, the flexibility and the moral support to

July 10, 1997

carry on and I was merely a \$28K a year Accountant, not some big time associate that they were trying to impress. That's the way they are. We are his family.

It sickens me to see him in this situation. For a man of his accomplishments, for what he has done for our environment, for how he has supported so many families in our community, to become a target of such an exhausting and lengthy investigation saddens and angers me. Mike Zinn is just an average citizen whom in a push to do the best he could, made a mistake. Not a mistake that personally hurt anyone, but himself. He could be your son, your father, your boss. He is one of us. I ask you in the strongest terms possible, please treat him as fairly and decently as he has treated me. He and his family have suffered enough. Thank you for your time.

Yours truly,

*Beth Petramale*

Beth Petramale

BADEN KRAMER HOFFMAN  
&  
BRODSKY, P.C.

97 JUL 17 AM 10:29

Carmela V. Ravi  
Frank K. Daniberg  
79 Barmore Road  
LaGrangeville, NY 12540

July 14, 1997

Hon. Charles L. Bricant  
United States District Judge  
Southern District of New York  
300 Quarropas Street  
White Plains, NY 10601

Dear Hon. Bricant:

It is a great honor for my husband and I to write this letter of character reference for Mr. Michael F. Zinn.

My name is Carmela V. Ravi and I have been a Besicorp employee since September 5, 1995. I was hired as Senior Administrative Assistant and I am presently Project Support Manager.

When my husband and I first met Mr. Zinn at a company picnic, we were both impressed by the easiness in which he sat down with us to discuss his ideas about how to make the world better. He explained how proud he was about his business, how he was running it and, last but not least, how important his employees were to him. He was looking straight into our eyes, and he was talking not as the President & CEO of Besicorp Group Inc., rather, as an enthusiastic and honest idealist who was glad to make a difference in this world through his work. I was greatly impressed, since I had been an employee for only ten days at the time of this encounter.

Mr. Zinn's concern and understanding of human needs had been a guiding light when I was supervising my staff as a Senior Administrative Assistant. He shares his passion to accomplish his company mission every day with his employees in different ways. He can turn a chance meeting in the hallway into an opportunity to share his message, pat the employee's shoulders and ask how things are going.

My husband and I, though, feel that the greatest quality of Mr. Zinn's character is his genuine concern for his employees. A few weeks after I had started working at Besicorp, Mr. Zinn lost his father after a long illness. When I saw him in the hallway, I expressed my condolences to him and how deeply I understood his loss because I had lost my younger sister to cancer a few years earlier. We both had tears in our eyes and I knew that he was sincere when he told me how sorry he was about my loss.

21-04-403-0513

21-04-403-0514

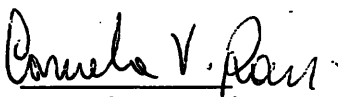
In the Fall of 1996, I was forced to stay home for two months because of a neck injury. When I returned to work, he spoke to me with encouraging words and told me how happy he was to see me back.

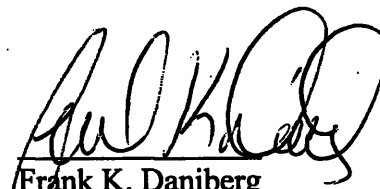
Mr. Zinn's human qualities make Besicorp a family business. I will never forget a recent meeting, where Mr. Zinn wished that his employees feel as if they enter a family environment (not just a business), just as he does every day.

My husband and I strongly believe that Mr. Zinn is an outstanding business leader and, more importantly, an exceptional father, husband and human being. We have found that his caring and understanding of his employees are authentic and unparalleled. He lives his life by example, not by words alone.

My husband and I have always admired Mr. Zinn's vision to lead Besicorp. We know, without any uncertainty, that he will accomplish his goals with honesty, integrity and compassion. I can assure you that my husband and I will support Mr. Zinn in all his endeavors and will proudly reiterate this to any or all who listen.

Sincerely,

  
Carmela V. Ravi

  
Frank K. Daniberg

July 14, 1997

97 JUL 16 AM 10:19

Engineering  
Architecture  
Surveying  
Planning

The Honorable Charles L. Brieant  
Judge of The United States District Court  
Southern District of New York  
300 Quarraopas Street  
White Plains, New York 10601

**Re: Michael F. Zinn**

Dear Judge Brieant:

I respectfully submit to the Court my knowledge as to the character of Michael F. Zinn based upon interacting with Mr. Zinn on a professional and personal level over the past five years.

My name is Wayne Wegman, Vice President and a principal owner of Passero Associates, P.C., located in Rochester, New York, and Paramount Engineering Group, Inc. located in Boca Raton, Florida. Both companies are engineering, architecture, planning and surveying consulting firms. I am a licensed professional engineer, consulting for the past 20 years, and have acted as Principal-In-Charge of both companies' aviation services divisions for the past 10 years.

I have known Michael Zinn since 1992, when my company approached him to discuss receiving Federal funding for improvements at Kingston-Ulster Airport. Throughout all of my interactions with Michael, I have found him to be a very unique individual, one who consistently maintains an ethical standard which I personally aspire to emulate. Michael's focus and drive through his companies and enterprises goes further than to just benefit himself, he clearly wants to have an effect on making the world we live in a better place.

An example of Michael's commitment to his community is demonstrated through his continued personal financial support for safety improvements at Kingston-Ulster Airport, a property he privately owns and which services Ulster County as its primary airport. From my experience as an airport development specialist, I can attest with certainty that Michael will never realize a return from his financial support of this airport and that the real beneficiaries from his efforts are the local community. Verification of this is the fact that an increasing number of privately owned airports are being cleared to make way for profitable development. Meanwhile, Michael Zinn is deeding to the Federal government over 40 acres of prime commercial real estate recently appraised at over \$600,000 to secure a Federal grant for airport safety improvements. This generous act exemplifies Michael Zinn's character of giving and community spirit.



21.04.403.0515

The Honorable Charles L. Bricant

July 14, 1997

Page 2

Your Honor, I want to express my concern over our legal system which is so aggressively prosecuting an individual of such high personal, professional and ethical standards. Harshly sentencing a person who consistently tries to improve himself, contribute to his community, and make the world a better place for all of us, for a mistake in judgment or inpropriety in handling campaign contributions, hardly seems fair and appropriate to me. Especially when his actions never benefited himself personally.

I respectfully implore you to consider leniency in this case. Thank you for taking into consideration my opinion of Michael Zinn's character.

Very truly yours,

PASSERO ASSOCIATES, P.C.

*Wayne F. Wegman*

Wayne F. Wegman, P.E.

/sd

**PA**

21-04-403-0516



BADEN KRAMER HOFFMAN

BRODSKY, P.C. 914-647-4100

NATION-WIDE WATS LINE 800-431-3868

97 JUL 18 AM 10:58

FAX 914-647-2064

TRAVEL

**E**

FM TRAVEL SERVICE D/B/A

**Ellenville travel service**

PLANNING

118 MAIN ST., P.O. BOX 429, ELLENVILLE, N.Y. 12428-0429

July 15, 1997

HON. CHARLES L. BRIEANT  
UNITED STATES DISTRICT JUDGE  
SOUTHERN DISTRICT OF NEW YORK  
300 QUARROPAS STREET,  
WHITE PLAINS, NY 10601

Your Honor:

I am the owner of FM Travel Service d/b/a Ellenville Travel Service and have been a businessman in Ellenville for over 36 years. My wife and I have lived in Ellenville for all that time and have raised our family here.

I have known Michael Zinn and his family for over twenty-five years. I first met Michael when he was demonstrating the solar collector that he created. At that time, he was operating out of his garage at his home. Today, as you know, Michael is the major stockholder and CEO of Besicorp Group.

I know that Besicorp would not exist today if it were not for Michael personally financing the operation when funds were needed, inspite of the fact that Besicorp is a public company.

In the beginning, I handled travel arrangements for Michael and the company. It was always a pleasure dealing with him and I cannot remember ever having had any problem.

I would certainly consider him a person of excellent character and totally honest. On a personal note, it is my opinion that Michael made a mistake.... not a malicious mistake, just a mistake. I do not think the intent was to do anything dishonest. I hope this will be taken into consideration.

Respectfully,

*Sheldon A. Levine*

Sheldon Levine, Secy-Treas.

SL/b

21-04-403-0517

LAW OFFICES OF  
**BERGER, FRIEDMAN & CHRISTIANA, P.C.**

129 SOUTH MAIN STREET

P. O. Box 391

ELLENVILLE, N.Y. 12428

TEL. (914) 647-4000

TELECOPIER (914) 647-3344

LOUIS BERGER (1915-1988)

JOSEPH FRIEDMAN

PETER L. BERGER

MARY LOU P. CHRISTIANA

KINGSTON OFFICE

24 JOHN STREET

TEL. (914) 331-4977

OF COUNSEL

JAY L. SAMOFF

JAY A. KAPLAN

STEPHEN FRANZMAN

July 18, 1997

Hon. Charles L. Briant  
United States District Judge  
Southern District of New York  
300 Quarropas Street  
White Plains, New York 10601

Dear Judge Briant:

I am an attorney licensed to practice law in the State of New York and the Federal Courts for the past 38 years. I am formerly an Assistant Attorney General of the State of New York, Bureau of Litigation and Claims and formerly Chairman of the New York State Bar Association Committee on Eminent Domain and Tax Certiorari Proceedings. Presently, I am counsel for a local bank, two municipalities and several multi-national companies. I write this letter as a character reference on behalf of Michael F. Zinn who will be before you for sentencing with respect to Election Law violations.

I was counsel for Besicorp (then Bio-Energy Systems, Inc.) when it was a private concern with two major shareholders. This was during the 1980's when Michael first began his entrepreneurial efforts in a garage in Spring Glen, New York. Because of his engineering know-how, marketing expertise and financial insight, he was able to build the company from what was a rudimentary operation into a corporation today listed on the American Stock Exchange. This effort substantially benefitted the communities of Ellenville, New York, and Kingston, New York, by providing employment, economic growth and stimulation resulting in the improvement of an unused manufacturing facility in Ellenville and the construction of a large corporate facility and headquarters north of Kingston, New York.

I know Michael and his wife, Valerie, and family personally. I believe that any illegal act committed by him was done without intent or malice, but only out of naiveté.

Michael is sincere, earnest and honest, a person of integrity in his business and personal affairs throughout the many years I've known him.

21.04.403.0518



Most important in life are his wife and daughter. I ask that, in passing sentence upon him, you impose a sentence that does not include imprisonment as I believe that this would cause his destruction. He sincerely feels that this experience has been a mighty lesson.

Respectfully submitted,

A large, stylized handwritten signature in cursive script, likely belonging to Joseph L. ... The signature is written in black ink and is positioned below the text "Respectfully submitted,".

JF:is

21 "04" 403 "0519

July 17, 1997

Hon. Charles L. Brieant  
United States District Judge  
Southern District of New York  
300 Quarropas Street  
White Plains, NY 10601

Dear Judge Brieant:

My name is William T. Seils. I am writing this letter as a character reference for Michael F. Zinn. I am currently Vice President of Marketing and Sales for SunWize Technologies, Inc., A subsidiary of Besicorp Group Inc. I am new with the company as of January 1, 1997. Prior to this new position I was owner and President of Associated Graphix, Inc., a full service marketing firm located in Milton, New York. I owned and operated this business for 10 years.

I have had the pleasure of knowing Michael Zinn for the last two years and have a somewhat unique perspective to bring to you. In order to give you this perspective I find it necessary to give some background on myself. I started my previous business as a freelancer from scratch and through hard work and dedication was able to build it into a rather successful six person advertising agency in a ten year period. I met Michael through my business efforts and ultimately had an opportunity to pitch him on utilizing my professional services. At the time this represented probably the single most important sales call I've had to make as I was aware of the success and business potential that was at stake. What I encountered was one of the most pleasant experiences of my professional career. The first thing Michael was interested in was not business concepts, rate structure or industry experience. He did not try to negotiate or "position" himself for his gain. Instead, his focus was on my character, integrity and honesty. He was genuinely impressed and interested in the fact that I had married young while working through college, that I had worked through the challenges of my profession, that I took the initiative to start my own business to advance my career and by our mutual philosophy of positive energy. I was asked many questions on my family life, my personal goals and how I approached challenges. He graciously shared his background and experiences and offered words of advice and encouragement on how to make my business grow. He talked about his passion for business success as it related to improving the world he lives in and on the satisfaction he got from seeing his employees and business partners reach success in their own fields. Having spent my career working with CEO's, Presidents and owners of a wide variety of industries I can assure you that I had never met someone as genuine and straight forward as Mr. Zinn. I remember speaking with my wife that evening about our meeting and commenting that I had never met anyone with his level of commitment and work ethic before and that although I would never work for anyone else, If I did it would be for someone of this caliber.

Over the subsequent months Michael and I built a true friendship based on similar ideals and interests both on a business and personal sense. We belong to the same club and we played golf together on occasion. During those time together I many times observed his warmth and friendship with other people. I can honestly say I don't think I ever heard a prejudicial or negative comment from him. He always chooses to look at the positive side of situations not the negative - a quality I always associated with one of his keys to success. During personal times

21 "04" 403 "0520

Hon. Charles L. Briant

Page 2

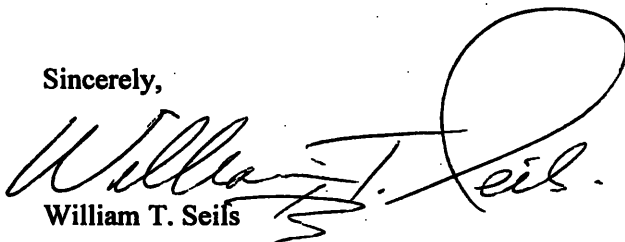
July 17, 1997

he often commented on his commitment to his family, and I was always impressed by the closeness and devotion he has given to his daughter and wife. They have that rare ability to be friends and family at the same time.

During the year and a half that Besicorp was my client, I was intrigued by the level, class and style that Michael ran his company on. He had a work ethic and drive unlike any I had encountered in my career. All decisions I observed were made with the utmost attention to honesty, fairness and integrity. I was expected to produce a high quality, effective work product in return for prompt payment and continued business - period. As my function was marketing and sales consultation I became acutely aware of a need for an in-house marketing and sales division in his company. While to suggest and encourage this move meant the loss of my role with the company, I took into consideration the lessons I had learned from Mike in terms of responsibility and integrity. I knew this was the right move for his company and after much deep thought and personal soul searching I decided I wanted to continue to work and learn with Michael. I approached him with the concept to sell my business in return for the opportunity to be a key player in his organization. It's difficult to express to you the vote of confidence in Michael Zinn's character that this represents - I was willing to sell every thing that I had built up in ten years to work and learn under this gentleman. I had absolute trust and faith that this move would be successful both on a professional and spiritual level. As still another testament to his character, his focus was not on how he could use me or my company - his first reaction was to be sure that this was something that I had considered carefully, that I would not leave myself vulnerable should something not work out and that I had discussed this with my family. On the day we struck our deal Michael firmly shook my hand, looked me directly in the eyes and stated that if I do nothing else I should run the department and company with absolute integrity, and the honesty that he demanded.

Mr. Zinn's philosophy of developing good relationships, the pursuit of excellence and of his ongoing quest to reach deep within and make a difference in this world is inspiring on all levels of my life. Having a business and personal friendship with Michael has had a positive effect on myself and my family. It saddens me to see the pain he has endured over the past year, but I am sure given the strength he has always exhibited, he will find and focus on the positive effects of this difficult time and use them in the future. I ask that you take his character, integrity and devotion into careful consideration. Thank you for the opportunity to express myself.

Sincerely,



William T. Seils

# BESICORP GROUP INC.

1151 Flatbush Road, Kingston NY 12401 (914) 336-7700 (fax 7172)

SABEN KRAMER HOLDING  
&  
BRODSKY, P.C.

97.10.21 AM 10:47

Hon. Charles L. Brieant  
Unites States District Judge  
Southern District of New York  
300 Quarropas Street  
White Plains, NY 10601, NY 10595

July 14, 1997

RE: Michael F. Zinn

Dear Judge Brieant:

I wanted to give you information that I believe is pertinent to the sentencing and disposition of the case before you.

I have known Michael since 1972 when we were involved with an environmental foundation in New York City - Citizens for a Better Environment, Inc. We have worked together on setting up this group as well as two other environmental foundations in New York.

I am presently employed by BESICORP and am one of the three founders of the original business (started in 1976) - Bio-Energy Systems, Inc.

Michael has been involved through these years in issues affecting the public interest and the environment. He has shown, throughout this time, a personal need and dedication to leave the world better than he found it. He has demonstrated that through personal involvement people can make a positive difference in society. This has led him, on many occasions, to go out of his way to help and hopefully achieve a positive result.

Due to this ethic, he has taken on many tasks that were both difficult and required the skills of a community organizer and an advocate for action. He has placed other concerns aside and dedicated the energy and time to complete these jobs, due to a consistent sense of concern for society.

I believe that this was his interest in becoming involved in the campaign of Maurice Hinchey, who has a excellent reputation in the community and a significant record, at the time, of achievement in NYS government for ecology. Michael, as usual, jumped in with both feet and with little time left tried to lend his assistance in what he considered a critical need.

21.04.403.0522

The record speaks for itself on the results of this endeavor. The fact that this task turned out to be a pivotal point in Michael's life is clear in hindsight. He recognizes the gravity and effect that his actions have had. It is unfortunate that he was ill-equipped, either in his business or educational background, to deal with the complexity of a fast-breaking campaign.

Regardless of the repercussions to him personally, Mike has faced the facts of his role, and will be guided by this event throughout his life. He will have to deal with the effects of sentencing and the long-term results which this conviction will have on his daily life. Needless to say, this has been a sobering experience for him and has given him insight into himself, his responsibilities, and his role in public affairs going forward. I think that you will now see a more cognizant Michael Zinn who has been able to take responsibility for his actions and recognizes that he has caused harm in the process of helping.

I hope that my narrative will give you helpful insight that you need to serve the public in this instance. Please feel free to contact me if I can clarify anything in what must be a difficult process.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ron Leonard".

Ron Leonard

21.04.403.0523

**NED M. GOLDFARB, D.D.S.**

Kingston Plaza  
Kingston, NY 12401  
914-331-3260

BADEN KRAMLICH, D.D.S.  
&  
BRODSKY, P.C.

97 JUL 21 AM 10:39

July 17, 1997

Hon. Charles L. Brieant  
United States District Judge  
Southern District of New York  
300 Quarropas Street  
White Plains, NY 10601

Dear Hon. Charles Brieant:

I am a practicing dentist in Kingston New York and have been so for the past 27 years. I am married with three children and have lived in Kingston most of my life. I have known Michael Zinn for the past six years.

I have known and interacted with Michael in many places. I have seen him and his family at work with the New York Conservatory for the Arts. I have played golf with him at Wiltwyck Golf Club. I have treated his mother in my dental practice and have been impressed with his care and concern for all aspects of his mothers health.

Michael's family and mine have socialized on several occasions and I have experienced him as a doting father, a loving husband and a sincere business man.

I recently attended his mother's funeral and listened to his very moving eulogy about his love and caring for his mother during her life. I observed numerous people at this funeral and they presented deep feelings that related to the entire Zinn Family.

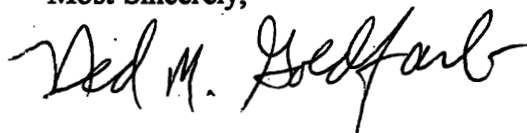
I have attended a stock holder's meeting and listened to Besicorp's approach to helping people as well as the environment. My heart, my interactions and my intuitive senses tell me that Michael Zinn is a man of integrity.

21-04-403-0524

Michael's business strives to help his fellow man as well as the environment.

I can say clearly that if I had any difficulties, I would call Michael to help me. I admire him, respect him, and like him a lot.

Most Sincerely,

A handwritten signature in cursive script that reads "Ned M. Goldfarb". The signature is written in dark ink and is positioned below the typed name "Ned M. Goldfarb, D.D.S.".

Ned M. Goldfarb, D.D.S.

21.04.403.0525

BROWN, KELLEHER, ZWICKEL & WILHELM, L.L.P.

ATTORNEYS AT LAW

370 MAIN STREET

CATSKILL, NEW YORK 12414

TELEPHONE (518) 943-1111

TELECOPIER (518) 943-4549

CHARLES J. BROWN  
KEVIN M. KELLEHER  
CHARLES ZWICKEL  
TERRY J. WILHELM  
CAROL D. STEVENS\*

\*ALSO ADMITTED TO NJ BAR

WINDHAM OFFICE  
TELEPHONE (518) 734-3800

July 18, 1997

Hon. Charles L. Brieant  
United States District Judge  
Southern District of New York  
300 Quarropas Street  
White Plains, NY 10601

Dear Judge Brieant:

I write to respectfully offer some insight into the character and background of Michael F. Zinn, who will shortly appear before you to accept sentencing.

I am a New York City native, having been educated at Xavier in Manhattan, and St. Francis College in Brooklyn, before moving out of state to attend Western New England Law. I began practicing law in 1977, associating myself with my firm's senior partner, Charles J. Brown, a patent attorney, here in Greene County. (Ours is a general civil practice, although we also handle patent, trademark and copyright legal matters). Michael Zinn came to our offices that same year, seeking patent counsel for his fledgling company, Bio-Energy Systems, Inc. Michael is an inventor of some renown in the field of solar technology, and my partner and he seemed a perfect fit. Since that time Bio-Energy expanded and prospered, changing its name along the way to Besicorp Group, primarily due to the administrative and entrepreneurial talents of Mike Zinn. It is worth noting that as with many start-up companies, there were many roadblocks along the way, and as an example, I can vividly remember Michael several times putting his own savings into the company to meet payroll. Nevertheless his perseverance and foresight has enabled Besicorp to survive its rocky beginnings, allowing it to flourish in upstate New York's difficult economy and in the process bringing jobs and opportunities to Ulster County as one of its larger employers.

More importantly, my twenty year association with Michael has allowed me to count him not just as a client, but as a dear and respected friend. In point of fact, I admire Michael not so much for his accomplishments as for his loyalty and compassion for others. We all know well that a successful business is by definition dispassionate, but on more than several occasions Michael found positions for former company employees who returned seeking an opportunity.

Michael has also always displayed a strong devotion to family and friends. I spoke many times with him concerning the failing health of his late parents, both of whom were supported and

21 "04" 403 "0526



Hon. Charles L. Brieant  
United States District Judge  
Southern District of New York

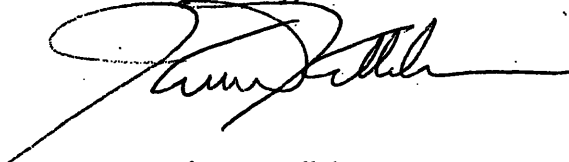
July 18, 1997  
Page Two

21.04.403.0527  
cared for by him in their later years. I sat Shiva at his home following the passing of his father, and was moved by his sincere appreciation for my visit in the face of his loss. I know him also to be a dedicated and faithful husband and parent, which I respect enormously in view of my own religious values and upbringing. Further, he is a man unchanged by whatever success his career has brought him, and that fact alone is an exemplary character trait.

In view of the foregoing, I cannot explain what causes Michael Zinn to stand before your Honor in such a serious proceeding. I know well as a member of the bar that ignorance of the law is unavailing as an excuse. Yet I cannot help but believe that Michael's transgressions in the somewhat murky field of election law were derived from a failure to seek competent advice and counsel, and not from any conscious intent to do wrong. However, under any circumstances, what I can say without reservation is that Michael Zinn will never be involved with the criminal justice system in the future. He is a man who learns from his experiences, good and bad, and this trying ordeal will forever change him, and cause him to err only on the side of caution.

In closing, I earnestly ask Your Honor to consider Michael's unblemished past in imposing punishment. I submit that if ever leniency was merited, this case warrants it.

Respectfully,



Kevin M. Kelleher

KMK:ke

111 Maiden Lane Kingston, New York 12401-4597 Telephone 914-338-7766  
Mail to: UPO Box 4350, Kingston, New York 12402-4350

BAEEN KNAMER & BROS  
BRODSKY, P.C.

97 JUL 21 AM 10:35

July 18, 1997

Hon. Charles L. Brieant  
United States District Judge  
Southern District of New York  
300 Quarropas Street  
White Plains NY 10601

Dear Judge Brieant:

I have known Michael Zinn as a friend for the last 15 years. I have three principle issues in regard to Mr. Zinn:

1. Michael Zinn is very good at solving problems and executing them. He got involved in an area in which he was not qualified. This is a condition that is not rare among successful individuals.

In regard to the Hinchey campaign financing episode, Michael Zinn was confronted with a problem that had to be solved and then went on about *executing* it in an obviously regrettable manner. This was a mistake in judgment made by an intrinsically honest man in the grip of his enormous talent for solving difficult problems—a personality trait that blinded him to the third dimension of the problem before him: *the rules*. Michael Zinn made a mistake in an area in which he was unfamiliar.

2. Michael Zinn is a dedicated and intensely committed person:

Aside from this single deviation, Michael Zinn is a pillar of the community and a model for all of us: a self-made man, impeccably honest, creative, and intelligent, extremely loyal to his friends. In the Hinchey campaign financing matter, this good characteristic of loyalty obviously clouded his decision-making ability.

There are limits to everything, even loyalty; but Michael Zinn is a committed person, and this trait, which is very valuable in creative endeavors, worked against him in the Hinchey episode and distorted his normally highly ethical decision-making. Michael Zinn made a mistake in an area in which he was unfamiliar.

21.04.403.0528

July 14, 1997

3. Michael Zinn is needed by this community:

Whatever one says about this case, the facts are the facts: this community is economically depressed. IBM, Ferroxcube, Rotron, and other major electronic manufacturing firms, have either left or are vestigial—as have all the secondary and tertiary suppliers and manufacturers of products that these firms utilized. We in the Hudson Valley are in very serious economic trouble.

Michael Zinn, through his firm BesiCorp, supplies employment to our community. He and his company have a bright future (so far). If he is not here or his activities are seriously impaired, the economic benefits that he supplies to our community will be impaired and many hardworking individuals may lose their jobs.

The hard facts are that Michael Zinn's creativity and imagination are major assets to our community. These same qualities of drive and loyalty provide jobs that feed, house, and clothe many of our citizens who (through no fault of their own) would otherwise be unemployed or compelled to move from the Hudson Valley. Instead, they have the security and benefit of a growing industry, thanks to the imagination, intelligence, drive, and loyalty of Michael Zinn.

Yes, he made a mistake, but yes, he is otherwise an honest, hardworking, creative model for all of us. His past good deeds and the communal benefit that has been derived from these deeds should be weighed together with this one regrettable error.

Who in life has not done a single misdeed for which they wish they could go back in time and rearrange the past? Your honor, please consider Michael Zinn's previous model lifestyle and the good aspects of his loyalty and industriousness. How terrible it would be for our community, already economically devastated by a mass exit of industry, not to have the benefits of Michael Zinn. I am sure I speak for many who really know Michael Zinn when I ask you, your honor, to weigh all these good qualities and past good deeds and in your good judgment exercise whatever compassion you deem appropriate.

Sincerely,

  
Alfred V. Zamm, M.D.

21-04-403-0529

Mr. & Mrs. Louis F. Quarantino  
29 Penstock Lane  
Lake Katrine, NY 12449

July 30, 1997

Hon. Charles L. Brieant  
United States District Judge  
Southern District of New York  
300 Quarropas Street  
White Plains, NY 10601

Re: A Letter of Character For a Very Dear Friend, Michael F. Zinn

Dear Judge Brient:

My name is Lou Quarantino. I live at 29 Penstock Lane, Lake Katrine, New York with my wife, Pat, and son, Michael. Pat and I were both employed by IBM until our retirement in 1992 and 1993. We moved here in 1987 and soon became friends with Mr. and Mrs. George Zinn (Michael Zinn's parents). Michael would visit with his parents five or six times a week and we soon became very good friends, as well.

Perhaps one of the most significant things I can remember about Michael is his extreme commitment to both his parents (both were very ill - first his father, then his mother). My wife and I greatly admired the way he cared for his mother and father during their illness. He provided them with private nursing care within their home over the years until the time of their death.

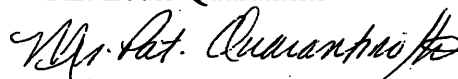
Over the past ten years I have know Michael Zinn as a faithful son to his parents, a loyal husband to his wife, a superior father to his daughter, and a kind, generous, love-giving person to his friends.

Michael Zinn has most certainly become a very prominent businessman/employer. He is highly respected in the community. I have lived here all my life (58 years) and know a lot of people. To this day, I have never heard a single derogatory word about Michael Zinn.

Sincerely yours,



Mr. Louis Quarantino



Mrs. Pat Quarantino

21-04-403-0530

Joseph P. Novarro  
323 Brower Avenue  
Rockville Centre, N. Y. 11570

July 25, 1997

Hon. Charles L. Brieant  
United States District Judge  
Southern District of New York  
300 Quarropas Street  
White Plains, N. Y. 10601

Subject: Character of Michael F. Zinn

Dear Judge Brieant,

I am writing this letter to provide you with my knowledge of Mike Zinn over the past five years. My association with Mike has been professional and social. For the first two years, I knew him from the vantage point of an engineer of a partner company developing a new gas fired cogeneration plant and greenhouse in Rochester, N.Y. During the remaining three years, I have been an employee of Besicorp where I got to know Mike in a more concentrated professional way as well as socially.

I am an engineer by education and work experience, having graduated from Manhattan College, Riverdale, N. Y. in 1963 with a degree in electrical engineering. During my thirty four year career, I have worked for several employers including the U.S. Atomic Energy Commission and Long Island Lighting Company. I have specialized in the engineering, construction and operations of power plants.

Mike Zinn has been a major developer of cogeneration power plants in New York. The six plants that have been built are modern, environmentally clean plants using novel applications of cogeneration. As an example, the project in Rochester, the Allegany Plant, had as it steam user, a new 14 acre glass greenhouse that would be able to grow tomatoes all year by using steam to heat the greenhouse during the winter months. The plant was built in the agriculturally poor southern tier of New York State. It brought tax advantages to the local town and school district and employment to local residents. All six plants had the same local benefits. During the period that this plant was developed, I attended meetings with Mike and interfaced with him by phone and correspondence. He demonstrated professional astuteness and was a gentlemen in his business dealings.

21 "04" 403 "0531

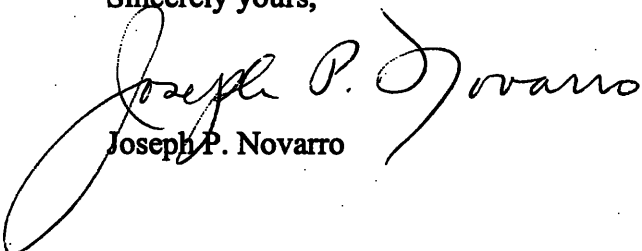
21.04.403.0532

Through this early association with Mike, I was excited to be able to join Besicorp in 1994, when it expanded its business into the international Independent Power Market. Since I knew Mike and other Besicorp staff members, it was an easy transition. I have worked in India, Brazil and Mexico over the past three years, developing power projects using coal, sugar cane bagasse and natural gas fuels. Mike has a commitment to environmental preservation in all such projects. We have worked to promote the use Besicorp's solar electric systems in remote area of these countries to help bring electricity to people living far from the utility lines.

I have gotten to know Mike as a husband and father through the social gatherings of the company at the holidays and at special occasions. I have a son of the same age as his daughter and we have shared our common interests of college selection and high school graduation this past year. As a resident of the City of Kingston, I know that the Zinn family has worked to support community projects such as the theater for performing arts in the city.

In summary, I consider Mike Zinn to be a good business man, with a professional work ethic, and a caring husband and father. I am proud to be acquainted with him.

Sincerely yours,

  
Joseph P. Novarro

ROBERT YOUNG ASSOCIATES

A R C H I T E C T

243 FAIR ST., KINGSTON, N.Y. 12401

TEL: 914-339-6778 FAX: 914-339-6526

July 24, 1997

Honorable Charles L Brieant  
United States District Judge  
Southern District of New York  
300 Quarropas Street  
White Plains, NY 10601

Dear Sir,

I am writing you on behalf of my friend Michael Zinn in the hope of being able to help him in this difficult time.

I am an Architect in my early 50's and have resided in the Hudson Valley for over 25 years. I grew up in New York City and was educated at the University of Illinois. I am married and have two teenage daughters.

I have known Micheal , Valerie and Randy Zinn for almost 15 years. We met here in the Hudson Valley in the early 1980's when Michael and Valerie retained my services to design their new home on a parcel of property near the Hudson River.

When you design someone's home you get to know them very well. In this case I feel privileged. We designed and built a beautiful home in which the Zinn's have lived, flourished and raised their daughter over the past decade. As a consequence of my experience in doing their home Michael and I and our families have become friends. In addition I was fortunate to do work for Besicorp, Michaels company.

During all or our work together I have found Michael to be fair, reasonable and open to compromise. As friends we have enjoyed each other's company though good times and bad.

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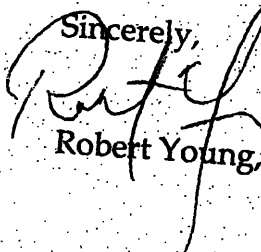
I feel lucky to have met Michael, his intelligence, drive, honesty and creativity have been an inspiration to be around and have made our work together very fulfilling.

During all the difficulties of creating buildings and projects together I have never once found him to be anything but open to the process and willing to work through the problems without pettiness and rancor. His dedication to good work and the creative process have been unfaltering. In my opinion more business leaders like Michael Zinn would result in better buildings and a better environment all around.

I have always known Michael to be a loving and supportive husband I and father whose family love him very much and suffering with him through these difficult times, as are his friends. My hope is that the weight of his good work will help balance the scales of justice.

I am sure your time is very valuable and that you appreciate succinct remarks. I hope that these few paragraphs give you the essence of my feelings for Michael and his family. If I can be of any further assistance in this case please do not hesitate to contact me.

Sincerely,

  
Robert Young, Architect

21-04-403-0534



**DAVID G. AMAMOO, M.D., P.C.**

**KINGSTON MEDICAL BUILDING**

**SUITE 301**

**368 BROADWAY**

**KINGSTON, NEW YORK 12401**

**Telephone (914) 331-1773**

July 29, 1997

Hon. Charles L. Brieant  
United States District Judge  
Southern District of New York  
300 Quarropas Street  
White Plains, New York  
10601

Your Honor:

I write with the highest honor. I am a cardio-thoracic surgeon practicing in Kingston, New York since 1980. The well being of our community, social, economic, moral and civic responsibility is very important to me. As a member of the Board of Directors of the United Way of New York, I do come across many people with similar civic consciousness. One of such people is Mr. Michael Zinn.

I came across him several years ago when he went to great lengths to fly his critically ill mother from Florida to have surgery here. Subsequently she developed carcinoma of the esophagus at the age of 83 years. Again, although she was extremely failing, he would get her the best care and surgery. During these crucial moments, I got the opportunity to observe Mr. Zinn and his family at close quarters. He is a very conscientious and responsible man with the highest sense of duty and nurture for others. With his aging father dying of alzheimer's disease and now his mother stricken with kidney and heart failure and dying of carcinoma of the esophagus, Mr. Zinn never wavered once on his social and moral commitment to our community. He would spend a lot of time with his parents at the hospital and yet would still make time and effort to support us in our charity endeavors. Mr. Zinn's commitment to our community has grown even further since International Business Machines left our area creating a sudden load of unemployment with all it's social ills. He has provided employment to many when all hopes had failed.

I am honored to have come across him. Our community is very proud of him. Our community, indeed our nation, needs more people with such civic mindedness.

With the highest honor

Yours sincerely,

DAVID G. AMAMOO, M.D.

Hon. Charles L. Brieant  
United States District Judge  
Southern District of New York  
300 Quarropas Street  
White Plains, NY 10601

August 22, 1997

Dear Judge Brieant,

We are writing on behalf of Michael Zinn, whom we have known both professionally and personally for over a decade. While we are aware that the charges against Mr. Zinn are quite serious, we believe that Mr. Zinn is an inherently honest man, and that his trouble stems from a one-time lapse of judgement.

Our company, American Printing, supplies Mr. Zinn's company, Besicorp, with stationary and office supplies. In the course of developing a business relationship, our two families became good friends, and that relationship continues to this day.

We know Mr. Zinn as a devoted father, husband, and son, who cared for both his sick and elderly parents until their deaths, his mother dying this past spring.

We watched how Mr. Zinn and his wife, Valerie, put in those twenty hour days that every self-employed businessman must endure. We saw them turn Besicorp into a thriving business. Mr. Zinn is a self-made man who built up a company that now employs over 80 people.

We are convinced that Mr. Zinn has already paid a great debt, in both the public and private humiliation he has suffered. He is now trying to sell the home he and his wife worked years to have, in order to move across the river to save his family any further embarrassment.

We hope that you will take all this into account when sentencing Mr. Zinn. Thank-you for your time.

Sincerely,

*Robert Tabatznik & Patty Tabatznik*

Robert and Patty Tabatznik  
17 Birch Lane  
Woodstock, NY 12498

9350 "E04" 40" 12

Investment Banking Division

PaineWebber Incorporated  
1285 Avenue of the Americas  
New York, NY 10019  
212 713-2654

Bruce E. Walenczyk  
*Managing Director*

**PaineWebber**

August 6, 1997

Hon. Charles L. Bricant  
United States District Judge  
Southern District of New York  
300 Quarropas Street  
White Plains, NY 10601

Dear Judge Bricant:

When Michael Zinn recently asked me to prepare a letter of character reference I was able to respond affirmatively without any hesitation. Of all the people that I have encountered in my twenty-four year career in commercial and investment banking, Michael is one of the few individuals with whom I have developed a relationship that has expanded beyond a pure business focus. Since first meeting him in 1992 I have had the opportunity on numerous occasions to discuss a wide variety of topics and issues and observe his conduct and behavior. As a result, I believe that I have a good sense of his character and integrity and I am pleased to have the opportunity to share my views with you.

My first meeting with Michael was in August 1992. At that time I was employed by Kidder, Peabody and was involved in providing financial advisory services to and arranging equity and debt financing for independent power plant projects, a business in which Michael, through Besicorp Group, and his partner Kamine Development Corp. were actively involved. The meeting was essentially an introduction but I came away with certain impressions that have remained constant and, in my view, continue to be accurate.

Mike has always expressed concern about protecting the environment. Whenever we discussed new power plant project development opportunities in the United States or in foreign countries he had strong views about utilizing technology and designing plants that exceeded environmental requirements. I believe that he took pride in the fact that the projects his company developed were state of the art, clean and environmentally sound and would ultimately replace old power plants that were much less efficient and detrimental to the environment. This attitude is also reflected in some of the other business activities of Besicorp

21.04.403.0537

Hon. Charles L. Brieant  
United States District Judge  
Southern District of New York  
Page 2

which under Michael's direction focus on developing technologies that produce energy from renewable sources.

I have had the opportunity to assist Besicorp Group in some of its early stage international power plant development activities in India, Mexico and Brazil. On more than one occasion in discussions regarding development activities Michael expressed concern about the way business is sometimes conducted overseas and made it clear that he would not tolerate any unethical business behavior by Besicorp personnel or its partners. He had his legal advisors provide advice regarding proper conduct and ethical business activities in view of the Foreign Corrupt Practices Act and insisted that such advice be followed. I believe that this provides insight into the way that Mike Zinn has historically conducted his business activities and the law abiding theme that in my experience with him has always been present.

From time to time I have had the opportunity to observe and participate in business negotiations that involved Michael. These discussions had to do with the terms of partnership agreements, project financings and engagement letters for specific assignments. I have found in these situations that Mike has always been fair in trying to reach an agreement that is acceptable to all parties to the negotiation.

I remember a specific situation a few years ago where Michael was unable to participate in a meeting that was being held to discuss certain aspects of a power plant project under development in India. My recollection is that he was not available because he was traveling with his daughter and her class from school. I was impressed that he, unlike many others, was concerned enough to find the time to participate in this type of event. It indicated to me that Mike was a person with a genuine interest in the activities of his family and children.

Throughout the years that I have known Michael, I have never seen him angry or particularly critical of people even when circumstances might have justified such behavior. Mike has always conducted himself in a most professional manner in my experiences with him.

Lastly, for the period of time that I have known Mike Zinn and after being involved in numerous business situations with him, I can without equivocation say that I have always found him to be kind, honest and to have the highest level of integrity. I have enjoyed working with Michael in an investment banking capacity and look forward to the opportunity of working with him in the future.

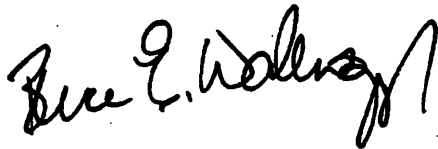
21.04.403.0538

PaineWebber

Hon. Charles L. Brieant  
United States District Judge  
Southern District of New York  
Page 2

I have enclosed for your information a copy of my resume which I trust will assist you in understanding the context in which I have worked with and known Michael Zinn.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Bruce L. Webber". The signature is fluid and cursive, with a large, stylized initial "B" and a long, sweeping underline.

BW/sb  
Encl.

21.04.403.0539

125 Tanglewood Road  
West Hurley, NY 12491

July 15, 1997

BADEN KRAMEL HOFFMAN  
&  
BRODSKY, P.C.  
97 JUL 18 AM 10:56

Honorable Charles L. Brieant  
United States District Judge  
Southern District of New York  
300 Quarropas Street  
White Plains, NY 10601

RE: Letter of Character Reference for Michael F. Zinn

Dear Sir:

I wish to submit the following character reference in support of Michael Zinn.

I am currently employed as a Vice President in the SunWize Technologies Inc., subsidiary of Besicorp. In this capacity, I have occasional interaction with Michael, and we have worked closely on several business matters.

I have known Michael for three years, initially in a professional capacity beginning with my employment at Besicorp in 1994. Our relationship has since grown to a friendship with mutual trust and a personal relationship with my family.

While my initial attraction to Michael was his business acumen and management skills, I have since developed a deep respect and admiration for Michael which goes beyond our professional relationship. Anyone who works with Michael knows that he is an honest, energetic and hard working individual with a strong entrepreneurial spirit and vision. I have also observed a personal side of him that may not be obvious to those who do not know him well.

Michael is a caring person, who has created an atmosphere at Besicorp not unlike a family. He listens to the concerns of his employees. His love and attentiveness toward his parents in their last years was inspiring. He has a strong commitment to the environment and its preservation.

Michael is a giving person. He has shared the success of the business with his employees. He charitably supported the AIDS foundation by purchasing a case of benefit CDs and distributing them during the year-end holidays.

Finally, Michael is a trusting person, who believes in the value of a word, a handshake, and a friendship. His business and business relationships are based on such trust.

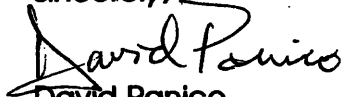
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Page 2

In summary, Michael Zinn is a considerate and caring individual whose contributions to our community have gone beyond the many successes of his business, and will continue to do so given his strong moral character.

Thank you for the opportunity to share these truths with you.

Sincerely,

  
David Panico

21-04-403-0541

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**ORRICK, HERRINGTON  
& SUTCLIFFE LLP**

**Writer's Direct Dial  
(212) 506-5385**

July 10, 1997

Hon. Charles L. Brieant  
United States District Judge  
Southern District of New York  
300 Quarropas Street  
White Plains, NY 10601

Re: Michael F. Zinn

Dear Honorable Sir:

When I first met Michael Zinn approximately 15 years ago, he was a young enthusiastic entrepreneur with a vision and dream of building an environmentally safe, alternative energy company. I was a partner in the law firm of Parker, Chapin, Flattau & Klimpl and as such, represented the underwriter which had undertaken to publicly finance Michael's company. The offering was completed successfully and Michael went off to build his company, and I, for the most part, lost touch with him over the next year or two.

In the mid-80s, Michael and I re-established our relationship. At that time I was a partner at Kelley Drye & Warren ("KDW") and was chair of its Securities Practice group. Michael sought our representation of Besicorp, the company which I helped to bring public several years before. During the next ten years, several themes were established: (1) Besicorp grew as a client of KDW as Michael directed it into the development of alternative energy projects and (2) Michael and I and our respective families became close friends.

It is interesting -- my wife of 32 years, who invariably discourages me from "befriending" business associates and/or clients, insisted on making an exception of Michael. She has said, "Michael is one of the nicest and smartest people we know and I won't hold it against him that he's also a client." For many years, Michael, Val, his wife, and Randi, their daughter, summered in Martha's Vineyard as we did, along with our three sons. During those

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Hon. Charles L. Brieant

ORRICK, HERRINGTON  
& SUTCLIFFE LLP

July 10, 1997

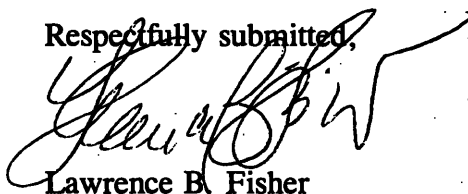
rather lazy summers, our friendship grew and Michael constantly spoke of his desire to do the right thing with respect to social and environmental concerns. In a cynical world, such idealistic pronouncements would have been taken with a grain of salt, as the ramblings of an inactive idealist. Not true with Michael. He was proactive, energetic and as far as I can tell, pursued his ideals on a day-to-day basis. He was sensitive, involved, creative and always enthusiastic.

On a family level, the Zinns are a devoted family unit with such apparent affection and concern for each other that it is embarrassing. Michael and Val are a wonderful couple and their child is an absolute delight with values that could only be taught by ethical, highly moral parents. Stated another way -- I would trust my children to Michael and his influences.

We have shared happy times with Michael (the confirmation of Randi) and sad times (the funerals of his parents). Through all those times, Michael has remained constant. Albeit as time went on, Michael became a serious businessman, i.e., Chairman of the Board of Besicorp Group, he remained as he had always been very human, reacting to virtually every situation on a very humane, highly honorable and passionate level.

I am now head of the Securities Practice Group at Orrick, Herrington & Sutcliffe, LLP and as such am again doing legal work for Besicorp. As a result, Michael and I are again having long conversations on all matters professional and personal. I cherish those conversations and am honored to call him my friend.

Respectfully submitted,



Lawrence B. Fisher

21-04-403-0543

July 8, 1997

Hon. Charles L. Brieant  
United States District Judge  
Southern District of New York  
300 Quarropas Street  
White Plains, NY 10601

Dear Judge Brieant:

It is with pleasure that I offer this letter of character reference on behalf of Michael Zinn. I am honored to consider myself his friend.

By way of introduction, I have worked for over 20 years in the human service profession counseling individuals and families concerning a wide variety of problems. I am licensed in NY State as a clinical social worker and have achieved the academic degree of a Ph.D. For the past 2 1/2 years, I have been developing a new career in commercial finance consulting. I consider myself to be a reasonably good judge of character.

I would like to provide some narrative on my relationship with Michael and highlight certain relevant noteworthy traits.

I first met Michael around 1983 as he and his wife were part of a founding group of parents who organized and chartered an elementary school which is still operating today. At the time, his company had recently gone public. Although my profession was quite removed from the business world, I always appreciated entrepreneurs and so I was interested in knowing Michael right away. Our mutual interest in business was always shared in a larger context of family. Our families became friends, myself with my wife and two children (my son the same age as his daughter), and his wife and daughter.

**Michael Zinn is first and last a family man.** We have shared many experiences in our friendship, but our mutual foundation is, and always will be, our devotion to our families. I have been a part of the triumphs of Michael's family life and the challenges. I will always remember my phone call to him following the miscarriage of his oh-so-desired second child. I could talk, he could only cry. He knew I understood. I remember when he advised me to not enter a business transaction which would have put my house at risk. He reminded me it was my *home*, and not just a house. Over the past year or so I watched him lovingly care for his parents in their final years. As much of an entrepreneur as he is, his heart, his love for his family, has been the ultimate guide. I daresay that such has been the case in his desire to resolve the legal matter at hand.

**Michael Zinn is a multi-talented man who spreads enthusiasm.** In this regard, I myself was inspired by Michael to learn to fly an airplane. He was the first person I called after passing my private pilot's test ride. I also worked with him on the Board of Directors of the elementary school mentioned earlier and fairly recently I have observed

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him more in his business functioning. In all these contexts over the years, whether he was problem-solving or planning, he dominated the action with an infectious verve. I can recall when Michael was bringing the company into the cogeneration industry in the late 80's - early 90's. He used his own personal fortune to guarantee the liabilities of the company and basically saved the company. During this high risk time, his enthusiasm seemed to mitigate the risk. We who know him consider this enthusiasm more as *courage*.

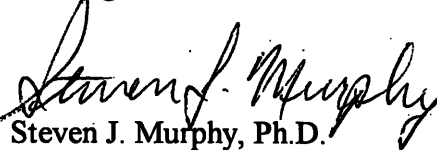
**Michael Zinn personally cares about the environment.** As long as I've known Michael I have always been impressed by his personal conviction about protecting the environment. Especially now I recall how excited he was after reading Vice-President Al Gore's book on the environment during the 1992 political season. We took time out from my visit to him during our mutual summer vacations to watch the Vice-Presidential debates! He was moved by the thought that the national agenda would highlight protecting the environment. Three winters ago, I was a little hesitant to tell him that I bought a gasoline-powered snow blower after he had told me how much better the electric ones were for the environment.

**Michael Zinn is a generous and giving man.** I have known Michael to help various friends financially and personally with his insight and good judgment. He is fun-loving and always ready to share time and space with friends and family. I know that he gives money to charities and to the arts. He has grown into his success over the years and now mixes genuine humility and appreciation for life in with his entrepreneurial spirit.

Your Honor, I could go on and on about what a good man Michael Zinn is but I will conclude this letter by asking that you indulge me the use of a metaphor. As the proverbial parade of life marches in front of us, I would hold my children up above the crowd just to see Michael Zinn walk by. I would tell them (and do), "There's a man worth knowing."

My best thoughts go to you as you decide a part of this good man's fate.

Best regards,



Steven J. Murphy, Ph.D.  
556 Albany Post Rd.  
New Paltz, NY 12561

5450 "304" 40 "12



Ron Marquette  
Executive Artistic Director

BADEN KRAMER HOFFMAN  
&  
BRODSKY, P.C.  
97 JUL 16 AM 10:22

July 11, 1997

Hon. Charles L. Brieant, United States District Judge  
Southern District of New York  
300 Quarropas Street  
White Plains, New York 10601

Dear Judge Brieant:

I'm writing in regard to Michael Zinn's fine character as a citizen in our community. As the executive director of one of the Hudson Valley's largest performing arts centers, I'm directly involved in community projects that address quality of life issues. In forums using arts and business partnerships, I have learned first hand of Michael's dedication to making our community safe, enlightened and prosperous.

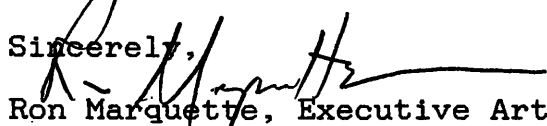
As a leader in the business sector, Michael's vision for a better community, is matched by his hard work and his willingness to contribute to the project both financially and emotionally.

As a valuable friend of the area's professional arts community, Michael, and Valerie, continue to be stalwart benefactors of developing artists and their arts organizations. Michael has been especially supportive of our successful efforts to revitalize the Ulster Performing Arts Center.

Although I know Michael is a businessman, I know him best as a compassionate man who cares deeply about helping others. He is always direct, honest and forthright with what he can or can't do to help. Whether he's giving generously of his time, or his money, Michael's intelligence and integrity go a long way in helping make our community a better place to live and work.

I'm proud to call Michael my friend. Not only because I have great respect for his steadfastness, but because I marvel at his courage during these difficult times. Michael is a man of great passion, a devoted husband and father, a keen observer of our community's needs, a trusted friend, and a diligent partner whom I admire greatly.

Sincerely,

  
Ron Marquette, Executive Artistic Director

21-04-403-0546

**John R. Morrow**

642 Broadway  
Kingston, NY 12401

Hon. Charles L. Brieant  
United States District Judge  
Southern District of New York  
300 Quarropas Street  
White Plains, NY 10601

Ref: Michael F. Zinn

Dear Judge Brieant:

I am writing concerning the final case disposition and sentencing of Michael F. Zinn for your consideration. I am a life long resident of Ulster County New York. I am retired from the New York State Police Bureau of Criminal Investigation where I was a major crimes investigator here in the Ulster County area. Presently I own a small business employing 25 people in Kingston, NY. We design, install, monitor and maintain security and fire alarm systems. We work closely with all of the area police agencies and the FBI with crimes varying from burglary to bank robbery.

I do not take writing a letter of recommendation lightly. I feel that it is an awesome responsibility. This is only the second letter that I have written in 30 years of law enforcement and security work. I have know Michael F. Zinn for approximately 10 years. We first met when we designed a security and fire system for his offices and home. As time went on our paths crossed again as our children were in the same high school class. We have, as a result, been involved in many school functions together. In addition, I began flying airplanes about 10 years ago. Mike owns the local airport and as an aircraft owner and pilot we have had numerous dealings over a prolonged period of time.

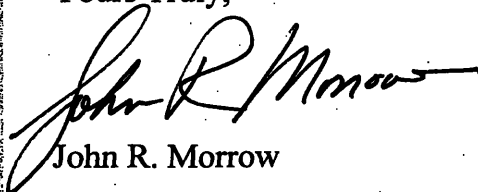
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I can only tell you that over the period of time that I have know Mike, both personally and in business, that he has always been very honest and caring. I have seen first hand how he has kept the airport alive in Kingston even though it is a losing financial institution. He is doing this simply as a public service. He feels that general aviation is an important recreation facility in the area and quite frankly it would have been lost to the area if it had not been for Mike and his support. I have always been able to work with Mike based on a handshake. His work is his bond. He has a beautiful family and is an excellent father and husband.

It is clear that Mike has made a mistake and he admits freely his error however he is not a criminal in life. He is one of the good guys who unfortunately made a mistake. I feel that removing Mike from our community would not serve any useful purpose as he is no danger or threat to anyone here. The damage to his family, the airport and his employees would be significant if Mike were not able to have day to day hands on operation. Our community would truly suffer.

I hope that you will consider my remarks. If I can help you in any way please feel free to call me personally. Many thanks from your consideration.

Yours Truly,



John R. Morrow

# Kellar & Kellar

ATTORNEYS AT LAW

NORMAN KELLAR  
PAUL T. KELLAR  
MITCHELL L. JAIVEN

14 PEARL STREET, P. O. BOX 3536  
KINGSTON, N.Y. 12402  
TEL NO. (914) 331-8900  
FAX NO. (914) 331-0632

July 3, 1997

Hon. Charles L. Briant  
United State District Judge  
Southern District of New York  
300 Quarraopas Street  
White Plains, New York 10601

RE: MICHAEL F. ZINN

Dear Judge Briant:

I am an attorney in private practice in Kingston, New York. I was the President of the Ulster County Bar Association (1989-1990) and served a term as a member of the House of Delegates of the New York State Bar Association. I am a member in good standing of the American Trial Lawyers Association, New York State Bar Association and Ulster County Bar Association. I have served as co-President of the Juvenile Diabetes Foundation, Ulster County Chapter, for three (3) years.

I first met Michael F. Zinn nearly ten (10) years ago when I was Vice-Chairman of the Ulster County Resource Recovery Agency. Our mission was to find a "final resting place" for the County's garbage. As you might imagine, the public was generally hostile to the disposal of trash in their communities. Amidst the Niagara of harsh acrimonious and emotional protests, one person in particular was rational, knowledgeable and earnestly seeking an intelligent resolution: Michael F. Zinn. Mr. Zinn came prepared with facts and figures to support his position, but also showed a genuine interest in finding a solution to a community problem. His approach was refreshing and I believe helpful in addressing a problem affecting our entire community.

A few years later, Michael F. Zinn asked me to represent him in a legal matter involving a real property dispute. Despite having every reason to vent his fury on an unscrupulous neighbor, Mr. Zinn's approach was very professional. We won our point in Court. Mr. Zinn thereafter proposed an equitable solution to a thorny problem which was accepted.

Michael F. Zinn's reputation in our community is one of fair dealing and good works. I do hope that you will take all of this into consideration before imposing a sentence. Thank you.

Very truly yours,



Paul T. Kellar

PTK/dd

21.04.403.0549

**BROWN, KELLEHER, ZWICKEL & WILHELM, L.L.P.**

**ATTORNEYS AT LAW**

**P.O. BOX 489**

**WINDHAM, NEW YORK 12496**

**CHARLES J. BROWN  
KEVIN M. KELLEHER  
CHARLES ZWICKEL  
TERRY J. WILHELM  
CAROL D. STEVENS\***  
\*ALSO ADMITTED TO NJ BAR

**TELEPHONE (518) 734-3800  
TELECOPIER (518) 734-4226  
CSTEVE07@COUNSEL.COM**

**CATSKILL OFFICE  
TELEPHONE (518) 943-1111**

**July 21, 1997**

**Hon. Charles L. Brieant  
United States District Judge  
Southern District of New York  
300 Quarropas Street  
White Plains NY 10601**

**Dear Judge Brieant:**

**This is written to commend to you Michael F. Zinn who I understand will be before you in a matter pending in White Plains.**

**Michael Zinn and his company Besicorp Group Inc. have been and are my clients, but I hasten to add that I practice no criminal law and I have not represented him in the proceeding in your court.**

**In the thirty-five years I have practiced law, first in New York City and then here Upstate, I have had some long-standing clients who become equally long-standing friends. Foremost among them is Michael Zinn. Before anything else I must explain the uncommon relationship between us arising in large part from marked differences in our background. Just before entering his plea he and I had a lengthy intense talk on the import of that and everything leading to it, and the theme of that very personal conversation was in large part biblical and indeed religious.**

**Michael Zinn is a practicing Jew and I am a practicing Catholic, Notre Dame '55 and Fordham Law with six children all Notre Dame graduates, one son a New York Archdiocese priest now at the Vatican. I think it is fair to say that Michael Zinn and I have always deeply respected one another's moral traditions. This tie has led us to reveal a rather in-depth understanding of each to the other. I believe I know Michael Zinn very well.**

**What else should you know about me? My practice is principally Intellectual Property. I left Pennie Edmonds in New York City as a young partner over twenty-five years ago solely in search of a setting more suitable for my family. Since then, in addition to IP work, I have been quite involved in local public life and presently am County Attorney of Greene County. I served two terms on the Committee on Professional Standards for the Third Department. Aside from the son in the Vatican we have four**

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Hon. Charles L. Brieant  
July 21, 1997  
Page 2

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daughters, all married with children, and a youngest son who is an associate in a major New York City law firm.

Michael Zinn came to me first in 1977 on patent matters after the start-up of his small company then known as Bio-Energy Systems, Inc. in Ellenville. We quickly struck it off and over the next years I became not only patent counsel but general counsel for the company. He and I shared many days together on travels throughout the United States and Europe as his business grew and became international. He would spend hours in my home and I in his, principally talking business but inevitably touching on personal affairs as well. So it was that I came to know his family well and was a close observer of their various residential moves, the arrival and growing up of their daughter and so forth. As my practice evolved other attorneys in this office came to know him to one degree or another and hence my assessment of him, and my recommendation of him to you, is reinforced by what I know to be the regard in which he is held by others whom I respect.

Based on all of that, here is what I can say to you of Michael Zinn.

His personal life is beyond criticism. Michael is an exemplary husband and father, temperate in his habits, loyal and kind to friends and associates. His solicitude and generous support for his parents in their old age, both now recently gone, was evident and edifying. He personally insured the survival of Besicorp during some difficult times a few years ago by backing it at high risk with his credit and funds, when he could have taken his interest out at considerable profit to himself but great hardship to his employees. In his public life Michael demonstrates immense energy, integrity, intelligence and boundless enthusiasm and these are the qualities that have made him such a success.

Michael's first-time involvement in 1992 in high-level political campaigning arose out of his zeal for environmental causes he considered important. That world of politics was a new experience for him. He brought to it all of the focussed energy typical of business affairs, only this time he had to play by rules of election law not previously familiar to him.

There is no excuse for his violation of those rules even in the high excitement of his campaign work. But it is to be borne in mind that he was not functioning in a familiar element when he did so.

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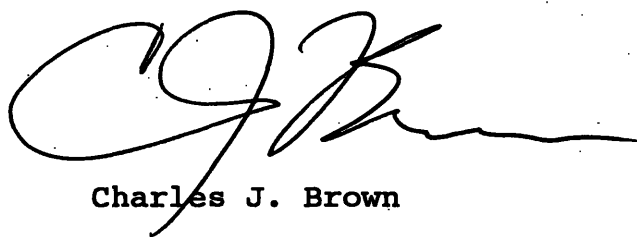
Hon. Charles L. Brieant  
July 21, 1997  
Page 3

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Apart from that isolated 1992 episode in politics, Michael Zinn has shown himself in all respects to be a law-abiding citizen. And it is precisely because of that good reputation that he is so mortified and contrite for having done what he did. He has suffered greatly with the knowledge of his guilt and the pain it has caused to those close to him.

When his sentence is imposed I respectfully implore Your Honor to exercise leniency. Michael Zinn has learned a profound and permanent lesson.

Respectfully,

A handwritten signature in dark ink, appearing to read 'CJB', with a long horizontal flourish extending to the right.

Charles J. Brown

CJB:c

21.04.403.0552

**SANDRA & MASSIE MEHL**

P.O. BOX 1171  
KINGSTON, NEW YORK, 12401

Hon. Charles L. Brieant  
United States District Judge  
Southern District of New York  
300 Quarropas Street  
White Plains, N.Y., 10601

Dear Judge Brieant:

Let me first introduce ourselves to you, your Honor; my husband, Massie had a retail business for many years in Ulster & Dutchess Counties. I have been a manager of a large real estate agency in Ulster County for 6 years, and a licensed real estate Broker since 1972. We have both enjoyed reputations for our honesty and our integrity.

We have known Michael Zinn for more than 10 years. We all live in a small community where good reputations must be earned and proven. Michael Zinn has the reputation of a man of honor.

In our society, many family values have been forgotten and lost. Too often one hears of elderly parents who are left without either emotional or financial support from their children.

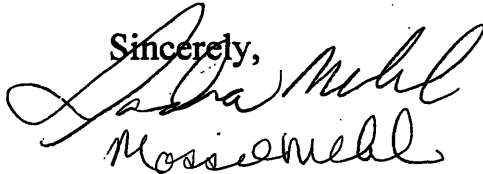
Recently we attended the funeral of Michael Zinn's mother. Although we did not know Mrs. Zinn, we felt moved to go in so that we could show our respect for her son Michael. Many people in our community know how Michael cared for his parents; how he moved them out of New York City, and supported them on all levels. It was very apparent that people locally and members of the Zinn family respected Michael for being the person he is. He cares about both his fellow man and the environment in which we live and the environment which we will leave for our children. We both feel that he is a human being with a charitable and compassionate nature.

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One of the greatest compliments a person can receive is this respect of family, friend, and neighbors. Michael Zinn has earned that respect. He has been a positive force in our community. He is sincere and hardworking and has demonstrated by the life he leads that he is a great asset to all of us.

Michael is the type of man any parent would be proud to have as a son.....the type of man any person would be proud to have as a friend. There is no higher compliment one human being can give to another.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Sandra Mehl'.

Sandra Mehl  
Massie Mehl

21.04.403.0554

**SUSAN M. GUNDERUD**

*11 Riverbend Road  
Saugerties, NY 12477*

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July 11, 1997

Hon. Charles L. Brieant  
United States District Judge  
Southern District of New York  
300 Quarropas Street  
White Plains, NY 10601

Re: **Michael F. Zinn**

Dear Judge Brieant:

I am writing you this letter to share my many thoughts on Michael Zinn. It is to be hoped that my letter, along with all the other letters you receive, will help make a difference in determining a positive outcome for this case.

My name is Susan Gunderud and I met Mike when I was hired by Besicorp Group as an Executive Assistant in August 1989. I am not a high powered executive who makes critical decisions for the Company, just a hard-working, administrative employee that enjoys my job and the life I have because of my job. Part of the reason I like working at Besicorp is because of Mike's ability to make his employees feel important, regardless of their position. It's not hard to figure out why I am so loyal to him. Back when I started, we were so cash poor he personally covered our payroll until we were able to achieve financial closing on one of our power projects. I have never heard of any other employer doing that for his employees. I could have left to seek a more stable job, but I stayed because I felt confident Besicorp would be fine due to Mike's drive to keep going. His energy level and never-give-up attitude are contagious, as evidenced in the way his staff pulls together as a team to achieve extraordinary accomplishments even when the odds for success are against us. Eight years and many successes later, I'm happy to say I'm still part of the Besicorp "family" lead by Mike Zinn. I hope that never changes. The vision he had when I first started is just as focused today as it was when I met him in 1989. I have watched a small staff of about 20 grow to 80-plus full-time employees. That is a lot of family's being supported in an economically "downsized" area. I have seen the Company expand its lines of business from what Michael started in his garage 20 years ago to an energy development enterprise conducting business on a global level. Even when others told him solar power was a thing of the past, he proved them wrong by taking on a new photovoltaic business line. So far, it's on its way to being yet another successful business decision.

Overall, working for Mike and Besicorp has been a pleasure. He is not the stereotypical senior executive who sits back and lets his staff do all the hard work while personally taking all the credit. He rolls up his sleeves and works long hours right alongside the rest of us, all the while

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treating his staff with respect and rewarding us for a job well done. As an example of his camaraderie, a few years back, due to heavy rain on top of a bad winter snowstorm, Besicorp had an awful flood when water began pouring through our ceiling. He grabbed a shovel and went up on the office roof to clear the snow and open the drainpipes. He was up there for hours, freezing and soaked to the skin, working with the other employees who volunteered to help. He did not come down until the snow was cleared. How fitting that he was given a nicely framed saying titled "Don't Quit" by his staff a number of years back. To this day it hangs on the wall in his office above his desk. Mike Zinn has never been a quitter.

On a personal note, I consider Mike Zinn my friend. I care a great deal about what happens to him. He is a devoted husband and a great father. I have enjoyed watching his daughter grow from a spunky nine year old to a very motivated 17 year old about to begin her Freshman year of college. She's a special combination of her parents, and I can only hope she's as successful in life as her dad. When I was faced with the unknown fears that went along with having a personal health scare, Michael and his wife, Valerie, supported me with much more kindness and understanding than that of just my employers. I will never forget that. I've house-sat, dog-sat, and daughter-sat for the Zinns, not because I ever felt obligated I had to, but because I enjoyed helping out Mike and his family. He genuinely cares about people, including those who work for him. He never acts like he's above anyone because of his accomplishments. That's obvious by how he can go from the office where he is a high-powered decision maker to being the star pitcher of the employee softball team at the Company picnic. He laughs along with the employees, but can turn around and finalize a very complicated deal as if it's second nature to him. That's a true professional.

He often speaks of how hard-working his father was, even when circumstances and working conditions were horrific for him. His father must have been proud to see Michael inherit those same work ethics. He continues to work for what he wants and believes is right, even when times are tough. And even though Michael may have made an unintentional mistake, not harming to anyone except himself, I hope you can take into account all the fine accomplishments and contributions, personal and professional, he has made up to this point. I've heard him say many times that he truly believes his purpose in this life is to try and make a positive difference in the world before he's gone. He loves the environment and cares about trying to make it a better place for generations ahead of us. I hope he is able to continue working for what he has already started to dedicate his life to. It would be a waste of a true talent if his goals and dreams were taken away from him.

Thank you for your time and consideration.

Sincerely yours,



Susan Gunderud

21 "04" 403 "0556

124 Gina Court  
Hurley, New York 12443  
July 23, 1997

Hon. Charles L. Brieant  
United States District Judge  
Southern District of New York  
300 Quarropas Street  
White Plains, NY 10601

Dear Judge Brieant,

By way of introduction, we are Donna and Steven Trast of Hurley, NY. Steven was born in Kingston, NY and has lived in the Kingston area for all but 5 years of his life. Donna is a practicing Registered Nurse and was brought up on Long Island. We are the parents of 2 teen-age daughters.

STEVEN: I became acquainted with Michael Zinn via our Temple in 1990 and, as I practice as a Certified Public Accountant, he decided later that year to utilize my services as his personal tax preparer.

Although we would occasionally enjoy a meal together or see each other at Temple functions, we did not develop a close friendship with Mike and Valerie until 1995. That Spring, our oldest daughter (then almost 13) was diagnosed with Insulin Dependent Diabetes. As Donna and our younger daughter had already been afflicted with this heinous disease, we frankly went to pieces over this devastating development. We will not minimize the support we received from family and other close friends, but Michael stepped up with a level of caring and compassion we could not have anticipated. Our friendship from that time forward has been a close and treasured one.

Michael always seems to put others first, especially those he loves. No one could ask for a better son than he was to both his dad and mom. He was there for them and took care of them in their times of need. We remember that even when Michael was so exhausted from his own hectic life he would still find time and some strength to be with his ailing parents and spend endless hours talking with them and holding hands. His love for them was obvious. His parents were so fortunate to have Michael for a son. When his parents passed away, his father a year and a half before his mother, Michael was not at all inhibited about displaying every emotion he felt, every warm thought he had about his parents, and accepting the embrace and support of all who came to be with him at those times of loss. We saw, for the first time at his father's funeral, how he had clearly been a

21-04-403-0558

meaningful part of many more lives than ours. He had given his heart and shoulder to a great many colleagues and friends, all of whom shared his grief and cried at his side.

In the fall of 1996, his life seemingly dominated by the controversy that prompts this letter, Michael proved that we had not yet seen how deep his humanity and compassion could be. Our household was shattered by the sudden end to Donna's mid-term pregnancy. While we were blessed with much love and support at the time, it seems none exceeded that of Michael and Valerie. We were fully aware of the emotional toll the investigation was taking and he was additionally upset by the continually failing health of his mom. But somehow they did not allow these crises to keep them from remembering us with phone calls, flowers and personal visits.

DONNA: I know how important it is to have close friends by your side supporting and comforting you when you face hardships. I was devastated over losing my baby, but Michael and Valerie were there with loving and supportive arms to help get me through this awful time of suffering. I will never forget their love and caring, especially at this time when I needed it the most.

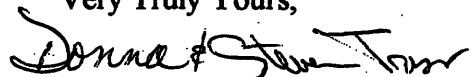
Besides being a terrific friend, Michael is a considerate and affectionate husband to Valerie, and a great dad to his daughter, Randi. When we're together as families, we can see how close they are and what a good relationship he has with his daughter. Randi is a beautiful, very intelligent, kind person and she obviously gets these qualities from her parents.

STEVEN: As his tax preparer, I will reveal to you that on his personal tax return, he has never looked to play some sort of angle or explore any so-called "gray area". When I have phoned him with a projection of his upcoming tax burden, he has graciously dashed it off as the price of success.

It is clear how generously Michael has given of himself to his family, friends, colleagues and community. At no time in our social or professional relationships have we ever had to question his honesty or integrity. Michael Zinn is a good man, a decent man and a loyal, warm friend.

We have witnessed the deep pain he has endured over the past 2 years between the loss of his parents and the public disgrace associated with the Besicorp issue. As you consider Michael's fate, we implore you to recognize the human being we are proud to call our very dear friend. Michael and Valerie are truly special people and we love them like family.

Very Truly Yours,



Donna and Steven Trast





Diane Bethune Zeines, M.P.S.  
P.O. BOX 363 RT. 28 SHOKAN, N.Y. 12481

PHONE 914/657-2235

July 20, 1997

Hon. Charles L. Brieant  
United States District Judge  
Southern District of New York  
300 Quarropas Street  
White Plains, N.Y. 10601

Dear Judge Brieant:

I am writing this letter in support of Michael F. Zinn, in the hope that you will take into consideration his many positive qualities and character assets when you make your decision on sentencing.

I am an art therapist/drug and alcohol counselor at The Bridge Back, a local drug and alcohol clinic. I have two teenage sons, and have lived in this community for nineteen years.

I have known Michael Zinn and his family as a friend for twelve years, having met them at a private school our children attended. Michael and his wife, Valerie, were tireless in their support of The Mountain Laurel School, hosting events in their home, attending all of the cultural and fundraising events, and generous with financial support. When it became apparent that the school would need a permanent home, Michael was very active in the process of finding and purchasing a piece of land, contributing generously with his time, business acumen, and funds.

My family has also had occasion to personally experience Michael's generosity and concern. Approximately seven years ago, my ex-husband, a local dentist, and I were in the midst of a financial crisis. During that time Michael was extremely

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concerned and helpful, offering financial assistance and emotional support. I have always found him to be a loyal friend - always willing to listen and offer whatever he can.

He is a devoted family man, warm, concerned, and supportive toward immediate and extended family members. He was extensively involved in making both his parents final years as pleasant as possible, keeping them at home (no nursing homes), making sure they were cared for by wonderful people, visiting daily...

While I am not too familiar with his business activities, I have always been aware of his fierce determination to create products that will aid our environment, or at least not harm it.

Thank you for your attention. If Michael Zinn did make a mistake, I believe it was just that - a mistake, which was never meant to harm anyone, I hope that your sentencing decision will be "gentle," and will allow Michael Zinn to continue his fine work, community involvement and family life.

Sincerely,

A handwritten signature in cursive script that reads "Diane Bethune-Zeines". The signature is fluid and somewhat stylized, with the last name being more prominent.

Diane Bethune-Zeines

21-04-403-0560

Hon. Charles L. Briant

I am writing on behalf of Michael F. Zinn my friend of the last 10 years. I would like to start, by telling you who I am. My name is John R. Crispell I am a life resident of Ulster County, in fact my family settled this area. The Crispell's came here in 1660 we settled Hurley, New Paltz, Kingston and parts of North Pennsylvania, peacefully without bloodshed. My point for telling you this, is my roots run very deep here, as do other French Huguenot's in this Valley.

I am the Chairman for the Town of Ulster Conservative Party, as Chairman I am also involved with the County's Conservative Executive Board.

I was Nominated to the Town B.A.R. I have sat on that Board for 2 years

I have worked in Industry all my life Federal Bearing 1 year, Hercules Powder /Ireco/Dyno 23 Years, now Ulster County D.P.W. My family consist Of, My wife of 23 years Marie, my Daughter Tiffany 19, Son Raymond 14 and, Son John JR. 12. My half brother Barry Dunn was Kingston City Police Officer for 24 years, now retired. My brother and myself look in on our 83 year old mother on a continuous basis.

As for Michael Zinn, we first met Michael when our County was looking to place a County land fill near our homes. All of our homes have wells, this is one of the first concerns in having a large dump near your residents. My wife and myself, along with our neighbors started to circulate petitions opposing this from happening.

My wife and my neighbors wife went to the Kingston Ulster Air Port to get signatures on our petitions, where they were successful. Michael heard of this and invited us to a steering meeting that he had started concerning the dump. Well, we had no idea what was, we had never been involved in any business or leadership in our community before this. He was very gracious and included us in all the activities at this level. One thing stands out in my mind, we were all asked, what we could do to help in our newly formed group. Now hear my wife and myself sat in the presence of some well educated, well to do people, I felt a little intimidated.

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They answered with tasks that were totally out of our capability. We were going around the room ,when it was our turn ,I simply answered " We can get petitions singed" . Michael applauded that as being as important as the other tasks. My point is, there is no class difference with Mike. Mike showed me at that moment ,sensitivity for someone he didn't know or really need, this says every thing about a mans character. As a results we became good friends, my family and my self were invited to the Zinn's many times . I have observed this type of treatment with others first hand Mike is a man of integrity .I believe these same quality follow's Michael in to his business. This is way he is so successful. A man with this kind of charictor should not be crushed under the waight of government agency's. Michael has coteributed a tremedous amount of time, with takeing time from his fairmly ,to give to our community . He has also given freely of his personl money to our community. These facts should shurly factor in to the discion made for Michael. I would like thank you for taking the time to read my letter, I know how presed you must be for time. Again, thank you.

*Sincerely*

*John R. Cinspall*

July 21 1997

Dear Judge Briant,

I am writing this letter on behalf of my friend, Michael Zinn.

I have known Michael for over 20 years. We first met in the early seventies in Sullivan/Ulster County area. We were fellow pioneers looking for a way of life in the country that better suited the visions we had for the future.

My first recollection of Michael was playing guitar and dobro at a party on the farm of mutual friends on the county line. I am a singer and recall singing harmony to the Blue Grass and Folk music that Michael loved to play.

I recall vaguely how he was trying to raise money for some wild idea that he had to utilize solar energy. Though I didn't quite understand it, I was quite impressed with his creative energy, vision, and determination.

in music as a singer/songwriter.

I have been active in the community at times with a grass roots organization called Project Clean that was responsible for creating the recycling program at the Woodstock Landfill.

I have worked with and organization called Prison Possibilities, whose purpose was to reduce the recidivism rate in inmates. I have worked with the Hunger Project, whose purpose is to end hunger in the Planet by the turn of the Century. and an organization called the Holiday Project, which visits people in institutions and hospitals during holidays.

I've been living in Woodstock for the last 21 years. I'm a passionate gardener, a mother and grand mother.

I think that's enough about me.

I hope this letter makes a difference for my friend Michael.

Thank you for your time.

Sincerely yours,

Elise Pittman

55 Grandview Avenue  
Kingston, New York 12401  
July 21, 1997

Hon. Charles L. Briant  
United States District Judge  
Southern District of New York  
300 Quarropas Street  
White Plains, New York 10601

Dear Judge Briant:

I am writing this letter to tell you about the Michael Zinn  
I know personally.

I have known Michael for at least ten years and know him as a  
good and caring individual with an open heart that is not capable  
of saying no to anyone or any cause that has been asked of him.

Michael, his wife Valerie and daughter Randi are a loving family  
and Michael was a most loving and caring son to both his parents  
before their deaths. He moved his parents to this area so he  
could watch over them and made sure they had everything they  
needed when each of them became ill.

I recently retired as President of a mail order and parts firm,  
having been involved in my business for thirty two years, and  
believe I am an excellent judge of character.

Your Honor, I believe Michael deserves the best and do hope my  
letter will be considered in influencing your decision.

Sincerely,



Ira Trast

21.04.403.0565

**Bruce H. and Michelle Tuchman  
1258 Church Rd.  
Saugerties, New York 12477**

Hon. Charles L. Bricant  
United States District Judge  
Southern District of New York  
300 Quarropas Street  
White Plains, NY 10601

July 20, 1997

Honorable Judge Bricant,

We are writing this letter on behalf of a friend of both of ours, Michael F. Zinn. As we are aware that Michael will be facing your court in the near future, we would like to take this opportunity to recount some of our personal knowledge of Michael.

I am a First Vice-President of Investments for Smith Barney in Kingston, New York. Prior to Smith Barney, I worked for Merrill Lynch, also in Kingston, for 15 years as Assistant Vice-President and financial consultant. My wife, Michelle Tuchman, is a Registered Nurse, and formerly worked for Benedictine Hospital, (one of two local hospitals), in both a nursing and supervisory position. She served two terms on the Saugerties Board of Education, two years as President. She currently is the sole owner of the Uptown Cigar Company in Kingston, New York. We are both involved in many community, political and civic organizations. Both of us have served, or currently serve, on various Boards. We have lived in Ulster County for 22 years.

Our relationship with Michael goes back about 15 years. We met Michael and Valerie Zinn socially on many occasions, as we would often attend the same functions: the Jewish Federation of Ulster County; the Winston Farm Alliance; Hospice of Ulster County; the AIDS Night of Stars; Family of Woodstock; Congregation Ahavath Israel, UPAC, and many other organizations. Michael and Valerie Zinn are very respected for their commitment to the community and to the environment; moreover, Michael is always called upon when the financial needs of these organizations are addressed. Michael is certainly esteemed for his total commitment to his ideals and for his generosity.

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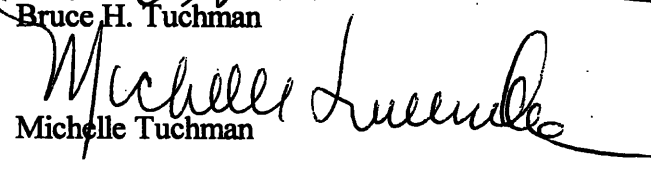
When Michelle started a Home Party business, Michael and Valerie were extremely supportive and hosted a very successful party. When Ulster County was threatened with an unnecessary county dump, Michael testified at every Public Hearing. He generously shared much information he had gathered, and continued his involvement throughout the entire process.

However, what was the most touching was to attend the Besicorps 20<sup>th</sup> Anniversary Party. Besicorps is a major employer in Ulster County, and many of the approximate 80 employees spoke so highly of Michael. Many of the employees worked for Michael for 20 years- certainly many of his friends at the party knew Michael for longer than that. His philanthropic ways were only matched by the admiration and devotion of his long-time circle of family and friends. Valerie and Randi, their daughter, basked in these sentiments.

Your Honor, we believe Michael Zinn is a victim of circumstance. We respectfully ask, both for his personal benefit, (a contributing member of society), and for his family, many friends, and his community at large, that he been given the full and complete leniency of your court.

Most sincerely,

  
Bruce H. Tuchman

  
Michelle Tuchman

21.04.403.0567

7-20/97

To: Hon. Charles L Brieant  
U.S. District Judge  
300 Quarropas St.  
White Plains, NY 10601

From: Joseph Cohen  
70 N. Front St.  
Kingston, NY 12401

Re: Character reference for Michael Zinn

I have been a practicing Optometrist in Ulster Co. for 25 years, and I have been the president of the Jewish Federation of Ulster Co. for the past 3 years. I have known Michael for about 12 years. In these 12 years I have seen him involve himself in the civic, cultural and religious activities of our community. This involvement has been for the betterment of all that he interacted with, and I saw nothing of a malicious or selfish side to his involvement's. I sense that whatever he has done wrong, was done through either naivete or through an honest mistake. I hope you can consider my remarks when you sentence Michael.

Sincerely, Joseph Cohen



21.04.403.0568

# *Lonstein Law Office, P. C.*

Attorneys and Counselors at Law

Facsimile (914) 647-6277

Albert I. Lonstein (1930 - 1993)

Benjamin Lonstein, of counsel

\*\*Wayne D. Lonstein

Julie Cohen Lonstein

\*Jennifer E. McCoombs

\* Also admitted in New Jersey & Pennsylvania

\* Also admitted in Massachusetts

1 Terrace Hill, Box 351  
Lonstein Professional Building  
Ellenville, New York 12428  
(914) 647-8500

July 21, 1997

Hon. Charles L. Briant  
United States District Judge  
Southern District of New York  
300 Quarropas Street  
White Plains, N.Y. 10601

Re: Michael F. Zinn

Dear Judge Briant:

Please accept this submission on behalf of Michael F. Zinn, who presently stands before this Court for sentencing.

By way of introductory information, I am a partner in Lonstein Law Office, P.C. a firm located in Ellenville, New York. My family has been engaged in the practice of law for three generations, all in Ellenville, which affords one an opportunity to observe clients on a day to day basis (one of the benefits of practice in small town America).

In 1977, while I was an intern in my father's office, Michael F. Zinn presented himself at my father's law office. At that time he was the President of Besicorp, which was in its formative stages and was then headquartered in Ellenville. Mr. Zinn was looking for a law firm to undertake litigation on behalf of his company. After meeting with Mr. Zinn, my father and I remarked that he exhibited verve and energy, yet combined with these traits was a sympathetic side that I later learned came from his humble roots and family upbringing.

Later in the 1980's and early 1990's Besicorp needed to expand its corporate headquarters beyond the boundaries of Ellenville. With much trepidation about leaving Ellenville, the company moved to its present headquarters in Kingston, New York.<sup>1</sup>

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<sup>1</sup>A Besicorp subsidiary continues to operate a manufacturing facility in Ellenville providing many needed jobs that candidly could have been easily moved along with the corporate headquarters.

21.04.403.0569



*Meryl Kramer-Harrison, RN., M.S.*

July 8, 1997

Honorable Charles L. Brieant  
United States District Judge  
Southern District of New York  
300 Quarropas Street  
White Plains, N.Y. 10601

Dear Judge Brieant,

Our names are Meryl and William Kramer-Harrison and we are writing this letter in support of Michael Zinn. I hope that meeting the Michael Zinn that we know will be of assistance to you in your deliberations.

I am a Psychiatric Nurse Practitioner with 27 years of experience, who practices in Kingston, New York. We live in the town of Olive with our seventeen year old daughter. I am active in the New York State Nurses Association and am a member of the State's Council on Legislation. I have served on the board of advisors for a local Arts organization. My husband William is a luthier ( builder of string instruments), he is a well known master craftsmen with classical guitar as his area of expertise.

We first met Michael and Valerie approximately 14 years ago, our daughters introduced us. Michael's daughter Randi and our daughter Sarah have journeyed through their childhood's together. They have shared laughter, tears, joy, sorrow, and growth through understanding. As parents Michael, Valerie, Bill and I grew in our parenting skills with an openness to learning from our children; as well as our families of origin and sharing our knowledge of life view with them. Our children mirror their roots. Randi is a very special young woman. She is committed to taking a leadership role among her peers, she is an asset to her community as Michael is to his, as he has role modeled for her in his life.

Michael's belief in Family is to be honored. He lovingly cared for both of his parents through their long illness. He sat at their bedside feeding them, talking, reading, laughing and crying. He did whatever was humanly possible to help them enjoy and share in family life for as long as that was possible. When Michael spoke so eloquently at his father's funeral it was easy to understand the place from which his drive to succeed came. But his success has always been shared with his family he supported them financially but more importantly gave of his love with constancy.

Michael's belief in family took on a much broader context, which included his community. My husband and Michael have spent many hours over the years engaging in discussion about philosophy and beliefs. Michael was so excited that he could actualize political ideas which had formed in the 1960's, to be in a position of ability to make a difference, for you and me and

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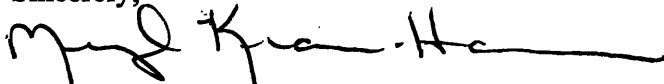
our children. He has an honest and true concern for the society as a whole. So, when asked to be the chief fund raiser he said Yes. Because he believed that Maurice Hinchey would make a wonderful choice as our representative in Congress. He chose to support Maurice's active positions particularly as they spoke to environmental issues: Clean air, clean water, clean energy. Michael is a leader in this community and respected for his honesty and integrity, and entrepreneurial vision a great match for the campaign. So Michael took charge as he is so able to do. The wonder of fulfilling the dreams of the 60's are now the nightmare of the 90's.

Michael Zinn is a special man with unbounded energy and vision. His honesty, integrity, and loyalty are to be honored. I am proud that our families are friends because this relationship has highlighted so much of what is good. We are proud to stand with and for Michael.

I keep asking myself what all of this is really about. Do we teach our children to stay in their little cocoons and not reach out to the larger community? Randi and Sarah are learning much from this experience. Michael is paying attention to his mistakes and accepting them because he knows they are his teacher. We hope Randi and Sarah learn the same, that good judgement comes from experience and experience comes from the lessons of our mistakes. We hope our children have the wisdom to understand the truth of all this. . . .

We wish you wisdom and compassion in your deliberation.

Sincerely,



Meryl Kramer-Harrison MS, RNCS, NP



William Kramer-Harrison

cc: William M. Brodsky, Esq.  
Baden Kramer Huffman & Brodsky, P.C.  
20 Broad Street  
New York, N.Y.

21.04.403.0571

**Costas Christodoulou**

*P.O. Box 1603  
Kingston, NY 12402*

*July 22, 1997*

*Hon. Charles L. Brieant  
United States District Judge  
Southern District of New York  
300 Quarropas Street  
White Plains, NY 10601*

*Dear Judge Brieant:*

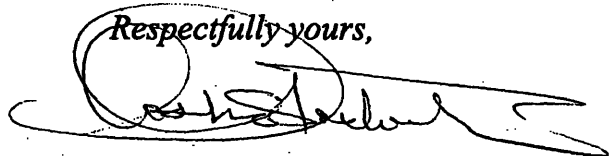
*I am writing on behalf of Michael F. Zinn, a friend of mine for approximately 15 years.*

*I am an immigrant from Cyprus. I came to this country 45 years ago. I was a restaurant owner in the town of Ellenville when I first met Michael. I was so impressed with this young man, mostly because of his family values. For a man to take care of his elderly parents in such a caring and generous way shows his true character. I wish I had a dozen sons like him. I would be the wealthiest person in the world!*

*When Michael moved to Kingston, I was involved in real estate. We had some business dealings throughout the years. I came to know that his word was his bond. When Michael said something, I did not feel I needed a contract. I have met very few people that I could say that about. He is the most honest man I have ever met.*

*There are not enough words to express how I feel. My hopes and prayers, Judge Brieant, are that you will be able to see beyond a one time mistake and consider the true character of this most honorable man. I feel that the suffering he and his family have endured up to now is more than sufficient punishment.*

*Respectfully yours,*



*Costas Christodoulou*

21-04-403-0572

# Harold N. Kamine

July 7, 1997

Hon. Charles L. Brieant  
United States District Judge  
Southern District of New York  
300 Quarropas Street  
White Plains, NY 10601

Dear Sir,

I am writing this letter as a character reference for Michael Zinn. Through my company (Kamine Development Corp.) I have essentially been Besicorp's and therefore essentially Mike's partner for over thirteen years.

First, a little about myself. I own a group of companies that primarily own and operate independent electric power facilities both domestically and internationally. I also own and operate an independent telephone company. I grew up in New Jersey working for my father installing industrial boilers. I graduated Lafayette College: Phi Beta Kappa, Summa Cum Laude, with a BS in mechanical engineering. I also met my wife at Lafayette. We are both registered professional engineers, and we have three wonderful children. We both worked at Exxon in Linden, New Jersey immediately after college. I left Exxon in 1979, and went to work with my father until 1983 when I started my own companies in the independent power business.

This was the time I met Mike Zinn and Besicorp. We formed a wonderful relationship where we developed, financed, own and operate six power plants in New York State totalling approximately 500 MW. In order to accomplish this, we had to arrange approximately \$750 Million of non-recourse financing from GECC, Duetsche Bank and others. This was no small feat for two small companies.

Mike has become one of my closest and most treasured friends. In order to accomplish our New York State successes we had to go through the wars together. As small companies trying to succeed in a big players arena we had to be creative and smart; but most of all honest with each other and with everyone we dealt with.

For example: We (Kamine Development Corp. and Besicorp) have completed five financings with GECC, two financings with Duetsche Bank, six projects with Stewart and Stevenson, four projects for James River Paper, as well as projects for the New York State Fairgrounds, Boise Cascade, and many New York

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State IDA's, gas suppliers and gas transporters. These relationships are long term (contracts of 20 to 30 years). These types of significant continuing business relationships can only be accomplished within a framework of complete trust, honesty and with the highest integrity. Mike Zinn possesses these qualities at their best. I not only have for many years, but I will always continue to trust Mike Zinn with anything or everything I own. I know, because I've been there with him through it all, that this is a man of the highest moral and ethical fiber.

Many times in our years of getting our projects completed, we were "squeezed" by another company (usually one much larger). During those very trying times Mike could have taken a less honorable road in negotiating a resolution with an obstinate or antagonistic company, but he always kept his integrity no matter how unethical our adversary became.

Mike is a good hearted, wonderful friend and business partner who, for at least the past thirteen years that I have known him, has been a contributor to society, a guardian of the environment, and the truly caring heart and soul of Besicorp and the eighty five families that work there. Even though Besicorp is a public company, I know Mike has many times dug into his own pockets to help many of Besicorp's employees and families.

For all of the above, in sentencing Mike, I urge you leniency on behalf of his family, friends, business relationships, employees and the society.

Mike Zinn is a good man.

Thank you.

Very truly yours,

  
Harold N. Kamine



21-04-403-0575  
July 8, 1997

Hon. Charles L. Brieant  
United States District Judge  
Southern District of New York  
300 Quarropas Street  
White Plains, NY 10601

Dear Judge Brieant:

It is with pleasure that I offer this letter of character reference on behalf of Michael Zinn. I am honored to consider myself his friend.

By way of introduction, I have worked for over 20 years in the human service profession counseling individuals and families concerning a wide variety of problems. I am licensed in NY State as a clinical social worker and have achieved the academic degree of a Ph.D. For the past 2 1/2 years, I have been developing a new career in commercial finance consulting. I consider myself to be a reasonably good judge of character.

I would like to provide some narrative on my relationship with Michael and highlight certain relevant noteworthy traits.

I first met Michael around 1983 as he and his wife were part of a founding group of parents who organized and chartered an elementary school which is still operating today. At the time, his company had recently gone public. Although my profession was quite removed from the business world, I always appreciated entrepreneurs and so I was interested in knowing Michael right away. Our mutual interest in business was always shared in a larger context of family. Our families became friends, myself with my wife and two children (my son the same age as his daughter), and his wife and daughter.

Michael Zinn is first and last a family man. We have shared many experiences in our friendship, but our mutual foundation is, and always will be, our devotion to our families. I have been a part of the triumphs of Michael's family life and the challenges. I will always remember my phone call to him following the miscarriage of his oh-so-desired second child. I could talk, he could only cry. He knew I understood. I remember when he advised me to not enter a business transaction which would have put my house at risk. He reminded me it was my *home*, and not just a house. Over the past year or so I watched him lovingly care for his parents in their final years. As much of an entrepreneur as he is, his heart, his love for his family, has been the ultimate guide. I daresay that such has been the case in his desire to resolve the legal matter at hand.

Michael Zinn is a multi-talented man who spreads enthusiasm. In this regard, I myself was inspired by Michael to learn to fly an airplane. He was the first person I called after passing my private pilot's test ride. I also worked with him on the Board of Directors of the elementary school mentioned earlier and fairly recently I have observed him more in

his business functioning. In all these contexts over the years, whether he was problem-solving or planning, he dominated the action with an infectious verve. I can recall when Michael was bringing the company into the cogeneration industry in the late 80's - early 90's. He used his own personal fortune to guarantee the liabilities of the company and basically saved the company. During this high risk time, his enthusiasm seemed to mitigate the risk. We who know him consider this enthusiasm more as *courage*.

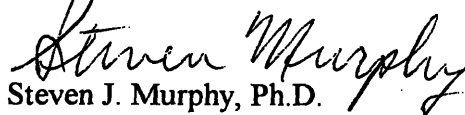
Michael Zinn personally cares about the environment. As long as I've known Michael I have always been impressed by his personal conviction about protecting the environment. Especially now I recall how excited he was after reading Vice-President Al Gore's book on the environment during the 1992 political season. We took time out from my visit to him during our mutual summer vacations to watch the Vice-Presidential debates! He was moved by the thought that the national agenda would highlight protecting the environment. Three winters ago, I was a little hesitant to tell him that I bought a gasoline-powered snow blower after he had told me how much better the electric ones were for the environment.

Michael Zinn is a generous and giving man. I have known Michael to help various friends financially and personally with his insight and good judgment. He is fun-loving and always ready to share time and space with friends and family. I know that he gives money to charities and to the arts. He has grown into his success over the years and now mixes genuine humility and appreciation for life in with his entrepreneurial spirit.

Your Honor, I could go on and on about what a good man Michael Zinn is but I will conclude this letter by asking that you indulge me the use of a metaphor. As the proverbial parade of life marches in front of us, I would hold my children up above the crowd just to see Michael Zinn walk by. I would tell them (and do), "There's a man worth knowing."

My best thoughts go to you as you decide a part of this good man's fate.

Best regards,



Steven J. Murphy, Ph.D.  
556 Albany Post Rd.  
New Paltz, NY 12561

21.04.403.0576

John J. Hall  
5 Paradise Way  
Saugerties, NY 12477

Hon. Charles L. Brieant  
United States District Judge  
Southern District of New York  
300 Quarropas Street  
White Plains, NY 10601

July 18, 1997

re: Michael Zinn

Dear Judge Brieant,

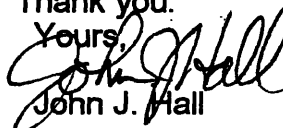
I am a musician and songwriter, who has lived in the same house in Saugerties for 25 years with my wife Johanna. Our daughter is about to enter Middlebury College after finishing high school with a 99.4 average (if I may brag a little). I have been involved in many community groups and causes, have served two years representing Saugerties in the Ulster County Legislature, and currently am a trustee of the Saugerties Board of Education.

I met Michael Zinn through my involvement in two environmental organizations. The first was Mid-Hudson Nuclear Opponents, which was formed to fight the siting of a nuclear plant just north of here in Cementon, on the west bank of the Hudson River. The second was the Winston Farm Alliance, which was formed to advocate certain solid waste policies in Ulster County, to encourage recycling and waste reduction and to oppose a single county megadump as the "solution" to our garbage problem. Although Michael was not, to my knowledge, a member of the latter group, he was a regular participant at meetings and public hearings. He spoke during public comment periods and wrote letters to the editors of local papers. As his views closely corresponded with mine, I found myself talking to him more and more, and eventually becoming friendly with him and his family.

One of the things that impressed me about Michael is that he was able to translate his environmental idealism into business reality. He took the popular concept of renewable energy and focused on building a company that made it practical. As his dream grew into Besicorp, skeptics and believers alike witnessed the development of a solar/renewable energy company, based in the Hudson Valley, selling systems around the world and employing a considerable number of local people in the process. I, and many other people who deplore the overuse of fossil fuels and nuclear power, have fantasized about such a thing. Michael did it.

On a number of occasions my family got together with Michael's. Their only daughter is the same age as ours. We played tennis, listened to music, talked about many things including politics and environmental policy. Along the way I formed my opinion of Michael, which is this: He is a loving father and husband, an extremely hard worker, and someone who cares deeply about the world we live in. His daughter, an excellent student who is well liked by her peers and bound for a promising college career, is surely a result of good parenting.

From my personal knowledge of Michael Zinn, his offense seems like an aberration in a life that otherwise is quite admirable. Please consider this as you determine what his sentence should be. Thank you.

Yours,  
  
John J. Hall

21-04-403-0577

Hon. Charles L. Bricant

I am writing on behalf of Michael F. Zinn my friend of the last 10 years. I would like to start, by telling you who I am. My name is John R. Crispell I am a life resident of Ulster County, in fact my family settled this area. The Crispell's came here in 1660 we settled Hurley, New Paltz, Kingston and parts of North Pennsylvania, peacefully without bloodshed. My point for telling you this, is my roots run very deep here, as do other French Huguenot's in this Valley.

I am the Chairman for the Town of Ulster Conservative Party, as Chairman I am also involved with the County's Conservative Executive Board.

I was Nominated to the Town B.A.R. I have sat on that Board for 2 years

I have worked in Industry all my life Federal Bearing 1 year, Hercules Powder /Ireco/Dyno 23 Years, now Ulster County D.P.W. My family consist Of, My wife of 23 years Marie, my Daughter Tiffany 19, Son Raymond 14 and, Son John JR. 12. My half brother Barry Dunn was Kingston City Police Officer for 24 years, now retired. My brother and my self look in on our 83 year old mother on a continuous basis.

As for Michael Zinn, we first met Michael when our County was looking to place a County land fill near our homes. All of our homes have wells, this is one of the first concerns in having a large dump near your residents. My wife and my self, along with our neighbors started to circulate petitions opposing this from happening.

My wife and my neighbors wife went to the Kingston Ulster Air Port to get signatures on our petitions, where they were successful. Michael heard of this and invited us to a steering meeting that he had started concerning the dump. Well, we had no idea what was, we had never been involved in any business or leadership in our community before this. He was very gracious and included us in all the activities at this level. One thing stands out in my mind, we were all asked, what we could do to help in our newly formed group. Now hear my wife and my self sat in the presence of some well educated, well to do people, I felt a little intimidated.

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They answered with tasks that were totally out of our capability. We were going around the room, when it was our turn, I simply answered "We can get petitions signed". Michael applauded that as being as important as the other tasks. My point is, there is no class difference with Mike. Mike showed me at that moment, sensitivity for someone he didn't know or really need, this says every thing about a mans character. As a results we became good friends, my family and my self were invited to the Zinn's many times. I have observed this type of treatment with others first hand Mike is a man of integrity. I believe these same quality follow's Michael in to his business. This is way he is so successful. A man with this kind of charictor should not be crushed under the waight of government agencys. Michael has coteributed a tremedous amount of time, with takeing time from his faimly, to give to our community. He has also given freely of his personl money to our community. These facts should shurly factor in to the discion made for Michael. I would like thank you for taking the time to read my letter, I know how presed you must be for time. Again, thank you.

*Sincerely*

*John R. Conspert*

WILLIAM J. HEIDRICH  
PO BOX 81  
NORTH CREEK, NY 12853

July 14, 1997

Hon. Charles L. Brieant  
United States District Judge  
Southern District of New York  
300 Quarropas Street  
White Plains, NY 10601

Dear Judge Brieant:

I am writing to inform you of my knowledge of and prior working and personal experiences with Michael F. Zinn, President and CEO of Besicorp Group Inc.

My involvement with Michael began when I joined Bio-Energy Systems Inc. in 1981 as Vice-President and a member of its Board of Directors. Several months later upon the formation of Besicorp Group Inc. I became President of Bio-Energy Systems Inc., a position I held until I retired in 1989. I also served on Besicorp Group's Board of Directors during those years, and for several of its earlier years as a vice-president of Besicorp.

Before joining Bio-Energy Systems I was employed by Revere Copper And Brass Incorporated. I joined Revere after graduating from engineering school at Syracuse University. During my association with Revere I held several positions including Manager, Technical Services-Building Products for the Corporation and President and CEO of Revere Solar And Architectural Products, a subsidiary of the Corporation. After 31 years I took early retirement from Revere and joined Bio-Energy Systems Inc.

Having come from a large corporation to a relatively small one it was easy to see how much more closely the employees in the smaller entity work together and how much they have to rely on one another. I considered it almost like members of a family. With Besicorp Group now more than 20 years old and always under the direction of Michael Zinn its success to this point in time in my opinion amply reflect what a capable administrator he has been. Starting a business from zero and steadily building it over the years is a considerable feat; it requires a leader with unflagging dedication to and confidence in sound business plans for growth, and with the capability for building a team of talented employees who can help reach the plans' objectives. I believe that Michael has demonstrated that he has these characteristics and at the same time engendered a sense of loyalty among the greater part of the company's employees (I don't know of a company where one or a few of the employees think

21-04-403-0550

they know more about running a business than management does).

As a part of senior management I worked closely with Michael on many aspects of the company's business. In nearly eight years with the company I also had the opportunity to know his personal side, too. I always saw him as very dedicated to his family, not only to his wife and daughter, but to his parents. Being a number of years older than Michael I found that an appealing characteristic in a generation younger than mine that has not been particularly noted for their respect and love for the older generation.

In his relations with the company's employees I was impressed with the concern he displayed for their feeling that they should know how significant they were to the success of the company's objectives and he, through the Board of Directors, saw that good and superior performance were rewarded. This is not always true in businesses, large or small, and another indication of his good qualities.

In summary, I regard Michael Zinn as a capable, dedicated and caring business executive with whom I was pleased to associate and for his personal side I still value him as a friend.

Sincerely,

*William J. Heidrich*

William J. Heidrich

21-04-403-0581

21.04.403.0582

**John R. Morrow**

642 Broadway  
Kingston, NY 12401

Hon. Charles L. Brieant  
United States District Judge  
Southern District of New York  
300 Quarropas Street  
White Plains, NY 10601

Ref: Michael F. Zinn

Dear Judge Brieant:

I am writing concerning the final case disposition and sentencing of Michael F. Zinn for your consideration. I am a life long resident of Ulster County New York. I am retired from the New York State Police Bureau of Criminal Investigation where I was a major crimes investigator here in the Ulster County area. Presently I own a small business employing 25 people in Kingston, NY. We design, install, monitor and maintain security and fire alarm systems. We work closely with all of the area police agencies and the FBI with crimes varying from burglary to bank robbery.

I do not take writing a letter of recommendation lightly. I feel that it is an awesome responsibility. This is only the second letter that I have written in 30 years of law enforcement and security work. I have know Michael F. Zinn for approximately 10 years. We first met when we designed a security and fire system for his offices and home. As time went on our paths crossed again as our children were in the same high school class. We have, as a result, been involved in many school functions together. In addition, I began flying airplanes about 10 years ago. Mike owns the local airport and as an aircraft owner and pilot we have had numerous dealings over a prolonged period of time.



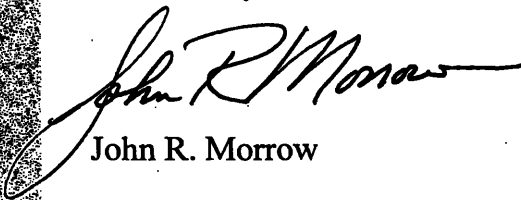
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I can only tell you that over the period of time that I have know Mike, both personally and in business, that he has always been very honest and caring. I have seen first hand how he has kept the airport alive in Kingston even though it is a losing financial institution. He is doing this simply as a public service. He feels that general aviation is an important recreation facility in the area and quite frankly it would have been lost to the area if it had not been for Mike and his support. I have always been able to work with Mike based on a handshake. His work is his bond. He has a beautiful family and is an excellent father and husband.

It is clear that Mike has made a mistake and he admits freely his error however he is not a criminal in life. He is one of the good guys who unfortunately made a mistake. I feel that removing Mike from our community would not serve any useful purpose as he is no danger or threat to anyone here. The damage to his family, the airport and his employees would be significant if Mike were not able to have day to day hands on operation. Our community would truly suffer.

I hope that you will consider my remarks. If I can help you in any way please feel free to call me personally. Many thanks from your consideration.

Yours Truly,



John R. Morrow

*Lonstein Law Office, P. C.*

Page 2

July 21, 1997

Re: Michael F. Zinn

Necessarily, Besicorp had to vacate its Ellenville headquarters which troubled Mr. Zinn because the Village of Ellenville was beginning to experience an exodus of industry and its long-term middle class residents. In an effort to minimize the negative effect of Besicorp's departure Mr. Zinn consulted me in connection with possible uses for the building. After hours of investigation, I informed Mr. Zinn that I was of the opinion that the building should be razed in order to eliminate unnecessary real estate taxes. It was at this point that Mr. Zinn stated to me he would like to investigate the feasibility of establishing a senior citizen housing complex at the location. It was his position that due to the aging population of Ellenville there was a pressing need for senior citizen accommodations which were bright, clean, safe and secure.

Although the project has, and continues to meet with opposition from Village officials, Mr. Zinn and his company have continued to pay substantial commercial realty taxes upon the premises while the property has remained vacant for over 6 years. He has continued to pursue the project, though good business practice might well dictate another result which would simply benefit the company's balance sheet.

Contrary to conducting his business without care and compassion, Mr. Zinn has, in my opinion, done just the opposite. Although his generosity to his parents was well documented, it is my hope that this letter would demonstrate the altruistic generosity and good intentions that have been repeatedly demonstrated by him.

Having been before this Court, I understand the value of the Court's time and it is my fervent hope that my observations of Michael F. Zinn might in some small way indicate the many good deeds he has done outside the public spotlight. I understand the constraints that the Court is confronted within such matters, however, it is my hope that the Court recognizes the true essence of Mr. Zinn's character which has only been of the highest fibre during my association with him.

Thanking you for the opportunity to express my observations to the Court, I am,

Respectfully Submitted,



Wayne D. Lonstein, Esq.  
(WL 0807)

21.04.403.0584

KAREN A. KEATOR  
NINE COXING ROAD  
COTTEKILL, NEW YORK 12419

July 15, 1997

The Honorable Charles L. Brieant  
United States District Judge  
Southern District of New York  
300 Quarropas Street  
White Plains, New York 10601

Dear Sir:

I am writing with regard to your sentencing of Michael F. Zinn, to occur on September 24, 1997.

I have worked for Michael eleven years. Currently I handle shareholder matters as well as administrative functions for the Chief Financial Officer. During this period of time I have worked very closely with Michael and have come to respect his business acumen. Michael has built this company from nothing more than an idea - starting in his parents' garage and moving up to where we are today. His ideas have always encompassed environmentally-conscious themes. When times were tough, Michael met payroll and pressing bills by loans to the company from his personal accounts. Without his monetary assistance, this company would long ago have ceased to exist. His strong belief in the viability of his ideas has benefited many of us over the years. Besicorp currently employs over eighty persons. Having been in the working world over thirty years, I am aware there are not many places a trained "secretary" can work herself up to a position of responsibility, as I have been allowed to do here.

There has always been an open door policy at Besicorp - anyone can see Michael for whatever reason - he will always make himself available for employees. In my case, Michael has called me into his office on numerous occasions to ask me why I am frowning - demonstrating his caring for me as his employee. During the crisis of this judicial process, he met with those of us involved in the Grand Jury procedure and comforted each of us as if it was us instead of him actually on trial. He repeatedly told me not to worry, that things would work out.

Those of us in accounting involved with the filing of the 10-K with the Securities and Exchange Commission have worked very long nights attempting to meet deadlines. Michael has arrived at the office late at night with containers of ice cream.

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Page Two

I feel very strongly that this company needs Michael's presence to succeed. He has always been a very aggressive, strong driving force, not only in this business, but in his community as well.

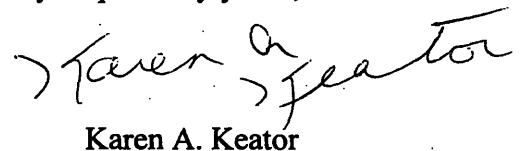
Through my working relationship, I have become familiar with Michael's family. I have watched Michael's child grow up, as well as his parents' passing away. Through all this time Michael has been a strong, but very caring person, who loves his family immensely. He has seen that his parents, who were working-class people, have the best in their later lives, and has been there for them until their passing. His speeches about each of his parents at their funerals were moments which impressed everyone present with the type of love and caring he had for them.

Sir, I have tried to demonstrate here that I am very familiar with Michael and his personality, although the years of familiarity can certainly never be expressed in one letter. I do have the utmost faith, respect and love for Michael - he has always been a very upstanding citizen of this community. There certainly has been wrong-doing in this case - we all acknowledge that. But I can assure you that Michael never intended to break the law. He is a dynamic individual who carries out each aspect of his life, whether that be his business, family, sports - aggressively. In this particular matter, Michael made his entry into the political scene having no prior knowledge of its rules. He proceeded at his usual pace - full speed ahead and, unfortunately, made a serious mistake. I do not presume to defend this as being correct - I only know that Michael had absolutely no intention of acting in an illegal manner.

I am asking you to accept this letter as a plea for mercy. I ask that you consider this incident a mistake instead of a blatant disregard for the law and treat his sentence accordingly. This company needs its Chief Executive Officer here - he has proved in the past in many different instances and ways that it is purely his vision that keeps this company going. And Michael's family needs his love and companionship.

Thank you for taking the time to consider the thoughts of Michael's family, friends and co-workers in this matter.

Very respectfully yours,



Karen A. Keator

21-04-403-0586



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21-04-403-0588

**SUMMARY OF FINDINGS AND CONCLUSIONS**  
**BESICORP SPECIAL LITIGATION COMMITTEE**

*Dated: March 28, 1995*

*By: Besicorp Special  
Litigation Committee  
Richard Rosen, Chairman  
Harold Harris  
Gerald Habib*

*Cuddy & Feder, Counsel*

REPORT OF BESICORP  
SPECIAL LITIGATION COMMITTEE

INTRODUCTION

On or about March 28, 1993, James Lichtenberg, a shareholder of Besicorp Group Inc., filed a shareholder's derivative action in the Supreme Court of the State of New York, County of New York, under Index No. 107836/93 (the "Derivative Action"). The complaint in the Derivative Action was purportedly filed on behalf of all of the shareholders of Besicorp Group Inc. ("Besicorp"), which was named as a nominal defendant in the Derivative Action. Three of Besicorp's directors, Michael Zinn, Stephen Eisenberg and Martin Enowitz, (the "Director Defendants") were named as primary defendants.

The complaint in the Derivative Action alleges that the Director Defendants wasted corporate assets and breached their fiduciary duties to the Besicorp shareholders in the following areas:

1. The purchase and renovation of Besicorp's current headquarters located at 1151 Flatbush Road, Kingston, New York;
2. The issuance of Besicorp stock and a warrant to purchase additional shares to Michael Zinn in December, 1991 and the issuance of Besicorp common stock to Zinn, Enowitz and Eisenberg in August, 1992; and

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3. The accounting method and practices employed by Besicorp in connection with reporting of the financial results of its co-generation arrangements.

#### APPOINTMENT OF SPECIAL LITIGATION COMMITTEE

At a meeting of the Board of Directors of Besicorp held on May 6, 1994, the Board of Directors passed a resolution increasing the number of board members from three to six. Gerald A. Habib, Harold Harris and Richard E. Rosen were appointed as directors to fill the newly created positions. The Board of Directors also resolved to appoint a Special Litigation Committee of the Board of Directors of Besicorp, which Committee was appointed to investigate the allegations raised in the Derivative Action. Messrs. Habib, Harris and Rosen were appointed as the members of the Special Litigation Committee since none of those individuals were affiliated with Besicorp at the time of the events alleged in the Derivative Action and those individuals took no part in any of the actions alleged in the Derivative Action.<sup>1</sup>

The resolution appointing the Special Litigation Committee and setting forth the Committee's responsibilities states, in pertinent part, as follows:

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<sup>1</sup> Messrs. Habib and Rosen had no prior affiliation with Besicorp. Mr. Harris was a member of the Besicorp Board of Directors until 1985, at which time he resigned. Mr. Harris was not a member of the Besicorp Board of Directors during the time of the events alleged in the Derivative Action. Mr. Harris is a shareholder of Besicorp.

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RESOLVED, that in accordance with Section 712 of the New York Business Corporation Law and with Section 13 of Article III of the By-laws of the Corporation, there be, and the same hereby is, established a three-member Special Litigation Committee, to which is delegated all the powers and authority of the Board of Directors of the Corporation with respect to all matters affecting the interest of the Corporation in the Derivative Action, . . .

A copy of the Minutes of the Meeting of the Board of Directors of Besicorp Group Inc. held on May 6, 1994, which minutes include the resolution appointing the Special Litigation Committee, is annexed hereto and made a part hereof as Exhibit A.

The Special Litigation Committee met briefly on May 6, 1994, and selected Mr. Rosen as its Chairman. The Special Litigation Committee also selected Mr. Harris to lead the search for independent counsel. See, Exhibit A hereto.

#### SELECTION OF INDEPENDENT COUNSEL

On June 1, 1994, the Special Litigation Committee selected the firm of Cuddy & Feder, 90 Maple Avenue, White Plains, New York as its independent counsel for the purpose of aiding the Committee in the performance of its duties. Cuddy & Feder has not represented Besicorp or any of the Director Defendants in the past. Further, Cuddy & Feder has experience representing public companies in shareholder derivative actions such as the

Derivative Action and has the requisite expertise to advise the Committee.

The Special Litigation Committee met with its attorneys on June 23, 1994 to establish a framework for the discharge of the Committee's duties. At that initial meeting, Cuddy & Feder advised the Special Litigation Committee of its obligations with respect to the Derivative Action and informed the Committee of the legal framework under which it would function. Cuddy & Feder advised the Committee of the imperative that the Committee keep its deliberations confidential and that the Committee's proceedings should not be discussed in any way with the Director Defendants.

Cuddy & Feder also proposed an outline of steps for the Committee to take in its review, including requesting and reviewing documents from Besicorp, retaining professionals to advise them with regard to the real estate, accounting, and compensation issues raised in the Derivative Action, and interviewing each of the Director Defendants.

Further, Cuddy & Feder went through each paragraph of the Complaint in the Derivative Action with the Committee members and advised them of the issues raised therein. Counsel and the Committee then divided the Complaint into three basic areas as follows:

- 1) Accounting: the Complaint alleges that the Director Defendants employed questionable accounting practices resulting in Besicorp

reporting negative financial results, causing the stock price of Besicorp to fall;

- 2) Real Estate: the Complaint alleges that the Director Defendants entered into a real estate transaction on behalf of Besicorp for the acquisition of a site for Besicorp's headquarters that was done solely for the purpose of benefitting Mr. Zinn and was a waste of corporate assets; and
- 3) Compensation: the Complaint alleges that the Director Defendants voted shares of stock to themselves, including 350,000 shares and a warrant for an additional 350,000 shares to Mr. Zinn, an additional 285,000 shares to Mr. Zinn, 100,000 shares to Mr. Eisenberg and 100,000 shares to Mr. Enowitz, all without consideration. In their Answer to the Complaint, the Director Defendants allege that the issuance of shares was for adequate consideration and/or was additional compensation to them.

#### REQUEST FOR DOCUMENTATION

The Special Litigation Committee determined that the initial stage of its review should be to request and review relevant

documentation from Besicorp and the Director Defendants, if necessary. Consequently, Cuddy & Feder drafted two resolutions for the Committee pursuant to which the Committee requested relevant documentation from Besicorp and from Mr. Zinn. Copies of the two resolutions are annexed hereto as Exhibit B.

The resolutions state that the requested documents should be provided to the Committee's independent counsel, Cuddy & Feder. As the documents were received by Cuddy & Feder, they were numbered, indexed and reviewed. The Committee members were provided with copies of the index and any documents that they wished to review. Further, Cuddy & Feder prepared a synopsis of certain of the critical documents, which synopsis was also provided to the Committee.

In addition, documents were provided to the experts retained by the Committee (see below) as they requested. In response to their requests for additional information and Cuddy & Feder's advice regarding the need for additional information, further document requests were made of Besicorp. Consequently, the Special Litigation Committee requested and received the Securities and Exchange Commission's comment letters to Besicorp, and the responses of Besicorp thereto, from 1989 to 1994. Further, the Committee received additional information concerning the guarantees, pledges of collateral and loans to Besicorp made by Michael Zinn.

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## RETENTION OF EXPERTS

The Special Litigation Committee determined to retain experts to advise it in the areas of real estate, accounting and executive compensation. Consequently, independent experts in those three areas were retained and undertook the tasks described below.

### A. Real Estate:

The Special Litigation Committee had two experts advise it with respect to the real estate issues raised in the Derivative Action. First, Cuddy & Feder reviewed the documents associated with the transactions which led to the acquisition of the headquarters site by Besicorp. Cuddy & Feder provided the Committee with a detailed description of how the transactions were handled. Further, Cuddy & Feder reviewed extensive documentation concerning the allegation in the Derivative Complaint that certain improvements were made to the adjoining property owned by Mr. Zinn with Besicorp funds and provided a detailed summary of that information to the Committee.

The Special Litigation Committee also retained the services of Leland T. Bookhout, a real estate appraiser with L. T. Bookhout, Inc., Rhinebeck, New York. The Committee requested that Mr. Bookhout review a real estate appraisal of the headquarters property that was made on or about June 14, 1990 and provide his evaluation of that report. The 1990 appraisal was made in connection with a construction

loan for the cost of improvements to the site and was made on the basis of the proposed renovations for the site.

B. Accountant

The Special Litigation Committee retained the services of Robert Fleming of Urbach Kahn & Werlin, P.C., 66 State Street, Albany, New York, to advise the Committee with respect to the accounting issues raised in the Derivative Action. In connection with his review, Mr. Fleming reviewed the Complaint and all of the SEC filings and other financial information provided to the Committee by Besicorp. In addition, Mr. Fleming met with Robert Glass of Robbins, Greene, Horowitz Lester & Co~~e~~, Besicorp's auditors. Subsequent to his meeting with Mr. Glass, Mr. Fleming requested and was provided with copies of the SEC comment letters and Besicorp's responses thereto for the previous five (5) years. Mr. Fleming also reviewed the minutes of various meetings of the Board of Directors regarding the accounting issues.

Mr. Fleming had numerous conversations with Cuddy & Feder about how the accounting for the company was done and about the alternatives that were available to the company. In addition, Mr. Fleming provided the Committee with an interim report and final conclusions about the accounting treatment for the Besicorp partnership arrangements and the other accounting issues raised in the Derivative Action.

C. Executive Compensation

The Complaint in the Derivative Action alleges that large blocks of shares of Besicorp were awarded to the Director Defendants without consideration. The Director Defendants stated in their Answer that the 285,000 shares to Mr. Zinn, the 100,000 shares to Mr. Enowitz and the 100,000 shares to Mr. Eisenberg were given in lieu of cash compensation. Further, the Director Defendants state in their Answer that the award of 350,000 shares and a warrant for an additional 350,000 shares to Mr. Zinn were awarded in consideration of the personal guarantees and pledges of collateral made by Mr. Zinn in connection with Besicorp debt and for the direct loans made by Mr. Zinn to Besicorp. The Special Litigation Committee therefore retained the services of William Phelan of Chatham Capital Management, Inc. to advise the Committee on the issue of executive compensation, the value of the stock awarded to the Defendant Directors and the evaluation of Mr. Zinn's guarantees, pledges and loans to Besicorp.

Mr. Phelan reviewed the pleadings in the Derivative Action, the relevant minutes of meetings of the Besicorp Board of Directors, information concerning the guarantees, pledges and loans made by Mr. Zinn, and the financial information provided to the SEC, including the SEC comment letters and responses. In addition, Mr. Phelan met with the Committee to discuss how the question of the issuance of the

shares might be addressed, including how the stock of the company might be valued; how Mr. Zinn's guarantees and pledges might be valued, and how valued executives might be compensated.

Mr. Phelan also had numerous conversations with Cuddy & Feder concerning the issuance of stock to the Defendant Directors and the valuation issues raised thereby. Further, Mr. Phelan provided the Committee with information concerning the compensation of executives, the methods of providing compensation and the theories behind those methods.

#### INTERVIEWS WITH DIRECTOR DEFENDANTS

In addition to reviewing relevant documents and obtaining the advice and counsel of various experts, the Special Litigation Committee also conducted separate interviews of each of the Director Defendants. The Director Defendants made themselves available to the Committee without limitation and were candid and cooperative.

#### Michael Zinn

The Special Litigation Committee determined that Michael Zinn was the focus of many of the allegations in the Derivative Action and that as president of Besicorp, his interview would be extremely important to the Committee's deliberations. Consequently, it was decided that Cuddy &



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Feder should conduct an initial interview of Mr. Zinn in order that Cuddy & Feder would be able to assist the Committee in preparing for its interview of him. Cuddy & Feder conducted an initial interview of Mr. Zinn that elicited information about the history of Besicorp, the company's business, Mr. Zinn's significant involvement in the company's progress and Mr. Zinn's view of the company and the allegations in the Derivative Action.

Subsequently, the Special Litigation Committee conducted its own interview of Mr. Zinn (with Cuddy & Feder present), which interview took place over the course of two days. Mr. Zinn responded to the Committee's questions about the nature of the real estate transaction which led to the acquisition of Besicorp's current headquarters, and he explained how the improvements were made to the site and the impact upon his adjacent airport site. Mr. Zinn also responded to the Committee's concerns about the awards of stock to him, and he provided details to the Committee concerning the guarantees, pledges of security and loans made directly to Besicorp that Mr. Zinn provided for the benefit of the company. Mr. Zinn also explained his reasoning for the grants of stock to additional key employees of Besicorp.

Stephen Eisenberg

The Special Litigation Committee (assisted by Cuddy & Feder) met with Stephen Eisenberg and questioned him about the allegations in the Derivative Action. Mr. Eisenberg provided the Committee with information about the conditions which led to the decision to relocate Besicorp to its new headquarters. Mr. Eisenberg also responded to the Committee's questions concerning the awards of stock to Mr. Zinn, to himself, and to the other key Besicorp employees.

Martin Enowitz

At the time that the Special Litigation Committee was conducting its interviews of the Defendant Directors, Martin Enowitz was suffering from a physical disability and was being treated with medication. Consequently, Mr. Enowitz's interview was conducted by telephone by Cuddy & Feder, and a report was prepared and delivered to the Committee by Cuddy & Feder. Mr. Enowitz responded to all questions raised concerning the real estate transaction and the awards of stock which are at issue in the Derivative Action.

ADVICE OF INDEPENDENT COUNSEL

Throughout the process of investigating the allegations in the Derivative Action, the Special Litigation Committee was advised and guided by its independent counsel, Cuddy & Feder. Cuddy & Feder attended many meetings of the Committee, advised

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the Committee members as they undertook their review of the materials provided to them, and advised the Committee on matters of law.

The conclusions reached by the Special Litigation Committee are the conclusions of the Committee itself. However, Cuddy & Feder assisted the Committee in preparing appropriate resolutions and in the drafting of its report.

**ISSUES WITH RESPECT TO THE PURCHASE  
AND RENOVATION OF BESICORP'S HEADQUARTERS**

**A. Acquisition of the Site**

In February, 1990, the Board of Directors of Besicorp, with the defendant directors participating, voted to acquire the current headquarters site for a purchase price of \$640,750. At that time, the site was owned by Reina Distributing, Inc. ("RDI") and all of the common stock of RDI was owned by one Thomas T. Reina. Besicorp was to purchase all of Mr. Reina's stock in RDI for \$640,150, consisting of a \$25,000 downpayment, \$210,150 in cash at closing of the stock purchase and the balance of \$405,000 in the form of a note payable to Mr. Reina over seven years with interest at the rate of 11% which notes secured by a mortgage on the headquarters site. The Committee found no evidence to suggest that the negotiations which resulted in the foregoing agreement were anything other than arms-length in nature. In addition, the Besicorp directors expected to spend approximately

\$300,000 to renovate the property in order to make it suitable for use as Besicorp's headquarters.

The Committee inquired into the circumstances leading up to Besicorp's decision to establish its headquarters at the current location and found the following:

1. In early 1990, Besicorp was leasing space consisting of some 4,750 square feet at 291 Wall Street in downtown Kingston.
2. The downtown space was fully utilized and expansion possibilities were limited, at best.
3. The lease on the 291 Wall Street location was due to expire in July, 1991.
4. Given these circumstances, it was reasonable and businesslike for the Board of Directors to seek new quarters.

The documents reviewed by the Committee and the Committee's interviews with the Defendant Directors satisfied the Committee that Michael Zinn disclosed his interest as sole shareholder of Kingston Air Park, Inc., owner of the property immediately adjoining the 1151 Flatbush Road site. The Directors nevertheless selected the site because the terms of acquisition and renovation were considered to be consistent with the local market and the site had certain advantages as follows:

1. Anticipated costs of ownership of the Flatbush Road site compared favorably with the expenses of renting,

especially when the income derived from the rental of existing storage bins on the site was considered.

2. Ownership of its own headquarters would enhance Besicorp's corporate image and boost company morale.
3. The site was convenient to major roads and was therefore much easier to get to than the location in downtown Kingston.
4. Proximity to the airport owned by Mr. Zinn's company was an additional advantage, in that Besicorp officers and employees often used small planes for flights to generally remote areas where co-generation projects were located.
5. In view of Besicorp's ownership of the property and the relatively large site which was involved, expansion potential was excellent.
6. An appraisal of what the property would be worth, after the renovations performed in 1990, confirmed that acquisition and renovation costs were within market.

In view of the above considerations, the Committee concludes that Besicorp's decision to acquire the Flatbush Road site and to renovate it for use as Besicorp's headquarters was supported by sound business considerations and was in no way a waste of corporate assets. In fact, when Besicorp's ecologically and environmentally modern headquarters is compared with the alternative of rented headquarters in currently depressed downtown commercial Kingston, it would appear that all

anticipated benefits and advantages of the move to Flatbush Road were achieved.

Subsequently, Mr. Zinn, rather than Besicorp, acquired the stock of RDI with the result that Besicorp made "rental" payments for a time to a corporation then owned by Mr. Zinn. Based on a review of all the documents and the interviews of the Director Defendants, however, the Committee concludes that Mr. Zinn's intervention was necessitated by conditions of a preferred stock agreement which Besicorp then had with General Electric Credit Corporation (GECC). Pursuant to that agreement, Besicorp could not take on debt, such as that contemplated in the agreement with Mr. Reina, without the prior approval of GECC. Mr. Zinn's acquisition of the RDI stock followed GECC's withholding of approval of the Besicorp acquisition and was motivated by the desire to enable Besicorp ultimately to acquire the property in its own right (which it did).

The only revenue which Mr. Zinn realized from Besicorp as a result of the above-described transaction consisted of interest on the amount of his own cash which he had actually contributed to the acquisition. The "rental" payments to Mr. Zinn were based on his actual expenses in carrying the property (interest payments to Mr. Reina, taxes, etc.). Moreover, these payments were well within the range of market rents on comparable property at the time. As for Mr. Zinn's return on the money he contributed, the Committee finds that this return (13%) was reasonable, compared with what it would have cost Besicorp to

secure financing elsewhere - assuming Besicorp were free to do so.

Besicorp acquired the stock of RDI, and thus the property, effective March 31, 1992.

B. Renovation

The complaint in the derivative action further alleges violation of fiduciary duty and waste of corporate assets in connection with Besicorp's renovation of the Flatbush Road site for the purpose of establishing its headquarters. The essence of the allegations is that Besicorp funds were spent for the benefit of Michael Zinn and/or his adjoining airport property, rather than for the benefit of Besicorp itself.

In connection with these allegations, the Committee reviewed extensive documentation, including invoices and other records, reflecting the costs incurred in the renovation work, correspondence, municipal applications and approvals, and summary information concerning the vendors employed in connection with the renovation of the project. In addition, the Committee interviewed the defendant directors and obtained information from Besicorp's controller. The Committee found no evidence to indicate that any vendor or contractor hired in connection with the renovation project was affiliated with Besicorp or any of its directors in such a way as to enable the Director Defendants to directly or indirectly profit from the renovation project.

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As for the adjoining airport property belonging to Michael Zinn's company, the Committee found that Besicorp provided the airport property with two hook-ups (to the hanger and a small office building) from the sewer line which Besicorp was required to install. That sewer line ran across the airport property to the nearest point where it could connect with the municipal sewer system. Zinn explained, and the Committee finds, that the two spurs constituted the only consideration received by the owner of the airport property for its grant of permission to Besicorp to traverse the airport property in order to effect the sewer hook-up.

The Committee finds that an unaffiliated owner, in arms length negotiations, would have extracted consideration in return for the sewer easement at least equal to the value of the two spurs provided to the airport property, and thus, that the accommodation afforded here was reasonable, businesslike and prudent under the circumstances. Moreover, the alternative of running Besicorp's sewer line around the airport property would have been totally unacceptable from an expense point of view, thus reenforcing the conclusion that Besicorp would have had to pay an unaffiliated owner of the airport property a very considerable sum in return for such an owner's consent.

The Committee therefore concludes that both the acquisition of the property and its renovation were reasonable, prudent and in the best interest of Besicorp and although the ultimate total cost of the renovations did exceed original estimates, the



decision to relocate and develop new headquarters at Flatbush Road did not constitute either a violation of fiduciary duty or waste of corporate assets on the part of the Director Defendants.

**ISSUES WITH RESPECT TO THE ISSUANCE  
OF STOCK AND WARRANT TO DEFENDANT DIRECTORS**

**A. Issuance of Stock and Warrant - December 10, 1991**

On December 10, 1991, the Director Defendants, acting as the Board of Directors of Besicorp, authorized the issuance of 350,000 shares of stock to Michael Zinn, as well as a warrant to purchase an additional 350,000 shares initially exercisable at \$.375 per share. The Board took this action in consideration of the fact that Zinn had provided, and would continue to provide, various personal guarantees and pledges of cash collateral securing payment of general corporate obligations of Besicorp and/or its subsidiaries. The Board determined that the Zinn guarantees had been, and would continue to be, essential to the ability of the company to operate and, further, that without these guarantees the company would be unable to obtain financing.

The Committee obtained extensive documentation from Besicorp in connection with this issue and also questioned the Defendant Directors with respect to it. Based on all the evidence examined by the Committee, the Committee concludes as follows:

1. Between 1986 and 1991 total guarantees of Besicorp debt and/or Besicorp debt secured by Zinn assets were as follows:

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As of May 31, 1986 - \$1,799.591;

As of May 31, 1987 - \$1,721,604;

As of May 31, 1988 - \$1,978.169;

As of May 31, 1989 - \$2,435,280;

As of May 31, 1990 - \$1,747,736;

As of May 31, 1991 - \$1,614,453.

2. Besicorp, by virtue of the nature of its business, lacked a steady and reliable income stream resulting in cash shortages at times when obligations, such as payroll, were due. Zinn consistently responded to these situations by providing Besicorp with the necessary funds.
3. Because of its lack of a steady and predictable income stream, Besicorp was a poor candidate for institutional financing.
4. The Defendant Directors, other than Zinn, were aware of the foregoing history in December, 1991, deliberated out of the presence of Zinn and also inquired into the general terms and conditions pursuant to which venture capital might be obtained by Besicorp.
5. Based on their knowledge of Zinn's contribution to Besicorp, the lack of access to traditional institutional financing as evidenced by both their knowledge of the history of the company and the inquiries they made in December, 1991, the Defendant Directors reasonably concluded that Zinn's past and

future role in the financing of Besicorp was critical to its continued existence and future success and, further, that an outside investor or venture capitalist would extract from Besicorp at least the amount of stock which Zinn was requesting;

6. Under all the facts and circumstances, as known to the Defendant Directors in December, 1991, the issuance of the stock and warrant to Zinn was fair and reasonable, in the best interest of Besicorp and not either a violation of fiduciary duty or a waste of corporate assets.

B. Issuance of Stock - August 21, 1992

With respect to the issuance by the defendant directors, acting as the Board of Directors of Besicorp, of 285,000 shares of Besicorp stock to Michael Zinn, 100,000 shares to Steven Eisenberg and 100,000 shares to Martin Enowitz on August 21, 1992, the Committee has reviewed documentation including, in particular, Securities and Exchange Commission filings, as well as company records, and has interviewed the Defendant Directors with the following resulting findings and conclusions:

1. Besicorp established restricted stock agreements with certain employees in August 1992 as a means to provide incentive for those employees to continue in the employ of Besicorp.

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- 21-04-403-0610
2. The Defendant Directors were eligible to receive stock under the restricted stock agreement. A total of seven "key employees" of Besicorp received stock under the restricted stock agreements in August, 1992 - three of the seven being the Defendant Directors;
  3. The restricted stock agreements signed by the recipients were designed to encourage officers and employees to identify with the fortunes of Besicorp and to remain with the company and contribute to its success;
  4. A survey conducted by Enowitz indicated that cash compensation to the key officers of Besicorp was below that being paid at companies which compared in size to Besicorp;
  5. In view of all of the facts and circumstances, the determination made by the Defendant Directors to enter into restricted stock agreements with the key employees, including themselves, was not unreasonable in that it was designed to provide appropriate incentives which the company was not equipped to provide with cash and was therefore for the long term benefit of Besicorp. As such, it represented neither a violation of fiduciary duty nor a waste of corporate assets.

### ACCOUNTING ISSUES

With regard to the allegations in the complaint of inappropriate accounting, the Committee retained the accounting firm of Urbach, Kahn & Werlin, P.C. to review those allegations and report its findings to the Committee. Urbach, Kahn was given full access to the books and records of Besicorp and met with Besicorp's auditors - Robbins, Greene, Horowitz, Lester & Co. - to fully understand the accounting treatment which had been employed and to be in a position to fairly evaluate such accounting treatment.

Urbach, Kahn concluded, in part, as follows:

"The accounting treatment for Besicorp investments in various power production projects appears to be in accordance with generally accepted accounting principles...as an aside, had other alternatives (all of which, in our opinion, would not be preferable methods of accounting) been employed to 'minimize' this 'off balance sheet' effect, the resulting accounting would have negatively affected the company's financial condition and operations, contrary to the allegations in the Lichtenberg complaint."

Given that the Defendant Directors had relied on Besicorp's own accountants in approving the accounting practices in question and further given that the independent and well qualified CPA firm retained by the Committee unqualifiedly confirmed the propriety of the practices employed, the Committee concludes that the actions of the Director Defendants in relying upon Besicorp's accountants was reasonable and proper and in no way represents either a violation of fiduciary duty or a waste of corporate assets.

CONCLUSION

The Committee therefore concludes, after careful study and deliberation, that the allegations in the complaint of violation of fiduciary duty and waste of corporate assets are not supported by the facts, that the Defendant Directors acted on the basis of concern for the welfare of Besicorp and its future success, rather than out of self interest, and that the actions they took and the decisions they made were reasonable and businesslike, given the circumstances and facts before them.

21-04-403-0612

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**Richard Rosen**  
13 Simmons Street  
Saugerties, NY 12477

October 9, 1997

The Honorable Charles L. Breiant  
United States District Court for the  
Southern District of New York  
United States Courthouse  
300 Quarropas Street  
White Plains, New York 10601

**Re: United States v. Zinn, No. CR-97486**

Dear Judge Breiant:

I am writing to you on behalf of Michael F. Zinn in connection with his upcoming sentencing hearing in the above-referenced case. Although I understand that Mr. Zinn has pleaded guilty to two charges resulting from his activities on behalf of Congressman Hinchey's 1992 campaign, I ask the Court to consider sentencing Mr. Zinn in a way that will allow him to continue to function as President and CEO of Besicorp Group, Inc., the company he founded and now manages. I write to you in my capacity as a director of Besicorp, and Chairman of the company's Special Litigation Committee. I have served as a director of Besicorp since May 1994.

Since my tenure on the Board began some time after the activities to which Mr. Zinn pleaded guilty, I have no personal knowledge of the circumstances under which they were committed, but I do know that Mr. Zinn has not benefited financially from Congressman Hinchey's election, and I feel that this fact should be taken into consideration before Mr. Zinn is sentenced.

I also know, as a result of my position as a director of the company, that Mr. Zinn is the driving force behind the business that is Besicorp, and his skills and business acumen are necessary at this juncture of Besicorp's business. As Your Honor may know, Besicorp, a publicly traded

21-04-403-0614



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In light of the Special Litigation Committee's extensive findings and conclusions which Mr. Lichtenberg is well aware of, I find Mr. Lichtenberg's continued allegations of impropriety to be disingenuous. Moreover, claims that Mr. Zinn's continued tenure as President and CEO of Besicorp harms shareholder value are likewise unfounded. Largely due to Mr. Zinn's initiatives, the price of Besicorp stock has steadily risen since 1994, and is now at its highest level ever. For this type of success to continue, Besicorp needs the knowledge, experience and skills Mr. Zinn brings to the company. Without Mr. Zinn, shareholder value may suffer. I do not condone Mr. Zinn's conduct in connection with Congressman's Hinchey's campaign, and I recognize that he must be sentenced in a manner appropriate to the offense. I hope, however, that this can be accomplished without depriving Besicorp of Mr. Zinn's services.

I make this statement with the best interests of those who are shareholders and employees of Besicorp at heart, and I want to thank the Court for taking the time to consider it.

Respectfully yours,

Richard E. Rosen  
Richard E. Rosen

**Gerald A. Habib**

25 Old Farm Road  
Shokan, NY 12481

October 9, 1997

The Honorable Charles L. Breiant  
United States District Court for the  
Southern District of New York  
United States Courthouse  
300 Quarropas Street  
White Plains, New York 10601

Re: United States v. Zinn, et al, Case No. CR-97486

Dear Judge Breiant:

I am an independent director of Besicorp, and have been since May of 1994. I am writing to ask that for the benefit of Besicorp and its employees and shareholders, you find it fit to sentence Michael Zinn in a manner not involving incarceration.

I have known Michael Zinn for approximately four years. As a board member of Besicorp, I have observed Mr. Zinn in his functions as President and Chief Executive Officer of the company over these past few years at numerous board and other meetings. Mr. Zinn has been and continues to be a key strategist and executive of Besicorp, and the company owes its success, in a large part, to the efforts of Mr. Zinn. Mr. Zinn's vision and leadership are important corporate assets, and sentencing him in a way that will prevent him from continuing to actively run the company will be harmful both to Besicorp's shareholders and its employees.

Besicorp is now at a key stage in its goal of realizing and maximizing gains in corporate value.

To this end, the company is constantly engaging in high-level executive and strategic decision making on a daily basis. Mr. Zinn's experience and creativity greatly enhance this process.

Besicorp's ongoing projects, for which it needs Mr. Zinn's input and guidance, include, but are

not limited to: the restructuring of power agreements between Niagara Mohawk and Besicorp; resolution of the Besicorp/Rochester Gas and Electric Cogeneration projects; positioning and growth of Besicorp's power development business in India, Brazil and Mexico; and the continued growth of Besicorp's Sunwize photovoltaic systems business.

I am aware that several shareholders have written to the Court asking that Mr. Zinn be incarcerated because he has somehow damaged the Besicorp by his actions. One shareholder went so far as to say that Mr. Zinn should be sentenced in a way that precludes him from operating the company because the shareholder had invested his son's college money in Besicorp and he is, understandably, concerned over the company's future growth and performance.

It is, however, precisely because of the company's future, that I ask the Court not to prevent Mr. Zinn from being involved in the company's management. The shareholder concerned about his son's college fund should thank Mr. Zinn for his energetic leadership of Besicorp, and for the increase in the value of Besicorp's stock over the years. Indeed, any shareholder claiming that Mr. Zinn should be incarcerated for the benefit of the shareholders is ignorant of Mr. Zinn's true contributions to the company, and is effectively seeking to be shot in the foot.

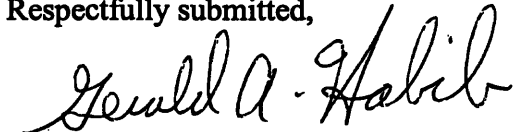
As to the allegations that Mr. Zinn has abused his position as President and CEO of Besicorp to gain personally at the stockholders' expense, I emphatically state that such allegations are untrue. Indeed, as a member of the company's Special Litigation Committee, I have spent substantial amounts of time investigating these same allegations (they form the basis of the shareholder derivative action filed by letter writer James Lichtenberg against Besicorp, Mr. Zinn and others). The Special Litigation Committee, with the assistance of independent counsel, accountants and real estate professionals, conducted an exhaustive investigation of all of Mr. Lichtenberg's allegations and concluded that they are utterly without merit.

I fully understand that Michael Zinn has entered into a plea bargain arrangement, and must be sentenced for his wrongful activities. I do not condone those activities. I do not, however

understand how they affected the core of Besicorp's main businesses or how a jail sentence for Mr. Zinn would be fair to Besicorp's shareholders and employees.

Although the board has a plan for management of Besicorp in the unfortunate event of the incarceration of Mr. Zinn, it would be only partly effective when compared to having Mr. Zinn continue in his role of actively managing the company. Thus, I respectfully ask the Court to consider these business realities in the context of the pending sentencing of Michael Zinn.

Respectfully submitted,

A handwritten signature in cursive script, reading "Gerald A. Habib". The signature is written in dark ink and is positioned above the printed name.

Gerald A. Habib

21-04-403-0618

**Harold Harris**  
*Sandra Street*  
*Ellenville, New York 12428*

The Honorable Charles I. Brieant  
United States District Court for the  
Southern District of New York  
United States Courthouse  
300 Quarropas Street  
White Plains, New York 10601

Re: United States of America v. Zinn, *et al.*  
Case No. CR-97486

Dear Judge Brieant:

I am a member of the Board of Directors of Besicorp Group, Inc. ("Besicorp" or the "Company") and I have held this position since May 6, 1994. I am writing in the hope that my letter will convince Your Honor that Michael Zinn should be sentenced in a way that will allow him to continue as the full-time President and CEO of Besicorp. Mr. Zinn founded the Company in 1976, and he has been a major part of the Company ever since. Without the benefit of Mr. Zinn's experience, expertise and leadership, Besicorp and its shareholders will surely suffer.

My own background and experience are summarized below:

During World War II, I was an electronics specialist in the new field of radar. I worked as a civilian in this field, enlisted, and subsequently became a warrant officer and served in the Pacific where I participated in the final battle of Okinawa.

After an honorable discharge, a partner and I created a company called Audio-Matrix, Inc. Audio-Matrix, Inc. manufactured metal phonograph stamping dies for use in the record industry.

I then helped to found Channel Master Corporation of Ellenville, New York, which later became the largest manufacturer of television antennas in the world. As Channel Master expanded, I served as its Vice President in Charge of Engineering and Marketing. It was also during this period that I made more than twenty-five trips to Japan and other countries in the Far East importing transistor radios and other electronic equipment. I was also responsible for the establishment of a manufacturing plant in Taiwan. During this time, I was elected President of

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mission to Yugoslavia. During this time, I testified before a Congressional committee concerned with foreign trade problems created by the rapidly expanding Japanese electronics industry.

In addition to the above, I have been active in my own real estate development company, which is involved in a residential development on Cape Cod. During the past ten years, until my recent retirement, I have served as a member of the Board of Directors of the Progressive Savings Bank and its subsidiary, the Pawling Savings Bank.

I believe that I have known Mr. Zinn longer than anyone else who has written to Your Honor about him. I first met Mr. Zinn approximately twenty years ago, when he was a little over twenty years of age. At the time, I was very impressed by Mr. Zinn's enthusiasm, ambition, obvious competence, and vision. He was among the first to recognize the looming energy crisis and the related environmental pollution problems caused by the use of non-renewable energy sources, such as coal and petroleum. With these concerns in mind, Mr. Zinn established Besicorp—a company originally developed to make commercial use of Mr. Zinn's patented process for a new manner of fabricating solar panels.

I was so impressed with Mr. Zinn and his ideas that I invested in his young company, and served on its Board of Directors from January 28, 1983 to November 6, 1985. In November 1985, however, I resigned from my position on Besicorp's Board due to differences of opinion between Mr. Zinn and myself. After resigning, I had no business dealings with Mr. Zinn or Besicorp, and saw Mr. Zinn only, infrequently, usually at local civic events.

I do hold, and have held, Besicorp stock, most of which was issued to me when the Company went public in 1981 because of my initial investment in the Company. Until 1994, I never sold any of my investment in Besicorp, but, instead, held my stock as its value fluctuated widely. At one point, Besicorp stock was trading at 12.5 cents a share. In early 1994, I sold about one half of my Besicorp stock for an average price of \$8 share. Shortly after I sold my shares, the value of Besicorp's stock began increasing to its present value of about \$36 per share. I believe this dramatic increase in the Company's value would not have occurred were it not for Mr. Zinn's skill and leadership.

In the spring of 1994 Mr. Zinn surprised me by inviting me to rejoin Besicorp's Board of Directors. After considering his offer, I decided that my business experience would benefit the Board and Besicorp, and I accepted his offer. Since then, Besicorp's shareholders reelected me to the Board at each annual meeting and I have held my position on the Board continuously since that May 6, 1994.

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As an independent director, I have given a great deal of thought to the conduct that gave rise to Mr. Zinn's criminal conviction. (In fact, I and the other independent directors are in the process of considering what, if any, repayment Mr. Zinn should make to the Company as a result of the criminal proceedings.)

Despite the criminal proceedings, Mr. Zinn has remained an energetic and efficient CEO at the forefront of Besicorp's business achievements and gains. Currently, under Mr. Zinn's leadership, Besicorp is undergoing a major business expansion, and to that end is exploring growth opportunities with other energy-related businesses. Mr. Zinn's skills and leadership are critical to Besicorp at this time.

In light of these facts, I feel that any incarceration of Mr. Zinn would have serious consequences for the shareholders and employees of Besicorp. The outlook for the Company is less than optimal without Mr. Zinn's full-time talent and energy. I hope that Your Honor will consider these facts and impose a sentence on Mr. Zinn that does not include incarceration.

I do know that others have written to Your Honor requesting that Mr. Zinn be incarcerated. Many of the writers allege self-dealing by Mr. Zinn. Their allegations simply revisit the allegations of a shareholder derivative suit filed against the Company, Mr. Zinn and others by James Lichtenberg (one of the letter writers). I think Your Honor should know that, in response to Mr. Lichtenberg's lawsuit, the Board formed a Special Litigation Committee to evaluate Mr. Lichtenberg's allegations and the conduct of Mr. Zinn. I am a member of the Special Litigation Committee and I participated in the investigation and evaluation of Mr. Lichtenberg's allegations. I can assure Your Honor that the Special Litigation Committee thoroughly investigated the allegations, and found absolutely no wrongdoing on the part of Mr. Zinn.

To assist in its investigation, the Special Litigation Committee hired separate and totally independent law, accounting and real estate firms to look into the possibility that Mr. Zinn used his position as President and CEO for personal gain at the expense of the shareholders. The Special Litigation Committee, after heeding the independent experts, concluded that Mr. Zinn in no way abused his position, and did not violate his fiduciary obligations to Besicorp or its shareholders. We concluded that Mr. Lichtenberg's derivative allegations against Mr. Zinn were unfounded, and we have requested that Mr. Lichtenberg's action be dismissed. Accordingly, I

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would ask Your Honor to disregard the allegations of self-dealing when you are considering what type of sentence will be appropriate for Mr. Zinn.

I believe that the above information should be considered by Your Honor because it shows the many positive things that Mr. Zinn has done, and is in the process of doing, for Besicorp, its employees and its shareholders, and I hope that Your Honor will find this information useful.

Since October is the month in which you will be sentencing Mr. Zinn, as well as the observation of my 75<sup>th</sup> birthday, I hope that Your Honor will give serious consideration to my thoughts concerning Mr. Zinn's importance to the Company, and to everyone that has invested time and money to ensure Besicorp's success.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Harold Harris", written in a cursive style.

Harold Harris

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