

QUEPASA COM INC  
Form SC 13D  
February 08, 2002

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**SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, DC 20549**

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**SCHEDULE 13D  
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

**quepasa.com, Inc.**

(Name of Issuer)

Common Stock, par value \$0.001 per share

(Title of Class of Securities)

74833W-10-7

(CUSIP Number)

Steven P. Johnson, Esq.  
2575 East Camelback Road  
Suite 700  
Phoenix, Arizona 85016  
(602) 778-5003

(Name, Address and Telephone Number of Person

Authorized to Receive Notices and Communications)

January 29, 2002

(Date of Event Which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box .

*Note.* Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. *See* Rule 13d-7(b) for other parties to whom copies are to be sent.

(1) The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 ( " Act " ) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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**SIGNATURE**

Schedule A

**EXHIBIT INDEX**

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**1**

NAMES OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Ernest C. Garcia II

---

**2** CHECK THE  
APPROPRIATE BOX  
IF A MEMBER OF A  
GROUP

(a)

(b)

---

**3** SEC USE ONLY

---

**4** SOURCE OF  
FUNDS  
OO

---

**5** CHECK BOX IF  
DISCLOSURE OF  
LEGAL  
PROCEEDINGS IS  
REQUIRED  
PURSUANT TO  
ITEM 2(d) or 2(e)

---

**6** CITIZENSHIP OR  
PLACE OF  
ORGANIZATION  
U.S.A.

---

**NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY  
EACH  
REPORTING  
PERSON WITH  
7 SOLE  
VOTING POWER**

0 shares

---

**8** SHARED  
VOTING POWER

927,471 shares <sup>(1)</sup>

---

**9** SOLE  
DISPOSITIVE  
POWER

0 shares

---

**10** SHARED  
DISPOSITIVE  
POWER

927,471 shares

---

**11** AGGREGATE  
AMOUNT  
BENEFICIALLY  
OWNED BY EACH  
REPORTING  
PERSON 927,471<sup>(1)</sup>

---

**12** CHECK BOX IF  
THE AGGREGATE  
AMOUNT IN ROW  
(11) EXCLUDES  
CERTAIN SHARES

**13** PERCENT OF  
CLASS  
REPRESENTED BY  
AMOUNT IN ROW  
(11)

5.40%<sup>(2)</sup>

---

**14** TYPE OF  
REPORTING  
PERSON IN

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(1) Includes 561,562 shares of quepasa.com, Inc. ( Quepasa ) common stock, par value \$0.001 per share (the Common Stock ) held of record by Verde Capital Partners, LLC ( Verde Capital ) and 365,909 shares of Common Stock held of record by Verde Investments, Inc. ( Verde Investments ). See the Explanatory Note beginning on page 8.



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- (2) According to the preliminary proxy statement filed by Quepasa with the Securities Exchange Commission on January 15, 2002 (the Management Proxy Statement ), there were 17,163,291 shares of Common Stock outstanding on January 7, 2002.
-

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**1**

NAMES OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Verde Capital  
Partners, LLC  
86-0970811

---

**2** CHECK THE  
APPROPRIATE BOX  
IF A MEMBER OF A  
GROUP

- (a)
  - (b)
- 

**3** SEC USE ONLY

---

**4** SOURCE OF  
FUNDS  
OO

---

**5** CHECK BOX IF  
DISCLOSURE OF  
LEGAL  
PROCEEDINGS IS  
REQUIRED  
PURSUANT TO  
ITEM 2(d) or 2(e)

---

**6** CITIZENSHIP OR  
PLACE OF  
ORGANIZATION  
Arizona

---

**NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY  
EACH  
REPORTING  
PERSON WITH  
7 SOLE  
VOTING POWER**

0 shares

---

**8** SHARED  
VOTING POWER



561,562 shares <sup>(1)</sup>

---

**9** SOLE  
DISPOSITIVE  
POWER

0 shares

---

**10** SHARED  
DISPOSITIVE  
POWER

561,562 shares

---

**11** AGGREGATE  
AMOUNT  
BENEFICIALLY  
OWNED BY EACH  
REPORTING  
PERSON 561,562<sup>(1)</sup>

**12** CHECK BOX IF  
THE AGGREGATE  
AMOUNT IN ROW  
(11) EXCLUDES  
CERTAIN SHARES

**13** PERCENT OF  
CLASS  
REPRESENTED BY  
AMOUNT IN ROW  
(11)

3.27%<sup>(2)</sup>

---

**14** TYPE OF  
REPORTING  
PERSON OO

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- (1) Includes 561,562 shares of Common Stock held of record by Verde Capital, and excludes 365,909 shares of Common Stock held of record by Verde Investments. See the Explanatory Note beginning on page 8.
-

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- (2) According to the Management Proxy Statement, there were 17,163,291 shares of Common Stock outstanding on January 7, 2002.
-

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**1**

NAMES OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Verde Investments,  
Inc.  
86-0706842

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**2** CHECK THE  
APPROPRIATE BOX  
IF A MEMBER OF A  
GROUP

(a)  
(b)

---

**3** SEC USE ONLY

---

**4** SOURCE OF  
FUNDS  
OO

---

**5** CHECK BOX IF  
DISCLOSURE OF  
LEGAL  
PROCEEDINGS IS  
REQUIRED  
PURSUANT TO  
ITEM 2(d) or 2(e)

---

**6** CITIZENSHIP OR  
PLACE OF  
ORGANIZATION  
Arizona

---

**NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY  
EACH  
REPORTING  
PERSON WITH  
7 SOLE  
VOTING POWER**

0 shares

---

**8** SHARED  
VOTING POWER

365,909 shares  
(1)

---

**9** SOLE  
DISPOSITIVE  
POWER

0 shares

---

**10** SHARED  
DISPOSITIVE  
POWER

365,909 shares

---

**11** AGGREGATE  
AMOUNT  
BENEFICIALLY  
OWNED BY EACH  
REPORTING  
PERSON 365,909<sup>(1)</sup>

---

**12** CHECK BOX IF  
THE AGGREGATE  
AMOUNT IN ROW  
(11) EXCLUDES  
CERTAIN SHARES

**13** PERCENT OF  
CLASS  
REPRESENTED BY  
AMOUNT IN ROW  
(11)

2.13%<sup>(2)</sup>

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**14** TYPE OF  
REPORTING  
PERSON CO

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- (1) Includes 365,909 shares of Common Stock held of record by Verde Investments, and excludes 561,562 shares of Common Stock held of record by Verde Capital. See the Explanatory Note beginning on page 8.
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- (2) According to the Management Proxy Statement, there were 17,163,291 shares of Common Stock outstanding on January 7, 2002.
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SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
SCHEDULE 13D

Statement of

Ernest C. Garcia II  
Verde Capital Partners, LLC  
Verde Investments, Inc.

Pursuant to Section 13(d)  
of the Securities Exchange Act of 1934  
in respect of

quepasa.com, Inc.

EXPLANATORY NOTE

This Statement on Schedule 13D (this Statement) relates to the common stock, par value \$0.001 per share (the Common Stock), of quepasa.com, Inc., a Nevada corporation (Quepasa). Ernest C. Garcia II, Verde Capital Partners, LLC, an Arizona limited liability company (Verde Capital) and Verde Investments, Inc., an Arizona corporation (Verde Investments) and, together with Mr. Garcia and Verde Capital, the Reporting Persons may be deemed to constitute a group within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the Exchange Act), with respect to their respective beneficial ownership of Common Stock. Pursuant to Rule 13d-4 under the Exchange Act, each of the Reporting Persons disclaims that he or it is, for purposes of Section 13(d) or 13(g) of the Exchange Act, the beneficial owner of any securities covered by this Statement other than those shares of Common Stock with respect to which he or it is indicated as having shared voting and dispositive power in Item 5 of this Statement.

On January 29, 2002, Mr. Garcia (for himself and Verde Capital, Verde Reinsurance Company, Ltd. (Verde Reinsurance), and Verde Investments) entered into an Agreement and Release with Michael Silberman, Mark Kucher, Kevin Diebell, Jeffrey Peterson (collectively, the Silberman Parties). Pursuant to the Agreement and Release, Mr. Garcia granted to Michael Silberman or his designee a proxy to vote, in his sole discretion, all shares of Common Stock owned by Mr. Garcia, Verde Capital, Verde Reinsurance, and Verde Investments in connection with any matter that is identified in the preliminary proxy statement (the Management Proxy Statement) filed by Quepasa with the Securities and Exchange Commission (the Commission) on January 15, 2002.

By virtue of the Agreement and Release and proxy granted thereunder, the Reporting Persons and the Silberman Parties may be deemed to constitute a group within the meaning of Section 13(d)(3) of the Exchange Act, and each of the Reporting Persons may be deemed to have shared voting power with respect to the shares of Common Stock held by the Silberman Parties. Each of the Reporting Persons expressly disclaims that he or it is a member of a group that includes the Silberman Parties. Pursuant to Rule 13d-4 under the Exchange Act, each of the Reporting Persons expressly disclaims that he or it is, for the purposes of Section 13(d) or 13(g) of the Exchange Act, the beneficial owner of any securities of Quepasa other than those shares of Common Stock with respect to which he or it is indicated as having shared voting and dispositive power in Item 5 of this Statement. The Reporting Persons are filing this Statement solely

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as a precautionary matter in the event they are deemed to members of a group that includes the Silberman Parties.

None of the Reporting Persons have any direct knowledge with respect to the Common Stock holdings of the Silberman Parties, and all information contained herein regarding the Silberman Parties is based solely upon the information (i) set forth under Certain Information Concerning the Concerned Stockholders and Other Participants in the Solicitation and Security Ownership of the Concerned Stockholders and Other Participants, Including Director Nominees in the preliminary proxy statement filed by the Silberman Parties with the Securities and Exchange Commission (the Commission) on January 31, 2002 (the Silberman Proxy Statement) and (ii) contained in the Schedule 13D filed by Michael Silberman, Mark Kucher and Kevin Diebell with the Commission on January 7, 2002 (the Silberman 13D). None of the Reporting Persons assumes any responsibility for the accuracy or completeness of this information.

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**ITEM 1. Security and Issuer.**

This Statement relates to the Common Stock. The principal executive offices of Quepasa are located at 7904 E. Chapparral Road, Suite A110, PMB 160, Scottsdale, AZ 85250.

**ITEM 2. Identity and Background.**

(a) This Statement is being filed by Ernest C. Garcia II, Verde Capital and Verde Investments.

By making this filing, the Reporting Persons acknowledge that they may be deemed to constitute a group within the meaning of Section 13(d)(3) of the Exchange Act, with respect to the Common Stock. Pursuant to Rule 13d-4 under the Exchange Act, each of Verde Capital and Verde Investments disclaims beneficial ownership of any securities covered by this Statement other than any shares of Common Stock reported herein as being owned by it.

The Agreement of the Reporting Persons is attached hereto as Exhibit 1.

(b) The business address of Mr. Garcia and the persons listed on Schedule A and the principal executive offices of Verde Capital and Verde Investments is 2575 E. Camelback Road, Suite 700, Phoenix, Arizona 85016.

(c) Verde Capital is principally engaged in the investment business. Verde Investments is principally engaged in the business of real estate investment and development.

(d) None of the Reporting Persons and, to the Reporting Persons' knowledge, none of the persons listed on Schedule A have been convicted in a criminal proceeding in the past five years (excluding traffic violations or similar misdemeanors).

(e) During the past five years, none of the Reporting Persons and, to the Reporting Persons' knowledge, none of the persons listed on Schedule A was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction as a result of which such person was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(f) Verde Capital and Verde Investments are organized under the laws of Arizona. Mr. Garcia, and to the Reporting Persons' knowledge, each of the individuals identified on Schedule A is a citizen of the United States.

Set forth on Schedule A is (i) the name and present principal occupation or employment, and the name and address of any corporation or other organization in which such employment is conducted, of each of the members and executive officers of Verde Capital as of the date hereof and (ii) the name and present principal occupation or employment, and the name and address of any corporation or other organization in which such employment is conducted, of each of the directors and executive officers of Verde Investments as of the date hereof.

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**ITEM 3. Source and Amount of Funds or Other Consideration.**

The information with respect to certain prior acquisitions of Common Stock by the Reporting Persons in Item 6 of this statement is hereby incorporated in this Item 3 by reference.

In addition to the prior acquisitions described in Item 6, prior to Quepasa's initial public offering, it issued 25,000 shares of Common Stock to Verde Investments as consideration for consulting services.

**ITEM 4. Purpose of Transaction.**

Each of the Reporting Persons holds the Common Stock described in Item 5 of this Statement for investment purposes only. Depending on the prevailing market, economic and other conditions, each of the Reporting Persons may from time to time acquire additional Common Stock or engage in discussions with Quepasa concerning further acquisitions of securities from Quepasa. Each of the Reporting Persons intends to review its investment in Quepasa on a continuing basis and, depending upon the price and availability of Common Stock, subsequent developments affecting Quepasa, Quepasa's business and prospects, other general stock market and economic conditions, tax considerations and other factors considered relevant, may decide at any time to increase or to decrease the size of his or its investment in Quepasa.

In connection with its next annual meeting of stockholders, on January 15, 2002, Quepasa filed the Management Proxy Statement with the Commission pursuant to which it intends to solicit from Quepasa stockholders proxies to, among other things, (i) vote in favor of a merger that would result in Quepasa becoming a wholly-owned subsidiary of Great Western Land and Recreation, Inc. (the "Great Western Merger") and (ii) vote in favor of the reelection of Quepasa's five incumbent directors. On January 16, 2002, Michael Silberman, Mark D. Kucher and Kevin Diebell (collectively, the "Concerned Stockholders") filed a preliminary proxy statement with the Commission pursuant to which the Concerned Stockholders intend to solicit from Quepasa stockholders proxies to, among other things, (i) vote against approval of the Great Western Merger and (ii) vote in favor of election of the Concerned Stockholders' slate of director nominees. The preliminary proxy statement filed by the Concerned Stockholders was amended on January 31, 2002 and, as amended, is referred to herein as the "Silberman Proxy Statement." On February 6, 2002, Quepasa announced that it had terminated the merger agreement relating to the Great Western Merger.

On January 29, 2002, Mr. Garcia (on behalf of himself, Verde Capital, Verde Reinsurance Company, Ltd. ("Verde Reinsurance") and Verde Investments) entered into an Agreement and Release with Michael Silberman, Mark D. Kucher, Kevin Diebell and Jeffrey Peterson (collectively the "Silberman Parties"). Pursuant to the Agreement and Release, Mr. Garcia granted a proxy to Michael Silberman or his designee to vote, in his sole discretion, all shares owned by Mr. Garcia, Verde Capital, Verde Reinsurance and Verde Investments in connection with any matter that is identified in the Management Proxy Statement. In exchange for the proxy, the Silberman Parties agreed to release Mr. Garcia, his spouse, his affiliates (including Verde Capital, Verde Reinsurance, and Verde Investments), their officers, directors, and owners, and each of their respective successors and assigns (collectively the "Garcia Parties") from any and all actual or potential legal claims that the Silberman Parties might have had against the Garcia Parties as of the date of the Agreement and Release. The Agreement and Release and the proxy granted thereunder are attached hereto as Exhibits 2 and 3, respectively.

As a result of the execution of the Agreement and Release and granting of the proxy thereunder, the Reporting Persons and the Silberman Parties may be deemed members of a group within the meaning of Section 13(d)(3) of the Exchange Act. Each of the Reporting Persons expressly disclaims that it is a member of a group that includes the Silberman Parties. The Reporting Persons are filing this Statement solely as a precautionary matter in the event they are deemed to be members of a group that includes the Silberman Parties.

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Except as disclosed in the Silberman Proxy Statement and the Schedule 13D filed by the Concerned Stockholders with the Commission on January 7, 2002 (the Silberman 13D ), the Reporting Persons have no knowledge with respect to the purposes, plans or proposals of the Silberman Parties. Based on these filings, and assuming that the Reporting Persons and the Silberman Parties constitute a group with respect to their ownership of Common Stock (which the Reporting Persons expressly disclaim), such group s purposes may include, without limitation, plans or proposals relating to the following: (1) dispositions of the Quepasa securities through sales, transfers and other means of disposing of the securities; (2) causing the sale or transfer of assets of Quepasa or any of its subsidiaries; (3) a change in the present board of directors or management of Quepasa; (4) change in the capitalization or dividend policy of Quepasa; (5) a change in Quepasa charter, bylaws or other corporate documents and instruments; (6) causing a class of securities of Quepasa to be delisted or not traded on an exchange, system or association; (7) a corporate transaction, such as a merger, reorganization or liquidation involving Quepasa or any of its subsidiaries; (8) a joint venture, partnership or management arrangement impacting Quepasa, or any of its subsidiaries and/or affiliate entities or persons; (9) acquisitions of additional securities of Quepasa; (10) other changes in Quepasa s business or corporate structure; and (11) other actions similar to any of those listed above.

Other than as described above, the Reporting Persons do not have any plans or proposals which relate to, or may result in, any of the matters listed in Items 4(a) (j) of Schedule 13D (although the Reporting Persons reserve the right to develop such plans or proposals).

**ITEM 5. Interest in Securities of the Issuer.**

The approximate percentage of shares of Common Stock reported as beneficially owned by the Reporting Persons is based upon 17,163,291 shares of Common Stock outstanding on January 7, 2002, as reported in the Management Proxy Statement.

**Ernest C. Garcia**

- (a) Aggregate Number of shares of Common Stock Beneficially Owned: 927,471  
Approximate Percentage: 5.40%
- (b) Sole Power to Vote or Direct the Vote: 0  
Shared Power to Vote or Direct the Vote: 927,471  
Sole Power to Dispose or Direct the Disposition: 0  
Shared Power to Dispose or Direct the Disposition: 927,471

Mr. Garcia s beneficial ownership relates to (i) 561,562 shares of Common Stock held of record by Verde Capital and (ii) 365,909 shares of Common Stock held of record by Verde Investments. Each of Verde Capital and Verde Investments is wholly owned by Mr. Garcia.

Pursuant to Rule 13d-4 under the Exchange Act, Mr. Garcia expressly disclaims beneficial ownership of any securities covered by this Statement other than those set forth in (a) above.

**Verde Capital**

- (a) Aggregate Number of shares of Common Stock Beneficially Owned: 561,562  
Approximate Percentage: 3.27%
- (b) Sole Power to Vote or Direct the Vote: 0  
Shared Power to Vote or Direct the Vote: 561,562  
Sole Power to Dispose or Direct the Disposition: 0  
Shared Power to Dispose or Direct the Disposition: 561,562

Pursuant to Rule 13d-4 under the Exchange Act, Verde Capital expressly disclaims beneficial

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ownership of any securities covered by this Statement other than those set forth in (a) above.

**Verde Investments**

(a) Aggregate Number of shares of Common Stock Beneficially Owned: 365,909  
Approximate Percentage: 2.13%

(b) Sole Power to Vote or Direct the Vote: 0  
Shared Power to Vote or Direct the Vote: 365,909  
Sole Power to Dispose or Direct the Disposition: 0  
Shared Power to Dispose or Direct the Disposition: 365,909

Pursuant to Rule 13d-4 under the Exchange Act, Verde Investments expressly disclaims beneficial ownership of any securities covered by this Statement other than those set forth in (a) above.

As described in Item 4 and the Explanatory Note beginning on page 8, the Reporting Persons and the Silberman Parties may be deemed to constitute a group within the meaning of Section 13(d)(3) of the Exchange Act. In the event the Reporting Persons and the Silberman Parties are deemed to constitute a group, each of the Reporting Persons would be deemed to possess shared voting power with respect to the Common Stock held by the Silberman Parties. Each of the Reporting Persons expressly disclaims that it is a member of a group that includes the Silberman Parties or that it is the beneficial owner of Common Stock held by the Silberman Parties.

The Reporting Persons have no direct knowledge with respect to the Common Stock holdings of the Silberman Parties, and all information contained herein regarding the Silberman Parties and their share holdings is based solely upon the information (i) set forth under Certain Information Concerning the Concerned Stockholders and Other Participants in the Solicitation and Security Ownership of the Concerned Stockholders and Other Participants, Including Director Nominees in the Silberman Proxy Statement and (ii) contained in the 13D. The Reporting Persons assume no responsibility for the accuracy or completeness of this information. According to the Silberman Proxy Statement, the Silberman Parties hold 3,861,243 shares of Common Stock in the aggregate.

In the event that the Reporting Persons are deemed to constitute a group that includes the Silberman Parties, each Reporting Person would be deemed to be the beneficial owner of 4,788,714 shares of Common Stock, or 27.9% of the Common Stock outstanding.

(c) As more fully described in Item 6, on December 31, 2001, Mr. Garcia contributed 340,909 shares of Common Stock to Verde Investments. Verde Investments did not pay any consideration in connection with this transfer. Except for the foregoing transfer, to the knowledge of the Reporting Persons, no transactions in the Common Stock have been effected during the past sixty days by any person named pursuant to Item 2.

(d) To the knowledge of Reporting Persons, no other person has the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the shares of Common Stock covered by this Statement.

(e) Not applicable.

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**ITEM 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.**

Pursuant to Rule 13d-1(k) under the Exchange Act, the Reporting Persons have entered into an Agreement attached hereto as Exhibit 1, with respect to the joint filing of this Statement and any amendment or amendments hereto.

On January 29, 2002, Mr. Garcia (on behalf of himself, Verde Capital, Verde Reinsurance and Verde Investments) entered into an Agreement and Release with the Silberman Parties. Pursuant to the Agreement and Release, Mr. Garcia granted a proxy to Michael Silberman or his designee to vote, in his sole discretion, all shares owned by Mr. Garcia, Verde Capital, Verde Reinsurance and Verde Investments in connection with any matter that is identified in the Management Proxy Statement. In exchange for the proxy, the Silberman Parties agreed to release the Garcia Parties from any and all actual or potential legal claims that the Silberman Parties might have had against the Garcia Parties as of the date of the Agreement and Release. The Agreement and Release and the proxy granted thereunder are attached hereto as Exhibits 2 and 3, respectively.

On December 17, 1999, Quepasa, eTrato Acquisition Corp., eTrato.com, Inc. ( eTrato ), Verde Capital, Alphabit Media Ventures, LLC, Designet, S.A. de C.V., Designet Ventures, LLC and Cruttenden Roth Incorporated entered into a Merger Agreement (the eTrato Merger Agreement ) which provided for the merger of eTrato with and into a wholly owned subsidiary of Quepasa (the eTrato Merger ). The eTrato Merger Agreement is attached hereto as Exhibit 4. The eTrato Merger closed on January 28, 2000. In connection with the eTrato Merger, Quepasa issued to Verde Capital, which held a one-third interest in eTrato, 441,306 shares of Common Stock. Pursuant to the eTrato Merger Agreement, half, or 220,653, of these shares were held in escrow pending satisfaction of certain performance objectives. Pursuant to this provision, the parties to the eTrato Merger Agreement entered an Escrow Agreement, dated January 28, 2000, with Norwest Bank Arizona, N.A. The Escrow Agreement is attached hereto as Exhibit 5. The performance objectives set forth in the eTrato Merger Agreement were not met, and Verde Capital forfeited 220,653 shares of Common Stock it received in connection with the eTrato Merger. In connection with the eTrato Merger, the parties also entered a Registration Rights Agreement which is attached hereto as Exhibit 6.

On January 17, 2000, Quepasa, Credito Acquisition, Inc., credito.com, Inc. ( Credito ), Verde Capital, and Verde Reinsurance entered into a Merger Agreement (the Credito Merger Agreement ) which provided for the merger of Credito with and into a wholly owned subsidiary of Quepasa (the Credito Merger ). The Credito Merger closed on January 26, 2000. The Credito Merger Agreement is attached hereto as Exhibit 7. In connection with the Credito Merger, Quepasa issued to each Verde Capital and Verde Reinsurance, the sole shareholders of Credito, 340,909 shares of Common Stock and warrants to purchase 340,909 shares of Common Stock. The warrants were exercisable only upon the achievement of certain performance objectives within specified time frames. The warrants issued to Verde Capital and Verde Reinsurance are attached hereto as Exhibits 8 and 9, respectively. The performance objectives were not achieved within the specified time frames and the warrants held by Verde Capital and Verde Reinsurance were forfeited. In connection with the Credito Merger, the parties also entered a Registration Rights Agreement which is attached hereto as Exhibit 10. On January 21, 2002, Verde Reinsurance was dissolved. In connection with the winding up of Verde Reinsurance, the 340,909 shares of Common Stock held by Verde Reinsurance were distributed to Mr. Garcia, its sole shareholder, who, in turn, contributed such shares to Verde Investments.

The descriptions contained herein of the above-referenced agreements and warrants are qualified in their entirety by reference to the complete text of such agreements and warrants, copies of which are filed as Exhibits hereto and incorporated into this Item 6 by reference.

Except as described above, to the knowledge of the Reporting Persons, there are no contracts, arrangements, understandings or relationships among the persons named in Item 2 or between such persons and any person with respect to any securities of Quepasa, including but not limited to transfer or voting of any of the securities, finder s fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies.

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**ITEM 7. Material to be Filed as Exhibits.**

The following documents are filed as exhibits:

1. Joint Filing Agreement, dated as of February 7, 2002, by and among Ernest C. Garcia II, Verde Capital Partners, LLC, Verde Reinsurance Company, Ltd., and Verde Investments, Inc. (filed herewith)
  2. Agreement and Release, dated January 29, 2002, by and among Ernest C. Garcia II (for himself and Verde Capital Partners, LLC, Verde Reinsurance Company, Ltd., and Verde Investments, Inc.), Michael Silberman, Mark Kucher, Kevin Diebell, and Jeffrey Peterson (filed herewith)
  3. Proxy, dated January 30, 2002, given by Ernest C. Garcia II, Verde Capital Partners, LLC, Verde Reinsurance Company, Ltd., and Verde Investments, Inc. (filed herewith)
  4. Merger Agreement, dated December 17, 1999, by and among quepasa.com, Inc., eTrato Acquisition Inc., eTrato.com, Inc., Verde Capital Partners, LLC, Alphabit Media Ventures, LLC, Designet, S.A. de C.V., Designet Ventures, LLC, and Cruttenden Roth Incorporated (incorporated by reference to Exhibit 10.19 of Quepasa's Annual Report on Form 10-K for the year ended December 31, 1999)
  5. Escrow Agreement, dated January 28, 2000, by and among quepasa.com, Inc., eTrato Acquisition Inc., eTrato.com, Inc., Verde Capital Partners, LLC, Alphabit Media Ventures, LLC, Designet, S.A. de C.V., Designet Ventures, LLC, Cruttenden Roth Incorporated, and Norwest Bank Arizona, N.A. (incorporated by reference to Exhibit 4.08 of Quepasa's Annual Report on Form 10-K for the year ended December 31, 1999)
  6. Registration Rights Agreement, dated January 28, 2000, by and among quepasa.com, Inc., eTrato Acquisition Inc., eTrato.com, Inc., Verde Capital Partners, LLC, Alphabit Media Ventures, LLC, Designet, S.A. de C.V., Designet Ventures, LLC, and Cruttenden Roth Incorporated (incorporated by reference to Exhibit 4.06 of Quepasa's Annual Report on Form 10-K for the year ended December 31, 1999)
  7. Merger Agreement, dated January 17, 2000 by and among quepasa.com, Inc., Credito Acquisition Inc., credito.com, Inc., Verde Capital Partners, LLC, and Verde Reinsurance Company, Ltd. (incorporated by reference to Exhibit 10.20 of Quepasa's Annual Report on Form 10-K for the year ended December 31, 1999)
  8. Verde Capital Partners, LLC Common Stock Purchase Warrant (incorporated by reference to Exhibit 4.04 of Quepasa's Annual Report on Form 10-K for the year ended December 31, 1999)
  9. Verde Reinsurance Company, Ltd. Common Stock Purchase Warrant (incorporated by reference to Exhibit 4.05 of Quepasa's Annual Report on Form 10-K for the year ended December 31, 1999)
  10. Registration Rights Agreement, dated January 26, 2000, by and among quepasa.com, Inc., Verde Capital Partners, LLC, and Verde Reinsurance Company, Ltd. (incorporated by reference to Exhibit 4.03 of Quepasa's Annual Report on Form 10-K for the year ended December 31, 1999)
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**SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: February 7, 2000

ERNEST C. GARCIA II

/s/ Ernest C. Garcia II

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VERDE CAPITAL PARTNERS, LLC

By: /s/ Ernest C. Garcia II

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Name: Ernest C. Garcia II  
Title: President

VERDE INVESTMENTS, INC.

By: /s/ Ernest C. Garcia II

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Name: Ernest C. Garcia II  
Title: President

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**Table of Contents**

**Schedule A**

**Name and Position**

**Present Principal Occupation and Address of Employer**

**Verde Capital Partners, LLC**

Ernest C. Garcia II

*Sole Member and President* President, Verde Investments, Inc.

2575 E. Camelback Road, Suite 700

Phoenix, Arizona 85016

Steven P. Johnson  
*Vice President and Secretary* Vice President and Secretary, Verde Investments, Inc.

2575 E. Camelback Road, Suite 700

Phoenix, Arizona 85016

Nancy V. Young  
*Treasurer* Treasurer, Verde Investments, Inc.

2575 E. Camelback Road, Suite 700

Phoenix, Arizona 85016

**Verde Investments, Inc.** Ernest C. Garcia II

*President and Director* President, Verde Investments, Inc.

2575 E. Camelback Road, Suite 700

Phoenix, Arizona 85016

Steven P. Johnson  
*Vice President and Secretary* Vice President and Secretary, Verde Investments, Inc.

2575 E. Camelback Road, Suite 700

Phoenix, Arizona 85016

Randall Andrus  
*Vice President-Real Estate* Vice President-Real Estate, Verde Investments, Inc.

2575 E. Camelback Road, Suite 700

Phoenix, Arizona 85016

Nancy V. Young  
*Treasurer* Treasurer, Verde Investments, Inc.

2575 E. Camelback Road, Suite 700

Phoenix, Arizona 85016

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**EXHIBIT INDEX**

Exhibit No.	Exhibit
1.	Joint Filing Agreement, dated as of February 7, 2002, by and among Ernest C. Garcia II, Verde Capital Partners, LLC, Verde Reinsurance Company, Ltd., and Verde Investments, Inc. (filed herewith)
2.	Agreement and Release, dated January 29, 2002, by and among Ernest C. Garcia II (for himself and Verde Capital Partners, LLC, Verde Reinsurance Company, Ltd., and Verde Investments, Inc.), Michael Silberman, Mark Kucher, Kevin Diebell, and Jeffrey Peterson (filed herewith)
3.	Proxy, dated January 30, 2002, given by Ernest C. Garcia II, Verde Capital Partners, LLC, Verde Reinsurance Company, Ltd., and Verde Investments, Inc. (filed herewith)
4.	Merger Agreement, dated December 17, 1999, by and among quepasa.com, Inc., eTrato

Acquisition  
Inc.,  
eTrato.com,  
Inc., Verde  
Capital  
Partners, LLC,  
Alphabit  
Media  
Ventures,  
LLC,  
Designet, S.A.  
de C.V.,  
Designet  
Ventures,  
LLC, and  
Cruttenden  
Roth  
Incorporated  
(incorporated  
by reference  
to  
Exhibit 10.19  
of Quepasa's  
Annual Report  
on Form 10-K  
for the year  
ended  
December 31,  
1999)5.  
Escrow  
Agreement,  
dated  
January 28,  
2000, by and  
among  
quepasa.com,  
inc., eTrato  
Acquisition  
Inc.,  
eTrato.com,  
Inc., Verde  
Capital  
Partners, LLC,  
Alphabit  
Media  
Ventures,  
LLC,  
Designet, S.A.  
de C.V.,  
Designet  
Ventures,  
LLC,  
Cruttenden  
Roth  
Incorporated,  
and Norwest  
Bank Arizona,  
N.A.  
(incorporated  
by reference  
to  
Exhibit 4.08

of Quepasa s  
Annual Report  
on Form 10-K  
for the year  
ended  
December 31,  
1999)6.  
Registration  
Rights  
Agreement,  
dated  
January 28,  
2000, by and  
among  
quepasa.com,  
Inc., eTrato  
Acquisition  
Inc.,  
eTrato.com,  
Inc., Verde  
Capital  
Partners, LLC,  
Alphabit  
Media  
Ventures,  
LLC,  
Designet, S.A.  
de C.V.,  
Designet  
Ventures,  
LLC, and  
Cruttenden  
Roth  
Incorporated  
(incorporated  
by reference  
to  
Exhibit 4.06  
of Quepasa s  
Annual Report  
on Form 10-K  
for the year  
ended  
December 31,  
1999)7.  
Merger  
Agreement,  
dated  
January 17,  
2000 by and  
among  
quepasa.com,  
Inc., Credito  
Acquisition  
Inc.,  
credito.com,  
Inc., Verde  
Capital  
Partners, LLC,  
and Verde  
Reinsurance  
Company,

Ltd.  
(incorporated  
by reference  
to Exhibit  
10.20 of  
Quepasa s  
Annual Report  
on Form 10-K  
for the year  
ended  
December 31,  
1999)8.  
Verde Capital  
Partners, LLC  
Common  
Stock  
Purchase  
Warrant  
(incorporated  
by reference  
to  
Exhibit 4.04  
of Quepasa s  
Annual Report  
on Form 10-K  
for the year  
ended  
December 31,  
1999)9.  
Verde  
Reinsurance  
Company,  
Ltd. Common  
Stock  
Purchase  
Warrant  
(incorporated  
by reference  
to  
Exhibit 4.05  
of Quepasa s  
Annual Report  
on Form 10-K  
for the year  
ended  
December 31,  
1999)10.  
Registration  
Rights  
Agreement,  
dated  
January 26,  
2000, by and  
among  
quepasa.com,  
Inc., Verde  
Capital  
Partners, LLC,  
and Verde  
Reinsurance  
Company,  
Ltd.

(incorporated  
by reference  
to  
Exhibit 4.03  
of Quepasa's  
Annual Report  
on Form 10-K  
for the year  
ended  
December 31,  
1999)