

COURT OF APPEAL OF THE STATE OF CALIFORNIA  
SECOND APPELLATE DISTRICT

88DA0289  
FILED  
OCT 10 1987

THE PEOPLE OF THE STATE OF CALIFORNIA, )  
 )  
 ) PLAINTIFF-RESPONDENT, )  
 )  
 ) VS. )  
 )  
 ) JOE HUNT, AKA JOSEPH HUNT, )  
 ) AKA JOSEPH HENRY GAMSKY, )  
 )  
 ) DEFENDANT-APPELLANT. )

SUPERIOR COURT  
NO. A-090435

OCT 09 1987

APPEAL FROM THE SUPERIOR COURT OF LOS ANGELES COUNTY  
HONORABLE LAURENCE J. RITTENBAND, JUDGE PRESIDING  
REPORTERS' TRANSCRIPT ON APPEAL

APPEARANCES:

FOR PLAINTIFF-RESPONDENT: JOHN K. VAN DE KAMP  
STATE ATTORNEY GENERAL  
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LOS ANGELES, CALIFORNIA 90010

FOR DEFENDANT-APPELLANT: IN PROPRIA PERSONA

VOLUME 63 OF 101  
(PAGES 9862 TO 10079, INCLUSIVE)

COPY

ROSEMARIE GOODBODY, CSR NO. 932  
SALLY YERGER, CSR NO. 2008  
OFFICIAL REPORTERS

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

DEPARTMENT WEST C

HON. LAURENCE J. RITTENBAND, JUDGE

THE PEOPLE OF THE STATE OF CALIFORNIA, )

PLAINTIFF, )

VS. )

NO. A-090435

JOSEPH HUNT, )

DEFENDANT. )

REPORTERS' DAILY TRANSCRIPT

TUESDAY, MARCH 10, 1987

VOLUME 63

PAGES 9862 TO 10079, INCL.

APPEARANCES:

FOR THE PLAINTIFF: IRA REINER, DISTRICT ATTORNEY  
BY: FREDERICK N. WAPNER, DEPUTY  
1725 MAIN STREET  
SANTA MONICA, CALIFORNIA 90401

FOR THE DEFENDANT: ARTHUR H. BARENS, ESQ.  
10209 SANTA MONICA BOULEVARD  
LOS ANGELES, CALIFORNIA 90067

AND

RICHARD C. CHIER, ESQ.  
10920 WILSHIRE BOULEVARD  
LOS ANGELES, CALIFORNIA 90024

ROSEMARIE GOODBODY, CSR NO. 932  
SALLY YERGER, CSR NO. 2008  
OFFICIAL REPORTERS

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1 SANTA MONICA, CALIFORNIA; TUESDAY, MARCH 10, 1987; 10:05 A.M.  
2 DEPARTMENT WEST C HON. LAURENCE J. RITTENBAND, JUDGE

3 (APPEARANCES AS NOTED ON TITLE PAGE  
4 EXCEPT MR. CHIER IS NOT PRESENT.)

5  
6 (THE FOLLOWING PROCEEDINGS WERE HELD  
7 IN OPEN COURT OUTSIDE THE PRESENCE OF  
8 THE JURY, ALSO PRESENT WERE BRADLEY S.  
9 PHILLIPS, ESQ. ON BEHALF OF CAPITAL  
10 CITIES/ABC, INC. AND CABLE NEWS NETWORK;  
11 AND HERBERT M. SCHOENBERG ON BEHALF OF  
12 CBS INC.:)

13  
14 THE COURT: ALL RIGHT, I WILL HEAR FROM THE PEOPLE.

15 MR. WAPNER: AS FAR AS MY RESPONSE TO THE MOTIONS THAT  
16 WERE FILED, LET ME ADDRESS THE MOTION OF CNN AND ABC FIRST,  
17 BECAUSE I TAKE EXCEPTION TO SEVERAL OF THE ARGUMENTS THAT  
18 THEY MAKE AND THE CONCLUSIONS THAT THEY DRAW FROM THE MOTION  
19 THAT I FILED.

20 THEY ARE TALKING ON PAGE 4 OF THEIR MOTION ABOUT  
21 THEY WANT CAMERAS ON SO THAT SOMEHOW THE PUBLIC CAN EVALUATE  
22 THE CREDIBILITY OF THE WITNESS AND THE Demeanor OF THE WITNESS  
23 AND THAT IS NOT FOR THE PUBLIC TO DO. THAT IS FOR THE JURY  
24 TO DO. SO WE CERTAINLY DON'T NEED CAMERAS FOR THAT PURPOSE.

25 THE COURT: I THINK YOU HAD BETTER ADDRESS THE SINGLE QUESTION  
26 WHICH IS INVOLVED AS TO WHY IN THIS PARTICULAR CASE WE SHOULD  
27 NOT HAVE A VIDEO OR ELECTRONIC DEVICES SO FAR AS DEAN KARNY  
28 IS CONCERNED.

-1

1 MR. WAPNER: ALL RIGHT. WELL, THE THRUST OF THE MOTION --  
2 OF BOTH OF THESE MOTIONS IS THAT THERE IS NO INTEREST OF THE  
3 PROSECUTION AT STAKE, NO INTEREST OF A PARTY AND ONLY THE  
4 INTEREST OF A WITNESS. THAT IS MR. KARNY.

5 I THINK THAT THEY MISS THE MARK ENTIRELY WHEN  
6 THEY ARE BOTH SUGGESTING THAT THAT IS THE CASE, BECAUSE TO  
7 HAVE CAMERAS IN THE COURTROOM WHEN YOU HAVE ON THE STAND  
8 A WITNESS WHO HAS BEEN IN THE STATE WITNESS PROTECTION PROGRAM  
9 FOR SOME LONG PERIOD OF TIME, WHERE THE STATE HAS GONE TO  
10 GREAT LENGTHS TO ASSURE THE SAFETY OF THIS WITNESS AND NOW  
11 HE WALKS INTO COURT AND ALL OF THE EFFORTS THAT HAVE BEEN  
12 MADE BY EVERYONE AT GREAT -- TAKING GREAT PAINS TO PROTECT  
13 THE SAFETY OF THIS WITNESS, WILL NOT EVAPORATE IN ONE, FELL  
14 SWOOP WHEN HE WALKS INTO THE COURTROOM AND HE SEES THE CAMERAS.

15 THE POINT OF ALL OF THIS IS, NOT ONLY THAT THE  
16 WITNESS THEREFORE, IS GOING TO BE -- THAT HIS SAFETY WOULD  
17 BE INCREDIBLY COMPROMISED AND JEOPARDIZED BUT THAT THE EFFECT  
18 IT IS GOING TO HAVE ON THE WITNESS WHEN HE WALKS IN AND SEES  
19 THE CAMERAS IN THE COURTROOM. WHETHER HE TELLS HIMSELF THAT  
20 IT IS NOT GOING TO MAKE ANY DIFFERENCE OR NOT, IT IS GOING  
21 TO AFFECT HIS DEMEANOR ON THE WITNESS STAND. HE IS GOING  
22 TO KNOW THE WHOLE TIME THAT HE IS HERE, THAT EVERYTHING THAT  
23 IS BEING DONE IS GOING TO COMPROMISE HIS SAFETY. TO THE EXTENT  
24 THAT IT AFFECTS THE DEMEANOR OF THE WITNESS AND EVEN IF IT  
25 IS SUBCONSCIOUS, IT AFFECTS THE FACT-FINDING PROCESS. THAT  
26 IS WHAT I TRIED TO PUT INTO MY MOTION AND I SUGGESTED TO THE  
27 COURT THAT WE HAVE NO BUSINESS IN HAVING THESE CAMERAS HERE,  
28 IF IT IN FACT, IS GOING TO HAVE AN EFFECT ON THE FACT-FINDING

2

1       PROCESS IN THIS COURT.

2                 AND I ATTEMPTED TO SUGGEST THAT ON PAGE 4 OF  
3 THE MOTION THAT I FILED, WHEN I SAID THAT IT IS GOING TO  
4 INTRODUCE EXTRANEOUS FACTORS INTO THE TRIAL AND INTERFERE  
5 WITH THE SEARCH FOR THE TRUTH.

6                 AND I THINK THAT IS WHAT IT IS GOING TO DO. I  
7 THINK THAT IT IS COMPLETELY IMPROPER IN THIS CASE. AND I  
8 THINK THAT IS TRUE, THAT THE PRESENCE OF CAMERAS IN THE COURT-  
9 ROOM IS GOING TO DO THAT.

10                I THINK THAT THERE IS NOTHING IN THE MOTION THAT  
11 WAS FILED BY EITHER COUNSEL THAT SUGGESTS TO THE CONTRARY.  
12 THEY KEEP SAYING THAT, WELL, THE ONLY THING THAT HE IS  
13 CONCERNED ABOUT IS PROTECTING THE SAFETY OF THE WITNESS. BUT  
14 THE FACT IS THAT, THE EFFECT THAT THAT IS GOING TO HAVE --  
15 MAY HAVE ON THE DEMEANOR OF THE WITNESS WHEN HE TESTIFIES,  
16 COULD AFFECT THE TRIAL IN THIS CASE.

17                IT IS SUGGESTED THAT SOMEHOW, THIS MOTION IS  
18 MOOT OR ANNULED BECAUSE PICTURES OF THIS WITNESS HAVE BEEN  
19 PERHAPS, DISSEMINATED IN OTHER FORMS OF THE MEDIA.  
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1 BUT FIRST OF ALL, WE DON'T KNOW WHETHER THOSE  
2 ARE CURRENT PICTURES.

3 SECOND OF ALL, WHAT DIFFERENCE DOES THAT MAKE?  
4 BECAUSE THE FACT IS THAT WE ARE TALKING ABOUT PEOPLE WHO WANT  
5 TO, IN SOME CASES PERHAPS, AND FROM CNN, BROADCAST THIS LIVE  
6 TO THE WHOLE COUNTRY.

7 THE COURT HAS ALREADY HAD SOME EXPERIENCE WITH  
8 THE GENERAL NATURE OF HOW FAR THESE THINGS GET DISSEMINATED  
9 BY CALLS FROM PEOPLE AT DIFFERENT PLACES IN THE COUNTRY WHO  
10 SEE THESE BROADCASTS.

11 AND SO I DON'T KNOW IF THIS GOES INTERNATIONAL  
12 OR NOT AND I DON'T KNOW TO WHOM CNN AND ABC GIVE THEIR TAPES.

13 I WILL TELL YOU THAT ALTHOUGH ONE OF THESE MOTIONS  
14 IS APPARENTLY FILED ON BEHALF OF CBS NEWS, THAT I HAVE TALKED  
15 TO A MAN NAMED ALLEN MORENAS, WHO IS A PRODUCER FROM  
16 "60 MINUTES," AND I HAD MADE MY WISHES KNOWN TO HIM AND THEY  
17 SAID IF IT IS GOING TO COMPROMISE THE SECURITY OF THIS WITNESS,  
18 WE ARE GOING TO LEAVE OUR CAMERAS AT HOME AND THEY HAVE DONE  
19 SO AND THEY WILL DO SO.

20 AND I THINK THAT WHEN YOU GET INTO A BALANCING  
21 TEST AND YOU ARE WEIGHING IN ESSENCE THE WITNESS'S LIFE AND  
22 THE EFFECT THAT HAVING THESE CAMERAS IS GOING TO HAVE ON AN  
23 IMPORTANT WITNESS AND THE EVALUATION BY THE JURY OF THE  
24 CREDIBILITY OF AN IMPORTANT WITNESS IN A MAJOR CASE, YOU HAVE  
25 TO BALANCE, FIGURE OUT WHAT YOU ARE BALANCING THAT AGAINST.  
26 AND ALL WE ARE BALANCING THAT AGAINST IS THE PROHIBITION OF  
27 THE SHOWING OF HIS FACE OR THE REPRODUCING OF HIS VOICE OR  
28 THE DRAWING OF HIS LIKENESS BY ARTISTS IN THE COURTROOM.

1 THE COURT: LET ME ASK YOU. BOTH MR. PHILLIPS AND  
2 MR. SCHOENBERG SUGGEST AN ALTERNATIVE. WHAT THEY BOTH SUGGEST  
3 IS THAT THE FACIAL FEATURES BE ELECTRONICALLY DISGUISED PRIOR  
4 TO BROADCAST OR NOT BE VIDEOTAPED AT ALL AND THEN THEY WOULD  
5 BE -- RELUCTANTLY, OF COURSE, BUT THEY WOULD ACCEDE TO THAT  
6 PARTICULAR RESTRICTION.

7 NOW SINCE YOU ARE CONCERNED ABOUT THE FACE BEING  
8 BROADCAST AND IF THAT IS ELIMINATED, THEN WHAT FEAR HAVE YOU  
9 GOT NOW?

10 A VOICE DOESN'T MEAN ANYTHING. PEOPLE ARE NOT  
11 RECOGNIZED BY THEIR VOICES.

12 MR. WAPNER: WELL, I TAKE EXCEPTION TO THAT.

13 THE COURT: THE VOICE ISN'T GOING TO BE REPRODUCED.

14 YOU MEAN SOMEBODY WHO DOESN'T KNOW SOMEBODY IS  
15 GOING TO RECOGNIZE HIM BECAUSE HE HEARD A BROADCAST OF HIS  
16 VOICE?

17 MR. WAPNER: IT HAS HAPPENED. CERTAINLY, IT HAS  
18 CERTAINLY HAPPENED.

19 (MR. CHIER ENTERS COURTROOM.)

20 THE COURT: WHAT IS YOUR SUGGESTION, THAT THE ELECTRONIC  
21 EQUIPMENT BE SHUT OFF OR OBLITERATE THE FACIAL FEATURES OF  
22 THE WITNESS?

23 MR. WAPNER: YOUR HONOR, WHAT I AM SUGGESTING IS THAT  
24 THE CAMERAS BEING IN THE COURTROOM ARE GOING TO HAVE, EVEN  
25 IF SUBCONSCIOUSLY, AN EFFECT ON THIS WITNESS WHEN HE TESTIFIES.

26 THE COURT: YOU TELL HIM WHAT THE ARRANGEMENT IS THAT  
27 HAS BEEN MADE, THAT HIS FACE WILL NOT BE SHOWN.

28 MR. WAPNER: YOUR HONOR, I HAVE DISCUSSED THAT WITH



1 THE WITNESS, THAT POSSIBILITY OF THAT WITH THE WITNESS AND  
2 THE POSSIBILITY THAT THAT COULD BE A COMPROMISE AND I WILL TELL  
3 YOU THAT HE IS NOT SATISFIED AND I AM NOT SATISFIED, AND I  
4 WOULD NOT HAVE PERSISTED WITH THIS MOTION IF I THOUGHT THAT  
5 A COMPROMISE WAS SATISFACTORY.

6 I DON'T THINK IT IS SATISFACTORY AND I THINK THAT  
7 THE FACT THAT THE CAMERAS ARE GOING TO BE HERE IS NOT GOING  
8 TO SATISFY HIM OR SATISFY ME.

9 THE COURT: YOU MEAN BECAUSE CAMERAS ARE HERE HE IS  
10 GOING TO TESTIFY DIFFERENTLY OR REFUSE TO TESTIFY?

11 MR. WAPNER: NO, I AM NOT SUGGESTING THAT AT ALL.

12 THE COURT: THEN WHAT ARE YOU SUGGESTING?

13 MR. WAPNER: WHAT I AM SUGGESTING IS, AS THE COURT KNOWS,  
14 THE JURY HAS TO EVALUATE THE CREDIBILITY OF THE WITNESS BASED  
15 ON THE MANNER IN WHICH HE TESTIFIES, THE Demeanor OF THE  
16 WITNESS WHEN HE TESTIFIES AND I AM SAYING THAT HE WILL NOT  
17 CONSCIOUSLY BE AFFECTED BY IT BUT THAT SUBCONSCIOUSLY, HE  
18 IS GOING TO KNOW WHEN THOSE CAMERAS -- HE IS NOT GOING TO  
19 GET ON THE STAND AND SAY "WELL, THE CAMERAS ARE HERE SO I  
20 AM GOING TO CHANGE MY TESTIMONY," I AM NOT SAYING THAT AND  
21 HE WOULDN'T DO THAT, OBVIOUSLY.

22 THE POINT IS THAT HE KNOWS WHAT EFFORTS HAVE BEEN  
23 MADE TO PROTECT HIS SAFETY FOR WELL OVER A YEAR NOW AND THAT  
24 ALL OF THOSE EFFORTS --

25 THE COURT: THAT WILL BE CONTINUED. HIS FACE WILL NOT  
26 BE SHOWN ON TELEVISION.

27 MR. WAPNER: WELL, I DON'T KNOW WHAT THEY ARE GOING  
28 TO SHOW OR WHAT THEY ARE NOT GOING TO SHOW.

1 THE COURT: WELL, I HAVE BEEN ASSURED BY THEM THAT THEY --  
2 IT IS TRUE ABOUT THAT?

3 MR. PHILLIPS: YES, YOUR HONOR.  
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1 MR. PHILLIPS: YES, YOUR HONOR. ON BEHALF OF CAPITAL  
2 CITIES, ABC AND CNN, WE CAN REPRESENT WE WILL ELECTRONICALLY  
3 DISGUISE MR. KARNY'S FACE PRIOR TO ANY BROADCAST OF HIS  
4 TESTIMONY.

5 MR. WAPNER: WHAT DOES PRIOR TO ANY BROADCAST MEAN?  
6 CNN TOLD ME THAT THEY WANTED TO PUT IT ON LIVE, LIKE A SOAP  
7 OPERA AND --

8 THE COURT: ARE YOU GOING TO DO THAT?

9 MR. PHILLIPS: MY UNDERSTANDING IS THAT CNN WILL AGREE  
10 TO ELECTRONICALLY DISGUISE HIS FACE BEFORE BROADCASTING.

11 MR. WAPNER: WELL, I DON'T KNOW WHAT "BEFORE BROADCASTING"  
12 MEANS.

13 MR. PHILLIPS: THAT MEANS BEFORE IT IS SHOWN ON  
14 TELEVISION.

15 THE COURT: IT WILL NOT BE SHOWN ON TELEVISION?

16 MR. PHILLIPS: BEFORE HIS TESTIMONY IS SHOWN ON  
17 TELEVISION, HIS FACE WILL ELECTRONICALLY BE DISGUISED ON THE  
18 VIDEO TAPE.

19 MR. WAPNER: WELL YOUR HONOR, FIRST OF ALL, IF THE  
20 COURT IS SAYING IT IS GOING TO STRIKE A COMPROMISE, I AM NOT  
21 SATISFIED WITH THAT REPRESENTATION. I WANT A REPRESENTATION  
22 IN WRITING, BY THE TECHNICAL PEOPLE AND I WANT TO KNOW  
23 EXACTLY WHAT THEY ARE GOING TO DO. I WANT TO KNOW EXACTLY  
24 HOW IT IS GOING TO BE DONE. I WANT TO KNOW WHETHER THEY ARE  
25 GOING TO PUT THIS ON LIVE BECAUSE TO SAY "BEFORE IT IS SHOWN  
26 ON TELEVISION" AND THEY ARE SHOWING IT CONTEMPORANEOUSLY WITH  
27 TESTIMONY, DOESN'T MEAN ANYTHING.

28 I WANT TO KNOW HOW THEY ARE GOING TO DO IT. WHAT

2  
1 DOES IT MEAN? I WANT A DEMONSTRATION WHAT IT LOOKS LIKE.

2 THE COURT: WOULD YOU ENLIGHTEN HIM?

3 MR. PHILLIPS: YOUR HONOR, I AM AFRAID THAT I AM NOT  
4 CAPABLE OF ENLIGHTENING HIM AS TO THE TECHNICAL MEANS BY WHICH  
5 IT IS DONE. MY UNDERSTANDING IS THAT IT IS DONE ON A FAIRLY  
6 REGULAR BASIS.

7 THE COURT: WELL, WILL HIS FACE BE SHOWN ON TELEVISION?

8 MR. PHILLIPS: YES. BUT IT WILL BE ELECTRONICALLY  
9 ALTERED SO THAT ONE CANNOT RECOGNIZE HIS FACE.

10 MR. WAPNER: IF THE COURT IS THINKING OF REACHING THAT  
11 COMPROMISE, BEFORE IT DOES IT, I WANT A DEMONSTRATION OF WHAT  
12 ELECTRONICALLY ALTERED MEANS. I WANT TO SEE IT BECAUSE I  
13 WANT TO BE ABLE TO SATISFY MYSELF AND THE COURT SHOULD SATISFY  
14 ITSELF.

15 I WANT TO BE ABLE TO SATISFY THE WITNESS OF WHAT  
16 THAT MEANS. I DON'T WANT TO TAKE COUNSEL'S REPRESENTATION,  
17 WHEN HE DOESN'T EVEN KNOW WHAT THAT MEANS.

18 THE COURT: HOW CAN YOU SATISFY THE WITNESS UNTIL IT  
19 IS DONE?

20 MR. WAPNER: WELL, WE CAN GET A DEMONSTRATION. WE  
21 DON'T HAVE TO PUT THE WITNESS UP THERE. WE CAN PUT SOMEBODY  
22 ELSE UP THERE AND LET THEM SHOW US WHAT IT IS GOING TO LOOK  
23 LIKE.

24 MR. PHILLIPS: FIRST OF ALL, WHETHER OR NOT MR. WAPNER  
25 IS SATISFIED, IS NOT THE ISSUE. THE ISSUE IS WHETHER OR NOT  
26 THE COURT IS SATISFIED AND WHETHER THE WITNESS IS SATISFIED  
27 IS NOT THE ISSUE.

28 HIS CONCERN APPARENTLY, IS THAT THE WITNESS IS

1       SOMEHOW GOING TO THINK THAT HIS FACE IS GOING TO BE SHOWN.  
2       WE CAN ARRANGE FOR THAT NOT TO HAPPEN. I WOULD LIKE TO POINT  
3       OUT THAT EXACTLY THE ARGUMENTS MR. WAPNER IS MAKING HAVE BEEN  
4       REJECTED BY THE SUPREME COURT IN THE GLOBE NEWSPAPERS CASE  
5       WITH RESPECT TO MINORS TESTIFYING IN SEX CRIME TRIALS.

6                 THE STATE SOUGHT TO CLOSE THE COURTROOM TO PROTECT  
7       THE WITNESS ON THE GROUNDS THAT IT WOULD ENCOURAGE VICTIMS  
8       TO COME FORWARD AND TESTIFY IN A TRUTHFUL AND CREDIBLE MANNER.

9                 THE COURT REJECTED THAT ARGUMENT AND SAID THAT  
10       IT WAS SPECULATIVE IN EMPIRICAL TERMS AND OPEN TO SERIOUS  
11       QUESTIONS AS A MATTER OF LOGIC AND COMMON SENSE AND SAID THAT  
12       EVEN IF THE PROVISIONS EFFECTIVELY ADVANCED THE STATE'S  
13       INTEREST, IT IS DOUBTFUL THAT THE INTEREST WOULD BE SUFFICIENT  
14       TO OVERCOME THE CONSTITUTIONAL ATTACK FOR THAT SAME INTEREST  
15       TO BE RELIED ON TO SUPPORT AN ARRAY OF MANDATORY CLOSURE RULES  
16       DESIGNED TO ENCOURAGE THE VICTIM TO COME FORWARD. SURELY  
17       THAT CANNOT BE SUGGESTED THAT MINOR VICTIMS OF SEX CRIMES  
18       ARE THE ONLY CRIME VICTIMS WHO, BECAUSE OF PUBLICITY ATTENDANT  
19       TO CRIMINAL TRIALS ARE RELUCTANT TO COME FORWARD TO TESTIFY.

20                THE STATE'S ARGUMENTS BASED ON THIS INTEREST,  
21       THEREFORE PROVES TOO MUCH AND RUNS CONTRARY TO THE FOUNDATION  
22       OF THE RIGHT OF ACCESS RECOGNIZED IN RICHMOND NEWSPAPERS.

23                YOUR HONOR, I THINK THE SUPREME COURT HAS ALREADY  
24       SAID THAT THE SPECULATION THAT THE WITNESS' CREDIBILITY IS  
25       SOMEHOW GOING TO BE ALTERED AS A RESULT OF PRESS COVERAGE  
26       OF THE TESTIMONY, IS NOT AN ADEQUATE INTEREST TO JUSTIFY KEEPING  
27       THE PRESS AND THE PUBLIC FROM SEEING HIS TESTIMONY.

28                MR. SCHOENBERG: HERBERT SCHOENBERG ON BEHALF OF CBS,

1 APPEARING REALLY ON BEHALF OF KCBS TV. WE HAVE ARGUED FOR  
2 EVEN A LITTLE LESS THAN ELECTRONIC DISTORTION OF THE FACE.  
3 WE THINK THAT THE COURT, IF IT WERE CONCERNED WITH THIS  
4 PROBLEM, COULD FASHION AN ORDER TO JUST PROHIBIT CLOSE-UPS  
5 OF THE WITNESS AS HE TESTIFIED WITHOUT ANY ELECTRONIC  
6 DISTORTION, JUST PULL THE CAMERA BACK AND THEY CAN'T CLOSE-UP  
7 ON THE WITNESS' FACE.

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1 THE COURT: I DON'T WANT HIS FACE SHOWN AT ALL. OF  
2 COURSE, IF YOU CAN DISGUISE HIS FACE, THAT IS PERFECTLY ALL  
3 RIGHT.

4 MR. SCHOENBERG: I BELIEVE THE CAMERA COULD TAKE FROM  
5 THE NECK DOWN OR SOMETHING LIKE THAT.

6 THE COURT: SURE.

7 MR. SCHOENBERG: BUT I JOIN IN MR. PHILLIPS' OPPOSITION  
8 TO THE MOTION. I DON'T THINK THE PROSECUTION HAS PRESENTED  
9 A SUFFICIENT CASE TO PREVENT THE TYPE OF CAMERA COVERAGE THAT  
10 IT SEEKS HERE.

11 THE COURT: NONE OF US, YOU AND I AND THE DISTRICT  
12 ATTORNEY AND EVERYBODY INCLUDED WANT TO EXPOSE A MAN WITH  
13 A POSSIBLE -- THE DISTRICT ATTORNEY ALLEGES THAT HE IS BEING  
14 SOUGHT AFTER AND THERE IS A POSSIBILITY THAT HIS LIFE IS IN  
15 DANGER.

16 WE DON'T WANT TO BE IN A POSITION WHERE HE LOSES  
17 HIS LIFE BECAUSE OF IT. WE DON'T WANT TO BE RESPONSIBLE FOR  
18 IT.

19 SO, IF ANYTHING CAN BE DONE TO REACH A COMPROMISE  
20 WHICH WOULD SATISFY THE DISTRICT ATTORNEY THAT HIS FACE IS  
21 NOT GOING TO BE EXHIBITED SO THAT NOBODY WOULD RECOGNIZE HIM,  
22 I THINK THAT THAT WOULD BE A DESIRABLE THING AND AT THE SAME  
23 TIME, HAVE THE RIGHTS OF THE MEDIA PROTECTED.

24 MR. SCHOENBERG: WELL, I UNDERSTAND WHAT YOUR HONOR  
25 IS SAYING. AS I SAID IN MY PAPERS, I AM ARGUING PERHAPS WITH  
26 ONE HAND TIED BEHIND MY BACK BECAUSE I HAVE NOT SEEN THE  
27 PROSECUTION'S PAPERS. SO I MUST DEFER TO THE COURT IN THAT  
28 RESPECT.

1 MR. WAPNER: YOUR HONOR, FIRST OF ALL, I AM NOT SURE  
2 WHAT THE COURT IS SAYING. I AM NOT SURE IF YOU ARE SAYING --

3 THE COURT: LET ME MAKE IT MORE DEFINITE FOR YOU.

4 MR. WAPNER: OKAY.

5 THE COURT: I WILL PERMIT THE MEDIA TO USE THEIR CAMERAS  
6 WITH THE PROVISO THAT THE FACE OF THE WITNESS NOT BE SHOWN  
7 ON ANY PRESENTATION TO THE PUBLIC OF HIS TESTIMONY, THAT EITHER  
8 IT BE DISGUISED IN A WAY THAT ACTUALLY HE IS UNRECOGNIZABLE  
9 OR THE PICTURE ALL BE TAKEN BELOW HIS CHIN SO IT WON'T BE  
10 VISIBLE.

11 MR. WAPNER: WELL, YOUR HONOR --

12 THE COURT: IF YOU ARE SEEKING SUCH A PROTECTION, THAT  
13 PROTECTION IS BEING GIVEN TO YOU.

14 MR. WAPNER: WHAT I AM SEEKING IS TO KEEP THE CAMERAS  
15 OUT OF THE COURTROOM ALTOGETHER.

16 THE COURT: WELL, THEY HAVE THEIR RIGHTS, TOO.

17 MR. WAPNER: YOUR HONOR, THE RIGHTS THAT THEY HAVE ARE  
18 TO REPORT WHAT HAPPENS IN THE COURTROOM AND THEY ARE NOT BEING  
19 DENIED FOR ONE MINUTE ACCESS TO ANY OF THE INFORMATION.

20 ALL THEY WANT TO DO IS TO SHOW HIS FACE, THAT  
21 IS WHAT THEY WANT TO DO.

22 THE COURT: THEY DON'T WANT TO SHOW HIS FACE, THEY ARE  
23 GOING TO SHUT OFF HIS FACE. IT WON'T BE SHOWN ON TELEVISION.

24 MR. WAPNER: WELL, WHAT I AM SAYING TO THE COURT IS,  
25 BEFORE THE COURT IS MAKING AN ORDER THAT SAYS THAT YOU CAN DO IT,  
26 JUST TO SAY "PROMISE ME THAT YOU WON'T SHOW HIS FACE"--

27 THE COURT: NOT PROMISE ME.

28 I WILL ORDER THEM NOT TO SHOW IT.



1 MR. WAPNER: WELL, WHAT I AM SAYING IS BEFORE THE COURT  
2 MAKES THIS ORDER, THE COURT SHOULD GET THE PEOPLE IN HERE  
3 WHO ARE GOING TO DO THAT. THE COURT SHOULD SEE WHAT THEY  
4 ARE GOING TO DO AND THE COURT SHOULD SATISFY ITSELF THAT THE  
5 ORDER IS BEING COMPLIED WITH.

6 JUST TO TELL THEM TO DO IT OR JUST TO TELL THEM  
7 NOT TO DO IT, AND FIND OUT AFTER THE FACT IS NOT SATISFACTORY.

8 THE COURT: YOU MEAN AFTER IT IS SHOWN, HAVE A PRIVATE  
9 VIEW OF IT BEFORE IT IS SHOWN TO THE PUBLIC?

10 MR. WAPNER: NO, I MEAN HAVE A DEMONSTRATION. I MEAN  
11 GET THOSE PEOPLE IN HERE, PUT A PERSON ON THE WITNESS STAND  
12 WHERE THE WITNESS IS GOING TO BE AND HAVE THEM SHOW YOU WHAT  
13 THEY ARE GOING TO DO.

14 THE COURT: I HAVE DONE IT BEFORE IN OTHER --

15 MR. PHILLIPS: I CAN'T BELIEVE THAT YOUR HONOR HASN'T  
16 IN FACT SEEN INSTANCES IN WHICH WITNESSES ARE -- WHERE  
17 INDIVIDUALS ARE SHOWN ON TV, YOU CAN'T RECOGNIZE THEIR IDENTITY  
18 BECAUSE IT HAS BEEN ALTERED OR BECAUSE IT HAS BEEN SCREENED  
19 OUT FROM THE SCREEN.

20 MR. WAPNER: YOUR HONOR, I DON'T CARE WHAT HAS BEEN  
21 DONE BEFORE. I DON'T KNOW WHO DID IT BEFORE.

22 THE COURT: WELL, IT IS GOING TO BE DONE IN THIS CASE,  
23 THE FACE IS GOING TO BE SCREENED OUT, THAT IS THE ORDER.

24 MR. WAPNER: I WANT TO KNOW HOW IT IS GOING TO BE DONE  
25 AND I THINK THE COURT SHOULD INQUIRE.

26 THE COURT: I AM TELLING YOU HOW IT IS GOING TO BE  
27 DONE.

28 MR. WAPNER: HE DOESN'T KNOW --

1 THE COURT: HAVE YOU GOT ANYBODY HERE WHO CAN DESCRIBE  
2 IT?

3 MR. SCHOENBERG: MAY I HAVE A MINUTE, YOUR HONOR?

4 THE COURT: YES.

5 MR. WAPNER: WHAT I AM SAYING IS I WOULD LIKE TO GET  
6 THE PEOPLE WHO ARE -- NOT A CAMERAMAN WHO IS HERE NOW BUT  
7 THE PEOPLE WHO ARE GOING TO DO IT AND I WANT TO KNOW WHAT  
8 THEY ARE GOING TO DO.

9 MR. PHILLIPS: APPARENTLY WHOEVER IS HERE IS NOT GOOD  
10 ENOUGH FOR MR. WAPNER, I FEEL THAT IS GOING TO BE HIS ARGUMENT.

11 MR. WAPNER: THAT IS NOT MY ARGUMENT.

12 MR. PHILLIPS: I THINK EXPLAINING WHAT IS GOING TO  
13 BE DONE IS GOOD ENOUGH.

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1 THE COURT: LET'S HEAR WHAT THE CAMERAMAN IS TELLING  
2 MR. SCHOENBERG.

3 MR. BARENS: YOUR HONOR, I THINK --

4 THE COURT: I WILL GET TO YOU IN A MINUTE. I THINK  
5 YOU INDICATED THAT YOU CLAIM THAT THIS IS A CIRCUS AND YOU  
6 DIDN'T WANT ANY CAMERAS IN COURT. DID YOU CHANGE YOUR MIND  
7 ABOUT IT?

8 MR. BARENS: YOUR HONOR, THAT IS NOT WHAT THE MOTION  
9 MEANT TO DO ON OUR 980 MOTION. OUR 980 MOTION ADDRESSED THE  
10 EXTENT OF IT. WE AT NO TIME SUGGEST THE PRESS SHOULD BE  
11 PRECLUDED FROM ANY OF THE TRIAL PROCEEDINGS, RATHER, THE  
12 EXTENT OF IT WAS ADDRESSED AS NOT HAVING CONFORMED WITH THE  
13 PARAMETERS OF 980.

14 HOWEVER, I BELIEVE YOUR HONOR IS SAYING AFTER  
15 YOU CONCLUDE THIS PORTION, YOU WILL HEAR OUR POSITION ON THIS?

16 THE COURT: YES.

17 MR. WAPNER: IF THE COURT IS GOING TO FASHION A  
18 COMPROMISE, THEN WHAT I AM SUGGESTING IS, IF THE COURT FEELS  
19 IT IS NECESSARY TO ALLOW THE CAMERAS IN THE COURTROOM, TAKE  
20 MR. SCHOENBERG'S SUGGESTION AND NOT THE SUGGESTION ABOUT  
21 DISTANCE SHOTS OF THE WITNESS OR NECK DOWN SHOTS OF THE  
22 WITNESS, BUT NO SHOTS OF THE WITNESS AT ALL.

23 THEY ARE NOT PERMITTED TO GET CLOSE-UP SHOTS  
24 OF THE JURORS. IF THEY WANT TO TAKE SHOTS OF OTHER PERSONNEL  
25 IN THE COURTROOM SO THEY HAVE PICTURES OF WHAT IS GOING ON  
26 AND THEY HEAR HIS VOICE, LET THEM TAKE PICTURES OF YOUR HONOR,  
27 THE CLERK, THE BAILIFF, THE LAWYERS, MR. HUNT, THE INVESTIGATING  
28 OFFICER, THE REPORTERS, BUT NOT THE WITNESS.

1 MR. PHILLIPS: YOUR HONOR, WE WOULD LIKE TO BE ABLE  
2 TO HAVE THE WITNESS UNRECOGNIZABLE BUT, NEVERTHELESS, THERE  
3 ON THE SCREEN SO THE VIEWERS CAN SEE THERE IS AN INDIVIDUAL  
4 HERE TESTIFYING.

5 IT IS SIMPLY THERE IS ABSOLUTELY NO REASON, IF  
6 YOU CAN'T RECOGNIZE HIS FACE.

7 THE COURT: HE WANTS A SAMPLE OF HOW THAT CAN BE DONE.  
8 IS THERE ANY WAY YOU HAVE OF DOING THAT TO HELP HIM?

9 MR. PHILLIPS: I CAN EXPLAIN.

10 THE COURT: NOT EXPLAIN. HE WANTS TO SEE HOW IT IS  
11 DONE. HE WANTS A SAMPLE OF HOW IT WILL TURN OUT IN ADVANCE  
12 OF HAVING IT DONE.

13 YES, MR. SCHOENBERG?

14 MR. SCHOENBERG: I SPOKE TO MR. GARVAN, WHO IS HERE  
15 ON BEHALF OF CBS TV, YOUR HONOR, AND TWO THINGS CAN BE DONE:  
16 ONE IS, AS WE SUGGESTED, THAT YOU SHOOT FROM THE NECK DOWN.  
17 I DON'T KNOW THAT YOU NEED A DEMONSTRATION FOR THAT. I THINK  
18 YOU HAVE SEEN TELEVISION IN THE PAST WITH RESPECT TO WITNESSES  
19 WHO TESTIFIED.

20 THE OTHER IS I THINK MR. PHILLIPS WAS SUGGESTING  
21 WHERE YOU ELECTRONICALLY DISTORT IN SOME WAY THE FACE.

22 WHAT MR. GARVAN HAS SUGGESTED IS OCCASIONALLY,  
23 IF YOU HAVE SEEN ON TELEVISION, THEY WILL COVER A MINOR'S  
24 FACE WITH A BLACK SQUARE AND WHILE THAT PERSON IS TESTIFYING,  
25 THAT PERSON'S FACE IS BLACKED OUT. NORMALLY, NO FEATURES  
26 COME THROUGH. IF THERE IS A QUICK MOVEMENT, IF THE WITNESS  
27 HAPPENS TO MOVE QUICKLY, THE BLACK SQUARE MAY MISS A BEAT  
28 FOR A SECOND.

1                   MR. GARVAN SAID IT IS POSSIBLE, IF THE COURT  
2 IS GOING TO ORDER IT TO PRESENT A DEMONSTRATION, IT MAY TAKE  
3 SOMEWHERE BETWEEN -- WE MAY NOT HAVE A FULL DEMONSTRATION  
4 COMPLETED UNTIL ABOUT 1:00 O'CLOCK OR SO.

5                   A VOICE: THAT WOULD BE REASONABLE.  
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1 MR. SCHOENBERG: WHAT HAPPENS IS, THEY SEND A PICTURE  
2 BACK TO THE STATION AND THE DIRECTOR IN THE STATION, USING  
3 SOMETHING SIMILAR TO A MOUSE ON A COMPUTER SCREEN, IS ABLE,  
4 AS THE FILM IS COMING OUT OF THE CAMERA, I GUESS, TO PUT THAT  
5 BLACK SQUARE OVER THE WITNESS -- OVER THE PIECE OF PAPER THAT  
6 HE HAS IN FRONT OF HIM, BEFORE IT IS ACTUALLY BROADCAST TO  
7 THE PUBLIC SO WHEN IT IS BROADCAST TO THE PUBLIC THAT BLACK  
8 RECTANGLE OR BLACK SQUARE WILL BE OVER THE WITNESS' FACE;  
9 IS THAT CORRECT, MR. GARVAN?

10 MR. GARVAN: YES, IT IS.

11 THE COURT: IS THAT AGREEABLE TO YOU, MR. PHILLIPS?

12 MR. PHILLIPS: YES, I BELIEVE SO.

13 I BELIEVE ABC, AND I ASSUME CBS HAS AS WELL,  
14 HAS OTHER WAYS OF ACTUALLY CHANGING THE FEATURES SO YOU SHOW  
15 A FACE BUT NOT RECOGNIZABLE AS THIS INDIVIDUAL, BUT I THINK  
16 THIS ALTERNATIVE WOULD BE ACCEPTABLE TO US AS WELL.

17 MR. WAPNER: YOUR HONOR, I STILL AM NOT SATISFIED AS  
18 TO EXACTLY WHAT THEY ARE GOING TO DO ON CNN.

19 THE COURT: I TOLD YOU WHAT THEY ARE GOING TO DO. HE  
20 HAS TOLD YOU WHAT THEY ARE GOING TO DO. HOW MORE GRAPHICALLY  
21 CAN IT BE TOLD TO YOU?

22 MR. WAPNER: CNN TOLD ME, THE MAN WHO HAS BEEN COVERING  
23 THIS TRIAL FOR CNN THE ENTIRE TIME SAID "WE WANT TO BROADCAST  
24 THIS LIVE."

25 THERE HAS BEEN NO REPRESENTATION MADE TO ME BY  
26 THEIR COUNSEL THAT THAT HAS CHANGED. IF THEY BROADCAST IT  
27 LIVE, HOW ARE THEY GOING TO DO THAT?

28 THE COURT: WHO REPRESENTS CNN, YOU?

1 MR. PHILLIPS: I REPRESENT CNN.

2 I AM REPRESENTING RIGHT NOW THAT CNN WILL NOT  
3 SHOW MR. KARNY'S FACE ON TELEVISION IF YOUR HONOR SO ORDERS.  
4 THAT MEANS THEY DON'T SHOW IT LIVE.

5 IF THEY CAN SHOW IT LIVE AND DO THAT, THEN THAT  
6 IS A DIFFERENT STORY. I DON'T KNOW THE ANSWER TO THAT.

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1 THE COURT: DO YOU HAVE ANY OBJECTION IN DOING IT THAT  
2 WAY?

3 MR. BARENS: I DO HAVE SOME COMMENTS.

4 THE COURT: GO AHEAD.

5 MR. BARENS: THANK YOU. I TRUST THAT THEY AREN'T RENDERED  
6 ACADEMIC BY THE DISCUSSION HAD SO FAR.

7 THE COURT: GO AHEAD.

8 MR. BARENS: YOUR HONOR --

9 THE COURT: I THOUGHT YOUR FIRST REMARKS, IF I REMEMBER  
10 CLEARLY, YOU SAID THAT YOU HAVE ABSOLUTELY NO OBJECTION TO  
11 THAT, THAT THE JURY WOULD SPECULATE IF THEY DON'T SEE ANY  
12 CAMERAS IN COURT WHILE HE IS TESTIFYING, THAT THERE IS SOME  
13 REASON FOR IT AND THEREFORE, SOME UNFAVORABLE INFERENCE WOULD  
14 BE DRAWN AGAINST YOUR CLIENT. ISN'T THAT WHAT YOU TOLD ME?

15 MR. BARENS: IT WAS ONE OF THE THINGS THAT --

16 THE COURT: HAVE YOU CHANGED YOUR MIND?

17 MR. BARENS: I HAVE NOT CHANGED MY MIND.

18 THE COURT: SO, WHAT IS IT? YOU DON'T WANT ANY CAMERAS?  
19 DO YOU WANT THEM TO APPEAR OR NOT?

20 YOU TOLD ME THAT YOU WANTED THE CAMERAS IN HERE  
21 AND THE ABSENCE WOULD MAKE THE JURORS SUSPECT OF WHAT IS GOING  
22 ON. MAKE UP YOUR MIND.

23 WHAT IS IT THAT YOU WANT?

24 MR. BARENS: WELL, IF YOU LET ME SPEAK, I WILL ADDRESS  
25 IT.

26 THE COURT: GO AHEAD. I WILL LET YOU SPEAK.

27 MR. BARENS: THANK YOU, SIR.

28 YOUR HONOR, OUR POSITION OF THE DEFENSE IS THAT



1 THIS WITNESS SHOULD BE TREATED ON THE SAME PARITY AS ANY OTHER  
2 WITNESS THAT HAS COME FORWARD.

3 THE OTHER WITNESSES THAT HAVE TESTIFIED, DICKER,  
4 MAY AND ET CETERA, ET CETERA, WERE CERTIANLY IN THE SAME  
5 POSITION AS TO THE ALLEGED SAME SECURITY ARGUMENTS THAT THIS  
6 WITNESSES ALLEGES.

7 YET, WHETHER THEY HAD THEM AVAILABLE OR NOT --  
8 THE COURT: DO YOU WANT HIS FACE SHOWN? IS THAT THE  
9 IDEA?

10 MR. BARENS: YES.

11 THE COURT: THAT IS PRECISELY WHAT THE DISTRICT ATTORNEY  
12 DOESN'T WANT, IS THE FACE SHOWN BECAUSE HE FEELS PEOPLE  
13 IDENTIFIED WITH THE DEFENSE IN THIS CASE ARE THREATENING AND  
14 HAVE THREATENED HIS LIFE. HE IS AFRAID OF IT BECAUSE OF THAT.

15 MR. BARENS: WE DISPUTE THAT, OBVIOUSLY.

16 THE COURT: YOU DISPUTE IT. BUT I DON'T WANT TO TAKE  
17 ANY CHANCE THAT SOMEBODY IS GOING TO BE KILLED JUST BECAUSE  
18 YOU HAVE SOME REASON WHY YOU DON'T WANT TO HAVE THIS DONE.

19 MR. BARENS: IF I MAY BE HEARD, YOUR HONOR --

20 THE COURT: I HAVE HEARD YOU. WHAT DO YOU WANT TO SAY?  
21 GO AHEAD.

22 MR. BARENS: IF I MIGHT, YOUR HONOR, THERE HAS BEEN  
23 NO EVIDENCE OF ANY STATEMENT OF ANY WITNESS COMING FORTH,  
24 SAYING THAT MR. HUNT OR SOME PARTY ON BEHALF OF MR. HUNT  
25 THREATENED THIS WITNESS.

26 THERE ARE UNSUPPORTED ALLEGATIONS IN A GENERALIZED  
27 FASHION, MADE IN THE MOVING PAPERS OF THE PEOPLE.

28 THERE ARE THESE ASPERSIONS CAST AT THE DEFENDANT

1 IN THIS MATTER THAT ARE BOOTSTRAP-TYPE ARGUMENTS, YOUR HONOR.  
2 AND I FEEL THAT THEY ARE GENERAL IN NATURE.

3 IT IS NOT WHAT WE HAVE WHEN A WITNESS COMES INTO  
4 COURT UNDER THE PROTECTION PROGRAM, AS WE HAVE SEEN IN MANY  
5 FEDERAL CASES AND STATE CASES WHERE THEY COME IN AND SAY THAT  
6 ON MAY 9, THIS MAN WAS SUBJECT TO THE FOLLOWING THREAT OR  
7 THE FOLLOWING LIFE EXPERIENCE HAPPENED TO HIM AND ET CETERA,  
8 ET CETERA. AND THERE ARE PEOPLE THAT TESTIFY AND BACK THAT  
9 UP.

10 WHAT WE HAVE HERE, ARE CHARACTER ASSASSINATIONS  
11 MADE IN A VACUUM, AS AGAINST MY CLIENT, SAYING THAT MY CLIENT  
12 IS SOME KIND OF A MENACE TO THIS GUY AND THAT THIS WITNESS  
13 SOMEHOW, BECAUSE HE GIVES CERTAIN TESTIMONY, IS MORE OF A  
14 THREAT TO THE DEFENDANT THAN OTHER WITNESSES IN THIS PROCEEDING.

15 I BELIEVE THAT THERE IS ANOTHER AGENDA OF  
16 IMPORTANCE FOR MR. KARNY IN THIS INSTANCE, WHICH COMES TO  
17 MY MIND AT LEAST, YOUR HONOR. THERE HAS BEEN A MAJOR ISSUE  
18 IN THE OTHER CASE ABOUT THE COOPERATION MR. KARNY SOUGHT FROM  
19 THE ATTORNEY GENERAL'S OFFICE AND HIS ADMISSION TO THE STATE  
20 BAR, WHICH I THINK THAT AGENDA IN PROTECTING HIS ANONYMITY  
21 FOR PURPOSES OF INSULATING HIM FROM BEING RECOGNIZED LATER  
22 ON IN TERMS OF HIS PROFESSIONAL CAREER, IS CERTAINLY OF  
23 IMPORTANCE TO THIS WITNESS IN HIS TESTIFYING.

24 WE BELEIVE THERE IS MUCH MORE TO IT IN THAT REGARD  
25 THAN HAS BEEN CONFESSED TO BY THE DEFENDANT IN TERMS OF HIS  
26 MOTIVATION. CERTAINLY, IF YOUR HONOR SEEKS TO REACH A  
27 COMPROMISE WITH THE MEDIA IN THIS INSTANCE, THAT IS A DECISION  
28 YOUR HONOR IS FREE TO MAKE.

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1                   HOWEVER, FOR THE RECORD, THE DEFENDANT FEELS THAT  
2 ALL WITNESSES SHOULD BE TREATED ON A PARITY.

3                   THE COURT: WHAT YOU ARE SAYING IS THAT YOU WANT TO  
4 HAVE KARNY TESTIFY. YOU WANT TO HAVE AN UNRESTRICTED COVERAGE  
5 OF HIM BOTH BY THE TELEVISION AND THE MEDIA?

6                   MR. BARENS: JUST LIKE THE DEFENDANT WILL HAVE TO FACE  
7 WHEN HE TESTIFIES, YOUR HONOR.

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1 THE COURT: WELL, NOBODY IS AFTER HIM. ALL RIGHT. GO  
2 AHEAD.

3 I DON'T UNDERSTAND THE ANALOGY. IT IS A SILLY  
4 ONE.

5 MR. WAPNER: FIRST OF ALL, THAT ANALOGY IS NOT EVEN  
6 AN ANLOGY AT ALL.

7 SECOND OF ALL, THIS BUSINESS ABOUT THE STATE BAR  
8 IS TOTALLY SPECIOUS. THE STATE BAR KNOWS WHO HE IS AND WHETHER  
9 HIS FACE IS ON TELEVISION OR NOT HAS NO EFFECT ON THAT. THAT  
10 IS A TOTALLY SPECIOUS AND SPURIOUS ARGUMENT.

11 FRANKLY, I AM NOT CONCERNED AT ALL ABOUT  
12 MR. BARENS' ARGUMENTS. I AM MORE CONCERNED ABOUT GETTING  
13 THE EXACT PROCEDURE EXPLAINED TO ME --

14 THE COURT: DO YOU WANT TO DRAFT THE ORDER? DO YOU  
15 WANT TO DRAFT THE ORDER, MR. PHILLIPS OR --

16 MR. WAPNER: WHAT I WANT TO HAVE IS TO HAVE THE COURT  
17 ORDER ABC AND CNN TO EXPLAIN EXACTLY WHAT THEY ARE GOING TO  
18 DO, HOW IT IS GOING TO BE BROADCAST, WHETHER IT IS LIVE OR  
19 NOT AND HOW IT IS EXACTLY, IN TECHNICAL LANGUAGE, THAT THEY  
20 ARE GOING TO COVER THIS UP.

21 THEN I WANT THEM TO DRAFT THE ORDER AND --

22 THE COURT: HE TOLD US ALREADY HOW IT IS GOING TO BE  
23 DONE.

24 MR. WAPNER: HE ONLY TOLD US IN THE MOST GENERAL TERMS.  
25 WHAT I AM ASKING YOU TO ORDER THEM TO DO IS TO FASHION AN  
26 ORDER FOR THE COURT TO READ AND THEN FOR THE COURT TO SIGN  
27 BECAUSE I THINK THIS PROCEDURE IS MUCH TOO GENERAL AND I WANT  
28 TO SEE THAT ORDER. I THINK THE COURT SHOULD SEE IT.

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1 THE COURT: WILL YOU DRAFT THE ORDER IN THE WAY YOU  
2 HAVE INDICATED TO ME THAT THE PRESENTATION IS GOING TO BE  
3 MADE TO THE PUBLIC? WILL YOU DO THAT?

4 IT WILL BE AN ORDER.

5 MR. PHILLIPS: MY UNDERSTANDING IS THAT IT IS SIMPLY  
6 A MATTER OF PRESENTATION OR NONPRESENTATION OF MR. KARNY'S  
7 FACE. I ASSUME YOUR HONOR IS NOT INTERESTED IN ANY OTHER  
8 ASPECTS OF THE PLANNED TELECAST?

9 THE COURT: NO. I AM NOT. I JUST DON'T WANT TO HAVE  
10 HIM RECOGNIZED. ACCORDING TO THE D.A., THEY DON'T WANT TO  
11 HAVE HIS FACE APPEAR.

12 MR. WAPNER: I WOULD ASK IF THE COURT COULD ALSO INCLUDE  
13 IT AS A MASKING OF HIS VOICE THAT BE DONE AS WELL. THIS CAN  
14 BE DONE. THE COURT HAS SEEN IT AND HEARD IT.

15 IT HAS BEEN DONE ON TELEVISION. I ASK FOR THE  
16 SAME PROCEDURE THAT IS BEING USED TO MASK HIS FACE, TO MASK  
17 HIS VOICE.

18 THE COURT: COULD YOU DO THAT?

19 MR. PHILLIPS: YOUR HONOR, I DON'T THINK THERE IS ANY  
20 REASON FOR IT TO BE DONE. BUT MY UNDERSTANDING IS, THAT IT  
21 IS POSSIBLE TO ELECTRONICALLY SCRAMBLE THE VOICE, I BELIEVE.  
22 THAT COULD BE DONE.

23 THE COURT: ALL RIGHT. WHY DON'T YOU MASK THE VOICE  
24 AND THE FACE?

25 MR. PHILLIPS: I WILL BE HONEST WITH YOU, THAT I FAIL  
26 TO UNDERSTAND WHAT ACTUAL PURPOSE, THIS REALLY SERVES SINCE  
27 THE WITNESS'S FACE HAS BEEN WIDELY PUBLICIZED IN NEWSPAPERS  
28 AND ON TV PREVIOUSLY.

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1 WE ARE HAPPY TO COMPLY WITH YOUR HONOR'S ORDER.

2 MR. BARENS: YOUR HONOR, DEFENSE COUNSEL HAS A POINT.

3 THE COURT: YES.

4 MR. BARENS: YOUR HONOR, WE WOULD LIKE TO MAKE IT CLEAR  
5 THAT THE MOTION THAT THE PEOPLE HAVE PUT FORTH, HAS IN NO  
6 INSTANCE, BEEN SUPPORTED FOR THE COURT BY ANY EVIDENCE  
7 WHATSOEVER, OTHER THAN GENERAL ALLEGATIONS. THERE HAS BEEN  
8 NO SHOWING OR EVIDENCE PUT FORTH.

9 I WOULD ALSO LIKE TO JOIN MR. PHILLIPS' POINT  
10 THAT THIS ALL SEEMS TO BE MUCH ADO, WHEN ONE CONSIDERS THERE  
11 ARE RECENT PHOTOGRAPHS OF KARNY THAT I BELIEVE ARE AVAILABLE  
12 IN CIRCULATION.

13 THE COURT: WELL, THAT IS NOT SHOWING IT ON TELEVISION.

14 MR. BARENS: I WOULD BE WILLING TO ESTIMATE, YOUR HONOR,  
15 THAT SOME MEDIA, IF THEY DON'T HAVE FILM AVAILABLE, WILL  
16 PROBABLY MAKE USE OF THOSE PHOTOGRAPHS. I DON'T BELIEVE THAT  
17 IT IS POSSIBLE TO INSULATE THAT ON A NATIONAL LEVEL BECAUSE  
18 I DON'T BELIEVE THERE IS ANY JURISDICTION HERE ON A NATIONAL  
19 LEVEL.

20 MR. WAPNER: FIRST OF ALL, THERE ARE NO RECENT  
21 PHOTOGRAPHS OF MR. KARNY. THE PHOTOGRAPHS THAT THEY HAVE  
22 ARE PROBABLY TWO AND A HALF YEARS OLD.

23 SECOND OF ALL, WHAT I WOULD ASK THE COURT TO  
24 INCLUDE IN THIS ORDER, IS THAT NO PRIVATE TAPE RECORDERS OF  
25 THE WITNESS BE ALLOWED SO THAT NOBODY IN THE COURTROOM, PRIVATE  
26 CITIZENS, BE ALLOWED TO TAPE RECORD IT.

27 AND I WOULD ALSO ASK THAT NO ARTISTS' RENDITIONS  
28 OF THE WITNESS BE --

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1 THE COURT: WHO AM I GOING TO DIRECT IT TO. THERE  
2 IS NOBODY BEFORE ME EXCEPT THESE PEOPLE.

3 MR. WAPNER: BUT, IT IS WITHIN THE POWER OF THE COURT  
4 TO --

5 THE COURT: YES? WHO AM I GOING TO DIRECT IT AT? TO  
6 THE WORLD?

7 MR. WAPNER: NO, ANYONE WHO IS PRESENT IN THE COURTROOM,  
8 THAT WILL BE PROHIBITED.

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1 THE COURT: IF YOU SEE ANYBODY DOING THAT, THEY WILL  
2 BE RESTRAINED FROM DOING IT, ALL RIGHT?

3 MR. WAPNER: WELL, WHAT I AM, IN ESSENCE, ASKING IS  
4 THAT WE BE ALLOWED TO SEARCH PEOPLE WHO COME IN THE COURTROOM  
5 AND PROHIBIT THEM FROM BRINGING TAPE RECORDERS.

6 THE COURT: I AM NOT GOING TO HAVE ANYBODY SEARCHED.

7 IF IT IS OBVIOUS SOMEBODY IS SKETCHING ANYBODY,  
8 IF WE SEE SOMEBODY DOING THAT OR THE BAILIFF OR I SEE SOME-  
9 BODY DOING THAT, THEY WILL BE RESTRAINED FROM DOING THAT.

10 I AM NOT GOING TO SEARCH ANYBODY.

11 MR. WAPNER: IF THE COURT MAKES THAT ORDER, I AM NOT  
12 SURE WE WON'T HAVE A SKETCH ARTIST HERE.

13 THE COURT: BEFORE THE JURY COMES IN, I WILL MAKE  
14 AN ANNOUNCEMENT THAT THERE WILL BE NO TAPE RECORDING OF ANY  
15 TESTIMONY GIVEN BY THIS WITNESS AND NO ARTISTS' SKETCHES.

16 MR. BARENS: ON THAT POINT, THERE IS A LAWYER HERE  
17 FROM NORTHERN CALIFORNIA FROM THE OFFICES OF TOM NOLAN, WHO  
18 IS ONE OF THE COUNSEL FOR MR. DOSTI IN SAN FRANCISCO ON THAT  
19 MATTER. THE COUNSEL WHO IS HERE HAD ASKED ME YESTERDAY TO  
20 BRING YOUR ATTENTION THAT AS PART OF THE WORK PRODUCT THAT  
21 THEY WOULD BE PREPARING AND RESTRICTING TO THEIR OFFICES FOR  
22 DISSEMINATION, OTHER THAN THE LAWYERS --

23 THE COURT: I WILL NOT PERMIT ANYBODY TO TAPE RECORD  
24 ANY TESTIMONY GIVEN IN THIS COURT AND THAT INCLUDES HIM.

25 MR. PHILLIPS: ON THAT POINT, YOUR HONOR, THAT THE  
26 TELEVISION CREW WILL BE ALLOWED TO RECORD THE AUDIO PORTION  
27 OF THE TRIAL, ALTHOUGH MR. KARNY'S VOICE WILL BE ELECTRONICALLY  
28 ALTERED?



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1 THE COURT: YES, THAT IS CORRECT.

2 MR. PHILLIPS: FINE. THANK YOU.

3 THE COURT: WILL YOU PREPARE SUCH AN ORDER FOR ME?

4 MR. PHILLIPS: YES, YOUR HONOR.

5 THE COURT: DO THAT-AS SOON AS YOU CAN, PLEASE.

6 MR. PHILLIPS: WE WILL HAVE IT TO YOU EARLIER THIS  
7 AFTERNOON.

8 THE COURT: ALL RIGHT, THE MOTION IS GRANTED TO THE  
9 EXTENT INDICATED.

10 MR. PHILLIPS: THANK YOU, YOUR HONOR.

11 MR. BARENS: COULD WE HAVE FIVE MINUTES?

12 MR. WAPNER: YES, I NEED MAYBE FIVE OR TEN.

13 (RECESS.)

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1 (THE FOLLOWING PROCEEDINGS TOOK PLACE  
2 IN OPEN COURT IN THE PRESENCE AND  
3 HEARING OF THE JURY, WITH ALL COUNSEL  
4 BEING PRESENT:)

5 THE COURT: ALL RIGHT. GOOD MORNING, LADIES AND  
6 GENTLEMEN.

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8 STEVE LOPEZ,  
9 THE WITNESS ON THE STAND AT THE TIME OF ADJOURNMENT, RESUMED  
10 THE STAND AND TESTIFIED AS FOLLOWS:

11 THE CLERK: MR. LOPEZ, YOU HAVE BEEN PREVIOUSLY SWORN.  
12 YOU ARE STILL UNDER OATH. STATE YOUR NAME ONCE AGAIN FOR  
13 THE RECORD.

14 THE WITNESS: STEVE LOPEZ.

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16 FURTHER REDIRECT EXAMINATION

17 BY MR. WAPNER:

18 Q MR. LOPEZ, WE TALKED YESTERDAY ABOUT A CAR THAT  
19 YOU OWNED AND SOLD TO MR. HUNT?

20 A CORRECT.

21 Q WHAT DID MR. HUNT DO WITH THAT CAR?

22 A I BELIVE HE GAVE THAT TO MR. GRAHAM TO DRIVE.

23 MR. WAPNER: YOUR HONOR, I HAVE A PHOTOGRAPH I WOULD  
24 LIKE TO HAVE MARKED AS 205 FOR IDENTIFICATION. IT DEPICTS  
25 A BLACK BMW AUTOMOBILE WITH GOLD TIRES, APPARENTLY PARKED  
26 SOMEWHERE ON THE STREET. MAY THAT BE --

27 MR. BARENS: ACTUALLY, IT IS GOLD WHEELS, AS I SEE  
28 IT.

1 THE COURT: WHAT DID YOU SAY?

2 MR. WAPNER: I SAID TIRES. EXCUSE ME, WHEELS. IT  
3 WOULD BE A PRETTY EXPENSIVE CAR I GUESS IF IT HAD GOLD TIRES  
4 AND ROUGH RIDING.

5 Q MR. LOPEZ, DO YOU RECOGNIZE THE CAR THAT IS  
6 DEPICTED IN 205 FOR IDENTIFICATION?

7 A YES, I DO.

8 Q ALL RIGHT. WHAT CAR IS THAT?

9 A IT IS THE BMW WHICH I SOLD TO JOE HUNT.

10 Q ALL RIGHT. AND WHEN WAS THAT PICTURE TAKEN?

11 A IN 1983.

12 Q WHAT CONDITION WAS THE CAR IN WHEN YOU SOLD IT  
13 TO MR. HUNT RELATIVE TO WHAT IT LOOKS LIKE IN THAT PICTURE?

14 A IT WAS IN THIS CONDITION.

15 Q WHEN YOU SOLD IT TO MR. HUNT, IT WAS IN THE SAME  
16 CONDITION AS IN THE PICTURE?

17 A EXACTLY THE SAME CONDITION.

18 MR. WAPNER: OKAY. CAN I BRIEFLY WALK THIS BY THE  
19 JURY, YOUR HONOR?

20 THE COURT: ALL RIGHT.

21 (PAUSE.)

22 Q BY MR. WAPNER: WHEN YOU WENT TO FRANCE AND THEN  
23 TO LONDON AND THEN EVENTUALLY TO MALAYSIA DURING THE TRIP  
24 WHERE YOU RAN INTO MR. HUNT IN LONDON --

25 A YES.

26 Q WHO PAID FOR THAT TRIP?

27 A THE BBC.

28 Q AND YOU TOOK YOU SAID, APPROXIMATELY 15 TRIPS

1 AROUND THE WORLD DURING THE TIME THAT YOU WERE INVOLVED WITH  
2 MR. HUNT AND THE BBC?

3 A NO. I SAID EIGHT YESTERDAY.

4 Q OKAY. AND OF THOSE EIGHT TRIPS, WHO PAID FOR  
5 THOSE?

6 A THE BBC.

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1 Q AND THE TRIP THAT YOU WERE ON IN JUNE WHEN YOU  
2 SAW MR. HUNT, WAS THAT THE LAST OF THE EIGHT TRIPS?

3 A YES, IT WAS.

4 Q DO YOU HAVE ANY IDEA --

5 WELL, WHO PAID FOR THE PREVIOUS SEVEN TRIPS?

6 A THE BBC.

7 Q HOW MUCH IN TOTAL, IF YOU KNOW, DID ALL OF THOSE  
8 TRIPS COST APPROXIMATELY?

9 MR. BARENS: RELEVANCY, YOUR HONOR.

10 THE COURT: OVERRULED.

11 THE WITNESS: GUESSING, ABOUT \$50,000.

12 Q BY MR. WAPNER: WHY WAS IT THAT YOU WERE IN LONDON  
13 AT THE TIME THAT YOU MET MR. HUNT?

14 A IT WAS SUMMERTIME AND A LOT OF WEALTHY SINGAPORIANS  
15 THAT I KNEW WERE VACATIONING IN EUROPE AND ON THE WAY BACK  
16 HOME THEY WOULD STOP IN LONDON AS THEIR LAST LEG OF THE TRIP  
17 ON THE WAY HOME, SO I KNEW THERE WOULD BE A LOT OF WEALTHY  
18 PEOPLE THERE THAT I HAVE KNOWN AND I THOUGHT IT WOULD BE A  
19 GOOD TIME TO POSSIBLY TALK TO THEM ABOUT INVESTING.

20 Q AT THE TIME THAT YOU TOOK THE LAST TRIP, WHAT  
21 TYPE OF INVESTMENTS WERE YOU PRIMARILY INTERESTED IN TALKING  
22 TO THE PEOPLE ABOUT?

23 A WELL, THERE WAS COMMODITY TRADING AND FROM LONDON,  
24 MY MAIN FOCUS WAS MICROGENESIS AND I DID -- I DID ALSO DO  
25 FIRE GUARD, WHICH WAS PART OF THE BBC.

26 Q FIRE SAFETY?

27 A FIRE SAFETY.

28 Q THAT HAD TO DO WITH FIRE RETARDANT CHEMICALS?

1 A YES.

2 Q WHEN YOU MET MR. HUNT IN LONDON, DID HE COME AND  
3 STAY AT THE SAME HOTEL THAT YOU DID?

4 A HE DID.

5 Q DID HE STAY IN THE SAME ROOM WITH YOU?

6 A HE DID.

7 Q AND HE WAS THERE FOR, YOU SAID I THINK YESTERDAY,  
8 ABOUT FIVE DAYS?

9 A YES.

10 Q DURING THE TIME THAT HE WAS THERE, DID YOU EVER  
11 SEE HIM WITH LARGE AMOUNTS OF MONEY?

12 A NO LARGER THAN USUAL, YOU KNOW.

13 Q WHAT WAS USUAL FOR MR. HUNT?

14 A TWO OR THREE THOUSAND DOLLARS.

15 Q IN CASH?

16 A IN CASH.

17 Q TO HAVE ON HIS PERSON?

18 A WELL, HE WAS TRAVELING SO, YOU KNOW, I GUESS HE,  
19 YEAH.

20 Q WHEN YOU SAY NO LARGER THAN USUAL, ARE YOU TALKING  
21 ABOUT WHAT HE USUALLY HAD WHEN YOU WOULD SEE HIM IN LOS ANGELES?

22 A WELL, I DIDN'T USED TO GO OUT WITH HIM A LOT IN  
23 LOS ANGELES, YOU KNOW, IN THE EVENINGS.

24 I JUST BASICALLY SAW HIM DURING THE DAY MORE THAN  
25 IN THE EVENINGS, SO I DON'T KNOW IF HE CARRIED A LOT OF CASH  
26 AT NIGHT, BECAUSE I WOULD WAKE UP AND I WOULD COME BACK EARLY  
27 TO SLEEP AND HE, BASICALLY, HE WAS A LATE -- HE USED TO GO  
28 TO BED LATE AND I USED TO GO TO BED EARLY SO WE DIDN'T USED

1 TO SOCIALIZE A WHOLE LOT.

2 Q TELL ME WHAT THE BASIS FOR YOUR STATEMENT IS THAT  
3 HE HAD TWO OR THREE THOUSAND DOLLARS IN CASH, THAT WAS NO  
4 MORE THAN USUAL, WHAT IS THE BASIS FOR THAT STATEMENT?

5 A WELL, JOE DIDN'T HAVE CREDIT CARDS SO HE HAD TO,  
6 WHEREVER HE WENT, HE HAD TO PAY CASH SO HE HAD, HE ALWAYS,  
7 YOU KNOW, HE ALWAYS HAD CASH.

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1 Q ON THE TIMES WHEN YOU SAW HIM WITH CASH, WAS IT  
2 USUAL TO SEE HIM WITH AN AMOUNT OF TWO OR THREE THOUSAND  
3 DOLLARS?

4 A I WOULD SAY SO.

5 Q AND WHEN YOU SAW HIM IN LONDON WITH THAT CASH,  
6 DO YOU KNOW WHAT FORM IT WAS IN, WHAT DENOMINATIONS?

7 A HUNDREDS.

8 Q HUNDRED DOLLAR BILLS?

9 A YES.

10 Q DID YOU GO SHOPPING WITH HIM WHILE HE WAS IN LONDON?

11 A YES.

12 Q DID HE APPEAR TO SPEND A LOT OF MONEY WHILE HE  
13 WAS THERE?

14 MR. BARENS: RELEVANCY, YOUR HONOR.

15 THE COURT: SUSTAINED.

16 THE WITNESS: SORRY?

17 THE COURT: YOU DON'T HAVE TO ANSWER THAT QUESTION.

18 MR. WAPNER: YOU DON'T HAVE TO ANSWER THAT QUESTION.

19 Q THE CONTINUATION OF YOUR TRIP THAT STARTED IN  
20 PARIS, WHERE DID YOU GO?

21 A TO LONDON.

22 Q THEN WHERE?

23 A TO SINGAPORE.

24 Q AND WHEN YOU WERE IN SINGAPORE, DID YOU DO ANY --  
25 DID YOU TRY TO RAISE SOME MONEY FROM INVESTORS?

26 A WELL, THERE WAS TWO THINGS I DID ON THAT TRIP.  
27 ONE WAS, STEVE TAGLIANETTI SENT ME I THINK, FOUR CASES OF  
28 FIRE RETARDANT CHEMICALS THAT I COULD HAVE TESTED BY THE



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1 GOVERNMENT, TO BE USED FOR THE MILITARY FOR YOU KNOW, FOR  
2 FIRE RETARDANTS FOR THE CANVAS THAT WAS PUT ON TRUCKS AND  
3 HOUSES AND ROOFS AND THAT SORT OF THING. THAT WAS ONE OF  
4 THE THINGS I WAS DOING.

5 THE SECOND THING I WAS DOING, WAS SHOWING THE  
6 APPLICATIONS, WHICH THE BBC HAD MADE A VIDEOTAPE FOR ME ON  
7 SOME OF THE APPLICATIONS THAT IT COULD BE USED IN SOUTHEAST  
8 ASIA.

9 Q APPLICATIONS OF WHAT?

10 A FOR CEMENT, BASICALLY.

11 Q OKAY. HOLD ON A SECOND. FIRST, YOU ARE TALKING  
12 ABOUT THE FIRE RETARDANT CHEMICALS, RIGHT?

13 A RIGHT.

14 Q BUT THE VIDEOTAPE OF APPLICATIONS WAS NOT OF THE  
15 CHEMICALS, WAS IT?

16 A THEY HAD ONE. I DON'T REMEMBER IF I TOOK IT OR  
17 NOT.

18 Q BUT THE VIDEOTAPE THAT YOU HAD SPECIFICALLY --

19 A WAS FOR MICROGENESIS, THE ONE I REMEMBER.

20 THE COURT REPORTER: PLEASE WAIT UNTIL THE QUESTION  
21 IS FINISHED BEFORE YOU ANSWER.

22 THE WITNESS: OKAY.

23 Q BY MR. WAPNER: THE VIDEOTAPE THAT YOU HAD WAS  
24 OF THE APPLICATIONS OF THE GRINDING MACHINE TECHNOLOGY, RIGHT?

25 A THAT'S CORRECT.

26 Q DID YOU GET SOME PEOPLE IN SINGAPORE INTERESTED  
27 IN POSSIBLY INVESTING IN THE GRINDING MACHINE?

28 A I GOT THE GOVERNMENT INTERESTED. I HAD THE HEAD

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1 PEOPLE OF THE PUBLIC UTILITIES BOARD FROM THE GOVERNMENT THAT  
2 LOOKED AT IT.

3 I HAD TWO OF THE CHIEF ENGINEERS AND THEY WERE  
4 VERY INTERESTED IN IT.

5 Q WHEN YOU GOT THEM INTERESTED IN IT, DID YOU CONTACT  
6 JOE HUNT?

7 A I DID.

8 Q HOW?

9 A BY TELEPHONE.

10 Q WHEN YOU CALLED HIM ON THE PHONE, WHAT DID HE  
11 SAY?

12 A HE SAID --

13 Q WELL, FIRST OF ALL, WHEN YOU CALLED HIM ON THE  
14 PHONE, DID YOU TELL HIM THAT YOU HAD THESE PEOPLE THAT WERE  
15 INTERESTED IN IT?

16 A I DID.

17 Q AND DID YOU TELL HIM WHAT THEY WANTED TO DO?

18 A I DID.

19 Q WHAT WAS THAT?

20 A THEY WANTED TO FLY BACK WITH ME TO LOS ANGELES  
21 SO THAT THEY COULD FIRSTHAND, LOOK AT THE MACHINE AND SEE  
22 WHAT IT COULD REALLY DO. THEY WANTED TO SEE THE MACHINE.

23 Q WAS ONE OF THE USES OF THE MACHINE, COGENERATION  
24 OF POWER THAT COULD BE USED IN POWER PLANTS?

25 A YES.

26 Q WAS THAT WHY THE PUBLIC UTILITIES PEOPLE IN  
27 SINGAPORE WERE INTERESTED IN IT?

28 A YES.

1 Q WHEN YOU CALLED JOE HUNT AND TOLD HIM THAT THESE  
2 PEOPLE WERE INTERESTED IN THE MACHINE, WHAT DID HE SAY?

3 A HE SAID THAT HE HAD MENTIONED SOMETHING ABOUT  
4 THE MACHINE BEING MOVED FROM GARDENA TO ANOTHER LOCATION.  
5 THE MACHINE THAT WAS COMPLETED.

6 AND THAT I SHOULD COME BACK TO LOS ANGELES FIRST  
7 AND THEN WE WOULD PUT TOGETHER ANOTHER MACHINE, WHICH WE WERE  
8 WORKING ON AT THE TIME. AND THEN I SHOULD CALL THE PEOPLE  
9 IN SINGAPORE AND TELL THEM TO FLY OVER.

10 Q WERE THE PEOPLE IN SINGAPORE GOING TO INVEST MONEY  
11 BEFORE THEY SAW THE MACHINE IN ACTION?

12 A NO.

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1 Q I WANT TO TAKE YOU NOW BACK IN TIME AWAY FROM  
2 THIS TRIP INTO THE END OF APRIL BUT COMING BACK TO LOS ANGELES.

3 WERE YOU OUT OF THE COUNTRY AT SOME POINT IN  
4 MARCH AND THE BEGINNING OF APRIL OF 1984?

5 A I WAS.

6 Q DID YOU COME BACK TO THE COUNTRY APPROXIMATELY  
7 APRIL THE 7TH -- STRIKE THAT.

8 WHEN YOU WERE GONE, DID YOU GET A CALL FROM  
9 LARRY MAIZE?

10 A YES, I DID.

11 Q WHERE WERE YOU WHEN YOU GOT THAT CALL?

12 A I WAS IN SINGAPORE.

13 Q AND WHAT WAS THE NATURE OF THAT CALL?

14 MR. BARENS: OBJECTION, YOUR HONOR. IT GOES TO HEARSAY.

15 THE COURT: OVERRULED.

16 MR. BARENS: COULD WE IDENTIFY FOR THE JURY WHO LARRY  
17 MAIZE IS?

18 THE COURT: PARDON?

19 MR. BARENS: COULD WE IDENTIFY WHO MR. MAIZE IS?

20 THE COURT: WE HAD HIM AS A WITNESS HERE.

21 MR. BARENS: I REALIZE THAT, YOUR HONOR.

22 THE COURT: THE JURY KNOWS WHO HE IS.

23 MR. BARENS: ALL RIGHT, YOUR HONOR JUST --

24 THE COURT: FOR THE RECORD, AGAIN, WILL YOU TELL US  
25 WHO MR. MAIZE IS?

26 THE WITNESS: MR. MAIZE WAS THE STOCK BROKER AT  
27 SHEARSON AMERICAN EXPRESS IN BEVERLY HILLS.

28 Q BY MR. WAPNER: WERE YOU HERE ON ONE OF THE DAYS

1 HE TESTIFIED?

2 A NO, I WAS NEVER HERE.

3 Q YOU DIDN'T SEE HIM IN THE HALLS OF THE COURTHOUSE?

4 A NO, I DIDN'T.

5 Q I KNOW YOU WERE HERE ACTUALLY SEVERAL DAYS BEFORE  
6 YOU ACTUALLY GOT ON THE STAND, RIGHT?

7 A RIGHT.

8 Q OKAY, IN ANY EVENT, YOU HAD MET MR. MAIZE AND  
9 SAT IN THE OFFICES AT SHEARSON DURING THE TIME SOME OF THE  
10 TRADING WAS GOING ON, RIGHT?

11 A THAT'S RIGHT.

12 Q WHEN MR. MAIZE CALLED YOU IN SINGAPORE, WHAT  
13 DID HE SAY?

14 A WELL, HE WAS -- HE WAS SOMEWHAT PANICKED  
15 BECAUSE THE POSITIONS HAD SLIPPED AND THERE WAS A MARGIN  
16 CALL.

17 THAT MEANS THERE WAS MONEY THAT WAS DUE  
18 BECAUSE WE WERE LOSING MONEY IN THE POSITIONS.

19 Q AND WHAT ELSE DID HE TELL YOU?

20 A AND HE SAYS THAT IF WE DIDN'T GET A HUNDRED  
21 THOUSAND AT THAT TIME, THEN WE MIGHT -- HE MIGHT HAVE TO  
22 LIQUIDATE EVERYTHING.

23 AND THEN I SAID TO HIM, "HOW FAST DO YOU NEED  
24 IT?"

25 AND HE SAID, "I NEED IT RIGHT AWAY."

26 AND I TOLD HIM THAT I COULDN'T GET IT RIGHT  
27 AWAY, I NEED, YOU KNOW, SOME TIME TO TRY TO GET IT.

28 AND THEN HE CALLED ME DURING THE COURSE OF THE

1 WEEK. I THINK HE CALLED ME A COUPLE OF DAYS LATER AND  
2 SAID THAT THE POSITIONS HAD MOVED FARTHER AND NOW INSTEAD  
3 OF THE HUNDRED, WE NEEDED A HUNDRED FIFTY.

4 Q WHAT DID YOU DO IN THAT REGARD?

5 A WELL, I TALKED TO MY DAD AND I SAID THE  
6 INVESTMENTS THAT WE HAVE ARE GOING TO SLIP IF WE DON'T COME  
7 UP WITH, YOU KNOW, SOME MONEY PRETTY QUICK.

8 AND I WAS ABLE TO GET THE MONEY AFTER THAT AND  
9 I MADE IT BACK TO LOS ANGELES THE SAME WEEK.

10 Q WHEN YOU CAME BACK TO LOS ANGELES, WHAT DID YOU  
11 DO WITH THE MONEY THAT YOU HAD RAISED?

12 A I GAVE IT TO LARRY MAIZE.

13 Q HOW MUCH DID YOU GIVE HIM?

14 A \$150,000.

15 Q AND THAT WAS IN APRIL OF 1984?

16 A THAT'S RIGHT.

17 Q WAS THERE ALSO AT ABOUT THE SAME TIME A MARGIN  
18 CALL AT E. F. HUTTON?

19 A THAT'S CORRECT.

20 Q DO YOU KNOW HOW MUCH THAT WAS?

21 A \$50,000.

22 Q AND WHEN WAS THAT IN RELATION TO THE ONE AT  
23 SHEARSON?

24 A APPROXIMATELY THE SAME TIME.

25 Q AND DID YOU PROVIDE ANY MONEY TO MEET THAT  
26 MARGIN CALL?

27 A I DID.

28 Q HOW MUCH?

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1 A \$50,000.

2 Q AND SO AT THE BEGINNING OF APRIL OF 1984, YOU  
3 ESSENTIALLY PROVIDED \$200,000 TO MEET MARGIN CALLS?

4 A THAT'S CORRECT.

5 Q DID YOU EVER GET ANY OF THAT MONEY BACK?

6 A NO -- WAIT A SECOND. I DID. WE GOT \$20,000  
7 OF THAT BACK.

8 Q WELL, DID YOU KNOW HOW MUCH THE RENT WAS ON THE  
9 UNIT THAT YOU WERE STAYING IN AT THE WILSHIRE MANNING?

10 A I DID.

11 Q AND HOW MUCH WAS THAT?

12 A ABOUT \$2,300.

13 Q AND DO YOU KNOW WHAT THE RENT WAS --

14 THE COURT: IS THAT PER MONTH?

15 THE WITNESS: PER MONTH, YOUR HONOR.

16 Q BY MR. WAPNER: WHAT WAS THE RENT ON THE UNIT  
17 THAT MR. HUNT WAS STAYING IN ON THE 15TH FLOOR?

18 A WELL, HE HAD A BIGGER UNIT SO I GUESS MAYBE  
19 THREE OR FOUR HUNDRED DOLLARS MORE.

20 Q AND AT SOME POINT YOU PAID THE RENT ON YOUR  
21 UNIT WHEN YOU WERE IN TOWN?

22 A YES, I DID.

23 Q AT SOME POINT WAS THE RENT IN ARREARS?

24 A YES.

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1 Q DO YOU KNOW APPROXIMATELY WHEN THAT WAS?

2 A I THINK IT WAS SOMETIME AFTER THIS MARGIN CALL.

3 Q WHICH WAS AT THE BEGINNING OF APRIL?

4 A YES.

5 Q AND DID YOU SEE MR. HUNT DO SOMETHING ABOUT THE  
6 RENT AT THAT TIME?

7 A YES I DID. I WAS WORRIED ABOUT IT, SO I ASKED  
8 HIM. AND HE SAYS NOT TO WORRY BECAUSE HE WILL TAKE CARE OF  
9 IT.

10 Q HOW DID YOU FIND OUT THE RENT WAS IN ARREARS?

11 A THEY SERVED US WITH A NOTICE TO PAY OR QUIT.

12 Q A THREE-DAY NOTICE?

13 A YES.

14 Q OKAY. AND WHAT DID MR. HUNT DO IN THAT REGARD?

15 A IT WAS ABOUT A WEEK AFTER THAT, THAT HE BROUGHT  
16 ALL OF THE PAYMENTS CURRENT.

17 Q DID YOU SEE HIM DO THAT?

18 A YES I DID.

19 Q WAS THAT DONE BY TRANSFER OF CASH?

20 A CASHIER'S CHECK.

21 Q WHAT WAS YOUR REASON FOR COMING TO THE UNITED  
22 STATES INITIALLY? WAS IT TO INVEST MONEY?

23 A YES.

24 Q FOR WHOM?

25 A FOR A LOT OF THE PEOPLE. THE ECONOMY WAS NOT  
26 THAT GREAT IN SINGAPORE AND THEY COULDN'T GET A GOOD RETURN  
27 ON THEIR MONEY.

28 SO YOU KNOW, I KNEW THAT THERE WAS A LOT OF



1 OPPORTUNITY BECAUSE WE TALKED TO THE U.S. EMBASSY IN  
2 SINGAPORE ABOUT THE RETURNS AND THEY GAVE US A LOT OF IDEAS.  
3 SO THAT IS WHY I CAME.

4 Q AND DID YOU TELL THAT TO STEVE STOCKTON WHEN YOU  
5 GOT TO BE FRIENDLY WITH HIM?

6 A I DID.

7 Q AND WAS MR. STOCKTON AWARE THAT YOU WERE INVESTING  
8 MONEY FOR WEALTHY PEOPLE IN SINGAPORE?

9 A YES.

10 MR. WAPNER: MAY I HAVE A MOMENT?

11 THE COURT: YES.

12 (PAUSE.)

13 Q BY MR. WAPNER: AT SHEARSON AMERICAN EXPRESS,  
14 YOU ALSO HAD AN ACCOUNT IN YOUR OWN NAME THAT WAS A SECURITIES  
15 ACCOUNT, IS THAT RIGHT?

16 A THAT'S CORRECT.

17 Q DID ANY OF THE MONEY THAT YOU RAISED FROM YOUR  
18 PARENTS OR ANYBODY ELSE IN SINGAPORE, GO INTO YOUR OWN ACCOUNT  
19 FOR TRADING SECURITIES?

20 A I AM REALLY NOT SURE WHY WE OPENED THAT ACCOUNT.  
21 I THINK IT IS TO TRADE SOMETHING OTHER THAN WE WERE TRADING.

22 IT WAS REALLY -- WE DIDN'T DIFFERENTIATE BETWEEN  
23 BONDS AND MAYBE THE STOCK OR -- I CAN'T REALLY REMEMBER  
24 EXACTLY THE REASON WHY WE DID THAT.

25 Q WAS IT OPENED IN YOUR NAME AT THE DIRECTION OF  
26 MR. HUNT?

27 A NO. IT WAS AT THE DIRECTION OF BEN DOSTI.

28 Q WAS IT ALL A PART OF THE SAME GENERAL TRANSACTION

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1 OF INVESTING IN THE BBC GROUP?

2 A YES.

3 MR. WAPNER: THANK YOU. NOTHING FURTHER.

4  
5 CROSS-EXAMINATION

6 BY MR. BARENS:

7 Q MR. LOPEZ, YOU WERE ABOUT THE SAME AGE AS THE  
8 YOUNG MEN THAT WORKED AT THE BBC?

9 A I WAS A LITTLE OLDER.

10 Q A LITTLE BIT OLDER?

11 A YES.

12 Q WHEN YOU CAME OVER AND MET THESE PEOPLE, DID YOU  
13 DEVELOP SOME SOCIAL RELATIONSHIPS WITH BBC MEMBERS?

14 A NOT WITH THE MEMBERS, JUST WITH JOE AND BEN.

15 Q BEN DOSTI?

16 A BEN DOSTI.

17 Q AND YOU ALL ENDED UP LIVING IN THE SAME BUILDING  
18 THERE?

19 A THAT'S RIGHT.

20 Q AND DID YOU SEE EACH OTHER AFTER WORK HOURS AT  
21 THE BUILDING THERE?

22 A OCCASIONALLY.

23 Q AND WOULD YOU HAVE LUNCH ON OCCASION WITH MR. DOSTI  
24 AND MR. HUNT?

25 A YES.

26 Q WOULD YOU SAY THAT YOU HAD A CLOSE WORKING  
27 RELATIONSHIP WITH THOSE TWO INDIVIDUALS?

28 A YES.

1 Q AND DID YOU TEND TO CONFIDE IN ONE ANOTHER?

2 A YES.

3 Q WAS THERE ANY PARTICULAR REASON WHY YOU HAD LESS  
4 SOCIAL CONTACT WITH THE OTHER BBC YOUNG MEN?

5 A WELL, THEIR LIFESTYLE IS A LITTLE DIFFERENT.  
6 I DON'T DRINK AND THEY DO.

7 THEY USED TO GO TO BARS AND I DIDN'T. AND I AM  
8 A LITTLE BIT MORE CONSERVATIVE THAN MOST OF THEM ARE. SO  
9 WE HAD A LITTLE DIFFERENT LIFESTYLE.

10 Q AND JOE AND BEN DIDN'T DRINK EITHER, DID THEY?

11 A BEN DOSTI DRANK. JOE DIDN'T DRINK.

12 Q NOW, WHEN YOU GOT ATTRACTED TO INVESTING IN THE  
13 BBC, YOU MADE YOUR DECISION BECAUSE THIS ENTITY AND THE PEOPLE WHO  
14 YOU HAD BECOME FAMILIAR WITH, WERE ATTRACTIVE TO YOU ON A  
15 FINANCIAL BASIS. IS THAT CORRECT?

16 A THAT'S CORRECT.

17 Q YOU WEREN'T TAKEN IN BY SOME PHILOSOPHY THAT THEY  
18 HAD, WERE YOU?

19 A NO.

20 Q DID ANYBODY EVER DISCUSS PARADOX PHILOSOPHY WITH  
21 YOU, TO GET YOU TO INVEST?

22 A I HAD HEARD IT. BUT I DIDN'T UNDERSTAND IT.

23 Q OKAY. DID EVERYBODY SEEM TO BE WALKING AROUND  
24 IN THE BBC OFFICES THAT YOU WORKED WITH, MESMERIZED BY SOME  
25 SORT OF A PHILOSOPHY, AS FAR AS YOU COULD DETERMINE?

26 A NO.

27 Q DID THEY ALL JUST SEEM TO BE UP THERE DOING BUSINESS  
28 IN A SOMEWHAT TRADITIONAL OR CONVENTIONAL MANNER?

1           A       YES.

2           Q       NOW, YOU MENTIONED THAT YOU HAD LOST SOME MONEY  
3 WITH THIS GENTLEMAN, STEVE STOCKTON?

4           A       YES.

5           Q       IT WAS BEFORE YOU GOT INVOLVED WITH INVESTING  
6 WITH MR. HUNT?

7           A       THAT'S CORRECT.

8           Q       NOW, WHEN YOU MET MR. HUNT, DID HE SEEM TO YOU  
9 TO BELIEVE IN HIMSELF AS A TRADER AND AS AN INVESTOR?

10          A       YES.

11          Q       AND DID HE SEEM CONFIDENT?

12          A       YES.

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1 Q NOW YOU MENTIONED THAT YOU OPENED THESE ACCOUNTS.  
2 IS IT NOT A FACT THAT AT ALL TIMES WHILE YOU  
3 DID BUSINESS WITH MR. HUNT AND MR. DOSTI AND SHEARSON AND  
4 HUTTON, THAT YOU HAD ACCESS TO ALL OF THE BUSINESS RECORDS  
5 PERTAINING TO YOUR ACCOUNT?

6 A I DID.

7 Q WAS ANYTHING EVER HIDDEN FROM YOU?

8 A NO.

9 Q AT ALL TIMES YOU COULD WALK IN DIRECTLY TO THOSE  
10 BROKERAGE HOUSES AND ASK ANY QUESTIONS YOU WANTED OF ANY OF  
11 THE PEOPLE THAT RAN THOSE BROKERAGE HOUSES?

12 A YES.

13 Q AND YOU WERE ALWAYS GIVEN COPIES OF ANYTHING  
14 YOU WANTED TO SEE ABOUT YOUR BUSINESS INVESTMENTS OR YOUR  
15 LOSSES OR YOUR GAINS AT ALL TIMES?

16 A YES.

17 Q NOW, YOU MENTIONED THAT WHEN YOU MADE INVEST-  
18 MENTS, YOU DIDN'T WRITE CHECKS TO JOE HUNT, DID YOU?

19 A NO.

20 Q YOU DIDN'T WRITE CHECKS TO THE BBC OR FINANCIAL  
21 FUTURES TRADING, DID YOU?

22 A ONLY IF THEY HAD PUT SOME MONEY INTO THE ACCOUNT.  
23 SOMETIMES WE WOULD IN TURN REPAY THEM BACK SO  
24 THAT IN THAT EVENT, WE WROTE CHECKS TO THE BBC.

25 Q YOU MENTIONED YESTERDAY THAT WHEN YOU WROTE THE  
26 LARGE CHECK, I THINK YOU MENTIONED A \$90,000 CHECK INITIALLY  
27 FOR INITIAL CAPITALIZATION OVER AT SHEARSON, YOU MADE THAT  
28 CHECK DEPOSIT DIRECTLY TO THEM?

1 A YES, I DID.

2 Q AND THE \$150,000 YOU TALKED ABOUT FOR A MARGIN  
3 CALL WITH SHEARSON, WHO DID YOU MAKE THAT OUT TO?

4 A I MADE IT OUT TO AMERICAN EXPRESS DIRECTLY.

5 Q AND HOW ABOUT THE \$50,000 CALL FROM HUTTON?

6 A THAT WENT STRAIGHT TO HUTTON.

7 Q SO OF THOSE AMOUNTS OF MONEY, THOSE ALL WENT  
8 IN TO COVER MARKET TRADING LOSSES?

9 A THAT'S CORRECT.

10 Q AND NONE OF THOSE WERE GIVEN TO BBC OR MR. HUNT?

11 A NO.

12 Q NOW, YOU MENTIONED THAT YOU HAD GIVEN SOME  
13 BLANK CHECKS DURING PERIODS, WHEN YOU TRAVELED, TO MR. DOSTI;  
14 IS THAT CORRECT?

15 A THAT'S CORRECT.

16 Q AND YOU HAD SIGNED THOSE BEFORE YOU LEFT, SIR?

17 A THAT'S CORRECT.

18 Q AND DID YOU ALWAYS KNOW, BASED ON YOUR DISCUSSIONS  
19 WITH MR. DOSTI, EXACTLY WHAT HAPPENED TO THOSE BLANK CHECKS?

20 A NO, NOT ALL OF THE TIME.

21 Q WOULD YOU EVER ASK?

22 A YES.

23 Q WERE YOU EVER TOLD?

24 A YES.

25 Q WAS THERE AN ACCOUNTING MADE TO YOU FOR THE  
26 APPLICATION OR USE OF THOSE BLANK CHECKS?

27 A NO.

28 Q DO YOU KNOW TODAY WHAT HAPPENED TO THOSE BLANK

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1 CHECKS?

2 A YES.

3 Q WHAT HAPPENED TO THEM, SIR?

4 A THEY WERE USED.

5 Q AND WERE THEY USED FOR INVESTMENTS IN  
6 COMMODITIES OR TO COVER COMMODITY POSITIONS, I GUESS?

7 A YES -- WELL, THERE WERE TIMES WHERE WE HAD A  
8 SMALL MARGIN CALL AND MONEY WOULD COME FROM THE BBC INTO  
9 INTERNATIONAL MARKETING AND THEN, BEN WOULD REPAY  
10 INTERNATIONAL -- WOULD PAY THE BBC BACK FROM CHECKS THAT I  
11 HAD LEFT WITH HIM.

12 Q OKAY. SO AS FAR AS YOU KNOW, THOSE BLANK CHECKS  
13 WERE ALWAYS USED FOR FINANCIAL TRADING OR MARKET PURPOSES?

14 A YES.

15 Q DID JOE HUNT USE YOUR MONEY FOR HIS PERSONAL  
16 NEEDS?

17 A NO.

18 Q DID MR. DOSTI USE YOUR MONEY FOR HIS PERSONAL  
19 NEEDS?

20 A NO.

21 Q NOW, YOU LOST A LOT OF MONEY IN THE MARKET WITH  
22 MR. HUNT OR WITH THE BBC OR MR. DOSTI; IS THAT CORRECT?

23 A THAT'S CORRECT.

24 Q ARE YOU ANGRY WITH THEM ABOUT THAT?

25 A NO.

26 Q WERE OTHER MEMBERS OF THE BBC, TO YOUR KNOWLEDGE,  
27 ANGRY WITH MR. HUNT BECAUSE THEY HAD LOST MONEY IN THE  
28 MARKET?

1 A YES.

2 Q WHO DID YOU KNOW THAT WAS ANGRY WITH HIM ABOUT  
3 THE LOSSES?

4 A WELL, I KNEW THAT THERE WAS SOME INVESTORS  
5 THAT WERE ANGRY WITH JOE HUNT AND I KNEW THAT TWO PARTICULAR  
6 MEMBERS OF THE BBC WERE ANGRY AT MR. HUNT, TOM AND DAVE MAY,  
7 BECAUSE THEY LOST SOME MONEY IN EARLIER TRADING PRIOR TO  
8 ME MEETING MR. HUNT AND I --

9 Q WELL, HOW ABOUT MR. BROWNING?

10 THE COURT: WAIT A MINUTE.

11 MR. BARENS: I AM SORRY.

12 THE COURT: HAVE YOU FINISHED YOUR ANSWER?

13 THE WITNESS: YES, SIR, YOUR HONOR.

14 THE COURT: DID YOU HAVE ANYTHING FURTHER?

15 THE WITNESS: NO, I DIDNT.

16 THE COURT: READ IT.

17 (WHEREUPON, THE RECORD WAS READ BY THE  
18 COURT REPORTER.)

19 MR. BARENS: THAT WAS MY QUESTION, JUDGE. I THINK  
20 YOU WANTED HIS LAST STATEMENT.

21 THE COURT: READ IT BACK.

22 (WHEREUPON, THE RECORD WAS READ BY THE  
23 COURT REPORTER.)

24 THE COURT: YOU SAID "AND I". YOU HADN'T FINISHED  
25 YOUR ANSWER WHEN YOU SAID "AND I".

26 THE WITNESS: I MEANT I HARDLY KNEW MR. BROWNING.  
27 I MET HIM MAYBE ON TWO OR THREE OCCASIONS SO I DIDN'T REALLY  
28 KNOW ANYTHING ABOUT HIM.



1 THE COURT: ALL RIGHT.

2 MR. BARENS: OKAY, WE EVIDENTLY WERE BOTH GOING THE  
3 SAME PLACE.

4 Q THERE WAS SOME DISCUSSION WITH YOU ABOUT A  
5 SALE OF YOUR BLACK BMW TO MR. HUNT.

6 DID YOU FIRST APPROACH MR. HUNT THAT YOU WANTED  
7 TO SELL YOUR CAR OR DID MR. HUNT FIRST ASK YOU IF YOU WOULD  
8 SELL YOUR CAR?

9 A WELL, THE CAR WAS FOR SALE AT AN AUTO STORE  
10 CALLED THE ROAD SHOW IN CENTURY CITY SO MR. HUNT KNEW I WAS  
11 TRYING TO SELL MY CAR AND THEN, OF COURSE, MR. GRAHAM SHOWED  
12 INTEREST, HE WAS INTERESTED IN THAT TYPE OF CAR SO THAT IS  
13 HOW THE SALE CAME ABOUT.

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1 Q AND THEN THE TRANSACTION OCCURRED WHEREBY MR. HUNT  
2 PAID YOU HOW MUCH FOR YOUR CAR?

3 A APPROXIMATELY \$14,000.

4 Q AND THEN SHORTLY THEREAFTER, HE HAD PERMITTED  
5 MR. GRAHAM TO DRIVE THE CAR?

6 A THAT'S CORRECT.

7 Q WAS THERE ANYTHING SINISTER ABOUT THAT AT THE  
8 TIME?

9 A NO.

10 THE COURT: DO YOU KNOW WHAT THAT MEANS?

11 THE WITNESS: YES, YOUR HONOR.

12 NO.

13 Q BY MR. BARENS: IT JUST LOOKED LIKE -- ISN'T IT  
14 A FACT THAT ALL OF THESE BBC YOUNG MEN WERE FROM TIME TO TIME,  
15 DRIVING A VARIETY OF BMW CARS?

16 A THAT'S TRUE.

17 Q SO, IT TURNS OUT THAT MR. GRAHAM IS JUST ANOTHER  
18 GUY IN THE BBC DRIVING A BMW? IT DIDN'T SEEM UNUSUAL DID  
19 IT?

20 A NO.

21 Q NOW, WHEN THE PERIOD OF MAY AND JUNE OF 1984 CAME  
22 AROUND, DID THE EMPHASIS OF MR. HUNT'S BUSINESS ATTENTION  
23 SEEM TO SHIFT FROM COMMODITIES TO THE MICROGENESIS ACTIVITIES?

24 THE COURT: WELL, I THOUGHT YOU SAID YOU WERE OUT OF  
25 THE COUNTRY AT THAT TIME. WEREN'T YOU?

26 THE WITNESS: YES, YOUR HONOR. I WAS.

27 THE COURT: HOW WOULD HE KNOW?

28 MR. BARENS: HE MIGHT HAVE BEEN IN TOUCH BY PHONE, JUDGE.

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1 HE SEEMS TO HAVE BEEN WITH OTHER PEOPLE.

2 THE COURT: WERE YOU IN TOUCH BY PHONE WITH ANYBODY  
3 ABOUT THAT?

4 THE WITNESS: I WAS BUT I CAN'T REMEMBER IF HIS --

5 MR. BARENS: LET ME BREAK IT DOWN.

6 Q ISN'T IT A FACT THAT YOU DIDN'T LEAVE LOS ANGELES  
7 UNTIL ON OR ABOUT JUNE 2ND?

8 A THAT'S TRUE.

9 Q SO YOU WERE HERE IN MAY?

10 A I WAS HERE UNTIL JUNE 2ND. I LEFT JUNE 2ND. THAT  
11 WAS THE DAY OF MY DEPARTURE.

12 Q MY QUESTION, SIR, GOES TO MAY, LET'S SAY. IN  
13 MAY, HAD MR. HUNT'S INTEREST SHIFTED FROM COMMODITIES TO THE  
14 MICROGENESIS TRANSACTION?

15 A NOT ANY MORE THAN USUAL. HE LOOKED AT THE MARKET  
16 IN THE MORNING AND HE USUALLY WENT OUT TO GARDENA TO SEE HOW  
17 THE EQUIPMENT WAS BEING PUT TOGETHER IN THE AFTERNOON.

18 Q OKAY. THERE WAS A LOT OF DISCUSSION ABOUT  
19 MICROGENESIS GOING ON AND GETTING INVESTORS TO COME IN ON  
20 THAT TRANSACTION?

21 A THAT'S CORRECT.

22 Q NOW, YOU WERE ALSO AT THAT TIME WORKING ON  
23 SOMETHING CALLED THE FIRE SAFETY PROJECT?

24 A THAT'S CORRECT.

25 Q AND THE FIRE SAFETY MATTER CONTINUED BEING DEVELOPED  
26 BY EVERYBODY AT THAT TIME?

27 A YES.

28 Q NOW, YOU LEFT LOS ANGELES IN JUNE. AND THEN YOU

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1 ARE IN PARIS. THEN YOU ARE IN LONDON.

2 AND THEN YOU ARE IN SINGAPORE. ALL RIGHT. NOW,  
3 I WANT TO KNOW -- I WILL SHOW YOU AN EXHIBIT THAT HAS BEEN  
4 MARKED DEFENDANT'S EE, YESTERDAY AFTERNOON WHICH IS A LETTER  
5 ON FIRE SAFETY ASSOCIATION STATIONERY.

6 DO YOU SEE THAT?

7 A YES I DO.

8 Q WHAT IS THE DATE ON THAT?

9 A JULY 6.

10 Q WHOSE NAME IS TYPED AT THE BOTTOM OF THAT LETTER?

11 A STEVE TAGLIANETTI.

12 Q NOW, HAD YOU EVER DISCUSSED THE FIRE SAFETY  
13 ASSOCIATION PROJECT WITH MR. TAGLIANETTI?

14 A NO.

15 Q DO YOU KNOW IF HE WAS WORKING ON IT OR NOT?

16 A NO. I THOUGHT THAT HE WAS JUST WITH WESTCARS.  
17 THAT WAS MY UNDERSTANDING.

18 Q OKAY. NOW, THIS LETTER SIR, COULD YOU JUST READ  
19 THE FIRST SENTENCE OF THE LETTER THAT STARTS OFF WITH --

20 A "HEREWITH ENCLOSED IS THE BALANCE OF THE FIRE  
21 SAFETY DEALER MANUAL. PLEASE ACCEPT MY APOLOGIES FOR THE  
22 LATENESS OF ITS ARRIVAL."

23 Q DO YOU REMEMBER RECEIVING THAT LETTER AND THOSE  
24 MATERIALS THAT ARE BEING DESCRIBED IN THIS FIRE SAFETY MANUAL  
25 WHEN YOU WERE IN SINGAPORE IN JULY, 1984?

26 A I REMEMBER IT CAME TO SINGAPORE CUSTOMS AND I  
27 HAD TO GET THEM OUT OF CUSTOMS.

28 Q AND IT IS THE MATERIAL DESCRIBED IN THE MANUAL,

1 ET CETERA?

2 A I BELIEVE SO.

3 Q ALL RIGHT. SO IN FACT, YOU HAD TO GO TO CUSTOMS  
4 TO RETRIEVE THE MATERIALS THAT ARE DESCRIBED IN THAT LETTER  
5 ABOUT THE TIME OF THE DATE OF THAT LETTER?

6 A THAT'S CORRECT. SINGAPORE CUSTOMS WOULDN'T RELEASE  
7 THEM.

8 Q OKAY. NOW, WHILE YOU ARE IN SINGAPORE AND IN  
9 EUROPE, YOU ARE LOOKING FOR INVESTORS IN THIS CYCLATRONICS  
10 TECHNOLOGY?

11 A CORRECT.

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1 Q AND YOU MENTIONED THAT YOU HAD INTERESTED THE  
2 GOVERNMENT IN THAT SOMEHOW?

3 A THAT'S CORRECT.

4 Q DID THIS ALL SEEM TO BE A VALUABLE TECHNOLOGY?  
5 WHAT SORT OF MONEY WAS THE GOVERNMENT OF SINGAPORE TALKING  
6 ABOUT INVESTING IN THE CYCLATRON?

7 A WELL, IF THE ENGINEERS APPROVED WHAT WAS GOING  
8 ON HERE IN LOS ANGELES, IN THEIR TRAVELS TO LOS ANGELES, THEN  
9 THE SINGAPORE GOVERNMENT WOULD BACK WHATEVER THEY SAID.

10 IT WAS BASICALLY, YOU KNOW, THE EXPENSE WAS CARTE  
11 BLANCHE, WHATEVER THEY WANTED TO SPEND, THEY HAD AUTHORITY  
12 TO SPEND.

13 Q WERE THEY TALKING ABOUT -- WERE THEY USING WORDS  
14 LIKE THAT THEY WOULD INVEST MILLIONS OF DOLLARS IN THE  
15 CYCLATRON TECHNOLOGY?

16 A YES.

17 Q AND HAD YOU EVER HEARD THE CYCLATRON BEING DISCUSSED  
18 IN TERMS OF SILICA OR GLASS APPLICATIONS?

19 A YES.

20 Q AND YOU HAD HEARD THAT BEFORE YOU WENT ON YOUR  
21 TRIP?

22 A YES.

23 Q NOW, YOU HAD CERTAIN TECHNICAL REPORTS THAT YOU  
24 COULD SHOW POTENTIAL INVESTORS OVER THERE IN SINGAPORE, DID  
25 YOU NOT, SIR?

26 A I DID.

27 Q YOU HAD SOME SORT OF A VIDEO DEPICTING THE  
28 OPERATION OF THE TECHNOLOGY?

1 A THAT'S CORRECT.

2 Q AND BASED ON THE EXAMINATION THE POTENTIAL  
3 INVESTORS HAD MADE OF THESE MATERIALS, THEY WERE TALKING ABOUT  
4 COMMITTING TO THOSE INVESTMENTS?

5 A THAT'S CORRECT.

6 Q NOW, LET'S SEE. YOU LEFT JUNE 2ND. YOU WERE  
7 NOT ONE OF THE PEOPLE AT THE 6-24 MEETING. YOU ARE NOT BACK  
8 IN THE UNITED STATES UNTIL WHEN, SIR?

9 A I THINK SOMETIME IN AUGUST, THE END OF AUGUST.  
10 BECAUSE FROM SINGAPORE, I WENT TO INDIA.

11 Q I SEE. SO, YOU NEVER AT ALL, RETURNED TO  
12 LOS ANGELES UNTIL WHEN?

13 A UNTIL SOMETIME IN AUGUST.

14 Q DO YOU HAVE YOUR PASSPORT WITH YOU?

15 A RIGHT HERE.

16 THE COURT: PARDON ME?

17 MR. BARENS: I ASKED HIM IF HE HAD HIS PASSPORT WITH  
18 HIM, YOUR HONOR.

19 Q COULD YOU TRY TO, BY USE OF YOUR PASSPORT, TELL  
20 ME MORE SPECIFICALLY WHEN YOU RE-ENTERED THE UNITED STATES  
21 AFTER THAT TRIP? LET'S SAY, WHAT IS THE FIRST RE-ENTRY DATE  
22 THAT YOU HAVE AFTER YOUR DEPARTURE DATE OF JUNE 2ND?

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1           A        OKAY.  I GOT A LOT OF STUFF IN HERE, YOUR HONOR.  
2           THE COURT:  GIVE US YOUR BEST APPROXIMATION AS TO  
3           WHEN YOU CAME --

4                    INCIDENTALLY, WHAT COUNTRY IS THAT PASSPORT ON?  
5           THE WITNESS:  SINGAPORE.

6           THE COURT:  SINGAPORE, ARE YOU A CITIZEN THERE?

7           THE WITNESS:  YES.

8                    OKAY, I HAVE GOT A CHOP HERE THAT I LEFT INDIA  
9           IN 11 OF AUGUST IN 1984 AND FROM INDIA, I WENT TO SINGAPORE  
10          AND FROM SINGAPORE, I CAME BACK, SO IT WOULD HAVE -- IT WOULD  
11          HAVE HAD TO HAVE BEEN IN THE LATTER PART OF AUGUST, IT WOULD  
12          HAVE HAD TO HAVE BEEN.

13          Q        BY MR. BARENS:  OKAY, AS NEAR AS WE CAN, BASED  
14          ON YOUR RECOLLECTION?

15          A        RIGHT.

16          Q        AND BASED ON WHAT YOU SEE IN YOUR PASSPORT BOOK?

17          A        YES.

18          Q        IN ANY EVENT, YOU CAME BACK TO LOS ANGELES IN  
19          THE SECOND HALF OR THE LATTER PART OF AUGUST OF 1984?

20          A        THAT'S CORRECT.

21          Q        AND AFTER THAT, DID YOU SEE MR. HUNT?

22          A        I DID.

23          Q        AND DID YOU SEE MR. DOSTI?

24          A        I DID.

25          Q        AND WERE THEY STILL WORKING OVER AT THE THIRD  
26          STREET OFFICES, ET CETERA?

27          A        YES, THEY WERE.

28          Q        AND WHAT WERE THEY WORKING ON AT THAT POINT?



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1           A           BUSINESS AS USUAL, YOU KNOW. I HADN'T REALLY  
2 NOTICED A LOT OF DIFFERENCE UNTIL I CAME INTO THE OFFICE  
3 AND THEN --

4           Q           AND --

5           THE COURT: WAIT A MINUTE. "AND THEN WHAT?"

6           Q           BY MR. BARENS: YES?

7           A           I FOUND THAT THERE WERE A FEW MEMBERS THAT HAD,  
8 YOU KNOW, WERE NO LONGER THERE THAT WERE THERE.

9           Q           THAT WERE NO LONGER PARTICIPATING IN BBC?

10          A           THAT'S CORRECT.

11          Q           AND DID YOU HEAR SOME SCUTTLEBUTT, I SUPPOSE,  
12 AS TO WHY THEY WEREN'T WORKING THERE ANYMORE?

13          A           I DID.

14          Q           AND WHY WAS THAT?

15          MR. WAPNER: OBJECTION. CALLS FOR HEARSAY.

16          THE COURT: OVERRULED.

17          Q           BY MR. BARENS: SIR?

18          A           I AM SORRY. I FORGOT THE QUESTION.

19          THE COURT: WHAT WAS THE SCUTTLEBUTT THAT YOU HEARD?

20          Q           BY MR. BARENS: WHAT DID YOU HEAR AS SCUTTLE-  
21 BUTT AS TO WHY PEOPLE WEREN'T WORKING AT BBC ANYMORE?

22          A           THE SCUTTLEBUTT I HEARD WAS THAT THEY WERE  
23 SCARED, THAT THEY WERE SCARED BECAUSE FROM YOU KNOW, RUMORS  
24 THEY HEARD THAT JOE SHOT RON LEVIN.

25          Q           THAT JOE SHOT RON LEVIN?

26                        AND YOU HEARD THIS WHEN YOU FIRST CAME BACK FROM  
27 EUROPE?

28          A           THAT'S CORRECT.

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1 Q DID YOU EVER SPEAK TO MR. HUNT ABOUT THAT  
2 ALLEGATION?

3 A I DID.

4 Q AND WHAT DID YOU SAY TO HIM?

5 A I SAID, YOU KNOW, "WHAT IS GOING ON?" I HEAR  
6 THIS AND I HEAR THAT AND HE SAID --

7 MR. WAPNER: OBJECTION. CALLS FOR HEARSAY, YOUR HONOR.  
8 MAY WE APPROACH?

9 MR. BARENS: YOUR HONOR, WE HAVE LET IN EVERYTHING.

10 THE COURT: HIS PARTICIPATION, IS THAT WHAT YOU MEAN?

11 MR. BARENS: WE HAVE LET EVERYTHING IN MR. HUNT HAS  
12 SAID IN THIS TRIAL.

13 THE COURT: YOU DON'T HAVE TO APPROACH.

14 I WILL PERMIT IT. GO AHEAD.

15 Q BY MR. BARENS: WHAT DID YOU SAY TO HIM, "I  
16 HEARD YOU SHOT RON LEVIN"?

17 A SOMETHING TO THAT EFFECT, YES.

18 Q AND WHAT DID HE SAY TO YOU?

19 A HE SAYS -- OH, WHAT DID HE SAY? HE SAYS "OH,  
20 I JUST TOLD THEM THAT TO SEE, YOU KNOW, HOW THEY WOULD  
21 REACT"-- OR, YOU KNOW, OR -- "DON'T PAY ANY ATTENTION TO THEM.  
22 THEY DON'T KNOW WHAT THEY ARE TALKING ABOUT," OR SOMETHING  
23 TO THAT EFFECT.

24 Q DID HE TELL YOU THAT IT HAD BEEN A LIE?

25 A YES, IT WAS UNTRUE.

26 Q HE TOLD YOU THAT?

27 WHEN THEY SAID HE HAD SHOT RON LEVIN, DID HE  
28 ADMIT TO YOU THAT HE HAD MADE THE STATEMENT?

1           A        YES.

2           Q        AND THEN HE TOLD YOU THAT THE STATEMENT WAS  
3 UNTRUE?

4           A        THAT IS CORRECT.

5           Q        AND THEN LET ME TRY TO UNDERSTAND WHAT YOU ARE  
6 TELLING US --

7           THE COURT: THAT IS PERFECTLY CLEAR. YOU DON'T HAVE  
8 TO GO ANY FURTHER.

9           MR. BARENS: I WOULD LIKE TO CONTINUE THE DISCUSSION.

10          THE COURT: GO AHEAD.

11          Q        BY MR. BARENS: ALL RIGHT. HE SAID TO YOU THAT  
12 IT WAS UNTRUE AND THEN YOU SAID SOMETHING LIKE HE SAID THAT  
13 TO SEE WHAT THEY WOULD SAY OR DID HE SAY HE SAID IT FOR  
14 EFFECT, WHAT DO YOU MEAN BY THAT, MR. LOPEZ?

15          THE COURT: HE DIDN'T MENTION ANYTHING ABOUT HE SAID  
16 IT FOR AN EFFECT.

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1 MR. BARENS: I AM ASKING THE QUESTION, JUDGE.

2 THE COURT: YOU ARE LEADING HIM INTO THIS QUESTION,  
3 ARE YOU?

4 MR. BARENS: I AM ON CROSS-EXAMINATION WHICH,  
5 HISTORICALLY, HAS PERMITTED TO DO SO.

6 THE COURT: GO AHEAD.

7 DID HE SAY IT FOR THE EFFECT, JUST TO MAKE AN  
8 EFFECT UPON THE PEOPLE THERE?

9 THE WITNESS: PROVOKE A RESPONSE, I GUESS, OR TO, YOU  
10 KNOW, TO SEE HOW THEY WOULD ACT OR REACT.

11 I CAN'T EXACTLY REMEMBER THE EXACT WORDS.

12 Q BY MR. BARENS: AND HE HAS THAT CONVERSATION  
13 WITH YOU IN AUGUST; IS THAT THE ONLY TIME YOU HAD DISCUSSED  
14 THIS SUBJECT WITH HIM?

15 A YES.

16 Q DID MR. HUNT IN THIS -- STAYING WITH THIS  
17 COVNERSTATION FOR A MOMENT -- DID HE EVER SAY WORDS, THE  
18 WORDS THAT HE WAS TRYING TO MAKE HIMSELF LOOK LIKE A TOUGH  
19 GUY TO THESE PEOPLE?

20 A TOUGH GUY AND A PERSON THEY WOULD LOOK UP TO.

21 Q A TOUGH GUY AND A PERSON THEY WOULD LOOK UP TO?

22 A YES, THAT IS JUST MY OWN --

23 Q WHAT YOU ARE TELLING ME, MR. LOPEZ, IS THE SENSE  
24 OF THE WORDS BUT YOU CAN'T RECALL LITERAL WORDS?

25 A THAT IS TRUE.

26 Q THIS DISCUSSION OCCURRED AT THE BBC OFFICES?

27 A YES.

28 Q NOW, YOU WERE THEN STILL INTERESTED IN GETTING

1 INVESTMENTS IN THIS MICROGENESIS TECHONOLOGY?

2 A YES, I WAS HOPING THAT THE MACHINE WOULD BE  
3 PUT TOGETHER SHORTLY SO I COULD TELL THE SINGAPORE PEOPLE  
4 TO COME OVER AND LOOK AT IT CLOSER.

5 Q HAD YOU READ THE TECHNICAL DATA YOURSELF ABOUT  
6 THE MICROGENESIS DEVICE?

7 A BRIEFLY.

8 Q DID YOU UNDERSTAND IT WELL ENOUGH TO DISCUSS  
9 IT WITH SOMEONE?

10 A NO.

11 THE ONLY WAY IT WAS DISCUSSED WAS ON THE VIDEO  
12 TAPE AND I COULDN'T ANSWER ANY OTHER QUESTIONS THAT THEY HAD.

13 Q WHEN YOU WOULD DISCUSS THIS WITH POTENTIAL  
14 INVESTORS, FOR INSTANCE, GOING BACK TO THE INVESTORS YOU  
15 HAD TRIED TO GENERATE IN SINGAPORE, WOULD YOU SUBMIT THE  
16 TECHNICAL DATA TO A POTENTIAL INVESTOR?

17 A I DON'T REMEMBER IF I SUBMITTED THE TECHNICAL  
18 DATA AS MUCH AS INVITING THEM TO LOOK AT THE VIDEO TAPE  
19 AND SEE WHAT THEY THOUGHT OF IT.

20 Q WERE THERE WORDS ON THE VIDEO TAPE?

21 A YES.

22 Q WAS THERE A DESCRIPTION ON THE VIDEO TAPE AS  
23 TO WHAT THE MACHINE WAS DOING AND WHAT ITS CAPABILITIES  
24 WERE, AS YOU WOULD IN WATCHING A TECHNICAL DEVICE ON FILM?

25 A IT WAS A DOCUMENTARY ON THE MACHINE.  
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1 Q AND WAS IT KIND OF A SALES ORIENTED DOCUMENTARY  
2 THAT WOULD EMPHASIZE THE THINGS THE MACHINE COULD DO AND WHAT  
3 IT WAS EXPECTED TO BE ABLE TO PERFORM IN THE FIELD?

4 A YES.

5 Q AND DID YOU SHOW THAT TO -- WELL, WHEN YOU WERE  
6 ATTEMPTING TO GET THE GOVERNMENT IN SINGAPORE TO INVEST, WERE  
7 THERE -- WHAT I WANT TO ASK YOU IS, WAS THERE ANYBODY OF A  
8 SOPHISTICATED TECHNICAL KNOWLEDGE THAT WATCHED THIS FILM?  
9 FOR INSTANCE, AN ENGINEER-TYPE OR PH.D.-TYPE THAT WOULD HAVE  
10 SOME PREVIOUS WELL OF KNOWLEDGE ABOUT THAT TYPE OF TECHNOLOGY?

11 A YES. THERE WERE TWO ENGINEERS.

12 Q AND BY WHAT YOU OBSERVED FROM THEM AND THEIR  
13 RESPONSE REMARKS TO WATCHING THIS, WERE THEY IMPRESSED?

14 A YES.

15 Q AND THEY SEEMED TO HAVE A BELIEF THAT THIS MACHINE  
16 HAD SOME POTENTIAL, SOME SIGNIFICANT POTENTIAL ECONOMIC  
17 ADVANTAGE?

18 A THAT'S RIGHT.

19 MR. BARENS: THANK YOU.

20  
21 REDIRECT EXAMINATION

22 BY MR. WAPNER:

23 Q WHEN IN AUGUST, WAS IT THAT YOU GOT BACK TO  
24 LOS ANGELES?

25 A I AM GUESSING THE LATTER PART OF AUGUST.

26 Q AND WHEN WAS IT AFTER YOU GOT BACK THAT YOU HAD  
27 THIS TALK WITH MR. HUNT ABOUT THE STATEMENTS THAT HE SUPPOSEDLY  
28 MADE ABOUT MR. LEVIN?

1 A PROBABLY TWO DAYS AFTER I GOT BACK.

2 Q DID YOU GO TO THE OFFICES OF THE BBC?

3 A NOT ON A REGULAR BASIS, BUT I DID GO.

4 Q HOW WAS IT THAT YOU NOTICED THAT THINGS AT THE  
5 BBC WERE DIFFERENT WHEN YOU GOT BACK, FROM WHAT THEY HAD BEEN  
6 WHEN YOU LEFT?

7 A WELL, WHERE THE SECRETARY SAT, THERE WAS ABOUT  
8 FOUR OR FIVE ROOMS IN THAT IMMEDIATE AREA. I SAW A FEW OF  
9 THEM WERE EMPTY.

10 Q WHOSE OFFICES HAD THEY BEEN?

11 A THE ONE I REMEMBER -- BECAUSE IT HAD THE MOST  
12 TABLES IN IT, WAS DEAN KARNY, TOM MAY AND I FORGET. THERE  
13 WAS A THIRD PERSON THAT WAS IN THERE.

14 Q WAS MR. TAGLIANETTI THERE, ALSO?

15 A I DON'T RECALL. HE CAME AND WENT A LOT.

16 Q WAS MR. KARNY STILL WORKING THERE IN AUGUST?

17 A I DON'T REMEMBER.

18 Q AS FAR AS THAT PARTICULAR OFFICE IS CONCERNED,  
19 DID YOU NOTICE THERE WERE SOME EMPTY DESKS?

20 A I MEAN, THE ROOM WAS DARK WHEN I WALKED IN. THE  
21 LIGHTS WERE NOT ON.

22 Q THAT WAS DIFFERENT THAN WHEN YOU HAD LEFT IN JUNE?

23 A THAT'S CORRECT. THERE WERE ALWAYS LIGHTS ON.

24 Q ANY OTHER OFFICES THERE THAT HAD THE LIGHTS OFF?

25 A YES. THE OFFICES THAT WERE WAY IN THE BACK TOWARD  
26 THE MEN'S RESTROOMS, WERE EMPTY, WHICH IS WHERE JOE'S FATHER,  
27 MR. HUNT'S FATHER, USED TO SIT WITH ANOTHER MAN. I FORGET  
28 HIS NAME.

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1 Q WAS THAT MR. MINGARELLA?

2 A YES.

3 Q FRANK MINGARELLA?

4 A YES, FRANK MINGARELLA BECAUSE I WAS TALKING TO  
5 BOTH THOSE MEN ON THE FIRE RETARDANT CHEMICALS IN REGARDS  
6 TO SUPPLYING THEM TO SOUTHEAST ASIA.

7 Q WERE THERE ANY OTHER OFFICES THAT WERE DARK THEN?

8 A NOT THAT I CAN REMEMBER.

9 Q AND WHAT WAS IT THAT PROMPTED YOU TO ASK MR. HUNT  
10 WHAT WAS GOING ON?

11 A IT SEEMS TO BE LESS PEOPLE THERE THAN THERE USUALLY  
12 WAS.

13 Q AND WHEN YOU ASKED HIM THAT, WHAT DID HE SAY?

14 A I REALLY DON'T REMEMBER.

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A-L 1 Q HOW WAS IT THAT YOU HEARD ABOUT THIS "SCUTTLEBUTT"  
2 IN THE OFFICE?

3 A WELL, I DON'T KNOW WHERE I HEARD IT OR WHO I HEARD  
4 IT FROM BECAUSE I LIVED IN THE BUILDING. SO, THERE WERE A  
5 LOT OF PEOPLE THAT USED TO COME INTO YOU KNOW -- TO VISIT  
6 MR. HUNT AT HIS APARTMENT AND I JUST DON'T REMEMBER WHERE  
7 I HEARD IT OR WHO I HEARD IT FROM. I JUST HEARD -- HAVE YOU  
8 HEARD THAT -- I THINK THAT I HEARD IT FROM MAYBE JON ALLEN  
9 OR SOMETHING.

10 BECAUSE HE INTRODUCED -- WE HAD A MUTUAL FRIEND  
11 AND I TALKED TO HIM AND HE SAID SOMETHING ABOUT THE MAYS.  
12 AND I THINK THAT IS HOW IT GOT STARTED.

13 Q JON ALLEN WAS STILL A MEMBER OF THE GROUP AT THAT  
14 POINT IN TIME?

15 A YES HE WAS.

16 Q THE MAYS WERE NOT PART OF THE GROUP AT THAT  
17 PARTICULAR TIME?

18 A THAT'S CORRECT.

19 Q CORRECT?

20 A THAT'S CORRECT.

21 Q AND WHEN YOU ASKED MR. HUNT ABOUT THIS AND HE  
22 SAID -- WELL, WHEN YOU ASKED HIM ABOUT IT, WHAT DID HE SAY?

23 A HE SAID THAT IT WAS JUST LIES AND RUMORS AND NOT  
24 TO WORRY MYSELF ABOUT IT.

25 Q WHAT DID HE SAY ABOUT THIS TOUGH GUY STATEMENT?  
26 WHAT WAS THAT ALL ABOUT?

27 A WELL, YOU KNOW, JOE HAD -- MR. HUNT HAD A  
28 PHILOSOPHY THAT IF ANYBODY HAD A PROBLEM, HE WANTED THEM TO  
TALK TO HIM OR TO COME TO HIM RATHER THAN CAUSING A LOT OF

1 RUMORS IN THE OFFICE.

2 SO, IF YOU HAD A PROBLEM WITH THE BUSINESS OR  
3 YOU DIDN'T HAVE A CAR AND THERE WAS NOT A CAR AROUND TO GO  
4 AND DO AN IMPORTANT ERRAND FOR THE COMPANY, TO TALK TO HIM,  
5 DON'T GO TALKING TO SOMEBODY ELSE. AND HE WOULD RESOLVE IT.

6 Q WHEN HE SAID THAT IT WAS LIES AND RUMORS AND NOT  
7 TO WORRY ABOUT IT -- FIRST OF ALL, DO YOU REMEMBER EXACTLY  
8 WHAT HE SAID, THE WORDS THAT HE USED?

9 A WELL, HE LAUGHED FIRST.

10 THE COURT: HE DID WHAT?

11 THE WITNESS: HE LAUGHED.

12 THE COURT: HE LAUGHED?

13 THE WITNESS: YES. YOU KNOW, IT WAS UNTRUE.

14 THE COURT: WHAT WAS UNTRUE? THAT HE DIDN'T MAKE THAT  
15 STATEMENT OR THAT HE ACTUALLY DIDN'T KILL LEVIN?

16 THE WITNESS: THAT HE DIDN'T KILL LEVIN.

17 THE COURT: BUT, DID HE DENY THAT HE MADE THE STATEMENT?

18 THE WITNESS: NO. HE SAID HE DID MAKE THE STATEMENT.

19 Q BY MR. WAPNER: NOW, WHEN HE SAID TO YOU -- WELL,  
20 DO YOU REMEMBER WHERE YOU WERE WHEN YOU WERE TALKING TO  
21 MR. HUNT ABOUT THIS?

22 A IT COULD HAVE BEEN IN THE OFFICE OR IT COULD HAVE  
23 BEEN IN THE APARTMENT BECAUSE YOU KNOW, WE LIVED -- HE LIVED  
24 UP THREE FLOORS FROM ME. SO I THINK IT WAS, IT COULD HAVE  
25 BEEN EITHER ONE OF THE PLACES. I CAN'T TELL YOU FOR SURE.

26 Q AND YOU HAD JUST COME BACK FROM A TRIP WHERE YOU  
27 WERE ATTEMPTING TO RAISE MONEY FOR MICROGENESIS?

28 A THAT'S CORRECT.

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1 Q WERE YOU INTENDING TO GO BACK TO RAISE MORE  
2 MONEY FOR MICROGENESIS?

3 A NO.

4 AT THIS POINT, I WAS GOING TO LET THEM FLY OVER  
5 HERE, BECAUSE THE EQUIPMENT AND THE MACHINERY WAS IN LOS  
6 ANGELES, SO GOING BACK WOULDN'T HAVE DONE ANY GOOD.

7 Q BUT YOU WERE STILL IN THE POSITION WHERE YOU  
8 WERE GOING TO RAISE MONEY FOR MICROGENESIS WHETHER IT WAS  
9 FROM THE PUBLIC UTILITIES BOARD OF MALAYSIA OR SOMEBODY  
10 ELSE, RIGHT?

11 A RIGHT.

12 Q SO IF THE PUBLIC UTILITIES BOARD IN MALAYSIA  
13 DECIDED NOT TO INVEST, YOU WERE GOING TO ATTEMPT TO GET  
14 OTHER INVESTORS TO DO THIS?

15 A RIGHT.

16 Q AND HAD YOU DISCUSSED THAT WITH MR. HUNT?

17 A YES, I HAD.

18 Q AND SO AT THAT POINT, WOULD IT BE FAIR TO SAY  
19 THAT HE STILL NEEDED YOU AND WAS USING YOU AS A RESOURCE TO  
20 ATTEMPT TO RAISE MONEY FOR HIM?

21 A THAT'S CORRECT.

22 Q AND YOU BELIEVE IT WAS AT THE OFFICE THAT YOU  
23 HAD THIS DISCUSSION ABOUT THE STATEMENT HE MADE ABOUT IT IS  
24 NOT TRUE AND DON'T WORRY ABOUT IT?

25 A YES.

26 MR. BARENS: I BELIEVE HE SAID THE TESTIMONY WAS HE  
27 WASN'T SURE.

28 THE COURT: WELL, THE JURY HEARD IT. THEY WILL KNOW

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1 WHAT IT IS.

2 Q BY MR. WAPNER: DO YOU KNOW WHERE IT WAS THAT  
3 HE MADE THIS STATEMENT, WAS IT AT THE OFFICE, AT THE CONDO  
4 OR THE STREET, WHERE WAS IT?

5 A IT COULD HAVE BEEN THE OFFICE OR THE CONDO, I  
6 CAN'T SAY FOR SURE. I --

7 Q TELL US AS BEST YOU CAN THE WORDS THAT HE USED  
8 AND THE MANNER IN WHICH HE MADE THE STATEMENT "DON'T WORRY  
9 ABOUT IT".

10 Q WELL, HE WAS VERY LIGHTHEARTED, FRIENDLY AND  
11 HE DIDN'T SEEM TO SHOW ANY, YOU KNOW, HE WASN'T WORRIED  
12 ABOUT THE STATEMENT.

13 HE JUST SHRUGGED IT OFF AS "THEY ARE JEALOUS" --  
14 OR I CAN'T REMEMBER.

15 IT WAS JUST RUMORS, IT IS NOT TRUE, IT IS  
16 UNTRUE, OR WANTING TO SEE WHO WAS REALLY WITH THE BBC AND  
17 WHO WASN'T.

18 Q WHAT WAS YOUR REACTION?

19 A WELL, I WAS A LITTLE CONCERNED AND AT THAT  
20 POINT --

21 I THINK THE NEXT DAY, I WAS VERY TIRED BECAUSE  
22 OF THE TIME DIFFERENCE IN TRAVEL SO I -- THE NEXT DAY.

23 Q YOU WERE CONCERNED?

24 A WELL, I WAS A LITTLE NERVOUS WHEN I HEARD ABOUT  
25 IT, YOU KNOW, WHEN I HEARD ABOUT THIS, YOU KNOW, BECAUSE I  
26 UNDERSTOOD THAT RON LEVIN AND MR. HUNT WERE GOOD FRIENDS,  
27 AT LEAST THAT IS WHAT I UNDERSTOOD PRIOR TO LEAVING, AND I  
28 WENT OVER TO TOM AND DAVE MAY'S APARTMENT TO ASK THEM.

1 Q ALL RIGHT. I DON'T WANT TO KNOW AT THIS POINT  
2 WHAT THEY TOLD YOU.

3 A OKAY.

4 Q BUT WHEN MR. HUNT FIRST GAVE YOU THIS NEWS --

5 A YES.

6 Q -- WHAT WAS YOUR REACTION?

7 A WELL, I WASN'T SURE WHAT TO BELIEVE AND WHAT  
8 NOT TO BELIEVE.

9 Q AND AFTER YOU LEFT THE MAYS, WHAT DID YOU DO?  
10 THE COURT: AFTER YOU LEFT THE MAYS?

11 MR. WAPNER: THE MAYS' APARTMENT.

12 THE WITNESS: I WENT HOME AND I HAD A GOOD THINK  
13 ABOUT EVERYTHING AND IT WAS, I THINK, IT WAS VERY SHORTLY  
14 AFTER THAT JOE HUNT GOT ARRESTED, I BELIEVE.

15 Q AND DID YOU CONTINUE TO LIVE AT THE WILSHIRE  
16 MANNING AT THAT TIME?

17 A NO.

18 I LEFT SHORTLY AFTER THAT.

19

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1 Q AFTER MR. HUNT GOT ARRESTED?

2 A YES.

3 Q DID MR. HUNT EVER TELL YOU THAT AFTER HE MADE  
4 THIS STATEMENT TO THE MEMBERS OF THE BBC, THAT HE WENT TO  
5 THEM AND SAID, "OKAY, FELLOWS, I WAS JUST TEASING YOU, IT  
6 WAS A JOKE. DON'T TAKE IT SERIOUS"?

7 MR. BARENS: WHO IS LEADING AT THIS POINT, YOUR HONOR?

8 MR. WAPNER: I WANT TO KNOW IF MR. HUNT SAID THAT.

9 MR. BARENS: ARE WE LEADING? OBJECTION, YOUR HONOR.

10 THE COURT: OBJECTION OVERRULED.

11 THE WITNESS: NO.

12 Q BY MR. WAPNER: AT SOME POINT, DID YOU ASK  
13 GENE VACTOR FOR AN ACCOUNTING OF WHAT HAPPENED WITH THE  
14 MONEY THAT WAS IN THE INTERNATIONAL MARKETING ACCOUNT AT  
15 E. F. HUTTON?

16 A I DID.

17 Q DID HE SEND YOU A LETTER GIVING YOU A STATEMENT  
18 OF WHAT HAD HAPPENED IN THE ACCOUNT?

19 A HE DID.

20 Q SHOWING YOU --

21 THE COURT: DID YOU SHOW IT TO COUNSEL?

22 MR. WAPNER: IT HAS BEEN PREVIOUSLY MARKED AS DEFENSE  
23 W, YOUR HONOR.

24 THE COURT: ALL RIGHT.

25 Q BY MR. WAPNER: SHOWING YOU THIS LETTER THAT  
26 HAS BEEN PREVIOUSLY MARKED AS DEFENSE W, DO YOU RECOGNIZE  
27 THAT?

28 A YES.

1 Q WHAT IS IT?

2 A IT IS A LETTER THAT HE WROTE TO ME, SHOWING ME  
3 OF THE LOSSES WE HAD AT E. F. HUTTON SO I COULD IN TURN SHOW  
4 THIS LETTER TO SOME OF THE INVESTORS SO THEY KNEW I DIDN'T  
5 PUT THE MONEY IN MY POCKET. SO I COULD VERIFY AND SHOW IT  
6 TO THEM AND VERIFY THE MONEY WAS ACTUALLY LOST IN TRADING.

7 Q THAT LETTER WAS WRITTEN TO YOU IN 1985, RIGHT?

8 A THAT'S CORRECT.

9 Q THE STATEMENTS THAT CAME ON THE SHEARSON AND  
10 E. F. HUTTON ACCOUNTS, DID THEY COME TO YOU AT YOUR  
11 RESIDENCE?

12 A THEY CAME TO, YES, THEY CAME TO THE RESIDENCE.

13 Q FIRST AT BEVERWIL AND THEN LATER AT THE WILSHIRE  
14 MANNING?

15 A THAT'S RIGHT.

16 Q WHEN YOU GOT THE STATEMENTS, WHAT DID YOU DO?

17 A WELL, I DIDN'T REALLY -- THEY CAME TO MY, TO  
18 THE APARTMENT BUT BEN HAD THE BOX KEY BECAUSE I WAS ALWAYS  
19 OUT OF TOWN SO THE MAIL WOULD HAVE PILED UP, SO HE TOOK CARE  
20 OF THE STATEMENTS AND HE FILED IT WHEN I WASN'T AROUND.

21 Q WHEN YOU WERE AROUND, DID YOU READ THE STATEMENTS?

22 A NO.

23 HE EXPLAINED IT TO ME.

24 Q DID YOU UNDERSTAND THEM?

25 A NO.

26 Q IF I SHOW YOU STATEMENTS THAT WE HAVE MARKED  
27 COLLECTIVELY AS PEOPLE'S 200 FOR IDENTIFICATION, WHICH ARE  
28 THE STATEMENTS ON THE INTERNATIONAL MARKETING OPERATIONS

1 ACCOUNT AT SHEARSON LEHMAN, DO YOU RECOGNIZE ANY OF THESE  
2 STATEMENTS?

3 ARE YOU ABLE TO READ ANY OF THESE STATEMENTS?

4 A NO. THEY ARE LIKE GREEK TO ME.

5 Q CAN YOU SAY THAT A LITTLE LOUDER SO THE JURY  
6 CAN HEAR YOU?

7 A THEY ARE LIKE GREEK TO ME. I CAN'T UNDERSTAND  
8 ANYTHING OF THAT.

9 Q SO EVEN IF YOU HAD LOOKED AT THEM WHEN THEY  
10 CAME TO YOUR HOUSE, YOU WOULDN'T HAVE KNOWN BY LOOKING AT  
11 THESE STATEMENTS WHAT WAS GOING ON IN THE ACCOUNT, CORRECT?

12 A CORRECT.

13 Q HOW DID YOU --

14 WHO DID YOU RELY ON TO TELL YOU WHAT WAS HAPPENING  
15 IN THE SHEARSON AND E. F. HUTTON ACCOUNTS?

16 A BEN DOSTI, WITH THE STATEMENTS.  
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1 Q AND AT THE TIME THAT YOU LEFT IN JUNE TO GO GET  
2 MORE INVESTORS, WHAT WAS YOUR UNDERSTANDING ABOUT THE STATUS  
3 OF THE TRADING ACCOUNTS?

4 A HE TOLD ME EVERYTHING WAS STATUS QUO.

5 Q MEANING?

6 A MEANING THAT EVERYTHING WAS OKAY, GOING ACCORDING  
7 TO EXPECTATIONS.

8 Q DID THEY TELL YOU THAT THE BULK OF THE MONEY HAD  
9 ALREADY BEEN LOST BY THE END OF MAY OF 1984?

10 A NO.

11 Q WHEN YOU WENT TO SINGAPORE, DID YOU TALK TO YOUR  
12 FATHER AT THAT PARTICULAR TIME?

13 A (THERE WAS NO AFFIRMATIVE RESPONSE.)

14 Q LET ME ASK YOU THIS. HAD YOUR FATHER INVESTED  
15 ANY MONEY INTO THE INTERNATIONAL MARKETING?

16 A YES.

17 Q I TAKE IT THAT HE WAS FAIRLY INTERESTED IN KNOWING  
18 WHAT WAS GOING ON WITH THE ACCOUNTS?

19 A YES.

20 Q WHAT DID YOU TELL HIM ABOUT HOW IT WAS GOING,  
21 IF YOU REMEMBER?

22 A IT WAS GOING OKAY.

23 Q AS FAR AS KEEPING TRACK OF THE MONEY THAT YOU  
24 PUT INTO THE ACCOUNTS AND WHAT HAPPENED TO IT, HOW DID YOU  
25 DO THAT?

26 A WELL, I TOLD THEM THAT CERTAIN MONEYS SHOULD BE  
27 RETURNED TO CERTAIN -- I NEEDED A CERTAIN AMOUNT AT A CERTAIN  
28 TIME. THEY SAID WELL, IF WE DON'T HAVE -- IF IT IS NOT MAKING

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1 THAT -- IF IT IS NOT MAKING A PROFIT, THEN WHAT WE'LL DO IS,  
2 WE'LL LEND YOU SOME MONEY FROM THE BBC. AND WHEN THE PROFIT  
3 IS GENERATED THROUGH E. F. HUTTON OR SHEARSON AMERICAN EXPRESS,  
4 IT WILL BE PAID BACK TO THE BBC.

5 AND I SAID THAT THAT WAS FINE BECAUSE AT THAT  
6 POINT, WE WERE SHOWING -- WE WANTED TO SHOW THE INVESTORS  
7 WE WERE MAKING A PROFIT, TO INVEST MORE.

8 Q ALL RIGHT. SO, THEY TOLD YOU THAT IF THE ACCOUNT  
9 WAS NOT SHOWING A PROFIT, THAT THE BBC WOULD PUT IN MONEY  
10 TO MAKE IT LOOK LIKE IT WAS SHOWING A PROFIT?

11 A NO. WHAT THEY SAID WAS, IF WE NEEDED TO MAKE  
12 A PAYMENT TO SINGAPORE, LET'S SAY, ON A CERTAIN DAY AT A  
13 CERTAIN TIME AND WE COULDN'T BECAUSE THE POSITIONS WERE NOT  
14 SHOWING A PROFIT, THEN THE BBC WOULD LEND ME THE MONEY TO  
15 MAKE THE PAYMENT AND WHEN WE MADE A PROFIT, WE WOULD REPAY  
16 THAT.

17 Q IN OTHER WORDS, A PAYMENT TO INVESTORS IN  
18 SINGAPORE WHO WOULD GET SOME RETURN ON THEIR INVESTMENT?

19 A YES.

20 Q AND DID YOU EVER MAKE ANY OF THOSE PAYMENTS?

21 A YES.

22 Q AND DO YOU KNOW WHERE THAT MONEY CAME FROM?

23 A FROM THE BBC.

24 Q DO YOU KNOW WHEN AND WHAT THE AMOUNTS OF THOSE  
25 PAYMENTS WERE?

26 A NO.

27 Q AND SO, THOSE PAYMENTS WERE MADE TO INVESTORS  
28 WHO WERE TOLD THAT THIS WAS A RETURN OF PROFIT ON THEIR

-3

1 INVESTMENT, WHEN IN FACT, IT MAY HAVE BEEN LOSING MONEY AT  
2 THE TIME?

3 A IT MAY HAVE BEEN.

4 Q AND FROM WHAT YOU KNEW, NONE OF THE MONEY THAT  
5 WENT INTO INTERNATIONAL MARKETING, WAS USED FOR THE PERSONAL  
6 NEEDS OF PEOPLE IN THE BBC?

7 A I JUST HAVE THE HONOR AND THE WORD OF MY FRIEND  
8 BEN DOSTI AT THE TIME, THAT YOU KNOW, HE WOULD WATCH IT  
9 CAREFULLY AND CLOSELY.

10 Q AND YOU TRUSTED MR. DOSTI TO THE EXTENT THAT EVERY  
11 TIME YOU WOULD LEAVE, THAT YOU WOULD SIGN EIGHT OR TEN BLANK  
12 CHECKS, RIGHT?

13 A THAT'S RIGHT.

14 Q AND IF THERE WERE CHECKS WRITTEN ON THE  
15 INTERNATIONAL MARKETING ACCOUNT TO CASH OR TO THE BBC  
16 CONSOLIDATED AND THEY COULD BE SIGNED BY MR. DOSTI AND THEY  
17 WOULD HAVE ALREADY BEEN SIGNED BY YOU, RIGHT?

18 A THAT'S RIGHT.

19 Q DID THE STATEMENTS COME BACK TO YOU AT THE WILSHIRE  
20 MANNING?

21 A YES.

22 Q DID YOU EVER GO THROUGH THE STATEMENTS AND CHECK  
23 THE CHECKS OR ANYTHING, TO SEE WHAT WAS HAPPENING TO THE MONEY?

24 A I DID CHECK THE CHECKS AND BEN WOULD TELL ME THAT  
25 IT WAS SOME REPAYMENT OR MONEY PUT IN AND THEN HE WOULD TELL  
26 ME VERBALLY, WHAT WAS WHAT. I DIDN'T EVEN LOOK AT THE TRADING  
27 BECAUSE OF COURSE, I DIDN'T UNDERSTAND IT.

28 Q SO IF THERE WAS A LARGE CHECK FOR EXAMPLE, ON

1 INTERNATIONAL MARKETING MADE OUT TO THE BBC CONSOLIDATED,  
2 YOU ONLY HAD THE WORD OF BEN DOSTI AS TO WHAT THE MONEY WAS  
3 ACTUALLY USED FOR?

4 A THAT'S RIGHT.

5 Q COULD YOU TELL US THE RELATIONSHIP AS YOU KNOW  
6 IT TO HAVE EXISTED AT THAT TIME, BETWEEN MR. DOSTI AND  
7 MR. HUNT?

8 A THEY WERE VERY, VERY GOOD FRIENDS, VERY CLOSE  
9 FRIENDS, BEST FRIENDS.

10 Q AND WHAT IS YOUR BASIS FOR SAYING THAT?

11 A WELL, THEY WERE SORT OF LIKE BROTHERS, I GUESS.  
12 THEY GREW UP TOGETHER AND THEY TALKED ABOUT THE FUTURE AND  
13 THE PAST AND THE PRESENT.

14 YOU KNOW, THEY WERE VERY CLOSE FRIENDS.

15 MR. WAPNER: YOUR HONOR, MIGHT THIS BE AN APPROPRIATE  
16 TIME TO BREAK? BECAUSE THERE ARE CERTAIN EXHIBITS THAT COUNSEL  
17 WANTS TO LOOK AT AND THAT I ALSO WANT TO SHOW THE WITNESS.

18 THE COURT: SURE.

19 MR. WAPNER: THANK YOU.

20 THE COURT: LADIES AND GENTLEMEN OF THE JURY, WE'LL  
21 TAKE OUR RECESS AT THIS TIME UNTIL 1:30 THIS AFTERNOON. AGAIN,  
22 THE SAME ADMONITION I GAVE YOU STILL APPLIES.

23 (AT 11:55 A.M. A RECESS WAS TAKEN  
24 UNTIL 1:30 P.M. OF THE SAME DAY.)  
25  
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1 SANTA MONICA, CALIFORNIA; TUESDAY, MARCH 10, 1987; 1:37 P.M.  
2 DEPARTMENT WEST C HON. LAURENCE J. RITTENBAND, JUDGE  
3 (APPEARANCES AS NOTED ON TITLE PAGE,  
4 EXCEPT MR. CHIER IS NOT PRESENT.)  
5

6 STEVE LOPEZ,  
7 THE WITNESS ON THE STAND AT THE TIME OF ADJOURNMENT RESUMED  
8 THE STAND AND TESTIFIED AS FOLLOWS:

9 THE CLERK: YOU HAVE BEEN SWORN SO YOU ARE STILL UNDER  
10 OATH.

11 IF YOU WOULD JUST STATE YOUR NAME FOR THE RECORD.

12 THE WITNESS: STEVE LOPEZ.  
13

14 REDIRECT EXAMINATION (RESUMED)

15 BY MR. WAPNER:

16 Q MR. LOPEZ, YOU BROUGHT YOUR PASSPORT WITH YOU  
17 TODAY; IS THAT RIGHT?

18 A THAT'S RIGHT.

19 Q AND PREVIOUSLY, HAD YOU MADE COPIES OF THAT SO  
20 THAT BOTH COUNSEL IN THIS CASE COULD EXAMINE IT?

21 A THAT'S CORRECT.

22 Q AND ARE THERE SOME INDICATIONS BY STAMPS IN THE  
23 PASPORT OF THE TIMES THAT YOU WERE OUT OF THE COUNTRY AND THE  
24 LAST TRIP THAT YOU TOOK IN 1984?

25 A YES.

26 Q ALL RIGHT, I WANT TO SHOW YOU A DOCUMENT THAT  
27 I WOULD LIKE TO HAVE MARKED AS 206 FOR IDENTIFICATION.

28 MR. WAPNER: YOUR HONOR, IT IS A XEROX OF WHAT APPEARS

1 TO BE THE PASSPORT OF THIS WITNESS AND IT SAYS "DESCRIPTION  
2 OF HOLDER, MR. LOPEZ, STEVE ENRICO" AND APPARENTLY HAS A  
3 PICTURE OF THIS WITNESS ON THE PASSPORT.

4 THE COURT: IT WILL BE SO MARKED.

5 Q BY MR. WAPNER: JUST OUT OF CURIOSITY, WHEN DOES  
6 THAT PASSPORT EXPIRE?

7 A TONIGHT AT MIDNIGHT.  
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-1 1 Q OKAY. WE'LL TRY NOT TO KEEP YOU ON THE STAND  
2 ALL DAY, THEN.

3 AND IN ANY EVENT, ARE THERE SOME STAMPS IN THE  
4 PASSPORT THAT SHOW PLACES THAT YOU WENT TOWARD THE END OF  
5 YOUR -- THE TRIP THAT YOU WERE ON IN JUNE AND JULY OF 1984?

6 A YES.

7 Q ALL RIGHT. AND DID YOU GO AT SOME POINT, TO  
8 SINGAPORE?

9 A YES.

10 Q WHEN WAS THAT?

11 A I WENT TO SINGAPORE TWICE. ONE WAS AT THE END  
12 OF JULY AND ONE WAS AFTER THE 11TH OF AUGUST.

13 Q AND IS THERE SOME INDICATION BY A STAMP IN THE  
14 PASSPORT OF THE DATE OF THE 11TH OF AUGUST?

15 A YES. THAT WAS MY DEPARTURE FROM THE SOUTHERN  
16 TIP OF INDIA.

17 Q CAN YOU FIND THAT IN THERE, PLEASE?

18 A IT IS THE LAST PAGE AT THE BOTTOM OF THE VISA.

19 Q DOES THE LAST PAGE OF THIS DOCUMENT, IS IT  
20 BASICALLY STAMPED WITH THE VISA FOR INDIA?

21 A THAT'S CORRECT.

22 Q MOST OF THIS PAGE IS THE VISA FOR INDIA?

23 A THAT'S RIGHT.

24 Q AND AT THE BOTTOM, RIGHT-HAND CORNER, THERE IS  
25 A STAMP THAT SAYS "11 AUGUST, 1984"?

26 A DEPARTURE.

27 Q IT SAYS "DEPARTURE"?

28 A YES.

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1 Q THAT IS THE DEPARTURE FROM INDIA?

2 A THAT'S RIGHT.

3 Q WOULD YOU JUST CIRCLE THAT ENTIRE STAMP WHERE  
4 IT SAYS "11 AUGUST, 1984".

5 A (WITNESS COMPLIES.)

6 MR. WAPNER: WELL, THAT IS THE MOST RECTANGULAR LOOKING  
7 CIRCLE THAT I HAVE EVER SEEN. BUT IN ANY EVENT, CAN I JUST  
8 PASS IT BRIEFLY BY THE JURY?

9 THE COURT: YES.

10 (PAUSE.)

11 Q BY MR. WAPNER: MR. LOPEZ, AFTER YOU LEFT INDIA  
12 ON AUGUST 11, WHERE DID YOU GO?

13 A TO SINGAPORE.

14 Q HAVE YOU LOOKED AT YOUR PASSPORT TO SEE IF THERE  
15 ARE ANY STAMPS IN THERE FOR SINGAPORE AFTER THAT?

16 A I LOOKED BUT I COULDN'T FIND ANY.

17 Q AND IF THERE ARE NO STAMPS FOR SINGAPORE, HOW  
18 IS IT THAT YOU KNOW YOU WENT THERE AFTER YOU LEFT INDIA?

19 A I REMEMBER.

20 Q WHY WOULDN'T YOUR PASSPORT BE STAMPED?

21 A SOMETIMES IN SINGAPORE, THEY DON'T ALWAYS STAMP  
22 YOUR PASSPORT, DEPENDING UPON YOUR STATUS IN THE COUNTRY.

23 Q AND AS FAR AS YOUR STATUS IN THE COUNTRY, DID  
24 IT HAPPEN OFTEN THAT YOUR PASSPORT WAS NOT STAMPED?

25 A OFTEN.

26 Q WHY WAS THAT?

27 A WELL --

28 THE COURT: DO THEY KNOW YOU?



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THE WITNESS: YES, YOUR HONOR. THEY HAPPEN TO KNOW  
ME. THE CUSTOMS AND IMMIGRATION WERE TOLD THAT I WAS COMING  
IN ON THAT DAY, SO I COULD PASS THROUGH CUSTOMS WITHOUT PASSING  
THROUGH IMMIGRATION.

1 Q WAS YOUR FAMILY FAIRLY PROMINENT IN SINGAPORE?

2 A FAIRLY.

3 Q AFTER YOU LEFT INDIA ON AUGUST 11TH, HOW LONG  
4 DID YOU STAY IN SINGAPORE?

5 A NO MORE THAN A WEEK.

6 Q AND FROM SINGAPORE, WHERE DID YOU GO?

7 A TO HONG KONG.

8 Q AND HOW LONG WERE YOU IN HONG KONG?

9 A TWO AND A HALF HOURS.

10 Q AND THEN WHERE DID YOU GO?

11 A HONOLULU.

12 Q SO YOU WERE FLYING BACK --

13 A BACK TO THE U.S.

14 Q AND WAS HONOLULU JUST A STOP-OVER ALSO?

15 A YES, IT WAS.

16 Q DID YOU STAY FOR ANY LENGTH OF TIME OR DID YOU  
17 JUST CHANGE PLANES?

18 A JUST CHANGED PLANES AND I HAD TO CLEAR CUSTOMS.

19 Q SO IT WAS APPROXIMATELY A WEEK AFTER THE 11TH  
20 THAT YOU LEFT TO COME BACK TO THE U.S.?

21 A THAT'S RIGHT.

22 Q AND IT TOOK ABOUT HOW LONG TO GET BACK, A DAY  
23 OR SO?

24 A NO.

25 IT TOOK 30 HOURS.

26 Q SO YOU WOULD HAVE RETURNED TO THE UNITED STATES  
27 SOMEWHERE TOWARDS THE --

28 A THE LATTER PART OF AUGUST.

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1 Q -- AUGUST 18TH OR AFTER?

2 A YES.

3 Q AND IN RELATION TO WHEN YOU GOT BACK TO THE  
4 UNITED STATES, WHEN DID YOU TALK TO --

5 WELL, LET ME START OUT BY ASKING YOU: HOW  
6 LONG WERE YOU BACK BEFORE YOU STARTED HEARING THIS SCUTTLE-  
7 BUTT ABOUT WHAT WAS GOING ON IN THE OFFICE OR WHAT HAD GONE  
8 ON IN THE OFFICE?

9 A PROBABLY THE SECOND OR THIRD DAY.

10 Q AND HOW LONG WAS IT AFTER YOU HEARD THE SCUTTLE-  
11 BUTT IN THE OFFICE THAT YOU TALKED TO MR. HUNT?

12 A PROBABLY A DAY OR SO AFTER THAT.

13 Q SO IT WOULD BE ANYWHERE FROM THREE TO FIVE  
14 DAYS AFTER YOU GOT BACK THAT YOU HAD THIS CONVERSATION WITH  
15 MR. HUNT ABOUT WHAT HIS VIEW WAS OF WHAT HAPPENED AT THE  
16 MEETING?

17 A THAT'S RIGHT.

18 Q SO THAT WOULD PUT IT INTO PERHAPS TOWARDS THE  
19 END OF AUGUST --

20 A YES.

21 Q -- THE 21ST, 22ND, 23RD, SOMEWHERE AROUND THERE?

22 A RIGHT.

23 Q HOW LONG AFTER YOU TALKED TO MR. HUNT, DID YOU  
24 GO OVER TO THE MAYS?

25 A A DAY OR SO AFTER THAT.

26 Q AND AFTER YOU WENT OVER TO THE MAYS' APARTMENT,  
27 WHAT HAPPENED?

28 A WELL, I -- IT WASN'T A SECURITY BUILDING. YOU

1 COULD JUST WALK UP, SO I DID, I WALKED UP THE STAIRS AND I  
2 KNOCKED ON THE DOOR AND THE DOOR WAS OPEN. THERE WAS ONE  
3 OF THOSE WIRE DOORS, SO I KNOCKED ON THAT AND THEN I THINK  
4 TOM CAME OUT AND WHEN HE SAW ME, HE GRABBED HIS SHOTGUN AND  
5 POINTED IT AT ME.

6 Q WHAT DID HE SAY?

7 A HE SAID, "WHAT ARE YOU DOING HERE?"

8 AND I SAID, "I JUST CAME TO TALK TO YOU."

9 WE WERE, YOU KNOW, PRETTY GOOD FRIENDS AND HE  
10 SAID, "WHAT ABOUT?"

11 AND I SAID, "I HAVE BEEN HEARING A FEW THINGS  
12 AND I JUST WANTED TO ASK YOU ABOUT THEM"

13 Q DID HE ASK YOU WHO HAD SENT YOU OR ANYTHING LIKE  
14 THAT?

15 A WELL, HE DIDN'T ASK ME.

16 HE ASSUMED RIGHT OFF THE BAT THAT JOE HUNT SENT  
17 ME, AND HE TOLD ME TO LEAVE RIGHT AWAY.

18 Q WHEN HE SAID TO LEAVE, WHAT DID YOU SAY?

19 A I SAID WELL -- WELL, I ASKED HIM WHY. "WHAT  
20 IS THE MATTER?"

21 HE SAYS, "WELL, I DON'T, YOU KNOW, I DON'T  
22 WANT ANY TROUBLE. AND, YOU KNOW, IF I HAVE TO, I WILL USE  
23 THIS, THIS THING."

24 Q DID YOU CONVINCHE HIM TO PUT THE GUN DOWN?

25 A YEAH, I TOLD HIM TO PUT IT DOWN.

26 Q DID YOU TALK TO HIM?

27 A I DID.

28 Q AND WITHOUT TELLING US THE SPECIFIC DETAILS,

1 WHAT DID YOU TALK TO HIM ABOUT?

2 A I ASKED HIM, YOU KNOW, WHAT WAS GOING ON AND  
3 HE TOLD ME, YOU KNOW, ABOUT THE MEETINGS AND SO ON AND SO  
4 FORTH.

5 MR. BARENS: YOUR HONOR --

6 THE WITNESS: AND THAT HE HAD BEEN THREATENED.

7 MR. BARENS: YOUR HONOR, THAT IS A HEARSAY STATEMENT.

8 THE COURT: OVERRULED.

9 THE WITNESS: HE TOLD ME HE HAD BEEN THREATENED SO  
10 HE -- HE SAID HE -- THE POLICE DEPARTMENT TOLD HIM THAT HE  
11 COULD, YOU KNOW, PROTECT HIMSELF IF ANYBODY WAS TO COME  
12 AROUND, AND SO THAT IS WHY, YOU KNOW, HE WAS.

13 AND EVEN AT THAT POINT, HE STILL BELIEVED THAT  
14 I WAS SENT THERE BY JOE HUNT.

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1 Q DID TOM MAY TELL YOU WHAT HAD GONE ON OR HIS SIDE  
2 OF WHAT HAD GONE ON WHILE YOU WERE GONE OUT OF THE COUNTRY?

3 A YES HE DID.

4 Q AND AFTER TELLING YOU THAT, WHAT DID YOU DO?

5 A WELL, I ASKED HIM A FEW MORE QUESTIONS. THEN  
6 I FINALLY LEFT.

7 Q AND AFTER YOU LEFT, WHAT DID YOU DO?

8 A I WENT BACK TO THE APARTMENT AND THOUGHT VERY  
9 HARD FOR A FEW DAYS, TO SEE WHAT MY NEXT MOVE WOULD BE.

10 Q AFTER YOU THOUGHT FOR A FEW DAYS, WHAT DID YOU  
11 DO?

12 A I MOVED OUT.

13 Q OUT OF THE MANNING?

14 A OUT OF THE MANNING.

15 Q DID YOU EVER GO BACK TO WORK AT THE BBC?

16 A NO.

17 Q DID YOU ATTEMPT ANY MORE TO RAISE ANY MONEY FOR  
18 MICROGENESIS?

19 A NO.

20 Q HAD TOM MAY TOLD YOU WHEN YOU WERE AT HIS PLACE,  
21 ANYTHING ABOUT THE BROWNING ATTRITION MILL OR WHAT WAS GOING  
22 ON?

23 MR. BARENS: CALLING FOR A HEARSAY RESPONSE, YOUR HONOR.  
24 IN NO OTHER WAY CAN IT BE VIEWED.

25 THE COURT: OVERRULED.

26 THE WITNESS: HE TOLD ME THAT IF I WANTED TO MAKE A  
27 DEAL ON THE ATTRITION MILL, I WOULD HAVE TO DEAL THROUGH HIM,  
28 TO GENE BROWNING.

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1 MR. BARENS: WITHDRAW THE OBJECTION, YOUR HONOR.

2 Q BY MR. WAPNER: DID HE TELL YOU THAT THE  
3 MICROGENESIS, AS IT HAD BEEN BEFORE YOU LEFT, WAS KIND OF  
4 NO LONGER IN OPERATION?

5 A YES. HE TOLD ME THAT THE MACHINE WAS IN -- WAS  
6 DISMANTLED AND MOST OF IT, IF NOT ALL OF IT, WAS WITH GENE  
7 BROWNING AND THAT I WOULD HAVE TO YOU KNOW, MAKE A DEAL WITH  
8 THEM NOW, IF I STILL WANTED TO.

9 Q AND YOU DIDN'T HAVE ANY FURTHER DEALINGS WITH  
10 MR. MAY ABOUT THE MACHINE AT ALL, DID YOU?

11 A NO.

12 Q OR MR. BROWNING?

13 A NO.

14 Q THEY NEVER CAME TO YOU SOLICITING YOUR  
15 PARTICIPATION WITH THIS MACHINE OR ANYTHING LIKE THAT?

16 A NO.

17 Q BUT YOU WERE TOLD BY MR. MAY THAT MICROGENESIS  
18 WAS BASICALLY OUT OF BUSINESS, IN ESSENCE?

19 A WELL, THEY TOLD ME THAT THEY WERE -- THEY TOLD  
20 ME THEY WERE DOING SOMETHING ELSE WITH IT, WITH SOME OTHER  
21 PEOPLE. SO I FIGURED THAT THEY WOULDN'T NEED MY PARTICIPATION  
22 ANY MORE.

23 Q IN TERMS OF WHAT YOU HAD BEEN DOING IN ASIA, TRYING  
24 TO RAISE MONEY FOR GETTING PEOPLE TO INVEST IN THIS MACHINE,  
25 HOW DID THAT MAKE YOU FEEL?

26 A PRETTY BAD.

27 Q KIND OF DEFLATED?

28 A SQUASHED.

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1 Q BEFORE YOU LEFT ON YOUR LAST TRIP TO GO TO EUROPE  
2 AND THE FAR EAST, WERE YOU ABLE TO OBSERVE HOW IT WAS THAT  
3 MOST PEOPLE IN THE BBC TREATED JOE HUNT IN TERMS OF WHETHER  
4 THEY LOOKED UP TO HIM OR WHETHER THEY DIDN'T LOOK UP TO HIM?

5 A MOST OF THEM DID.

6 Q MOST OF THEM DID LOOK UP TO HIM?

7 A YES.

8 Q WOULD YOU SAY THAT MR. HUNT WAS KIND OF THE LEADER  
9 OF THE GROUP?

10 A HE WAS.

11 Q WHEN YOU WOULD SIGN THOSE EIGHT OR TEN BLANK CHECKS  
12 BEFORE YOU LEFT ON YOUR TRIPS, DID YOU EVER ASK FOR ANY  
13 ACCOUNTING OF WHAT HAPPENED WITH THE CHECKS?

14 A YES, WHEN I GOT BACK.

15 Q AND WHO DID YOU ASK?

16 A BEN DOSTI.

17 Q WHAT DID HE TELL YOU?

18 A HE WOULD GIVE ME AN EXPLANATION.

19 Q DID YOU EVER ASK FOR THE CHECKS BACK THAT YOU  
20 HAD ALREADY SIGNED THAT MIGHT NOT HAVE BEEN USED?

21 A THEY WERE USUALLY ALL USED.

22 MR. WAPNER: YOUR HONOR, I HAVE HERE SOME DOCUMENTS  
23 THAT ARE MARKED "BANK OF AMERICA BEVERLY WILSHIRE BRANCH"  
24 AND "INTERNATIONAL MARKETING OPERATIONS" THAT HAVE BEEN  
25 REMOVED FROM AN ENVELOPE FROM THE BANK OF AMERICA DELIVERED  
26 TO THIS COURT PURSUANT TO SUBPOENA.

27 MAY THE DOCUMENTS AS A WHOLE, BE MARKED AS 207  
28 FOR IDENTIFICATION?



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1 THE COURT: BE SO MARKED.

2 MR. WAPNER: AND SPECIFICALLY, THERE ARE TWO STATEMENTS,  
3 ONE FOR MAY THE 31ST AND ONE FOR APRIL THE 30TH OF 1984. MAY  
4 THE APRIL STATEMENT BE 207-A AND THE MAY STATEMENT 207-B?

5 THE COURT: BE SO MARKED.

6 Q BY MR. WAPNER; MR. LOPEZ, SHOWING YOU FIRST OF  
7 ALL, THIS STATEMENT FROM THE BANK OF AMERICA, BEVERLY WILSHIRE  
8 BRANCH, DO YOU RECOGNIZE WHAT THAT IS?

9 A YES. THAT IS A MONTHLY STATEMENT.

10 Q IS THAT THE STATEMENT ON THE CHECKING ACCOUNT  
11 AT THE BANK OF AMERICA THAT INTERNATIONAL MARKETING OPERATIONS  
12 HAD?

13 A YES IT IS.

14 Q AND IS THAT THE STATEMENT ON THE CHECKING ACCOUNT  
15 THAT HAD THE CHECKS ON THAT YOU SIGNED IN BLANK AT TIMES WHEN  
16 YOU LEFT THE COUNTRY?

17 A YES.  
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1 Q AND DIRECTING YOUR ATTENTION TO A CHECK THAT  
2 IS DATED APRIL THE 20TH, 1984, THAT IS SIGNED BY MR. DOSTI;  
3 IS THAT RIGHT?

4 A YES.

5 Q AND IT DOESN'T HAVE THE INTERNATIONAL MARKETING  
6 NAME ON THE TOP; IS THAT RIGHT?

7 A YES.

8 IT'S A TEMPORARY CHECK.

9 Q YOU HAVE TO SPEAK LOUD ENOUGH SO THE JURY CAN  
10 HEAR YOU.

11 A IT IS A TEMPORARY CHECK BEFORE THE ACTUAL CHECKS  
12 CAME FROM THE BANK.

13 Q IN ANY EVENT, IT IS CODED WITH 8190, THE ACCOUNT  
14 NUMBER THAT IS ALSO ON THE FRONT OF THE STATEMENT, CORRECT?

15 A CORRECT.

16 Q WHO IS THAT CHECK MADE OUT TO ON APRIL 20TH?

17 A MICROGENESIS OF NORTH AMERICA.

18 Q FOR HOW MUCH?

19 A \$1,500.

20 Q AND DO YOU SEE ALSO A CHECK DATED APRIL, IT  
21 LOOKS LIKE THE 26TH, OF 1984, ON THAT ACCOUNT?

22 A YES, I DO.

23 Q WHO IS THAT MADE OUT TO?

24 A MICROGENESIS OF NORTH AMERICA.

25 Q IS THAT MADE OUT TO MICROGENESIS OR IS IT MADE  
26 OUT TO --

27 A I CAN'T REALLY SEE.

28 Q OR IS IT MADE OUT TO WESTCARS, OR CAN YOU TELL?

1 A OH, I AM SORRY.

2 IT IS MADE OUT TO WESTCARS.

3 Q HOW MUCH IS THAT CHECK MADE OUT FOR?

4 A \$5,000.

5 Q \$5,0000 OR \$500?

6 JUST LOOK AT THE WRITING ON THERE.

7 I AM NOT TALKING ABOUT THE NUMBERS BUT THE  
8 WRITING.

9 A I BEG YOUR PARDON.

10 FIVE HUNDRED.

11 Q AND THERE IS A CHECK ON APRIL 6 OF 1984 MADE  
12 OUT TO E. F. HUTTON, RIGHT?

13 A YES, THAT'S RIGHT.

14 Q FOR HOW MUCH?

15 A \$48,310.

16 Q AND IS THERE A CHECK ON APRIL THE 11TH, 1984,  
17 MADE OUT TO WESTCARS OF NORTH AMERICA?

18 A FOR \$6,000.

19 Q WAS IT YOUR UNDERSTANDING THAT THIS ACCOUNT WAS  
20 BEING USED TO GIVE MONEY TO WESTCARS AND TO MICROGENESIS?

21 A NO.

22 Q SOME OF THESE CHECKS ARE SIGNED BY YOU ALSO,  
23 CORRECT?

24 A CORRECT.

25 Q DO YOU HAVE ANY RECOLLECTION OF SIGNING THESE  
26 PARTICULAR CHECKS?

27 A NOT PARTICULARLY. SOME OF THEM, NOT ALL OF  
28 THEM.

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1 Q DID YOU KNOW THAT MONEY WAS GOING FROM  
2 INTERNATIONAL MARKETING TO WESTCARS OR TO MICROGENESIS?

3 A IN SOME INSTANCES, I DID KNOW BECAUSE MONEY --  
4 SOME OF IT BBC HAD PUT MONEY INTO INTERNATIONAL MARKETING  
5 OCCASIONALLY, BECAUSE OF A MARGIN CALL, SO IT COULD HAVE  
6 BEEN A CASE WHERE WE REPAID THE BBC BACK.

7 OR IN SOME CASES, WE JUST MADE IT OUT TO  
8 WESTCARS OF NORTH AMERICA INSTEAD OF GIVING IT BACK TO THE  
9 BBC.

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1 Q LET ME SHOW YOU WHAT WE HAVE MARKED AS 207-B,  
2 DO YOU SEE THIS CHECK NUMBER 129?

3 A YES.

4 Q WHO IS THAT MADE OUT TO?

5 A AMERICAN EXPRESS.

6 Q IS THAT THE AMERICAN EXPRESS COMPANY?

7 A THAT IS THE AMERICAN EXPRESS TRAVEL COMPANY,  
8 WHICH IS THE AMERICAN EXPRESS CREDIT CARD.

9 Q THAT IS DIFFERENT FROM SHEARSON AMERICAN EXPRESS  
10 BROKERAGE HOUSE, RIGHT?

11 A THAT'S CORRECT.

12 Q THAT CHECK IS DATED ON WHAT DATE?

13 A 5-1-84.

14 Q AND WHAT IS THE AMOUNT OF THAT CHECK?

15 A \$4,645.45.

16 Q AND WHAT WAS THAT FOR?

17 A BEN DOSTI'S CREDIT CARD.

18 Q SO THAT WAS A CHECK ON THE INTERNATIONAL  
19 MARKETING OPERATIONS ACCOUNT FOR THE PAYMENT OF MR. DOSTI'S  
20 CREDIT CARD?

21 A THAT'S CORRECT.

22 Q AND THEN ON MAY THE 15TH OF 1984, DO YOU SEE  
23 A CHECK MADE OUT TO MICROGENESIS OF NORTH AMERICA?

24 A YES, I DO.

25 Q HOW MUCH IS THAT FOR?

26 A \$12,000 EVEN.

27 Q AND DO YOU SEE ANOTHER CHECK ON MAY THE 15TH,  
28 1984?

1           A       YES.

2           Q       WHO IS THAT MADE OUT TO?

3           A       BBC OF NORTH AMERICA FOR \$18,000.

4           Q       DO YOU HAVE ANY RECOLLECTION OF EITHER ONE OF  
5 THESE -- ANY OF THESE THREE CHECKS THAT ARE PART OF 207-B?

6           A       NO, NONE.

7           Q       DID YOU KNOW THAT THE MONEY FROM INTERNATIONAL  
8 MARKETING WAS BEING USED TO PAY MR. DOSTI'S CREDIT CARD?

9           A       NO.

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1 MR. WAPNER: AND YOUR HONOR, A STATEMENT THAT I WOULD  
2 LIKE TO HAVE MARKED AS 207-C, WHICH IS A MARCH 30TH STATEMENT  
3 ALSO ON INTERNATIONAL MARKETING OPERATIONS.

4 THE COURT: ALL RIGHT.

5 Q BY MR. WAPNER: MR. LOPEZ, DO YOU SEE A CHECK  
6 HERE MADE OUT ON MARCH THE 19TH, 1984?

7 A YES.

8 Q FOR HOW MUCH MONEY?

9 A \$30,000.

10 Q WHO IS IT MADE PAYABLE TO?

11 A CASH.

12 Q AND A CHECK ON MARCH 26 OF 1984?

13 A IT IS MADE OUT TO CASH FOR \$15,280.

14 Q \$15,000?

15 A PARDON ME. \$51,280.

16 Q AND DO YOU SEE ANOTHER CHECK MADE OUT TO CASH  
17 FOR \$600 ON MARCH 15?

18 A YES.

19 Q AND THE SHEARSON CHECK TO SHEARSON AMERICAN EXPRESS  
20 FOR \$10,000 ON MARCH 7?

21 A YES.

22 Q ALL RIGHT. THERE IS A NOTATION THAT SAYS  
23 "INTERNATIONAL MARKETING ACCOUNTS NUMBER 2"?

24 A YES.

25 Q ALL RIGHT. NOW, THAT INTERNATIONAL MARKETING  
26 ACCOUNT NUMBER 2, WAS AN ACCOUNT THAT YOU TOLD US YESTERDAY  
27 THAT YOU THOUGHT THEY HAD, THAT JOE HUNT HAD SET UP TO HANDLE  
28 OTHER INVESTORS, SOME SEPARATE INVESTORS FROM EITHER THE BBC --

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1           A       NO. IT WAS NOT SEPARATE INVESTORS. IT WAS JUST  
2 A DIFFERENT TRADE, A DIFFERENT SECURITY THAT WAS BOUGHT. IT  
3 WAS STILL OUR MONEY.

4           Q       WHO WAS HANDLING THE TRADING ON THAT INTERNATIONAL  
5 MARKETING OPERATIONS NUMBER 2 ACCOUNT?

6           A       BEN DOSTI.

7           Q       AND THAT WAS DONE AT SHEARSON AMERICAN EXPRESS?

8           A       RIGHT.

9           Q       WHAT WAS YOUR UNDERSTANDING OF THE DIFFERENCE  
10 IN TRADING ON THAT ACCOUNT, AS OPPOSED TO THE OTHER  
11 INTERNATIONAL MARKETING OPERATIONS ACCOUNT?

12          A       I DON'T REMEMBER.

13          Q       AND ON MARCH 8, 1984, WAS THERE A CHECK FOR  
14 \$12,000 TO FINANCIAL FUTURES TRADING CORPORATION?

15          A       YES.

16          Q       AND ON WHAT APPEARS TO BE MARCH 10, 1984, \$4,000  
17 TO WESTCARS OF NORTH AMERICA?

18          A       YES.

19          Q       AND THEN ON MARCH 20, 1984, \$43,000 TO E. F. HUTTON,  
20 CORRECT?

21          A       CORRECT.

22          Q       DO ALL OF THESE CHECKS THAT I HAVE SHOWN YOU THAT  
23 ARE PART OF 207-A, -B, AND -C, APPEAR TO BE COPIES, TRUE COPIES  
24 OF CHECKS THAT WERE ACTUALLY WRITTEN ON THE INTERNATIONAL  
25 MARKETING OPERATIONS CHECKING ACCOUNT AT THE BANK OF AMERICA?

26          A       THAT'S CORRECT.

27          Q       DID THE COPIES OF THE CHECKS THAT YOU SAW THAT  
28 BORE YOUR SIGNATURE -- DID THAT ACTUALLY APPEAR TO BE YOUR



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1 SIGNATURE ON THE CHECKS?

2 A IT APPEARED TO BE MY SIGNATURE.

3 Q INCIDENTALLY, ON THIS DOCUMENT THAT IS 206 FOR  
4 IDENTIFICATION WHICH IS THE PASSPORT, YOU HAD PLACED -- WELL,  
5 THERE IS A STAR, IS THERE NOT, ON A PAGE THAT HAS BEEN MARKED  
6 AS PAGE 3, BY THE DATE OF APRIL THE 7TH?

7 A THAT'S CORRECT.

8 Q WHO PUT THAT STAR THERE?

9 A I DID.

10 Q WHY DID YOU DO THAT?

11 A IT WAS WHEN I CAME BACK TO LOS ANGELES.

12 Q AND WAS THERE SOMETHING SIGNIFICANT ABOUT THE  
13 RETURN TO LOS ANGELES ON APRIL THE 7TH IN TERMS OF YOUR  
14 REMEMBERING THAT THERE WAS A MARGIN CALL APPROXIMATELY AT  
15 THAT TIME?

16 A YES. IT WAS THE MARGIN CALL WE HAD AT AMERICAN  
17 EXPRESS FOR \$150,000 AND AT E. F. HUTTON FOR \$150,000.

18 Q THAT IS WHY THE STAR WAS PLACED THERE?

19 A THAT'S RIGHT.  
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1 Q YOU SAID -- THE WHOLE PURPOSE OF SHOWING YOU ALL  
2 OF THESE BANK STATEMENTS WAS THAT YOU SAID THAT NONE OF THE  
3 MONEY FROM INTERNATIONAL MARKETING WAS USED FOR THE PERSONAL  
4 NEEDS OF THE BBC; WOULD YOU CONSIDER THE FACT THAT PAYING  
5 MR. DOSTI'S AMERICAN EXPRESS CARD WAS KIND OF FOR THE  
6 PERSONAL NEEDS OF MEMBERS OF THE BBC?

7 MR. BARENS: OBJECTION, A TWOFOLD OBJECTION, YOUR HONOR.

8 THE COURT: SUSTAINED.

9 MR. BARENS: NUMBER ONE --

10 ALL RIGHT, THANK YOU.

11 THE WITNESS: YES.

12 THE COURT: NO --

13 (LAUGHTER IN COURTROOM.)

14 MR. WAPNER: HOW MANY YEARS ON THE BENCH FOR THAT?

15 THE COURT: YOU HAD A DELAYED REACTION, DIDN'T YOU?

16 THE WITNESS: I WAS WAITING FOR YOU TO REPLY TO HIM.

17 THE COURT: IF THERE IS AN OBJECTION AND I SUSTAIN IT,  
18 DON'T ANSWER.

19 THE WITNESS: OH, DON'T ANSWER?

20 MR. WAPNER: ARE YOU STARTING TO FEEL LIKE RODNEY  
21 DANGERFIELD NOW?

22 MR. BARENS: YOUR HONOR, I BEG THE COURT'S PARDON, BUT  
23 THE DEFENSE HAS A MOTION ON THE RESPONSE, YOUR HONOR.

24 THE COURT: I STRUCK IT.

25 MR. BARENS: OH YOU DID? THANK YOU.

26 MR. WAPNER: CAN I HAVE JUST A MOMENT?

27 (PAUSE IN PROCEEDINGS.)

28 Q BY MR. WAPNER: WERE THE CARS OF WESTCARS OF

1 NORTH AMERICA GENERALLY AVAILABLE FOR PEOPLE INVOLVED IN THE  
2 BBC TO DRIVE?

3 A YES -- NOT -- WELL, SOME CARS WERE FOR CERTAIN  
4 PEOPLE.

5 Q AS FAR AS THE BLACK BMW THAT YOU SOLD TO MR. HUNT  
6 THAT WAS GIVEN TO MR. PITTMAN, DID YOU EVER DRIVE THAT AFTER  
7 YOU SOLD IT TO MR. HUNT?

8 A NO, NEVER.

9 Q DID YOU EVER SEE ANYBODY ELSE DRIVING IT BESIDES  
10 MR. PITTMAN?

11 A NO.

12 Q WHEN YOU CAME BACK TO THE UNITED STATES TOWARD  
13 THE LATTER PART OF AUGUST OF 1984, WAS MR. DOSTI IN LOS ANGELES?

14 A YES, HE WAS.

15 Q AND AT SOME POINT, DID MR. DOSTI LEAVE LOS ANGELES?

16 A YES, HE DID.

17 Q WHEN WAS THAT?

18 A I DON'T RECALL THE DATE.

19 Q DO YOU KNOW APPROXIMATELY HOW LONG IT WAS AFTER  
20 YOU CAME BACK TO THE COUNTRY TOWARDS THE END OF AUGUST OF  
21 1984?

22 A PROBABLY A COUPLE OF WEEKS AFTER I GOT HERE.

23 Q DID YOU TALK TO MR. DOSTI BEFORE HE LEFT?

24 A YES, I DID.

25 Q AND DID HE TELL YOU WHERE HE WAS GOING?

26 A YES, HE DID.

27 Q AND WHERE DID HE GO?

28 A HE SAID HE WAS GOING TO EUROPE.

1 MR. BARENS: OBJECTION, YOUR HONOR, AS TO DOSTI'S  
2 STATEMENT AS HEARSAY.

3 THE COURT: OVERRULED.

4 Q BY MR. WAPNER: I DON'T WANT TO KNOW WHAT HE  
5 SAID HE WAS DOING THERE.

6 JUST WHERE HE SAID HE WAS GOING TO GO.

7 Q HE SAID HE WAS GOING TO GO TO GENEVA, SWITZERLAND.

8 MR. WAPNER: YOUR HONOR, AT THE RISK OF BEING TOO BORING,  
9 THERE IS ANOTHER STATEMENT THAT I WOULD LIKE TO MARK AS 207-D,  
10 WHICH BEARS THE DATE OF JUNE 29, 1984.

11 THE COURT: IT WILL BE SO MARKED.

12 Q BY MR. WAPNER: MR. LOPEZ, SHOWING YOU ONE CHECK  
13 FROM THIS STATEMENT THAT IS DATED MAY 27 OF 1984 ON THE  
14 INTERNATIONAL MARKETING ACCOUNT, WHO IS THAT MADE OUT TO?

15 A AMERICAN EXPRESS TRAVEL AGENCY.

16 Q THIS IS THE SAME AMERICAN EXPRESS COMPANY THAT --

17 A CREDIT CARD.

18 Q -- TO WHICH YOU PAID THE CREDIT CARDS; IS THAT  
19 RIGHT?

20 A THAT'S RIGHT.

21 Q WHAT IS THE AMOUNT OF THAT CHECK?

22 A \$2,896.75.  
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1 Q AND WAS THAT ALSO FOR THE PAYMENT OF MR. DOSTI'S  
2 CREDIT CARD?

3 A YES.

4 Q AND IS THERE SOME NOTATION IN THE LOWER LEFT-  
5 HAND PORTION OF THE CHECK AS TO A CREDIT CARD NUMBER?

6 A YES.

7 MR. BARENS: YOUR HONOR, COULD WE APPROACH A  
8 MOMENT?

9 THE COURT: YES.

10 (THE FOLLOWING PROCEEDINGS WERE HELD  
11 AT THE BENCH OUTSIDE THE HEARING OF  
12 THE JURY:)

13 MR. BARENS: YOUR HONOR, I HAVE A PROBLEM IN THIS  
14 REGARD. THE TESTIMONY WHERE HE SAYS DOSTI TOLD HIM HE WAS  
15 GOING TO GENEVA, SWITZERLAND AND I DON'T KNOW -- HE DIDN'T  
16 GIVE AN EXACT DATE OF IT. BUT IT IS LATE. IT IS MAYBE  
17 AUGUST OR SEPTEMBER OF 1984. AND THAT IS --

18 THE COURT: I THOUGHT THAT IT WAS MUCH EARLIER THAN  
19 THAT.

20 MR. BARENS: NO. WHAT WAS YOUR SENSE OF WHAT DATE  
21 HE WAS DESCRIBING? DID YOU HAVE A SENSE OF IT?

22 MR. WAPNER: HE SAID THAT IT WAS A FEW WEEKS AFTER  
23 HE CAME BACK FROM --

24 THE COURT: THE LAST TRIP?

25 MR. BARENS: YES. SO IT WOULD HAVE TO BE NOW INTO  
26 SEPTEMBER, LET'S SAY.

27 WELL, THE JUDGE MAY BE AWARE OF WHAT MR. DOSTI'S  
28 INTENTIONS WERE ON THAT TRIP WHEN HE WENT OVER THERE. I

1 SUBMIT THAT I WOULD MAKE AN OFFER THAT IT HAD NOTHING TO DO  
2 WITH AN ATTEMPT TO CASH THE LEVIN CHECK BUT IT HAD TO DO  
3 WITH ANOTHER ADGENDA THAT MR. DOSTI HAD IN HIS LIFE AT THAT  
4 TIME.

5 THE PROBLEM THAT WE HAVE GOT NOW -- WELL, I  
6 DON'T KNOW HOW ELSE TO SAY THAT, JUDGE, WITHOUT CASTING  
7 ASPERSIONS ON MR. DOSTI.

8 THE PROBLEM I HAVE IS THAT THE JURY UNDOUBTEDLY  
9 HAS A SENSE NOW THAT DOSTI IS GOING OVER TO GENEVA,  
10 SWITZERLAND AT THAT TIME HAVING SOMETHING TO DO WITH THE  
11 LEVIN CHECK AND --

12 THE COURT: WELL, WHY DON'T YOU ON REDIRECT, ASK HIM?

13 MR. BARENS: WELL, THE PROBLEM THAT I MAY GET INTO  
14 IS OPENING THE DOOR, SO TO SPEAK?

15 THE COURT: TO WHAT?

16 MR. BARENS: WELL, I BELIEVE -- I WOULD ASK TO HAVE  
17 MY NEXT COMMENTS SEALED AFTER THE JUDGE HEARS IT, IF THE  
18 JUDGE THINKS IT IS APPROPRIATE. I BELIEVE THAT --

19 MR. WAPNER: THE JURY IS NOT GOING TO HEAR.

20 MR. BARENS: WELL, I BELIEVE THAT HE WENT TO  
21 SWITZERLAND BECAUSE HE WAS -- THIS IS JUST MY OPINION AS A  
22 LAWYER, JUDGE. I AM NOT SAYING THIS TO CAST AN ASPERSION  
23 ABOUT MR. DOSTI NOR AM I IN ANY WAY, IMPEACHING HIM IN ANY  
24 POSITION HE MAY TAKE AT A TRIAL LATER ON.

25 I HAVE REASON TO BELIEVE THAT HE MAY HAVE BEEN  
26 FLEEING BECAUSE OF THE ESLAMINIA INVESTIGATION AT THAT  
27 PARTICULAR TIME AND LEFT THE COUNTRY FOR ABOUT A YEAR AT  
28 THAT TIME. I AM NOT SAYING THAT --

1 THE COURT: HAD HE BEEN AWAY A YEAR?

2 MR. BARENS: AT THIS TIME, HE WAS LEAVING FOR A YEAR,  
3 JUDGE, AND --

4 THE COURT: WHAT IS YOUR PURPOSE IN HAVING THIS?

5 MR. WAPNER: WELL --

6 THE COURT: JUST TO SHOW WHAT WAS DONE WITH THE  
7 ACCOUNT?

8 MR. WAPNER: NO. PART OF THE PURPOSE IS TO TRY  
9 AND EXPLAIN TO THIS JURY HOPEFULLY, WHY MR. DOSTI IS NOT  
10 HERE. BECAUSE THEY ARE NOT -- THE DEFENSE MAY SURPRISE ME,  
11 YOUR HONOR, AND BRING MR. DOSTI IN. BUT, HE IS THE ONE HOLE  
12 IN THIS CASE. THE JURY IS GOING TO -- I BROUGHT IN EVERYBODY  
13 ELSE FROM THE BBC. DOSTI WAS IN THE ROOM WITH KARNY.

14 HOW COME DOSTI IS NOT HERE? AND TO THE EXTENT  
15 THAT IT IS POSSIBLE TO TRY TO EXPLAIN TO HIS STATE OF MIND,  
16 THE FACT THAT HE LEFT --

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1 THE COURT: DOSTI IS STAYING AROUND HERE SOMEWHERE,  
2 ISN'T HE?

3 MR. WAPNER: BUT THE PROSECUTION CAN'T CALL HIM AS  
4 A WITNESS.

5 THE COURT: I KNOW THAT. BUT HE IS AROUND SOMEWHERE,  
6 ISN'T HE?

7 MR. WAPNER: YEAH.

8 MR. BARENS: HE IS NOT AVAILABLE TO THE DEFENSE. I  
9 WILL TELL YOU THAT MUCH.

10 THE COURT: HE WON'T BE?

11 MR. BARENS: I DIDN'T SAY THAT HE WOULD BE, SIR.

12 THE COURT: WELL, HOW COULD HE BE, BECAUSE HE WOULD  
13 BE IMPEACHED WITH THE OTHER THING UP THERE, WOULDN'T HE?

14 MR. BARENS: I DON'T WANT HIM AT ALL, JUDGE. I NEVER  
15 SAID THAT.

16 THE COURT: OF COURSE NOT. I WOULD BE SURPRISED IF  
17 YOU EVEN THINK OF HAVING HIM. IT WOULD BE A BIG MISTAKE.

18 MR. BARENS: I THINK SO. BUT WHAT I WOULD LIKE TO  
19 ASK FOR NOW, TO CLEAN UP THE PROBLEM --

20 THE COURT: WELL, WHAT YOU --

21 MR. WAPNER: WAIT A SECOND.

22 MR. BARENS: COULD I ASK A QUESTION, HERE? THIS COULD  
23 CURE IT. I WOULD LIKE TO SUGGEST -- WOULD MR. WAPNER BE  
24 WILLING TO STIPULATE WITH THE DEFENSE, THAT HE DID NOT GO  
25 TO SWITZERLAND IN AUGUST FOR ANYTHING HAVING TO DO WITH THE  
26 LEVIN CHECK?

27 MR. WAPNER: NO. NO. I DON'T KNOW, YOUR HONOR.

28 LET'S NOT MINCE WORDS, HERE. ONE OF THE REASONS



1 THAT HE WENT TO SWITZERLAND -- AND I WILL KEEP MY VOICE AS  
2 LOW AS POSSIBLE. ONE OF THE REASONS THAT HE WENT TO  
3 SWITZERLAND WAS TO TRY TO GET SOME MONEY OUT OF MR. ESLAMINIA'S  
4 ACCOUNT THAT WAS IN SWITZERLAND. THAT WAS JUST --

5 MR. BARENS: BUT NOT LEVIN --

6 MR. WAPNER: WAIT A MINUTE.

7 THE COURT: THAT HAD TO DO WITH THE WHOLE OPERATION  
8 OF THE BBC?

9 MR. WAPNER: RIGHT. BUT I DON'T NECESSARILY ACCEPT  
10 THE LATEST STATEMENT "BUT NOT LEVIN."

11 THE COURT: WELL, LET'S LET SLEEPING DOGS LIE. THE  
12 JURY WON'T REACH A CONCLUSION THAT HE WENT THERE FOR ANY-  
13 THING HAVING TO DO WITH YOUR CLIENT.

14 HE IS GOING TO TESTIFY. WHEN HE TESTIFIES, HE  
15 CAN SAY THAT HE DIDN'T GO THERE FOR THE PURPOSE OF CASHING  
16 THE CHECK.

17 MR. BARENS: I WOULD LIKE TO BEFORE I CROSS-EXAMINE,  
18 APPROACH THE WITNESS AND ASK HIM A QUESTION.

19 THE COURT: WHAT ARE YOU GOING TO ASK HIM?

20 MR. BARENS: WHAT I AM GOING TO ASK HIM, I AM GOING  
21 TO ASK HIM IF DOSTI EVER TOLD HIM THAT HE WAS GOING TO  
22 SWITZERLAND.

23 THE COURT: DON'T DO THAT. OR, DID HE EVER TELL YOU  
24 THAT HE WAS GOING TO GO TO SWITZERLAND?

25 MR. WAPNER: YES OR NO.

26 MR. BARENS: WELL, GENTLEMEN, I WOULD LIKE TO ASK  
27 MY OWN QUESTION HERE, FOLKS.

28 THE COURT: WELL, DON'T SUGGEST ANY ANSWER TO IT.

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1 MR. BARENS: OKAY, I WILL COME UP WITH A QUESTION.  
2 THANK YOU.

3 THE COURT: ALL RIGHT.

4 MR. WAPNER: AND I HAVE NO OBJECTION IF COUNSEL WANTS  
5 TO SPEAK WITH THE WITNESS BEFORE HE ASKS HIM THE QUESTION.

6 MR. BARENS: I MIGHT JUST ASK HIM BEFORE I KILL MYSELF WITH  
7 THIS ONE.

8 THE COURT: YES, GO AHEAD.

9 MR. BARENS: THANK YOU.

10 (THE FOLLOWING PROCEEDINGS WERE HELD

11 IN OPEN COURT:)

12 Q BY MR. WAPNER: MR. LOPEZ, WHEN WAS IT THAT YOU  
13 MOVED OUT OF THE WILSHIRE MANNING?

14 A SHORTLY AFTER THE FIRST ARREST OF JOE HUNT.

15 Q IF HE WAS ARRESTED THE FIRST TIME ON SEPTEMBER  
16 THE 28TH, WHEN DO YOU THINK THAT WOULD BE?

17 A PROBABLY BEFORE THAT -- DURING THE FIRST PART  
18 OF SEPTEMBER.

19 Q AND WHEN IN RELATION TO THAT WAS IT THAT YOU TALKED  
20 TO MR. DOSTI ABOUT HIS PLANS TO GO SOME PLACE?

21 A HE TOLD ME SHORTLY AFTER I ARRIVED BACK THAT HE  
22 HAD PLANS TO GO TO EUROPE.

23 Q AND WHEN DID YOU LAST SEE MR. DOSTI AT THAT TIME?

24 A THE DAY BEFORE HE LEFT, HE PACKED HIS BAGS.

25 Q DO YOU RECALL APPROXIMATELY WHEN THAT WAS, THOUGH?

26 A APPROXIMATELY THE -- GOING, MAYBE THE END OF THE  
27 FIRST WEEK OF SEPTEMBER.

28 Q WERE YOU STILL LIVING AT THE MANNING AT THAT TIME?

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1 A YES.

2 Q AND MR. DOSTI WAS ALSO?

3 A YES.

4 Q AND YOU SAW HIM PACKING HIS SUITCASES?

5 A YES.

6 Q AND THAT WAS THE DAY BEFORE HE WAS SUPPOSED TO  
7 LEAVE?

8 A YES.

9 Q AND YOU DIDN'T SEE HIM AFTER THAT?  
10 YOU DIDN'T SEE HIM ON THE DAY THAT HE SUPPOSEDLY  
11 LEFT?

12 A I DIDN'T SEE HIM THE DAY BEFORE BECAUSE HE WAS  
13 SHOPPING, THE TWO DAYS PRIOR TO LEAVING, SO I JUST SAW HIM  
14 THE NIGHT BEFORE HE WAS TO LEAVE THE NEXT DAY.

15 Q AND DID YOU SEE HIM LEAVE IN THE MORNING OR NOT?

16 A I CAN'T REMEMBER IF IT WAS THE MORNING OR  
17 AFTERNOON BUT I --

18 Q HAVE YOU SEEN HIM SINCE THAT TIME?

19 A SINCE THEN, I HAVEN'T SEEN HIM.

20 Q WHEN YOU WERE IN LONDON AND MR. HUNT CAME, HE  
21 SHOWED YOU A CHECK, CORRECT, FROM RON LEVIN?

22 A THAT IS CORRECT.

23 Q WAS THAT A COPY, A XEROX COPY OF THE CHECK?

24 A YES.

25 MR. WAPNER: THANK YOU. I HAVE NOTHING FURTHER.  
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## REXCROSS-EXAMINATION

BY MR. BARENS:

Q ALL RIGHT, SIR, LET'S GO RIGHT INTO THESE CHECKS AGAIN.

ISN'T IT A FACT THAT ON THE ACCOUNTS YOU HAVE BEEN TESTIFYING ABOUT AT THE BANK OF AMERICA, JOE HUNT WAS NOT A SIGNATORY TO ANY OF THOSE ACCOUNTS?

A THAT'S CORRECT.

Q NOW WE HAVE HEARD SOME TESTIMONY THAT THOSE ACCOUNTS WERE USED IN A COUPLE OF INSTANCES TO PAY MR. DOSTI'S CREDIT CARD WITH AMERICAN EXPRESS TRAVEL.

A YES.

Q WEREN'T THOSE EXPENSES RELATED TO PAYING FOR YOUR TICKETS ON THE VARIOUS TRIPS YOU TOOK FOR THE BBC?

A MAY BE.

Q AT TIMES WHEN THOSE CHECKS WERE WRITTEN TO TRAVEL EXPENSES -- NOW STRIKE THAT.

YOU TESTIFIED EARLIER THAT THE BBC PAID ALL OF YOUR TRAVEL EXPENSES ON YOUR TRIPS ABROAD, DID THEY NOT?

A YES.

Q OKAY. I NOTE ON THE OCCASIONS HERE THAT WHEN YOU REFERENCED PAYING ON THESE CREDIT CARDS FOR DOSTI, THAT THE CHECKS WERE MADE OUT TO AMERICAN EXPRESS TRAVEL; WERE THOSE AT TIMES WHEN YOU WERE COMING AND GOING EITHER TO SINGAPORE OR OTHER PLACES ON BEHALF OF THE BBC?

A WHEN I WENT TO -- WHEN I TRAVELED, THE TICKETS WERE NEVER PURCHASED ON THE AMERICAN EXPRESS BECAUSE THE TRAVEL AGENT WE GOT THEM FROM, I BELIEVE, ONLY ACCEPTED CASH.

-4 1 Q I SEE.

2 AND SO THEY WOULD HAVE TO DO WHAT, WRITE A CHECK  
3 TO CASH?

4 A NO.

5 CASH. THEY ONLY TOOK CASH.

6 Q WELL, I ASSUME TO GET THE CASH YOU HAVE TO DO  
7 SOMETHING BEFORE IT MATERIALIZES.

8 A RIGHT.

9 Q AND YOU WOULD HAVE TO WRITE A CHECK AND THEN GET  
10 THE CASH, IT WOULD BE SOMETHING YOU WOULD KNOW ABOUT.

11 NOW ON THE APRIL CHECKS THAT YOU TESTIFIED --  
12 AND LET ME FIND THOSE FOR A MINUTE IF I COULD, SIR -- AND  
13 REFERRING TO EXHIBIT 207-A, YOU WERE BACK IN THE UNITED STATES  
14 THEN, WEREN'T YOU?

15 A WHEN WAS THAT?

16 Q IN APRIL OF 1984?

17 A AFTER THE 7TH?

18 Q YES.

19 A YES.

20 Q OKAY. AND THEN ON 4-20 I SEE A CHECK HERE THAT  
21 MR. WAPNER MADE REFERENCE TO FOR MICROGENESIS OF NORTH AMERICA;  
22 DO YOU SEE THAT CHECK?

23 A YES.

24 Q ON APRIL 20, WERE YOU HERE WHEN THAT CHECK WAS  
25 WRITTEN?

26 A YES, I BELIEVE SO.

27 Q AND I SEE A CHECK HERE DATED, IT LOOKS LIKE APRIL  
28 26, 1984, MADE PAYABLE TO WESTCARS OF NORTH AMERICA; DO YOU

1 SEE THAT?

2 A UH-HUH, I DO.

3 Q AND DO YOU SEE YOUR SIGNATURE ON THERE?

4 A YES, I DO.

5 Q AND WERE YOU HERE WHEN THAT SIGNATURE WAS PUT  
6 ON THERE, WERE YOU IN THE UNITED STATES?

7 A I WAS IN THE UNITED STATES.

8 Q WERE YOU AWARE THAT CHECKS WERE BEING WRITTEN  
9 TO WESTCARS AND TO MICROGENESIS OUT OF THESE ACCOUNT FUNDS?

10 A SOME OF THEM, I WAS.

11 SOME OF THEM, I WAS NOT.

12 Q OKAY. ON THE ONES THAT YOU WERE AWARE OF -- HERE  
13 IS ANOTHER CHECK TO E. F. HUTTON ON 4-6-84, DID YOU EVER  
14 BECOME AWARE OF THAT \$48,000 CHECK TO E. F. HUTTON?

15 A NO.

16 Q DO YOU HAVE ANY IDEA WHAT THAT WAS FOR, TO E. F.  
17 HUTTON?

18 A NO.

19 Q DO YOU THINK IT WAS FOR A MARGIN CALL?

20 A POSSIBLY.

21 Q ON 4-11-84, I SEE A CHECK TO WESTCARS FOR HOW  
22 MUCH DOES THAT SAY, SIR?

23 A \$6,000.

24 Q DO YOU SEE YOUR SIGNATURE ON THERE?

25 A YES, I DO.

26 Q OKAY. TO THE EXTENT YOU KNOW WHY CHECKS WERE  
27 BEING WRITTEN TO WESTCARS OR MICROGENESIS, WHAT WERE THOSE  
28 TRANSACTIONS ABOUT? WHY WOULD, OUT OF YOUR MONEYS THAT WE

1 HAVE HERE, YOU WOULD BE WRITING, OR THEY WOULD BE WITH YOUR  
2 SIGNATURE ON THEM, BE WRITING CHECKS TO WESTCARS?

3 A I COULD ONLY GUESS THAT THE BBC HAD PUT MONEY  
4 INTO INTERNATIONAL MARKETING AND IT WAS SOME SORT OF  
5 REPAYMENT BACK TO THE BBC.

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1 Q WEREN'T THERE IN FACT, DEPOSITS TO THOSE  
2 CHECKS FROM THE BBC AND WESTCARS AND MICROGENESIS?

3 A FROM THE BBC, YES.

4 Q OKAY. THAT WENT INTO THOSE ACCOUNTS?

5 A YES.

6 Q AND THEY HAD COVERED -- THOSE ENTITIES I AM  
7 MAKING REFERENCE TO, HAD COVERED FINANCIAL POSITIONS FOR YOUR  
8 INVESTMENTS IN THE COMMODITIES MARKET AND THEREFORE, WHEN  
9 MONEYS CAME IN YOU, SO TO SPEAK, PAID THEM BACK?

10 A YES.

11 Q OKAY. YOU ARE NOT TESTIFYING, ARE YOU, TO GET  
12 RIGHT TO THE POINT HERE, THAT THIS MONEY WAS STOLEN FROM  
13 YOU?

14 A NO.

15 Q YOU ARE TESTIFYING THAT YOU HAD KNOWLEDGE THAT  
16 THOSE COMPANIES AND YOU WERE TRANSACTING BACK AND FORTH  
17 OR THEY WOULD TAKE POSITIONS FOR YOU AND YOU WOULD PUT IN  
18 MONEY TO COVER THE POSITIONS AND THEN THEY PUT IN MONEY FOR  
19 YOU AND YOU WOULD PUT MONEY BACK FOR THEM TO COVER THEM,  
20 ISN'T THAT WHAT YOUR SENSE WAS OF WHAT WAS GOING ON, IN  
21 TRUTH?

22 A YES.

23 Q NOW, YOU TALKED ABOUT HAVING TO COVER MARGIN  
24 CALLS FROM TIME TO TIME. I BELIEVE THAT YOU SAID IN MARCH  
25 AND APRIL OF 1984?

26 A YES.

27 Q AND NOW, ISN'T IT A FACT, THAT TO COVER A  
28 MARGIN CALL, THAT THE BROKERAGE HOUSE WANTS A CASHIER'S



1 CHECK OR A CASH EQUIVALENT BECAUSE THEY DON'T TAKE THE TIME  
2 OR THEY DON'T WANT TO TAKE THE TIME TO LET A CHECK CLEAR AT  
3 THAT PARTICULAR TIME?

4 A THAT'S TRUE.

5 Q AND WHEN THEY TELL YOU THEY WANT IT NOW, YOU  
6 HAVE GOT TO HAVE CASH OR A CASHIER'S CHECK BECAUSE THEY ARE  
7 NOT GOING TO ACCEPT A PERSONAL CHECK AT A TIME LIKE THAT,  
8 ARE THEY?

9 A NO.

10 Q OKAY. WOULD THERE BE ANYTHING THAT SURPRISES  
11 YOU THEN, ABOUT SEEING CHECKS MADE PAYABLE TO CASH AT A  
12 TIME WHEN YOU KNOW YOU ARE COVERING MARGIN CALLS?

13 A NO.

14 Q NOW, ISN'T IT A FACT THAT TO YOUR KNOWLEDGE,  
15 THAT THAT IS HOW YOU BUY A CASHIER'S CHECK, IS BY WRITING  
16 A CHECK TO CASH, SIR?

17 A THAT'S TRUE.

18 Q NOW, GOING BACK TO YOUR TESTIMONY BEFORE THE  
19 BREAK, YOU TALKED ABOUT SOME CHECKS PAID TO PEOPLE IN  
20 SINGAPORE.

21 ISN'T IT A FACT SIR, THAT THOSE CHECKS  
22 REPRESENTED INTEREST PAYMENTS THAT WERE PAID ON THEIR MONEY,  
23 RATHER THAN DISTRIBUTION OF PROFITS?

24 A NO.

25 Q YOU THINK THEY WERE DISTRIBUTIONS OF PROFITS?

26 A THAT'S WHAT I HAD REPRESENTED TO THEM.

27 Q OKAY. DO YOU KNOW HOW THEY WERE CALCULATED?  
28 IN OTHER WORDS, THE UNDERLYING CORPUS THAT WAS REFERRED

1 TO FOR THE RESULT IN THE CHECK THAT WAS SENT TO SINGAPORE,  
2 DO YOU KNOW WHETHER THE COMPUTATION WAS MADE ON A PROFITS  
3 DISTRIBUTION BASIS OR AS A FACTOR OF AN INTEREST EARNED ON  
4 THE MONEY?

5 A IT WASN'T INTEREST EARNED BECAUSE WE WEREN'T  
6 LENDING THEM MONEY. THEY WERE INVESTING THE MONEY.

7 Q HADN'T HUNT FROM TIME TO TIME REPRESENTED TO  
8 INVESTORS THAT THEY WOULD GET A CERTAIN PERCENTAGE BACK ON  
9 THEIR MONEY, EITHER MONTHLY OR QUARTERLY?

10 A HE MAY HAVE DONE THAT FOR HIS INVESTORS BUT I  
11 DIDN'T DO THAT TO MY INVESTORS.

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1 Q THAT ISN'T AN EXPRESSION THAT YOU USED WITH  
2 THEM?

3 A NO, NOT WITH MY INVESTORS.

4 Q OKAY. WHEN YOU CAME BACK -- OKAY. JUST A  
5 MINUTE, IF YOU WOULD. WAS JOE UPSET, JOE HUNT UPSET ABOUT  
6 THE CONDITION AND THE WAY THE BBC PEOPLE USED THE CARS?

7 A OCCASIONALLY HE WAS.

8 Q WAS HE UPSET BECAUSE THE CARS GOT BANGED UP AND  
9 DENTED WHEN THEY WERE USED BY THE BBC PEOPLE?

10 A YES. THAT'S TRUE.

11 Q DID HE TELL YOU THAT?

12 A NO. BUT I HEARD HIM YELL AT A FEW PEOPLE ONCE  
13 IN A WHILE.

14 Q WAS HE YELLING ABOUT THE WAY THE CARS APPARENTLY  
15 WERE BEING ABUSED AND WEREN'T KEPT IN NEWISH CONDITION?

16 A YES.

17 Q DID YOU EVER SEE WHEN THE CARS GOT DENTED OR  
18 BANGED UP A BIT?

19 A YES.

20 Q YOU SAW THAT YOURSELF ON VARIOUS OF THE  
21 VEHICLES, SIR?

22 A YES.

23 Q OKAY. HUNT HIMSELF, DROVE A JEEP MOST OF THE  
24 TIME?

25 A MOST OF THE TIME.

26 Q AND WHILE THE OTHERS WERE DRIVING THOSE BMW'S?

27 A YES.

28 Q NOW, DID JOE HUNT COMPLAIN TO YOU ABOUT THE

1 WORK HABITS AND/OR CONDUCT OF VARIOUS BBC MEMBERS?

2 A JOE HUNT NEVER COMPLAINED TO ME ABOUT ANYTHING.

3 Q DID HE EVER DISCUSS THE JOB PERFORMANCE OF  
4 OTHER BBC MEMBERS WITH YOU?

5 A NO.

6 Q YOU DON'T RECALL ANY -- OR DID YOU EVER HEAR  
7 DISCUSSIONS ABOUT HOW HE FELT ABOUT HOW PEOPLE WERE DOING  
8 THEIR JOBS?

9 A THAT I HEARD BUT IT WAS DIRECTED TOWARDS SOME-  
10 BODY ELSE, NOT TOWARDS ME.

11 Q WHAT DID YOU HEAR HUNT SAY IN THAT REGARD?

12 A HE WOULD SAY THAT SUCH AND SUCH A PERSON WAS  
13 NOT PULLING THEIR WEIGHT AND SUCH AND SUCH A PERSON WAS  
14 SLACKING OFF AND SOMEBODY ELSE WAS TAKING ADVANTAGE OF HIS  
15 KINDNESS AND SO ON AND SO FORTH.

16 Q DID HUNT APPEAR TO YOU TO BE A HARD WORKING TYPE  
17 GUY?

18 A YES.

19 Q DID HE SEEM TO BE COMPLAINING THAT THE OTHER  
20 PEOPLE WEREN'T WORKING AS HARD AS HE WAS?

21 A YES.

22 Q THAT WAS THE SENSE YOU GOT OF THAT?

23 A YES.

24 Q NOW, YOU MENTIONED THAT AFTER THE SHOTGUN  
25 INCIDENT WITH THE MAYS, YOU WERE AT THAT PARTICULAR TIME,  
26 STILL INTERESTED IN DOING BUSINESS UNDER MICROGENESIS  
27 TECHNOLOGY?

28 A NO, I WAS NOT.

1 Q YOU WEREN'T?

2 A NO.

3 Q HAD YOU PRETTY WELL HAD ENOUGH OF EVERYBODY AT  
4 THAT TIME?

5 A YES.

6 Q YOU HAD COME BACK AND HEARD THIS SCUTTLEBUTT  
7 AND YOU TALKED TO HUNT AND THEN THE MAYS HAVE SHOTGUNS ON  
8 YOU AND EVIDENTLY, YOU LOST INTEREST IN PROCEEDING AT THAT  
9 PARTICULAR TIME?

10 A THAT'S CORRECT.

11 Q YOU THOUGHT THE WHOLE THING HAD BECOME A BIT  
12 TOO HYSTERIC AT THAT POINT, SIR?

13 A TO SAY THE LEAST.

14 Q OKAY. AT THAT POINT IN TIME, THE MAYS TOLD YOU  
15 THAT THEY HAD TAKEN OVER THE MICROGENESIS NEGOTIATIONS AND  
16 REPRESENTATION?

17 A THAT'S CORRECT.

18 Q AND THEY WERE GOING TO MAKE THEIR OWN BUSINESS  
19 DEALS WITH THAT TECHNOLOGY?

20 A THAT'S RIGHT.

21 Q AND YOU STILL HAD A BELIEF THEN, DID YOU NOT,  
22 THAT THAT TECHNOLOGY WAS WORTH A CONSIDERABLE AMOUNT OF  
23 MONEY?

24 A YES.

25 Q AND YOU WERE FRUSTRATED BY THAT?

26 A YES.

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1 Q DID YOU GET BANK STATEMENTS OF THE NATURE YOU  
2 HAVE BEEN SEEING HERE TODAY WHILE YOU WERE TRANSACTING WITH  
3 MR. DOSTI AND THE BBC?

4 A IT WAS FORWARDED TO THE APARTMENT WHERE I LIVED.

5 MR. BARENS: OKAY. YOUR HONOR, I WOULD LIKE TO APPROACH  
6 THE WITNESS TO ASK THE QUESTION.

7 THE COURT: GO AHEAD.

8 MR. BARENS: IF WE COULD HAVE A MOMENT, YOUR HONOR.

9 MR. WAPNER: YOU MIGHT WANT TO TURN THE MICROPHONE OFF.

10 (UNREPORTED COLLOQUY WAS HAD BETWEEN

11 MR. BARENS AND THE WITNESS.)

12 Q BY MR. BARENS: MR. LOPEZ, YOU DISCUSSED IN YOUR  
13 TESTIMONY THAT IN AUGUST MR. DOSTI WENT TO EUROPE?

14 A THAT'S CORRECT.

15 Q DID MR. DOSTI EVER TELL YOU THAT HE WAS GOING  
16 TO EUROPE, HAVING ANYTHING TO DO WITH ATTEMPTING TO CASH RON  
17 LEVIN'S CHECK OR ANYTHING AT ALL TO DO WITH RON LEVIN?

18 A YES.

19 Q WHAT DID HE TELL YOU?

20 A HE SAID HE WAS ATTEMPTING TO GO TO EUROPE TO  
21 POSSIBLY CASH THAT CHECK TO SEE -- TO EXPEDITE MATTERS.

22 Q OKAY. DID HE TELL YOU HE HAD SOME OTHER REASONS  
23 TO GO TO EUROPE?

24 A NO.

25 MR. BARENS: OKAY. THANK YOU, SIR.

26 THE COURT: ANYTHING FURTHER?

27 MR. WAPNER: LET ME JUST THINK.

28 I JUST HAVE A FEW QUESTIONS.

## 1 FURTHER REDIRECT EXAMINATION

2 BY MR. WAPNER:

3 Q WHY DID YOU TELL THE INVESTORS IN SINGAPORE THAT  
4 THE MONEY THEY WERE GETTING BACK WAS PROFITS?5 A WELL, BECAUSE THEY WEREN'T INTERESTED IN INTEREST.  
6 THE INVESTORS I HAD WERE PEOPLE WHO WERE LOOKING  
7 FOR LARGE PROFITS AND --

8 Q GO AHEAD.

9 A AND THEY ARE NOT INTERESTED IN INTEREST.  
10 THEY ARE WEALTHY PEOPLE. THEY WANTED TO MAKE  
11 A LARGE PROFIT, LIKE GOING TO LAS VEGAS. THEY WERE INTERESTED --  
12 YOU KNOW, THEY WEREN'T INTERESTED IN MAKING  
13 5 PERCENT OR 10 PERCENT ON THEIR MONEY. THAT DIDN'T INTRIGUE  
14 THEM.15 Q DID SOMEBODY TELL YOU THAT THE MONEY YOU WERE  
16 PAYING BACK TO THEM WAS PROFIT?

17 A NO. I JUST -- I REPRESENTED IT TO BE PROFIT.

18 Q WHERE DID YOU GET THAT MONEY FROM TO PAY THEM  
19 BACK?

20 A FROM JOE HUNT.

21 Q DID HUNT TELL YOU WHAT THAT MONEY WAS, THAT IT  
22 WAS PROFIT?23 A WELL, IF IT WAS -- THERE WAS A TIME THAT IT WAS.  
24 THERE WAS SOMETIMES THAT IT WASN'T.25 SO THE TIMES THAT IT WASN'T, IT WAS ACTUALLY A  
26 LOAN UNTIL SUCH TIME WE TURNED A PROFIT AND THAT LOAN  
27 WOULD BE REPAID BACK TO THE BBC.

28 Q BUT THE INVESTORS NEVER KNEW THAT?

-3 1 A THE INVESTORS NEVER KNEW THAT.

2 MR. WAPNER: OKAY. NOTHING FURTHER.

3 THE COURT: ALL RIGHT, LET ME JUST ASK YOU ONE QUESTION.

4 WHEN YOU SAW JOE HUNT IN LONDON, THAT WAS ABOUT  
5 THE MIDDLE OF JUNE, WASN'T IT, OF 1984?

6 THE WITNESS: YES, YOUR HONOR.

7 THE COURT: AND YOU TESTIFIED THAT IT WAS THERE THAT  
8 HE SHOWED YOU A CHECK OF RON LEVIN'S IN THE SUM OF \$1,500,000;  
9 ISN'T THAT RIGHT?

10 THE WITNESS: THAT'S CORRECT.

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1 THE COURT: NOW, WHEN DID YOU FIND OUT, IF YOU FOUND  
2 OUT AT ALL, THAT THIS CHECK WAS NO GOOD?

3 THE WITNESS: WELL, I TOOK IT -- I TOOK THE COPY OF  
4 THAT CHECK TO SINGAPORE AND I RAN IT THROUGH SOME BANKERS  
5 THAT I HAD CONNECTIONS WITH AND THEY TOLD ME THAT THAT CHECK  
6 WAS NOT HONORED AND THEY DIDN'T GIVE ME A REASON.

7 THE COURT: NOW WHEN YOU CAME BACK HERE AND YOU HEARD  
8 THE SCUTTLEBUTT ABOUT THE FACT THAT THE DEFENDANT HAD SAID  
9 THAT HE HAD SHOT RON LEVIN, DID YOU CONNECT THE FACT THAT  
10 THE CHECK HAD BOUNCED WITH THE FACT THAT HE SAID THAT HE HAD  
11 SHOT RON LEVIN?

12 THE WITNESS: WELL, I WAS CONCERNED WHEN I HEARD  
13 EVERYTHING, YOU KNOW, WITH THE CHECK.

14 THE COURT: YES, GO AHEAD.

15 THE WITNESS: WITH THE CHECK AND THEN WITH RON LEVIN.

16 THE COURT: AND HE SAID THAT HE WAS WHAT, TESTING THE  
17 MEMBERS OF THE BBC?

18 THE WITNESS: YES, YOUR HONOR.

19 THE COURT: DID HE EXPLAIN THAT TO YOU, HOW IS HE GOING  
20 TO TEST THE MEMBERS OF THE BBC BY SAYING HE SHOT RON LEVIN?

21 THE WITNESS: WELL, TO SEE WHICH ONES WERE TRUE MEMBERS  
22 AND WHICH ONES WERE -- WERE LOYAL AND NOT LOYAL, YOU KNOW,  
23 TO WHATEVER THEY WERE DOING.

24 THE COURT: WELL, DID YOU GET THE INFERENCE FROM THAT  
25 HE SAID HE SHOT RON LEVIN BECAUSE THE CHECK BOUNCED?

26 THE WITNESS: I DIDN'T REALLY MAKE A CONCLUSION AT THAT  
27 POINT IN TIME FOR MYSELF, YOU KNOW. I WASN'T REALLY SURE.

28 THE COURT: DID YOU THINK IT VERY PECULIAR AT ALL SAYING

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1 THAT TO THE MEMBERS, KIDDING AROUND ABOUT THAT?

2 THE WITNESS: YES, I THINK IT WAS PECULIAR.

3 THE COURT: ALL RIGHT.

4 ANYTHING FURTHER?

5 MR. BARENS: A MOMENT WHILE I JUST THINK FOR A MOMENT,  
6 YOUR HONOR.

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8 FURTHER RECROSS-EXAMINATION

9 BY MR. BARENS:

10 Q MR. LOPEZ, THE CHECK FOR A MILLION FIVE IS DATED  
11 JUNE 6TH, '84; SIR?

12 A I DON'T REMEMBER THE DATE ON THE CHECK.

13 THE COURT: WELL, ASSUMING IT WAS.

14 THE WITNESS: ASSUMING IT WAS, OKAY.

15 Q BY MR. BARENS: LET'S ASSUME IT FOR THE PURPOSES  
16 OF THE QUESTION I AM GOING TO ASK YOU.

17 ASSUME FOR THIS QUESTION THAT SOMEONE, THAT IS  
18 A PROSECUTOR WOULD ALLEGE THAT --

19 MR. WAPNER: WELL, THERE IS AN OBJECTION ALREADY TO THE  
20 FORM OF THE QUESTION. THERE IS NO POINT IN ASKING HIM WHAT  
21 HE WOULD ASSUME. IT IS ARGUMENTATIVE BY THE WAY IT IS  
22 PHRASED.

23 THE COURT: REPHRASE YOUR QUESTION. KEEP THE PROSECUTOR  
24 OUT OF IT, WILL YOU?

25 Q BY MR. BARENS: OKAY. LET'S ASSUME THAT I SAY  
26 TO YOU THAT THERE IS AN ALLEGATION THAT MR. LEVIN WAS SHOT  
27 JUNE 6TH AS WELL --

28 MR. WAPNER: YOUR HONOR, MAY WE HAVE AN OFFER OF PROOF?

1 MR. BARENS: I HAVEN'T FINISHED MY QUESTION YET.

2 MR. WAPNER: I AM GOING TO OBJECT TO THIS AS ARGUMENTATIVE  
3 AND ASK FOR AN OFFER OF PROOF. IT IS PUTTING A WHOLE ARGUMENT  
4 IN THE QUESTION AND ASKING THE WITNESS TO ANSWER.

5 COULD WE HAVE AN OFFER OF PROOF AT THE BENCH?

6 MR. BARENS: MY OFFER OF PROOF --

7 MR. WAPNER: AT THE BENCH, PLEASE, MR. BARENS.

8 MR. BARENS: OH, YES.

9 THE COURT: HE WANTS TO GIVE IT ALL TO THE JURY.  
10 I DON'T BLAME HIM, HE IS THE DEFENSE LAWYER. YOU WILL HAVE  
11 AN OPPORTUNITY TO ARGUE TO THE JURY LATER.

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1 (THE FOLLOWING PROCEEDINGS WERE HELD  
2 AT THE BENCH OUTSIDE THE HEARING OF  
3 THE JURY:)

4 THE COURT: YES?

5 MR. BARENS: YOUR HONOR --

6 THE COURT: WHAT DO YOU EXPECT HIM TO TESTIFY TO?

7 MR. BARENS: YOUR HONOR, I JUST WANT TO SHOW -- YOUR  
8 HONOR SEEMED TO BE FROM YOUR HONOR'S QUESTION -- A VERY REAL  
9 WORLD INFERENCE COULD BE MADE, BASED ON THE WORDS YOUR HONOR  
10 SPOKE, THAT MR. LEVIN WAS SHOT BECAUSE THE CHECK BOUNCED.  
11 WELL, IF HE WAS SUPPOSED SHOT --

12 THE COURT: NO. THE PURPOSE OF MY QUESTION IS TO  
13 SHOW THAT THE STATEMENT THAT HE WAS KIDDING AROUND TO TEST  
14 THE MEMBERS OF THE BBC, IS ONE THAT IT IS POSSIBLE IS  
15 STUPID AND THEREFORE, NOBODY WOULD EVER BELIEVE THAT STORY.  
16 THAT'S ALL.

17 MR. BARENS: WELL, I DON'T KNOW -- WHAT I AM SAYING,  
18 YOUR HONOR, IS THAT THE JURY, BECAUSE OF THE WORDS SPOKEN,  
19 IS THINKING THAT LEVIN WAS SHOT BECAUSE THE CHECK BOUNCED.

20 MR. WAPNER: MR. BARENS, IF I MIGHT --

21 MR. BARENS: I HEARD THAT, JUDGE.

22 THE COURT: NO. I DIDN'T INTEND THAT INFERENCE TO  
23 BE MADE.

24 MR. BARENS: WELL, I NEED TO CLEAR IT UP.

25 THE COURT: IF I WAS ASKING A QUESTION, I WOULD  
26 SAY THAT HE WAS SHOT BECAUSE OF THE FACT THAT HE DIDN'T  
27 WANT TO GIVE IT, IF IT WAS A GOOD CHECK -- GIVE LEVIN THE  
28 OPPORTUNITY OF CANCELING -- OF STOPPING PAYMENT ON THE

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1 CHECK AND --

2 MR. BARENS: YOUR HONOR, IF YOUR HONOR WOULD LOOK AT  
3 THE STATE OF THE RECORD FROM YOUR HONOR'S QUESTIONS, THE  
4 QUESTION WAS PUT TO THE WITNESS, DID HE THINK IT WAS --  
5 WAS TO THE EFFECT, JUDGE, AND WE CAN GO BACK THROUGH THIS  
6 AND FIND IT -- THAT HE WAS SHOT BECAUSE THE CHECK BOUNCED.  
7 AND I WANT TO --

8 THE COURT: THAT'S NOT THE WAY I PUT IT --

9 MR. BARENS: I THINK THAT THE RECORD --

10 THE COURT: NO. WELL WHATEVER IT IS, THEN IF WHAT  
11 YOU SAY IS CORRECT, THEN THERE MIGHT BE AN INFERENCE THAT  
12 I WAS SAYING THAT HE WAS SHOT BECAUSE OF THE FACT THAT THE  
13 CHECK BOUNCED.

14 NO SUCH INFERENCE DID I INTEND. IF THERE IS  
15 ANY AND I MADE AN ERROR, YOU CAN CAPITALIZE ON IT IF HE IS  
16 CONVICTED AND YOU CAN TAKE IT UP ON APPEAL.

17 MR. BARENS: I WOULD JUST ASK THE WITNESS TO CONFIRM  
18 TO ME, THAT IF HE WAS SUPPOSEDLY -- HERE IS ALL I WAS GOING  
19 AT, JUDGE. IF HE WAS SUPPOSEDLY SHOT JUNE THE 6TH, IF HE  
20 WAS SUPPOSEDLY SHOT ON JUNE THE 6TH AND THE CHECK WAS DATED  
21 JUNE 6, HOW COULD HE BE SHOT BECAUSE THE CHECK BOUNCED?  
22 IT COULDN'T BOUNCE ON THE SAME DAY.

23 THE COURT: I DON'T KNOW THAT -- THAT IS NOT THE  
24 QUESTION YOU SHOULD ASK OF THIS WITNESS. THIS IS SOMETHING  
25 THAT YOU CAN ARGUE LATER ON TO THE JURY. AS TO THE QUESTIONS  
26 OF THIS WITNESS, ALL I ASKED HIM ABOUT IS HIS STATE OF MIND.  
27 HE SAW THIS CHECK IN LONDON IN THE MIDDLE OF JUNE.

28 WHY WOULD HE BE SAYING THAT HE IS ONLY FOOLING

1 AROUND WHEN HE SAID THAT HE HAD SHOT RON LEVIN. THAT IS  
2 THE ONLY REASON I ASKED THAT QUESTION AND --

3 MR. BARENS: I DON'T KNOW WHY HE SAID THAT, JUDGE.  
4 I WAS NOT REALLY GOING TO THAT.

5 I WAS GOING TO THE -- SEE, YOUR HONOR, I DON'T  
6 WANT TO HAVE -- IF I DON'T -- I WON'T BE DOING THE APPEAL  
7 ON THIS CASE. I PROBABLY WON'T BE INVOLVED WITH IT.

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1                   JUDGE, WHAT I WOULD LIKE TO DO -- THE PROBLEM  
2 IS, THE JURY HAS AN IMPRESSION THAT I WOULD LIKE TO CLEAR  
3 UP. IT WAS THIS WHOLE THING WHICH WAS INADVERTENT  
4 AND --

5                   THE COURT: AND TELL ME WHAT THE QUESTION IS YOU WANT  
6 TO ASK HIM.

7                   MR. BARENS: I WOULD LIKE TO SAY TO HIM, SIR, IF THE  
8 CHECK WERE WRITTEN ON JUNE THE 6TH AND IF MR. LEVIN WAS  
9 ALLEGEDLY SHOT ON JUNE THE 6TH, IT COULDN'T HAVE BEEN  
10 BECAUSE THE CHECK BOUNCED BECAUSE THERE WAS NOT TIME FOR THE  
11 CHECK TO BOUNCE.

12                   THE COURT: I DIDN'T SAY ANYTHING ABOUT BOUNCING THE  
13 CHECK, DID I?

14                   MR. BARENS: SIR, IF WE COULD GO BACK TO THE  
15 QUESTIONING --

16                   THE COURT: DID I SAY ANYTHING ABOUT BOUNCING THE  
17 CHECK?

18                   MR. WAPNER: YES, YOUR HONOR.

19                   THE COURT: YES?

20                   MR. WAPNER: YOU DID. BUT IF THAT IS THE ONLY  
21 QUESTION HE WANTS TO ASK OF THE WITNESS, I HAVE NO  
22 OBJECTION. MR. BARENS AND THE COURT BOTH KNOW THAT IT  
23 WAS NEVER THE THEORY OF THIS CASE THAT MR. LEVIN WAS SHOT  
24 ON ANY DAY OTHER THAN THE NIGHT OF JUNE 6.

25                   WE ARE NOT GOING TO START CLAIMING THAT THE  
26 CHECK BOUNCED AND HE WENT BACK AND SHOT HIM. WHAT IS HE  
27 GOING TO DO? HIDE IN HIS APARTMENT FOR TWO WEEKS?

28                   MR. BARENS: BUT, THE JURY HAS THE IMPRESSION FROM

1 THE QUESTION. I WANT TO ALLEVIATE IT, TO CLEAN IT UP.  
2 THE PEOPLE DON'T OBJECT.

3 MR. WAPNER: BE MY GUEST.

4 THE COURT: BE HIS GUEST.

5 MR. BARENS: THANK YOU BOTH.

6 (THE FOLLOWING PROCEEDINGS WERE HELD  
7 IN OPEN COURT IN THE PRESENCE AND  
8 HEARING OF THE JURY:)

9 Q BY MR. BARENS: NOW, MR. LOPEZ, FOR PURPOSES  
10 OF MY QUESTION TO YOU, I SHOW YOU PEOPLE'S 57, WHICH IS A  
11 CHECK FOR ONE MILLION FIVE HUNDRED THOUSAND DOLLARS. IS  
12 THAT THE CHECK THAT YOU SAW A COPY OF IN LONDON?

13 A YES.

14 Q AND THE DATE ON THAT CHECK IS?

15 A JUNE 6, 1984.

16 Q NOW, FOR PURPOSES OF MY QUESTION, IF I TOLD YOU  
17 THAT SOMEONE HAD ALLEGED TO ME THAT ON THE DATE OF JUNE 6,  
18 1984 BEING THE SAME DATE THAT MR. LEVIN WAS SHOT THAT DAY,  
19 WOULDN'T IT BE INCONCEIVABLE TO YOU THAT HE COULD BE SHOT  
20 THAT DAY BECAUSE THE CHECK BOUNCED NSF? HOW COULD THERE  
21 CONCEIVABLY BE TIME?

22 A SORRY? I MISSED SOMETHING.

23 Q WELL, COULD YOU CONCEIVE -- WOULD YOU BELIEVE  
24 THAT MR. LEVIN COULD HAVE BEEN SHOT ON JUNE THE 6TH FOR A  
25 CHECK WRITTEN ON JUNE THE 6TH ON A SWISS BANK THAT I AM  
26 TELLING YOU BOUNCED NSF? CAN YOU BELIEVE THAT HE WAS SHOT  
27 FOR A CHECK? HOW COULD IT HAVE BOUNCED ON JUNE 6?

28 THE COURT: WELL, ONCE YOU OPEN THE DOOR TO THAT,



1 HE MIGHT HAVE BEEN SHOT TO PREVENT HIM FROM STOPPING PAYMENT  
2 ON THE CHECK. THAT THEORY IS JUST AS GOOD AS THE ONE YOU  
3 ARE STATING.

4 MR. BARENS: WELL, WAIT A MINUTE, JUDGE. ONE -- THE  
5 ONE THAT I AM GOING ON IS WHETHER HE IS SHOT BECAUSE THE  
6 CHECK BOUNCED WHICH IS THE QUESTION YOU ASKED TO BEGIN WITH.

7 THE COURT: WELL, THE CHECK COULDN'T BOUNCE IF IT WAS  
8 DATED JUNE THE 6TH.

9 MR. BARENS: NO. IT COULDN'T HAVE BOUNCED ON THE  
10 6TH.

11 THE COURT: ALL RIGHT. THE OTHER ALTERNATIVE THAT  
12 MAY HAVE BEEN SUGGESTED IS THAT HE MIGHT STOP PAYMENT ON  
13 THE CHECK.

14 MR. BARENS: AND THE THIRD ALTERNATIVE HYPOTHETICAL  
15 IS THAT IT IS NOT TRUE AT ALL THAT HE WAS SHOT.

16 THE COURT: ALL RIGHT.

17 MR. BARENS: I THANK YOU, SIR.

18 THE COURT: ALL RIGHT.

19 MR. WAPNER: I WILL WAIT UNTIL THE CASE IS OVER TO  
20 ARGUE.

21 THE COURT: ANYTHING FURTHER?

22 MR. WAPNER: NO.

23 THE COURT: ALL RIGHT. THANK YOU VERY MUCH. YOU MAY  
24 BE EXCUSED.

25 THE WITNESS: THANK YOU, YOUR HONOR.

26 THE COURT: YOUR NEXT WITNESS?

27 MR. WAPNER: COULD I HAVE JUST A MINUTE WITH COUNSEL?

28 THE COURT: YES.

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(PAUSE.)

MR. WAPNER: I HAVE ANOTHER WITNESS WHO IS HERE.  
COULD WE APPROACH THE BENCH ABOUT SCHEDULING? THERE IS  
AN ISSUE.

MR. BARENS: WE DON'T NEED A REPORTER.

MR. WAPNER: YES, WE DO.

1 (THE FOLLOWING PROCEEDINGS WERE HELD  
2 AT THE BENCH:)

3 MR. WAPNER: THE ONLY QUESTION IS WHETHER --

4 THE COURT: HAVEN'T YOU EVER TALKED TO THE WITNESS?

5 MR. BARENS: NO.

6 THE COURT: YOU KNEW HE WAS GOING TO BE A WITNESS, DIDN'T  
7 YOU?

8 MR. BARENS: YES.

9 THE COURT: HE WAS ON THE WITNESS LIST.

10 MR. BARENS: ACTUALLY, YOUR HONOR MIGHT BE SURPRISED  
11 TO HEAR THAT THE PROSECUTION WITNESSES DON'T WANT TO SPEAK  
12 TO ME AND THAT IS THEIR DECISION TO MAKE.

13 THE COURT: DID YOU TRY TO SPEAK TO HIM?

14 MR. BARENS: YES. ACTUALLY --

15 THE COURT: DID YOU TRY TO SPEAK TO HIM?

16 MR. BARENS: YES.

17 THE COURT: AND HE REFUSED TO SPEAK TO YOU?

18 MR. BARENS: MAY I EXPLAIN, YOUR HONOR?

19 THE COURT: ALL RIGHT.

20 MR. BARENS: YOUR HONOR, MR. EISENBERG, I HAD NEVER  
21 MET UNTIL JUST BEFORE, I DON'T KNOW IT WAS ABOUT 1:35, AND  
22 I ASKED HIM TO STEP OUT IN THE HALL AND I TOLD MR. WAPNER,  
23 WHO WAS VERY COOPERATIVE WITH ME, AND SAID THAT I WANTED TO  
24 SPEAK WITH MR. EISENBERG. WHEN I GOT OUT IN THE HALL WITH  
25 MR. EISENBERG FOR ABOUT 60 SECONDS, PAT CAME OUT TO SPEAK  
26 TO ME AND SAID THAT THE JURY IS COMING IN.

27 THE COURT: DID YOU TALK TO HIM?

28 MR. BARENS: I HAD ABOUT 60 SECONDS WITH HIM.

1 THE COURT: WELL, AT THE BREAK YOU CAN TALK TO HIM.  
2 MR. BARENS: THAT IS ALL WE ARE TALKING ABOUT.  
3 THANK YOU.

4 (THE FOLLOWING PROCEEDINGS WERE HELD  
5 IN OPEN COURT:)

6 MR. WAPNER: JERRY EISENBERG.

7  
8 JEROME EISENBERG,  
9 CALLED AS A WITNESS BY THE PEOPLE, WAS SWORN AND TESTIFIED  
10 AS FOLLOWS:

11 THE CLERK: IF YOU WOULD RAISE YOUR RIGHT HAND TO BE  
12 SWORN.

13 YOU DO SOLEMNLY SWEAR THAT THE TESTIMONY YOU MAY  
14 GIVE IN THE CAUSE NOW PENDING BEFORE THIS COURT SHALL BE THE  
15 TRUTH, THE WHOLE TRUTH AND NOTHING BUT THE TRUTH, SO HELP  
16 YOU GOD?

17 THE WITNESS: I DO.

18 THE CLERK: PLEASE BE SEATED.

19 NOW IF YOU WOULD STATE YOUR NAME FOR THE RECORD,  
20 PLEASE.

21 THE WITNESS: JEROME J. EISENBERG.

22 THE CLERK: SPELL YOUR FIRST AND LAST NAME, PLEASE.

23 THE WITNESS: JEROME, J-E-R-O-M-E E-I-S-E-N-B-E-R-G.

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25 DIRECT EXAMINATION

26 BY MR. WAPNER:

27 Q MR. EISENBERG, WHAT IS YOUR PROFESSION?

28 A I AM AN ATTORNEY.

1 Q AND YOU ARE LICENSED TO PRACTICE LAW IN THE STATE  
2 OF CALIFORNIA?

3 A AND THE U.S. FEDERAL COURT, CENTRAL DISTRICT.

4 Q AND WHEN DID YOU BECOME A LAWYER?

5 A 1982, DECEMBER.

6 Q AND THAT IS WHEN YOU WERE ADMITTED TO PRACTICE  
7 LAW?

8 A YES.

9 Q DO YOU KNOW THE DEFENDANT IN THIS CASE?

10 A YES, I DO.

11 Q HOW DO YOU KNOW HIM?

12 A I WORKED WITH HIM OR FOR ENTITIES THAT HE WORKED  
13 WITH FROM APPROXIMATELY OCTOBER, 1983 THROUGH AUGUST, 1984.

14 Q HOW DID YOU FIRST MEET HIM?

15 A I WAS INTRODUCED THROUGH A MUTUAL FRIEND, A  
16 GENTLEMAN NAMED FARHAD NOVIAN, N-O-V-I-A-N.

17 MR. BARENS: EXCUSE ME JUST ONE MOMENT. COULD I SPEAK  
18 TO COUNSEL JUST FOR A MOMENT?

19 THE COURT: YES.

20 (UNREPORTED COLLOQUY BETWEEN COUNSEL.)

21 MR. BARENS: COULD WE APPROACH THE BENCH? I THINK WE  
22 WILL SAVE TIME IN THE LONG RUN.

23 THE COURT: ALL RIGHT, COME AHEAD.

24 (THE FOLLOWING PROCEEDINGS WERE HELD  
25 AT THE BENCH:)

26 THE COURT: YES?

27 MR. BARENS: I BELIEVE THIS WITNESS WILL NOW PROCEED  
28 TO TESTIFY ABOUT VARIOUS CORPORATE AND BUSINESS ENTITIES FOR

1 WHICH HE WAS APPOINTED BY MR. HUNT AS COUNSEL AND WE GET INTO  
2 AN ATTORNEY-CLIENT PRIVILEGE FOR WHICH THERE IS OBVIOUS --

3 THE COURT: I DIDN'T THINK THAT THAT APPLIED IN A CASE  
4 OF MURDER, DOES IT?

5 MR. BARENS: I BELIEVE THE ATTORNEY-CLIENT PRIVILEGE  
6 APPLIES UNLESS --

7 THE COURT: EVERY TIME, YOU MEAN WITHOUT EXCEPTION?

8 MR. BARENS: IT DOES NOT APPLY, YOUR HONOR, IN AN  
9 INSTANCE WHERE --

10 THE COURT: OF ILLEGALITY?

11 MR. BARENS: IF ILLEGALITY WAS THE OBJECTIVE AND THE  
12 ILLEGALITY THAT IS ON TRIAL IS THE OBJECTIVE OF THE  
13 CONVERSATION BETWEEN COUNSEL AND THE CLIENT.

14 THE COURT: DO YOU HAVE ANY AUTHORITY?

15 WELL, I WILL CHECK IT OUT DURING THE RECESS.

16 MR. BARENS: THE PROBLEM WE GET INTO IS THAT HE IS GOING  
17 TO TALK ABOUT SOME REGULAR KIND OF LAWYERING STUFF THAT GOES  
18 ON.

19 THE COURT: WE AREN'T TALKING ABOUT CONFIDENTIAL  
20 COMMUNICATIONS, THE FACT THAT HE ORGANIZED THE CORPORATIONS,  
21 THERE IS NOTHING CONFIDENTIAL ABOUT THAT.

22 IT IS ONLY CONFIDENTIAL THINGS THAT WERE TOLD  
23 TO HIM.

24 MR. BARENS: TO THE EXTENT HE HAS A ONE-ON-ONE  
25 CONVERSATION WITH HUNT AS A CLIENT, YOUR HONOR.

26 THE COURT: IT ONLY HAS TO DO WITH CONFIDENTIAL  
27 COMMUNICATIONS WHERE THE PRIVILEGE APPLIES.

28 MR. BARENS: I WOULD JUST LIKE TO COMPLETE FOR THE RECORD,

- 5  
1 MY STATEMENT.

2 THE COURT: ALL RIGHT, GO AHEAD.

3 MR. BARENS: TO THE EXTENT THE WITNESS WOULD TESTIFY  
4 AS A WITNESS ABOUT HIS ACTIVITIES EITHER AS AN ATTORNEY FOR  
5 THE BBC, WESTCARS OF NORTH AMERICA, FINANCIAL FUTURES TRADING  
6 COMPANY, MICROGENESIS OR ANY OTHER CORPORATE ENTITIES OR  
7 BUSINESSES UNDER THE UMBRELLA OF THE BBC OR ON BEHALF OF JOE  
8 HUNT AS AN INDIVIDUAL, TO THAT EXTENT THE DEFENSE WOULD CLAIM  
9 THE ATTORNEY-CLIENT PRIVILEGE, WHICH HAS NOT BEEN WAIVED BY  
10 THE DEFENDANT.

11 THE COURT: YOU MAY PROCEED. YOU HAVE GOT YOUR RECORD  
12 MADE.

13 MR. BARENS: THANK YOU, YOUR HONOR.  
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1 (THE FOLLOWING PROCEEDINGS WERE HELD  
2 IN OPEN COURT:)

3 Q BY MR. WAPNER: HOW LONG HAVE YOU KNOWN FARHAD  
4 NOVIAN?

5 A 15 YEARS.

6 Q WAS HE A PRETTY GOOD FRIEND OF YOURS?

7 A WE WENT TO GRAMMAR SCHOOL, JUNIOR HIGH SCHOOL,  
8 UCLA, TOGETHER, LAW SCHOOL TOGETHER AND WE BELONG TO THE  
9 SAME TEMPLE SO WE ARE PRETTY GOOD FRIENDS.

10 Q OKAY. AND HAD MR. NOVIAN MENTIONED MR. HUNT TO  
11 YOU SOMETIME BEFORE NOVEMBER, OCTOBER OF 1983?

12 A HE HAD MENTIONED ON A RECURRING BASIS.

13 I WAS WORKING FOR A LAW FIRM DOWNTOWN IN LOS ANGELES  
14 AND WAS THINKING OF LEAVING AND, IN FACT, I HAD APPLIED TO  
15 THE BUSINESS SCHOOL AT UCLA FOR A MASTER'S DEGREE AND BEEN  
16 ACCEPTED AND WAS GOING TO BE LEAVING THAT JOB ANYWAYS.

17 MR. NOVIAN SAID HE HAD BEEN WORKING WITH MR. HUNT  
18 FOR QUITE A WHILE DURING THAT SUMMER.

19 Q WAS THIS THE SUMMER OF 1983?

20 A 1983.

21 Q OKAY. HOLD ON ONE SECOND.

22 A OKAY.

23 Q BECAUSE YOU TALK REAL FAST, SO JUST SLOW DOWN  
24 A LITTLE BIT.

25 SO YOU WERE WORKING FOR THE LAW FIRM DURING THE  
26 SUMMER OF 1983?

27 A YES, I WAS.

28 Q WHEN WAS IT THAT YOU GOT ACCEPTED TO THE BUSINESS



1 SCHOOL AT UCLA?

2 A THE SUMMER OF 1983.

3 Q WHEN WERE YOU TO START BUSINESS SCHOOL?

4 A FALL, OCTOBER OF 1983.

5 Q AT SOME POINT DURING THE SUMMER MR. NOVIAN WAS  
6 TALKING TO YOU ABOUT MR. HUNT, HE HAD BEEN TALKING TO YOU  
7 ABOUT MR. HUNT?

8 A HE HAD BEEN WORKING AT THE BBC OR AS A MEMBER,  
9 BEING INVOLVED ON A LAW CLERK BASIS OR DOING LEGAL RESEARCH.

10 Q WHAT HAD HE SAID TO YOU ABOUT THE BBC?

11 A THAT IT WAS GREAT. I MEAN IT WAS A GROUP OF GUYS  
12 THAT HE KNEW FROM COLLEGE AND THAT THEY WERE MOSTLY WEALTHY  
13 PEOPLE AND THAT THEY WERE TRYING TO DEVELOP A COMPANY WITH  
14 THE BEST AND THE BRIGHTEST OF ALL OF THE YOUNG MEN IN  
15 SOUTHERN CALIFORNIA AND THAT HE HAD BEEN DOING SOME, JUST  
16 A FEW LEGAL MEMOS AND WAS PAID ASTRONOMICAL SUMS OF MONEY,  
17 YOU KNOW.

18 HE WORKED SIX WEEKS AND HE SAID HE GOT LIKE  
19 \$10,000 FOR WRITING A FEW-PAGE MEMO, SO IT SOUNDED PRETTY  
20 GOOD.

21 Q AND AFTER YOU GOT ACCEPTED TO THE BUSINESS SCHOOL  
22 AT UCLA, DID YOU DO ANYTHING WITH RESPECT TO MAKING A DECISION  
23 ABOUT WHAT MR. NOVIAN WAS TALKING TO YOU ABOUT?

24 A ON A NUMBER OF TIMES HE HAD TRIED TO GET ME TO  
25 MEET OR SET UP AN APPOINTMENT FOR ME TO COME OVER TO THE BBC  
26 AND I WASN'T REALLY INTERESTED.

27 I WASN'T SURE WHAT I WAS GOING TO DO BUT I REALLY  
28 WASN'T PARTICULARLY INTERESTED AT THAT TIME OF WORKING --

1 BASICALLY WORKING FOR FREE.

2 THE \$10,000 HE GOT WASN'T REAL MONEY. HE GOT  
3 AWARDED PROFITS OR FUTURE MONEY FROM SOME -- A COMMODITIES  
4 TRANSACTION.

5 AND I NEEDED REAL MONEY BECAUSE I WAS PAYING FOR  
6 MY OWN EDUCATION AT THE TIME.

7 SO I NEVER REALLY MET WITH HIM UP FRONT.

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1 Q LET ME ASK YOU SOMETHING. IT WASN'T MONOPOLY  
2 MONEY, RIGHT?

3 A NO. BUT IT WAS NOT HARD DOLLARS. IT WAS THE  
4 PROMISE OF AN ALLOCATION OF MONEY WHICH HAD YET TO BE  
5 RECEIVED.

6 Q HE HAD NOT ACTUALLY RECEIVED CASH BUT HE  
7 RECEIVED A PROMISE THAT HE WOULD GET THE MONEY?

8 A RIGHT.

9 Q AND AT SOME POINT, DID YOU MAKE A DECISION  
10 TO TALK TO MR. HUNT?

11 A YES. I HAD GIVEN NOTICE IN MY OTHER JOB.  
12 AND FARHAD SENT UP A MEETING WHERE I WOULD MEET MR. HUNT  
13 AND OTHER MEMBERS OF THE BBC.

14 Q AND WHY DID YOU DECIDE TO DO IT AT THAT TIME?

15 A AT THAT TIME, FARHAD KEPT PUSHING ME. HE  
16 THOUGHT I WOULD BE GOOD TO WORK WITH THEM.

17 AND I HAD REALLY NO OTHER OPTIONS AT THAT TIME.  
18 SO I SAT DOWN AND DECIDED TO LISTEN TO WHAT THEY HAD TO SAY.

19 Q DID YOU MEET WITH MR. HUNT?

20 A YES, I DID.

21 Q WHERE DID YOU MEET HIM?

22 A AT THE HARD ROCK CAFE.

23 Q THAT IS APPROXIMATELY BEVERLY BOULEVARD AND  
24 SAN VICENTE?

25 A CORRECT, BEVERLY CENTER.

26 Q AND WHO ELSE WAS THERE WHEN YOU MET WITH MR.  
27 HUNT?

28 A BEN DOSTI WAS THERE. DEAN KARNY WAS THERE.

1 DEAN'S GIRLFRIEND, LISA MARIE SOBEL WAS THERE. BROOKE WAS  
2 THERE.

3 THE COURT: BROOKE WHO?

4 THE WITNESS: ROBERTS WAS THERE. THE MAY BROTHERS  
5 WERE THERE. JEFF RAYMOND WAS THERE AND FARHAD NOVIAN WAS  
6 THERE.

7 MR. BARENS: WHEN WAS THAT?

8 THE WITNESS: THAT WAS LATE SEPTEMBER, 1983.

9 THE COURT: ALL RIGHT.

10 Q BY MR. WAPNER: OKAY. AND DO YOU REMEMBER  
11 WHEN YOU SAY "LATE SEPTEMBER," WAS IT THE LAST WEEK IN  
12 SEPTEMBER OR SOMETHING LIKE THAT?

13 A IN THAT RANGE.

14 Q OKAY. AND WHEN YOU WENT THERE, WHO DID YOU  
15 SPEND MOST OF YOUR TIME TALKING TO?

16 A I SAT NEXT TO JOE AND TALKED WITH HIM MOST OF  
17 THE WHOLE NIGHT.

18 Q ALL RIGHT. AND WHAT DID YOU TALK TO HIM ABOUT?

19 A WHAT HIS GOALS WERE FOR THE BBC, WHAT WAS THE  
20 BBC, HOW I WOULD FIT IN, WHAT DID WE NEED, SALARY, HOURS,  
21 THINGS LIKE THAT.

22 I WAS JUST BASICALLY TALKING ABOUT LIFE IN  
23 GENERAL, TO SEE IF WE WERE COMPATIBLE TO WORK TOGETHER.

24 Q DID MR. HUNT MENTION TO YOU ANYTHING ABOUT THIS  
25 CONCEPT OF THE BEST AND THE BRIGHTEST?

26 A YES.

27 Q WHAT DID HE SAY?

28 A HE SAID YOU KNOW, HE HAD HEARD VERY GOOD THINGS

1 ABOUT ME FROM FARHAD AND WE TALKED FOR A WHILE.

2 HIS GOAL WAS TO CREATE AN ORGANIZATION OF THE  
3 BEST AND BRIGHTEST OF WEALTHY PEOPLE WITH CONNECTIONS AND  
4 TO UTILIZE THAT TO CREATE A VERY POWERFUL AND LARGE  
5 ORGANIZATION.

6 Q DID HE DISCUSS WITH YOU HOW YOU FIT INTO THAT?

7 A HE SAID AT THIS TIME HE NEEDED AN ATTORNEY  
8 BECAUSE THEY WERE DOING MORE THINGS, MORE COMPLICATED  
9 THINGS. THERE WERE A LOT OF AGREEMENTS BEING DRAFTED AND  
10 HE THOUGHT THAT AT THAT TIME, HE COULD USE SOMEBODY TO OVER-  
11 SEE THE LEGAL ASPECTS OF THE ENTITIES.

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1 Q AND DID YOU COME TO SOME AGREEMENT WITH MR.  
2 HUNT?

3 A YES, WE DID. BASICALLY, THE AGREEMENT WAS THAT  
4 I WOULD START WORKING THE FOLLOWING 1ST OF THE MONTH, IN  
5 OCTOBER.

6 THE SALARY WOULD BE \$1500 A MONTH CASH OR NO  
7 TAXES DEDUCTED ON A 1099 BASIS. AND THAT WOULD BE APPROXI-  
8 MATELY 20 HOURS A WEEK OF WORK REQUIRED.

9 Q SO IT WAS CONTEMPLATED AT THAT TIME THAT IT WOULD  
10 BE A PART-TIME JOB?

11 A CORRECT.

12 Q DID YOU GO TO WORK AT THE BEGINNING OF  
13 OCTOBER OF 1983?

14 A YES, I DID.

15 Q AND DID YOU WORK THERE CONTINUOUSLY FROM THAT  
16 POINT UNTIL YOU LEFT THE BBC?

17 A NO. I WAS WORKING 20 HOURS AND ACTUALLY THE  
18 20 HOURS TURNED INTO 30 AND 40 HOURS BECAUSE THERE WAS A  
19 LOT TO DO, A LOT OF STUFF THAT NEEDED LOOKING AT.

20 I WAS ALSO GOING TO SCHOOL FULL-TIME. I  
21 DEVELOPED MONONUCLEOSIS AND HEPATITIS AND DIDN'T DO MUCH  
22 OF ANYTHING FOR THE NEXT THREE MONTHS.

23 Q HOW LONG DID YOU WORK THERE BEFORE YOU GOT  
24 SICK?

25 A THREE OR FOUR WEEKS.

26 Q AND DURING THAT THREE OR FOUR WEEKS, WAS THERE  
27 A MEETING OF MEMBERS OF THE BBC?

28 A YES, THERE WAS. I WAS INTRODUCED AS THE GENERAL

1 COUNSEL FOR THE BBC AT THAT TIME AND I MET MOST OF THE  
2 THEN EXISTING MEMBERS OF THE BBC. IT WAS ABOUT 50 PEOPLE  
3 THERE.

4 Q HOW MANY?

5 A ABOUT 40 TO 50 PEOPLE.

6 Q AND BESIDES YOUR BEING INTRODUCED TO THE PEOPLE,  
7 WHAT WAS THAT MEETING ABOUT?

8 A JUST TO TALK ABOUT I GUESS, SOME OF THE GOALS  
9 OF THE BBC OR WHAT THEY HAD INTENDED TO DO, SOME OF THE  
10 BUSINESSES THAT WERE GOING ON, GETTING PEOPLE INVOLVED TO  
11 SEE WHAT THEY WANTED TO DO. PICK A COMPANY. PICK A CAREER.  
12 SO --

13 Q THE PEOPLE WHO WERE THERE WERE GOING TO  
14 DECIDE WHAT BUSINESSES OF THE BBC --

15 A I GUESS SUBSEQUENTLY -- WELL, THEY WERE NEVER  
16 REALLY DIRECTED TO DO ANYTHING. YOU WERE ABLE TO CHOOSE WHAT  
17 YOU WANTED TO DO.

18 Q ALL RIGHT. AND AT THAT MEETING, IT WAS ONE OF  
19 THE THINGS -- IT WAS TO ALLOW PEOPLE TO CHOOSE -- LET ME  
20 FINISH THE QUESTION, PLEASE -- WHAT THEY WANTED TO BE IN?

21 A CORRECT.

22 Q AND WHEN YOU WERE THERE FOR ABOUT THREE WEEKS  
23 IN OCTOBER -- RIGHT?

24 A CORRECT.

25 Q YOU CAME BACK WHEN?

26 A BEGINNING OF JANUARY.

27 Q WHEN YOU CAME BACK IN THE BEGINNING OF JANUARY,  
28 WHAT DID YOU NOTICE IN TERMS OF A CHANGE FROM WHEN YOU HAD

1 LEFT IN OCTOBER?

2 A WELL, WHEN I FIRST STARTED, THERE WERE A LOT  
3 OF PEOPLE AROUND, IN AND OUT, ESPECIALLY THE FIRST MEETING.  
4 THERE WERE ABOUT 40 PEOPLE.

5 BY THE TIME I GOT BACK IN JANUARY, IT WAS ABOUT  
6 10 TO 12 PEOPLE IN TOTAL COMPRISING THE BBC.

7 Q SO A LOT OF THE PEOPLE THAT HAD BEEN AT THAT  
8 MEETING WERE NO LONGER AROUND?

9 A CORRECT.

10 MR. WAPNER: ALL RIGHT. THIS WOULD BE AN APPROPRIATE  
11 TIME.

12 THE COURT: OKAY. LADIES AND GENTLEMEN OF THE  
13 JURLY, WE'LL TAKE A 15-MINUTE RECESS. THE SAME ADMONITION  
14 THAT I GAVE YOU PREVIOUSLY WILL STILL APPLY.

15 (RECESS.)

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7-1 1 THE COURT: ALL RIGHT, YOU MAY PROCEED.

2 Q BY MR. WAPNER: DURING OCTOBER OF 1983, IN THE  
3 THREE WEEKS OR SO THAT YOU SPENT THERE, DID YOU HEAR ANY TALK  
4 IN THE OFFICE ABOUT A PERSON NAMED RON LEVIN?

5 A YES.

6 Q WHO DID YOU HEAR IT FROM?

7 A JUST ABOUT EVERYBODY.

8 Q INCLUDING JOE HUNT?

9 A INCLUDING JOE HUNT.

10 Q WHAT WAS THE TALK IN THE OFFICE ABOUT MR. LEVIN  
11 AT THAT TIME?

12 A WELL, TO THE BEST OF MY RECOLLECTION, THAT JOE  
13 HAD TRADED SOME COMMODITIES OR TRADED -- ACTED AS A POWER  
14 OF ATTORNEY OVER A COMMODITY ACCOUNT WHERE MR. LEVIN HAD PUT  
15 HIS MONEY, AND HAD TAKEN THAT ACCOUNT FROM \$6 MILLION TO  
16 APPROXIMATELY \$12 MILLION AND WAS ENTITLED TO HALF THOSE  
17 PROFITS ACCORDING TO AN AGREEMENT THAT HE HAD WITH MR. LEVIN.

18 AND THAT INITIALLY --

19 THEY NEVER RECEIVED THE ACTUAL DOLLARS BUT THAT  
20 RON LEVIN HAD CONVERTED THAT MONEY INTO A SHOPPING CENTER  
21 IN ILLINOIS SOMEWHERE.

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1 Q AND WAS THERE ANY TALK IN THE OFFICE ABOUT WHAT  
2 HAPPENED OR WHAT WAS GOING TO HAPPEN WITH THE SHOPPING CENTER?

3 A NO. AT THAT TIME THERE WAS A LOT OF OPTIMISM  
4 THAT THIS IN FACT, HAD OCCURRED AND THAT WELL --

5 Q WHAT?

6 A THEY HAD MADE ALLOCATIONS TO CERTAIN PEOPLE,  
7 BASED ON THIS SUM OF MONEY THEY WERE TO RECEIVE AND  
8 CONCURRENTLY, PEOPLE RECEIVED THAT PROPORTION OF THE SHOPPING  
9 CENTER FOR THOSE ALLOCATIONS.

10 Q SO WHEN YOU WERE THERE IN OCTOBER, WERE YOU TOLD  
11 ABOUT THE MONEY THAT MR. HUNT SUPPOSEDLY HAD MADE TRADING  
12 FOR MR. LEVIN?

13 A YES.

14 Q BUT THAT TRADING HAD GONE ON BEFORE YOU ACTUALLY  
15 CAME THERE?

16 A CORRECT.

17 Q AND AS FAR AS THE SHOPPING CENTER IS CONCERNED,  
18 WAS THAT -- HAD MR. LEVIN PURPORTEDLY TOLD MR. HUNT ABOUT  
19 THE SHOPPING CENTER ALSO BEFORE YOU GOT THERE OR DID THAT  
20 HAPPEN WHILE YOU WERE THERE?

21 A IT WAS ABOUT THE SAME TIME, MAYBE A LITTLE BIT  
22 PRIOR. BUT IT WAS AROUND THAT TIME.

23 Q AND AS FAR AS THE ALLOCATIONS OF THE SHARES OF  
24 THE SHOPPING CENTER IN PROPORTION TO THE SHARES OF THE MONEY  
25 THAT BBC MEMBERS WERE SUPPOSED TO RECEIVE, WHEN DID THAT  
26 HAPPEN?

27 A THAT HAPPENED BEFORE I ARRIVED.

28 Q AND DURING THE TIME THAT YOU WERE THERE IN OCTOBER,

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1 YOU SAID THERE WAS A GREAT DEAL OF OPTIMISM IN THE OFFICE  
2 REGARDING THE SHOPPING CENTER?

3 A WELL, TO GET BACK THOSE MONEYS OR THE SHOPPING  
4 CENTER WOULD BE RECEIVED.

5 Q SO THAT GENERALLY, PEOPLE BELIEVED THAT THE  
6 SHOPPING CENTER WAS GOING TO BE FORTHCOMING?

7 A CORRECT.

8 Q WAS THERE ANYTHING GOING ON AT THAT TIME, TO  
9 ATTEMPT TO PIN DOWN THE FACT THAT THERE WAS A SHOPPING CENTER?

10 A I WAS NOT MADE PRIVY TO THAT FACT, IF THERE WAS  
11 OR IF THERE WAS NOT.

12 Q DID YOU DO ANYTHING AS FAR AS ASKING MR. HUNT  
13 ABOUT THAT?

14 A NO.

15 Q DID YOU DO ANYTHING -- DID YOU EVER ASK MR. HUNT  
16 ABOUT THAT AT ANY TIME LATER?

17 A NOT TO MY RECOLLECTION.

18 Q AND WHAT HAPPENED WHEN YOU CAME BACK TO WORK THERE  
19 IN JANUARY? WAS THERE STILL THIS OPTIMISM IN THE OFFICE?

20 A NO ONE HAD SEEN THEIR MONEY OR THEIR SHOPPING  
21 CENTER. SO I MEAN, IT REALLY WAS NOT DISCUSSED MUCH AT THAT  
22 TIME. THE OPTIMISM THOUGH, WAS NOT THE SAME.

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1 Q SO IT WAS KIND OF A DIFFERENCE IN THE MOOD IN  
2 THE OFFICE?

3 A CORRECT.

4 Q AND UP TO THAT POINT, HAD YOU EVER MET MR. LEVIN?

5 A NO.

6 Q WHEN YOU CAME BACK TO THE BBC IN JANUARY, MOST  
7 OF THE 40 OR 50 PEOPLE WHO HAD BEEN AT THIS MEETING IN  
8 OCTOBER WERE NOT THERE, RIGHT?

9 A CORRECT.

10 Q WHAT WAS YOUR WORK IN JANUARY OF 1984?

11 A BASICALLY, JUST A CONTINUATION OF THINGS I HAD  
12 STARTED PRIOR TO MY ILLNESS, AND WORKING ON A FEW THINGS FOR  
13 THE COMMODITY TRANSACTION, SETTING UP A LEGAL OFFICE.

14 Q AND DID YOU CONTINUE TO WORK THERE FROM JANUARY  
15 OF 1984 THROUGH THE SPRING AND PART OF THE SUMMER OF 1984?

16 A CORRECT.

17 Q WHEN YOU WERE WORKING THERE IN JANUARY, WHAT WAS  
18 THE APPEARANCE OF HOW THE BUSINESSES THAT THE BBC WAS  
19 OPERATING?

20 A IN WHICH --

21 MR. BARENS: OBJECTION AS VAGUE AND AMBIGUOUS.

22 THE COURT: SUSTAINED.

23 MR. WAPNER: IT DIDN'T COME OUT RIGHT.

24 THE COURT: REPHRASE IT, PLEASE.

25 MR. WAPNER: I WILL, YOUR HONOR.

26 Q DID THE BBC OPERATE SEVERAL DIFFERENT CORPORATIONS  
27 OUT OF THE OFFICES ON THIRD STREET?

28 A YES, IT DID.

1 Q AND ONE OF THEM HAD TO DO WITH MICROGENESIS, WHICH  
2 WAS A BUSINESS THAT WAS TRYING TO DEVELOP THIS GRINDING MACHINE  
3 OF DR. BROWNING'S, CORRECT?

4 A CORRECT.

5 AT THAT TIME, I DON'T KNOW IF IT WAS MICROGENESIS.  
6 IT STILL MAY HAVE BEEN CYCLATRONICS AND LATER CHANGED TO  
7 MICROGENESIS.

8 Q BUT IT IS THE SAME BUSINESS?

9 A THE SAME BUSINESS BY A DIFFERENT NAME.

10 Q A ROSE IS A ROSE IS A ROSE.

11 A CORRECT.

12 THE COURT: IT IS "A ROSE BY ANY OTHER NAME SMELLS AS  
13 SWEET".

14 (LAUGHTER IN COURTROOM.)

15 MR. WAPNER: OR A GRINDING MACHINE BY ANY OTHER --  
16 ANYWAY.

17 A WHAT WAS THE BUSINESS CLIMATE IN THE OFFICE AS  
18 FAR AS HOW THESE BUSINESSES WERE DOING IN JANUARY OF 1984?

19 A DID THEY GENERATE ANY MONEYS? NO.

20 WERE THEY SPENDING MONEY, YES.

21 Q WAS THAT GENERALLY THE PATTERN WHILE YOU WERE  
22 THERE?

23 A THE ENTIRE TIME.

24 Q DID ANY OF THE BUSINESSES, TO YOUR KNOWLEDGE,  
25 GENERATE MONEY WHILE YOU WERE THERE?

26 A WESTCARS DID WHEN THEY LIQUIDATED ITS INVENTORY  
27 AND THAT WAS ABOUT THE ONLY, THE ONLY ITEM THAT GENERATED  
28 MONEY.

1 Q THAT WAS AT THE VERY END?

2 A YES.

3 Q NOW, WERE YOU THERE WHEN THE INVENTORY WAS  
4 LIQUIDATED?

5 A CORRECT.

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1 Q DO YOU REMEMBER APPROXIMATELY WHEN THAT WAS?

2 A IT WAS DURING THE SPRING, BEGINNING OF THE  
3 SUMMER OF 1984. THEY HAD A NUMBER OF CARS LEFT OVER AND  
4 THEY HAD THEM SOLD.

5 THEY BROUGHT IN SOMEBODY TO SELL THOSE CARS.

6 Q DO YOU REMEMBER WHO THAT WAS?

7 A AARON ZILBERSTEIN.

8 Q AARON --

9 A ZILBERSTEIN, Z-I-L-B-E-R-S-T-E-I-N.

10 Q DID YOU WORK WITH MR. DOSTI?

11 A THEY WORKED TOGETHER IN LIQUIDATING THE CARS.

12 Q AND SOME OF THE CARS WERE SOLD INTO THE SUMMER  
13 OF 1984?

14 A TO MY UNDERSTANDING, YES.

15 Q WERE THEY SOLD AT A PROFIT OR A LOSS?

16 A MOST OF THEM AT A LOSS.

17 Q SO MOST OF THE BUSINESSES SPENT MONEY BUT  
18 DIDN'T TAKE ANY IN OR VERY LITTLE?

19 A YES.

20 Q AND IN APRIL OR MAY OF 1984, WAS THERE SOME  
21 CONCERN AT THE OFFICE ABOUT HOW THE BUSINESSES WERE BEING  
22 OPERATED?

23 A WELL, MOST OF THE PEOPLE WHO WERE ASSOCIATED  
24 WITH THE BBC WERE NOT BUSINESSMEN OR HAD NOT HAD MUCH OF  
25 A BACKGROUND IN BUSINESS.

26 AND THERE WAS A MEETING CALLED AT THAT TIME BY  
27 JOE, BY BEN, BY DEAN, TO PUT EVERYTHING BACK ON THE RIGHT  
28 TRACK OR AT LEAST TRY TO MAKE EVERYTHING INTO A

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1 PROFIT-MAKING SEGMENT, TO NOT JUST EXIST BUT TO ACTUALLY  
2 BRING IN MONEY.

3 Q AND WAS IT ALSO TO OPERATE IT MORE LIKE A  
4 REAL BUSINESS?

5 A MORE LIKE A REAL BUSINESS, MORE EFFICIENTLY,  
6 YES, TO MAKE IT NOT JUST SEEM LIKE A REAL BUSINESS BUT TO  
7 ACTUALLY BE A BUSINESS.

8 Q ALL RIGHT. WHEN DID THIS HAPPEN?

9 A I WOULD SAY APRIL OR MAY OF 1984.

10 Q WHO ATTENDED THE MEETING?

11 A AT THAT MEETING WAS THE ENTIRE SURVIVING CAST  
12 OF BBC, THE MAY BROTHERS, JEFF RAYMOND, STEVE TAGLIANETTI,  
13 JOHN ALLEN, JOE, BEN, DEAN AND MYSELF.

14 Q SLOW DOWN.

15 A OKAY.

16 Q AND THAT IS ABOUT HOW MANY PEOPLE?

17 A ABOUT 12 PEOPLE.

18 Q AND DID YOU DISCUSS AT THAT MEETING, HOW  
19 BUSINESS WAS GOING TO BE CONDUCTED FROM THEN ON?

20 A JOE LED THE MEETING AND IT WAS BASICALLY THAT  
21 HE WAS A LITTLE DISAPPOINTED THAT YOU KNOW, THINGS WERE  
22 NOT GOING SWIMMINGLY IN THESE BUSINESSES AND THAT HE SET UP  
23 EACH ENTITY UNDER A DIFFERENT SUBHEADING OR IT WOULD CREATE  
24 WESTCARS AND THEN HAVE EVERYBODY TAKE A PART OR AN ACTIVE  
25 ROLE IN WHICH SEGMENT. AND WHATEVER EVERYBODY WANTED TO  
26 DO, THEY WERE ENTITLED TO DO IT IN THAT ENTITY.

27 THEY HAD WESTCARS, FIRE SAFETY, MICROGENESIS  
28 AND I THINK THAT WAS ABOUT IT AT THE TIME.



1 Q AND WAS THERE SOME STRUCTURE SET UP THAT WAS  
2 SUPPOSED TO BE FOLLOWED FROM THEN ON?

3 A EVERYBODY HAD THEIR OWN AREA, LEGAL -- THE  
4 LEGAL SEGMENT, I WAS INVOLVED WITH IT.

5 THEY HAD EVAN DICKER WITH IT.

6 CERTAIN PEOPLE WENT TO MICROGENESIS. THE MAY  
7 BROTHERS, DAVE MAY AND JEFF RAYMOND WERE INVOLVED WITH IT.

8 FIRE SAFETY, I REMEMBER STEVE TAGLIANETTI  
9 WAS AFFILIATED WITH IT. THEY BROKE DOWN EACH ORGANIZATION  
10 INTO SPECIFIC JOB ROLES AND THAT IS WHAT THEY HAD PEOPLE  
11 DO.

12 Q DID YOU AGREE TO HAVE MEETINGS ON A DAILY OR  
13 WEEKLY BASIS AFTER THAT?

14 A WELL INITIALLY, THEY STARTED TO HAVE BREAKFAST  
15 MEETINGS.

16 THE COURT REPORTER: PLEASE SLOW DOWN. DON'T ANSWER  
17 ON TOP OF THE QUESTION.

18 MR. WAPNER: SLOW DOWN. I WILL START OVER.

19 Q WHOSE IDEA WAS IT TO HAVE THE BREAKFAST  
20 MEETINGS?

21 A TO THE BEST OF MY RECOLLECTION, IT WAS MR.  
22 HUNT'S IDEA.

23 Q AND WAS THIS PROPOSED AT THIS MEETING IN APRIL  
24 OR MAY OF 1984?

25 A YES, IT WAS.

26 Q AND AFTER THE MEETING, DID YOU HAVE A BREAKFAST  
27 MEETING?

28 A IN FACT, WE HAD THREE.

1 Q WHEN WAS THE FIRST ONE?

2 A THE DAY AFTER THE MEETING.

3 Q AND WHO WAS THERE?

4 A JUST ABOUT ALL OF THE MEMBERS OF THE BBC WERE  
5 THERE.

6 Q AND WHEN WAS THE NEXT BREAKFAST MEETING  
7 SUPPOSED TO BE?

8 A THE DAY AFTER.

9 Q AND WAS THERE A MEETING, A BREAKFAST MEETING  
10 THAT DAY?

11 A THERE WERE TWO OF US.

12 Q TWO PEOPLE AT THAT MEETING?

13 A CORRECT.

14 Q YOU AND --

15 A AND JOHN ALLEN.

16 Q AND WHERE WERE THESE MEETINGS HELD?

17 A AT GOTTFREID'S.

18 Q THAT IS A RESTAURANT?

19 A CORRECT. IT IS ABOUT A HALF A BLOCK AWAY FROM  
20 THE OFFICE.

21 Q AND DID YOU GO BACK TO -- WHEN WAS THE NEXT  
22 MEETING SUPPOSED TO BE?

23 A THE DAY AFTER.

24 Q DID YOU GO TO GOTTFREID'S THE DAY AFTER?

25 A I DID.

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- 1           1           Q           WAS THERE ANYBODY ELSE FROM THE BBC THERE?

2           A           NOPE.

3                   (LAUGHTER IN COURTROOM.)

4           Q           DID YOU GO BACK THERE THE FOLLOWING DAY?

5           A           NO.

6                   THAT WAS IT.

7           Q           NO MORE BREAKFAST MEETINGS?

8           A           NO.

9           Q           WAS THAT SOMEHOW INDICATIVE OF HOW THE BBC HAD  
10          BEEN RUN BEFORE AND WAS RUN AFTERWARDS?

11                 MR. BARENS: I AM GOING TO OBJECT THAT IT IS VAGUE AND  
12          AMBIGUOUS, JUDGE. THE FACT THAT THEY DIDN'T EAT BREAKFAST  
13          DOESN'T SAY WHAT THEY DID THE REST OF THE DAY.

14                 THE COURT: YOU UNDERSTAND THE QUESTION?

15                 THE WITNESS: I UNDERSTAND THE QUESTION.

16                 THE COURT: ALL RIGHT, YOU MAY ANSWER IT.

17                 THE WITNESS: IT WAS NOT MR. HUNT'S INTENT OF HOW THINGS  
18          SHOULD BE RUN. IT WAS JUST INDICATIVE OF HOW THE MEMBERS  
19          TREATED BUSINESS.

20                 Q           BY MR. WAPNER: AND WAS IT INDICATIVE OF HOW THE  
21          MEMBERS GENERALLY RAN THE BUSINESSES AND HOW THE BUSINESSES  
22          RAN DURING THE TIME THE BBC WAS IN OPERATION?

23                 A           TO MY UNDERSTANDING, YES.

24                 Q           WAS THAT INDICATIVE OF THE WAY YOU OBSERVED IT  
25          TO RUN DURING THE TIME YOU WERE THERE?

26                 A           YES.

27                 Q           AND DURING THIS SAME PERIOD OF TIME OF APRIL AND  
28          MAY OF 1984, DID YOU EVER SEE A PERSON THAT YOU KNEW BY THE

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1 NAME OF JIM GRAHAM IN THE OFFICE?

2 A YES, I DID.

3 Q WHEN YOU SAW MR. GRAHAM IN THE OFFICE IN APRIL  
4 AND MAY OF 1984, WAS THERE A SPECIFIC TIME WHEN YOU SAW HIM  
5 WITH A GUN?

6 A YES, THERE WAS.

7 Q DO YOU REMEMBER WITH ANY MORE PARTICULARITY WHAT  
8 THE DATE OF THAT WAS?

9 A NO, I DO NOT.

10 Q AND WHERE WAS IT IN THE OFFICE THAT YOU SAW  
11 MR. GRAHAM WITH A GUN?

12 A HE HAD COME INTO MY OFFICE, WHICH WAS CALLED THE  
13 LEGAL ROOM, AND WAS WITH A GENTLEMAN NAMED NICK.

14 AS FAR AS -- THAT WAS HIS NAME HE WAS INTRODUCED  
15 TO PEOPLE, AS NICK.

16 Q HAD YOU EVER MET NICK BEFORE?

17 A FORMALLY, I DON'T THINK I EVER FORMALLY MET HIM.  
18 HE HAD BEEN AROUND THE OFFICE BEFORE.

19 Q DID YOU KNOW WHO HE WAS?

20 A HE SUPPLIED A LOT OF THE TOYS THAT JIM HAD.

21 Q I ASSUME WE ARE NOT TALKING ABOUT TEDDY BEARS,  
22 RIGHT?

23 A NO.

24 Q WHAT DO YOU MEAN BY TOYS?

25 A SURVEILLANCE EQUIPMENT, GUNS, PEN GUNS, TAPE  
26 RECORDING EQUIPMENT.

27 Q WHAT KIND OF TAPE RECORDING EQUIPMENT?

28 A VOICE ACTIVATED TAPE RECORDERS.

1 Q WERE ANY OF THOSE EVER USED IN THE OFFICES AS  
2 FAR AS YOU KNEW?

3 A WE WERE TOLD THAT THEY WERE.

4 I DON'T KNOW IF THEY ACTUALLY WERE USED IN THE  
5 OFFICE.

6 Q WHO TOLD YOU THAT THEY WERE USED IN THE OFFICE?

7 A JOE. JIM.

8 Q AND FOR WHAT PURPOSE DID JOE TELL YOU THAT THEY  
9 WERE BEING USED IN THE OFFICE?

10 A TO LISTEN IN ON WHAT PEOPLE WERE TALKING ABOUT.

11 Q OTHER MEMBERS OF THE BBC?

12 A YES.

13 Q WHEN DID MR. HUNT TELL YOU THAT?

14 A THAT WAS ONE INSTANCE WHERE I WAS WITH MR. GRAHAM  
15 AND MR. TAGLIANETTI AND --

16 MR. BARENS: MAY WE HAVE A DATE? I BELIEVE COUNSEL  
17 ASKED WHEN THAT WAS.

18 MR. WAPNER: YOUR HONOR, MAY I HAVE A MOMENT WITH COUNSEL?

19 (UNREPORTED COLLOQUY BETWEEN COUNSEL.)

20 Q BY MR. WAPNER: WHEN DID MR. HUNT TELL YOU ABOUT  
21 THE VOICE ACTIVATED TAPE RECORDINGS?

22 A I HAVE AN OCCURRENCE, NOT A CALENDAR DATE.

23 Q CAN YOU TELL US WHAT YOU REMEMBER ABOUT WHAT HE  
24 SAID ABOUT IT.

25 A WELL, THE OCCURRENCE THAT LED UP TO IT --

26 AND CAN I GO INTO THAT BECAUSE THAT EXPLAINS --

27 Q IF IT WILL EXPLAIN WHEN IT WAS IN POINT OF TIME  
28 APPROXIMATELY.

1           A       NO.

2                   IT EXPLAINS HOW I HAD THAT MEETING WITH MR. HUNT  
3 TO --

4           Q       THE CONTEXT OF THE WAY HE MADE THE STATEMENT?

5           A       CORRECT.

6           Q       ALL RIGHT. WOULD YOU EXPLAIN THAT.

7           A       I HAD GONE ON AN ERRAND WITH MR. GRAHAM, OR  
8 MR. PITTMAN, AND STEVE TAGLIANETTI AND DURING THE COURSE OF  
9 THAT RUNNING THAT ERRAND OR GOING ON THAT ERRAND,  
10 MR. TAGLIANETTI AND MYSELF HAD BEEN ASKED CERTAIN QUESTIONS  
11 BY JIM BASICALLY TO EXPRESS OUR DOUBTS OR ANY GRUMBLINGS WE  
12 MIGHT HAVE ABOUT THE BBC OR THE PEOPLE IN IT OR THE WAY IT  
13 WAS BEING RUN.

14                   AND WE GOT BACK TO THE OFFICE AND A LITTLE BIT  
15 AFTER THAT, JOE HAD ASKED US TO COME INTO THE OFFICE AND TALK  
16 TO HIM, AND HE BASICALLY KNEW VERBATIM WHAT WE HAD SAID.

17                   HE SAID THAT JIM HAD A VOICE ACTIVATED TAPE  
18 RECORDER.

19                   JIM LATER CONFIRMED THAT TO ME AND I WAS TOLD  
20 AT THAT TIME THAT THERE WERE OTHERS IN THE OFFICE, RECORDINGS.

21           Q       WHERE WERE YOU WHEN YOU HAD THIS CONVERSATION  
22 WITH MR. TAGLIANETTI AND MR. GRAHAM?

23           A       IN MY CAR.

24           Q       AND HOW LONG AFTER YOU GOT BACK TO THE OFFICE  
25 WAS IT BEFORE MR. HUNT CALLED YOU IN AND TALKED TO YOU ABOUT  
26 THE CONVERSATION?

27           A       30 TO 40 MINUTES.

28           Q       AND DURING THAT, WHEN YOU WENT IN TO TALK TO

1 MR. HUNT AND HE KNEW VERBATIM WHAT THE CONVERSATION WAS, HE  
2 MENTIONED TO YOU THAT HE HAD A VOICE ACTIVATED TAPE RECORDER?

3 A YES, THAT WE HAD BEEN TAPED BY JIM.

4 Q WHAT DID HE SAY ABOUT OTHER TAPE RECORDERS IN  
5 THE OFFICE?

6 A THAT THERE WERE OTHERS IN THE OFFICE.

7 Q NOW, THIS VOICE ACTIVATED TAPE RECORDER AND OTHER  
8 THINGS WHICH WERE PROVIDED BY NICK, AS FAR AS YOU KNEW?

9 A AS FAR AS I WAS AWARE.

10 Q AND ON THE DATE WHERE YOU SAW MR. -- AT SOME TIME  
11 WHEN YOU SAW MR. PITTMAN IN THE OFFICE IN APRIL OR MAY OF  
12 1984, WAS NICK INTRODUCED TO YOU AT THAT TIME OR --

13 A WE KNEW WHO HE WAS.

14 HE DIDN'T NEED AN INTRODUCTION.

15 HE DIDN'T SAY MUCH, EVER.

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1 Q WE ARE USING -- I HAVE BEEN USING NAMES INTER-  
2 CHANGEABLY. THE PERSON YOU KNEW AT THE BBC AS JIM GRAHAM,  
3 DID YOU LATER COME TO FIND OUT HIS NAME WAS ACTUALLY JIM  
4 PITTMAN?

5 A YES, I DID.

6 Q BUT THAT WAS AFTER YOU HAD LEFT THE BBC?

7 A YES.

8 Q AND WHAT HAPPENED WHEN YOU SAW JIM AND -- JIM  
9 GRAHAM AND NICK TOGETHER ON THAT DAY IN APRIL AND MAY?

10 A HE HAD A NEW TOY, A GUN, WHICH HE SHOWED ME.

11 Q WHO SHOWED IT TO YOU?

12 A JIM.

13 Q WAS NICK THERE AT THE TIME THAT JIM SHOWED IT  
14 TO YOU?

15 A YES.

16 Q WHAT WAS IT THAT HE SHOWED YOU?

17 A A GUN WITH A SILENCER.

18 Q AND HOW DID YOU KNOW IT WAS A SILENCER ON THE  
19 GUN?

20 A TELEVISION, MOVIES. HE SAID IT AND --

21 Q WHO SAID IT?

22 A JIM HAD SAID IT. IT WAS A NORMAL GUN WITH A  
23 LONG, EXTENSION THING, ROUND, STEEL. IT WAS A METAL  
24 EXTENSION.

25 Q DID YOU EVER SEE HIM TAKE THE EXTENSION OFF OF  
26 THE GUN?

27 A NO, I DID NOT.

28 Q DID THE EXTENSION ON THE GUN LOOK LIKE THE THINGS



1 THAT YOU HAD SEEN IN THE MOVIES AND ON TELEVISION THAT WERE  
2 SILENCERS?

3 A YES, IT DID.

4 Q SHOWING YOU A PICTURE WE HAVE MARKED AS 175 FOR  
5 IDENTIFICATION, DO YOU RECOGNIZE THIS?

6 A THAT IS MR. PITTMAN.

7 Q HOW DID IT COME TO PASS THAT HE SHOWED YOU THIS  
8 GUN WITH THE SILENCER ON IT IN APRIL OR MAY OF 1984?

9 A I KEEP USING THE WORD "TOY." HE HAD GOT A NEW  
10 TOY. HE HAD RECEIVED A NEW TOY AND HE WAS SHOWING IT OFF,  
11 BASICALLY.

12 Q AND WHAT DID HE DO OR SAY WHEN HE CAME TO  
13 YOU?

14 A HE JUST SHOWED IT TO ME. HE SAID, "LOOK AT  
15 THIS. I JUST GOT THIS GUN WITH A SILENCER." AND HE WAS  
16 GOING WITH NICK TO GO TEST IT IN THE ALLEY BEHIND THE  
17 BUILDING.

18 Q DID YOU EVER HEAR HIM TEST IT?

19 A NO, I DIDN'T.

20 Q DID YOU KNOW WHERE STEVE TAGLIANETTI WAS AT  
21 THE TIME YOU WERE SHOWN THE GUN?

22 A NO. HE WAS IN THE OFFICE. I DON'T KNOW WHERE  
23 HE WAS IN THE OFFICE AT THE TIME.

24 Q DID YOU EVER HEAR ANYTHING GOING ON IN THE  
25 OFFICE AT THAT TIME?

26 A NO, I DIDN'T.

27 Q YOU DIDN'T HEAR ANY THUDS OR ANYTHING?

28 A NO.

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1 Q AND HAD YOU EVER SEEN MR. PITTMAN WITH THIS  
2 PEN GUN THAT YOU REFERRED TO?

3 A NO. I HAVE HEARD HE HAD ONE. HE TOLD ME THAT  
4 HE HAD ONE.

5 Q WAS THERE A PERIOD OF TIME DURING THE TIME WHEN  
6 YOU WORKED AT THE BBC, WHERE MONEY WAS NOT AS FREE-FLOWING  
7 AS IT HAD BEEN BEFORE?

8 A WELL, IT STARTED WITH THE MEETING IN APRIL OR  
9 MAY OF HOW TO ORGANIZE THE BUSINESSES THAT WERE NOT MAKING  
10 MONEY.

11 SO, LET'S GET THEM TO MAKE MONEY. PRIOR TO  
12 THAT, MONEY HAD REALLY NOT BEEN A CONCERN. IT WAS GENERALLY  
13 A SPEND, SPEND ATTITUDE. IT WAS NOT, LET'S MAKE MONEY.

14 AND AFTER I WOULD SAY, APRIL OR MAY, IT STARTED  
15 TO BE THAT MONEY WAS MORE OF A CONCERN THAN IT HAD BEEN  
16 PRIOR TO THAT TIME.

17 Q DID MR. HUNT SEEM TO BE MORE CONCERNED ABOUT  
18 MONEY AFTER THAT MEETING THAN HE HAD BEEN BEFORE?

19 A GENERALLY, MAKING MONEY WAS -- IT WAS TIME TO  
20 HAVE THE BUSINESSES START MAKING MONEY.

21 Q BEFORE THAT MEETING, DID IT SEEM LIKE THERE  
22 WAS MONEY AROUND FOR THE SPENDING ON THE BUSINESSES?

23 A YES. THERE WAS QUITE A BIT SPENT.

24 Q AND AFTER THE MEETING, DID IT SEEM LIKE THAT  
25 HAD CHANGED TO ANY EXTENT?

26 A MONEY WAS NOT AS FREE-FLOWING, FOR LACK OF A  
27 BETTER TERM.

28 Q AT SOME POINT, DID YOU SIT DOWN WITH BEN DOSTI

1 TO TRY TO FIGURE OUT WHAT THE MONTHLY EXPENSES WERE FOR THE  
2 BBC?

3 A I SAT DOWN WITH MR. DOSTI AND MICHAEL FELDMAN,  
4 WHO WAS A CPA AT THE TIME.

5 Q AND WHEN WAS THAT, THAT YOU DID THAT?

6 A APPROXIMATELY AT THE SAME TIME PERIOD, APRILISH.  
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1 Q WHY DID YOU DO THAT?

2 A WE WERE JUST SITTING AROUND SHOOTING THE BREEZE.  
3 NO ONE REALLY EVER KNEW HOW MUCH IT COST EVERY MONTH.

4 SO WE DECIDED TO SIT DOWN AND FIGURE OUT WHAT  
5 DID IT COST EVERY MONTH TO MAKE THE OPERATION GO.

6 Q HOW DID YOU GO ABOUT DOING THAT?

7 A WE CALCULATED THE RENT FOR THE OFFICES, THE  
8 SALARIES, THE EXPENSES, THE AMOUNT OF MONEY THAT PEOPLE  
9 SPENT ON CLOTHES AND FOOD AND ENTERTAINMENT AND RENT ON  
10 THE WILSHIRE MANNING, THE CAR MAINTENANCE, THE AUTOMOBILE  
11 INSURANCE --

12 Q I AM NOT TELLING YOU TO STOP. I AM JUST TELL-  
13 ING YOU TO SLOW DOWN A LITTLE BIT.

14 A AND SALARIES.

15 Q AND WHEN YOU DID THAT, WHAT DID YOU COME UP  
16 WITH?

17 A THE FIGURE WE CAME UP WITH AT THAT TIME WAS  
18 ABOUT \$70,000 A MONTH.

19 Q PER MONTH?

20 A YES.

21 Q DID THE FIRE SAFETY BUSINESS EVER MAKE MONEY?

22 A NOT TO MY UNDERSTANDING, NO.

23 Q AND WHAT WAS YOUR UNDERSTANDING OF WHAT THAT  
24 BUSINESS WAS SUPPOSED TO BE DOING?

25 A BASICALLY DEVELOP OR IN THE ALTERNATIVE,  
26 DUPLICATE AN EXISTING PROCESS TO APPLY TO FURNITURE AND  
27 BUILDINGS THAT WOULD MAKE THEM FIREPROOF?

28 Q WHO WERE THE PEOPLE WHO WERE WORKING ON THAT

1 BUSINESS?

2 A INITIALLY, IT WAS A GENTLEMAN NAMED FRANK  
3 MINGARELLA AND RYAN HUNT.

4 Q WHO WAS RYAN HUNT?

5 A JOE'S FATHER.

6 Q AT SOME POINT, DID SOMETHING HAPPEN WITH MR.  
7 HUNT, SENIOR AND MR. MINGARELLA?

8 A JOE FIRED THEM.

9 Q WHEN WAS THAT?

10 A I THINK IT WAS ABOUT MARCH OF 1984.

11 Q WHAT HAPPENED WHEN HE FIRED THEM?

12 A HE TOLD US THAT HE FIRED THEM AND HE ORDERED  
13 EVAN DICKER TO CHANGE ALL OF THE LOCKS ON THE DOORS.

14 Q DID YOU HAVE A KEY TO THE DOOR OF THE OFFICES?

15 A YES.

16 Q DID YOU GET A NEW ONE?

17 A YES.

18 Q AS FAR AS YOU KNEW, DID THE OTHER PEOPLE GET  
19 NEW ONES, ALSO?

20 A YES, EXCEPT FOR MR. MINGARELLA AND MR. HUNT.

21 Q THAT IS RYAN HUNT?

22 A CORRECT.

23 Q AND WERE YOU AWARE OF THE FACT THAT MR. HUNT,  
24 THE DEFENDANT IN THIS CASE, WAS TRADING COMMODITIES OR  
25 PURPORTEDLY TRADING COMMODITIES FOR INVESTORS?

26 A YES.

27 Q AND WERE YOU AWARE OF THE FORMAT THAT HE HAD  
28 WHEN YOU INITIALLY GOT THERE, FOR SETTING UP THE AGREEMENT

1 BETWEEN HIMSELF AND THE INVESTORS?

2 A HE HAD A PARTNERSHIP AGREEMENT DRAFTED  
3 ENTITLED -- HE HAD NUMEROUS AGREEMENTS DRAFTED BUT THEY WERE  
4 ALL ENTITLED "JOE HUNT 1" "JOE HUNT 2," "JOE HUNT 3," FOR  
5 PEOPLE THAT HE WOULD TAKE MONEY FROM AND INVEST.

6 THE COURT: THESE ARE LIMITED PARTNERS?

7 THE WITNESS: CORRECT.

8 Q BY MR. WAPNER: AND WHAT WAS UNDER THOSE AGREE-  
9 MENTS -- WHAT WAS MR. HUNT'S LIABILITY AS AN INDIVIDUAL IF  
10 THERE WAS A LOSS OF MONEY?

11 A IT WAS AS A GENERAL PARTNER, YOU ARE LIABLE FOR  
12 TRANSACTIONS OR INCURRENCES OF THE PARTNERSHIP.

13 Q AND AFTER YOU GOT THERE, DID YOU MAKE SOME  
14 SUGGESTION TO MR. HUNT ABOUT CHANGING THAT?

15 A WELL, SUGGESTION TO MR. HUNT AND TO THE  
16 MEMBERS OF THE BBC, THAT IT DIDN'T MAKE SENSE TO HAVE  
17 PERSONAL LIABILITY FOR THOSE TRANSACTIONS, THAT IT WOULD  
18 MAKE MORE SENSE TO HAVE A CORPORATE GENERAL PARTNER WHICH  
19 THEY IN TURN, COULD CONTROL AND THE CORPORATE ENTITY WOULD  
20 BE THE GENERAL PARTNER OF THE LIMITED PARTNERSHIP.

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1 Q AND AFTER YOU MADE THAT SUGGESTION, WAS IT  
2 FOLLOWED?

3 A YES, IT WAS.

4 THEY CREATED AN ENTITY CALLED FINANCIAL FUTURES  
5 TRADING CORPORATION.

6 Q AND WHAT WAS THE PURPOSE OF CREATING FINANCIAL  
7 FUTURES TRADING CORPORATION?

8 A TO ACT AS THE GENERAL PARTNER IN THE PARTNERSHIPS.

9 Q AND DID YOU DRAFT SOME NEW AGREEMENTS FOR THAT  
10 PURPOSE?

11 A I DRAFTED A FORM AGREEMENT TO BE USED IN ALL  
12 INSTANCES.

13 Q AND THE PURPOSE OF HAVING A CORPORATE GENERAL  
14 PARTNER WAS WHAT?

15 A IN CASE THEY LOST MONEY, THAT THERE WOULD BE --  
16 THAT THE ONLY CLAIM THAT THE INVESTORS WOULD HAVE WOULD BE  
17 AGAINST THE CORPORATE GENERAL PARTNER OR AGAINST THE LIMITED  
18 PARTNERSHIP ITSELF.

19 Q SO UNDER THE NEW AGREEMENTS, MR. HUNT WAS SOMEWHAT  
20 INSULATED FROM PERSONAL LIABILITY?

21 A HE WAS INSULATED TO THE FACT HE WAS NOT AN  
22 INDIVIDUAL GENERAL PARTNER AND TO MY UNDERSTANDING, HE WAS  
23 FURTHER INSULATED THAT HE WAS NOT AN OFFICER AND/OR DIRECTOR  
24 OF FINANCIAL FUTURES TRADING.

25 Q I WANT TO SHOW YOU TWO DOCUMENTS. ONE THAT WE  
26 HAVE MARKED AS PEOPLE'S 198 AND ASK YOU IF YOU RECOGNIZE THE  
27 FORM DEPICTED IN THAT DOCUMENT..

28 A THIS WAS THE GENERAL FORM THAT WAS IN USE PRIOR

-2  
1 TO THE TIME THAT I STARTED WITH THE BBC.

2 Q AND THAT ONE IS DATED MAY 20, 1983?

3 A YES, IT IS.

4 Q THAT WAS BETWEEN WHO AND WHO?

5 A IT IS BETWEEN JOSEPH HUNT AS THE GENERAL  
6 PARTNER AND STEVEN WEISS AS THE LIMITED PARTNER.

7 Q I AM SHOWING YOU NOW AN AGREEMENT THAT HAS BEEN  
8 MARKED AS DEFENSE EXHIBIT V, DO YOU RECOGNIZE THAT?

9 A YES. THIS IS THE FORM THAT I DRAFTED SUBSEQUENTLY.

10 Q AND THAT IS THE FORM THAT WAS SUBSTITUTED, THAT  
11 WAS A CORPORATE GENERAL PARTNER INSTEAD OF AN INDIVIDUAL  
12 GENERAL PARTNER?

13 A CORRECT.

14 Q AND IN THAT PARTICULAR FORM THAT YOU HAVE IN FRONT  
15 OF YOU, WHO IS THE GENERAL PARTNER?

16 A FINANCIAL FUTURES TRADING CORPORATION OF NORTH  
17 AMERICA, INC.

18 Q WHILE YOU WERE AT THE BUSINESS, WHAT RESPONSIBILITIES,  
19 IF ANY, DID YOU HAVE OVER THE TRADING OF THE COMMODITIES  
20 ACCOUNTS?

21 A NONE.

22 OCCASIONALLY, I WOULD RECEIPT AND INVOICE IN  
23 INVESTOR MONEY, BUT OTHERWISE, I HAD NO CONTACT WITH THE  
24 TRADING.

25 Q WHAT DO YOU MEAN WHEN YOU SAY "RECEIPT AND INVOICE  
26 IN"?

27 A IF JOE WASN'T THERE, I HAD KNOWN SOME OF THE  
28 INVESTORS BY SEEING THEM IN THE OFFICE AND THEY WOULD ASK



-3  
1 FOR ME AND GIVE ME THE CHECK AND I WOULD GIVE THEM A RECEIPT  
2 FOR THAT CHECK.

3 Q WHAT DID YOU DO WITH THE CHECKS THAT YOU TOOK  
4 IN?

5 A I WOULD GIVE THEM TO MR. HUNT.

6 Q INCIDENTALLY, THIS IS SOMEWHAT OF A DIGRESSION,  
7 BUT IN OCTOBER, DURING THE TIME YOU WERE THERE IN OCTOBER,  
8 DID YOU EVER SEE INVESTORS COME INTO THE OFFICE TO MEET WITH  
9 MR. HUNT?

10 A YEAH.

11 Q HOW OFTEN?

12 A USUALLY A COUPLE OF TIMES A WEEK THERE WOULD BE  
13 PEOPLE THERE.

14 Q AND DID THAT CONTINUE DURING THE TIME THAT YOU  
15 WERE THERE?

16 A YEAH. PEOPLE ALWAYS CAME IN TO MEET WITH  
17 MR. HUNT OR HE WOULD GO OUT TO MEET WITH THEM.

18 Q NOW GETTING BACK TO THE TRADING ACTUALLY IN  
19 COMMODITIES, WERE YOU EVER IN THE OFFICE WHEN MR. HUNT  
20 PREPARED MONTHLY STATEMENTS TO BE SENT TO INVESTORS OF PROFITS  
21 THAT THEY HAD MADE DURING THE QUARTER?

22 A THERE WERE QUARTERLY STATEMENTS, YES.

23 Q I AM SORRY. QUARTERLY STATEMENTS.

24 A YES.

25 Q HOW WAS THAT DONE WHEN YOU SAW IT?

26 A IT WAS DONE, TO MY OBSERVATION AND UNDERSTANDING,  
27 WITH THIS AGREEMENT, EXHIBIT -- YOU DON'T HAVE THE NUMBER  
28 ON IT.

-4  
1 Q IS THAT V?

2 A YES, DEFENSE EXHIBIT V, A CALCULATOR AND A SPREAD  
3 SHEET.

4 Q AND DID YOU EVER SEE THAT -- SEE IT DONE THAT  
5 WAY?

6 A YES.

7 Q AND WHAT HAPPENED, AS FAR AS YOU SAY THIS  
8 AGREEMENT -- ARE YOU TALKING ABOUT ALL OF THE SIMILAR -- THE  
9 AGREEMENTS THAT WERE SIMILAR TO DEFENSE EXHIBIT V?

10 A WHICH EVIDENCED THE INITIAL INVESTMENT BY THE  
11 INVESTORS OR INVESTOR, THE SECRETARY AT THAT TIME, LORIE  
12 LEIS WAS IN CHARGE OF SENDING OUT THE QUARTERLY STATEMENTS  
13 AND SHE WOULD HAVE A SINGLE SHEET OF PAPER WHICH WOULD HAVE  
14 THE --

A  
15 IF THEY HAD ROLLED OVER THEIR INVESTMENT AND NOT  
16 REQUIRED TAKING ANY MONEY OUT, SHE WOULD HAVE A SHEET SHOWING  
17 HOW MUCH THEY THEN HAD INVESTED WITH MR. HUNT.

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1 Q AND WHAT DID HE DO WHEN YOU WERE OBSERVING IT,  
2 WHAT DID YOU SEE MR. HUNT DO WITH THE LIST OF PEOPLE WHO HAD  
3 INVESTED AND THE AMOUNTS HE HAD CALCULATED?

4 A HE FIGURED OUT HOW MUCH -- HE LISTED ON A SPREAD  
5 SHEET ACROSS EACH PERSON, THE AMOUNT THEY HAD INVESTED, HOW  
6 MUCH THEY HAD PAID AND HOW MUCH THEY NOW HAD AND HE WOULD  
7 GIVE THAT TO MS. LEIS AND SHE WOULD SEND OUT THE QUARTERLY  
8 STATEMENTS.

9 Q DID YOU EVER SEE HIM DOING THAT WHERE HE HAD A  
10 COMMODITY -- WHERE HE HAD COMMODITY STATEMENTS OR QUARTERLY  
11 COMMODITY STATEMENTS?

12 A NOT TO MY RECOLLECTION.

13 Q DO YOU KNOW WHERE THE PERCENTAGE OF PROFIT, THE  
14 AVERAGE MONTHLY PROFIT STATEMENT CAME FROM, THE AMOUNTS CAME  
15 FROM?

16 A NO.

17 Q DID YOU EVER SEE ANY OF THE RECORDS OF THE TRADING  
18 OF THE COMMODITIES?

19 A NO.

20 Q WERE YOU TOLD BY MR. HUNT HOW THE COMMODITIES  
21 TRADING WAS GOING AT ANY POINT?

22 A IT WAS ALWAYS GOING WELL.

23 Q WHAT DO YOU BASE THAT STATEMENT ON?

24 A HE WOULD SAY -- "HOW IS THE MARKET DOING TODAY?  
25 GOOD. WE ARE DOING WELL."

26 Q DID YOU EVER HEAR HIM SAY AT ANY TIME THAT THEY  
27 HAD LOST MONEY IN THE MARKET?

28 A NEVER.

1 Q DID YOU EVER HEAR HIM SAY "WE LOST ALL OF THE  
2 INVESTORS' MONEY IN THE MARKET"?

3 A NEVER.

4 Q WERE YOU PAID -- YOUR ORIGINAL AGREEMENT WAS TO  
5 BE PAID \$1,500 A MONTH; IS THAT RIGHT?

6 A CORRECT.

7 Q AND WERE YOU IN FACT PAID \$1,500 A MONTH DURING  
8 THE TIME YOU WERE THERE?

9 A YES, I WAS.

10 Q AND WERE YOU ALWAYS PAID WITH A CHECK OR WERE  
11 YOU PAID WITH CASH OR HOW WERE YOU PAID?

12 A ALWAYS PAID WITH A CHECK.

13 Q WAS IT A CHECK THAT YOU GOT ON A MONTHLY BASIS?

14 A YES, IT WAS PAID AHEAD OF TIME.

15 Q WAS THE CHECK ALWAYS WRITTEN ON THE SAME ACCOUNT?

16 A NO.

17 Q HOW MANY DIFFERENT ACCOUNTS, IF YOU CAN RECALL,  
18 DID YOU GET CHECKS ON?

19 A TO MY RECOLLECTION, I RECEIVED A CHECK FROM EVERY  
20 ACCOUNT THAT WAS MAINTAINED THERE.

21 Q DID YOU EVER GET A CHECK FOR YOUR SALARY FROM  
22 THE WESTCARS ACCOUNT?

23 A YES.

24 Q DID YOU EVER GET A CHECK FOR YOUR SALARY FROM  
25 THE MICROGENESIS ACCOUNT?

26 A YES.

27

28

1 Q AND WHAT ABOUT FINANCIAL FUTURES?

2 A YES.

3 Q DO YOU KNOW WHY THAT WAS?

4 A NO.

5 Q DID YOU EVER ASK HIM WHY THAT WAS?

6 A NO.

7 Q THE CHECKS WERE ALWAYS GOOD?

8 A THAT'S RIGHT.

9 Q WERE YOU EVER IN THE OFFICE WHEN MR. HUNT WENT  
10 OUT TO TALK TO INVESTORS OR SAID HE WAS GOING TO AN  
11 INDIVIDUAL INVESTOR ABOUT INVESTING IN FINANCIAL FUTURES?

12 A YES.

13 Q AND DID HE MAKE ANY REMARK TO YOU ABOUT HAVING  
14 TO GO AND TALK TO INVESTORS AND WHAT HE WAS GOING TO SAY TO  
15 THEM?

16 A HE HAD A USUAL TALK ABOUT HIS PHILOSOPHY OF  
17 TRADING IN THE MARKET AND HOW HE CAPITALIZED ON PEOPLE'S  
18 GREED AND THAT IS HOW HE MADE HIS MONEY IN USING BASICALLY  
19 WHAT ARE KNOWN AS BUTTERFLIES OR ARBITRAGE METHODS OF  
20 TRADING AND THAT HE WAS GOING TO BE PRESENTING -- WELL, THAT  
21 IS HOW HE USED IT.

22 Q OKAY. DID HE EVER CHARACTERIZE THE TALK THAT  
23 HE GAVE TO THE INVESTORS?

24 A OCCASIONALLY.

25 Q WHAT DID HE CALL IT OR HOW DID HE REFER TO  
26 IT?

27 A IT HAS BEEN REFERRED TO AS A DOG AND PONY  
28 SHOW.

1 Q MR. HUNT REFERRED TO IT THAT WAY?

2 A YES. NOT ALL THE TIME, BUT OCCASIONALLY.

3 Q DID HE EVER TELL YOU WHAT WAS DONE WITH THE  
4 MONEY THAT HE TOOK IN FROM INVESTORS?

5 A NO.

6 Q DO YOU KNOW WHAT WAS DONE WITH THE MONEY THAT  
7 WAS TAKEN IN FROM INVESTORS?

8 A NO.

9 Q SO, AS FAR AS THE MONEY THAT WAS SPENT ON THOSE  
10 VARIOUS BUSINESSES AT THE BBC, DO YOU KNOW WHERE THE MONEY  
11 CAME FROM?

12 A DIRECTLY, NO.

13 Q WHEN YOU WERE AT YOUR OFFICE IN OCTOBER, THERE  
14 WAS SOME TALK ABOUT RON LEVIN HAVING A SHOPPING CENTER AND  
15 THE BBC WAS GOING TO GET A PART OF THAT, RIGHT?

16 A CORRECT.

17 Q WHEN YOU CAME BACK IN JANUARY, WAS THERE ANY  
18 TALK ABOUT MR. LEVIN?

19 A THEY WERE WAITING THE SHOPPING CENTER BUT  
20 VERY LITTLE TALK ABOUT MR. LEVIN.

21 Q AND DID YOU HEAR MUCH ABOUT MR. LEVIN IN THE  
22 NEXT FEW MONTHS?

23 A NO.

24 Q HAD YOU EVER MET MR. LEVIN?

25 A NO.

26 Q DID YOU EVER MEET HIM?

27 A NEVER.

28 Q ALL RIGHT. DID YOU EVER SEE HIM AT THE OFFICES

1 OF THE BBC?

2 A NEVER.

3 Q AT SOME POINT IN JUNE OF 1984, EARLY JUNE,  
4 WERE YOU ASKED BY MR. HUNT TO HELP HIM WITH A CONTRACT?

5 A YES.

6 Q AND DO YOU REMEMBER THE SPECIFIC DATE THAT  
7 THAT WAS?

8 A NO, I DO NOT. IT WAS IN THE BEGINNING, FIRST  
9 WEEK OF JUNE.

10 Q FIRST WEEK OF JUNE?

11 A YES.

12 Q OF 1984?

13 A CORRECT.

14 Q WERE YOU IN THE OFFICE AT THAT TIME?

15 A YES.

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1 Q APPROXIMATELY AT WHAT TIME OF THE DAY OR NIGHT  
2 WAS IT THAT YOU WERE ASKED BY MR. HUNT?

3 A LATE AFTERNOON.

4 Q WHAT HAPPENED?

5 A HE BROUGHT ME AN AGREEMENT AND ASKED ME TO  
6 SPICE IT UP, TO JAZZ IT UP WITH SOME LEGALESE, TO READ IT,  
7 TO MAKE SURE IT WAS COHERENT.

8 Q WHEN HE BROUGHT IT TO YOU, WAS IT ALREADY  
9 TYPED?

10 A YES, IT WAS.

11 Q SHOWING YOU AN AGREEMENT THAT WE HAVE MARKED  
12 AS PEOPLE'S 58 FOR IDENTIFICATION, DO YOU RECOGNIZE THAT?

13 A YES. THIS IS THE AGREEMENT THAT I WORKED ON.

14 Q AND THAT AGREEMENT THAT YOU HAVE IN FRONT OF  
15 YOU IS SIGNED, RIGHT?

16 A CORRECT.

17 Q WAS IT SIGNED AT THE TIME YOU WORKED ON IT?

18 A NO.

19 Q AND WHAT, IF ANYTHING, DID YOU DO WITH RESPECT  
20 TO WORKING ON THAT AGREEMENT?

21 A BASICALLY, THERE WAS A TIME ISSUE. AND I  
22 ADDED A FEW LEGAL WORDS, STRAIGHTENED IT OUT AND ADDED A  
23 COUPLE OF THINGS. I DELETED I THINK, ONE OR TWO THINGS AND  
24 GAVE IT BACK TO JOE.

25 THERE WAS NOT TIME FOR ME TO IN MY MIND, RE-  
26 STRUCTURE THE AGREEMENT AS IT SHOULD HAVE BEEN STRUCTURED.

27 Q WHAT DO YOU MEAN WHEN YOU SAY THERE WAS A TIME  
28 ISSUE?



1           A           HE HAD TO HAVE IT THEN, BECAUSE HE WAS GOING  
2 TO MEET RON LEVIN.

3           Q           DID HE TELL YOU THAT?

4           A           YES.

5           THE COURT: SO THE RECORD WILL INDICATE, THAT IS THE  
6 OPTION AGREEMENT WITH LEVIN? IS THAT RIGHT, FOR THE  
7 MILLION AND A HALF DOLLARS?

8           THE WITNESS: RIGHT, THE MILLION AND A HALF DOLLAR  
9 OPTION.

10          Q           BY MR. WAPNER: AND WHAT DID YOU MEAN WHEN YOU  
11 SAY THAT THERE WAS NOT TIME FOR YOU TO STRUCTURE IT THE WAY  
12 YOU FELT THAT IT SHOULD HAVE BEEN STRUCTURED?

13          A           WELL, MY ADVICE WAS THAT THIS WOULD NOT --  
14 THIS IS JUST A PERFUNCTORY, FORM TYPE OF AGREEMENT THAT  
15 IS NOT A BINDING -- IT IS A GOOD AGREEMENT FOR A SMALL  
16 AMOUNT.

17                   IF YOU WANT TO HAVE PEOPLE -- IF YOU ARE  
18 TALKING ABOUT \$100 OR A COUPLE OF HUNDRED DOLLARS FOR THE  
19 OPTION, THIS WOULD DO THE WORK.

20                   BUT FOR A SEVEN OR EIGHT AND A HALF MILLION  
21 DOLLAR OPTION, IT WAS MY IMPRESSION THAT IT SHOULD HAVE  
22 BEEN A MORE COMPREHENSIVE DOCUMENT INSTEAD OF A TWO-PAGE  
23 LETTER.

24          Q           AND IN FACT, THE AMOUNT THAT WAS TO BE PAID FOR THE  
25 INITIAL OPTION WAS NOT WRITTEN OR TYPED ANYWHERE ON THAT  
26 DOCUMENT, WAS IT?

27          A           NO. WHEN I RECEIVED IT, THERE WERE -- THERE  
28 ARE NOW THREE BLANK LINES ON IT. WHEN I HAD IT, THESE

1 THREE LINES WERE NOT THERE.

B 2 Q WHEN YOU HAD IT, THAT IS WHEN MR. HUNT GAVE IT  
3 TO YOU INITIALLY?

4 A CORRECT.

5 Q WHEN HE GAVE IT TO YOU INITIALLY, WAS THERE  
6 ANYTHING IN THE SPACE WHERE THE THREE BLANK LINES ARE NOW?

7 A NO.

8 Q WAS THERE ANY AMOUNT?

9 A NO. I THINK IT WAS LEFT AS EIGHT AND A HALF  
10 MILLION DOLLARS AT THE TIME.

11 Q THE EIGHT AND A HALF MILLION IS WHAT WAS TO BE  
12 PAID AFTER THE OPTION OR DURING THE OPTION PERIOD?

13 A CORRECT.

14 Q AND THIS AGREEMENT THAT YOU HAVE IN FRONT OF  
15 YOU, IS BASICALLY -- WELL, LET ME ASK IT MORE DIRECTLY.

16 CAN YOU EXPLAIN TO THE JURY, WHAT AN OPTION  
17 IS?

18 A AN OPTION WOULD BE A PARTIAL PAYMENT FOR THE  
19 RIGHT TO PURCHASE AN ITEM IN THE FUTURE. IT IS A LEGAL  
20 RIGHT THAT YOU ARE BUYING AT THIS TIME.

21 Q SO IN THIS PARTICULAR CASE, THERE WAS MONEY  
22 BEING SPENT FOR THE RIGHT TO PURCHASE SOMETHING IN THE FUTURE?

23 A CORRECT.

24 Q AND ACCORDING TO THIS CONTRACT, THE PERSON IS  
25 GETTING THE RIGHT TO PURCHASE WHAT?

26 A GETTING THE RIGHT TO PURCHASE CYCLATRONS OR  
27 MACHINES CREATED BY MR. BROWNING TO USE IN THE SILICA  
28 AND CERAMICS INDUSTRY.

1 Q AND IF A PERSON WANTS TO EXERCISE THE OPTION  
2 AND PURCHASE OF THOSE MACHINES, HOW MUCH DOES HE HAVE TO  
3 PAY?

4 A EIGHT AND A HALF MILLION DOLLARS, ACCORDING TO  
5 THIS AGREEMENT.

6 Q AND IF THE PERSON PURCHASES THE OPTION --  
7 THE COURT: PURCHASES THE OPTION?

8 Q BY MR. WAPNER: RIGHT. IF HE PURCHASES THE  
9 OPTION BUT HE DECIDES THAT HE DOESN'T WANT TO SPEND THE  
10 EIGHT MILLION DOLLARS, DOES HE GET THE MONEY BACK THAT HE  
11 SPENT FOR THE OPTION?

12 A NO.  
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1 Q SO IN THIS CASE IF A PERSON SPENT THE MILLION  
2 AND A HALF DOLLARS AND DECIDED HE DIDN'T WANT THE MACHINE,  
3 HE IS OUT THE MILLION AND A HALF, RIGHT?

4 A EVEN IF HE WOULD HAVE PAID THE SUBSEQUENT  
5 \$7 MILLION AND DECIDED HE DIDN'T WANT THE MACHINES, HE IS  
6 OUT THE ENTIRE SUM OF MONEY.

7 Q AND HOW LONG -- DO YOU REMEMBER APPROXIMATELY  
8 WHAT TIME IT WAS THAT MR. HUNT GAVE YOU THE AGREEMENT?

9 A LATE AFTERNOON, 3:30 OR SO.

10 Q HOW LONG DID YOU HAVE THE AGREEMENT?

11 A 30 MINUTES.

12 Q AND AFTER THAT 30 MINUTES, WHAT DID YOU DO?

13 A HE CAME BACK AND GOT IT FROM ME AND WITH MY  
14 CORRECTIONS OR SUGGESTIONS AND HE HAD IT MODIFIED AND HE LEFT.

15 Q DID YOU PUT SOME LANGUAGE INTO IT?

16 A YEAH, I ADDED A FEW LEGAL TERMS AND TRIED TO JUST  
17 ORGANIZE IT, STRAIGHTEN IT OUT.

18 Q AND AFTER YOU GAVE IT BACK TO HIM, WHAT DID HE  
19 DO WITH IT?

20 A HE HAD IT RETYPED, I THINK IT WAS ON A WORD  
21 PROCESSOR, AND MODIFIED AND TAKEN BACK -- HE HAD IT FIXED  
22 TO INCORPORATE SOME OF MY TERMS.

23 Q SO IT WAS RETYPED AGAIN?

24 A RIGHT.

25 Q WITH THE CORRECTIONS YOU HAD PUT IN?

26 A THE ONES THAT HE WANTED, YES.

27 Q DID YOU SEE MR. HUNT LEAVE THE OFFICE THAT  
28 AFTERNOON?

-2

1 A YES, HE DID.

2 Q APPROXIMATELY WHAT TIME?

3 A 4:30, 5:00.

4 Q THE AGREEMENT THAT HE GAVE YOU WAS GRANTING AN  
5 OPTION TO RON LEVIN; IS THAT RIGHT?

6 A CORRECT.

7 Q BETWEEN JANUARY OF '84 AND THE DATE WHEN HE GAVE  
8 YOU THAT CONTRACT, HAD YOU HEARD MUCH ABOUT LEVIN IN THE OFFICE?

9 A NOT THAT MUCH.

10 Q WERE YOU KIND OF SURPRISED WHEN HE GAVE THIS TO  
11 YOU?

12 A YEAH.

13 I HAD NOT HEARD ABOUT THIS COMING UP. IT WAS  
14 NOT DISCUSSED PRIOR TO ME SEEING THE AGREEMENT.

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1 Q AND WHEN MR. HUNT GAVE IT TO YOU, CAN YOU DESCRIBE  
2 HIS EMOTIONAL STATE AT THAT TIME?

3 A IT WAS HURRIED, EXCITED, ANIMATED.

4 Q WAS THAT SOMEHOW UNUSUAL TO YOU?

5 A IT WAS DIFFERENT THAN HIS NORMAL COURSE OF  
6 BUSINESS.

7 Q WHAT WAS DIFFERENT ABOUT IT?

8 A HE WAS NOT NORMALLY ANIMATED, IN A HURRY OR IN  
9 AN EXCITED STATE, ANXIOUS STATE.

10 Q AND WASN'T MR. HUNT USUALLY PRETTY COOL?

11 A COOL CUSTOMER.

12 Q AFTER YOU GAVE MR. HUNT THIS AGREEMENT AND IT  
13 WAS RETYPED AND HE LEFT THE OFFICE, DID YOU SEE HIM AGAIN  
14 AT SOME POINT?

15 A I DID NOT SEE HIM AGAIN UNTIL THE NEXT MORNING.

16 Q WHERE DID YOU SEE HIM THE NEXT MORNING?

17 A WHEN HE CAME INTO THE OFFICE.

18 Q AND WHEN HE CAME INTO THE OFFICE, WHAT HAPPENED?

19 A I TURNED TO HIM AND SAID, "DID YOU GET IT?"

20 AND HE SAID, "I GOT IT" AND --

21 Q WHEN HE SAID, "I GOT IT," WHAT DID HE HAVE?

22 A THE CHECK FOR \$1,500,000 AND THE SIGNED AGREEMENT,  
23 WHICH HE BOTH GAVE TO ME.

24 Q SHOWING YOU AN ITEM THAT WE HAVE MARKED AS  
25 PEOPLE'S 57 FOR IDENTIFICATION, DO YOU RECOGNIZE THIS?

26 A THIS IS THE CHECK.

27 Q WHEN HE GAVE YOU THE CHECK, WHAT DID YOU DO WITH  
28 IT?

1 A I PUT IT IN A FILE IN MY DESK.

2 Q DID MR. HUNT MAKE SOME COPIES OF THAT BEFORE YOU  
3 PUT IT IN THE FILE?

4 A NOT TO MY UNDERSTANDING.

5 Q AND WHEN HE CAME BACK AND YOU SAID, "DID YOU GET  
6 IT" AND HE SAID "YES," DID HE APPEAR EXCITED?

7 A HAPPY.

8 Q WAS THERE SOME DISCUSSION IN THE OFFICE ABOUT  
9 HOW TO GET THE CHECK CASHED?

10 A THERE WAS A LOT OF DISCUSSION ABOUT HOW TO GET  
11 THE CHECK CASHED IN A HURRY.

12 Q AND WAS THERE A PERSON WORKING THERE AT THAT TIME  
13 NAMED NEIL ADELMAN?

14 A YES, THERE WAS.

15 Q WHO WAS HE?

16 A HE HAD COME TO DO MOST OF THE LITIGATION INVOLVED.

17 IT WAS AT THIS POINT THAT THE MICROGENESIS WAS  
18 STARTING TO SELL A FEW MACHINES AND IT WAS ENVISIONED THAT  
19 THERE WOULD BE SOME LITIGATION INVOLVED AND HE CAME -- HE  
20 WAS EMPLOYED TO HANDLE THAT LITIGATION.

21 Q AND DID HE SUGGEST A PLACE WHERE THEY COULD GET  
22 THE CHECK CASHED IN A HURRY?

23 A YES, HE DID.

24 Q WHAT WAS THE REASON, IF YOU KNOW, WHY THERE WAS  
25 DISCUSSION ABOUT GETTING THE CHECK CASHED IN A HURRY?

26 A THEY WANTED MONEY.

27 THE BANK OF AMERICA WANTED LIKE SIX TO EIGHT WEEKS  
28 TO CLEAR THIS CHECK AND THEY WANTED IT NOW.

1-3 1 Q AND DID YOU CONTINUE TO WORK AT THE BBC AFTER  
2 MR. HUNT CAME BACK WITH THIS CHECK AND WITH THE CONTRACT?

3 A YES, I DID.

4 Q WERE YOU EVER INVITED TO A MEETING OF THE MEMBERS  
5 OF THE BBC AT THE END OF JUNE OF 1984?

6 A NO, I WAS NOT.

7 Q WHEN YOU WORKED THERE, DID YOU CONSIDER YOURSELF  
8 A MEMBER OF THE BBC OR AN EMPLOYEE?

9 A ASSOCIATE MEMBER.

10 Q ALL RIGHT. WHY DO YOU SAY THAT?

11 A I DIDN'T REALLY SOCIALIZE THAT MUCH WITH THE PEOPLE  
12 WHO CONSIDERED THEMSELVES TO BE MEMBERS.

13 I WAS -- I MORE OR LESS STAYED ON MY OWN.

14 Q DID JOE HUNT EVER TALK TO YOU ABOUT THE PARDOX  
15 PHILOSOPHY, FOR EXAMPLE?

16 A A NUMBER OF TIMES.  
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1 Q AND DID YOU EVER TELL HIM ONE WAY OR THE OTHER  
2 WHETHER YOU BELIEVED IT?

3 A I LISTENED. I DIDN'T -- I NEVER MADE MUCH OF --  
4 THE PARADOX PHILOSOPHY, AS I UNDERSTOOD IT, WAS  
5 KIND OF LIKE A SHELL GAME, IT COULD BE WHAT YOU WANT WITH  
6 THE WALNUTS AND THE PEA. IF YOU WANTED TO WORK THIS WAY, THEN THE  
7 SHELL WAS OVER THERE. IF YOU WANTED TO WORK THIS WAY, THEN THE SHELL  
8 WAS OVER THERE. YOU KNOW, IT DIDN'T REALLY MAKE MUCH SENSE, SO  
9 I LISTENED.

10 Q SO I TAKE IT, YOU WEREN'T A DISCIPLE SO TO SPEAK,  
11 OF THE PHILOSOPHY?

12 A DECIDEDLY NOT.

13 MR. BARENS: I OBJECT, YOUR HONOR, TO COUNSEL'S  
14 CHARACTERIZATION, USING THE WORD "DISCIPLE." I DON'T THINK  
15 WE HAVE TESTIMONY HERE THAT WE HAVE DISCIPLES.

16 THE COURT: GO AHEAD.

17 MR. BARENS: I BELIEVE I AM OVERRULED?

18 THE COURT: VERY MUCH SO.

19 (LAUGHTER IN COURTROOM.)

20 Q BY MR. WAPNER: AND HOW LONG AFTER MR. HUNT CAME  
21 BACK WITH THIS AGREEMENT AND CHECK WAS IT THAT YOU CONTINUED  
22 TO WORK AT THE BBC?

23 A TILL ABOUT THE THIRD WEEK IN AUGUST, 1984.

24 Q AND DID YOU RESIGN AT THAT POINT?

25 A IT WAS A MUTUAL PARTING OF THE WAYS. I RESIGNED  
26 AND GOT FIRED AT THE SAME TIME.

27

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1 Q WHEN MR. HUNT CAME BACK INTO THE OFFICE WITH  
2 THE CHECK AND THE CONTRACT, DO YOU KNOW WHETHER OR NOT THAT  
3 WAS THE SAME DAY THAT SOMEBODY WENT TO THE BANK TO ATTEMPT  
4 TO GET THE CHECK CASHED?

5 A I DON'T KNOW IF THEY WENT THAT DAY. BUT THEY  
6 HAD MADE CALLS TO BANKS THAT DAY, TO SEE ABOUT THE  
7 PROCEDURES.

8 Q AND THERE WAS GENERALLY A CONCERN ABOUT  
9 GETTING THE CHECK CASHED AS SOON AS POSSIBLE?

10 A RIGHT.

11 MR. WAPNER: THANK YOU. NOTHING FURTHER.

12 MR. BARENS: A MOMENT?

13 (PAUSE.)

14  
15 CROSS-EXAMINATION

16 BY MR. BARENS:

17 Q WELL, GOOD AFTERNOON, MR. EISENBERG.

18 A MR. BARENS.

19 Q JUST ON THE POINT ABOUT THE SHELL GAME, MR.  
20 EISENBERG, WAS THE PARADOX PHILOSOPHY SOMETHING THAT YOU  
21 BELIEVED IN OR USED?

22 A NEITHER.

23 Q OKAY. IT WAS NOT -- WE ALL KEEP SAYING,  
24 "DO YOU BELIEVE IN THE PARADOX PHILOSOPHY," BUT AS I HEAR  
25 IT FROM YOU, IT ISN'T AT ALL SOMETHING YOU BELIEVED IN?

26 A SORRY? WOULD YOU SAY THE QUESTION AGAIN?

27 Q ISN'T IT SOMETHING A BELIEF -- IF YOU SAY IT  
28 IS NEITHER, IT IS NOT SOMETHING YOU BELIEVE IN OR USE?

1 WHAT IS IT?

2 MR. WAPNER: YOUR HONOR, OBJECTION TO THE FORM OF  
3 THE QUESTION. BECAUSE IT IS WORDED -- I KNOW MR. BARENS  
4 HAS HIS WAY THAT HE LIKES TO USE WHAT HE CALLS THE  
5 "MOTHER TONGUE" BUT I THINK IT MAKES THIS PARTICULAR  
6 QUESTION UNINTELLIGIBLE.

7 THE COURT: DO YOU UNDERSTAND THAT?

8 THE WITNESS: WELL, INITIALLY YOU ASKED WHETHER I  
9 DID AND NOW YOU ARE USING THE WORD "WE."

10 Q BY MR. BARENS: YOU SAID -- I ASKED YOU IF  
11 IN A THEORETICAL SENSE, IS THE PARADOX PHILOSOPHY SOMETHING  
12 THAT IS BELIEVED IN OR USED.

13 A DEPENDING BY WHOM, IT COULD BE BOTH.

14 Q IT COULD BE NEITHER? COULD IT BE SIMPLY SOME-  
15 THING THAT HAS REFERENCE ONLY TO A SUBJECT WE DISCUSS?

16 A IT COULD BE DISCUSSED AS A SEPARATE ITEM IN A  
17 VACUUM. THAT IS TRUE, AS MOST THINGS COULD. BUT DEPENDING  
18 UPON WHO IS DISCUSSING IT AND WHO WAS USING IT --

19 Q SO, WE SEE PARADOX PHILOSOPHY AS I UNDERSTAND  
20 IT NOW, THREE WAYS. WE SEE IT AS SOMETHING AN INDIVIDUAL  
21 COULD BELIEVE IN? SIR?

22 A IS THAT A QUESTION?

23 Q YES.

24 A CORRECT.

25 Q WE SEE IT AS SOMETHING THAT SOMEONE COULD JUST  
26 USE WITHOUT BELIEVING IN?

27 A CORRECT.

28 Q AND WE SEE IT AS SOMETHING THAT COULD JUST BE

1 A SOURCE OF A TOPIC OF DISCUSSION WHERE WE ARE NEITHER  
2 BELIEVING IT OR USING IT?

3 A CORRECT.

4 Q IS IT NOT TRUE, THAT VARIOUS OF THE PEOPLE THAT  
5 WERE UP THERE, HAD ALL THREE OF THOSE APPROACHES TO THE  
6 PARADOX PHILOSOPHY?

7 A I WOULD AGREE WITH THAT.

8 Q OKAY. WAS EVERYBODY UP THERE WALKING AROUND  
9 LIKE A BUNCH OF ZOMBIES ON THE PARADOX PHILOSOPHY?

10 A ON THE PARADOX PHILOSOPHY?

11 Q YES.

12 A NO.

13 Q OKAY. WERE THEY -- WAS HUNT UP THERE ACTING  
14 LIKE A CAPITALIST, AS FAR AS YOU COULD UNDERSTAND?

15 MR. WAPNER: OBJECTION, CALLING FOR A CONCLUSION.  
16 IT IS VAGUE. WHAT DOES A CAPITALIST ACT LIKE?

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1 THE COURT: SUSTAINED.

2 Q BY MR. BARENS: WELL, WASN'T HUNT UP THERE  
3 TRYING TO DO BUSINESS TO IN OTHER WORDS, MAKE MONEY?

4 MR. WAPNER: OBJECTION, CALLING FOR A CONCLUSION ON  
5 THE PART OF THE WITNESS. HE DOESN'T KNOW.

6 MR. BARENS: HE WOULD KNOW WHETHER HUNT WAS TRYING  
7 TO MAKE MONEY OR NOT.

8 THE COURT: OVERRULED. HE CAN ANSWER THE QUESTION.

9 THE WITNESS: AMONG OTHER THINGS.

10 MR. BARENS: OKAY.

11 THE COURT: AMONG OTHER THINGS?

12 THE WITNESS: YES. MONEY WAS NOT THE MOST IMPORTANT  
13 THING.

14 Q BY MR. BARENS: OKAY. NOW, YOU VOLUNTEERED  
15 THAT MONEY WAS NOT THE MOST IMPORTANT THING, RIGHT?

16 A CORRECT.

17 Q WHAT WAS THE MOST IMPORTANT THING THE WAY YOU  
18 PERCEIVED IT?

19 A MONEY ALONG WITH POWER.

20 Q OKAY. IN OTHER WORDS, TO HUNT, THERE SEEMED TO  
21 BE ANOTHER AGENDA OF THINGS IMPORTANT TO HIM, ASIDE FROM JUST  
22 MAKING A LOT OF MONEY?

23 A CORRECT.

24 Q WHAT ELSE SEEMED IMPORTANT TO HIM?

25 A POWER ASPECTS SEEMED IMPORTANT. AND ALSO FROM  
26 A HUMANISTIC POINT OF VIEW, THE COMRADERY OF HAVING PEOPLE  
27 THERE TOGETHER WORKING.

28 Q HUNT SEEMED TO HAVE AS A PRIORITY, MAINTAINING

1 THE SOCIAL SETTING AND THE SOCIAL STRUCTURE OF THE BBC IN  
2 TERMS OF THE PEOPLE IN THE CAMRADERIE.

3 A WITH HIM IN CHARGE.

4 Q YES?

5 A CORRECT.

6 Q LIKE A FRATERNITY HOUSE, ALMOST, OF ALL OF THESE  
7 PEOPLE AND HE GETS TO BE THE PERPETUAL PRESIDENT OF THE  
8 FRATERNITY?

9 A YOU COULD SAY IT WAS A TYPE OF A FRATERNITY.

10 Q A TYPE OF FRATERNITY?

11 A YES.

12 Q NOW, THE FACT OF HUNT RETAINING HIMSELF AS  
13 PRESIDENT OF THE HOUSE, SO TO SPEAK, WAS A PRIORITY OF HIS?

14 A YES.

15 Q AND THE FACT OF HUNT MAINTAINING A CERTAIN  
16 APPEARANCE AND STATURE WITH THE REST OF THE PEOPLE SEEMED  
17 TO BE A PRIORITY WITH HUNT?

18 A YES.

19 Q DIDN'T THAT SEEM TO EVEN BE MORE IMPORTANT THAN  
20 MAKING MONEY?

21 A IT WAS A CLOSE TIE BETWEEN THE TWO. WITHOUT  
22 MONEY, YOU WOULD NOT HAVE HAD THE LATTER.

23 Q IN OTHER WORDS, ARE YOU TELLING ME MR. EISENBERG,  
24 THAT IF MR. HUNT COULD NOT CONTINUE HAVING A CERTAIN  
25 APPEARANCE OF A CERTAIN LEVEL OF ECONOMIC PERFORMANCE THERE,  
26 HE DOESN'T GET TO BE PRESIDENT OF THE FRATERNITY ANYMORE?

27 A OR THE MEMBERS QUIT.

28 Q YOU GOT IT. SO AS I UNDERSTAND NOW, THE

1 DYNAMICS OF WHAT IS REALLY HAPPENING UP THERE, THAT AS LONG  
2 AS EVERYBODY BELIEVES THAT HUNT IS THE BIG WINNER AND HAS  
3 CREATED A CERTAIN ECONOMIC STATUS QUO, HE GETS TO BE  
4 PRESIDENT OF THE HOUSE?

5 A IN ESSENCE.

6 Q OKAY. THAT SEEMS TO PUT A NEXUS BETWEEN MONEY  
7 AND HUNT'S POSITION RATHER THAN AN ANALOGY BETWEEN A BELIEF  
8 IN THE PARADOX PHILOSOPHY AND HUNT'S POSITION?

9 MR. WAPNER: OBJECTION, ARGUMENTATIVE. ALSO, THE  
10 FORM OF THE QUESTION IS NOT A QUESTION. IT IS JUST A  
11 STATEMENT.

12 Q BY MR. BARENS: I AM ASKING YOU SIR, IS IT NOT  
13 TRUE, THAT HUNT SURVIVING AS PRESIDENT OF THE HOUSE, IS  
14 CONTINGENT MORE UPON THE ECONOMIC STATUS QUO THAN IT IS  
15 EVERY MEMBER BECOMING EITHER A DISCIPLE, ZOMBIE OR WHATEVER,  
16 TO THE PARADOX PHILOSOPHY?

17 MR. WAPNER: YOUR HONOR, CAN THE RECORD BE CLEAR THAT  
18 ALL OF THESE QUESTIONS ARE CALLING FOR THE OPINION OF THIS  
19 WITNESS?

20 MR. BARENS: I HAVE NO ONE ELSE TO ASK, JUDGE.

21 MR. WAPNER: WELL, THERE IS AN OBJECTION THAT IT  
22 CALLS FOR SPECULATION AND CONCLUSIONS ON THE PART OF THE  
23 WITNESS TO THE EXTENT THAT THE COURT ALLOWS THIS AND SO  
24 IT CAN BE CLEAR, IT IS THE OPINION OF --

25 THE COURT: THERE WON'T BE TOO MANY MORE OF THESE  
26 QUESTIONS. I WILL LET HIM ANSWER THIS.

27 THE WITNESS: BREAK IT DOWN IN ASKING. I AM HAVING  
28 A DIFFICULT TIME ANSWERING YOUR GENERALIZATIONS. IF YOU CAN

1 SPECIFY --

2 MR. BARENS: CAN WE READ THAT ONE BACK? THE SAME  
3 WAY? THAT'S A LITTLE JOKE.

4 THE COURT: SURELY. READ IT BACK, PLEASE.  
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1 "THE COURT REPORTER: I AM ASKING YOU,  
2 SIR, IS IT NOT TRUE THAT HUNT SURVIVING AS  
3 PRESIDENT OF THE HOUSE IS CONSISTENT MORE UPON  
4 THE ECONOMIC STATUS QUO THAN IT IS EVERY MEMBER  
5 BECOMING EITHER A DISCIPLE, ZOMBIE OR WHATEVER,  
6 TO THE PARADOX PHILOSOPHY?"

7 THE COURT: DO YOU UNDERSTAND THE QUESTION?

8 THE WITNESS: I WILL TAKE A SHOT AT IT.

9 (LAUGHTER IN COURTROOM.)

10 THE WITNESS: YOU KNOW, FOR DIFFERENT PEOPLE, THE  
11 PARADOX PHILOSOPHY, SOME OF IT ACTUALLY, I AM SURE, BELIEVED  
12 IT.

13 LIKE YOU ARE CORRECT, OTHERS USED IT AND THERE  
14 WERE OTHERS WHICH HAD NO BELIEF OR USE FOR IT.

15 MR. HUNT WOULD HAVE BEEN PRESIDENT OF THE  
16 FRATERNITY FOR THOSE WHO BELIEVED IT, WHETHER HE HAD MONEY  
17 OR NOT.

18 FOR THOSE WHO USED IT, HE PROBABLY WOULD NOT.  
19 AND FOR THOSE WHO DIDN'T BELIEVE IT, HE WOULD  
20 NOT EITHER.

21 MR. BARENS: A MOMENT, YOUR HONOR.

22 (PAUSE IN PROCEEDINGS.)

23 Q BY MR. BARENS: ALL RIGHT, SIR, GOING BACK AND  
24 TRYING TO FOLLOW YOUR TESTIMONY IN ORDER AT THIS POINT.

25 EVIDENTLY IN OCTOBER OF 1983 WHEN YOU FIRST MEET  
26 WITH MR. HUNT AND THEN COME ON BOARD, YOU DESCRIBED THE SETTING  
27 IN WHICH MEMBERS OR PEOPLE GET TO PICK WHAT THEY WANT TO DO  
28 IN THE BBC?

1 A CORRECT.

2 Q IT IS ALMOST LIKE JOB DAY AT THIS POINT?

3 A JOB FAIR.

4 Q JOB FAIR?

5 A OF COURSE.

6 Q SO IT IS A FAIRLY DEMOCRATIC LOOKING SITUATION  
7 THAT OCCURS THERE?

8 A TO THE EXCLUSION OF ACTUAL DECISION-MAKING,  
9 CORRECT.

10 Q SURE.

11 BUT THE MEMBERS AREN'T -- ALL OF THESE PEOPLE  
12 AREN'T BROUGHT TOGETHER AND HUNT SAYS, "I HAVE DECIDED YOU  
13 ARE GOING TO DO THIS, YOU ARE GOING TO DO THIS, YOU ARE GOING  
14 TO DO THIS, YOU ARE GOING TO DO THIS."

15 THEY ARE ACTUALLY TOLD WHAT YOU WOULD LIKE TO  
16 DO AT THIS POINT.

17 A AT THAT POINT, IT WAS A QUESTION, WHAT WOULD YOU  
18 LIKE TO DO?

19 Q THEN PEOPLE SELECT AMONG VARIOUS JOB OPPORTUNITIES  
20 THAT THE BBC OSTENSIBLY PROVIDES?

21 A OR AREAS OF INTEREST.

22 Q OR AREAS OF INTEREST, OKAY.

23 NOW NOT EVERYONE HAD THE SAME INTEREST, I PRESUME?

24 A CORRECT.

25 Q OKAY. THEN YOU TESTIFIED THAT NONE OF THE  
26 BUSINESSES APPEARED TO BRING IN ANY MONEY?

27 A CORRECT.

28 Q WHAT ABOUT THE \$150,000 THAT CAME IN ON THE OPTION

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1 FROM BROWNING, BERNARD, CORE & TRUDEAU -- TO GIVE YOU ALL  
2 FOUR OF THE NAMES -- DID YOU KNOW ANYTHING ABOUT THAT?

3 A I HAD HEARD ABOUT THAT BUT THAT WAS PRIOR TO THE  
4 TIME THAT I STARTED THERE.

5 Q YOU HAD HEARD THAT A HUNDRED FIFTY THOUSAND DOLLARS  
6 CAME IN FROM THEM?

7 A YES, I HAD.

8 Q WHAT ABOUT THE \$50,000 OPTION MONEY THAT CAME  
9 IN ON THE MICROGENESIS TECHNOLOGY FROM A FELLOW NAMED MORTON  
10 IN ARIZONA?

11 A JUNE -- IN MAY-JUNE OF 1984, THERE WAS A TIME  
12 LAG BETWEEN THESE ITEMS.

13 Q DID THAT MONEY COME IN?

14 A YES, IT DID.

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1 Q NOW YOU MENTIONED, YOU STARTED DESCRIBING FOR  
2 MR. WAPNER THE WAY BUSINESS WAS GOING ON AND WE TALKED ABOUT  
3 THIS BREAKFAST SITUATION SOMEWHAT EPITOMIZING WHAT WAS GOING  
4 ON THERE.

5 IS IT A FAIR STATEMENT THEN THAT MR. HUNT IS TRYING  
6 TO DO BUSINESS, AND IS SOMEWHAT CAPITALISTICALLY, BUT HE IS  
7 NOT GETTING A LOT OF COOPERATION FROM THE OTHER MEMBERS?

8 A I THINK THE MEMBERS WERE COOPERATING TO THE BEST  
9 OF THEIR ABILITY.

10 Q THEN IS IT YOUR STATEMENT THAT THEY JUST DID NOT  
11 HAVE ANY REAL BUSINESS ACUMEN AS IT TURNED OUT?

12 A CORRECT.

13 Q OKAY. I GET A SENSE THAT EVERYONE IS WELL INTENDED  
14 BUT NO ONE KNOWS HOW TO DO IT IN TERMS OF MAKING MONEY?

15 A YES.

16 Q DID HUNT APPEAR TO WORK HARD?

17 A VERY HARD.

18 Q AND HUNT TRIED TO GET EVERYBODY MOTIVATED AND  
19 GEARED UP?

20 A YES.

21 Q AND THAT IS ALL AGAIN KIND OF BROUGHT TO A FOCUS  
22 IN -- I DON'T KNOW WHEN IT IS -- IN APRIL OR SO WHEN YOU HAVE  
23 THIS MEETING AND WE TRY TO STREAMLINE THE BUSINESS?

24 A CORRECT.

25 Q AND HUNT, WAS HE TRYING TO SHAPE EVERYBODY UP  
26 AT THIS POINT?

27 A TRYING TO MAKE MONEY.

28 Q OKAY. AT THAT MEETING, WE ARE NOT TALKING

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1 ABOUT PARADOX PHILOSOPHY, ARE WE?

2 A NO.

3 Q WE ARE JUST TALKING ABOUT CAPITALISM, IF WE MIGHT?

4 A TALKING ABOUT DOING BUSINESS.

5 Q OKAY, NOW JUST A MOMENT.

6 AT THAT POINT, YOU TALKED ABOUT --

7 BY THE WAY, OTHER THAN NOT MEETING FOR BREAKFAST,

8 DID THE PEOPLE UP THERE TRY TO FOLLOW THE NEW STREAMLINED

9 OR MORE FOCUSED BUSINESS ORIENTATION?

10 A OCCASIONALLY, THE EFFORT WAS MADE.

11 WHETHER IT WAS EVER FULFILLED, I DOUBT.

12 Q WAS THERE, WHAT WE MIGHT CALL, A GOOD-FAITH EFFORT

13 TO DO IT OR WAS IT JUST KIND OF IGNORED OR WHAT HAPPENED AS

14 FAR YOU COULD TELL?

15 A THERE WAS A GOOD-FAITH EFFORT IN THE BEGINNING

16 TO DO IT AND THEN IT SLOWLY PETERED OUT.

17 Q WERE PEOPLE COUNTING ON HUNT DOING SOME SORT OF

18 MAGIC TO GET THINGS BACK ON TRACK OR TO MAKE A BIG SCORE?

19 A THE BIG SCORE WAS ALWAYS IN THE MICROGENESIS FIELD.

20 MOST OF THE MEMBERS DID NOT HAVE THE DESIRE TO

21 GET THEIR HANDS DIRTY IN THE DAY-TO-DAY BUSINESS. THEY WEREN'T

22 INTERESTED IN MAKING SMALLER AMOUNTS OF MONEY. THEY WANTED

23 LARGER AMOUNTS OF MONEY.

24 Q AND AS IT BECAME OBVIOUS AFTER THIS APRIL MEETING,

25 WE LOOKED TO HUNT TO MAKE THE BIG SCORE?

26 A PRECISELY HUNT, NO.

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28 THE ENTITIES THAT COULD MAKE THE BIG SCORE, TO

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1 MAKE THE BIG SCORE.

2 Q IT WAS PERCEIVED AS MICROGENESIS?

3 A AT THAT TIME, YES, MICROGENESIS.

4 Q WHO, IF WE HAVE TO SAY, HAVE WE GOT SOMEONE THERE  
5 BATTING CLEANUP OR WHO WE EXPECT REASONABLY TO HIT A HOMERUN,  
6 IS NOT HUNT GOING TO BE THE ONE?

7 A WELL, THERE WAS ALSO DEAN KARNY AND THERE WAS  
8 MR. DOSTI AS WELL.

9 Q WELL, NOW KARNY AND DOSTI APPEAR AS WHAT? ARE  
10 THEY CO-EQUALS IN A TROIKA WITH MR. HUNT OR ARE THEY STILL  
11 IN SOME SENSE SUBORDINATE TO HIM, SIR?

12 A IN SOME INSTANCES, THEY WERE PORTRAYED AS EQUALS.  
13 IN OTHER INSTANCES, THEY WERE PORTRAYED AS  
14 LIEUTENANTS.

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1 Q WAS IT WHEN HUNT STRUCTURED UP THE MEETING IN  
2 APRIL -- WAS HUNT LOOKED UP TO BY THE REST OF THE PEOPLE AT  
3 THE BBC THERE? HE WAS THE ONE THAT WAS GOING TO DETERMINE  
4 HOW THIS NEW STRUCTURE WAS GOING TO APPEAR?

5 A HIM BY HIMSELF, NO. IT WAS MORE A GROUP DECISION-  
6 MAKING PROCESS. YES, HE LED THE MEETING. IT WAS HIS  
7 IMPETUS TO CALL THE MEETING.

8 Q SO HE HAD GROUP DECISION-MAKING?

9 A AT THAT TIME, YES.

10 Q AND THE MENTALITY THEN, TO MAKE SURE I UNDERSTAND  
11 WHAT IS RESULTANT HERE, THAT EVEN THOUGH WE HAVE STREAMLINED  
12 PROCEDURES, LET'S CALL THEM THAT FOR NOW, WE STILL HAVE A  
13 BIG HIT OR BIG SCORE TYPE OF MENTALITY IN THE GROUP AS FAR  
14 AS HOW WE GET RESCUED?

15 A WELL, SEE, I DON'T THINK A RESCUE IS THE PROPER  
16 TERM. HOW TO MAKE MONEY.

17 I MEAN, I DON'T THINK ANYONE ELSE REALIZED OR  
18 EVEN CARED THAT THESE ENTITIES WERE NOT MAKING MONEY.

19 THEY WERE COMING IN AND THEY WERE WORKING AT THEM  
20 BUT LIKE I SAID EARLIER, NOT INTERESTED IN MAKING \$10. THEY  
21 WERE INTERESTED IN MAKING \$100,000.

22 Q RIGHT. SO THE KIND OF DEAL WE REALLY ARE LOOKING  
23 FOR, WHILE WE ARE TREADING WATER AND SHOWING UP EVERY DAY  
24 IS NOT REALLY HOW MUCH MONEY WE MADE ON SELLING WESTCARS OR  
25 HOW MUCH MONEY WE MADE ON A PARTICULAR COMMODITY TURN, BUT  
26 THE BIG DEAL?

27 A OR DEALS.

28 Q THE BIG DEAL OR DEALS. THAT IS REALLY IS WHAT

1 EVERYBODY IS SAYING THAT WE ARE INTERESTED IN SEEING HAPPEN?

2 A AND I THINK JOE TRIED TO CHANGE THAT TYPE OF  
3 THINKING.

4 Q NOW, WHEN JOE TRIED TO CHANGE FROM THE BIG HIT OR  
5 BIG DEAL OR BASES LOADED HOMERUN TYPE OF PHILOSOPHY, NOTHING  
6 HAPPENED, DID IT?

7 A THEY TRIED.

8 Q AND THAT DIDN'T SEEM TO SUCCEED WHEN THEY GOT  
9 INTO TWO BREAKFAST MEEINGS AND WE HAD AN INITIAL ATTEMPT TO  
10 FOLLOW SOME NEW PROCEDURES?

11 A CORRECT.

12 Q THAT'S ABOUT IT?

13 A CORRECT.

14 THE COURT: I THINK WE'LL TAKE OUR RECESS AT THIS TIME.

15 MR. BARENS: THANK YOU, YOUR HONOR.

16 THE COURT: LADIES AND GENTLEMEN OF THE JURY, WE'LL  
17 TAKE AN ADJOURNMENT AT THIS TIME.

18 (NOISE IN THE COURTROM.)

19 THE COURT: BE SEATED. WILL YOU KEEP THEM QUIET? WE'LL  
20 TAKE AN ADJOURNMENT NOW UNTIL TOMORROW MORNING AT 10:30.  
21 AND I WANT TO EMPHASIZE AGAIN, THE SAME ADMONITION THAT I  
22 HAVE BEEN GIVING YOU. DO NOT TALK AMONG YOURSELVES OR WITH  
23 THIRD PARTIES OR DISCUSS OR MAKE ANY DECISIONS ON THE CASE  
24 UNTIL THE MATTER IS FINALLY SUBMITTED TO YOU.

25 ALSO, I WILL REMIND YOU OF THE FACT THAT THERE  
26 HAS BEEN A GREAT DEAL OF PUBLICITY ABOUT THIS MATTER. OF  
27 COURSE, YOU CAN SUSPECT THAT. BUT I DON'T WANT ANYBODY READING  
28 ANYTHING OR LISTENING TO ANYTHING ON THE RADIO OR TELEVISION.



1 GOOD NIGHT.

2 (THE JURY EXITS THE COURTROOM.)

3 MR. BARENS: COULD WE APPROACH, JUST A MOMENT?

4 THE COURT: YES.

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1 (THE FOLLOWING PROCEEDINGS WERE HELD  
2 AT THE BENCH OUTSIDE THE HEARING OF  
3 THE JURY:)

4 MR. BARENS: THE POINT I WOULD MAKE IS BRIEF, YOUR  
5 HONOR. YOUR HONOR, IN PLANNING WHAT LIES AHEAD OF US NOW,  
6 I TRIED TO HAVE AN EYE TO THE NEXT, COMING WEEK.

7 AND I PRESUME, BASED ON DISCUSSIONS WITH MR.  
8 WAPNER, THAT THE PROSECUTION'S CASE WILL BE COMING TO  
9 COMPLETION IN THE NEXT FEW -- OR THE FORESEEABLE FEW DAYS.

10 I WAS GOING TO ASK THE COURT IF I MIGHT HAVE  
11 A HIATUS OF TWO DAYS OR THREE DAYS BETWEEN THE PROSECUTION'S  
12 CASE AND THE PRESENTATION OF MY CASE, WHICH -- IF IT SHOULD  
13 NOT FALL OVER A WEEKEND, FOR THE REASON THAT LOGISTICALLY,  
14 HERE IS MY PROBLEM.

15 SIMPLY, I CAN PUT IT TO YOU THAT IT IS  
16 IMPOSSIBLE FOR ME TO HAVE ENOUGH TIME TO BE HERE ALL DAY  
17 LONG, PREPARE FOR THE NEXT DAY AND WHAT HAPPENS HERE AND  
18 PREPARE MY TESTIMONY OR PREPARE MY WITNESSES THAT I PLAN  
19 TO PRESENT TO THE COURT.

20 I HAVE, I WANT TO REPRESENT TO THE COURT, MADE  
21 A STRENUOUS EFFORT TO ACCOMPLISH THAT. BUT I HAVE -- IT IS  
22 JUST PHYSICALLY IMPOSSIBLE TO SUCCESSFULLY DO THIS.

23 THE COURT: THE D.A. HAS THE SAME PROBLEM. HE SEEMS  
24 TO BE GOING DAY BY DAY.

25 MR. BARENS: I UNDERSTAND THAT, YOUR HONOR. THERE  
26 IS A DIFFERENCE BETWEEN DEALING WITH THE PROSECUTION'S CASE  
27 ON THE ONE HAND, WHERE I AM DEALING WITH HIS WITNESSES AND  
28 ON THE OTHER HAND, HAVING TO DEAL WITH OTHER WITNESSES,

1 YOUR HONOR.

2 YOU SEE, I HAVE A TWO-FOLD PROBLEM. MR. WAPNER  
3 HAS BEEN KIND ENOUGH TO TELL ME WHO IS COMING IN THE NEXT  
4 DAY. SO I PREPARE FOR THE PERSON COMING IN THE NEXT DAY.

5 ON THE OTHER HAND, I HAVE HAD TO TRY TO FIND  
6 THE TIME TO PREPARE FOR THE PEOPLE I AM PLANNING TO INTRODUCE,  
7 WHICH HAS INVOLVED A LOT OF PEOPLE WHO ARE NOT REALLY  
8 COOPERATIVE. SOMETIMES THEY WON'T EVEN TALK TO ME, LET  
9 ALONE COOPERATE WITH MY TIME.

10 THE COURT: THAT IS WHY WE ONLY HAVE A FOUR-DAY WEEK,  
11 SO THAT YOU CAN PREPARE YOUR CASE AND PREPARE FOR THE WITNESSES  
12 THAT ARE GOING TO COME IN FOR THE DEFENSE AND THE PROSECUTION.

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1 MR. BARENS: I UNDERSTOOD THAT, YOUR HONOR.

2 THE COURT: YOU HAVE THE WHOLE WEEKEND TO DO THESE THINGS.

3 MR. BARENS: I UNDERSTAND THAT, YOUR HONOR.

4 THE OTHER PROBLEM THAT IS OBVIOUS TO YOUR HONOR,  
5 OTHER THAN THE BALANCE OF MY PRACTICE, I HAVE HAD NO SOURCE  
6 OF INCOME SINCE THIS TRIAL STARTED IN NOVEMBER. I HAVEN'T  
7 RECEIVED A DIME FROM ANYBODY AND I HAVE HAD TO SOMEHOW PAY  
8 MY BILLS AND MAKE A LIVING, TOO.

9 THE COURT: I APPROVED A BILL. DIDN'T YOU GET THAT  
10 ONE?

11 MR. BARENS: NO, YOUR HONOR, I HAVE NOT BEEN PAID A  
12 DIME FROM ANY SOURCE, I REPRESENT TO THIS COURT.

13 THE COURT: DIANE?

14 THE CLERK: YES, SIR.

15 THE COURT: THERE WAS ONE BILL --

16 OFF THE RECORD.

17 (UNREPORTED COLLOQUY BETWEEN THE COURT  
18 AND COUNSEL.)

19 MR. BARENS: JUST FOR THE PURPOSES OF THE DISCUSSION,  
20 I WAS NOT FINDING FAULT WITH ANYBODY THAT I HADN'T BEEN. I  
21 WAS JUST DISCUSSING THE FACT THAT I HAVE BEEN HERE SINCE  
22 NOVEMBER AND SINCE NOVEMBER UNTIL NOW, I HAVE HAD TO MAKE  
23 A LIVING AS WELL ON SOME BASIS. THE ONLY THING I AM SAYING,  
24 JUDGE, IS --

25 THE COURT: WHEN YOU ASSUMED THE DEFENSE OF THIS CASE,  
26 YOU KNEW THERE WERE CERTAIN OBLIGATIONS THAT YOU HAD AND THAT  
27 IS, TO ATTEND THE TRIAL OF THIS CASE FOR FOUR DAYS A WEEK.

28 YOU KNEW, OF COURSE, IT IS GOING TO BE A LONG

1 DRAWN OUT CASE AND OBVIOUSLY, YOU WERE A PARTY TO IT IN DRAWING  
2 IT OUT AS LONG AS IT HAS BEEN DRAWN OUT -- NOT THAT I AM  
3 CRITICIZING YOU FOR IT -- BUT YOU KNEW ALL OF THESE THINGS  
4 WOULD HAVE TO BE DONE.

5 MR. BARENS: YES, YOUR HONOR.

6 THE COURT: ALL RIGHT, THE FACT YOUR BUSINESS HAS BEEN  
7 SUFFERING AS A RESULT OF THAT, I HAVE NOTHING TO DO WITH THAT.

8 MR. BARENS: I AM NOT SAYING THAT, YOUR HONOR.

9 I DIDN'T MEAN TO SAY MY BUSINESS HAS BEEN  
10 SUFFERING AS A RESULT OF THAT.

11 I MEAN TO SAY ONLY I WAS ASKING YOUR HONOR TO  
12 CONSIDER THE RESULT OF MY POSITION.

13 THE COURT: WHAT IS IT YOU WANT, THESE THREE DAYS OFF  
14 TO PREPARE YOUR CASE OR TO DO OTHER BUSINESS?

15 MR. BARENS: NO, YOUR HONOR, I HAVE MADE IT CLEAR, I  
16 BELIEVE, IN MY REQUEST THAT I WANTED THREE DAYS TO COORDINATE  
17 THE PRESENTATION OF THE DEFENSE CASE WHERE I WOULD WORK  
18 SOLELY ON THAT MATTER AND HAVE THE TIME TO DO IT.

19 I DON'T THINK IT WOULD CAUSE ANY PREJUDICE TO  
20 THE PROSECUTION OR THE COURT OR ANYBODY ELSE BY ASKING FOR  
21 THAT REQUEST, YOUR HONOR.

22 THE COURT: I CAN'T GIVE YOU THREE DAYS TO DO THAT.

23 MR. BARENS: COULD YOUR HONOR GIVE ME TWO DAYS?

24 THE COURT: YOU HAVE THE WEEKEND TO DO IT AND YOU HAVE  
25 FRIDAY TO DO IT IN.

26 MR. BARENS: YOUR HONOR, THE PROBLEM IS ON THE WEEKENDS,  
27 WHAT I HAVE ENCOUNTERED, MANY OF THE WITNESSES WILL NOT SPEAK  
28 TO ME OVER THE WEEKEND. I JUST DON'T GET THE COOPERATION

1 ON THE WEEKEND WHEN THEY HAVE LAWYERS.

2 THE COURT: YOU MEAN FRIDAY. FRIDAY IS NOT THE WEEKEND.

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1 MR. BARENS: YOUR HONOR, I HAVE, AS YOUR HONOR IS  
2 AWARE, A LEVEL OF PROFESSIONAL RESPONSIBILITY BASED ON AN  
3 18-YEAR CAREER WHERE EVEN THOUGH I TOTALLY AM COGNIZANT OF  
4 MY RESPONSIBILITIES IN PEOPLE V. HUNT, I HAVE ONGOING  
5 PROFESSIONAL OBLIGATIONS THAT I CANNOT TOTALLY IGNORE DURING  
6 THIS SITUATION.

7 ON FRIDAYS, I WILL REPRESENT, ON ALMOST EVERY  
8 FRIDAY I HAVE OTHER APPEARANCES IN OTHER COURTS THAT I  
9 COULD NOT, ALTHOUGH I HAVE ASSIGNED TO EVERYBODY IN THE WORLD  
10 THAT WOULD HELP ME, THERE HAVE BEEN INEVITABLY TIMES I HAVE  
11 HAD TO BE IN COURT ON CRIMINAL MATTERS, NOT ON CIVIL  
12 MATTERS, YOUR HONOR.

13 THE COURT: I WILL GET INPUT FROM YOU.

14 MR. WAPNER: MY ONLY INPUT IS, CONSIDERING THE  
15 EQUITABLE POSITION AND THAT IS, I WAS INTENDING TO ASK THE  
16 COURT BETWEEN THE CONCLUSION OF THE DEFENSE CASE AND ARGUMENT  
17 THAT WE HAVE SOME PERIOD OF TIME TO PULL TOGETHER EVERYTHING  
18 THAT HAS HAPPENED FOR BOTH SIDES. I DON'T KNOW HOW THAT  
19 ANALOGIZES TO THIS CASE BUT I DON'T WANT TO PUT MYSELF IN  
20 THAT POSITION --

21 THE COURT: I THINK BOTH OF YOU SHOULD HAVE AT LEAST  
22 ONE DAY AFTER WE CONCLUDE.

23 MR. WAPNER: HOW MANY DAYS?

24 MR. BARENS: I THINK THEY GAVE THOSE TWILIGHT ZONE  
25 PEOPLE A WEEK.

26 MR. WAPNER: I DON'T THINK ONE DAY IS GOING TO BE  
27 ENOUGH.

28 THE COURT: YOU WANT TO HAVE THREE DAYS AT THE END

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1 OF THE PEOPLE'S CASE TO PREPARE YOUR CASE AND THEN YOU WANT  
2 THREE DAYS AFTER BOTH SIDES HAVE COMPLETED THEIR CASES FOR  
3 THE ARGUMENT TO THE JURY, IS THAT WHAT YOU ALL WANT?

4 MR. BARENS: I BELIEVE BOTH COUNSEL WOULD LIKE AT  
5 LEAST THREE DAYS TO PREPARE, OR MR. WAPNER COULD SPEAK  
6 FOR HIMSELF IN THAT REGARD. I DON'T KNOW HOW LONG HE WOULD  
7 LIKE.

8 MR. WAPNER: FIRST OF ALL, IT IS ACADEMIC AT THIS  
9 POINT BECAUSE IF THE TESTIMONY CONCLUDES ON A THURSDAY OR  
10 EVEN A WEDNESDAY, TO GIVE US ONE COURT DAY WOULD IN EFFECT  
11 BE GIVING US FOUR DAYS.

12 THE COURT: YES.

13 MR. WAPNER: LET'S SAY IF WE FINISH ON A WEDNESDAY,  
14 IF YOU GAVE US ONE COURT DAY, THAT WOULD BE FOUR DAYS AND  
15 THAT WOULD CERTAINLY, I THINK, BE ADEQUATE.

16 MR. BARENS: I AM NOT GOING TO DISAGREE.

17 MR. WAPNER: IF WE FINISH ON A TUESDAY AND YOU GIVE  
18 US WEDNESDAY OFF AND SAY TO ARGUE ON THURSDAY, THAT IS A  
19 LITTLE MUCH.

20 THE SAME THING WITH MR. BARENS' REQUEST ABOUT  
21 THREE DAYS, IF WE FINISH THE PEOPLE'S CASE ON A WEDNESDAY,  
22 TO TAKE ONE DAY OFF AND, SAY, START THE NEXT MONDAY, I DON'T  
23 THINK THAT IS THAT BIG A DEAL. HOWEVER, IF WE FINISH ON  
24 A MONDAY --

25 THE COURT: I DON'T MIND DOING THAT.

26 MR. BARENS: YOU SEE, WHAT I THINK MR. WAPNER IS  
27 RECOGNIZING AND AGREEING --

28 THE COURT: THURSDAY AND FRIDAY, WOULD THAT BE ENOUGH



1 FOR YOU?

2 MR. BARENS: I DON'T CARE WHICH TWO THEY ARE BUT I  
3 NEED TWO DAYS WHERE LAWYERS AND PEOPLE WORK, I NEED TWO  
4 WEEKDAYS.

5 THE COURT: YOU WILL HAVE THURSDAY AND FRIDAY.

6 MR. BARENS: IF WE HAVE A THURSDAY AND FRIDAY  
7 FOLLOWED BY SATURDAY AND SUNDAY, THAT WILL BE FINE.  
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1 THE COURT: ALL RIGHT, I WILL SEE WHAT I CAN DO FOR  
2 YOU AT THE TIME.

3 MR. BARENS: I JUST DON'T WANT TO BE IN A POSITION THAT IF  
4 HE FINISHES ON A WEDNESDAY AND TOMORROW IS THURSDAY AND  
5 YOU SAY "I WILL SEE YOU TOMORROW AT 10:30" --

6 THE COURT: NO, I WOULDN'T DO THAT.

7 MR. BARENS: IF THE DEFENSE FINISHES ON THURSDAY, I  
8 HAVE TO DO IT MONDAY, I NEED TWO WORKDAYS.

9 THE COURT: ALL RIGHT, YOU WILL HAVE TWO WORKDAYS.

10 MR. BARENS: THANK YOU, YOUR HONOR. I APPRECIATE IT.

11 THE COURT: NOW THEY ARE WAITING FOR IT. I THINK  
12 IT IS IN ACCORDANCE WITH MY ORDER.

13 MR. WAPNER: WHAT I WOULD LIKE TO DO IS ASK THE  
14 COURT, PLEASE, TO DEFER UNTIL TOMORROW SO I CAN HAVE  
15 SOME INPUT AND CONSIDER DRAFTING ANOTHER ONE.

16 THIS IS NOT -- TO ME, THEY COULD HAVE DRAFTED  
17 THIS WHILE THEY WERE HERE IN COURT. THIS IS JUST STRICTLY  
18 BOILERPLATE AND TO ME, IT IS NOT SATISFACTORY AND DOESN'T  
19 ADDRESS THE CONCERNS.

20 THE COURT: WELL, IT REPRESENTS EXACTLY WHAT I HAD  
21 SAID, DOESN'T IT?

22 MR. WAPNER: WELL, IT DOES AND IT DOESN'T.

23 I WASN'T CLEAR AT ALL WHEN WE FINISHED EXACTLY  
24 WHERE WE STOOD. BUT I AM NOT SATISFIED ABOUT WHAT THEY  
25 ARE DOING BECAUSE THEY DON'T KNOW. A LAWYER DRAFTED THIS  
26 AND HE DOESN'T HAVE A CLUE AS TO WHAT IS GOING ON AND I  
27 WANT TO GET SOME TECHNICAL INPUT BECAUSE I, FRANKLY, HAVE  
28 SOME CONCERNS THAT AREN'T ADEQUATELY ADDRESSED AND ONE

1 OF THEM IS, DID THEY GET A VIDEO TAPE?

2 THE COURT: WELL, IT ALL DEPENDS ON -- IT IS A GREAT  
3 SECRET. HOW LONG DO YOU WANT BEFORE YOU PUT YOUR WITNESS  
4 ON THE STAND?

5 MR. WAPNER: WELL, THE WAY THINGS ARE IT IS ALL A  
6 GREAT SECRET AT THE MOMENT, BUT IT IS NOT TOMORROW.

7 THE COURT: ALL RIGHT. TOMORROW IS WEDNESDAY. WILL  
8 IT BE THURSDAY?

9 MR. WAPNER: WELL, IT IS GOING TO BE PARTLY DEPENDING  
10 ON HOW LONG IT TAKES BUT --

11 THE COURT: WELL, LET ME HAVE SOMETHING TOMORROW THAT  
12 YOU WANT TO SUBSTITUTE FOR THIS.

13 MR. WAPNER: ALL RIGHT, I WILL ASK YOU TO WAIT FOR  
14 OVERNIGHT.

15 THE COURT: I WILL WAIT UNTIL TOMORROW.

16 MR. BARENS: ALL RIGHT, THANK YOU.

17 (AT 4:50 P.M. AN ADJOURNMENT WAS TAKEN  
18 TO RESUME AT 10:30 A.M. WEDNESDAY, MARCH  
19 11, 1987.)  
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