

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND
BALTIMORE DIVISION

UNITED STATES SECURITIES)
AND EXCHANGE COMMISSION,)

Plaintiff,)

v.) Case No.

AGORA, INC., PIRATE INVESTOR,)
LLC and FRANK PORTER STANSBERRY)
Defendants.)

COMPLAINT

Plaintiff Securities and Exchange Commission ("Commission"), for its Complaint against Agora, Inc. ("Agora"), Pirate Investor LLC ("Pirate") and Frank Porter Stansberry ("Stansberry") (collectively referred to as "defendants"), hereby alleges as follows:

INTRODUCTION

1. Defendants engaged in an ongoing scheme to defraud public investors by disseminating false information in several Internet newsletters published by Agora or its wholly owned subsidiaries such as Pirate. Through various publications, defendants claimed to have inside information about certain public companies. Defendants suggested that its readers could cash in on the inside information and make quick profits. The defendants offered to sell the inside information to newsletter subscribers for a fee of \$1,000.
2. Numerous subscribers purchased the defendants "inside tips" and made investment decisions based on that information. The purported inside information was false and, as a result, the subscribers did not realize the profits the defendants promised.

3. The defendants, however, profited handsomely. On information and belief, Agora received in excess of \$1 million from the sale of false information to its newsletter subscribers.

STATUTES AND RULES ALLEGED TO HAVE BEEN VIOLATED

4. Defendants Agora, Pirate, and Stansberry have engaged and, unless enjoined, will continue to engage, directly or indirectly, in transactions, acts, practices, and courses of business which constitute violations of Section 10(b) of the Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §§ 78j(b)] and Rule I0b-5 thereunder [17 C.F.R. § 240.10b-5].
5. Defendants' conduct occurred in connection with the purchase and sale of securities of public companies, including but not limited to, USEC, Inc. ("USEC").

JURISDICTION AND VENUE

6. The Court has jurisdiction over this action pursuant to Section 22(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77u(a)] and Section 21 (d) of the Exchange Act, [15 U.S.C. § 78u(d)].
7. The defendants, directly or indirectly, have made use of the mails, means or instruments of transportation or communication in interstate commerce, or means or instrumentalities of interstate commerce in connection with the transactions, acts, practices and courses of business described in this Complaint.
8. Venue over this action is proper pursuant to Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)] and Section 27 of the Exchange Act [15 U.S.C. §§ 77v(a) and 78aa].
9. Venue lies in the District of Maryland because certain of the transactions, acts,

practices and courses of business constituting violations alleged herein occurred within the state of Maryland. In addition, Agora is a Maryland corporation with its principal place of business in Baltimore, Maryland. Pirate Investor LLC is a Maryland limited liability company with its principal place of business in Baltimore, Maryland. Defendant Frank Porter Stansberry is a Maryland resident.

AUTHORITY FOR PROMULGATED RULES CITED HEREIN

10. Plaintiff Commission brings this action pursuant to Sections 20(b) and 20(d) of the Securities Act [15 U.S.C. §§ 77t(b) and 77t(d)] and Sections 21(d) and 21(e) of the Exchange Act [15 U.S.C. §§ 78u(d)(3) and 78u(e)], to restrain and enjoin the defendants from engaging in the transactions, acts, practices and courses of business described herein which violate the federal securities laws, and transactions, acts, practices and courses of business of similar purport and object, to order defendants to disgorge all ill-gotten gains received during the period of violative conduct, and to impose civil money penalties pursuant to Section 20(d) of the Securities Act and Section 21(d)(3) of the Exchange Act against defendants.
11. Pursuant to authority conferred upon the Commission by Sections 10(b) and 23 (a) of the Exchange Act [15 U.S.C. §§ 78j(b) and 78w(a)], the Commission promulgated Rule 10b-5 [17 C.F.R. §§ 240.10b-5]. Rule 10b-5 was in effect at the time of the transactions and events alleged in the Complaint and remains in effect.

DEFENDANTS

12. Agora, [Inc.is](#) a Maryland corporation based in Baltimore. Agora publishes books, magazines, newsletters and operates at least 15 financial web sites in the United

States and Europe. Agora's publications include The Cutting Edge, Penny Stock Advisory, The Red Zone, Taipan, Rogue Trader, The Flying V Lockup Trader, CSX Trader, Fleet Street Letter, Options Hotline, Outstanding Investments, Richebacher Letter, Daily Reckoning Investment Advisory, Carpathia Letter, Strategic Opportunities, Jim Davidson's Vantage Point Investing, and the Contrarian Speculator. Agora publications have well over 21,500 paid subscribers.

13. Pirate Investor, LLC, is a Maryland Limited Liability Company that runs a financial advisory web site and newsletter, PirateInvestor.com. Pirate is wholly owned by Agora. Defendant Frank Porter Stansberry is the editor of PriageInvestor.com.
14. Frank Porter Stansberry, resides in Baltimore, Maryland. He is the editor of two of Agora's Internet financial newsletters: Porter Stansberry's Investment Advisory and PirateInvestor.com. Stansberry's compensation is based in part, on a percentage of the revenues realized by those on-line publications.

THE FRAUDULENT SCHEME

Marketing the False Inside Information

15. Agora's newsletters, including PirateInvestor.com, claim to be "a service featuring independent, original and thoughtful research into the process of wealth creation."
16. Instead, the newsletters contain nothing more than baseless speculation and outright lies, fabricated to induce investors to pay Agora (or its subsidiaries) for subscriptions or purported inside information.
17. The subscribers paid Agora for the alleged insider information only to later discover that the inside information was false.

18. On or about May 14, 2002, at least 15 of Agora's Internet newsletters disseminated an e-mail, written by Stansberry promising quick profits based on inside information. The heading on the e-mail stated: "DOUBLE YOUR MONEY ON MAY 22ND ON THIS SUPER INSIDER TIP." A true and correct copy of the May 14, 2002, e-mail is attached hereto as Exhibit A.
19. The e-mail claimed analysts at PirateInvestor.com had come into possession of certain details about the pending approval of a major international agreement that "will create more than \$2.5 billion in profits for one small company." The e-mail identified the issuer as a company that was involved in the nuclear energy field and would benefit from the arms reduction treaty between the U.S. and Russia.
20. Stansberry's May 14, 2002, e-mail maintained investors would "make a fortune" because PirateInvestor.com had a "senior executive inside the company" as a source for its inside information.PirateInvestor.com claimed this executive was "definitely in a position to know the intimate deals of this agreement" and when it would be approved. Therefore, the e-mail announced that PirateInvestor.com was in a position to "tell you EXACTLY WHEN the deal will be finalized and announced to the public."
21. The e-mail encouraged recipients to stake their entire investment portfolios on this unnamed company and suggested investors would be able to double their "investment dollar in a single day." Finally, the e-mail stated PirateInvestor.com "can even tell you exactly which day to buy (May 21 st) and which day to sell (May 23rd). There is nothing else you have to do."

22. **The e-mail did not give the name of the company but indicated it was listed on the NYSE and offered to sell a full report including the name of the company to subscribers for \$1,000.**

The USEC Report Contains False Information.

23. **Once the reader purchased the tip for \$1,000, the reader received a report that identified USEC as the company with the impending contract approval ("USEC report"). A true and correct copy of the USEC Report is attached hereto as Exhibit B.**
24. **Agora's web site attributed the May 14, 2002 e-mail and the USEC report to Jay McDaniels. Jay McDaniels is a pseudonym for Stansberry.**
25. **The USEC report claimed USEC and Tenex, a Russian governmental agent corporation, had reached an agreement for Tenex to sell dismantled nuclear warheads to USEC at a reduced rate under a pricing agreement.**
26. **The USEC report indicated that both the U.S. and Russian governments were required to approve the pricing agreement before it became effective. The USEC report claims that, based on information from a company insider, the pricing "agreement will be approved just prior to the upcoming Bush-Putin Summit." Referring again to the pricing agreement, the USEC report states that "[a]11 it needs are the politicians to sign off on the deal" and "according to my source, that will happen-finally-on May 22nd."**
27. **Stansberry eventually identified Steven A. Wingfield as the insider who purportedly provided the inside information regarding the May 22nd signing date of the arms reduction treaty between U.S. and Russia. Steven A. Wingfield is USEC's Director**

of Investor Relations.

28. Stansberry claimed Wingfield told him the U.S. and Russian governments would approve the agreement between USEC and Tenex on May 22, 2002, the day before the start of the Bush-Putin Summit. Wingfield made no such statement to Stansberry.
29. Wingfield told Stansberry the same thing he told all analysts who called the investor relations department at USEC. Stansberry asked Wingfield about the pending approval of the USEC-Tenex contract by the U.S. and Russian governments. Wingfield responded to Stansberry, as he did to all analysts, by saying USEC "expected it would be approved in the near future."
30. Wingfield did not tell Stansberry, directly or indirectly, that the pricing agreement with Tenex would be approved by any governmental entity on May 22, 2002. No one at USEC knew when or if the pricing agreement would be approved.
31. Stansberry had no basis whatsoever for the claim in the USEC Report that the approval of the USEC-Tennex contract would occur on May 22, 2002.
32. The pricing agreement between USEC and Tennex was approved on June 19, 2002. On that date the Department of State and USEC separately announced approval of the pricing agreement by both the U.S. and Russian governments.

Market Activity in Response to Agora's False Information

33. From January 2, 2002, through May 13, 2002, trading volume in USEC common stock averaged approximately 189,000 shares a day at prices ranging from \$5.78 to \$7.37 a share.
34. From May 14 through May 23 volume averaged 3,340,138 shares a day with closing

prices ranging from \$7.85 a share on May 14 to a high of \$9.98 a share on May 20.

There was also a significant increase in the volume of options trading in USEC stock during this period.

35. On May 22, USEC failed to make the announcement promised by the Agora e-mails and the USEC report and that day the price of USEC stock fell from \$9.54 to \$8.20 a share, a drop of nearly 15%.

Agora's On-going Efforts to Disseminate False Information to the Investing Public

36. Agora promoted other securities in its newsletters. Even after Agora became aware of the Commission's investigation, its newsletters have continued to publish e-mails promoting numerous securities accompanied by fantastic claims of quick profits or inside information.
37. For example, Agora publications have touted stocks that it claims will double or triple in value over the next year. Other Agora publications claim to provide information that allows an investor to "turn \$10,000 into \$114,280 by April 18, 2003."
38. Agora continues to promise its subscribers, "Almost Unbelievable Profits - 4.5 Times Your Money in 48 Hours."
39. As recently as the first week in April 2003, Agora published articles making similar claims of exorbitant profits. In each instance, recipients of the e-mails are offered "free" copies of the headlined reports if they subscribe to one of the various Agora newsletters at a cost of from \$69 to \$1250 a year. The money-making investments featured in the reports are typically microcap issuers with cures for cancer or AIDS or a technological breakthrough. Some of the tips are characterized as being based on

"secret" or "inside" information.

40. In some instances, the individual writing the reports Agora provides to its subscribers has an undisclosed relationship to the company being promoted.
41. For example, James Dale Davidson is the editor of Agora's Vantage Point Investment Advisory, a financial newsletter with a worldwide circulation. In December 2002 and January 2003, Agora distributed e-mails written by Davidson to its subscriber base. These e-mails promote several unnamed microcap issuers and offer to provide reports naming these issuers if the recipient of the e-mail paid \$149 to subscribe to the Vantage Point newsletter.
42. Among the issuers promoted in this manner have been GeneMax Corp. and Endovasc Ltd., Inc. Davidson is an officer, director and, indirectly, a substantial shareholder of these two issuers. Neither the soliciting e-mail nor the subsequent company report discloses Davidson's relationship to the companies.

FIRST CLAIM FOR RELIEF

FRAUD IN CONNECTION WITH THE PURCHASE OR SALE OF SECURITIES

Violations of Section 10(b) of the Exchange Act, 15 U.S.C. §78j(b),
And Rule 10b-5 thereunder, 17 C.F.R. § 10b-5

43. The Commission repeats and realleges each and every allegation contained in paragraphs 1 through 42, as if fully set forth herein.
44. Defendants, by engaging in the conduct described above, directly or indirectly, in connection with the purchase or sale of securities, by the use of means or instrumentalities of interstate commerce, or of the mails, or of a facility of a national

securities exchange, with scienter:

- a. **employed devices, schemes or artifices to defraud;**
 - b. **made untrue statements of material fact or omitted to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or**
 - c. **engaged in acts, practices or courses of business which operated or would operate as a fraud or deceit upon other persons;**
 - d. **in violation of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.**
45. **By reason of the foregoing, defendants violated, and unless restrained and enjoined will continue to violate, Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5, 17 C.F.R. § 240.10b-5.**

PRAYER FOR RELIEF

WHEREFORE, plaintiff Commission respectfully requests that this Court:

I.

Issue findings of fact and conclusions of law that Defendants committed the violations alleged herein.

Issue an Order Issue in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure, permanently enjoining defendants Agora, Pirate and Stansberry, and their officers, agents, servants, employees, attorneys, and accountants, and those persons in active concert or participation with any of them, who receive actual notice of the order by personal service or otherwise, and each of them, from engaging in the transactions, acts, practices and courses of

business described herein, and from engaging in conduct of similar purport and object in violation of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

III.

Enter an order that defendants Agora, Stansberry and Pirate, provide an accounting and disgorge their ill-gotten gains from the illegal conduct alleged in this Complaint and to pay prejudgment interest thereon.

IV.

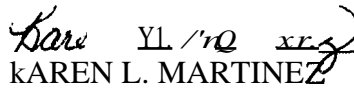
Enter an Order that Defendants Agora, Stansberry and Pirate pay civil penalties pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and Section 21(d) of the Exchange Act, 15 U.S.C. § 78u(d), for the violations alleged herein.

V.

Retain jurisdiction of this action in accordance with the principles of equity and the Federal Rules of Civil Procedure in order to implement and carry out the terms of all orders and decrees that may be entered, or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

DATED: April 9, 2003

Respectfully submitted


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EXHIBIT A

Dear Investor,

I've recently learned the details of a major international agreement between the United States and Russia that will create more than \$2.5 billion in profits for one small U.S. company.

Investors in this company are going to make a fortune - for reasons that I can detail for you here. And, best of all, because of my source - a senior company executive - I can even tell you EXACTLY WHEN the deal will be finalized and announced to the public.

The deal will close on May 22nd, only a few days from now.

The company involved is publicly traded - on the New York Stock Exchange - and its currently paying an 8% annual dividend. Although the company has a billion dollars in net assets, it has been forgotten by Wall Street and today its valued for less than \$600 million.

Meanwhile, reasonable projections see the upcoming deal adding at least \$2.5 BILLION in profits to the company's bottomline. Although the market value of the stock could soar by four or five times (it's only a \$7.00 stock), I'm conservatively estimating that the shares will double.

Let me show you why.

On May 23rd the United States and the Russian government will sign a new arms reduction agreement that will reduce the number of nuclear warheads around the world by around 10,000. Thousands of investors watching CNN or CNBC will see the ceremony, with all its pomp and circumstance, live from St. Petersburg, Russia. But only a handful of investors will have already profited on the behind-the-scenes-maneuvering that put one company in a position to make an outrageous profit on the new treaty.

If you follow politics closely, the upcoming U.S.-Russian summit probably isn't news to you. Details are already leaking out to the media. For example, on The Wall Street Journal's May 8th front-page: "the U.S. and Russia now appear on track to sign a nuclear arms reduction treaty at the Bush-Putin summit." What you haven't read in the papers yet is how this deal will mean hundreds of millions of dollars in windfall profits for one company. In fact, on May 22nd - the day before the summit begins - shares in this stock should more than DOUBLE, as the new agreement with the Russians will mean fat profits through the year 2013.

A high-level corporate executive - someone definitely in a position to know - passed along the details to me. He explained how the deal would benefit his company - raising its profit margins by 20 percentage points. He even told me the precise day the deal would be announced.

This is the kind of insider information that could make you

In fact, the company in question is already a terrific bargain. It's valued by the stock market for around HALF of net assets. It pays an 8% dividend annually. In each of the last four years it sold over a billion dollars worth of product. This year alone it will have over \$150 million in cash flow thanks to excess inventory reductions. This is a profitable business, with or without a treaty with the Russians. Despite its assets, sales and terrific strategic position, the market values the entire company at less than \$600 million because this is an "old-economy" stock.

In other words, you could probably DOUBLE your money on this stock as the stock market recovers - with or without the sweetheart deal the company has negotiated as part of the upcoming nuclear arms agreement. And, with the information I'm prepared to give you, you won't have to wait for the stock market to recover. This stock will probably double - and could even triple or more - on the news I know will be announced in a few days.

Make no mistake - my plan to double your money is extremely low risk. This is a billion dollar corporation (in sales) that's currently valued at less than \$600 million and that pays an 8% annual dividend. I'm not even recommending the options on this stock - just the regular shares. If you can double your money in one day on a low risk speculation, why get greedy?

But, for just a moment, forget about the blue chip description, the 8% dividend, the Russian presidential summit - I'll fill in the details as we go.

Focus on doubling your investment dollar SAFELY on the back of an insider tip. I can even tell you exactly which day the pop in the stock should happen. Like I told you, it's a Wednesday later this month - May 22nd. The news will be all over CNN. The President of the United States will be involved. And one company - just one company - stands to gain at least \$250 million in income each year for the foreseeable future (at least through 2013). Considering that the stock in question is only valued at \$600 million today ... well, I'm conservatively estimating that the stock will double. But it could certainly go up a lot more than that...

Again - this tip is for a single stock. It trades on the New York Stock Exchange. It pays an 8% dividend. It has a virtual monopoly on its business in the U.S. And I can tell you precisely when, why and how its shares should double later this month. Downside if I'm wrong? Most likely zero. After all, the stock is already trading at less than net assets and it's paying an 8% annual dividend.

This could be the simplest, safest and easiest way you'll ever double or even triple your money. Ever. And I'm going to give you a summary of the opportunity, right here in this email.

HOW TO MAKE A LOT OF MONEY, WITHOUT RISKING ANY (HINT: POLITICS)

How much is information like this worth to you?

A REPORT THAT COULD DOUBLE YOUR INVESTMENT DOLLAR IN A SINGLE DAY

I'm going to make this very easy for you. I'm not asking you to subscribe to my newsletter in exchange for this information. (I don't even write a newsletter). I'm not asking you to follow a trading system. (I don't have one). I'm not going to bother you with subsequent emails or follow-up phone calls. Nope. This is a simple, one-shot deal. I'll simply give you immediate access to a full report on the opportunity, including all of the back up information you'd need to verify everything I've toed you here.

If you're interested, and you think the price is fair, all you have to do is buy one four-page report. You can verify all of the details I'll provide with documents available via public records. I'll even give you an Internet link to the company's most recent financial data.

And you can buy the report through a link at the bottom of this page. You'll have INSTANT ACCESS to the report. I can't make it any easier.

Let me repeat my offer: This blue chip, undervalued stock, which pays an 8% dividend, should double on May 22nd because of a key new commercial arrangement between the United States government and Russia. All the insiders are preparing to take profits ... and you can join them.

So ... what is this information worth?

Let's say you take my advice and I'm right on the money. Let's say - just for the sake of argument - that the stock hits a new all-time high. It goes to \$14. You'd make 100% on your money - even after trading costs.

Now look, I know that a lot of you can afford to put a lot more than \$10,000 on this kind of safe, high return play. It's not an option play. It's not a growth stock. It's not even a tech stock. Nope. It's a high dividend paying commodity company. But, even if you only have \$10,000 to invest, I could help make you double that \$10,000 in a few days. Heck, I can even tell you exactly which day to buy (May 21 st) and sell (May 23rd). There's nothing else you'll have to do.

So ... what price do you think is fair for this kind of information? How much would you pay?

Lots of people spend \$10,000 or more for solid, profitable investment advice. After all, if you're making money with the information, it's worth it. But these services all require lots of trading ... and lots of risk taking. With the deal I'm offering you today, all you have to do is buy one stock. And, as I've shown you, it's a low-risk stock.

Other services charge \$5,000 or more for so-called "insider" connections. Conference call services, "angel"

What I'm offering you today is far superior to both of these kinds of offers. It's low risk and it will come to fruition - one way or the other - this month. If the deal doesn't hit big, your capital won't be tied up forever and there's almost no chance you'll lose money because the company pays such a big dividend and is so undervalued relative to assets. Plus, it's just one stock. There's not all of the work required to follow an investment "system."

So ... what's a fair price? Honestly, I have no idea. It really depends on how much money you have to invest. If you're going to put a million dollars on this - and you could - then the information is probably worth \$50,000 or more. But I know most of you don't have that kind of money to play with (though some of you do). No matter how much you decide to invest, I'll give instant access to the information to anyone who cares to pay \$1,000 for it. Its not cheap - but if we double our money this month - it's easily worth it.

And, by the way, I might not recommend stocks all that often, but I've been in and around the investment publishing business longer than Porter Stansberry, Steve Sjuggerud and Dan Ferris combined. From time to time - as you see here - I come across very solid information.

I hope you'll use this lead to your best advantage. Your friends won't understand your newfound interest in politics ... and they won't know where you got the money for you new house, boat, car, and vacation either.

Sincerely,
Jay McDaniel

P.S. To buy this special INSIDER TIP report, just click here:

<<http://www.pirateinvestor.com/Reports/350SSIT/DR/W35OC5D4.cf.m>>

I'm sure you're wondering - how is it possible to double your money on a safe stock in one day? How can you double or triple your money - in less than a month - without buying a speculative stock or stock options? How can you make a killing without putting much at risk?

In a word, politics.

That's right. Living in the greater Washington D.C. metropolitan area has its distinct advantages. Recessions never hit this part of the country because the government never stops growing. And, the insider tips you get at the country clubs here have nothing to do with something as risky as venture capital. Instead, I hear about the dirty, but sometimes very profitable, world of politics.

Maybe you haven't heard about it yet, but the upcoming U.S.-Russia summit is big news here in D.C. President Putin will host President Bush for three days in Russia. According to my source - and backed up by rumors that have been reported in the mainstream press - the major announcement of this summit will be an important new strategic alliance between the United States and Russia, relating to nuclear stockpiles and a new strategic defense system to protect both our countries from nuclear missiles...

The company I'm passing along to you will be a direct beneficiary of this agreement, to the tune of billions of dollars in profits.

See how this works? It's a total insider deal. Money and favors in exchange for a fat deal with the Russians. Hey, I know it's dirty. But I don't make the rules and I don't run the company or involve myself in politics. On the other hand, I see nothing wrong with profiting from my insider knowledge of this deal and I don't think you should be ashamed to do so either.

It's a great opportunity. Let me give you a few of the details now.

THE DETAILS YOU NEED TO MAKE A QUICK (AND HUGE) PROFIT

First, the company that will profit at the expense of the Russians is well known and (obviously) well connected.

In fact, the company was spun out of the U.S. government in 1993, which helps to explain why it has so much access to the government corporate welfare trough. Let me reiterate: this is a major company, not some penny stock. On the balance sheet you'll find over \$200 million in cash and over \$800 million in inventory (some of which was just liquidated for over \$150 million). Net assets are valued at more than \$950 million. But - get this - today the stock trades for less than \$600 million - despite paying an 8% dividend this year.

This is a major company that sells a critically important commodity all over the world. It has had over a billion dollars in sales for the last four years and positive earnings per share each of the last four years too.

So ... what's wrong with this picture : nis is such a great company, why is the stock so undervalued?

Because without the upcoming deal with the Russians and the support it gets from the U.S. government (protective tariffs), its costs match its sales revenue. In other words, this company - absent its upcoming deal with the Russians - would probably only breakeven this year.

So ... the market is a down on the company. But I know the deal with the Russians is about to go through...! Once the deal with the Russians goes through, the company's net margins should exceed 20% - netting it around \$250 million per year, even if you assume its market doesn't grow at all!

And guess what? The deal with the Russians has ALREADY BEEN SIGNED. That's right. It's all done, locked up. Finished. The only thing that both sides are waiting on is the proper media event to announce this commercial cooperation between the Ruskies and us. It's a feel good thing. It's PR for the politicians. You know how the game works. The important work is done in advance, so that when the cameras are rolling, everything comes off without a hitch.

Who is my source? Well ...I can't tell you, except to say that he is a senior executive inside the company. He is definitely in a position to know the intimate deals of this agreement.

Wait a minute you say ... isn't this insider trading?

Well, it might be except because I'm willing to give you all of the details, it's now public information. (You don't have to wonder why I'm bringing you this information. I can't make money with this idea unless I make it public first).

Why haven't the other investment newsletter writers at www.pirateinvestor.com <<http://www.pirateinvestor.com>> told you about this opportunity?

Frankly, they probably wouldn't touch this stock. They're free-market guys. They loathe the fact that this stock has a monopoly on its commodity product in the United States. And Porter Stansberry or Dan Ferris would tell you that this company's technology isn't cutting edge.

But, to me, that hardly matters, because - right or wrong - the company operates in the United States with a VIRTUAL MONOPOLY. It has persuaded Washington to slap a huge tariff on its foreign competition - a tariff that ensures it will operate profitably in the United States for at least the next five years. Furthermore, the company has landed a deal with the Russians for the raw materials it needs to reduce its production cost by 20% or more. All that's left is the government approval for the contract - which is coming on May 22nd, just in time for the Bush-Putin summit.

ARE YOU INTERESTED? WANT TO ROLL THE (LOADED) DICE WITH ME THIS MONTH?

Now ... before I ask you if you're interested in this information, I have to make one thing perfectly, crystal clear. I'm not a Merrill Lynch stock analyst. I'm not hyping this thing to you because I'm trying to raise money for an IPO. No. I'm in the business of selling independent investment research ... and frankly this is the best tip I've ever come across. And, because I make my living as a provider of unbiased information ... I'm willing to sell you this information before I even establish a position in the stock myself. What could be fairer?

Unfortunately, there's one more thing I have to remind you about. I can't guarantee that the stock will pop. Nobody can guarantee the actions of the stock market. But, I can guarantee you (and Porter Stansberry has agreed to vouch for me and stand behind my guarantee) that everything I've told you here about the company is true and accurate. In fact, if you're interested in getting in on this deal, I'll provide you with a report IMMEDIATELY that proves everything I've said above. By that I mean:

#1. The financial position, history of the company and the balance sheet information is 100% correct.

#2. The company's future financial situation has been accurately represented here.

#3. The company has historically paid a dividend. Currently it's paying \$0.1375 per quarter, which judging by the current share price of \$6.50 would equal an 8% yield for investors this year. (I can't guarantee that the company will continue to pay the dividend - only the board of directors could do that - but I can show you that the company has a solid history of paying dividends and the financial resources to continue to pay them).

#4. The deal I allude to here - with a Russian company - for a new, cheaper supply of raw materials, is, according to public company documents, finalized.

#5. U.S. government officials have said in public that a deal of the nature I've represented here will be announced at the upcoming Bush-Putin summit.

Now, assuming for the moment that everything I'm able to guarantee is correct, how much would confirmation from a company insider be worth to you? Well, that depends on how much you have to invest, doesn't it?

Let's say that you've got a small investment portfolio. Just \$10,000. Could you stake all of it on a deal like this? I don't see why not. The company is trading for less than net current assets. It has plenty of cash and is paying an 8% dividend. The stock, by the way, is trending higher, from a low of around \$4. This is no penny stock either: it does over a billion a year in sales.

I'm not asking you to bet the farm on a new drug or a new widget. This is a bricks and mortar company, selling a widely used industrial commodity. This is a Warren Buffett kind of stock. Only I can tell you exactly when it should

EXHIBIT B

DOUBLE YOUR MONEY ON THE UPCOMING ARMS AGREEMENT: BUY USEC (NYSE: USU, \$6.50)

Dear Investor,

Thank you for your interest in my special report. If you're looking for a person who likes to buy first and ask questions later in call your broker now and tell him to buy shares of USEC (NYSE: USU, \$6.50). The company is the leading vendor of enriched uranium in the United States. Enriched uranium is the fuel required by almost all nuclear power plants around the world.

The main advantage of nuclear power is its ability to derive enormous amounts of energy from a tiny amount of fuel. One metric ton, of nuclear fuel can produce the equivalent of to 2-3 TeraPillion tons of fossil fuel. For example, one kilogram of coal can generate 3 kilowatt-hours of electricity. But one kilogram of nuclear fuel can generate 400,000 kilowatt-hours.

As our economy grows and becomes more energy dependent and as we seek to become less reliant on foreign oil supplies, nuclear power will undoubtedly play a role of growing importance to our economy. Today there are 107 nuclear reactors in the United States, operating at about 90% of capacity. However, there's only one U.S. vendor of fuel for these reactors: USEC. And, in total, the company sells fuel to 170 nuclear reactors around the world.

Let me briefly outline the bullish case for the company.

USEC has signed long-term fuel contracts with power companies around the world. However, the cost to fulfill these contracts is variable. In the past, the company has fulfilled demand for nuclear fuel via two sources - nuclear warheads from the U.S. and Russian arsenal and USEC's own uranium enrichment process.

This is a very big business. USEC's revenue has increased well over 100% during each of the last four years. But, like any commodity business, USEC's profits are directly linked to its cost - the market price of its commodity. Lately, due to increased production by the West and European providers - Euratom and Urenco - the market price of uranium SWU - a single Work Unit, the nuclear equivalent to a gallon of gasoline - has fallen while USEC's production costs have risen. The company's Russian supply of cheap uranium has been on hold for two years pending a new government-approved deal. That squeezed the company and forced it to sell SWUs at a much lower profit.

For example, back in 1999 the company was getting plenty of cheap Russian uranium. It had over \$1.4 billion in SWU revenue that year and its cost of sale was a little over \$1 billion. The company made \$396 million in gross profit. (That's pretty incredible for a company valued by the market today for less than half that amount.)

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Or, essentially the same demand for uranium. In 2001, the company's net revenues of \$1.1 billion (lower revenue total reflects the lower average sale price) but its cost of sales was \$99 million. The margins - always thin in a commodity business - have been, to disappear. Net income was only \$76.4 million.

The 2001 figures aren't terrible for a \$600 million company... but they'd be a heck of a lot bigger if USEC could re-establish its Russian supply of enriched uranium. And that's exactly what's going to

Ending	31-Mar-02
Current Assets	
Cash And Cash Equivalents	\$219,300,000
Net Receivables	\$159,300,000
Inventory	\$835,500,000
Other Current Assets	\$20,100,000
Total Current Assets	\$1,234,200,000
Long Term Assets	
Property Plant And Equipment	0.
Other Assets	
Deferred Long Term Asset Chgs	
Total Assets	
Current Liabilities	
Accounts Payable	\$210,100,000
Other Current Liabilities	\$227,000,000
Total Current Liabilities	\$437,100,000
Long Term Debt	\$500,000,000
Other Liabilities	\$268,200,000
Long Term Liability Charge:	\$31,300,000
Total Liabilities	\$1,062,300,000
OR -	
Stockholders Equity	
Common Stock	\$10,000,000
Retained Earnings	\$14,700,000
Treasury Stock	
Capital Surplus	\$1,066,200,000
Other Stockholder Equity	
Total Stockholder Equity	\$952,100,000
Net Tangible Assets	\$952,100,000

Before... set to the details of the new Russian agreement, want to cover all of the company's financial statements to justify what I told you earlier about the company.

USEC IS AN ASSET RICH COMPANY

First, here's the most recent balance sheet from the company's most recent 10K. As you can see, the company has over \$1.2 billion in current assets against only \$262 million in current liabilities - an extremely liquid position. It also has over \$2 billion in total assets against only a billion dollars in total liabilities.

I'm not suggesting that you gamble on an Internet stock here. This company is an asset rich and cash rich company. (To see

the full balance sheet, income and cash flow statements, visit, see this website: <http://t4z.yahoo.com/lln/l/u/usu.html>)

There's only one thing about this balance sheet you should be cautious about. - the inventory figures. USEC was originally a branch of the Department of energy. Then in 1993 it became United States Enrichment Corporation, wholly owned by the U.S. Government. Finally USEC went public in a July 1998 IPO, becoming a stand-alone public company. Almost all of its assets originally came from the government - including its stockpile of uranium. Recently, around \$210 million worth of its uranium inventory was discovered to have elevated levels of plutonium. This would devalue the stockpile considerably and force the company to take a charge against

stiazet:olde:'s equity. But, USEC and the Department of Energy have agreed on a process, including further sampling, to determine the actual amount of material that may be affected. This process is expected to be completed in the first half of 2002. After a determination is made on how much uranium is affected, the process of getting reimbursed by the Department of Energy will begin. There are legal and regulatory specifications that the government agrees to as part of the privatization process and there's good reason to expect the government can be made to reimburse the company for the defective materials, though no agreement has been reached yet. In other words, keep in mind that \$230 million or 10% of those assets could be impaired.

REVENUE				
	2000	2001	2002	2003
SEP	307.900	230.900	226,800	300.50
DEC	422.400	447,600	387.100	560.10
MAR	250,400	261.800	243,100	249.40
JUN	537,900	529,100	286.900	
Totals	1,528,600	1,469,400	1,143,900	1,110,00

EARNINGS PER SHARE				
	2000	2001	2002	2003
SEP	0.63	0.16	0.06	-0.0
DEC	0.32	0.36	0.26	0.1
MAR	0.16	0.25	0.56	0.0
JUN	0.41	-0.74	0.09	

Besides a robust balance sheet, USEC also has a long and successful operating history. As you can see *here*, the company continues to deliver over a billion dollars a year in revenues and - even with the recent challenges to its cheap Russian supply of enriched uranium - it has been posting positive earnings each year as a public company.

What could change these numbers radically in the future is a new deal with the Russians. And, in fact,

such a deal has already been signed.

THE RUSSIAN DEAL

USEC plays an important role in nuclear disarmament. It is the U.S. government's agent in the nuclear warhead to nuclear fuel program. The original Russian deal was signed in April 1997, prior to the company's public offering and has a 20-year term. Over the life of the 20-year Russian contract, USEC expects to purchase approximately 92 million SWU derived from 500 metric tons of highly enriched uranium. So far 22.4 million SWU has been purchased.

In the past this Russian supply has been very important to the company's production. Purchases from the Russian Federation represented 52% of USEC's production total in 2001. And, pending approval for a new, market-based pricing agreement, USEC expects purchases of the Russian SWU will make up approximately 60% its production total in 2002. But only if a new, market-based contract is approved. Until then the company has suspended its buying of Russian SWU.

USEC has already **reached such** an agreement with its Russian partner. A deal was signed in May 2000 that includes market-based pricing and runs through 2013. But **implementation of the agreement is subject to review and approval by the** U.S. and Russian governments.

The uncertainty about when this deal would be approved has led to the company's stock trading in limbo - and at very cheap prices - since carry 2000 when SWU prices fell. A USEC senior executive has assured me that the new Russian agreement will be a surprise just prior to the upcoming Hush-Futit summit in late May, as he said "watch the stock on May 22".

The media is confirming his tip. It was reported last week that the major thrust of the summit is a new arms control deal. From The Wall Street Journal May 8, page A15: "The centerpiece of the summit, to be held May 23-26 in Moscow and St. Petersburg, is likely to be the signing of a treaty reducing offensive nuclear weapons. The accord would reduce U. S. and Russian arsenals to between 1,700 and 2,200 warheads each, down from their present level of about 6,000 to 7,000 for the U.S. and 6,000 for Russia."

Just as importantly, the Russians need USEC's buying of their excess enriched uranium to continue because of the economic difficulties in Russia. As The Wall Street Journal noted "an offer of contracts for (Russia's) economically distressed defense industry could help soften criticism that President Vladimir Putin has yet to gain any substantial benefits from his pro-Western policies." The USEC deal alone could send nearly a half billion dollars to Russia each year.

And the financial benefit to USEC is substantial too. Company representatives explain that worldwide SWU prices are now between \$105 and \$107 per unit. With Russian enriched uranium, USEC's unit cost per SWU is around \$80. Without it, their cost is roughly the current market price. Thus, the company stands to gain 20 percentage points of profit margin on around \$1 billion in sales contracts - or \$250 million in gross profit. All it needs are the politicians to sign off on the deal.

And that, according to my source, will happen - finally - on May 22.

With the deal in place, USEC should make between \$150 and \$200 million in net profits in 2003. These profits should continue too - the new deal with the Russians extends through 2013. Furthermore, demand for nuclear fuel is likely to increase during this time period. With only five global vendors of enriched uranium, it's not hard to imagine the cost of nuclear fuel rising in this period, creating growing profits over time for USEC.

Without the deal in place USEC will probably clear only \$50 million or so in net profits next year. But, in either case it's hard to imagine the company cutting its current dividend of \$0.1375 per quarter. The company has plenty of cash, the ability to trim inventory, operational profits and a backlog of \$5.4 billion.

That's why I consider this a safe speculation. It's hard to imagine investors getting hurt with this stock at its current price - you're buying at roughly half of book value and you're getting paid \$1 a year to wait until the Russian supply deal gets worked out.

Hopefully, if my source is right, it won't take long...