

## Rocky Mountain International Lid

• 10-K • For 6/30/96

Filed On [3/27/97](#) • SEC File [33-42070](#) •

Accession Number 950168-97-717

### (Page 4 – Extract)

Management has investigated the feasibility of action against its former Chief Executive Officer, Peter Hargitay and its wholly owned subsidiary CEA Lines, Inc. ("CEA"). It is management's present opinion that action against CEA and Mr. Hargitay are not practicable and/or cost effective. See also Note 1(a) of the notes to the financial statements at page F-8 which is incorporated herein by reference.

### (Page 9– Extract)

#### **CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.**

In management's opinion there were a number of related party transactions. Details of such transaction are set forth in the notes to the financial statement, Note 1(a) - 1(e) which are [incorporated by reference](#). In the opinion of [the Registrant](#), the transactions described in Note 1(a) - 1(c), and 1(e) involved transactions whereby [the Registrant](#) acquired assets that were grossly overvalued and have been written down in the

balance sheet. Furthermore, in the case of the acquisition of CEA Lines, Inc. no assets, called for in the acquisition agreement were ever turned over to [the Registrant](#). Moreover, Peter Hargitay, the director of CEA Lines, Inc. and former CEO of [the Registrant](#) has, despite repeated demands, failed to return to [the Registrant](#) all corporate books and records in his possession. Upon information and belief, these records are all financial records from the formation of [the Company](#) through on or about February 1, 1976. He further retains, upon information and belief, all board resolutions and minutes from the inception of [the Company](#) through [February 1, 1996](#).