

Defendant's father was Victor Goldblum
1912. Defendant's mother Eve Zeisel born
Marlene's father is Jack Becker.
1913. Marlene's mother Ruth born.
January 17, 1927. Defendant born
November 14, 1935. Marlene Elaine Becker born.
1942. Defendant arrives Los Angeles
June (I guess) 1944. Defendant graduates from Los Angeles High School.
1944. Defendant goes in the army. Defendant studies engineering for a year and
a half while in the army. Per June 23, 1975.
1946 or 1947. Defendant honorably discharged army. When?
February 8, 1949. Defendant marries Leah Cherry
Spring 1947. Defendant enters UCLA majors pre-pharmacy. Per June 23, 1975.
February 1949. Defendant withdraws from UCLA
1953. Defendant's daughter Corrine born. Defendant works for Cherry meat
packing company.
1955. Defendant goes to work for Midland Mutual Life Insurance Company of
Beverly Hills
1957. Marlene's daughter Jolene Cherry born. Defendant apparently starts
Executive Planning Corporation selling life insurance and mutual bonds? Funds?
1960. Equity Funding Corporation of America begins. See March 12, 1975, page
5. Defendant "associates" with Equity Funding. Loeffler says two of the four founders
of Equity Funding Corporation of America were defendant **and Michael Riordan**. See
July 7, 1977.
1961. Equity trustee in bankruptcy says defendant personally involved in
falsifying assets and earnings of Equity since 1961, per May 14, 1990. Didn't take long.
Equity prosecution seems to say defendant started in early 1965. A portion of Equity
Funding Corporation of America trustee in bankruptcy Loeffler is at July 7, 1977.
1962. Marlene's daughter Wendy born.
End of 1964. Defendant owns 18% of Equity Funding Corporation of America
1965. Defendant's son Gary born.
January 15, 1965. Allegedly **defendant tells Equity codefendant Jerome H.
Evans to make fictitious entries in Equity Funding Corporation of America
accounts**. 1973 indictment page 18. Defendant admits he did this October 8, 1974, page
16.
1966. Defendant and Leah divorced
May 14, 1966. Defendant marries Marlene Elaine Becker. They will have no
children.
March 15, 1968. Equity codefendant Julian S. H. Weiner of Wolfson, Weiner
and Company issues CERTIFIED PUBLIC ACCOUNTANT certification of 1967
Equity Funding Corporation of America financial statements.
1969. I think this is year defendant watched Michael Riordan die in mudslide.

This is year Evans quits Equity Funding Corporation of America. Defendant tries to recruit Templeton, then Lichtig, then Lowell and Levin as defendant's chief lieutenants. See March 12, 1975, page 5. Levin was a lawyer.

January 20, 1970. In Los Angeles James Cyrus Smith, Arthur Stanley Lewis, Lloyd Douglas Edens, Lawrence Gray Collins, Francis D. Majerus, and Ronald H. Secrist fill out and sign forms and use the forms to create fictitious Equity Funding Life Insurance Company life insurance policy files. Per May 16, 1974.

August 20, 1970. Defendant applies to list shares of Equity Funding Corporation of America on New York Stock Exchange. Defendant admits he did this October 8, 1974, page 17.

September 15, 1970. Allegedly defendant discusses fictitious insurance policies with Equity codefendant Fred Levin. Defendant denies this October 8, 1974, pages 17-18. Defendant says he had discussion in August 1971 about already created fictitious insurance policies. October 8, 1974, page 18. Defendant knew Equity Funding Corporation of America was receiving checks from reinsurance companies. October 8, 1974, page 28.

December 10, 1971. Defendant allegedly tells Equity codefendant Sultan to proceed with the counterfeiting of documents relating to fictitious purchases of commercial paper. Defendant says this discussion was in 1972. See October 8, 1974, page 19. Defendant knew.

1972. Defendant admits discussing with Lowell and Sultan fictitious entries to Equity Funding Corporation of America funded loans and accounts receivable account. See October 8, 1974, page 20.

October 26, 1972. Defendant discusses printing counterfeit bonds. Defendant admits this conversation happened end of 1972. October 8, 1974, page 20.

Mid-1972. Per Paravato, Seidman and Seidman accountants merges with Wolfson Weiner and becomes accountants of Equity Funding. Seidman and Seidman starts audit. Julian S. H. Weiner of Wolfson, Weiner and Company, will be an Equity codefendant.

February or March 1973. Per Paravato, Equity Funding fraud uncovered. Apparently the defendants are foisting on reinsurance companies \$2,000,000,000 in bogus life policies written by Equity subsidiaries. Defendant pressured associates into deceit and crime by sheer force of his powerful personality. Paravato audited Equity Funding subsidiary Northern Life Insurance Co. in Seattle. As a result Seidman sued, pays multi-million dollar verdict.

March 14, 1973. Defendant allegedly discusses electronic surveillance of state insurance examiners working of business premises of Equity Funding Corporation of America. Defendant admits this October 8, 1974, page 22.

March 26, 1973. Defendant sells shares of Equity Funding Corporation of America stock he owns.

March 27, 1973. Defendant allegedly taps a telephone on Floor 28 of 1900 Avenue of the Stars. I think defendant told me Equity Funding Corporation of America

had maybe four floors at 1900 Avenue of the Stars.

March 28, 1973. Defendant lying about Equity Funding “current situation.” The district attorney will try use for impeachment.

After April 1, 1973, the March 1973 grand jury apparently starts hearing testimony.

November 1, 1973. Federal indictment filed. Defendant’s arrest warrant Central District California. Defendant apparently will claim he didn’t know about false reporting. Fred Levene, president of Equity’s life insurance subsidiary was responsible for false reporting. Today defendant also indicted DuPage County, Illinois.

November 13, 1973. Defendant indicted Lake County, Illinois. Per December 4, 1973.

May 16, 1974. Defendant charged in New Jersey indictment *filed today* per May 20, 1975. Alleged over acts go from January 20, 1970, to January 25, 1993.

October 1, 1974. Trial starts. Judge Curtis.

October 8, 1974. Defendant pleads guilty five counts security fraud. Defendant makes pages of admissions.

October 11, 1974. DuPage County issues arrest warrant for defendant

January 7, 1975. Jury trial starts Weiner, Lichtig, Block.

March 12, 1975. Equity prosecution sentencing memo.

March 17, 1975. Defendant sentenced on five counts in the Equity Funding federal case to 8 years prison per Tarlow. Loh says assistant United States attorney [March 12, 1975] sentencing memo very damning—per January 26, 1995. It is.

March 19, 1975? Defendant testifies before federal grand jury. Per July 9, 1975.

April 18, 1975. **Defendant apparently has been testifying for Equity prosecution and will continue to testify for prosecution!** Apparently this would be testimony against the Equity codefendants Weiner, Lichtig, Block that went to trial. Docket entries only show witnesses sworn. I can’t tell when defendant testified. Did he testify *after* he was sentenced?

???? Marlene moves into 121 South Palm Drive.

May 20, 1975. Defendant pleads guilty in New Jersey 6 counts, per July 10, 1995. Also see October 25, 1994. I think insurance and securities fraud. See January 26, 1995. Maybe this is at Morristown, Morris County. See April 2, 1975.

Also apparently today is 69th day of jury trial of Weiner, Lichtig, Block, and all are found guilty today.

May 22, 1975. Defendant goes in federal custody McNeil Island.

July 29, 1975. Arraigned Lake County, Illinois, per document following July 10, 1995. Apparently defendant plead guilty to conspiracy to commit forgery and forgery.

September 10, 1975. Defendant in custody of federal marshals. Defendant pleads guilty 1 count conspiracy in DuPage County, Illinois, per July 10, 1995, and January 26, 1995.

November 2, 1975. Defendant to Terminal Island.

November 14, 1977. Very favorable progress report.

March 13, 1979. Defendant released on parole per Tarlow. Defendant released 1978 per defendant. Defendant and Marlene have \$750,000. Defendant has no income per August 4, 1994.

Gardner and Moss longtime friends.

1980. Defendant has no income in 1980 per August 4, 1994.

January 10, 1980. The deputy district attorney marked as People's Exhibit 34 what is described in People's Exhibit 1 as the articles of incorporation for Due Process Stables, Inc. Exhibit 34 is dated January 10, 1980 and is signed by Martin D. Pollack, the incorporator. Brennan is a director.

1981-1982. Defendant employed Pipe and Steel, Gardena.

1982-1984. Defendant *consultant* Mohema of Beverly Hills. Partnership syndicates apartment houses in Southern California? See Mohema February 7, 1992, letter. It seems like apartment house(s) in Hawaii. Was defendant associated with Dr. Morris Messler?

1983. Pele Medi-Corporation incorporated. Apparently "owned and operated" by Gardner. Clinics in East Los Angeles Hispanic neighborhoods. They license Brazilian soccer star's name.

Moss member board of directors Pele Medi-Corporation

Gardner using Seidman and Seidman as accountants for Pele Medi-Corporation May 21, 1983. Defendant's parole expires.

1984? Defendant meets Gardner re real estate partnership in Beverly Hills. I guess Mohema of Beverly Hills.

Defendant sees Gardner, says hello in Hawaii.

Gardner tells defendant I just started a new public company. Franklin Wolf is doing the underwriting. Gardner had met Franklin Wolf through old school chum of Gardner's.

Apparently Franklin Wolf does a public offering for Gardner. Defendant says a few million dollars. Pele Medi-Corporation. Apparently defendant *knows* Gardner but that's it.

Four or five months later. Gardner calls defendant. I got problems.

Defendant and Gardner meet in his office at Beverly Drive and Wilshire in Beverly Hills. Gardner ran out of money. Pele Medi-Corporation was only public for six months. Defendant tells Gardner tell your underwriter. Gardner calls Franklin Wolf.

May 1984. Franklin Wolf comes to California. Defendant, Gardner and Franklin Wolf meet in defendant's apartment I think at 121 Palm Drive or Street, #603. Franklin Wolf is unhappy. Franklin Wolf asks defendant to take over. Defendant says okay.

Defendant puts up \$150,000 cash.

???? Gardner tells Paravato defendant is Gardner's personal friend. Paravato tells Gardner Seidman and Seidman has a sensitivity toward defendant because of what happened in Equity Funding.

???? Paravato sees defendant with Gardner at meeting. Paravato tells Gardner Seidman and Seidman doesn't want to be accountants anymore of Pele Medi-

Corporation. because of defendant.

August 1984. Defendant named president and CEO Pele Medi-Corporation. Also to board of directors Pele. Defendant skipped this when telling me background. I note Tarlow says Gardner did not tell defendant about Pele until 1985. What does that last sentence mean?

Attorney Richard A. Moss resigns board of directors Pele Medi-Corporation. So does father of Gardner. Is this because defendant is CEO? I think maybe so re Moss.

From August 1984 through October 1987 defendant was principally engaged as president, chief executive and chief operating officer and a director of Pele Medi-Corporation/Century Medicorp, a publicly owned management company providing management services to Medical Clinics providing primary medical care in the Los Angeles area. (People's Exhibit 16J pages 58-59) Defendant says Century Medicorp to clinics was precisely the same as PriMedex Corporation to the clinics. But the clinics saw few workers' compensation patients and no personal injury patients defendant says. Patients were just sick people.

September 1984. Pele in need of cash.

Defendant markets clinic services to self-insured employers.

1985. F. N. Wolf & Co., Inc. underwrites Pele public offering per Tarlow. Defendant "buys" 4000 to 5000 shares of stock per Tarlow. Public stock offering *Pele* Medi-Corporation? Defendant says yes. Brokerage firm Wolf? Defendant said yes. I guess F. N. Wolf & Co., Inc. Defendant "associated." Moss "associated."

1985. Defendant stops paying soccer player royalties. He changes name from *Pele* Medi-Corporation to *Century* Medi-Corporation. December 1984? 1985 per Tarlow.

Gardner leaves Pele or Century. When? Tarlow suggests embezzlement, \$20,000 golf and gym equipment, per May 29, 1996.

1985. Apparently David Gardner opens first clinic that will wind up part of PriMedex Corporation. District attorney claims workman's compensation. I think defendant told me something about just straight employer's insurance whatever that is. Defendant says he makes \$86,000, per August 23, 1994.

Defendant told me he's involved here.

1985. Dr. Jack Turner and defendant meet. Turner group owns East Los Angeles hospital. *Century* Medi-Corporation buys East Los Angeles hospital. Then Turner and people take control of Century MediCorp. Defendant says on in management. He thinks he is also still a director.

Probably 1985 or 1986 HCS Computer Systems wrote the software (RT 80, 84, 94) Health Computer Systems. Later Mroch will have them write software to track deletions. Apparently using hardware at HCS via modem.

1985 or 1986? After Turner takes control, and before Century buys HMO, Franklin Wolf does a secondary public offering. So this is the third public offering Franklin Wolf has done for Pele/Century, and **the second public offering Franklin Wolf has done for defendant!!!!** So Turner knows Franklin Wolf too.

1986. Gardner sells his interest in Century. When?

December 17, 1986. Gardner memo to Punturere

1987. Gardner goes through bankruptcy.

1987. Turner is on board Century. Century tries to buy HMO Amerimed, per May 17, 1995. Department of Corporations disapproves because of defendant's background. Defendant resigns. Severance pay. Century buys Amerimed. In 1992 when Century is sold I think Turner will make a fortune. Defendant doesn't receive a penny. I think this is why Turner put up defendant's bail.

1987. California. Relative Values System basis for fee schedule. (RT 24-) Defendant resigns Century Medi-Corporation.

Beginning May 1987. Mroch starts at 3711 South? Los Angeles Brea. Apparently near Coliseum. Black. Controller. (RT 73) In-house computer. (RT 94) 46 employees. (RT 149)

May or June 1987. Mroch believes defendant "joined" "the business." (RT 76) July 9, 2000, I went through 1987 stack of 1996 grand jury exhibits and didn't see defendant's name on any of them.

June 1987 to July 1992 Norman Corrales employed, per February 4, 1994. On at least 10 occasions between early 1987 and 1988, Gardner goes on wild flings: he cashes settlement check and deletes case from the computer. It seemed like files would be deleted almost on a daily basis while Skaggs worked at Los Angeles Brea Medical Clinic as a collector from approximately 1986 to 1988. (RT 125, 132)

Late fall 1987. Defendant tells Barry Tarlow he starts consulting, per July 6, 1994.

December 8, 1987. Alleged start date incident underlying alleged conspiracy and stock fraud.

January 1988. I think defendant told me this was when he got his first paycheck.

February 3, 1988. The document in grand jury is February 3, 1988, to December 3, 1993. It says "Larry Parker." Total is \$7,604,811.39. People's Exhibit 6B.

April 29, 1988. Crown Imaging Associates Medical Group, Inc., incorporated California. People's Exhibit 4G. Gardner sets up Crown Imaging subchapter S corporation, per Mroch.

June 22, 1988. Codefendant Punturere scan bonus memo

Mid-1988. Per Mroch belief, defendant became a permanent fixture. (RT 151)

Sometime mid 1988. Move to 6167 Bristol Parkway per defendant.

July 1, 1988. Crown Imaging management agreement with Los Angeles Brea Medical Management Corporation signed by Gardner and his father.

August 1988. Guido hired. (RT 196) She says Bristol Parkway was already opened. When move from Los Angeles Brea to Bristol Parkway. First half of 1989? Apparently not. I think Mroch can't be consistent at grand jury May 1996. Move early 1989? from Los Angeles Brea to 6167 Bristol Parkway, Culver City. (RT 77) Or June or July 1989? (RT 82-83) Then Mroch says near end of 1987!!! (RT 164) Defendant gets more involved per Mroch. (RT 96) Apparently defendant goes with Mroch from

Los Angeles Brea to Culver. December 1988 defendant joined Mroch on Bristol!!!!
(RT 97) Defendant and Gardner in same office per Mroch. (RT 96)

August 17, 1988. Bristol Advertising, Inc., is incorporated. People's Exhibit 4J.

September 13, 1988. Codefendant Punturere scan incentive memo

December 31, 1988. Defendant says his fees for 1988 were \$78,000.

January 6, 1989. Gardner memo to Punturere saying you don't get flack from attorneys that I do. See January 19, 1995 Loh memo.

January 29, 1989. First of total \$6,783,198.28 apparently checks payable to Asher Gould, to December 3, 1993.

March 6, 1989. Crown memo says don't affiliate Crown with Gardner.

Also defendant's memo. Keep our attorney-clients properly services re reports.

(Not really harmful!) **Is this first memo from defendant in file? After this I don't see defendant copied-in until on July 21, 1989, Gardner per Punturere wants defendant copied-in on month-end reports. I think first letter by defendant October 20, 1989.**

March 10, 1989. Codefendant Punturere memo says if Spanish speaking patient, circle translation on superbill even if no translator used. No copy to defendant

May 15, 1989. Punturere memo to Los Angeles doctors. Gardner and defendant not copies. Please keep up your attention to **any possible way that revenue can be generated on each and every case.** Remember things like supports and braces should be given out **on a liberal basis.** Just inform the patient to **use a short time then stop. Footlevelers. Scans, EMG, CBT, etc. etc.** Remember before you put down a chart please ask yourself **what can be done to increase revenue.**

June 7, 1989. PriMedex Corporation is incorporated in California. (People's Exhibit 16J, page F-75) I guess grand jury testimony was late 1988 or early 1989 Gardner forms PriMedex Corporation. Managing company. (RT 150-151) Fact was formed June 7, 1989.

Moss "associated" with day to day operations of PriMedex Corporation.

June 30, 1989. PriMedex Corporation bylaws. Signed by Gardner

July 1, 1989, to January 1, 1994, official medical fee schedule is not properly revised. (RT 23-24)

July 3, 1989. First meeting board of directors PriMedex Corporation. PriMedex Corporation and officers authorized and directed to issue 9,975 shares to Gardner and 525 shares to defendant. See January 16, 1996, Loh memo.

July 10, 1989. List of checks payable to Gardner July 10, 1989, through December 3, 1991, totaling \$5,822,400; 13 requested by defendant including June 17, 1991, for \$300,000, per November 13, 1995.

July 21, 1989. Gardner per Punturere wants defendant copied-in on month-end reports as follows:

To Gardner

From _____

Punturere
Keshishian
Defendant

I think this is first reference to defendant being copied-in in Trial Books. But it's a form. I still don't see defendant being copied in.

July 31, 1989. PriMedex Corporation 9,975 shares to Gardner and 525 shares to defendant canceled. 10,500 shares issued to Gardner.¹ See January 16, 1996, Loh memo. See defendant's explanation at March 25, 1996. Defendant and Gardner had talked about defendant getting 5% of the new management company (PriMedex Corporation) But it wound up defendant would get 5% of the profits. Defendant says Gardner didn't mind giving me 5% of the future but not 5% of the past (built up assets). Defendant says use Ellis Stern to show canceled stock. Defendant says Stern went to college with Gardner. Defendant thinks on Stern on board of Pele. Defendant says Stern had the PriMedex Corporation corporate records. That's why he can establish canceled stock. Defendant says Stern setup Gardner's offshore money accounts.

August 31, 1989. Codefendant Punturere memo says we contracted with new lab, MSI Laboratories. We can now do standard blood workup each patient to establish baseline. People's Exhibit 10A.

August 31, 1989. Defendant's pension plan loans \$75,000 to Gardner Medical Group, per July 6, 1995.

September 6, 1989. Codefendant Punturere memo. Gardner asked me to put in place incentive program for blood work. Copy to defendant. This may be the first memo in Trial Books in which defendant is copied!

October 2, 1989. \$15,000 PriMedex Corporation check requested by Gardner payable to Asher Gould reason advertising "Mail to Larry Parker, ???? Elder Avenue, Seal Beach, Personal and Confidential." Was this Gardner's order to mail Asher check to Parker's home?

October 20, 1989. Defendant sends financial statements to Fratto at Imperial Bank. Letterhead is La Brea Medical Management Corp., 6167 Bristol Parkway. **This may be first Gardner corporation letter signed by defendant in Trial Books.** Signed, "Stanley Goldblum, Operations."

November 17, 1989. Gardner to codefendant Punturere. Establish quotas for trigger points.

November 29, 1989. Defendant starts loaning money to Gardner, per May 17, 1995. Through November 30, 1993, apparently **defendant loans Gardner \$705,000.** No maybe more. See June 8, 1995, Tarlow memo to Loh.

Maybe near end of 1989. Per Mroch, six months after defendant came over to

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1. I had an entry that said 1989-91 Gardner owns 95%+ stock PriMedex Corporation. Codefendant Punturere officer in charge of doctors and chiropractors.

corporate office Gardner stopped seeing patients. (RT 185)

December 28, 1989. Imperial Bank Special Loan Minutes Report. Defendant 5% owner of PriMedex Corporation.

December 31, 1989. Defendant says his fees for 1989 were \$314,000. **Also between 1986 and 1989 defendant says he got \$850,000 in capital gains from his Pele stock, per August 23, 1994.**

Sometime in 1990. Attempt to change from cash to accrual. Date Income Received v. Date Income Earned. (RT 161)

January 1, 1990. Labor Code § 4628 re medical-legal reports effective. See May 13, 1996, page 31.

Action by Gardner as sole director of PriMedex Corporation

February 24, 1990. People are posing as Punturere's wife to get his car phone and beeper.

February 26, 1990. Memo to defendant for defendant's approval hiring new therapist. Gardner Medical Group account opened with Imperial. Defendant is authorized signature. Other Gardner company accounts through March 30, 1990, opened with Imperial. Defendant is authorized signature. Defendant shown as vice president on some.

March 28, 1990. PriMedex Corporation 1989 California income tax return. Gardner owned 95%. Doesn't say who owned 5%.

April 29, 1990. Apparently Los Angeles Times article about defendant and Equity Funding, per May 14, 1990. **When does Los Angeles district attorney find out infamous Goldblum of Equity is in bed with Gardner?**

Early May 1990. It seems like maybe now PriMedex Corporation changes accountants. Maybe Hollander & Gilbert replaced by Grant Thornton. Defendant told me he wanted to bring in outside reputable accountants to give PriMedex Corporation credibility so presumably it would look like a real corporation and defendant would be able to sell it for Gardner. Apparently defendant told **Loh Grant Thornton would only represent PriMedex Corporation if defendant was not a principal** per July 11, 1994.

May 14, 1990. Apparently running memo April 30, 1990, through May 14, 1990, by Imperial Bank. Imperial Bank read April 29, 1990, Los Angeles Times article and wants out.

June 19, 1990. PriMedex account opened with First Charter Bank. (RT 602) I don't yet have the checks in front of me. But apparently Gardner companies had checking accounts with First Charter Bank. Defendant wrote checks for millions of dollars drawn on First Charter Bank all payable to Gardner. Defendant signed the checks on behalf of Gardner companies. I guess these checks were written after June 19, 1990. See RT 601 et seq. **The PriMedex Corporation resolutions are initialed by defendant as a stockholder.**

June 21, 1990. There is a check, # 4664, apparently dated June 21, 1990, drawn

on PriMedex Corporation's account at Imperial Bank for \$15,000 payable to Asher Gould Advertising signed by petitioner. See January 1, 1988.

June 25, 1990. Attorney Gary Ross reports to California Consumer Affairs Injury Hotline offered his client rights to referrals for \$10,000 per month, per November 30, 1995.

July 2, 1990. *Los Angeles Medical Media, Inc.*, incorporated. People's Exhibit 4L. *Defendant* is CEO, director, agent for service.

July 31, 1990. Action by PriMedex Corporation sole director Gardner. Defendant authorized to open any bank account.

August 9, 1990. Los Angeles Medical Media, Inc., account with Great Western Bank of Beverly Hills shows deposit, per June 9, 1995.

August 23, 1990. Christine Ann Wogee testified she handled a case in which Neurologic Orthopedics Associates Medical Group was a provider (RT 807). The deputy district attorney had her identify a August 23, 1990, letter she wrote on behalf of her clients, Azusa United School District and presumably its insurance carrier or agent, Gates, McDonald and Company. (People's Exhibit 14A) In the letter Wogee argues Neurologic Orthopedics Associates Medical Group charged excessive amounts. (RT 809) She argued Neurologic Orthopedics Associates Medical Group listed "questionable" treatment and seemed to "greatly inflate" their billing, and that she detected "duplicate charges." (People's Exhibit 14A)

August 24, 1990. Through December 31, 1991, per March 10, 1995. Account 010-818358-0 apparently is Great Western Bank of Beverly Hills. Mostly \$9,800 checks payable to Gardner, I think signed by Gardner, drawn on Los Angeles Medical Media, Inc., account with ... Capital Bank of California? No, I think Great Western Bank of Beverly Hills **Gardner apparently using defendant's corporation to generate cash to pay lawyers kickbacks?** See January 17, 1995, Loh memo to Tarlow. Did defendant **sign** any of these checks? Yes 10 checks. Only one check payable to Gardner: \$3,000 on December 31, 1991. Rest to IRS, accountants, etc. **But who signed 1050, 1051, 1052? Per March 10, 1995, defendant says Seldene. Did defendant?** See March 17, 1995, Loh memo. Loh receives bank microfilm of the three checks. May 20, 2000: where are they? *Defendant was led to believe Los Angeles Medical Media, Inc., was a conduit by which Gardner could get more money for the purposes of circumventing creditors' draw down limitations; adding to Gardner's personal income without the other possibly envious doctors' knowledge; and obtaining cash to buy numerous expensive orchids.* See Loh report of April 11, 1995, meeting with defendant. Apparently First Charter Bank lent Gardner \$1,300,000 with draw down limitations per May 3, 1995. Defendant almost always brought balances forward, always entered deposits. Per April 20, 1995, defendant signed three checks that were deposited in Los Angeles Medical Media, Inc., account. Also see April 20, 1995. For table of deposits see June 9, 1995. **Some Los Angeles Medical Media, Inc., documents had defendant's home address on them** per May 12, 1995. Use Sheldon.

Maybe district attorney doesn't know about Los Angeles Medical Media? See January 13, 1995, Tarlow memo to Moss. Wrong! Karlan asking Gilbert about *Los Angeles Medical Media, Inc.*, March 1, 1995, per March 2, 1995.

August 25, 1990. Apparently defendant signs bylaws of *Los Angeles Medical Media, Inc.*, as secretary, per January 5, 1995.

August 31, 1990. *Alan Goldberg, Stern and Goldberg*, signs action by sole incorporator that defendant was elected president, vice president, secretary and treasurer of *Los Angeles Medical Media, Inc.*, per January 5, 1995. Defendant issued 100 shares of stock of *Los Angeles Medical Media, Inc.*; **defendant is sole shareholder of Los Angeles Medical Media, Inc.**, per January 5, 1995. Sheldon needs to explain *Los Angeles Medical Media, Inc.*, to jury.

Around September 1990. Grant Thornton makes journal adjustment switching *media expenses* to Gardner *salary* per November 15, 1995.

Beginning of September 1990. *Mroch makes up a fraudulent invoice.* (RT 172
2nd week in September Mroch leaves for vacation

Before Lloyd Goldberg dies. Chart showing defendant as Chief Operating Officer. Maybe district attorney doesn't have it. Loh found it September 1994, per June 7, 1995

September 1990. Gardner's father Lloyd Goldberg dies while Mroch on vacation. (RT 75, 172)

September 28, 1990. Defendant's memo. We are saddened.

September 30, 1990. Grant Thornton report. When did/do books change from cash to accrual (RT 93)

First week October 1990, per Mroch, defendant fires Mroch. Defendant says *Mroch embezzled money.* (RT 171) Mroch had testified he left. (RT 76) Five clinics when Mroch leaves. (RT 96) 160 or 180 employees. (RT 149) Cash to accrual not complete. (RT 163)

October 26, 1990. Position in trial books of Doctor's Update followed by organizational chart and list of Gardner companies and clinics. Organizational chart was seized during consent search. (RT 923) Why did I have organizational chart and flowchart at October 26, 1990, on August 11, 1999? I guess because it was attached to October 26, 1990, Doctor's Update.

November 9, 1990. **Gardner identifies defendant as PriMedex Corporation president and chief operating officer!**

November 14, 1990. Kalinowski memo to Punturere: I have AIDS

November 16, 1990. **Defendant signs financing statement as PriMedex Corporation chief operating officer.**

December 6, 1990. Letter from attorney Keel. I think defendant asking Gardner how to respond.

End 1990. Per district attorney clinics saw 11,600 patients in 1990. Defendant reported \$206,322 adjusted gross income for 1990, per June 16, 1994, page 126.

Defendant apparently told Loh his fees for 1990 were \$527,000. Maybe that is total revenues before adjustments, etc.

1991. Apparently district attorney box 128 has \$50,000 check payable to Graiwer signed by defendant!!!!!! Apparently not introduced at grand jury. Maybe because Graiwer only did personal injury cases?

January 1991. Defendant says PriMedex Corporation takes over operation of *Attorney Hotline*, per September 12, 1994. Jeff Hassen is head of operation. Bruce Stuart was owner. Is *Attorney Hotline* correct? Hassen says he and Stuart started *Attorney Hotline* maybe in 1990, per January 17, 1995. Hassen worked for Linda Wakelin. Defendant told me Gardner was having sex with Wakelin. Kahn says defendant wanted to bring in *Attorney Hotline* as *Injury Central*, per March 28, 1995, page 7.

January 1991 *probably*. Colonial Penn Insurance Company launches their investigation of Gardner. In August Colonial Penn Insurance Company said their investigation of Gardner spanned 7 months, per August 19, 1991. **Is this private investigation first investigation of Gardner?**

January 3, 1991. Gardner \$450,000 check to defendant's wife Marlene, at April 8, 1996. Repayment loan.

January 15, 1991. Defendant's profit participation agreement. \$913,525 estimate due defendant July 1, 1989, through December 31, 1990. See October 20, 1995.

January 18, 1991. **Defendant sends Franklin Wolf \$54,853.** Why? District attorney has letter!

January 23, 1991. California Consumer Affairs letter to attorney Marks re *Injury Hotline*. I think Marks represents Medical Media, Inc., dba *Injury Hotline*. California advises if prospective patient, not Medical Media, selects physician, no violation of Business & Professions Code § 650. Also see Loh's May 16, 1995, legal memo. Gardner (and defendant) could rely on agency. How could they know Wakelin was picking Gardner not the patient?

January 24, 1991. Defendant requests \$50,000 check payable to Gardner. See November 13, 1995.

January 25, 1991. "Richard Jackson, 404-454-7132." Defendant's 1991 Weekly Planner. This is much earlier than I had thought.²

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2. I had said I would think defendant was talking to Richard Jackson at least two or three months before the October 1, 1991, draft letter of intent to buy PriMedex Corporation. Directo in one or more of her statements said she quit because her future was certain if and when PriMedex Corporation was sold. I guessed defendant found Jackson in August 1991. Ask defendant. Jackson says he met defendant in 1991—per October 23, 1995. Defendant contacted Jackson. Apparently thereafter Jackson met defendant in Jackson's field office

February 6, 1991. Punturere memo copy to defendant. We will be receiving cases from Attorney Hotline

March 8, 1991. Defendant's memo to codefendant Punturere re equipment.

March 18, 1991. Undercover Avina goes in La Brea clinic. Says he has not suffered work-related injury. **Look at the report Gardner's software generated, per June 16, 1994, page 65!!!**

March 21, 1991. Defendant's memo giving cost of living increase.

April 1, 1991. Schneider's memo. Per Richlin direct "good" cases to following attorneys including one named Schenider. Defendant copied.

May 7, 1991. Apparently Crystal Investigations first contacts PriMedex Corporation for Colonial Penn Insurance Company, per June 14, 1991. Colonial Penn Insurance Company hired Crystal Investigations to investigate Neurological Orthopedic Medical Group, Inc., per February 20, 1996. Report dated June 14, 1991, infra. Apparently no mention of defendant

Apparently Brennan sells 1,500,000 shares of CCC Franchising Corporation stock for between \$3 and \$5.60 a share, per June 14, 1994, page 154. CCC Franchising Corporation shares cost Brennan \$0.09 each. *Assuming* average price per share was \$4.30, Brennan turned a profit today of \$6,450,000 less \$135,000, or \$6,315,000! Apparently defendant has not yet walked into Brennan's life.

Here is Brennan dumping his CCC Franchising Corporation stock. But what he really needs is to get its price to rise.

May 16, 1991. Herbert Saltzman signs \$10,000 not payable to defendant deferred benefit.

May 24-30, 1991. Are the 1991 Weekly entries "Haiti?" Was defendant in Haiti a week? Why?

May 27, 1991. Apparently Brennan sells 500,000 shares of CCC Franchising Corporation stock for between \$3 and \$5.60 a share, per June 14, 1994, page 154. Brennan dumping CCC Franchising Corporation stock. He must be thinking I need to buy the assets of a company that will make the stock price rise.

June 14, 1991. Defendant's memo re his approval of equipment purchases.

Date of Crystal Investigations report for Colonial Penn. Neurological Orthopedics Associates Medical Group, a dba of Gardner Medical Group, Inc. Riverside. Investigator goes inside Riverside clinic. Photographs, diagrams. Gets trash.

June 17, 1991. **Defendant requests \$300,000 check payable to Gardner.** See November 13, 1995.

June 29, 1991. Kalinowski on medical leave

July 1, 1991. Defendant's memo July 1, 1991, is workday.

July 8, 1991. Defendant's memo turn off computers.

in Marina Del Rey.

July 10, 1991. Defendant's memo reduce use of cellular phones

July 15, 1991. Durwin Corrales memo, copy to defendant, saying in *Attorney Hotline* cases. Attorney Hotline will no longer "issue" patient an attorney. Gardner clinic will recommend attorney. Just like Injury Hotline. People's Exhibit 5E4.

July 16, 1991. Defendant's memo re stickies.

July 17, 1991. "Rick Jackson." Defendant's Weekly Planner. There are Jackson entries before and after this one. I just note it here as an example.

July 19, 1991. Transamerica Insurance Group in Woodland Hills. Conspiracy to drive health providers out of business. See Tarlow news release at June 3, 1996. See Tarlow attorney Jenness memo date October 2, 1995. See October 11, 1995, October 13, 1995. *See October 18, 1995, memo giving details.* Hy Bates there. He details what was said in June 14, 1996, declaration

August 1991. Directo quits/is fired this month.

I think defendant said Gardner wanted to sell PriMedex Corporation. Yes. Defendant later basically told me his job was in two phases. Phase One was to get PriMedex Corporation in shape to be sold. Phase Two was to sell PriMedex Corporation. I think Gardner told defendant find a buyer of PriMedex Corporation; tell me the terms; if acceptable I'll sell; work out your commission with the seller. This is what defendant is telling me. Defendant says Gardner was a prick. Defendant says Gardner should have just agreed directly with defendant to pay him a commission. Much like you directly agree in writing with you real estate broker when you sell your house. Broker gets 6% of sales price if broker *finds* buyer; 3% if somebody else *finds* buyer. It's really a *finder's* fee. But it's called a *commission*. Call defendant's fee a *commission* in opening statement to jury.

August 13, 1991. Defendant's memo. Stop bad-mouthing fellow employees.

August 16, 1991. Codefendant Punturere memo: defendant has consented to special payroll.

August 19, 1991. Colonial Penn Insurance Company by Luce report to California Insurance Fraud Bureau. Gardner has 22 medical entities. **Is this first report on Gardner to authorities?** Apparently yes. Defendant not mentioned.

September 24, 1991. Preparer signed PriMedex Corporation federal income tax return for the year 1990. PriMedex Corporation 1990 California income tax return says defendant owns 5% of common stock. Was California return signed September 24, 1991? Did federal return say defendant owns 5% of common stock?

October 1, 1991. Draft letter of intent apparently *from* Pain Centers of America, Inc., in Atlanta. Pain Centers is Robert Jackson. Pain to purchase PriMedex Corporation assets for \$40 million. \$25,000,000 cash, \$15,000,000 note. I'm not sure who *drafted* the letter. Letter says from October 1, 1991, to January 1, 1992, PriMedex Corporation shall not engage in sales negotiations with any other party. *No mention of finder's fee. But see December 4, 1991!* What was defendant going to get for this? See Jackson's October 23, 1995, statement to Loh. Jackson confirms the letter and says he also agreed to pay defendant 5% of \$40,000,000, or \$2,000,000 as finder's fee. Why is

Jackson as well as Brennan so silent about defendant's fees? Is it *defendant*?

October 4, 1991. Pain Centers of America, Inc., letter of intent. Agreed and approved signature blocks for Gardner and **defendant as chief operating officer**. No signature by defendant but signature by Gardner.

October 9, 1991. Ellis Stern letter to Pain Centers attorney Michael Karsch. Letter of intent signed by Gardner. Purchase price \$41,000,000. *No mention of finder's fee. But see December 4, 1991!*

Late October or beginning November 1991. Defendant tells me Jackson was having hard time coming up with money. So defendant calls Franklin Wolf. Any ideas? Franklin Wolf says I know one guy. Robert Brennan. *Defendant never heard of him*. Franklin Wolf says Brennan *was* big. Television commercials. Brennan steps off a helicopter and says to audience join me. Send me something. I'm sure Franklin Wolf tells defendant Brennan is looking for a company with operations because the SEC is pressuring Brennan's company, CCC Franchising Corporation, to register as a 40 Act company because it has no operations. The reporting requirements for a 40 Act company are onerous.

Defendant sends Franklin Wolf some numbers. **Defendant meets Brennan on the phone.**³ Defendant sending lots of papers to Brennan. Calls. Defendant tells Brennan about Jackson. Pain to purchase PriMedex Corporation assets for \$40 million. \$25,000,000 cash, \$15,000,000 note. But Jackson was having hard time coming up with money. Defendant said while motivation was there (40 Act company problem), Brennan had to be persuaded. Brennan proposes an offer to pay more money for PriMedex Corporation but part of the payment will be in stock. Defendant and Brennan *had* to have discussed defendant's 5% commission during the phone calls before defendant and Brennan met face to face.

Defendant had thought Brennan made two trips to California. Maybe first trip in

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3. April 2000 defendant told me he met Brennan late October 1991. Defendant told Tarlow December 12, 1995, defendant *sought out* and met Brennan beginning November 1991. Did defendant tell me *he* found Robert Brennan? In New Jersey. I think defendant said early-1992 or late-1991. It was late-1991. Here Robert Brennan owns, controls CCC Franchising Corporation. Yes, PriMedex Corporation—defendant—*did* engage in sales negotiations with another party, i.e., Pain Centers/Robert Jackson. My guess was defendant and Brennan started talking after defendant started talking with Jackson. Yes. In Sturman's December 26, 1991, memo says defendant went to New York first week of December 1991 "in order to meet Brennan." May 1, 2000, I tell this to defendant. Defendant tells me probably right but defendant had been talking to Brennan several times on phone from maybe late October and in November.

mid November. I had guessed maybe about November 20, 1991. But Sturman December 26, 1991, memo seems to indicate one trip. If Brennan did come to California in mid November then defendant would not have been meeting Brennan face to face *for first time* in first week of December 1991!

October 14, 1991. Entry \$50,000 to Wakelin. Defendant's Weekly 1991 Planner.

November 11, 1991. Monday. Jackson to Los Angeles. Looks like Jackson is supposed to come to Los Angeles. Defendant's Weekly Planner. There are Jackson entries before and after this one. I just note it here as an example.

November 13, 1991. Wednesday. Apparently 10 a.m. Brennan. Could be Brennan in Los Angeles. Father or son? Defendant's Weekly Planner.

November 18, 1991. "Mike Brennan."

November 28, 1991. Defendant signs \$600,000 promissory note payable to PriMedex Corporation. Lowrey is witness. I noted defendant *is about to get* a \$1,000,000 check from Brennan. See January 15, 1992—defendant says \$600,000 repaid. But Tarlow says "no dispersal of funds November 28, 1991," per June 22, 1995. So if defendant did not *receive* \$600,000 why is defendant saying he repaid it on January 15, 1992? **Defendant explains to Edward Murphy January 11, 2000, he *did* receive the \$600,000 in 1991.** I don't know if defendant would have done this if he *already* met Brennan. Sheldon has to analyze how much defendant made and when. See December 12, 1995, re advances v. loans. See January 1995 Foley declaration.

Defendant told me *Franklin Wolf* tells defendant to come to New York and meet Brennan. No. It wouldn't have happened like that! If Brennan and defendant were talking on the phone, *Brennan*, not Franklin Wolf, would have said come.

First week December 1991. Defendant and Brennan meet in New York. Alson there. Defendant meets Andrew Alson. Maybe he meets Roger Bodman, Ronald Riccio and Roger Barnett, all of whom will be officers and/or directors of PriMedex Health Systems, Inc.

Defendant will broker the deal. Defendant will get a 5% commission.⁴ Brennan agrees. Defendant told me this was in Brennan's New York office. Nothing in writing. Defendant says he doesn't know if anyone else was present. This will come out to \$2,312,500.⁵ I guess defendant meant they *shook hands* in Brennan's office. But

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4. I *had* thought defendant *probably* is telling me the truth when he says Brennan agreed to pay him 5%.
 5. Defendant claimed his finder's fee deal with Brennan was \$2,000,000, and by the end of 1993 he got it all, per June 30, 1995. April 2000 defendant tells Edward Murphy the deal was defendant to get 5% of the purchase price of PriMedex Corporation assets. The sale in February 1992 will be for \$46,250,000. Therefore defendant to get \$2,312,500. How could a thing like this be uncertain? Because

defendant and Brennan *had* to have discussed defendant's 5% commission during the phone calls before defendant and Brennan met face to face.

At first it would seem *Brennan told defendant* not to tell anyone. That defendant would have had no interest in keeping his payment secret but okay, I won't tell anybody if you don't want me to. But then why was defendant's payment also kept extremely secret in Jackson deal where Brennan had nothing to do with it?

Could the answer be this *was* defendant's share of the proceeds of the sale based on his 5% ownership of PriMedex Corporation! But if this is true, why would defendant want to keep his ownership secret? This is a year before the district attorney searches PriMedex Corporation.

District attorney could characterize this as a cut so I believe I *don't* want to portray Brennan as the bad guy.

December 3, 1991. List of checks payable to Gardner July 10, 1989, through December 3, 1991, totaling \$5,822,400; 13 requested by defendant including June 17, 1991, for \$300,000, per November 13, 1995.

Apparently Brennan borrows \$30,000,000 from a bank back East. Brennan forms Hartley Bush Financial to fund the \$30,000,000, per August 24, 1994. Brennan borrows money from a bank secured by his personal treasury bonds.⁶ The prospectus stated a bank loan obtained to fund the cash portion of the purchase of PriMedex Corporation assets was collateralized with approximately \$33,000,000 principal amount of United States Government treasury bills pledged under a guaranty by Hartley Bush Financial Corporation wholly owned by the principal shareholder of PriMedex Health Systems, Inc., Robert E. Brennan. (People's Exhibit 16J, page 9) Did Brennan pledge \$33,000,000 in bonds to borrow \$30,000,000? Maybe. When Brennan put up his own money he absolutely positively knew he would use Franklin Wolf to do a public offering to pay himself back! This means Franklin Wolf knew Brennan's intent.

Early December defendant is proposing questions to his accountant. The district attorney has them. Ask defendant what hypothetical fact situations he proposed to Horn. I can't decipher them. May 1, 2000. Defendant explains. He was considering taking his

you don't know what price CCC Franchising Corporation stock will close the day before the date of the agreement.

6. I had wanted to know what Brennan did with the \$30,000,000. I had wanted to know did Brennan pay it to PriMedex Corporation (therefore Gardner) directly to keep it off the books of CCC Franchising Corporation as a debt? No. He will pay \$30,000,000 cash to Gardner (\$25,000,000 right away, \$5,000,000 in escrow) *for* CCC Franchising Corporation, and CCC Franchising Corporation will owe it to him. He'll get it back in the public stock offering end of 1992 and beginning of 1993.

brokerage commission in stock rather than cash. Just an idea. It defendant could have saved some taxes doing that, then he would have made some arrangements to receive CCC Franchising Corporation stock or PriMedex Corporation stock or whatever. As it turned out it wasn't a good idea. Defendant says district attorney got Horn's December 9, 1991, from search of Horn's office.

December 3, 1991. "Brennan." Defendant's Weekly 1991 Planner.

December 4, 1991. "Brennan." Defendant's Weekly 1991 Planner.

Also December 4, 1991, Jeffery P. Brown for Connor for Pain Centers sends Gardner asset purchase agreement. Bingo! Paragraph 10.2:

10.2 *Brokers*. Purchaser, on the one hand, and Shareholder and Sellers, jointly and severally, on the other hand, represent and warrant to each other that **no broker or finder has acted for them** or any entity controlling, controlled by or under common control with them in connection with this Agreement, and agree to indemnify and hold harmless the other against any fee, loss or expense arising out of any claim by any broker or finder employed or alleged to have been employed by them or such entity.

December 9, 1991. I guessed Roy Horn was *defendant's* certified public accountant. Yes. Memo says defendant is a minority shareholder of privately owned company. Sale for maybe \$45 million. What are the tax effects to defendant? **Does district attorney have this memo? This memo if effect assumes defendant is a minority shareholder in PriMedex Corporation!** Send material to Sheldon. See Tarlow's March 22, 1996, comments. Also April 15, 1996. *See Horn's daily planner entries December 5, 1991, to December 11, 1991, attached to April 24, 1996, Loh memo.*

Defendant tells Edward Murphy it is before December 18, 1991. Brennan comes to California. Defendant thinks his second trip. Brennan brings his son, Robert Brennan, Jr. Brennan at Christmas party. Maybe he doesn't speak. Gardner speaks. Punturere speaks. Maybe defendant says a few words.

Gardner and Brennan shake on the deal even though from October 1, 1991, to January 1, 1992, PriMedex Corporation shall not engage in sales negotiations with any other party. The \$25,000,000 + \$5,000,000 + what will be approximately \$16,250,000 is solidified. All that's left now is for lawyers to draw up the papers.

Brennan goes back to New York.

December 12, 1991. "Roger Tolins—SEC counsel." Defendant's Weekly 1991 Planner.

December 13, 1991. Jackson called. Defendant's Weekly 1991 Planner.

Apparently December 18, 1991, Brennan has made check for \$1,000,000 dated December 18, 1991, and mails it to defendant. Brennan does not tell defendant it is

coming.⁷ Why?

Defendant says it is Brennan's style to mail somebody a one million dollar check and not tell them.

Why did Brennan send check before lawyers drew up papers? It seems Brennan is *in a hurry* to pay defendant \$1,000,000.

Will Brennan try to deduct it as a consulting fee in Brennan's federal and state income tax returns? I don't know. Maybe yes. And maybe Brennan wants the deduction in 1991, and that's why he is so eager to send defendant a check in 1991.

I believe another reason Brennan was in a hurry was he already intended not to mention defendant's fee in the 1992 public stock offering, and therefore it was better for the deduction to appear in his 1991 tax returns rather than 1992.

Why did Brennan not want to disclose defendant's fee in the 1992 public stock offering? I think because disclosure to the NASD, SEC, both, would have diminished Franklin Wolf commissions to a level the underwriting would not have been worthwhile. The registration statement of PriMedex Health Systems, Inc., was filed with the NASD September 14, 1992. (RT 698) Initially the NASD issued its opinion the underwriting compensation in connection with the proposed offering was excessive. (RT 698) F. N. Wolf & Co., Inc., amended their registration statement and filed an amended registration statement with the NASD. (RT 699-700)

Therefore Franklin Wolf surely knew about defendant's commission. If fact it could well have been *Franklin Wolf* that pointed out disclosure of defendant's commission for brokering the purchase of PriMedex Corporation assets by CCC Franchising Corporation to the NASD, SEC, both, would have diminished the underwriting compensation to a level the underwriting would not have been worthwhile. So maybe I *should* make Franklin Wolf and Brennan the bad guys in my opening statement.

I had wondered why would anybody part with \$1,000,000 without a deal, without attorneys. The answer is December 31, 1991, was approaching. Defendant was in Los Angeles. Brennan was in New York. Brennan had to act fast.

December 26, 1991. Defendant receives check and is surprised. I guess slow mail due to Christmas cards. Defendant takes check to his lawyer, Herbert Sturman.⁸

7. I *had* thought obviously defendant and Brennan and defendant and Gardner are doing a lot of talking and therefore Brennan must have told defendant Brennan is going to send defendant a check for \$1,000,000. I guess—probably—on the phone. Defendant must have said okay.

8. Not Dick Seldeen who represented defendant in possibly being a witness for the prosecution in 1996.

Where did I get the date? From Sturman memo. Is defendant being truthful with Sturman when he says he met Brennan first week in December 1991? Sturman FedEx check back to Brennan because Jackson has until December 31, 1991. No cover letter. Defendant will call Brennan. Tell Bob Navarro. We may need to call Sturman as witness. See October 5, 1995, Sturman letter to Tarlow

Gardner apparently would testify and Leslie will tell jury in her opening statement Gardner first learned of defendant's finder's fee from Tarlow's September 15, 1995, Johnson submission—per October 2, 1995. If this is true, defendant and Brennan did not tell Gardner about the December 18, 1991, \$1,000,000 check. When I ask defendant I get the feeling defendant is lying when he tells me he did tell Gardner. I *don't* think defendant told Gardner. I think Gardner had told defendant find a buyer of PriMedex Corporation; tell me the terms; if acceptable I'll sell; work out your commission with the seller.

December 31, 1991. Brennan sells 2,000,000 shares of CCC Franchising Corporation stock; stock trading between \$7 and \$8 a share, per June 16, 1994, page 154. Why has CCC Franchising Corporation stock gone up? Has Brennan put out the word that CCC Franchising Corporation will buy PriMedex Corporation?

Defendant says his fees for 1991 were \$800,000. 1991 PriMedex Corporation California income tax return signed by Gardner, and located at, April 15, 1993.

1992. Brennan's wife commits suicide.

January 1, 1992. Call Brennan. Defendant's 1991 Weekly Planner—in the January 1992 part at the end.

January 2, 1992. Entry might say Brennan to Los Angeles. Defendant's 1991 Weekly Planner—in the January 1992 part at the end.

Apparently Attorney Sweet representing Rohr complains to Fraud Bureau about Wakelin and Injury Hotline, per February 14, 1992. Is this Heggeness & Sweet? What is date of their thick printout report that Rebecca shows me April 23, 2000?

If defendant is *Brennan's consultant* then maybe it would be easier to find defendant guilty of 1) securities fraud as aider and abettor of *Brennan* who committed securities fraud; or 2) conspiracy to commit securities fraud as conspiring with *Brennan* to commit securities fraud. Brennan's *finder* seemed much better. See February 6, 1995.

Moss says **Gardner first learned of defendant's finder's fee from Tarlow's September 15, 1995, Johnson submission**, per October 2, 1995! But see defendant's December 12, 1995, memo. What motive would defendant have had to keep fee secret after Gardner received his ... what?...first \$30,000,000? Defendant's December 22, 1995, memo lists all the people who knew about his finder's fee before the December 1992 prospectus.

January 3, 1992. Beer bust per December 13, 1991. Yes. See Defendant's 1991 Weekly Planner—in the January 1992 part at the end.

January 6, 1992. Date check \$1,000,000 payable to defendant drawn on account of Due Process Staples, Inc.,.

Also "Jackson in Los Angeles." Defendant's 1991 Weekly Planner—in the

January 1992 part at the end.

January 10, 1992. Memo from Jim Mortenson to Brennan. May 20, 2000, not in Trial Book but see February 24, 1995, page 31. In 1990 and 1991 **Los Angeles Medical Media owned by defendant served as a conduit for money to Gardner.** See October 9, 1995, Loh memo. As Loh states, amounts paid defendant during 1992 and 1993 are not indicated on PriMedex Health Systems, Inc., records or even clearly on defendant's records whether consulting fees or finder's fees. Then, as Loh asks in another October 9, 1995, memo, was defendant's taking part of his finder's fee from PriMedex Health Systems, Inc., a fraud on PriMedex Health Systems, Inc., shareholders directly or was it aiding and abetting Gardner defraud shareholders on theory that *Gardner* owed defendant the balance of defendant's finder's fee.

January 14, 1992. Defendant requests from PriMedex Corporation, gets \$600,000 check, per November 11, 1994. No reason given. See explanation below. Defendant told me he needed the \$600,000 in 1991 and it was due him in 1991, but didn't want to declare it as income until 1992. So he borrows \$600,000 in 1991, pays back the loan in 1992, and receives the \$600,000 as income in 1992.

January 15, 1992. Defendant says he wrote check drawn on First Charter Bank repaying \$600,000, per June 21, 1995. Then why did defendant get \$600,000 on January 14, 1992? The events of today and yesterday are a wash. See Tarlow's comments June 21, 1995. *If* defendant did not receive \$600,000 on November 28, 1991, why is defendant saying he repaid it on January 15, 1992? Defendant explains to Edward Murphy January 11, 2000. Defendant was due \$600,000 in fees in 1991. He needed the money but he wanted it to appear as income in 1992. So he borrowed \$600,000 in 1991 and paid it back today. Defendant says he *did* receive \$600,000 in 1991. Sheldon: did defendant receive \$600,000 on November 28, 1991? The \$600,000 defendant got January 14, 1992, was the fees owed him in 1991. But see Loh's analysis at July 6, 1995, pages 5-7. **Note. First Charter Bank deposit slip district attorney got from Corrigan subpoena does not match deposit slip defendant supposedly obtained from First Charter Bank, per July 18, 1995. No question two different deposit slips of \$600,000 dated January 15, 1992. See January 15, 1992!** Sheldon has to analyze how much defendant made and when. See July 5, 1995

January 17, 1992. Defendant's memo re Martin Luther King. Only 2 hours off, not all day January 20, 1992. Why January 20, 1992? Date celebrated. **Be careful. African American jurors!**

January 24, 1992. Brennan has CCC Franchising Acquisition Corporation incorporated in California. People's Exhibit 4D. January 1992 CCC Franchising Acquisition Corporation is incorporated, per August 1993 New Jersey verified complaint.

January 31, 1992. Finder's Fee Schedule apparently written by defendant. (RT 819) Is the asset purchase agreement dated as of January 31, 1992? Maybe it is.

February or March 1992. Apparently Injury *Central* brought on line; *maybe*

replaces Injury *Hotline* at PriMedex Corporation, per Banjovic April 29, 1994. **I don't think so.** See August 10, 1992, Injury Hotline Weekly Client Worksheet listing Gardner clinics in Los Angeles, Montebello and Riverside!!!! Yes, Banjovic says Injury Hotline still used for Riverside, per June 16, 1994, page 28. Loh concerned about this per September 8, 1994. Hassen says he started [working?] for Injury Central February 1992, per January 17, 1995. It seems PriMedex Corporation acquires Attorney Hotline and changes name to Injury Central, per January 17, 1995. Budget for Injury Central was \$600,000 per month in February 1992; \$200,000 in fall of 1993.

February 1, 1992. Management consulting services agreement defendant and PriMedex Corporation. Defendant is not a consultant to PriMedex Health Systems, Inc. Defendant to devote substantially all his working time. Defendant to receive:

\$250,000 per year. This is \$20,833 per month.

Plus ½ of 1% of cash collections

Plus 2% of pretax profits.

Maybe not another agreement until March 31, 1993. Per July 18, 1994, defendant's monthly fees were \$40,000 to \$50,000. Monthly profit \$500,000 to \$600,000; cash collections \$1,500,000. Apparently information came from defendant, given to Loh.

February 5, 1992. Defendant's deposition. Ann Luce is present. Apparently plaintiff patients suing Colonial Penn. Uninsured motorist claim. Attorney Alan? Goldberg claiming Colonial Penn lawyer harassing defendant. Defendant says "fuck you." Lawyer never does get to billing of plaintiff patients. **Why would Colonial Penn notice defendant's deposition? Does Colonial Penn know about Equity Funding?** I'm sure by now Colonial Penn knows all about defendant and his connection to Gardner. Actually Alan Goldberg is correct. Defendant's deposition has nothing to do with the uninsured motorist claim of Kedrick and Eleanor Green (probably African Americans) I might want to deal with this in opening statement. I think I can make the jury as enraged as defendant was. This was a pretext deposition. I'll bet Colonial Penn never followed up in court defendant's refusals to answer. Check it out!

February 10, 1992. CCC Franchising Corporation common stock closes on NASDAQ at 8⅛ (i.e., \$16,250,000). (People's Exhibit 16J)

February 11, 1992, as of January 31, 1992, CCC Franchising *Acquisition* Corporation entered into an asset purchase agreement with PriMedex Corporation to purchase substantially all of PriMedex's assets for a purchase price of approximately \$46,250,000 consisting of \$30,000,000 cash and 2,000,000 shares of CCC Franchising Corporation common stock that closed on NASDAQ February 10, 1992, at 8⅛ (i.e.,

\$16,250,000).⁹ (People's Exhibit 16J) **Brennan and Gardner represent nobody is entitled to a finder's fee.**

Apparently Gardner is or becomes a director and 5.4% shareholder of what will be PriMedex Health Systems, Inc., but is not an officer, per April 24, 1996, page 3. May 13, 1996, Johnson material refers to February 11, 1992, Management and Service Agreement.

The Management and Service Agreement was signed by Andrew C. Alson, president of CCC Franchising Acquisition Corporation, and David G. Gardner, president of Gardner Medical Group, Inc. The agreement set forth the different roles and services to be provided by CCC Franchising Acquisition Corporation and the medical corporations. There is no indication in the agreement that CCC Franchising Acquisition Corporation (or anyone working for or consulted by the management company, including defendant) in any way controlled the professional activities of the medical corporations or the physicians they employed. Indeed, as discussed below, all of the language is to the contrary. Furthermore, there is no mention in the agreement of any treatment protocols or of their development or application. Relevant provisions in the agreement included the proviso CCC Franchising Acquisition Corporation had the sole and exclusive responsibility of managing the *non-medical* aspects of the medical corporations' practice. The medical corporations had the exclusive responsibility to provide and employ physicians and other professional personnel. All professional services "shall be provided under the direct supervision and control" of a physician provided by the medical corporations. The agreement warranted that all physicians be duly licensed; all physicians comply with all applicable laws; and all physicians perform work "at all times in strict accordance with currently approved methods and practices" in the field. The agreement was clear that neither CCC Franchising Acquisition Corporation nor anyone working for or consulted by CCC Franchising Acquisition Corporation was responsible for the evaluation and treatment services provided to patients by the medical corporations.

After acquisition defendant's duties diminish, per August 29, 1994. April 10, 2000, defendant tells me after acquisition Gardner tells him how Gardner is investing in other Brennan projects. Defendant remembers thinking Brennan never called *defendant* with a deal.

February 13, 1992. When PriMedex Corporation assets are gutted, PriMedex Corporation CHANGES ITS NAME to AshGrahm Corporation. People's Exhibit 4B. Also see June 16, 1994, page 128. Health Systems Financial Corporation incorporated. People's Exhibit 4M.

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9. Is the asset purchase agreement dated as of January 31, 1992? Yes. January 2, 2000, I only have cover sheet of acquisition agreement in notebook. Pages 59 and 60 are at October 2, 1995.

PAUSE

February 14, 1992. California Department of Insurance Fraud Bureau, Welton, report says Injury Hotline picks apparently Gardner clinic in Riverside, and clinic picks attorney. Hotline represented by son of La Cosa Nostra Boss Dominic Brooklier. See April 23, 1992. Moss to Welton. I've been informed by Shepard you're conducting an investigation of Gardner. Let's meet. IS THIS FIRST INDICATION A GOVERNMENT PROSECUTORIAL AGENCY IS INTERESTED IN GARDNER?

February 19, 1992. California Department of Insurance Fraud Bureau, Welton, report says Avelar says her friend Alice Shepard aka Shephard is former girlfriend of Gardner and Gardner submits false claims. Shepard is sister of Gardner's former wife. Also see April 8, 1996.

February 20, 1992. *Defendant* files with SEC statement of beneficial ownership of CCC Franchising Corporation but only states **consultant to subsidiary with policy functions**.

Check 00033 for \$17,979 issued to defendant. Next check, dated February 25, 1992, will be issued to Health System Financial Corporation

Defendant confirms to me what I see was Brennan's plan. Brennan owns CCC Franchising Corporation stock which he acquired for pennies. Brennan will now sell it at a good price because price of CCC Franchising Corporation stock will go up because CCC Franchising Corporation bought an operating company. Sure, Brennan paid for the company from his own money but he'll soon be doing a public offering after he sells his stock at an enormous profit. Then Brennan will apply the money obtained in the public offering to repay himself the \$30,000,000 he loaned CCC Franchising Corporation to pay for the PriMedex Corporation assets.

February 24, 1992. **Brennan apparently commits a federal crime**. Under *Item 6 of Schedule 13D of Rule 13d-1(a) of Section 13(d)(1) of the Securities Act of 1934* there was no finder's fee with respect to any securities of CCC Franchising Corporation. Federal crime? See Wiggins February 1, 1996, memo.

February 25, 1992. \$55,000 check issued to Health System Financial Corporation instead of Stanley Goldblum. See October 9, 1995, Loh memo where Loh theorizes defendant is drawing more installments of the finder's fee owed defendant.

Alan Goldberg applies for Gardner Medical Group, Inc., to have fictitious name *PriMedex Medical Group*. See June 14, 1995

March 1992. Corrigan starts. (RT 209) Defendant was my boss. (RT 209) Corrigan reports to controller Lowrey. Corrigan is assistant controller. (RT 218)

March 12, 1992. Lease. Defendant is Chief **Operating** Officer. Merely a matter of expediency. See October 21, 1994

March 16, 1992. Defendant signs as **manager** PriMedex Corporation application for extension California income tax for 1991

March 26, 1992. *Los Angeles Medical Media, Inc.*, certificate of *dissolution* filed. People's Exhibit 4L

March 31, 1992. PriMedex Corporation files fictitious business name **Injury Central**. First Charter Bank Injury Central statements through April 30, 1993, per May 8, 1995. Defendant says *idea that Injury Central be dba of PriMedex Corporation rather than a Gardner medical corporation was idea and advise of Alan Goldberg*, per April 11, 1995.

April 22, 1992. Punturere to all offices. If you are contacted by private investigator representing insurance company get name.

April 23, 1992. Moss to Welton. I've been informed by Shepard you're conducting an investigation of Gardner. Let's meet. See April 19, 2000. I wonder if Moss is also calling Feledman. Deputy district attorney Shidler told me Moss's contact—the district attorney office leak—was Edward G. Feldman!

Also today Brennan sells 400,000 shares of CCC Franchising Corporation stock; stock trading at \$7.75 a share, per June 16, 1994, page 154. April 1992. Forbes will report October 26, 1992, Brennan sells 400,000 shares of, I guess, CCC Franchising (Acquisition?) Corporation, for \$7.75 each. CCC Franchising Corporation shares cost Brennan \$0.09 each. So today Brennan turns a profit of \$3,100,000 less \$36,000, or \$3,064,000! CCC Franchising Corporation won't change its name from CCC Franchising Corporation to PriMedex Health Systems, Inc., until November 17, 1992.

Defendant tells me on April 7, 2000, Brennan could have sold more CCC Franchising Corporation stock at great profit than Brennan reported to SEC by having his flunkies do it. Defendant all but said Brennan had a deal with Rooney Pace. Rooney pace held CCC Franchising Corporation stock *for* Brennan. Brennan owed defendant money for the PriMedex Corporation deal. Call it a finder's fee. Brennan instructed Rooney Pace to sell CCC Franchising Corporation stock and send proceeds to defendant. April 28, 1992. Moss writes Treadway at Department of Insurance. I represent Gardner.

April 30, 1992, check \$500,000 payable to defendant. Rhoades testified he recovered People's Exhibit 16L6 from defendant's house on June 22, 1994. (RT 851) Exhibit 16L6 is a \$500,000 check, number 10, dated April 30, 1992, payable to defendant, drawn on the Dreyfus Worldwide Dollar Money Market Fund, Inc., account with the Bank of New York, White Plains, New York. The check also reads ALAN NOVICH TTEE DTD 3/15/89 FBO ALLISON PACE & KIMBERLY PACE. People's Exhibit 16L6 also includes a May 1, 1992, statement on defendant's letterhead to Alan Novich, Trustee, for services rendered \$500,000.

Allen Novich knew Randolph K. Pace. Are Allison and Kimberly Randolph's daughters? Who is Rooney Pace? Randolph K. Pace owned Rooney Pace & Co., a NASD firm well-known as having affiliations Brennan. (RT 706)

Novich represented companies Brennan took public.

Defendant now has \$1,500,000. But in April 2000 defendant tells me Brennan cheated defendant in the end by only paying defendant a total of \$1,500,000. **Moss says Gardner first learned of this from Tarlow's September 15, 1995, Johnson submission, per October 2, 1995!**

April 28, 1992. Moss to Treadway, California Bureau of Fraudulent Claims. Let's meet.

May 1992. Forbes will report October 26, 1992, F. N. Wolf & Co., Inc., pushing CCC Franchising Corporation for \$9 per share. So F. N. Wolf & Co., Inc., is selling CCC Franchising Corporation stock *before* December 1992.

May 1, 1992. A statement on defendant's letterhead to Alan Novich, Trustee, for services rendered \$500,000. People's Exhibit 16L6.

May 7, 1992. CCC Franchising Acquisition Corporation II incorporated in California. People's Exhibit 4I. There's an agreement of merger inter alia with RadNet.

May 8, 1992. **Brennan apparently commits a federal crime.** Under *Item 6 of Schedule 13D of Rule 13d-1(a) of Section 13(d)(1) of the Securities Act of 1934* there was no finder's fee with respect to any securities of CCC Franchising Corporation. Federal crime? See Wiggins February 1, 1996, memo.

May 14, 1992. Defendant's memo. No more overtime for supervisors.

Note. I need Sheldon to tell me what's happening with the companies because in December there will be the offering.

May 15, 1992. Punturere memo. No employee to write on PSI card. PSI stands for patient satisfaction index

May 29, 1992, defendant buys 5,000 shares at \$8.125 per share; sells January 13, 1993, at \$5 per share, per September 12, 1994, page 5. Shares of what? CCC Franchising Corporation?

In June 1992, as of April 30, 1992, CCC Franchising Acquisition Corporation entered into a purchase agreement with RadNet Management, Inc., and related companies to acquire substantially all of RadNet's assets for a purchase price of approximately \$66,000,000. (People's Exhibit 16J)

June 12, 1992. The entire stock option agreement between CCC Franchising Corporation and defendant is in trial book. Defendant receives 250,000 shares of CCC Franchising Corporation common stock options, at \$8.00 per share, as a finder's fee for his role in the CCC Franchising Corporation acquisition of RadNet. Was this later changed to 150,000 shares at \$4? See August 24, 1994. Note. June 30, 1995, defendant tells Loh **he thinks he also settled for \$500,000 cash for the RadNet deal, in addition to the options.** This is consistent with People's Exhibit 16L1 from defendant's house on June 22, 1994. (RT 850) Exhibit 16L1 is two handwritten pages including headings that say "FINDER'S FEE SCHEDULE," "92 iNCOME Proj," and "Cash FLOW Jul/25/92—12/30/92." Defendant had told me he never got the \$500,000 finder's fee for RadNet. But in June 30, 1995, note to Loh he says he thinks he settled for \$500,000 cash.

June 22, 1992. Weiner memo to defendant sending defendant June 12, 1992, CCC Franchising Corporation stock option for finding RadNet.

June 26, 1992. Personnel memo. Defendant to approve all raises.

June 30, 1992. Gardner Medical Group, Inc. billings since I think inception January 1, 1989, were \$29,000,000. (RT 226) Total collections for same period \$74,697,000. (RT 226) What does that mean?

Gardner's medical license becomes delinquent per January 4, 1995

July 2, 1992. **Brennan apparently commits a federal crime.** Under *Item 6 of Schedule 13D of Rule 13d-1(a) of Section 13(d)(1) of the Securities Act of 1934* there was no finder's fee with respect to any securities of CCC Franchising Corporation. Federal crime? See Wiggins February 1, 1996, memo.

July 9, 1992. Punturere memo re sample letter to your state legislator.

July 16, 1992. Los Angeles district attorney investigator says he got information on Injury Hotline, per November 30, 1992, search warrant affidavit. **FIRST INDICATION IN DISCOVERY OF LOS ANGELES DISTRICT ATTORNEY INTEREST IN GARDNER**

July 21, 1992. Punturere memo. Don't accept subpoenas from Crystal Investigations or other private investigators.

July 23, 1992. Punturere memo. Don't give out information on the telephone.

July 24, 1992. Punturere memo re patient letter to state legislator.

August 7, 1992. Gardner clinics pay Injury Hotline \$100,000 from July 13, 1992 through August 7, 1992, per November 30, 1992, search warrant affidavit!

August 10, 1992. Injury Hotline Weekly Client Worksheet listing Gardner clinics in Los Angeles, Montebello and Riverside, per November 30, 1992, search warrant affidavit exhibit N. Los Angeles district attorney supervising investigator says **case opened** against Injury Hotline this date, per December 1, 1992, and December 4, 1992.

Brennan and Franklin Wolf are planning the offering to repay Brennan. I'm sure Franklin Wolf knows about defendant's commission. Why do they not want to disclose defendant's commission in prospectus? I think because disclosure to the NASD, SEC, both, would have diminished Franklin Wolf commissions to a level the underwriting would not have been worthwhile. Doesn't witness at grand jury discuss this? Check.

It's easy to keep it secret. Don't tell Tolins. *I believe concealment of defendant's commission for brokering the purchase by CCC Franchising Corporation of PriMedex Corporation assets is the little secret of Brennan and Franklin Wolf!*

August 18, 1992. FBI agent Myers interviews Shlens. Administrator of Gardner's enterprises is a convicted felon who did 8 years. **THIS FIRST INDICATION IN DISCOVERY OF FBI INTEREST IN GARDNER**

August 27, 1992. Punturere memo. Wilson is attempting to push through workers' compensation reforms. Apparently Darlene is faxing these memos re reforms to clinics. So district attorney will use this to show defendant aware of possible workers' compensation reform.

September 1992. Wolf applies to NASD for opinion. (RT 697) Bennett says the

underwriting compensation that was proposed was excessive for an offering of this size and nature, and, therefore, we issued our opinion that the underwriter's involvement in the transaction would be unfair and unreasonable to the public investors. (RT 698-699) F. N. Wolf & Co., Inc. amends. The NASD makes inquiries. Bennett says the only payments that anybody talked to us about were the \$500,000 finders fee paid F. N. Wolf & Co., Inc. for RadNet, and defendant's warrant to purchase 250,000 shares exercisable at \$8 per share.

September 2, 1992. FBI interviews Directo. **Report says defendant served time for Equity Funding. But it seems Colonial knew about defendant and Equity Funding at deposition February 5, 1992.**

September 10, 1992. Gardner's deposition. (RT 374) Maybe use this in Aranda arguments. Crane v. Rohr. Sweet for Rohr. Kumetz for Gardner

September 16, 1992. Skaggs aka Scaggs statement to FBI agent Pamela Myers. Defendant knows nothing about the medical field or workers' compensation matters. (Myers Report at page 5)

September 23, 1992. Brennan sells 300,000 shares of CCC Franchising Corporation stock; stock trading at \$6 a share, per June 16, 1994, page 154. Flores's June 16, 1994, affidavit says Brennan has realized profits in excess of \$25,000,000 at page 154.

I need to add up everything Brennan pocketed and everything Gardner pocketed.

September 25, 1992, district attorney investigator interviews Bertoldi, per October 1, 1992. Apparently suspect is "Medical Media, Inc." I THINK THIS IS FIRST LOS ANGELES DISTRICT ATTORNEY OFFICE INVESTIGATION REPORT IN DISCOVERY. Defendant not mentioned. Apparently district attorney investigator Jarvis accompanies interview of Bertoldi. (RT 302) So district attorney already has launched investigation? Yes. See December 1, 1992.

When does law enforcement *first* know famous defendant is connected to PriMedex Corporation? First reference to defendant I see is in report of September 2, 1992, FBI interview of Directo. But Colonial Penn has known about defendant at least by February 5, 1992, when they tried to take defendant's deposition.

September 30, 1992. Apparently change in law re medical-legal reports. See May 13, 1996, page 32.

October to December 1992. Oard at *TheZenith* has Michael Gonzalez collects documents from PriMedex Corporation trash. Report at April 11, 1994, date Melbourn interviewed Gonzalez.

October 7, 1992. Los Angeles district attorney surveillance Wakelin, per November 30, 1992, search warrant affidavit

October 9, 1992. Directo statement to Rabinowitz of *TheZenith*. **Crown bills for Berger's scans. Page 31. \$400 to \$500 per scan and we bill \$750 or \$1,400. I think kickbacks to attorneys was from how many patients came. Page 38-39. Since**

defendant came the corporation flourished. Run like a corporation. Defendant much nicer than Gardner

October 16, 1992. The prospectus states Brennan owns 46 percent of CCC Franchising Corporation stock. (People's Exhibit 16J, page 61)

October 19, 1992. Punturere memo. Gardner and I have decided to discontinue therapy bonuses. Copy to defendant *and Moss*.

October 20, 1992. Memo to defendant re layoff status. It looks like defendant wanted to know who could be laid off. Note December 10, 1992, defendant allegedly will be touting PriMedex Health Systems, Inc., stock to stockbrokers

October 21, 1992. Memo to defendant re layoff status. It looks like defendant wanted to know who could be laid off.

Punturere memo to Moss re patients not given treatment

October 26, 1992. *Forbes* report. Brennan owns 11,600,000 shares of CCC Franchising Corporation. At recent price of 6¼ Brennan holdings equals \$72,500,000

October 29, 1992? *TheZenith contributes \$50,000 to Garcetti election campaign. \$50,150 to date.* May 7, 2000, document at October 1992 in trial book. First Monday in November 1992 was November 2, 1992. Was that election day? No because there was a contribution by Zere Corporation November 6, 1992. Maybe Election Day was November 9, 1992. I know \$50,000 was received in October or November 1992 on the ?9. Document suggests it was 29. Defendant says CEO of TheZenith was Stanley Zaks or Zachs. Zaks was buddy of Garcetti, lent Garcetti his airplane to campaign. Zaks took \$25,000 of the \$50,000 to Garcetti's house, per January 29, 1996.

November 1, 1992. Gardner Medical Group, Inc., starts absorbing costs of Injury Central, per June 14, 1995

November 6, 1992. Moss letter to Treadway reporting patient solicitation to commit insurance fraud.

November 12, 1992. Mroch's 100-page statement to TheZenith. Hotel Bentley, Alexandria, Louisiana. Present Tom, Gordon Oard, Jud Beardsley. My wife Rebecca says see January 16, 1996. TheZenith claims manager Victor Rabino tells Rosenthal that I think Gordon Oard takes Mroch's statement in Alexandria? November 11, 12 and 13, 1992? Note Oard is getting PriMedex Corporation documents regularly from PriMedex Corporation trash.

November 17, 1992, the stockholders of CCC Franchising Corporation adopted an amendment to the company's certificate of incorporation CHANGING THE COMPANY'S NAME from CCC Franchising Corporation to PriMedex Health Systems, Inc. November 20, 1992, the amendment was filed with the New York Department of State.

Does district attorney suspect attorney Richard **Moss was tipped off** that PriMedex Corporation and clinics were going to be hit by search warrant? See March 24, 1995. Hearsay PriMedex Corporation knew about search *two weeks* in advance, per June 16, 1994, page 43.

November 25, 1992. Moss memo to Punturere re Second Draft of Fraud Prevention Manual.

November 30, 1992. Search warrant affidavit. Gardner, not defendant, mentioned. Horan signs search warrant

December 1, 1992. Hearsay that **defendant called early morning and told individuals to remove computer tapes**, per June 16, 1994, page 41.

District attorney executes first search warrant on PriMedex. THIS IS 2ND LOS ANGELES DISTRICT ATTORNEY OFFICE INVESTIGATION REPORT IN DISCOVERY. Ten FBI agents. Defendant told me he was in Palm Springs. Garcia searches 815 West Washington Boulevard, Montebello. (RT 860) Something said that in December 1992 40 locations searched in California re Injury Hotline; four locations of Gardner. 3641 and 3711 South La Brea. The "search warrant" lasted 3 days. (RT 924) 3641 South La Brea Boulevard was a warehouse facility. (RT 926) 300 South Park Avenue, Pomona. Various banks?

December 3, 1992? District attorney executes search warrant at 6167 Bristol Parkway, Culver City. (RT 882) Moss, Gardner, Rosenthal sign consent for district attorney to revisit locations and conduct more searches. (RT 924) Defendant does *not* sign. (RT 924) September 2, 1993, last day of consent search. Consent seems to cover locations listed in November 30, 1992, search warrant plus 3 others. Was anything seized before consent signed? I get the feeling reading Flores grand jury testimony (RT 923 et seq) most was seized before the consent! 600 boxes from "Gardner" locations were seized during the 3 days. (RT 946)

December 7, 1992. Today is Monday. Where is defendant? At *Brennan's* request, PriMedex Corporation Director of Personnel Gary Morris sends *Brennan* an organizational chart *that does not include defendant!!!!*

December 10, 1992. Thursday. Hahn testified he was a broker for L.C. Waygardt which participated in a "new issue" offering called PriMedex Health Systems, Inc. (RT 953) He attended a due diligence meeting for the PriMedex offering at the Philadelphia Airport Marriott. (RT 954) Defendant gave a presentation. (RT 956) But O'Keefe said defendant did not address the audience, per June 16, 1994, page 146. Apparently defendant speaks at Washington D.C. meeting of F. N. Wolf & Co., Inc. Brokers, per July 12, 1994. Maybe defendant went to New Jersey too, per September 12, 1994, page 6. Apparently defendant went to New York too, per November 22, 1995, page 6.

December 11, 1992. Prospectus. PriMedex Health Systems, Inc. Public stock offering. 7500 shares of "parent corporation." Per Tarlow 7,589,010 shares at \$4.50 per share, or \$37,150,545. Offering raises \$33,000,000. Does prospectus show that PriMedex Health Systems, Inc. owes Brennan \$30,000,000? Same brokerage firm as ... Pele? offering? F. N. Wolfe? Defendant "associated." Moss "associated." Defendant's "bio" on page 58. Apparently Mortenson & Associates is Brennan's accounting firm.

Moss is lawyer for PriMedex Health Systems, Inc.

December 18, 1992. Date Christmas party was set per October 1, 1992, Punturere memo.

December 21, 1992. Stock prospectus filed with NASD (RT 714)

December 22, 1992. District attorney Rosenthal formally requests investigation of defendant and Gardner. Case No. 92-F-4573. In Trial Book

December 23, 1992. District attorney case 92-F-4574 opened suspect Gardner. I don't see in Trial Book. Where did I get this?

By now Feldman has come up with the 5% defendant ownership from Imperial Bank documents. Somehow the district attorney had gotten hold of the document later marked People's Exhibit 16A2, dated December 28, 1989, entitled "Imperial Bank Special Loan Minutes Report." (RT 490) Fratto testified People's Exhibit 16A2 was "an internal transaction prepared by the bank." (RT 490) On page 3 of People's Exhibit 16A2, under "% Owned," following defendant's name, it says "5," followed by "PriMedex Corporation."

Somebody tells Tarlow/Low *Feldman* came up with the 5% defendant ownership from Imperial Bank documents. I believe Rosenthal told Feldman and Feldman told Moss and Moss told Tarlow and Tarlow told defendant. I also think defendant knew the source of the information was Moss.

December 26, 1992. Defendant's memo to Tarlow and Loh! Defendant says I don't believe *Feldman* came up with the 5% defendant ownership from Imperial Bank documents. But I wonder who got defendant's memo. In his July 6, 1994, memo Tarlow seems like he is just meeting defendant and refers to defendant seeing Don Re after the 1992 search!

Late December 1992. Corrigan made controller. (RT 218)

End 1992. Defendant reported \$2,692,808 federal adjusted gross income for 1992, per June 16, 1994, page 126. Defendant tells Loh he received \$423,000 in fees and **\$211,000 in capital gains from "PriMedex" stock**, per August 23, 1994. What's that all about?

The 1099s representing the \$1,500,000 finders fee received by defendant in 1992 were at December 12, 1995. But April 8, 2000, I don't see them there! Where are they? Defendant told me he didn't get any 1099s! June 3, 2000, I find them. I tell Rebecca to file them at December 31, 1992.

January 1993. Defendant talks to Brennan on phone, per September 12, 1994, page 9. Defendant writes letter re leveraging receivables.

January 11, 1993. **Defendant's letter to Brennan** re leveraging receivables. See October 25, 1994, page 5. Need Sheldon to testify okay, standard, etc. I fax Sheldon letter April 24, 2000. See Loh's report of defendant's comments re letter at August 24, 1994

January 14, 1993. Gardner's medical license has been delinquent since June 30, 1992.

January 20, 1993. Brennan begins transferring \$17,000,000 overseas per September 30, 1995, New York Times article.

January 21, 1993. End date incident underlying alleged stock fraud.

January 27, 1993. Start chronology through July 16, 1993, amendment to

workers' compensation law, per April 10, 1995.

January 28, 1993. Major shareholder loans to PriMedex Health Systems, Inc.:

Gardner \$2,500,000

Brennan \$7,500,000

Berger \$1,250,000

Krane \$1,250,000

In June 8, 1993, prospectus, page 20, says Brennan paid \$7,500,000 cash for his note. Berger, Krane signed releases money owned them. And Gardner used \$2,500,000 released from the escrow fund. At page 18 prospectus says PriMedex Health Systems, Inc., has no "present intention" of using bond proceeds to prepay notes.

Defendant tells me he would expect all the shareholder loans paid out of proceeds from June bond offering.

February 1993. Per Tarlow, federal grand jury California *central district* subpoenas defendant's records at First Charter Bank. Also see July 12, 1994.

March 1993. **Federal grand jury** subpoenas bank records of PriMedex Health Systems, Inc., Gardner and defendant, per September 12, 1994, page 9. Apparently Moss gives Los Angeles district attorney access to records, per Tarlow.

Richlin aka Johnson (RT 359) talking to defendant. Defendant says tape recorder was running in plain view on his desk. Richlin says she didn't know it was being tape recorded. (RT 360) August 1994, district attorney has it transcribed. October 1992 is where I *had* the RT on January 2, 2000. March 28, 2000, I don't think so.

March 22, 1993. **Defendant writes to Brennan.** Request to re-price options to buy PriMedex Health Systems, Inc., stock for \$8 per share down to current market price of PriMedex Health Systems, Inc., stock

March 23, 1993. Bond prospectus filed.

March 31, 1993. Defendant's consulting agreement. Payment \$300,000 plus fee in February 1, 1992, letter agreement. On June 30, 1995, defendant tells Loh he got a \$300,000 "bonus" that was really a portion of the \$500,000 finder's fee Brennan still owed defendant. See December 31, 1993, re payment of \$200,000 balance.

Fraud Prevention Manual. But note Schneider testified, "Well, the fraud manual is dated January of 1991." (RT 552) Interesting. Apparently 11 pages long.

April 6, 1993. Gardner signs Gardner Medical Group, Inc., California income tax return

April 9, 1993. Gardner signed PriMedex Corporation federal income tax return for the year 1991.

April 12, 1993. Codefendant Punturere memo: Write your representatives.

April 15, 1993. 1991 PriMedex Corporation California income tax return signed by Gardner and located at April 15, 1993. Crown Imaging Associates Medical Group, Inc., California income tax return for 1991. Gardner sole owner? I think I had noted Gardner sole owner. But see May 10, 1996, Loh memo that says Statement 4 lists defendant as 5% owner. But I have Edward Murphy December 11, 1999, note asking where is Statement 4?

April 22, 1993. **Defendant is in New York today per January 5, 1995. Is defendant seeing Brennan re bond offering, closing clinics?**

April 25, 1993. Apparently Los Angeles Times calls defendant a swindler.

April 27, 1993. Anonymous male caller to FBI says PriMedex Corporation legal counsel is aware PriMedex Corporation pays kickbacks to attorneys. Who? Moss?

April 30, 1993. Anonymous male PriMedex Corporation employee caller says Gardner said if anybody snitches their life would be in danger.

May 1993. Defendant says Brennan comes to California. Meeting. They consider closing clinics. But no decision made. More meetings. They decide to keep going. They won't close clinics. But they will need more capital. Hence the bond offering. See June 3, 1993, entry infra.

May through October 1993. Four medical corporations close down. Medical (Chiropractors), Neuro Ortho (Internal Medicine), Crown (Cat Scans), Ortho Neuro (Surgery). (RT 228-9)

May 3, 1993. Defendant apparently has appointments with Sturman then **Donald Re** per 1993 planner.

May 11, 1993. Hassen memo to Gardner and defendant Mexican television advertising suspended, per January 17, 1995

May 11, 1993. District attorney and FBI allowed access by Moss to certain computers. Defendant's secretary's (Darlene's) computer. Defendant's information retrieved on six 5¼-inch disks. Check this with defendant

May 17, 1993, through May 18, 1993. Calkins at due diligence meeting in Los Angeles. Broker Paul Boyd there. Other brokers. Defendant was there. Calkins knew clinics were closing. Calkins doesn't remember if mentioned at meeting. Clinics closing didn't matter to witness because of \$40,000,000 PriMedex Corporation receivables. No statement by Boyd found yet. Per June 22, 1994.

May 25, 1993. Good, long name-position list!

May 26, 1993. Five *civil* securities fraud actions against Brennan consolidated in one federal New Jersey proceeding.

June 3, 1993. Gardner, Brennan, defendant, others PriMedex Health Systems, Inc., board meeting. Kumetz recommends closing clinics. Brennan decides to continue operations. See August 2, 1994. Not for discovery!!!! See Tarlow interview of Kumetz re today's meeting at October 3, 1994.

June 7, 1993. I note paging through the trial book January 1, 1993, through June 7, 1993, no documentation defendant had anything to do with the bond offering.

June 8, 1993. Per Tarlow, bond offering effective/opens. Tarlow says same day district attorney alleges defendant met secretly and decided to close clinics. Defendant's name not mentioned in prospectus. Check prospectus. PriMedex Health Systems, Inc., apparently owes Brennan \$7,500,000, Gardner \$2,500,000, and Berger and Krane maybe \$1,250,000, per August 24, 1994. Was bond proceeds used to pay off Brennan, Gardner, Berger and Krane? Defendant tells Loh he received total of \$600,000 fees for 1993, per August 23, 1994. Was proceeds used to pay defendant this \$600,000?

Prospectus, page 20, says Brennan paid \$7,500,000 cash for his note. Berger, Krane signed releases money owned them. And Gardner used \$2,500,000 released from the escrow fund. At page 18 prospectus says PriMedex Health Systems, Inc., has no “present intention” of using bond proceeds to prepay notes. On April 18, 2000, Tolins indicated to Edward Murphy Brennan got no money from June 1993 bond offering. Really?

Today, Tuesday, defendant with Marlene in Palm Springs per October 21, 1994 June 14, 1993. Sacramento Bee reports increasing *signs of gridlock* in committed negotiating workers’ compensation reform, per April 10, 1995, page 8.

June 25, 1993. Bond offering closes. Offering generated net proceeds of \$22,900,000, per August 1993 New Jersey verified complaint! Apparently PriMedex Health Systems, Inc., will pay 10% a year, principal payable in 2003.

Defendant tells me he would expect all the shareholder loans paid out of proceeds from June bond offering. Obligations to poor suckers that bought bonds are subordinate to Brennan, Gardner, etc. loans! Well Brennan for sure. Prospectus just said no present intention of prepaying Brennan’s note.

Late June or early July. Three clinic closing scenarios written, per November 14, 1994. **None hint at pending legislation as reason for closing clinics—OUCH.** But see November 21, 1994. Scenario III on Corrigan’s computer produced July 25, 1993.

July and early August, 1993. Defendant was so troubled by this prospect that he worked with and advised Stewart Kahn on producing a proposal for a health care finance company called Summit Capital. Under the proposal, Summit Capital would absorb and utilize most of PriMedex Corporation’s then-existing employees, infrastructure and proprietary technologies and redeploy them into a full service finance and consulting company for health care providers. Defendant contributed to the Summit Capital proposal purely out of his intense compassion and loyalty to the hundreds of PriMedex Corporation personnel who were to be laid off as a result of the clinic closures. Defendant expected to reap no personal financial benefits from the Summit Capital venture. He gave Mr. Kahn valuable free advice and did not intend to stay with the company if it was formed. Had defendant the authority to approve the Summit Capital proposal, he would have. However, the authority for such a decision at that time was vested in Robert Caruso, the man then hand-picked by the PriMedex Health Systems, Inc., controlling shareholder, Robert Brennan, to succeed as the parent company’s vice-president and chief financial officer. Mr. Caruso summarily rejected the Summit Capital proposal in or about October, 1993.

July 1, 1993. The value of PriMedex Health Systems, Inc., shares were at approximately \$3.60 per share.

July 13, 1993. Punturere writes memo to Gardner and defendant re close Ontario, Riverside, Long Beach clinics. Maybe just consolidate? I don’t think so. He’s also closing Internal Medicine. He admits people in Montebello, La Brea and Panorama will figure out what the future has in store. I think Punturere will be testifying decision to close clinics had to be known to defendant at least in first part of July if not earlier.

Check Punturere's statements. Also see September 12, 1994, page 10.

July 15, 1993. Thursday. Defendant memo to himself copy to Corrigan. In August 4, 1994, memo Loh says Moss says *district attorney does not have this document!* **PriMedex Health Systems, Inc., has decided to phase out clinics.** Loh says this is an email memo. Where does defendant get this? Board meeting won't be until July 26, 1993. Also see July 13, 1994, where Loh is concerned that emergency legislation not actually enacted until July 17, 1993. July 17, 1993, is a Saturday. Is Loh right? I don't think so. Was it tomorrow, Friday. Apparently yes. See defendant's excellent comments on this at July 14, 1994. Also see September 12, 1994, page 11. See August 29, 1994

Until tomorrow no statutorily mandated cap on rates corporations can bill. See May 13, 1996, page 13.

July 16, 1993. Friday. Today both houses leave for month vacation. Labor Code § 5307.1 amended effective. See prior to amendment. See May 13, 1996, page 13. Today both houses passed bill and Wilson signed. Apparently all in one day. Now employer can choose clinic up to one year after notice of injury.

July 26, 1993:

10:29 a.m. Defendant memo to defendant. Reasons for rapid phase out of clinics. 12:32 p.m. Apparently time defendant faxes reasons for rapid phase out of clinics to Brennan. I believe can be strongly argued defendant simply acting like a consultant.

2:00 p.m. (5:00 p.m. EDT) Telephonic board meeting. We have minutes. Defendant, Brennan and Tolins present by invitation. See September 12, 1994, page 11.¹⁰ Tolins present at PriMedex Health Systems telephonic board meeting. PriMedex Health Systems, Inc., board of directors and Robert Brennan voted and decided to shut down the clinical operations of the medical corporations. See August 29, 1994

Minutes don't say defendant *participated* in the board meeting.

Minutes don't say defendant was asked to give his input *at the board meeting*

Letter from defendant to Brennan dated July 26, 1993, showing cash projections July 1993 through January 1994. \$2,371,815 projected cash end of January 1994

July 28, 1993. Labor Code § 139(e)(8) becomes effective. See May 13, 1996, page 11

July 29, 1993. PriMedex decides to phase out its workers' compensation business, per December 31, 1993. Telephonic board meeting this date per defendant, per July 1, 1994

July 30, 1993, PriMedex Health Systems, Inc., shares plunge to approximately \$2.50 per share.

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10. I had thought establish defendant did not advocate or recommend closing the clinics either at the board meeting or on any other prior occasion.

August 1993. New Jersey Bureau of Securities v. Robert E. Brennan et al. Not defendant. Superior Court of New Jersey. Civil action. Verified complaint.

September 1993. All clinics closed. Defendant says 90 days after bond offering \$6,000,000 was paid out for CareAdvantage, Inc., purchase, per August 27, 1995. Defendant says Brennan, Petillo and Caruso planned in Spring 1993 to sell bonds as last dip in the well, close offices, get into CareAdvantage, Inc., business, spin off CareAdvantage, Inc., with Brennan, Petillo and Caruso biggest shareholders. Loh asks in March 7, 1995, memo if buyers of PriMedex Health Systems, Inc., stock (alleged victims) got richer from spinoff. Have Sheldon check.

September 2, 1993, last day of consent search per December 3, 1992. Consent seems to cover locations listed in November 30, 1992, search warrant plus 3 others.

September 14, 1993. PriMedex Health Systems, Inc., files quarterly report Form 10-Q for quarter ending July 31, 1993. Discontinued operation. First time \$24,000,000 net operating loss reported, per September 5, 1995, pages 6-7

September 19?, 1993. Defendant tells Kahn he can go to work for PriMedex Health Systems, Inc., terminating leases, per March 28, 1995. Kahn gets \$7,500 per month through January 1994.

October 5, 1993. Defendant's memo we aren't going to give the insurance companies a \$50,000,000 present.

October 13, 1993. Board of directors of PriMedex Health Systems, Inc., reduces defendant's warrants to purchase PriMedex Health Systems, Inc., stock to warrant to purchase 125,000 shares at \$3.50 per share. Per May 9, 1994

October 15, 1993. Somebody—I think Gardner—signs AshGrahm Corporation California income tax return.

November 1993. PriMedex Health Systems, Inc., modifies defendant's stock option to buy 125,000 shares of PriMedex Health Systems, Inc., at \$3.50 per share.

November 1, 1993. Hirschtick to get \$320,000 annual salary, Caruso \$400,000, Petillo \$500,000, per September 5, 1995. Also significant options.

November 18, 1993. Defendant resigns as of November 30, 1993. Defendant said (apparently incorrectly) he resigned as consultant in September 1993. Corrigan believed it was November 1993. (RT 220) October 1993, per Tarlow defendant leaves PriMedex.

December 3, 1993. Total \$6,783,198.28 apparently checks payable to Asher Gould January 29, 1989, to date. The document in grand jury is February 3, 1988, to December 3, 1993. It says "Larry Parker." Total is \$7,604,811.39. People's Exhibit 6B.

December 8, 1993. Defendant's Social Security self-employment questionnaire. Was it submitted? Defendant says I earned \$600,000 in 1993.

December 31, 1993. Defendant's Social Security self-employment questionnaire. Was it submitted? Defendant says I earned \$600,000 in 1993 **plus \$500,000 bonus in 1993 for assisting in sale of company.**

December 31, 1993. Gardner for PriMedex Corporation letter to defendant. Defendant to receive \$200,000 plus percentage of cash collections through November

30, 1993. Defendant tells Loh he received total of \$600,000 fees for 1993, per August 23, 1994; defendant says this includes \$200,000 severance. On June 30, 1995, defendant tells Loh the \$200,000 took care of the balance owed on the \$2,000,000 finder's fee. That seems right It would look like this:

January 6, 1992	\$1,000,000
April 30, 1992	\$500,000
March 31, 1993	\$300,000
December 31, 1993	\$200,000
Total	\$2,000,000

Why was defendant telling me Brennan cheated him? I need Sheldon to tell me how much money defendant received after bond offering, and was money from proceeds of bond offering.

January 31, 1994. Gardner resigns from PriMedex Health Systems, Inc., *board of directors*, per February 10, 1994

February 1, 1994. Apparently Gardner resigns.

February 10, 1994. Resignation of Gardner from PriMedex Health Systems, Inc., *board of directors*, effective February 1, 1994, accepted.

February 25, 1994. Sobol tells Shlens on airplane at PriMedex Corporation they knew before search warrant was served. Computer information was hidden.

April 1, 1994. Defendant's signs his (and Marlene's) 1993 federal and California income tax returns

April 21, 1994. District attorney says it receives letter from Moss re two sides to Good Tables question, even though district attorney had not informed Moss district attorney had interviewed Good Tables, per June 16, 1994, page 64.

May 1994. Management report. (RT 227) Total billings, maybe just workman's compensation, from inception (RT 230):

	Total Billings	Cash Collections
Medical (Chiropractors)	\$204,556,000	\$103,200,000
Neuro Ortho (Internal Medicine)	\$9,600,000	\$3,700,000
Crown (Cat Scans)	\$20,745,000	\$14,000,000
Ortho Neuro (Surgery)	\$3,637,000	\$1,500,000

I guess total workman's compensation billings about \$240,000,000

June 1994. Brennan calls defendant, per August 24, 1994. Brennan seems to be saying the \$1,000,000 was a consulting fee rather than finders fee.

June 1, 1994. PriMedex Health Systems, Inc., proxy statement says defendant was a consultant.

June 16, 1994. Search warrant affidavit. Defendant thinks Jeff Hassen was an informant, per August 4, 1994.

June 22, 1994. Search warrant defendant's home. I think defendant told me they found nothing. 121 Palm Drive or Street, #603. (RT 849) Was this a condo? I believe defendant told me yes. "Finder's Fee Schedule" found. (RT 850) Gardner's home also searched. Leslie will make motion to suppress. Join. I don't see codefendant Punturere's home searched. Defendant implies he was an officer of PriMedex Corporation at pages 7-8 of RT but no big problem. Per report defendant says he may have owned 5,000 shares of PriMedex Corporation, per June 23, 1994. But in the RT defendant seems to be saying he may have bought and sold 5,000 shares of PriMedex Health Systems, Inc., after it went public. Pages 8-9. Then I see May 29, 1992, defendant buys 5,000 shares at \$8.125 per share; sells January 13, 1993, at \$5 per share, per September 12, 1994, page 5. **In May 1993 Gardner agreed with Brennan to shut down the business, per defendant per June 23, 1994, report; but this is not in the RT of the tape. Also see March 29, 1996, Loh memo.**

Roxsan Radiology searched. Employees interviewed. Report at *June 16, 1995*.

June 27, 1994. Fax cover sheet Sturman to defendant

Apparently PriMedex Health Systems, Inc., files an action to seal documents seized back East, and prevent their transfer to Los Angeles, per September 22, 1994

Early July 1994. Defendant hires Tarlow. Apparently a week or two after his home searched. Not really. See defendant's December 26, 1992, memo to Tarlow and Loh!!!!

July 6, 1994. Memo to file from Tarlow. It looks like typed statement by defendant. In another July 6, 1994, memo Tarlow seems like he is just meeting defendant and refers to defendant seeing Don Re after the 1992 search!

July 7, 1994. Frank Wolf fined \$500,000 by NASD, per July 12, 1994.

July 13, 1994. Apparently first letter Tarlow to district attorney

July 14, 1994. Defendant memo to Tarlow. Motivation of Los Angeles people was to keep the clinics opened to keep their jobs. Bond offering was New York people.

July 19, 1994. District attorney files amicus pleadings in New Jersey.

July 25, 1994. Business Week. Consultants

July 29, 1994. Joint Defense Agreement.

August 2, 1994. Defendant suggests 15 defense witnesses to Loh.

August 5, 1994. Commonwealth of Dominica writes Gardner, per August 31, 1994.

August 26, 1994. Brennan announces he agreed to sell all his PriMedex Health Systems, Inc., stock to Petillo and Caruso.

August 31, 1994. PriMedex Corporation settles codefendant Punturere's claim against PriMedex Corporation for \$140,000 plus \$50,000.

Commonwealth of Dominica writes Gardner. Orchid farm, hotel, citizenship for

Gardner.

September 12, 1994. Defendant memo to Tarlow. Opening statement. Bonds how worth \$0.15 on the dollar, per September 12, 1994, page 13

September 13, 1994. Apparently American Cable Technologies, Inc. incorporated in Nevada under the name General Economics Corporation. It allegedly earned fees as a business consulting firm until December 31, 1995. Was defendant in on this? Maybe not until February 10, 1997. I don't know. Answers. See March 23, 1996, Horn memo to file. Sturman formed General Economics Corporation for defendant

Moss and Rosenthal meeting? Apparently yes. See September 13, 1994; September 9, 1994

September 14, 1994. Telephone conversation Gardner tells defendant Moss needs to be shown the program that generated patient reports. Gardner also telling defendant how defendant had a bigger office than Gardner. **Gardner could cooperate.**

September 20, 1994. Tarlow tells Loh to draft a bail motion for defendant

October 5, 1994. Punturere deposition in Mikhair v. Gardner. Defendant mentioned, codefendant Punturere understood defendant was CFO at page 29.

October 6, 1994. Brennan statement to Tarlow/Loh. Brennan basically says there was no intent to close the clinics at the time of the bond offering.

October 25, 1994. Loh memo details how defendant did what is described in prospectus re management information systems. Use this material in opening statement.

November 23, 1994. Tarlow letter to Moss. Moss wants defendant pay Moss's legal fees when Moss attends interview of witness. Tarlow says preposterous. *Joint defense agreement is a failure.* Let's talk.

December 5, 1994. Tarlow and Moss agree Moss's copy of Tarlow asset freeze re defendant can be *redacted*.

December 12, 1994. Moss meets with district attorney per December 14, 1994

December 13, 1994. Cedars Sini. Defendant has pain and numbness in left leg

December 21, 1994. Tarlow writes district attorney defendant has vascular insufficiency.

December 31, 1994. Zenith National Insurance Corporation annual report for year ended December 31, 1994. Filed with SEC

1995. PriMedex Health Systems, Inc. sold to New Jersey corporation. Apparently 1995 PriMedex Health Systems, Inc. paying Punturere's legal fees. Who is his attorney? Chaney.

January 13, 1995. Tarlow stressing joint defense agreement to Moss. Consider this letter re disclosing information about Moss re district attorney memo don't indict defendant

January 16, 1995. Moss tells Tarlow Gardner delegated a lot to defendant. Per January 17, 1995

January 19, 1995. Loh memo. Ken Kalinowsky may already be dead. Can district attorney rely on Kalinowsky memos to support opposition to 995?

January 26, 1995. Defendant to Tarlow. Gardner's sources of income. Salary,

advertising, consulting fees by year and whether in district attorney hands.

February 3, 1995. Polygraph examination expert Joseph Paoella conducted a polygraph examination of Stanley Goldblum on February 3, 1995, regarding specific facts related to the 1993 shut down of the medical corporations' clinical operations and the June, 1993 PriMedex Health Systems \$23 million bond offering. Joseph Paoella is the Director of Dr. Chris Gugas & Associates, a company which provides professional polygraph and integrity survey services. The company is located at 5 Wilshire Boulevard, Suite 320, Los Angeles, CA. Mr. Paoella began conducting polygraph examinations over 25 years ago while he was a Special Agent of the United States Secret Service, Department of Treasury, between 1958 and 1965. He was stationed in Washington, D.C. and later Chicago, Illinois. He has since conducted over 10,000 polygraph examinations in a myriad of criminal cases and investigations, ranging from murder to business fraud. He has qualified and testified as a polygraph expert in the California courts on hundreds of occasions. He is the founder of the Illinois Polygraph Society and of the California Organization of Private Police. Mr. Paoella can testify that, in his professional judgment, Stanley Goldblum was truthful when he gave the following responses to these questions:

Prior to June 1993, did you organize or arrange the bond sales for the purpose of defrauding the bond purchasers? No.

Prior to the end of June 1993, did you know that all of the clinics were going to close in July 1993? No.

Did you profit in any way from the June 1993 bond sales. No

February 7, 1995. Defendant's medical history starting August 18, 1988.

Workers' compensation appeals board judge Cohn holds Gardner company lien disallowed resulting from June 12, 1992, Injury Central referral because violates public policy. No citations. Watch for this issue in district attorney response to 995. Use Neurological Orthopedics Associates Medical Group, a dba of Gardner Medical Group, Inc. response at February 17, 1995!!!!!!!

February 28, 1995. Search warrant defendant accounts, Punturere

March 1, 1995. Search warrant Punturere residence, per March 2, 1995. Search warrant Hollander & Gilbert. Maybe Hollander & Gilbert were replaced by Grant Thornton early-May 1990 as PriMedex Corporation accountant.

March 10, 1995. Tarlow sends Chaney joint defense agreement.

Los Angeles Medical Media, Inc., checks. Did defendant **sign** any of these checks? Yes 10 checks. Only one check payable to Gardner: \$3,000 on December 31, 1991. Rest to IRS, accountants, etc.

March 20, 1995. Loh reports Kahn told district attorney Kahn not defendant created Summit Capital business plan.

March 28, 1995. Grant Thornton advises Gardner no longer his accountant.

March 30, 1995. Chaney letter *indicates* Punturere signed joint defense

agreement.

April 1995. Tarlow apparently meets with Rosenthal, Karlan.

April 6, 1995. Loh memo re payments by insurance companies including Zenith to lobbyists. *And see April 25, 1995! I think it is list of amounts, dates, names Zenith paid!!!!*

April 10, 1995. Loh memo re clinics closing chronology.

April 14, 1995. Gardner v. Grant Thornton complaint filed.

April 18, 1995. Moss meets with Rosenthal?

April 20, 1995. A meeting between Mr. Goldblum's attorneys and Assistant district attorney Richard Rosenthal and Deputy district attorney Craig Karlan. At that meeting, the prosecutors asked the defense what, if any, compensation Stanley Goldblum received as a result of CCC Franchising's acquisition of PriMedex Corporation, in or about January, 1992. Mr. Goldblum's attorneys responded that W. Goldblum was paid a total of \$1.5 million from the accounts of Robert Brennan, then the controlling shareholder of CCC Franchising, as a finder's fee for his role in contacting Mr. Brennan and recommending the sale of PriMedex Corporation to CCC Franchising. The acquisition was valued at over \$46 million. Mr. Goldblum's attorneys further informed the district attorney that Mr. Goldblum properly reported the entirety of his \$1.5 million finder's fee as taxable income, which is verifiable by corporate, tax and financial information accessible to the district attorney. **Stanley Goldblum did not receive any additional compensation nor was he given any other corporate benefit or position as a result of the acquisition.** Per September 15, 1995, pages 74-75.

April 24, 1995. Search warrant Gardner's safe deposit box. Moss declaration re Thornton.

May 18, 1995. Turner's curriculum vitae.

May 30, 1995. Zenith Insurance "contributes" to Garcetti \$25,000 per January 1, 1995 (through June 30, 1995)

June 5, 1995. Apparently Rosenthal tells Moss maybe have investigative grand jury, per June 8, 1995. Report dated September 16, 1995, at June 5, 1995. Kumetz present. Also taped! Defendant not mentioned in report. There is an RT of meeting!

June 12, 1995. CareAdvantage, Inc., prospectus. See September 1993 notes.

July 6, 1995. Loh's analysis of defendant's loans, finders fees, etc.

July 12, 1995. Defendant's memo to Moss re CareAdvantage, Inc., prospectus. Defendant explains how *Petillo and Caruso could have used CareAdvantage, Inc., to pocket proceeds of bond offering.* See September 1993 notes.

July 21, 1995. Tarlow letter to Rosenthal. I have *Johnson* material. Apparently Tarlow's first written mention of *Johnson*.

July 31, 1995. Bristol buys accounts receivable for \$9,448,000. (RT 233)

August 2, 1995. Defendant's memo to Tarlow. Excellent details of June 1993 bond offering. Use in opening statement!!!!

August 25, 1995. Defendant's medical records.

August 27, 1995. *Defendant explains how Brennan, Petillo and Caruso pocketed*

the bond proceeds. Opening statement

August 30, 1995. Loh memo arguing defendant cannot be guilty of conspiracy to violate Business & Professions Code § 650. Also see August 31, 1995, memo.

September 1995. Maybe September 1995 grand jury subpoenas a check payable to defendant, per November 16, 1995, page 4

September 14, 1995, the value of PriMedex Health Systems, Inc., shares were approximately *7 cents per share*.

September 15, 1995. Defendant had not exercised the option to buy 125,000 shares of PriMedex Health Systems, Inc., at \$3.50 per share. Date of Tarlow's 86-page package of exculpatory evidence addressed to deputy district attorney Rosenthal.

September 20, 1995. PriMedex Corporation to Klar at Miller & Holguin. Is defendant trying to get PriMedex Corporation to pay legal fees of Miller & Holguin? Tarlow?

September 21, 1995. Hirschtick letter on behalf of PriMedex Health Systems, Inc., to Klar at Miller & Holguin. Apparently Miller & Holguin is representing defendant on **some kind of claim by defendant against PriMedex Health Systems, Inc.** Pay legal fees of Miller & Holguin? Tarlow?

September 26, 1995. Loh memo to Tarlow. Why does Loh ask how Moss knows about defendant's \$1,500,000 finder's fees? Did Loh forget fees were disclosed in September 15, 1995, *Johnson* submission?

September 27, 1995. Tarlow to Loh. Read it again. Brennan's lawyer Critchley seems not to know about defendant's finder's fee, and Moss is reported Gardner did not know about it in Brennan deal or Jackson deal. Moss said to Tarlow that Gardner said I (Gardner) didn't know about the fee but if you ask defendant, defendant will say I did know. This tells me Moss is telling Gardner he has to lie about knowing about defendant's finder's fee because nondisclosure could create criminally liability for Gardner. Because if it really happened the way Moss said it happened, then Moss would have asked Gardner why would defendant *lie* and say you knew about the fee?

September 28, 1995. Letter from PriMedex Corporation. PriMedex Corporation will not pay defendant's expenses in connection with pending district attorney investigation *but Gardner is responsible!*

October 1995. Deputy district attorney Adalbert Botello assigned plaintiff lead counsel.

October 6, 1995. Defendant doesn't want to sue Gardner for lawyer's fees. Also Loh memo to Tarlow saying defendant says Alan Goldberg knew about \$1,500,000 finder's fee around the time defendant made the deal with Brennan. June 4, 2000, I ask defendant about this and defendant doesn't remember.

October 11, 1995. Tarlow reports Moss *very* concerned about failure to disclose defendant's finder's fee.

October 12, 1995. Loh's *annotated* clinic closing chronology.

October 16, 1995. Horn reports fees received by defendant in 1992 and 1993.

October 17, 1995. Signed joint defense agreement.

October 18, 1995. Loh memo to Tarlow. Important. Loh has defendant receiving in 1992 and 1993 the balance of his finder's fee, i.e., another \$1,000,000, *from PriMedex Health Systems, Inc.* This \$1,000,000 is *in addition* to defendant's consulting fees for 1992 and 1993, and in addition to the \$1,000,000 and \$500,000 received from Brennan. Can the prosecution argue this operated as a fraud on somebody that purchased PriMedex Health Systems, Inc., stock in late 1992 or 1993? It would seem to me that if the payments to defendant should have been amortized over x years, it would have benefitted PriMedex Health Systems, Inc., and its shareholders by giving a full deduction but the fraud would be on the governments of United States and California. Check with Sheldon. June 13, 2000, Sheldon says no.

But wait! December 12, 1995, defendant tells Tarlow **by the time CCC Franchising Corporation filed stock prospectus, defendant had received all the fees he was due!!!**

And also note **defendant's attorneys—apparently Loh—told district attorney on April 20, 1995, defendant only got \$1,500,000 finder's fee!!!!!!**

October 20, 1995. Also October 23, 1995? Yes. Cover for October 20, 1995. Roy J. Horn reports **fees earned by defendant's cannot be determined! Need to fax this to Sheldon Howard!**

October 25, 1995. Gardner has wired approximately \$8,000,000 to banks in the Caymen Islands.

???? Gardner apparently flies to Dominica in the Lesser Antilles. Intent to seek citizenship?¹¹

October 29, 1995. Arrest warrant, wanted poster Gardner

October 30, 1995. Complaint v. Gardner filed charging money laundering and tax fraud. BA122182.

October 31, 1995. Complaint v. Gardner filed charging money laundering and tax fraud filed? Or was it filed yesterday?

November or December 1995. Oliva says he talked to defendant's detective Paul Lowe. (RT 252)

November 1, 1995. Message from Gardner to Mary. Message to Gardner

November 4, 1995. Message from Gardner

November 5, 1995. Message from Gardner. I spent the night packing.

November 6, 1995, at 3 p.m. Gardner surrenders, arrested.

November 13, 1995. Receipt PriMedex Corporation warehouse, Inglewood. Moss bail motion for Gardner. *Several potential Gardner character witnesses listed.*

November 16, 1995. Grand Jury starts. A grand jury exhibit in People v. Gardner. Is this BA122182? No. I find November 16, 1995, RT of secret grand jury

11. THIS HAS TO BE WRONG "May 1996 Gardner flees to Dominica in the Lesser Antilles and seeks citizenship." Gardner APPARENTLY FLED IN OCTOBER 1995

proceeding v. defendant, both codefendants

November 20, 1995. Secret grand jury recessed until time unspecified.

November 27, 1995. Apparently Tarlow just learns of grand jury (now over) and delivers 25 copies of Johnson material to the prosecution. Apparently the September 15, 1995, package. Apparently Gardner submitted Johnson material too. See December 12, 1995, Tarlow letter page 2

November 31, 1995. End date incident underlying alleged conspiracy.

November 29, 1995. Tarlow reports *Rosenthal now has nothing to do with case.*

December 5, 1995. Apparently first mention of McGrail. Moss is underwhelmed. Apparently first mention of Botello.

December 13, 1995. Wiggins letter to New Jersey Racing Commission re Due Process Stables.

December 20, 1995. Blackwell holds Gardner to answer. BA122182.

December 21, 1995. Defendant lists all the people who knew he received a finder's fee including Alan Goldberg.

December 26, 1995. Loh memo. Alan Goldberg told Loh defendant may have been mistakenly noted as 5% owner in tax returns, minutes.

Loh mentions "scouring our scanning computer records." Does Tarlow have a computer database? June 13, 2000: note defendant recalls somebody scanning stuff for Tarlow's computer. See December 22, 1996—apparently a scanned memo

December 31, 1995. Zenith National Insurance Corporation. SEC filing.

January 3, 1996. Gardner before Superior Court Moreno for arraignment. BA122182.

January 4, 1995. CCC Franchising Corporation/ PriMedex Health Systems, Inc., filings with SEC. No mention defendant's finder's fee.

January 8, 1996. Moss sends Tarlow PriMedex Corporation share ledger and Gardner share certificate

February 2, 1996. Foley's report re November 28, 1991, \$600,000 note payable by defendant. Tarlow tries to make Loh pay Foley's bill

February 6, 1996. PriMedex Health Systems, Inc. Form 10-K.

February 15, 1996. Amended information in People v. Gardner filed in BA122182.

February 20, 1996. Flores report of Ann Luce saying Gardner is a dangerous person.

February 21, 1996. Flores report of interview of Welton re Shepard

February 22, 1996. Last entry I see July 31, 1999, in Tarlow's chronology.

List of Gardner checks

Apparently first mention deputy district attorney Shidler. He has been brought on case.

March 4, 1996. Tarlow memo believing Rosenthal memos affirming his position no case against defendant

March 8, 1996. *Outstanding balances owed by all insurance companies*

March 13, 1996. Order allowing counsel only to quote search warrants in legal proceedings. What is this? Case BA122182.

March 28, 1996. Schneider hints in chambers he's inclined to reduce Gardner's bail.

April 16, 1996. Shidler offers defendant opportunity to testify May 6, 1996, before grand jury

Tarlow's alphabetical index.

April 18, 1996. Schneider sets Gardner bail \$900,000. Apparently Moss's *mother* pledges her real estate as part of Gardner's bail? Yes. Moss's mother puts up her house.

April 24, 1996. Miller & Holguin 33-page memo defendant not liable for treatment protocols

May 6, 1996. Start grand jury

May 10, 1996. Looks like interoffice memo to Tarlow explaining how to post real property instead of cash bail.

May 13, 1996. Tarlow submits *Johnson* material to Botello. I guess this is date submitted. This is date of material.

May 15, 1996. Tarlow letter to Moss confirming *Moss will undermine no contention in defendant's Johnson motion.*

May 16, 1996. Is Gardner still in custody? Released tonight? See June 21, 1996, page 14.

Deputy district attorney McGrail subpoenas Loh apparently re Form 1099s defendant received from Brennan people re \$1,500,000 in finder's fee.

May 20, 1996. Indictment returned *and filed*. No. BA109376. Securities fraud. Conspiracy.

May 27, 1996. Defendant calls Tarlow at home. Defendant wants to be an informer. Per May 28, 1996

May 28, 1996. Tarlow memo of meeting to today defendant, Tarlow, Dick Seldeen re defendant cooperating with the district attorney.

May 30, 1996. Apparently defendant arraigned. Apparently defendant pleads not guilty.¹² See June 5, 1996, page 5.

May 31, 1996. Apparently bail hearing. *The Los Angeles district attorney press release re instant case goes into Equity Funding!!!!!!!!!!!!*

June 1, 1996. Turner executes deed of trust, per Turner

June 3, 1996. Tarlow's press release. Could be updated for use by defense.

June 4, 1996. Tarlow investigator report re comings and goings grand jury. Investigator's descriptions of grand jury witnesses

June 6, 1996. Turner deed recorded, per Turner.

12. Defendant pleads not guilty May 20, 1996? Apparently no. See June 5, 1996, page 5. Tarlow is defendant's attorney?

June 7, 1996. Moss confirmed there is a Rosenthal memo why there is no case against defendant!!!!!! But Moss can't be identified!!!!!!

June 17, 1996. Tarlow declaration! Also Tarlow motion to recuse Los Angeles district attorney. Also apparently motion for related discovery.

June 18, 1996. Defendant signs substitution of attorneys.

June 21, 1996. Substitution of attorneys filed—Don Re for Tarlow.

Tarlow's Cast of Characters here.

June 24, 1996. Gardner joins defendant's motion for recusal and motion for related discovery.

June 25, 1996. Punturere joins defendant's motion for recusal and related discovery.

June 27, 1996. Defendant's deposition in Gardner v. Grant Thornton. Defendant answers no questions, asserts 5th Amendment every question. Apparently Civil Case No. BC125914. How can, e.g., February 22, 1996, court paper also list Criminal Case No. BA122182???

June 28, 1996. Letter Tarlow to Don Re explaining what is in each box of discovery. This apparently right after defendant fires Tarlow and hires Re. Did I see them both as attorneys of record for defendant in court file thereafter?

July 1, 1996. Apparently Re continues Tarlow's motions to recuse Los Angeles district attorney and for related discovery.

July 11, 1996. District attorney opposition to motion for recusal-related discovery

July 17, 1996. Date of Gardner's 995 motion, 1538.5 motion.

July 19, 1996. Date of codefendant Punturere's 1538.5 motion.

July 24, 1996. Defendant files 995 motion no points and authorities. See June 5, 1996, legal memo. This is within 60 days of arraignment. I expect district attorney will argue writ improper because hearing was not until late 2000. Did defendant file notice 1538.5? Maybe not.

July 29, 1996. Apparently court appearance. Apparently attorney general appears.

August 6, 1996. Defendant's reply to district attorney opposition to defendant's motion for recusal-related discovery

August 23, 1996. I saw ruling on "defense" discovery motion. June 22, 2000, I don't see any August 23, 1996, entry!!!

August 27, 1996. Defendants and district attorney meet re defendant's motion for recusal-related discovery

September 12, 1996. Pacific Rim Assurance Company wants to copy May 1996 grand jury exhibits because Pacific Rim Assurance Company sued by Bristol A/P, Inc.

September 19, 1996. Apparently defendant files breach of contract suit against Tarlow.

September 23, 1996. List of tapes

September 26, 1996. Hearing Department 110

October 14, 1996. National Law Journal article about September 19, 1996, defendant filed breach of contract suit against Tarlow.

November 4, 1996. Attorney general opposition to defendant's motion to recuse district attorney

November 5, 1996. List of tapes. See March 7, 1997.

November 15, 1996. Why is Gardner (Moss?) asking for grand jury roll call?

January 13, 1997. Apparently status conference

January 29, 1997. Balances owed Bristol.

February 10, 1997. American Cable Technologies, Inc. (assuming name already changed) allegedly starts cabling housing developments. I guess defendant is involved here?? Yes.

General Economics Corporation changed name to American Cable Technologies, Inc.

February 11, 1997. Apparently status conference re Eubanks.

Moss letter. 1992-1995. Zenith Insurance contributed \$132, 943 to Garcetti.

February 13, 1997. Apparently interoffice memo to Re reporting defendant told Moss defendant can't stand Moss.

March 7, 1997. List of tapes.

March 14, 1997. Chaney memo with attachments to Re showing Quackenbush received 1991-1996 campaign contributions of \$6,110,846.24 from insurance industry sources.

March 27, 1997. Defendant's bail reset to \$1,000,000.

April 4, 1997. Moss letter to Re with attachments re Quackenbush

June 1997. Codefendant Punturere files for bankruptcy.

June 17, 1997. Date of defendant's subpoena duces tecum to Garcetti.

June 20, 1997. Date of defendant's subpoena to Garcetti.

June 21, 1997. Garcetti served.

July 11, 1997. Motion to recuse district attorney denied.

July 24, 1997. Statement of anticipated pretrial motions.

August 7, 1997. Re letter to Moss. Defendant objects to consolidation

August 8, 1997. Defendant's petition for writ of mandate.

August 14, 1997. Court of Appeal denies defendant's petition for writ of mandate apparently re motion to recuse district attorney. Donald Re bill: Re charging \$450 hour. From July 17, 1997, total \$18,879.11.

August 22, 1997. Defendant's petition for review in California Supreme Court. Formal prosecution request for defense discovery.

August 25, 1997. Apparently defendant pays Don Re \$9,000.

August 26, 1997. Gardner reply to prosecution request for discovery. Premature.

August 27, 1997. Request of defendant by the prosecution for discovery.

September 24, 1997. Attorney general's answer to defendant's petition for

review in California Supreme Court.

October 3, 1997. Defendant's reply to attorney general's answer to defendant's petition for review in California Supreme Court.

October 17, 1997. List of tape recordings.

October 29, 1997. Petition for review denied.

November 1997. Leslie Abramson lead counsel. Maybe Moss brings in Leslie? Maybe Gardner himself. Yes. Apparently without Moss's knowledge when Moss on vacation with family in Hong Kong.

December 3, 1997. Apparently hearing in Department 100

December 29, 1997. First time I see Leslie's name in Trial Books. Motion in limine re BA122182.

December 31, 1997. American Cable Technologies, Inc., financial statements. Also Laserview.

February 5, 1998. Chaney memo with Quackenbush press release.

February 12, 1998. Alan Goldberg letter to defendant. There is a conflict arising from Alan's representation of Gardner

February 17, 1998, defendant's passport apparently expired

June 4, 1998. Unsigned letter agreement defendant and Crabb

June 7, 1998. Signed letter agreement defendant and Crabb

June 30, 1998. American Cable Technologies, Inc., financial statements.

August 4, 1998. Apparently pretrial BA122182 Fidler Department 123.

August 31, 1998. Per Fidelity Investments "the" balance is \$156.37. Is the name Ultra Service Account *defendant and Marlene E. Goldblum*?

September 9, 1998. Defendant promises to issue stock to Crabb. Wyner memo re American Cable Technologies, Inc.

September 25, 1998. Pacific Business Capital Corporation application for financing

October 5, 1998. Per police report at February 10, 1999, defendant submits Fidelity Investments financial report August 1, 1998, to August 31, 1998, Ultra Service Account defendant and Marlene E. Goldblum. Balance \$1,150.195.90.

October 8, 1998. Customer information. Pacific Business Capital Corporation

October 14, 1998. Documents. Pacific Business Capital Corporation.

October 15, 1998. Defendant receives two checks from Pacific Business Capital Corp—\$89,000 and \$60,000. Pacific Business Capital Corporation says they hear nothing further from defendant

October 27, 1998. Letter agreement terminate relationship defendant and Crabb.

November 5, 1998. It looks like defendant faxes *Re American Cable Technologies, Inc.*, September 30, 1998 financial statements

November 8, 1998. Crabb demands defendant return his equipment

November 18, 1998. Apparently hearing in front of Fidler. Yes. Gardner has duel passport. Shidler was selling tickets. Showdown day. Shidler says Leslie's involved. See November 16, 1998 memo by Chaney.

Maybe December 1998. Defendant's business in Anaheim has closed.

December 11, 1998. Apparently defendant calls Osterstorm, attorney for Pacific Business Capital Corp. Defendant says he's patient in Eisenhower Medical Center in Palm Springs. Osterstorm immediately calls back. No such patient.

December 28, 1998. Property profile on 75 Mayfair, Rancho Mirage. Marlene.

February 8, 1999. Deputy district attorney Botello sends Re 55-witness witness list followed in Edward Murphy file with apparently Don Re (or public defender?) background check. Maybe here are addresses for Bob Navarro!!!

February 16, 1999. Defendant arrested by Costa Mesa Orange County Police. Defendant says arrested in Judge Jones courtroom. American Cable Technologies, Inc. Theft by false pretenses. David Lafaille says to Edward Murphy on August 2, 1999, that district attorney has Fidelity Investments forged document. Orange County is *People v. Stanley Goldblum*, CM99HFO148

Defendant said to Edward Murphy it is a Fidelity document that shows a \$1,000,000 fund his wife has, but at the top instead of just her name is her name and his name as I guess husband and wife. He said it somehow got faxed to alleged victim, Pacific Business Capital Corp of Costa Mesa. Pacific Business has also sued defendant's wife and him civilly. (I later read police report at February 10, 1999, that indicates a *different* forgery, i.e., *balance* was \$156.37, rather than \$1,150.195.90.)

February 18, 1999. Don Re relieved. Public defender appointed I'm sure by Jones? No. Apparently Judge ... O'Brien? Friend of Don Re. Defendant agrees this was outrageous to do this.

March 1, 1999. Defendant fails to appear in Department 107. Jones issues bench warrant.

March 9, 1999. Opening statements in Gardner's trial in Jones's courtroom.

March 12, 1999. Lafaille's motion to reduce defendant's bail in Orange County.

March 17, 1999. Unsigned receipt 13 boxes material received by Powers from Re. Defendant faxes Powers defendant's balance sheet. My only income is Social Security \$1,184 per month

March 18, 1999. Defendant represented by Powers in Jones court.¹³ Jones recalls bench warrant. June 19, 2000, Moss tells me district attorney tried to get defendant's bail revoked. Jones wouldn't do it. I ask defendant. He confirms.

March 22, 1999. Powers gets defendant's credit file. Also see March 24, 1999. Also March 25, 1999.

March 29, 1999. Crabb statement to district attorney investigator Watler

Demers statement to district attorney investigator Watler

April 2, 1999. Gardner convicted in BA122182? Judge Jones.

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13. I had thought March 15, 1999, defendant appeared in Jones court. Apparently not. I had asked April 6, 1999, public defender appointed? No. Public defender was appointed February 18, 1999

April 14, 1999. Unsigned receipt 12 boxes material received by Powers from Re.

May 14, 1999. Re sends Powers *more* discovery. Apparently one box

June 24, 1999. Gardner fined \$250,000 in BA122182. I believe by Jones.

July 12, 1999. Apparently court appearance. Where? Jones! Is this when public defender first requests to withdraw? Yes. Denied.

July 14, 1999. Date of motion by plaintiff to revoke defendant's OR status noticed in Department 100.

I think defendant tells me Dr. Jack Turner posts bail for defendant. I guess the \$1,000,000.

July 27, 1999. District attorney papers Jones. Last day in Jones court? Yes. Department 100. Apparently Fidler transfers public defender motion to withdraw. Bail matters? I guess re defendant no issue. Fidler assigns to Judge Ito. Edward Murphy appointed attorney for Defendant Stanley Goldblum, an individual. Ito relieves public defender. *Suddenly minute order says public defender has conflict.* Deputy public defender John Powers informed me he has been working on the case every day, all day, for about three months, and has just started to crack the surface. He said he expects the case won't go to trial for another year and a half. His entire office was filed with file boxes and notebooks, all, he said, pertaining to this case. He said five deputy district attorneys representing the plaintiff have appeared at pretrial hearings. Deputy district attorney Bob Foltz told me there were 600 files boxes of discovery.

July 28, 1999. Defendant says Gardner wants Moss disqualified. Gardner also says Moss has exculpatory material. Two cabinets. Per defendant

July 30, 1999. Gardner tells defendant Abramson had very derogatory things to say about Edward Murphy

August 10, 1999. Per defendant, at 10:00 a.m. in Lawyer's Lounge Abramson tells defendant Edward Murphy is an idiot.

Note. I see the gist of charge defendant causing company to get more reimbursement than company is entitled to, and then I guess defendant taking money from company. Inflated bills. Operation buys patients. Capping. (RT 65) Comprehensive blood panel, MRIs, CATs, back school, keep studies vague, doctors get bonuses, physical therapists use unusual service modifier (RT 65), reports edited. We call this ghost writing. (RT 50) "Reporters" raise patient's disability (RT 45), illegal markups.

I'm seeing defense developing. One, the prosecution can't prove codefendants Gardner or Punturere or anybody or entity guilty, and two, if so, defendant is not responsible.

Moss deals with district attorney office as lawyer for PriMedex Health Systems, August 18, 1999. OCR notes.

September 27, 1999. Orange County trial starts? No. Continued.

December 6, 1999. I apparently faxed Moss copy of his January 8, 1996, letter to Barry with enclosed 1989 PriMedex Corporation share certificate ledger per joint defense agreement.

December 20, 1999. List of tapes.

???? I have meeting with district attorney for defendant to testify. Then Moss suddenly calls Lafaille out of the blue. They haven't spoken for years. It could be that Moss is doing such a reckless obvious act because of sheer panic. If defendant sings, Moss is afraid defendant will hurt him. How? Maybe one way is defendant knows about Moss's leak going all the way back to second half of 1992 when Los Angeles district attorney was preparing for the Big Search.

April 19, 2000. Deputy district attorney Shidler tells me Moss's contact—the district attorney office leak—was Feldman!

May 4, 2000. Leslie calls me. Makes preposterous proposal she edit our 995/Johnson motion. I say no. She says then she will ask for more time to file hers.