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3 IN A REALTIME PARTIALLY EDITED TRANSCRIPT, YOU MAY
4 SEE THE REPORTER'S RAW SHORTHAND NOTES. CONSEQUENTLY, YOU
5 MAY SEE ERRORS IN CAPITALIZATION AND PUNCTUATION,
6 MISSPELLINGS, SMALL WORDS MISSING (SUCH AS "THE," "IT,"
7 "A"), TRANSPOSED WORDS, DOUBLE WORDS, CONTEXTUAL HEARING
8 MISTAKES, HEARING MISTAKES OF SOUND-ALIKE WORDS, POSSIBLE
9 INCORRECT SPEAKER IDENTIFICATION, AND AT TIMES STENO
10 OUTLINES THAT HAVE NOT BEEN TRANSLATED.

11 BE ASSURED THAT IN THE FINAL EDITED VERSION OF THE
12 TRANSCRIPT, ALL ERRORS ARE CORRECTED. AN UNEDITED OR
13 PARTIALLY EDITED TRANSCRIPT REPRESENTS A FIRST DRAFT AND
14 SHOULD BE USED ACCORDINGLY.

15 THEREFORE, IT IS NOT RECOMMENDED YOU RELY ON THE
16 UNEDITED VERSION AS YOU WOULD A FINAL EVIDENTIARY CERTIFIED
17 TRANSCRIPT. ALTHOUGH AN UNEDITED OR PARTIALLY EDITED
18 TRANSCRIPT WILL BE VERY READABLE AND MOSTLY ACCURATE, IT
19 SHOULD BE USED WITH GREAT CARE.

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1 10:00 AM.

2 THE COURT: Gabrielino versus Stein BC361307 good
3 morning.

4 MS. IBARRA: Good morning.

5 MR. FORDYCE: Good morning Your Honor.

6 MR. STEIN: Good morning.

7 THE COURT: Can you make your appearances.

8 MS. IBARRA: Delia Ibarra on behalf of plaintiff
9 Gabrielino-Tongva Tribe.

10 MR. FORDYCE: Niall Fordyce on behalf of Mr. Stein
11 and law offices of Jonathan Stein.

12 MR. STEIN: Jonathan Stein on behalf of SMDC and
13 the Crane Group.

14 THE COURT: Okay thank you. Mr. Stein was on the
15 witness stand, are we still going with Mr. Stein or did you
16 have somebody else.

17 MR. FORDYCE: We are going with Mr. Stein Your
18 Honor thank you.

19 THE COURT: All right Mr. Stein if you would come
20 forward and resume the witness stand. Go ahead and have a
21 seat?

22 A. Thanks Your Honor.

23 THE COURT: You understand you're still under
24 oath?

25 A. Yes.

26 Q. BY MR. FORDYCE: Mr. Stein we left off with
27 Exhibit 60, Plaintiff's Exhibit 6 so, one, it, three -- we
28 are at the top of the fourth page.

1 THE COURT: This is 60.

2 MR. FORDYCE: That is right Your Honor 60.

3 THE COURT: Thank you.

4 MR. FORDYCE: Sure.

5 Q. BY MR. FORDYCE: I would just like to start with
6 maybe a foundational threshold question to you, if you can
7 turn to the last page of the exhibit, it's Page 9, what
8 looks like a fax stamp at the top. Are you there?

9 A. Yes.

10 Q. I believe you testified yesterday that in fact
11 this document wasn't signed but I draw your attention to
12 the signature block on the top right of the signature
13 blocks. Can you please read that into the record?

14 A. Yeah this is the first draft of a document that
15 has plenty of mistakes in it but this one says very truly
16 yours on behalf of the Gabrielino tribal council and the
17 Gabrielino tribal gaming authority and it lives the tribal
18 council that would be there for the tribal council and then
19 it lists Jonathan Stein the CEO of the Gabrielino-Tongva
20 Tribal gaming authority.

21 Q. Please explain your rolled as CEO of the tribal
22 gaming authority?

23 A. Actually, on this date, I was no longer the CEO of
24 the tribal gaming authority so that was one of the mistakes
25 here. I resigned four days before on September 9th, and
26 this is part of the fast moving events that were very
27 stressful and emotional for everybody.

28 Q. Mr. Stein and I'm sorry just for everybody here

1 but unfortunately this is what we have to do, in Plaintiffs
2 second binder, binder two of four can I draw your attention
3 to Plaintiff's Exhibit 2.

4 THE COURT: '62 that's a different binder.

5 MR. FORDYCE: I'm sorry Your Honor that's
6 correct.

7 THE COURT: Okay thank you.

8 MR. FORDYCE: And in that binder.

9 MS. IBARRA: This isn't new right.

10 MR. FORDYCE: Pardon me.

11 MS. IBARRA: This isn't a new exhibit.

12 MR. FORDYCE: I'm not sure if this has been used
13 or not, it's one of yours.

14 THE CLERK: Is it just one page Mr. Fordyce.

15 MR. FORDYCE: That is correct Neli, it is. And
16 Your Honor I honestly don't know if this has been
17 identified or admitted at this point.

18 THE COURT: It's Exhibit 62 at this point.

19 MR. FORDYCE: '64.

20 THE CLERK: '62 or '64.

21 MR. FORDYCE: '64.

22 THE CLERK: I don't have '64 Your Honor.

23 THE COURT: I have it in my book but you don't
24 have it entered.

25 THE CLERK: Yes.

26 THE COURT: Okay so we we've got to go through
27 some type of foundation.

28 MR. FORDYCE: Sure absolutely Your Honor.

1 Q. Mr. Stein -- actually I believe counsel said she'd
2 just stipulate to admitting it but we'll lay the foundation
3 of course. Mr. Stein can you identify Exhibit 64 please?

4 A. This is a letter that.

5 MS. IBARRA: Oh '64 I thought we were looking at
6 '63.

7 {LEFT2}: '62.

8 MR. FORDYCE: Well Mr. Stein let's be me
9 particular Russ about our foundation.

10 A. Yes I have.

11 Q. Please describe the exhibit.

12 MS. IBARRA: Yeah I have no objection to that
13 exhibit?

14 A. This is a letter that's written by me as head of
15 SMDC it's signed very truly yours Saint Monday development
16 company Jonathan Stein president, and pursuant to the SMDC
17 agreement I had no fiduciary duties but could nonetheless
18 take a nominal position as an officer and I had taken a
19 nominal position as tribal development officer which I had
20 left six months earlier, so I was no longer tribal
21 development officer and -- however I was CEO of an LLC that
22 had no operations but had a bank account and that was
23 the -- that is the Gabrielino tribal game authority, so the
24 tribal gaming authority had not been duly adopted by the
25 tribal council, did not exist under California law but it
26 did have a bank account and there was a plan for it. And I
27 was nominally CEO of the tribal gaming authority. On
28 September 9th at this very emotional meeting where the

1 tribal council took all the tribal records that they could
2 carry out of the tribal administrative offices, it came to
3 light that Elizabeth Aronson had in fact signed checks for
4 \$20,000 of the 13 allowing Sam Dunlap to be personally
5 compensated and outside of the investor plan and I viewed
6 those checks as simply stealing money from the tribe, it
7 would be a tribal council men with the help of the tribal
8 council stealing money from the tribe and I said listen I
9 can't be an officer having anything to do with the tribe
10 and we had a very emotional meeting and I told them they
11 had to stop it and they said they were going to and I said
12 I had do resign and Sam Dunlap was thrilled at the idean,
13 he thought it was the greatest thing, so he said can we get
14 in writing and I said of course it should be in writing
15 because everything that we did was this writing, so Sam
16 Dunlap stood over me and we agreed with this language
17 together, he stood over me and wanted to make sure certain
18 things were in there and I said I want to make sure certain
19 things were in there and we kind of negotiate through it
20 and while this is a very short letter it took about 20
21 minutes or so and I signed it and I handed -- he insisted
22 that we have copies and I handed it to him, he got the
23 original and I kept the copy.

24 Q. Would you please explain how Exhibit 64 relates to
25 Exhibit 6 zero?

26 A. Well I was no longer an officer of the -- I was
27 never an officer of the GT Tribe after.

28 Q. Mr. Stein I'm going to stop you just for a clean

1 record this is Plaintiff's 60 and this was a draft letter
2 of Ms. Aronson termination for cause?

3 A. Right.

4 Q. I apologize just to we have a clear record. I'll
5 try to not interrupt you?

6 A. And this is the first draft of the letter and you
7 can see it's a very long nine-page letter and has a lots of
8 mistakes in it, but the main mistake is I resigned from
9 being any officer of the tribe on September 9th and this
10 first draft is September 13th. So at that point I no
11 longer was an officer of this special entity and I had
12 resigned six months earlier as tribal development officer
13 as part of the funding. So at this -- at the point that
14 the September 13th letter was written, I had no role with
15 GT Tribe whatsoever, I never had any duties to them
16 [THAOPB] what was in the SMDC agreement but if such duties
17 were found they ended on September 9th with this
18 resignation.

19 Q. Exhibit 64?

20 A. Yeah.

21 THE COURT: The thing that's kind of interesting
22 is it says intention to resign it doesn't say I Jonathan
23 Stein hereby resign such and such?

24 A. That would --.

25 THE COURT: So it's kind of ambiguous a little
26 bit?

27 A. Your Honor you're correct and I noticed that but
28 Sam wanted the language that way number one, Number 2 it's

1 been their position this entire litigation that the
2 resignation occurred September 9th so while the court is
3 new to this matter, they have made clear in papers after
4 papers for 10 years they would be [STO*PD] from saying
5 otherwise, so I've always acknowledged September 9th I
6 resigned as an officer of the tribe however that didn't
7 terminate the SMDC agreement and that's the point here that
8 says I intend to pursue legal advice on the effect of the
9 existing contract of my resignation as CEO of the GT Tribe
10 gaming authority and apps you know I am no [HROPLG]-er the
11 tribes development officer. That sentence was basically
12 written backwards, basically it should have said I re
13 [SPWAOEUPB] I have to see what it's effect it is on the
14 SMDC agreement but that's the way Sam wanted -- want [T-D]
15 written so I was there to get this done and get this signed
16 and it's been there -- for 10 years they've had this same
17 view that this was when I resigned. And my only difference
18 is this is when I resigned for the tribe but it didn't end
19 the SMDC agreement until October 3.

20 MR. FORDYCE: Okay.

21 Q. BY MR. FORDYCE: So Mr. Stein let's get back into
22 Exhibit 60 [SKP-RT] page, we're on Page 6, that's the
23 fax -- I believe that's a fax stamp on the top right corner
24 I'm not [SHAOEUR].

25 THE COURT: Which exhibit, Exhibit 60.

26 MS. IBARRA: Exhibit 60.

27 MR. FORDYCE: Exhibit 60 Page 6.

28 Q. So Mr. Stein I'd like to continue walking through

1 this -- this letter with you. The top of Page 6 is where
2 we left off and it begins ethical violation [-Z], can you
3 read the first couple paragraphs please?

4 A. Well these were again a first draft but these
5 were -- the bullet points that I thought that Elizabeth
6 Aronson had done wrong in her position and the first one
7 was she didn't have a written retainer agreement, she had
8 earned \$15,000 as an assistant general counsel but she'd
9 never -- she never bothered getting a signed retainer
10 agreement to my knowledge and they may have done that
11 without my knowing it but that was -- I didn't -- I had
12 never seen it so I put this in.

13 Q. Was this an issue for SMDC agreement?

14 A. No, not really, it wasn't an issue for SMDC I was
15 just trying to show all the things [chef|she have] had done
16 wrong because I told the tribal council either she goes or
17 I go and identify already given up my officer ship and then
18 the question would be whether SMDC was just going to wash
19 its hand of everything, as the court talked about.

20 Q. And then the no written retainer agreement
21 provision was it true when you wrote it back in 2006?

22 A. I don't know. This was just the first draft, I
23 was trying to get -- town load all the points I wanted to
24 make and I would assume Elizabeth Aronson would say no
25 here's the agreement you're wrong and I would take it out
26 of the next draft.

27 Q. And would that be your position as you sit here
28 today?

1 A. Right I never found out.

2 Q. Okay. Does Paragraph 13, does that show you
3 practicing law for the GT Tribe?

4 A. Oh absolutely not.

5 Q. Why not?

6 A. What I was trying to do is show as SMDC that hey,
7 this whole casino project is going to go down the tubes
8 because of this lady, look at all the things she's done
9 wrong, the first 12 being about the records and this one
10 saying she's not even [do not|done] -- she hasn't even done
11 the basics that any lawyer knows to do.

12 Q. Was that your over air [-FPG] concern as SMDC
13 here, the survival of the casino project?

14 A. Yes because the SMDC was owed millions of dollars
15 that could only be funded by investors we had another
16 tronch that we hoped to convince investor [TOZ] do in
17 December January or February and they had complete
18 discretion to do it or not do it as they at the sided. So
19 I said hey I'm never going to get paid as SMDC unless this
20 project continues and I really did believe in the casino
21 project I really had given my heart and sole to it so the
22 idea was she's letting you know the funds for the casino
23 project be stolen individually by individual council people
24 from the tribe and in violation of the investor agreement
25 so I wanted to get [R*EU] rid of her and I was [TOLG] point
26 out whatever I could to achieve the that goal.

27 Q. And just to make sure so I understand and the
28 Court understands your testimony, although it is a very

1 contentious time as you've testified, where the ultimate
2 goals of SMDC and the tribe, to your belief at this time,
3 were they still actually comporting with one another?

4 A. Oh absolutely they were 100 percent lined up, it
5 was in the best interest of GT Tribe to get the casino for
6 its members. And it was in the best interest of SMDC to
7 get the casino because that's how SMDC was going to get
8 paid the monies that it was owed. So they were lined up
9 very well. The only thing that was out of line were the
10 individuals that wanted to just steal the money from the
11 tribe.

12 Q. All right. Moving on to Paragraph 14, [TPRAEURL]
13 to withdraw from counsel discussions of your status. Can
14 you please explain your understanding of what was taking
15 place here?

16 A. You have actively given legal advice to the tribal
17 council on your continuing status as assistant tribal
18 general counsel after I asked that you resign and asked
19 counsel too in the alternative terminate you, you never
20 advised tribal council that they must seek independent
21 legal counsel in lieu of your continuing legal advice
22 [-PLTS].

23 Q. What's going on here please?

24 A. Well she was the lawyer for the GT Tribe and I was
25 the SMDC guy, the casino guy and I said hey you've got to
26 get rid of this lady because you need somebody to save
27 guard the tribes assets from individuals like Sam Dunlap
28 and she talked -- she was -- she continued given legal

1 advice this is a point saying hey don't -- doesn't the
2 tribe need independent counsel given that it's your own
3 status that is being debated.

4 Q. And to be clear if we look at the line that says I
5 ask that you resign and ask counsel council to in the
6 alternative terminate you, were you entitled to terminate
7 Ms. Aronson by your understanding?

8 A. Oh absolutely no. No I was speaking at SMDC hey
9 you guys have a bad lawyer you should get rid of your
10 lawyer, and she should either resign or you should fire
11 her.

12 Q. Your Honor that's her third line?

13 A. 14, Number 14.

14 Q. Paragraph 14.

15 THE COURT: I ask that you resign and I ask the
16 council to in the alternative terminate you.

17 MR. FORDYCE: Correct.

18 Q. BY MR. FORDYCE: Mr. Stein does this show had you
19 practicing law for the GT Tribe?

20 A. No it shows that she was practicing law for the GT
21 Tribe and it shows that I was quite hostile and adverse at
22 this point to her continuing but I -- but I was hoping that
23 the tribal council would listen to me.

24 Q. Is it your understanding or your belief that
25 Paragraph 14 comports with your obligations under the SMDC
26 agreement?

27 A. Yes, yes. I was trying to keep the casino project
28 moving forward.

1 Q. Was this true when you wrote it, that you
2 asked --?

3 A. Yeah, yeah, absolutely, it's true that I asked her
4 to resign and asked the city council in the alternative to
5 terminate her.

6 Q. Tribal council?

7 A. And as far as I knew it was also true that she had
8 never said to the council gee since any status is in doubt
9 you should get independent counsel here.

10 Q. And as you sit here today do you believe this is
11 true?

12 A. Yes.

13 Q. Let's move on to 15, conflict of interest number
14 one?

15 A. 15 conflict of interest number one advice on your
16 employment, you failed to advise trying of your reflect in
17 discussing your own status with the tribal council.

18 Q. I believe this was referenced earlier but placebo
19 please explain your concern here?

20 A. Oh it's just a repeat of the -- of the earlier
21 thing, as I said it's a first draft, I think in later draft
22 you would telescope those two into one, it just repeats it.

23 Q. Is there anything that you believe this is not
24 true when you wrote it?

25 A. As far as I understood, she had not given that
26 advice, however she cove met with the tribal council, given
27 that advice and not told me and this draft was meant to be
28 circulate today her as well and she could have said no no

1 I've told them that in which case I would simply take
2 out -- change 14 and change 15.

3 Q. Did you ever discuss this document with Ms.
4 Aronson?

5 A. Yes I did, we had many discussion.

6 Q. What was the nature of those discussions if you
7 recall?

8 A. Extremely hostile, no professionalism about them
9 at all, not just on her side but also on my side I was
10 emotionally over wrought I maybe was sleeping you know 12,
11 14 hours in an entire week, you know two hours a night
12 might be typical and it was a very, very very difficult
13 time.

14 Q. And conflict of interest Number 2, advice of
15 counsel, Dunlap. Please explain to us what your intent was
16 with this paragraph?

17 A. You failed to advise the tribal council of your
18 conflict of interest in advising councilman Dunlap on is
19 private legal concerns that were adverse to the interests
20 of th e tribal council, including his possible need to
21 resign from the tribal council and the possibility that
22 irregularities in his personal bankruptcy might taint the
23 tribal council.

24 Q. Did you have personal knowledge of what was
25 contained in Paragraph 16?

26 A. Yes. This was a very polite way of saying he was
27 stealing 20,000 bucks from the tribal council, it was the
28 same purpose of the September 19th, fiduciary report h we

1 should go through that report because it says the same
2 things and what was the over [RAR] [-FPG] thing that made
3 it worse is it's bad enough when you're stealing money from
4 the organization but what was worse [WAUF] he was still
5 under of the jurisdiction of the bankruptcy court so when
6 he was getting this money in, it was a new source of income
7 in a bankruptcy that he said he had no assets and no income
8 so it also constituted bankruptcy fraud and so what I was
9 worried about is that his bankruptcy fraud or the trustee
10 was going to find out about the \$20,000 and the \$1300 that
11 he tried to steal or the next time he would succeed in
12 stealing and that we would be pulled into a bankruptcy
13 fraud action and that would certainly be the end of any
14 casino project, the investors would run the other way and
15 the politicians would run the other way and all from a
16 trustee discovering the truth.

17 Q. You just mentioned the feuds report, is this the
18 document we discussed yesterday that Mr. McShane drafted?

19 A. Yeah and we've never gone through the substance of
20 it and the substance of it dealt with this exact issue.

21 Q. Well this is in binder Number 2 near the beginning
22 of Number 2 it's Exhibit 67 it's been both -- it was
23 previously identify [SKP-D] actually admitted yesterday.

24 THE COURT: '67 I don't have it here.

25 THE CLERK: Here it is.

26 MR. FORDYCE: Yeah that's the one.

27 THE COURT: Is this your copy.

28 MS. IBARRA: That is my copy but we've seen t we

1 introduced it.

2 THE COURT: Why don't you [PHAEBG] a copy.

3 Q. BY MR. FORDYCE: So Mr. Stein are you there on
4 Exhibit 67?

5 A. Yeah.

6 Q. Ooh you know what Your Honor is not?

7 A. Can we pass the time by questioning her use of
8 hearsay in the courtroom.

9 Q. No, no. And this is a short document so we'll
10 just go through it real quickly. So Mr. Stein we have a
11 fair amount of testimony on what this document is, who
12 drafted it, the various contentions as far as that goes but
13 again what I'd like to do now is zero in on the testimony
14 you've just given and how it relates to exhibit '67. Can
15 you please explain for the Court how Exhibit 67 speaks to
16 the testimony you just gave concerning conflicts of
17 interest?

18 A. Well there are four basic points to Mr. McShane's
19 feud analysis and two more points on the next page.

20 MS. IBARRA: I'm going to just object to misstates
21 testimony.

22 THE COURT: What part is misstated.

23 MS. IBARRA: That it's McShane's document.

24 THE COURT: What was his testimony your
25 recollection.

26 MS. IBARRA: His testimony was it was Mr. Stein's
27 report?

28 A. No that was not his testimony, his testimony was

1 that it was his report and that I had input into it.

2 THE COURT: Well you can see what the testimony
3 is, you can characterize it however you have want but you
4 know the court will look at the evidence, decide what it
5 is, if it's your report or Mr. McShane's.

6 MS. IBARRA: Can I --.

7 THE COURT: It doesn't matter what [H*E]
8 [courts|court's] it, it's the Court's [HULT] mat determine
9 [TPHEUGS] [PWAU] I understand your objection.

10 MS. IBARRA: Just to clarify because I don't want
11 my objection to be improper I think it's fine for Mr. Stein
12 to testify as to his recollection and that it conflicts
13 with McShane's is fine I just think that it's proper to say
14 McShane testified X so.

15 MR. FORDYCE: Your Honor speaking objection.

16 MS. IBARRA: No that's just -- because we had this
17 issue with the objections yesterday so that's what my
18 objection is.

19 MR. FORDYCE: Mr. Stein has a contention,
20 Plaintiffs have a contention, Your Honor has made clear
21 that there is a transcript.

22 MS. IBARRA: Okay.

23 Q. BY MR. FORDYCE: Mr. Stein, can you please
24 explain? If you need my question read back or you need it
25 restated, the relationship between Exhibit 67 and your
26 testimony you just gave concerning clause?

27 A. Point number one is follow council and gaming
28 authority consitution and ordinances and document.

1 Q. What was your understanding of this?

2 A. This was Elizabeth Aronson was not writing
3 resolutions as she needed to write and therefore, decisions
4 were getting made that were not properly documented.

5 Q. Please move on?

6 A. Acts outside of authority are ultra vires and give
7 rise to personal and council liability. What that refers
8 to in the discussions back and forth with Mr. McShane this
9 captures the points that I made to him that if you're
10 stealing money from the tribe or if the tribal assistant
11 general counsel is signing the check, that can give rise to
12 personal liability to give the money back and council
13 liability for allowing the tribes funds to be stolen.

14 Q. Is it your belief that Mr. McShane was concerned
15 about this issue?

16 A. On behalf of GT Tribe he said to.

17 Q. Anything else of import under point one?

18 A. No.

19 Q. Move to point two, please, avoid self dealing?

20 A. Ultra vires acts negatively impact tribe and
21 council in the eyes of investors, lenders, community, and
22 media.

23 Q. Please explain?

24 A. What that was was an encapsulation of my concern
25 which he expressed to me that he shared that if the
26 investors found out that Sam was using his pretext of
27 interest payments to take \$20,000 or to take \$1300 that the
28 investors would run the other way, any lender that might

1 lend money to the tribe would run the other way and if
2 media ever got wind of it the casino project would be
3 jeopardized.

4 Q. There's an example under the bullet point
5 resolution by tribal council instead of the tribal gaming
6 authority. Who came up with that example? Was that Mr.
7 McShane or you?

8 A. That was not me, that was Mr. McShane.

9 Q. Do you ever an understanding as to what that
10 example is?

11 A. Yeah, what he was saying is that you should look
12 at your account signatory and see if you need a resolution
13 to change that, that was a polite and diplomatic way of
14 saying Aronson [STH-B] taken [O*FT] account was she was
15 susceptible to the individual requests of tribal council
16 people to [TPEUF] them money person actually.

17 THE COURT: Who was the -- how many accounts were
18 there and who were the signator he's to the account?

19 A. There were three different accounts with sort of a
20 check and balance if signator he's. I was a signatory
21 [SOPBT] main account but she had control over the tribes
22 accounts, so the main account that had the un spent
23 investor monies that was part of the casino project I had
24 the signature of and that was in the name of the Gabrielino
25 tribal gaming authority that I was CEO of, it had no
26 operations but it had a bank account.

27 THE COURT: So are you saying investor funds went
28 into that?

1 A. That had -- that had most of the investor funds
2 other than a couple hundred thousand dollars that was in
3 the name of the tribe and Aronson had control of those.

4 THE COURT: So gaming authority had investor
5 monies and then you're a signator -- were you the sole
6 signator?

7 A. No.

8 THE COURT: Who were the --?

9 A. I was a signator with Elizabeth Aronson.

10 THE COURT: Okay signator with Aronson [-RBGTS]
11 and that was the bulk of the investor monies, there were
12 other accounts with lesser of the investor money and she
13 was the signatory on that.

14 THE COURT: Was she the sole.

15 A. Yes.

16 THE COURT: Shows are the sole and those are what
17 you call table?

18 A. That's exactly right.

19 THE COURT: Not tribal gaming authority?

20 A. Right.

21 THE COURT: Sole account?

22 A. Right.

23 THE COURT: And she was the sole on that.

24 A. Right. And what happened, by September 19th they
25 had taken me off as signatory of all the accounts.

26 MR. FORDYCE: Actually.

27 THE COURT: On September --.

28 MR. FORDYCE: Actually Mr. Stein can I go ahead

1 and ask a question.

2 THE COURT: Yeah.

3 Q. BY MR. FORDYCE: Did the signatory arrange
4 [THAPLTS] you've just spoken to at any point did they
5 change?

6 A. Yes they it --

7 Q. Please explain?

8 A. They had -- Elizabeth Aronson with a form signed
9 by Sam Dunlap had taken me off the signatory accounts, the
10 one signatory account that I was on, forgive me, so I was
11 off all the signatory accounts by September 19th.

12 THE COURT: But you were only on the tribal gaming
13 authority?

14 A. That's exactly right.

15 THE COURT: And that was 19 they took you off of?

16 A. Right but that he had seven 28,000 out of the
17 eight \$98,000.

18 Q. BY MR. FORDYCE: Mr. Stein were you concerned when
19 you were taken off apps a signatory to the account you just
20 mentioned?

21 A. Yes. I thought that they were going to end up em-
22 [TAOEG] the account and filling their own pockets with it
23 and that's in fact what the bank records show later did.

24 Q. Was it your belief that you could be personally
25 liable or SMDC could be [TPHRAOEUBL] that [THAOBG] place?

26 A. Yes both -- I thought -- SMDC would be liable and
27 then somebody would try to pierce the Vail just as this
28 litigation is trying to pierce the Vail to make me [PAERP]

1 Lee liable and then on top of that, once the money was
2 stolen that would be the end of the [KA*PBG], in other
3 words once you take money from investors contrary to the
4 agreement, that would be it, it would be a breach of the
5 investor agreement.

6 Q. Now [R*E] focusing on Exhibit 67 in relation to
7 the conflicts of interest that you mentioned in Exhibit 6 o
8 Number 2 avoid self dealing, do you understand what this
9 refers to?

10 A. Yeah, . That is Sam Dunlap convincing Elizabeth
11 Aronson to cut him a check personally, that's called self
12 dealing because Sam Dunlap had fiduciary duties to the
13 tribe and self dealing is a breaches of fiduciary duty so
14 that's why this was his second point which is to
15 diplomatically say you can't go -- you can't take money for
16 yourself when you're a tribal councilman and is
17 self-dealing.

18 Q. My apologies. I didn't mean to interrupt. That
19 comports with the example under number 2, receipt of any
20 funds from tribal gaming authority?

21 A. That's exactly what it refers to Number 2 says
22 receipt of any frund from tribal gaming authority account
23 that was the 20,000 plus the 1300 plus any amounts that
24 they would do after that now that they had taken my
25 signature off of the ability.

26 Q. Moving on to bullet three, cuff explain how that
27 relates to your concerns?

28 A. This was the, this was the Libra agreement, Mr.

1 McShane called it the revenue participation agreement but
2 it's a section of the Libra agreement that restricts the
3 use of funds that Libra invested to the approved budget and
4 states that you can't do anything outside of the budget.
5 There's also [SPHRAOEUPBS] with laws provision saying that
6 the tribe will comply with laws which would include
7 [HRAUPZ] that prevent self dealing which -- by Mr. Dunlap
8 and then it had a best efforts clause which says you'll
9 make your best [HR*EFRTS] to do all the things you agreed
10 to like comply with laws and comply with budget [SKPET] this
11 was [PHA*RBGDZ] very complete point saying you've got four
12 different violation [-Z] of the investor agreement when you
13 paid 20,000 and \$1300 to Mr. Dunlap.

14 Q. Let's move on to the last of the numbers there and
15 we'll -- the last kind of big exhibit that we'll really be
16 parsing through a bill by the is going to be the Libra
17 agreement so I don't want to give the court the impression
18 we're going to be hacking that out to dry. And Mr. Stein
19 moving on to Number 4, fraudulent transfer law, please
20 explain this?

21 A. Well that was a very pointed reference that you
22 have liability for fraudulent transfer, in other words if
23 you take 20 thousands thousand dollars and leave not enough
24 money to pay your debts you've got liability to the people
25 that you took it from and you also have liability to
26 creditors such as SMDC and you also have liability to
27 council members that seek indemnity in from you in other
28 words council members that are liability to SMDC would turn

1 around and seek indemnity from Mr. Dunlap, so this was a
2 reminder to Mr. Dunlap that hey if he somehow thought he
3 could contain the damage above he would have to focus on
4 damage from fraudulent transfer because the describe owed
5 more money to SMDC than it had in the bank.

6 Q. Is it your understanding that Mr. McShane
7 explained the issues that you just raised under point four
8 to the tribal council as part of the September 19, 2006
9 meeting?

10 A. He reported back to me that he did -- that he had.

11 Q. Just, the -- on the next page, [SKR-FPLT], public
12 and media scrutiny, do either of these speak to your
13 concerns in Exhibit 60 concerning conflict of interest?

14 A. No this is more of a PR concern, this is sort of
15 the PR level concern that if you have a fight, if you're
16 looking for State of California to approve up for a casino
17 and you're ridden with a internal fights and charges of
18 stealing money you're not going to get a casino and so this
19 was his very polite way of laying it out analytically.

20 Q. All right. Going back to Exhibit 6 zero, there is
21 [TAOUT] Lee one more conflict bullet and that's paragraph
22 17, conflict of interest three, advice on CEO Jonathan
23 Stein, can you please explain this?

24 A. Conflict of interest Number 3, advice on CEO
25 Jonathan Stein, you [PHA*EULD] failed to [SRAOEUTZ] the
26 trying or Mr. Stein of your conflict of interest in
27 advising against Mr. Stein's continued relationship with
28 the tribe or the --.

1 THE COURT: I'm sorry Mr. Stein are we off of the
2 feuds.

3 MR. FORDYCE: We are I apologize Your Honor I need
4 took mere clear we're back to Exhibit 6 zero.

5 THE COURT: I'm sorry I was still on the Old one.

6 MR. FORDYCE: That's okay and that's paragraph 17
7 Mr. Stein can you -- actually go ahead and start over if
8 you would?

9 A. Page 6.

10 Q. Correct Page 6, six of 60.

11 THE COURT: Yes thank you I'm there?

12 A. Okay so Number 17 conflict of interest Number 3
13 advice on CEO Jonathan Stein, you have failed to advice the
14 trying or Mr. Stein of your conflict of interest in
15 advising against Mr. Stein's continued relationship with
16 the tribe or the adverse effects if he left. Because you
17 owe a fiduciary duty to the CEO as you do to the tribal
18 council, this conflict was especially made more acute by
19 your advice that Mr. Stein should be terminated instead of
20 yourself.

21 Q. I believe you testified that Ms. Lamothe never
22 presented a conflict waiver for you. Please explain your
23 concern in paragraph 17 here?

24 A. Well again the fight was either she has to go or I
25 got to go and she continued using her position as a lawyer
26 to [SA*E] say well get rid of Mr. Stein and you know
27 September 9th he resigned as CEO. This was poorly worded
28 as a first draft because identify already left as CEO but I

1 was still on board as the SMDC agreement was not terminated
2 and that is not clearly stated here.

3 Q. And you --?

4 A. But.

5 Q. Sorry?

6 A. But the point was she should have said to them,
7 listen because I'm supposed to have duties to Stein as a
8 CEO or because he's asking me to leave, we need independent
9 counsel so conflicts one two and three simply restate
10 Number 14 and it's all very awkward because it's the first
11 draft.

12 Q. And then anything as to how you draft today your
13 believe were 15 16 and 17 true?

14 A. I -- I am not sure because she may have advised
15 them on -- that a conflict of interest existed, she may
16 have gotten a conflict waiver from them, I didn't know.

17 Q. Same question as to today?

18 A. I don't know. I've never found out. Things were
19 so poisonous by September 13th that I never found out the
20 truth about certain things.

21 Q. Is it your belief that anything in Exhibit 15 16
22 or 17 in Exhibit 60 constituted you practicing law on
23 behalf of GT Tribe?

24 A. No. I was --.

25 Q. Why not?

26 A. I was pointing out the failures of my adversary
27 who was giving advice to the -- to the tribe and just
28 pointing out and trying to show them that my adversary

1 should be terminated or should resign and I was trying to
2 put pressure on her as well.

3 Q. Let's move on to incompetence in financial
4 matters, which is at the bottom of the page, please explain
5 your concerns here?

6 A. The first paragraph states you were trained on the
7 tribes expense on the use of Quickbooks and to handle the
8 tribes own bank accounts as well as you reporting on the
9 tribal gaming authorities bank account, you failed to
10 properly account for tribal expenditures and render the
11 necessary reports in a timely and accurate fashion, here
12 are some examples.

13 Q. That's now Paragraph 18, tribal miscellaneous
14 account please explain?

15 A. [PHAOEUBL] miscellaneous account, that was the
16 account she had [SEUEFGT] [AOER] authority over,
17 approximately 80 percent of the entries were incorrectly
18 labeled providing inn [ABG] [RAET] [PHAOBGT] ire five years
19 of the tribes expenditures, this occurs --.

20 THE COURT: Hold on a second, was she tribal
21 council for five years, it says '08 percent of the entries
22 were incorrectly labeled. Did she relabel them or
23 something or -- because she wasn't [TRAO*EUBL] trying for
24 five years right?

25 A. It was -- no not at all. [Chef|She have] had been
26 in place for, there was about a one month or two month
27 overlap with Rae Lamothe where she was trained and then she
28 took over the tribes [PWA*BGS] bank accounts too, she also

1 took over the financial portion.

2 THE COURT: Right so she was one or two months --
3 Aronson was one or two months as tribal council?

4 A. No no no. Overlap with Ms. Lamothe.

5 THE COURT: Okay?

6 A. Ms. Lamothe [THOEPB] left before the investor
7 money came in.

8 THE COURT: Oh okay?

9 A. She then -- the investor -- so she was there
10 March, April, May.

11 THE COURT: [WHO*Z] who is she?

12 A. Aronson was there March April May June July August
13 and now she was in her seventh month.

14 THE COURT: Okay so what did you mean by providing
15 an inaccurate picture of five years of financial reporting?

16 A. Five years was simply a mistake it should have
17 been seven months, it's just bad draftsmanship and wrong
18 facts in a first draft.

19 Q. BY MR. FORDYCE: Mr. Stein can you continue with
20 Paragraph 18?

21 A. This occurred after long sessions with Mr. Stein
22 to explain and supervise the entry of [THEZ] expenditures.
23 After Mr. Stein spent over six hours correcting the
24 labeling mistakes, you never enters the corrections into
25 Quickbooks, Mr. Stein instruct [-DZ] Ms. Mark inn to do so.

26 Q. Sounds like you were supervising her, is this
27 practicing law for the GT Tribe?

28 A. No this was trying to keep account of the investor

1 funds on the Quickbooks software and she was so bad at it
2 that we eventually had to hire Carol mark inn as a
3 contractor to simply make the entries that I spent the six
4 hours reviewing mistakes on a report, she couldn't even put
5 those mistakes into the computer program. So we hired
6 Ms. Mark inn as a contractor to do so for the GT Tribe.

7 Q. And Ms. Mark inn is addressed in the paren at the
8 bottom of the page correct?

9 A. Yes Carol mark inn.

10 THE COURT: Who is making the -- in other words
11 who made the erroneous entries to begin with?

12 A. Ms. Aronson.

13 THE COURT: No but you said five years there was
14 entries for five years?

15 A. It was a mistake seven months, seven months.

16 MR. FORDYCE: All right.

17 THE COURT: So the --.

18 MR. FORDYCE: Sorry [EURPB] go heaved.

19 THE COURT: You made the changes [KREFBG]-g her
20 seven months of problems?

21 A. No, I didn't.

22 Q. .

23 THE COURT: Well this occurred after long sessions
24 with [STAO*EURPB] after Mr. Stein correct spend over six
25 hours correcting the labeling mistakes?

26 A. Right in other words we [PREUFRPBTS]-d out a
27 report, I showed her all the mistakes in the report, cross
28 [-DZ] out what she put, put the right account, again

1 because this would all be reviewed by the investors and
2 then she was suppose to [R*E] enter that but it was
3 never --.

4 THE COURT: Ms. Aronson was supposed to re-enter
5 it after you kind of lined it out?

6 A. Right.

7 THE COURT: So you made the changes and you wanted
8 her to enter that?

9 A. Right once again this was Quickbooks and this was
10 GT Tribe and I wasn't going to make the entries so GT Tribe
11 eventually at my recommedation hired Carol Markin.

12 THE COURT: So what happened is over seven or
13 eight months, she made incorrect entries --

14 A. Right.

15 Q. -- you pointed them out, you corrected them and
16 said Ms. Aronson, you go back and change your original
17 mistakes I think is what I'm hearing you say?

18 A. Right. And then she failed to do so because then
19 she was she's -- not competent with that computer program
20 and Carol Markin who was a contractor was between jobs and
21 she agreed to pick up some extra money nor -- by making
22 those entries, just standard Quickbooks stuff.

23 Q. BY MR. FORDYCE: Mr. Stein was Paragraph 18 true
24 when you drafted it?

25 A. Yes.

26 Q. Do you believe it's true today?

27 A. Well other than the mistake of the five years,
28 that should have said seven months.

1 Q. Correct I apologize. And other than that five
2 years, seven months issue is as you sit here today is it
3 true?

4 A. Yes.

5 Q. Moving on to the next page, Page 19, I'm sorry
6 Page 7 at Paragraph 19.

7 THE COURT: Did she ever say why she wouldn't make
8 the corrections if you were telling her look I've been here
9 from the beginning I know what's going on here, why [WOEBT]
10 you make the correction that's I'm asking you to make or
11 what was her excuse? In other words even if she didn't
12 know how to do the Quickbooks, you were showing her what to
13 put in there, why would she not do it?

14 A. As --.

15 THE COURT: Was she saying --?

16 A. Do you want -- do you want as contemporaneous or
17 do you want what I thought by September 13.

18 THE COURT: [W*LG] well you can tell me both tell
19 me what she said at first and why you thought?

20 A. She said she needed more money -- it was so much
21 work that she needed more money and I was trying to limit
22 the amount of investor funds spent on her and she said oh
23 I've got to drive all this way she came up from San Diego
24 to Saint Monica.

25 THE COURT: So she wanted more money to do
26 whatever changes or do whatever work?

27 A. When [SH-FS] pretty clear [HA] she spent [#4ER]
28 time on the phone and track cracking jokes with tribal

1 council men or anything else, she wanted to do [TPHEUFGP]
2 but hard work, [SH-FS] hard work and she didn't want to do
3 it without more money and at the time --.

4 THE COURT: That was her explanation to you?

5 A. Right.

6 THE COURT: As to why she didn't want to?

7 A. Right.

8 THE COURT: Make the changes you were suggesting?

9 A. Right. By the time this letter was written I
10 think what she really wanted to do is make sure the
11 [RORTSDZ] were such a mess that it wasn't clear that Sam
12 Dunlap got 20 grand and \$1300 and then she was going to
13 do -- and the other tribal council men were all like up
14 saying oh yeah I want my 20 grand and I want my \$1300
15 and --.

16 THE COURT: So you think Aronson wouldn't make the
17 changes she want today make because she was trying to hide
18 the disbursements, I have mean that's what you think are
19 happening.

20 A. Yes. Sloppy records. Oh, gee, look at all these
21 other mistakes, how did you expect me to capture that
22 mistake. I was just doing what I was told, they said write
23 a \$20,000 check, I wrote a \$20,000 check and didn't you see
24 that? Well no, there are 10 different mistakes, that's
25 only one of them.

26 THE COURT: Okay.

27 MR. FORDYCE: Okay.

28 Q. So anesthesia Mr. Stein let's move on to Paragraph

1 19 on the next page, that's FP PC?

2 A. Page 19 FP PC reporting numbers inaccurate, the
3 2006 second quarter report was incorrectly [do not|done]
4 when [STAO*EUFRPB] [TKPHRAPLD] a subcontractor Eichman and
5 company it turned out the information you provided was
6 correct.

7 THE COURT: No was incorrect?

8 A. Was incorrect, Eichman quit over the incident
9 despite your apology to them.

10 Q. And just to be clear on foundation, Ms. Aronson
11 was the tribes [SKWR*ERBG] during the 2006 second [KWARBGT]
12 error when the 2006 second quarter report would be drafted
13 is that correct?

14 A. Yes [H*T] second [KWARPLT] her report would be due
15 in July so by that time Ms. Aronson it been there four or
16 five months.

17 Q. Can you briefly explain what your concern was
18 here?

19 A. The FP PC reports, I didn't know how to do them
20 properly association we had hired an account anterior ant
21 Eichman and company in Sacramento who did '80 or '90 or 100
22 filings every quart [SKPER] you know had the right
23 employees and all the knowledge and I got quite angry at
24 them when they put in all the -- a lot of wrong
25 information, you know hugely wrong and it turned out that
26 they -- that they had been reported that information by Ms.
27 Aronson.

28 THE COURT: What information was wrong that

1 Aronson provided?

2 A. Just amounts, amounts expended in contributions
3 to -- to assemblymen and state Senators, we were making
4 political contributions. You know, you go to a function to
5 meet them, they charge you a thousand bucks to be at the
6 function, you've got to record yeah, I've been to that
7 function. If you don't record that you've been to that
8 function, that raises all sorts of red flags that hey, you
9 know, you're giving money to these guys, if you're not
10 recording it, then it's elicited.

11 THE COURT: So Aronson was not reporting the money
12 or the contributions or?

13 A. She was -- she was writing the checks for the
14 contributions she was writing the checks for the
15 contributions, sending off the money and, entering if wrong
16 in Quickbooks which makes it look like you're hiding
17 something, it makes it look like a political expenditure,
18 yes, I have bought a thousand dollars worth of pencils and
19 going to Eichman and say here's our list of contribution
20 and we made 10 of them and it's like holy cow, no, no, no,
21 we made like 25 of them.

22 THE COURT: So she under reported them?

23 A. Absolutely yeah.

24 THE COURT: So she was supposed to report more
25 contributions but she reported fire sprinkler fewer than
26 she should have?

27 A. Right which -- and then recorded the conversations
28 as like -- the contribution that's were made out to you

1 know committee to he re elects state Senator so and so, she
2 then reported it like you know office supplies. I mean
3 talk about a horror show, if you're giving of political
4 money not report [T-G] to the FCCP, and recording the exact
5 check, the exact Check Number that says had you know
6 committee to re elect Senator so and sew Senator Leland
7 Yee, we went to a ton of functions with Leland Yee had you
8 remember what happened to him with the San Francisco mob
9 connection.

10 THE COURT: Yeah?

11 A. Right.

12 THE COURT: Yes?

13 A. We made a ton of contributions to him, he was most
14 enthusiastic by our casino and had a position on the key
15 committee. And to report that as yeah, that thousand
16 dollars was for office supplies was a disaster. So I
17 threatened to fire Eichman over it, it all turns out that
18 no no no Eichman was only given me the list of 10 and they
19 showed me the e-mail eventually, but they said hey listen
20 we don't want to have deal with anybody who is mad at us.

21 THE COURT: So she wrote the checks, show wrote
22 item?

23 A. Quickbooks.

24 THE COURT: Quickbooks reported it as something
25 else?

26 A. Yeah which is a terrible mistake to make, right?
27 The account entries. And then on to have of that she then
28 went to look saying gee what checks can I write so she

1 printed out a list of all the checks that are marked
2 political contributions because huh an account for
3 political contributions and said here's the list, I said
4 wait a second what about the other others, oh I put that
5 down as office supplies, well why did you do that it says
6 committee to re-elect, oh I just did it.

7 MR. FORDYCE: Mr. Stein I'm sorry Your Honor.

8 THE COURT: She wrote the checks is that -- that's
9 correct, her own checks?

10 A. This is what led to this entire conflict, they
11 fired me instead of firing her and it was all over the fact
12 that they were getting money on the side and this person
13 who had all sorts of other incompetence was messing it up.

14 Q. BY MR. FORDYCE: So Mr. Stein beyond just being I
15 believe the word you have use [WA*DZ] was disaster was
16 there actual civil or criminal liability for misreporting
17 FCCP reports?

18 A. Both. There are mandatory civil penalties of like
19 you know a thousand dollars permission-d report or \$10,000
20 if you miss more than three or -- [AUPL] sorts of
21 liabilities on the civil side and then they show that you
22 intentionally did it but you know then it was re: Criminal
23 violation it's a criminal violation, the FBI keeps an
24 office in Sacramento for exactly that type of criminal
25 violation and to have a Quickbooks record that you're
26 buying office supplies and the check saying committee to re
27 elect state Senator lee land Yee that looks pretty criminal
28 and that's why it was such a big thing with me that I said

1 hey she's got to go or -- identify already resigned,
2 identify already resigned over this from the position with
3 the gaming authority but it was a big deal saying I can't
4 even continue a casino project because I can't be
5 associated with this sort of stuff.

6 Q. Did you have an understanding which persons or
7 entities would have potential criminal or civil liability
8 as you'd just spoken about?

9 A. Well as the registered lobbyist, the way the lobby
10 registration [H-Z] work, SMDC was the lobbying entity, GT
11 Tribe was the entity hiring them and then I was the
12 individual lobbyist. So you file three forms every
13 quarter, saying I'm the individual lobbyist for SMDC, SMDC
14 is doing this work for the tribe and made these
15 contributions on behalf of the tribe which would be zero
16 and then GT Tribe would say we hired SMDC, we made SMDC
17 this much and then we had the following contributions.

18 Q. All right. So -- did that answer my question
19 about who had the potential liability?

20 A. Everybody was potentially liability, Stein, SMDC
21 and GT Tribe.

22 Q. Was this true when you drafted it?

23 A. Yes.

24 Q. Do you believe it's still true today?

25 A. Yes.

26 Q. Does this constitute practicing law in your belief
27 that's Paragraph 19 of Exhibit 60 on behalf of the GT
28 Tribe?

1 A. No, it Absolutely was not, my concern was as the
2 lobbyist and SMDC as a lob [AO*ELG] [AOEG] entity that we
3 were going to get thrown in jail or stripped of a license
4 and the Eichman company quitting was an indication that we
5 were already in lukewarm waters if not hot water when an
6 outfit like Eichman says no we just don't want to list you
7 as our client for that period.

8 THE COURT: This says you failed to -- you
9 reported the \$25,000 check to the democratic party that was
10 never used and who's record caused or -- it says caused,
11 cause a major stir with the top earthquake [HROPB] for the
12 democratic party.

13 MR. FORDYCE: That was 21 Mr. Stein?

14 A. May I read it Your Honor.

15 THE COURT: Yeah that's the?

16 A. Give me a while I don't have immediate
17 recollection. Okay. Okay I know what happens here. What
18 happened is as our profile in Sacramento got higher and
19 higher, the casino tribes began taking action and we made a
20 check to 25,000 to the California Democratic party you're
21 allowed to give a lot more money to the party or unlimited
22 to the party than you can give to individuals, even though
23 the party turns around and helps the individuals with their
24 campaign. We wrote them as check for 25,000 they said oh
25 this is great, this is wonderful, let's set up a meeting
26 with the head of whoever and comma dress the board, we love
27 you guys and then they turned around several days later and
28 said we've got to return the check to you, well why was

1 that had you loved husband two days ago, well you know he
2 with get a lot of money to casino tribes and they're
3 raising objection to that so it would just be better if we
4 did it so I said okay that's fine just send it back and
5 apparently the -- she then gave the 25,000 as an entry on
6 the FCCP reports, Eichman submitted them and every -- and a
7 gentleman began particular storm, political storm arose
8 because there was a public filing that said the Democratic
9 party had taken 25,000 from [-RT] tribe, it was there on
10 everybody's computer on the Internet and it was all a
11 mistake and of course the California Democratic party was
12 completely livid saying but we gave you back the money why
13 are you making a public record as if there's some sort of
14 credit to be taken for the contribution, now we've got to
15 go to the press, we've got to go to this, go to that to
16 show we didn't take your money because the casino
17 [THRAOEUBZ] are bang not on our [-R] doors and that's all
18 what happened because of the prior mistakes she made with
19 the quick and with --.

20 THE COURT: How was it corrected, I mean did
21 somebody file a correction with the FCCP or?

22 A. I don't know I don't recall.

23 THE COURT: Well if it was a mistake would
24 somebody have filed a correction to say look Democratic
25 party, look press, don't take it out on the tribe or me
26 because I don't want to be personally liable e we're going
27 to file a correction that says we never contributed that
28 money?

1 A. That would be the correct way to do that would be
2 an amendment, they have specific forms that you file over
3 the Internet saying this is the proper form, that's the
4 improper form, I don't have a specific recollection whether
5 it was done. If I had to guess if you were asking me for
6 an estimate, I would -- I would believe that it was done,
7 especially given how intention the storm was because they
8 would be calling up every day saying.

9 THE COURT: Yeah you'd be worried?

10 A. Yeah.

11 THE COURT: You had criminal liability right so
12 you want top make sure that document was filed?

13 A. Yeah absolutely.

14 THE COURT: So Dow did you check to see whether it
15 was filed or you just --?

16 A. I don't have a memory, it's 125 [#15*] years ago
17 and these events were so stung to me that -- but the thing
18 is it should be in the reports of GT Tribe that --.

19 THE COURT: No I was just saying, I mean most --
20 when people are concerned about criminal [HRAEUBLT] I mean
21 maybe the tribe would look, you would look, whoever would
22 look whoever was on the hook for that will [TPAOEUG] would
23 follow-up and say make sure we correct in in the record was
24 I don't want to be criminal Lee liability for, the tribe,
25 you, the motorcycles correct?

26 A. Well I can tell you we did [KREFBG] the mistakes
27 from Eichman, when he quit over the incident, we did get
28 those corrected and then we -- and one of the mistakes was

1 the 25,000 as it turn out so in discussing this with the
2 [TKOERT] and putting two and two together, that mistake
3 would have been corrected along with the other mistakes
4 after Eichman quit.

5 THE COURT: So it's your belief that --?

6 A. It was corrected.

7 THE COURT: Okay but did you confirm that
8 something got filed with the FCCP

9 A. Yes the correction being -- an amendment to the
10 FCCP report, [SOUF] take the 2006 second quarter report,
11 they have another form, you check the box amendment.

12 THE COURT: Right?

13 A. And then it supersedes it, then they're both a
14 public record, you have the original public record and you
15 have the amendment with a later date that's public record.

16 THE COURT: So you confirmed that's what
17 happened.

18 A. Yes.

19 THE COURT: So no prosecution occurred no
20 investigation occurred, everybody was happy?

21 A. Right.

22 THE COURT: All right?

23 A. Well no no. And nobody was happy, when you have a
24 storm like that, nobody forgets but the legal side it with
25 the FCCP was okay on the part of Jonathan Stein, SMDC and
26 GT Tribe.

27 Q. BY MR. FORDYCE: So again Mr. Stein with 19, 20
28 and 21 h just to be absolutely clear, anything there that

1 constitutes had you practicing law for the tribe?

2 A. No this is concerns that SMDC had and it was
3 concerned about the tribal general counsel who was
4 practicing law or depending on her task.

5 Q. The final unnumbered paragraph in the middle of
6 the page there that starts you failed toe race checks to
7 assemblymen, is that something you've you?

8 A. Is more of the same, you failed to erase check to
9 several assemblymen that were never used that would lead to
10 false FCCP reporting, on the other hand you failed to
11 record certain checks that were issues, we still don't know
12 if Tobin and associates was paid twice tore September 2006.

13 Q. Just very [WRAOEF] Lee [WHO*FS] [TOEB] and
14 associates?

15 A. It was the black PR firm that was helping us with
16 [-RT] Compton casino project.

17 Q. Moving on to actions against the interests of the
18 tribal council and [HAOEUBL] administration office.

19 THE COURT: Why don't we tack a 10-minute break.

20 MR. FORDYCE: Oh sure, oh my. Time flies.

21 THE COURT: Yeah.

22 (Break taken.) 11:02 AM to 11:14 AM.

23 THE COURT: Gabrielino versus Stein, BC361307.

24 Okay let's move on, keep going until 12.

25 MR. FORDYCE: Thank you Your Honor.

26 Q. BY MR. FORDYCE: Mr. Stein, we left off the middle
27 of the page of Exhibit 60, middle of Page 7 [S*]. I would
28 draw your attention to actions against interest of the

1 tribal council and tribal administration office, can you go
2 ahead and explain and read that for the record?

3 A. It was further criticism of her work and further
4 justification for termination with cause if she didn't
5 resign and this was actions against the interest of the
6 tribal council and their tribal administrative office, you
7 have taken several action that's are clearly against the
8 tribal council and the tribal administrative office and
9 there's of course some typos in here.

10 Q. The first paragraph under this section is
11 Paragraph 22?

12 A. Okay, Number 22, urging Carol Markin to quit,
13 Carol Markin was competently [P*ERPLG] accounting work In
14 Quickbooks for \$30 an hour that you performed incompetent
15 Lee for \$125 per hour. You were re [HRAOEFBLD] of
16 responsibilities for Quickbooks buff resisted this move
17 vigorously including going around Mr. Stein to the tribal
18 council, you have then successfully urged Ms. Mark to leave
19 the tribe in a closed door meeting lasting over 30 minutes
20 at the end of question which she announce today Barbara
21 that she was quitting, the result was to [HRAEUFBL] you in
22 charge of the accounting work that you have design.

23 Q. The [PWA*RG] that the the bash in question?

24 A. Yes.

25 Q. When you say including going around Mr. Stein to
26 the tribal council, is it your position that Ms. Aronson
27 was not entitled to do that?

28 A. No no she was absolutely entitled to go straight

1 to the tribal council but as SMDC was the independent
2 contractor but is in charge of the casino project and was
3 in charge of the relationship with the investors and so
4 obviously the investors cared most about how their money
5 was being used so I was directing her you know make sure
6 our Quickbooks records are accurate, she re [TPAOUFTZ]
7 today do that, Carol Markin was then brought in and then
8 she convinced Carol to quit, basically I understand, I
9 understood Carol was reduce today tears by her and said I'm
10 just not worth the money.

11 THE COURT: Did you see her crying?

12 A. No I spoke with her later about the incident and
13 of course she was working for the tribe so she admitted to
14 me what Ms. Aronson had done.

15 Q. BY MR. FORDYCE: So Mr. Stein when you wrote this,
16 did you believe it to be true?

17 A. Yes.

18 Q. And as you sit here today down it to be true?

19 A. Yes.

20 Q. Is there anything in here that constitutes, in
21 your mind practicing law by you on behalf of the GT Tribe?

22 A. No. This was criticism as SMDC, as charge of the
23 casino project to how Ms. Aronson was performing on tasks
24 related to the casino project and I was trying to urge her
25 bosses, the tribal council to fire her or put enough
26 pressure on her for her to resign.

27 Q. Moving to paragraph numbered 23, failing to take
28 directives from Mr. Stein, please read this?

1 A. Failure to take direction from Mr. Stein, you have
2 consistently failed to maintain contact with Mr. Stein
3 regarding your activities and his needs or take direction
4 from Mr. Stein, Mr. Stein is CEO and your supervisor not
5 the tribal council with whom you serve with independent
6 judgment.

7 Q. To be clear Mr. Stein and I know the document
8 **[SPAEBGDZ]** for itself but is there anything in Paragraph 23
9 that says Mr. Stein is an attorney?

10 A. No. This says that as the -- I was wrong as of
11 September 13th I was no longer the CEO but re **[TP*EFR]**
12 Ferguson Enterprises back to the conduct in the last seven
13 months, she was supposed to do the tasks as I assigned her
14 just as Rae Lamothe often said -- if I said hey we're going
15 to need a resolution for this or hey make sure the tribal
16 council considers that, we worked very well together. What
17 happened with Ms. Aronson is I would say hey we need this
18 for the investors or we need this for the casino project
19 and then she'd say fine and not do it and I would say why
20 didn't you do it and she'd say oh I talked to the tribal
21 council and they wanted me to do something else and that he
22 was very unusual in my experience and it got worse and
23 worse go ask when it says Mr. Stein is your supervisor, is
24 it your understanding and belief -- well at the time that
25 this was pursuant to the terms of the SMDC agreement?

26 A. Yes, it was -- she was a third party professional
27 acting as general counsel for the tribe but I was in charge
28 of the casino project and was supposed to be able to

1 convention her to do certain tasks for the tribe that I
2 needed cooperation with. So as any independent contractor
3 you need the cooperation of the employees of who you're
4 working with.

5 Q. And at the time you wrote Paragraph 23, were you
6 concerned on SMDC's behalf about potential consequences of
7 Ms. Aronson [-Z] actions as you outlined here, failing to
8 maintain contact with Mr. Stein and the like?

9 A. Yeah. And that's -- that's the next paragraph, it
10 says -- it's below 23 there's a second paragraph.

11 Q. Please. [-FPLTS] under 23.

12 Q. Please read it?

13 A. You have exhibited rebellious tendency and a
14 disputatious nature in your dealings with Mr. Stein cutting
15 off communication and refusing to do tasks assigned,
16 instead you have I am barked upon [TA*RBGS] [-Z] of your
17 own [KHAORZ]-g without authority from Mr. Stein or
18 [SPR-FGS] for the tribal council.

19 Q. Mr. Stein does that -- the assertions there in
20 your mind, did this constitute practicing law on behalf of
21 GT Tribe?

22 A. No it was complaining about my working
23 relationship with a -- with the assistant tribal general
24 counsel and when she would say -- I'd ask her to do
25 something that we needed for casino project she wouldn't
26 get it done, I said why not, she would say oh well the
27 tribal council told me to do something else, I would then
28 check with the tribal council people and they said no no no

1 we think that you're right, go ahead and get that task
2 [do not|done] and it turn out that it was all a lie and
3 then we would get in an argument about it at the drop of a
4 hat and so I saw her as rebellious and I saw her a
5 disputatious and then she would after an argument she would
6 refuse to commune [KAET] at all, and then when I said okay
7 well you still have to do the task that we were talking
8 about she would refuse to do it just on the principle that
9 she wasn't going to be told what to do after an argument
10 like that.

11 Q. And at the time you wrote paragraph Number 23 and
12 the next paragraph starting with you have exhibited
13 rebellious Tennessee seize, at the time you wrote those,
14 did you believe your assertions to be true?

15 A. Yes.

16 Q. And do you believe them to be true as you sit here
17 today?

18 A. Yes.

19 Q. Let's move to Number 24 and that says engaging in
20 palace intrigue in quote?

21 A. Number 24 engaging as palace intrigue your role as
22 to in-house counsel is to help Mr. Stein gain legal
23 entitlement to a casino and to provide independent legal
24 advice to the tribal council within your ethical duties to
25 the tribal administrative office and Mr. Stein. In lieu of
26 following those duties --.

27 THE COURT: What was the duty she owed to?

28 A. She didn't.

1 THE COURT: Mr. Stein?

2 A. She didn't, that's completely wrong and that
3 shouldn't be in the draft, and if I had a second draft I
4 would have taken that out. She didn't. And he especially
5 since I'd already resigned as CEO from the gaming authority
6 by September 13th, so there's no doubt she owed me any
7 duties, so it was just a mistake.

8 Q. BY MR. FORDYCE: Continue Mr. Stein, in lieu of
9 following those duties?

10 A. I lieu of following those duties, you have engaged
11 in open conflict with Mr. Stein and attempted to undermine
12 him.

13 Q. Please explain?

14 A. When faced --

15 Q. Oh. ?

16 A. When faced with some of the causes listed here you
17 agreed to resign voluntarily, in a Sunday conversation on
18 September 3, Mr. Stein stated he would not support your
19 candidacy as tribal general counsel but did wish for you
20 have to continue work on an interim basis without
21 advancement in answer you said it six times forget it I'm
22 shutting it down.

23 Q. Can you explain what's going on here please?

24 A. Right. One of my own personal [-R] weaknesses,
25 one of the lack of professional skills that I have is I am
26 not good at palace intrigue, I will not engage in it and
27 when faced with it I will simply leave. She was engaging
28 in palace intrigue and I over wrote this sentence, these

1 are way over written, typical first draft when you're very
2 emotionally but the bottom line is she had agreed [TPH*T]
3 face of this stuff to leave when I -- and that was on
4 September 3 when I basically said listen, you can stay
5 doing what you're going to do but I will do everything I
6 can to make sure that you are not hired as tribal general
7 counsel, you're just the assistant general counsel we'll
8 find somebody else to fill your role. And in fact gym Mac,
9 this was September 13th, gym Mac came on board around
10 September 19th or I don't know when they got the agreement
11 signed in the next days after that.

12 THE COURT: So the tribal council hired McShane
13 after Aronson resigned?

14 A. She did not resign, she told me she resigned but
15 when she went to the tribal council, Sam Dunlap said don't
16 resign, we'll support you.

17 THE COURT: Oh okay?

18 A. We're going to get rid of him instead of getting
19 rid of you.

20 THE COURT: How did McShane had get hired if
21 Aronson [WRAUZ] still tribal council how did McShane get
22 hired, did they hire him too?

23 A. They hired him because they knew they weren't
24 going to pay me, is my understanding.

25 THE COURT: So they hired him too is what I'm
26 saying?

27 A. Yes.

28 THE COURT: Was he the tribal general counsel or

1 was he --?

2 A. He was outside counsel.

3 THE COURT: Okay so the tribe hired him, even
4 though Aronson?

5 A. Continued.

6 THE COURT: Continued, then the tribe also hired
7 McShane to help them I guess in their dispute with you or
8 something?

9 A. Right. And Aronson who stated repeatedly I'm
10 going to resign I'm going to resign I'm going to resign,
11 went ahead and did exactly the opposite and so this first
12 draft caught that happening.

13 Q. BY MR. FORDYCE: Mr. Stein I don't want to belabor
14 the point or re-ask a bunch of questions, but it can be
15 actually genuinely confusing. At the date of this letter,
16 September 13, 2006, can you delineate for the court what
17 your role was still where in relationship to the tribe?

18 A. Well, first of all we left out a paragraph as part
19 the palace intrigue.

20 Q. Well read that paragraph but I want to make sure
21 Mehrvar particular Lewis Lee clear what roles you were
22 playing what hats you were wearing with the tribe so go
23 ahead and read that paragraph and answer my question?

24 A. So in answer to your question, she said she was
25 resigning September 3rd, the next paragraph says you later
26 recanted and instead caused a fractious session with the
27 tribal council over your status. You avoided contact with
28 Mr. Stein and claimed that your allegiance and supervision

1 was to and from the tribal council alone.

2 Q. Well let's just touch on that. What was your
3 issue here?

4 A. She was saying that I had no right as the
5 independent contractor under SMDC to give her any tasks and
6 I said well how -- well if you're the lawyer for the tribe
7 and you're also the person for doing the tasks how am I
8 supposed to get the SMDC agreement done and she said well
9 you know that's your problem, I'm just working with the
10 tribal council and apparently the answer to that
11 juxtaposition view was she apparently already knew they
12 were going to get rid of SMDC.

13 Q. So at the time is it correct that you were no
14 longer CEO of the gaming authority?

15 A. Right, I had start being CEO -- the gaming
16 authority was never set up but I stopped being CEO of the
17 [TKPWO*RT] on September 9th that Sam Dunlap basically
18 dictate [EUD] over my shoulder.

19 Q. Exhibit 64?

20 A. Yes.

21 Q. And at the time of this?

22 A. And this is September 13th, this is four days
23 later.

24 Q. But SMDC was still engaged pursuant to the SMDC
25 agreement, correct?

26 A. That's right and that's why there's some ambiguity
27 that the court noted in the September 9th letter is I was
28 quitting my -- any role I had with the tribe because I

1 didn't want to be associated with the theft of the tribes
2 funds but SMDC still had a contract and had contract rights
3 and what was happening here was basically Aronson said hey
4 good luck with your contract I'm not going to do any work
5 that you ask me to do so how are you going to get the
6 casino project done, that's tough luck.

7 Q. Understood. As I said I don't want to rehash too
8 much, but I just want to be very clear about these points,
9 it can be quite confusing. Moving on to paragraph Number
10 25 failing to physically report, can you please read that?

11 A. Failing to physically report to that tribal
12 administration office and Mr. Stein you have consistently
13 avoided scheduling time at the tribal administrative office
14 when Mr. Stein was available to supervise your work. The
15 original premise of your employment was to be present at
16 the tribal administrative office two afternoons each week
17 and for each tribal council meeting in return for a flat
18 fee of 3,000 per month.

19 Q. Please explain what's going on there?

20 A. What Ms. Aronson did when the frictions began to
21 build up with me is she would purposely change her schedule
22 to be at the office when I could not be so I would set a
23 schedule with her saying well I can't be there Monday but I
24 can be there Tuesday afternoon and Thursday afternoon,
25 that's you know -- come up would the administrative office
26 Tuesday, Thursday, she says I'm free, okay Tuesday Thursday
27 it is, and then she would call up Barbara and come up
28 instead on the days when I already identified I have could

1 not be at the office.

2 Q. This was a problem for you?

3 A. Yeah I have had to go back and forth to Sacramento
4 several times a week and so she would choose -- I couldn't
5 talk to her face-to-face and the talks over the phone she
6 would just pass me along and not get tasks done that needed
7 to be done day after day.

8 Q. Do you believe this was true at the time you wrote
9 it?

10 A. Yes. She was getting a flat fee of 3,000 a month
11 and she was supposed to be there for two afternoons a week
12 and all tribal council meetings.

13 Q. Did Ms. Aronson to your knowledge have any
14 deferred or any other type of additional compensation
15 scheme in place other [THABTS] flat fee of 3,000 per
16 month?

17 A. Yes she was accruing more money that would be paid
18 by later [TKRAOUZ] from the investment contract with
19 Libra.

20 Q. So --?

21 A. If Libra chose to give us the money.

22 Q. Actually I just wanted to touch on something,
23 Paragraph 24, nine last paragraph there where it says that
24 Ms. Aronson claimed her allegiance and supervision was to
25 and for, that's obviously a typo it should be from, the
26 tribal council alone. To whom did Ms. Aronson oh her
27 allegiance to use your term?

28 A. Oh absolutely to the tribal council, she was

1 assistant tribal general counsel and she owed it only to
2 the tribal council however under the SMDC agreement, SMDC's
3 job was to get certain things [do not|done] on the casino
4 which would require some cooperation with the tribal
5 general counsel. That had worked well with Rae Lamothe and
6 it didn't work at all well with Elizabeth Aronson and what
7 happened of course is that hurt the casino project which
8 hurt GT Tribe.

9 Q. I gist wanted to clarify that, thank you. So
10 Paragraph 25, the numbered paragraph and then the paragraph
11 right below that, is there anything there that leads you to
12 believe that you were practicing law on behalf of GT Tribe?

13 A. No, no. I was complaining about her work habits
14 and her failure to cooperate under the SMDC agreement.

15 Q. Now moving on to 26, that's explicit threats,
16 please read, if you would?

17 A. Explicit threats against Mr. Stein's relationship
18 and position as CEO. Despite your ethical duties to the
19 CEO, you have actively threatened in a phone conversation
20 his position. You repeated four times in a recent phone
21 conversation everyone is expendable when Mr. Stein asked
22 for your resignation. Clearly meaning that you would seek
23 to have Mr. Stein eliminated instead of her.

24 Q. And this kind of gets back to the issue that I was
25 raising about the relative rolls and hats you were wearing
26 at the time. Can you explain, were you still CEO at this
27 time?

28 A. No. No. This was --.

1 THE COURT: And there was no duties, right?

2 A. That's actually a good question, that's sort of a
3 legal seminar question as to whether --.

4 THE COURT: I thought you testified that she
5 didn't have any ethical duties to you, right?

6 A. That's -- under SMDC that's correct. When I --
7 and as a nominal CEO, this is basically just over
8 [do not|done], this was just an over [do not|done] first
9 draft, this paragraph probably should not be in there
10 because it's a complicated point that is more likely than
11 not to be wrong, so it shouldn't even be in there.

12 Q. So -- so now this paragraph as you sit here
13 today would you write it differently?

14 A. Yeah. What it captures though is it would we were
15 in a it's me or you type conflict, we had gotten past the
16 point of working together and I said well you've got to go
17 or I've got to go and she was making a very clear reference
18 saying well that's probably going to mean you're going to
19 go and in fact she turned out to be right and I turned out
20 to be wrong.

21 Q. And anything in Paragraph 26 that suggests to you
22 that you're practicing [HRAUL] on the tribes behalf?

23 A. No. This was -- this was just hey -- I was -- I
24 was trying to get somebody that I was supposed to be
25 working with, the third party professional that was
26 assisting tribal general counsel I was trying to get her
27 fired and she was trying to get rid of me as a contractor
28 but no she was the one practicing law.

1 Q. And then moving on to the last part of this
2 Exhibit 60, termination instructions can you please read
3 these three short paraphrase?

4 A. These paragraphs would be if in fact the tribal
5 council agreed with me, this would be the paragraphs that
6 they would be directing her to do, this was not my
7 direction, this would be if the tribal council actually
8 signed this, so I had written in the first draft as a
9 result of any two of the foregoing problems and there are
10 26 listed, you are hereby terminated with cause effective
11 September 13th, 2006. I am instructed to tender all books
12 and records to the tribe and all materials concerning the
13 tribe produced by you from third parties concerning your
14 representation to the tribe, are instructed to I friable
15 and to retain no records of the tribe or any of its
16 information, confidential or otherwise, save your time
17 sheets.

18 Q. Actually [PHETS] off onto the next payment [PWAUS]
19 it's part of it?

20 A. You are to tender they rev page hours or invoices
21 [TOR] other requests for compensation, all this is to be
22 completed on September 14th or number one I complaint will
23 be a state bar with your [TPHA*EURL] to ply [KW-F] eyes
24 instructions among other things, and Number 2 law
25 enforcement he have [THERDZ] Eiffe theft of the books and
26 records for your own financial gain.

27 Q. Looking at that last paragraph, did either paren
28 one or paren two take place?

1 A. No no instead the tribal council fired me.

2 Q. And just to be clear?

3 A. Fired SMDC.

4 Q. As far as foundation goes, these directives under
5 termination instructions, who was the source for these
6 termination and instructions?

7 A. This was simply a first draft of the language is
8 that would be need today terminate on the behalf of the
9 tribal council, they would obviously decide whether or not
10 to keep that language, if they wanted to do -- write this
11 letter, if they didn't write this letter, then it was just
12 a waist -- you know it didn't matter.

13 THE COURT: So how did you -- it they ask you to
14 write this her for them? I have mean how did you decide or
15 begin to write this letter? Did they say [KWRE] we want to
16 you write a letter, draft letter for us because you're
17 saying you drafted it but how is it that you came to draft
18 it? Did they ask you to draft it?

19 A. In my understanding from the tribal council people
20 that I spoke with.

21 THE COURT: Who is who?

22 A. Virginia Carmelo, Edgar Perez, Sam Dunlap, Martin
23 Alcala, [SHEURPL] match.

24 THE COURT: You spoke to them and they said please
25 draft a letter firing Aronson and all the reasons why she
26 should be fired?

27 A. No. I spoke to the Five of them, I didn't get a
28 hold of the Five of them because this was moving very fast

1 but this had been going on since the September 9th meeting.
2 So the September 9th meeting when they --.

3 THE COURT: So how is it that you came to draft
4 this letter?

5 A. I told them.

6 THE COURT: Who asked to you do that?

7 A. I told them.

8 THE COURT: Or did anybody scuff to do?

9 A. Some of the tribal council men asked me to do it.

10 THE COURT: Who are they?

11 A. At least I thought they did.

12 THE COURT: And who [K-D] you or who you
13 thought -- it was all of those people you mentioned or --?

14 A. Martin Alcala and Virginia Carmelo.

15 THE COURT: They asked you to draft this letter so
16 that it could be presented to the tribal council?

17 A. Yeah I said -- I said if you're going to get rid
18 of her, you're going to need a letter terminating her or
19 she's going to resign.

20 THE COURT: So they said whoa want you to draft a
21 letter terminating her?

22 A. Oh they didn't think of that, I said I want to
23 draft a letter is that okay, and those three people said
24 it's okay with me but go ahead when the [THRAO*EUBG] and
25 over the course of the back and forth, everybody changed
26 positions several times and remember, they had walked out
27 of the tribal council offices with the records on September
28 9th, this is days later and gym Mac was coming up in six

1 days, so [TH-FRS] total chaos during this entire time, the
2 chaos was resolved not by her leaving but rather by -- by
3 my resignation from the tribes offices right on September
4 9th and then by terminating the SMDC agreement and the
5 termination letter was written by gym Mac.

6 THE COURT: Okay so they asked you, Carmelo and
7 Alcala well they didn't ask you you suggested it to them?

8 A. And they said it was.

9 THE COURT: That you have wanted to terminate, did
10 they want to terminate and they said.

11 A. Yes.

12 THE COURT: Yes so.

13 A. I'm going to write a letter.

14 THE COURT: Huh said I'm going to write the
15 letter?

16 A. And they said go ahead.

17 THE COURT: And that's how this came up?

18 A. Right.

19 THE COURT: And then you gave this draft to who?

20 A. I'm pretty sure everybody got it including Ms.
21 Aronson because in fact --.

22 THE COURT: So you gave the draft to all the
23 tribal council members?

24 A. Well yeah I had all their e-mails I'm [PRET]
25 [AOET] sure there was an e-mail.

26 THE COURT: You [PHA*ELDZ] it to all tribal -- and
27 Aronson?

28 A. Yeah and this is a fax.

1 THE COURT: Even though it was only a draft?

2 A. Yeah for their comments.

3 THE COURT: You wanted Aronson to comment on this
4 because there were inaccuracies in this and I was hoping
5 she was going to quit.

6 THE COURT: Okay?

7 A. And she --.

8 THE COURT: So what happened after you e-mailed it
9 to everybody and Aronson? Did they e-mail back?

10 A. No, no. It was -- there was a lot of Kari Burke
11 chaos and a bag and forth.

12 THE COURT: So silence, radio silence from
13 everybody?

14 A. No not -- no, I don't remember radio silence,
15 there was some silence from some people but I remember
16 there were [PHREP] [TAOEF] of communications [TA*EUT] at
17 that time, there were difficult communications but from
18 some of them.

19 THE COURT: But no [PHAO*ELZ]?

20 A. No no there were some e-mails.

21 THE COURT: What did they say in the e-mails and
22 who responded do you remember?

23 A. No, I don't. I quite honestly don't, it was a
24 very carrot I can time I was very short of sleep.

25 THE COURT: So we probably have the e-mails,
26 right.

27 MS. IBARRA: Yeah some of them are in our books.

28 THE COURT: So there was response from the tribal

1 council members and Aronson.

2 A. Yes Aronson continually went from I'm resigning
3 I'm not to I'm resigning, I'm not. I was being very
4 threatening I viewed this as this is going to be the end of
5 the casino project because she's writing -- she's letting
6 council men stale money and that's going to be the end.
7 And at the same time there was a major league effort to
8 block the Gabrielino casino going on so I was going back
9 and forth from Sacramento at the same time, imagine
10 commuting every day to Sacramento by plain.

11 THE COURT: I guess we'll see those, do you have
12 them.

13 MS. IBARRA: Yes we've seen some of them, some of
14 them from Aronson to Mr. Stein and we will see them when we
15 do -- when we continue with Mr. Stein when we do, if Mr.
16 Fordyce doesn't touch upon that.

17 MR. FORDYCE: Yeah?

18 A. No we're going to stick to the major documents
19 about attorney-client.

20 THE COURT: I understand but it sounds like.

21 MS. IBARRA: We saw some of them with Virginia
22 Carmelo and with Sam Dunlap but to the [TK*BG] -- there are
23 some additional ones with Aronson and the ones we haven't
24 seen are the Aronson Stein ones that weren't copied to the
25 other people that we've already seen.

26 THE COURT: So there's going to be some response
27 to the claim of theft, right.

28 MS. IBARRA: Yes. That was --.

1 THE COURT: And these other.

2 MS. IBARRA: And Your Honor, that was the main
3 claims in the underlying -- well it's not underlying, it's
4 part of the same joint action from Stein and SMDC against
5 the individual Defendants so that was the who the
6 fraudulent conveyance, so that's been put to rest, they
7 have no individual liability because judge Lynn field found
8 that they didn't. So to some extent I don't think it's
9 really useful to rehash that but if it helps the court to
10 understand the full picture, we'll go back there.

11 THE COURT: I see what you're saying, you're
12 saying this that's been adjudicated.

13 MS. IBARRA: Litigated over 10 years right right.

14 THE COURT: But it does provide some background as
15 to what's being done and why.

16 MS. IBARRA: Exactly.

17 THE COURT: No I think it's important that the
18 court photograph what was being done and why.

19 MS. IBARRA: Okay.

20 Q. BY MR. FORDYCE: Mr. Stein just some kind of broad
21 based questions on Exhibit 60. At the time you have
22 drafted Exhibit 60, was it your belief that this was a true
23 representation of for lack of a better term the State of
24 affairs at this time?

25 A. Yeah I thought this was a pretty good summary with
26 all the mistakes you will make in a first draft that is
27 nine pages single spaced but I thought -- and it was
28 emotional -- I was very emotional when I wrote it so it was

1 not my best writing by my means but I thought it captured a
2 lot of the problems that I'd had with Ms. Aronson over the
3 seven months and especially captured the main problem that
4 led to the termination of SMDC's and to my quitting work
5 for the tribe which was what I viewed as the theft of
6 tribal funds by Sam Dunlap with checks written by Ms.
7 Aronson so instead of guarding the tribes bank account
8 she's providing it to Mr. Dunlap.

9 THE COURT: But there was already a determination
10 that that's not what happened; right?

11 MS. IBARRA: Yes.

12 A. No. That's not what the court determined, but you
13 can see the determination --

14 THE COURT: We can look at the statement of
15 decision and see what it says?

16 A. That's exactly right.

17 MS. IBARRA: Yeah, the statement of decision we
18 had that -- we had a lot of procedural issues about whether
19 or not that would be admitted here and the court decided
20 not to, but I'm glad to have this discussion again.

21 THE COURT: Well if it's -- if they're bringing it
22 up, then I may need to see it.

23 MS. IBARRA: Yes.

24 THE COURT: Okay.

25 MS. IBARRA: I'm happy to introduce it.

26 THE COURT: All right.

27 Q. BY MR. FORDYCE: Mr. Stein as you sit here today
28 and as memory serves and fair enough, this is 10 and a half

1 years ago h do you still believe that this is a true
2 representation of the state affairs around September 13,
3 2006?

4 A. I'd say -- I'd say over 90 percent correct from my
5 point of view yes.

6 Q. Let's move to another of the exhibits, let me see
7 where I have want to go, I apologize Your Honor I never
8 know quite how long these are going to take.

9 THE COURT: It's all right.

10 MR. FORDYCE: So just let me --.

11 THE COURT: And sometimes if the court is asking
12 questions I'm not going to penal eyes you and take time
13 away from you if I'm asking questions.

14 MR. FORDYCE: No thank you Your Honor and your
15 questions are very helpful in let egg me elicit better
16 testimony so it's appreciated. Let's just go to 1508 which
17 I believe we have already looked at. Let me just be clear
18 as to whether it's been identified?

19 A. No I'm -- I've got 15 10 here.

20 Q. We already looked at -- I think we covered 15 10,
21 1508 is the Marilyn Barrett, the conflict waiver [SKP-RBGS]
22 this is another document that Plaintiffs have use today
23 suggest an attorney-client relationship.

24 MS. IBARRA: Then In 2000 that's not one of our
25 documents?

26 A. Has that been admitted.

27 MS. IBARRA: 1508 is one of Defendants late filed
28 documents, we've never used that and that's actually the

1 subject of Mrs. Merrill Barrett's declaration, [THAPLITZ]
2 the only reason that we were going to have her back and so
3 she's not coming back, she's only submit submitting a
4 declaration.

5 MR. FORDYCE: Your Honor any thoughts, I was going
6 to walk Mr. Stein through the conflict waiver and this is a
7 conflict waiver that is between Ms. Barrett Saint Monday
8 development.

9 MS. IBARRA: It's unsigned?

10 A. Well has it already been admitted already.

11 MR. FORDYCE: I don't know I think this has been
12 identified but not admitted.

13 MS. IBARRA: I think you showed it to Ms. Carmelo
14 and you elicited testimony to Ms. Carmelo and Ms. Barrett
15 wants to dispute it but.

16 MR. FORDYCE: Ms. Barrett wants to dispute a
17 document that's on her law firms letterhead with her name
18 on it.

19 MS. IBARRA: Yeah so 1508.

20 MR. FORDYCE: Your Honor can I ask Mr. Stein the
21 document.

22 THE COURT: Well it's a document that was
23 addressed to Mr. Stein.

24 MR. FORDYCE: Correct or Saint Monica development
25 company.

26 THE COURT: Or Saint Monday, okay. It's unsigned
27 and Mr. Stein is going to say to say what about the
28 document?

1 A. That it was signed.

2 THE COURT: And we're bringing her back, she's
3 going to say it wasn't signed.

4 MS. IBARRA: Well the court said we can have her
5 back by declaration, she was going to do a declaration, do
6 you want her back, she's happy to do that as well.

7 THE COURT: I don't know it's up to you, if you
8 need to be back.

9 MR. FORDYCE: We don't need her back.

10 MS. IBARRA: I need her back.

11 THE COURT: If he thinks it was signed, he can
12 testify, it's addressing him, but if you need her back to
13 say I didn't sign it, then you have to bring her back, but
14 it's addressed to him so --

15 MS. IBARRA: Yeah but --?

16 A. We should get this admit admitted.

17 THE COURT: Mr. Stein hold on. So what is the
18 purpose of this again.

19 MR. FORDYCE: This is just showing that there was
20 actually an attorney-client relationship between Mr. Stein
21 and -- I'm sorry between Saint Monday and Ms. Merrill
22 Barrett's office and again to dispute the concept that
23 somehow Mr. Stein was representing the tribe if Ms. Barrett
24 produced a conflict waiver to SMDC they are adverse to the
25 tribe and this goes to show there is no attorney
26 relationship.

27 THE COURT: Okay.

28 MS. IBARRA: No attorney-client relationship.

1 MR. FORDYCE: Between Mr. Stein and the tribe?

2 A. Your Honor, if I may step down to say this. Your
3 Honor, again, very simple, they're claiming that there's an
4 attorney-client relationship between Mr. Stein and the
5 tribe.

6 THE COURT: Yeah.

7 A. Despite the SMDC agreement. They then say you
8 fired Marilyn Barrett and that shows you were the attorney
9 for the tribe that you fired her. And I said no, and I
10 said -- I've testified no I fired her on behalf of SMDC,
11 Ms. Barrett testified that I filed her on behalf of SMDC,
12 Ms. Carmelo said no, the tribe separately had a
13 relationship with her and Ms. Carmelo testified on her
14 document.

15 MS. IBARRA: Well, what Ms. Carmelo --

16 A. I'm surprised it's not admitted -- forgive me.
17 And then this is simply the conflict waiver from Ms.
18 Barrett that I saw signed that said she's representing both
19 SMDC and the tribe because she was worried that the tribe
20 wasn't going to pay her but she knew that SMDC was on the
21 hook for the money would make sure she got paid.

22 MS. IBARRA: Okay.

23 THE COURT: So if there's a conflict waiver she's
24 representing both SMDC and the tribe?

25 A. Which is what this says and it's made out to Saint
26 Monica development company.

27 MS. IBARRA: So what Ms. Barrett she's going to
28 come back and say there was discussions about separately,

1 SMDC was going to be getting all this money, separately
2 there was discussion abouts -- you have know she's a very
3 experienced well regarded transactional lawyer to represent
4 them in that respect and this was drafted in that context,
5 she doesn't think it was ever executed. Ms. Carmelo said
6 that when presented with this and other documents that were
7 unsigned, she said I don't know, they were probably signed
8 but she didn't have any specific recollection of it. And
9 you know she does recall that there are a lot of documents
10 here that are unsigned but she didn't say -- she
11 specifically did not say that Ms. Barrett was fired by --
12 from being the -- being the transactional lawyer on the
13 Libra agreement on behalf of SMDC and when Ms. Barrett was
14 here, she was questioned, there was a lot of testimony, it
15 was almost exclusively about her work on the Libra
16 agreement on behalf of the tribe and you know very specific
17 details about her firing and it never came up that she was
18 fired on behalf of her work on behalf of SMDC instead
19 Uh-huh know where our allegations are in which he testified
20 [HA] she was fired when she was the main transactional
21 lawyer on the Libra agreement representing the tribe?

22 A. I dispute that that was the testimony.

23 MR. FORDYCE: Well I --.

24 THE COURT: Well you can bring her back?

25 A. So she can bring her back and we can go.

26 THE COURT: Let's bring her back and see what she
27 says about the document but it it's addressed to you, you
28 have know again you know I tell all of you that there's

1 only so much weight I'm going to give to unsigned documents
2 you on both sides but okay.

3 MR. FORDYCE: Understood Your Honor.

4 MS. IBARRA: Got it.

5 THE COURT: Go ahead we have only a few more
6 minutes so if you want to lay the foundation for that.

7 MR. FORDYCE: And then we'll.

8 A. Does the court have a copy of 1508.

9 MR. FORDYCE: I will give the court a copy. I
10 think the court might but takes the better part of the
11 Vail-er.

12 THE CLERK: 1508.

13 Q. BY MR. FORDYCE: So Mr. Stein we will just lay
14 some very quick foundation and go on our merry ways. Sorry
15 I just need to re orient here. Okay Mr. Stein, [KWER]
16 [AOEUFDF]-g if this it hasn't already been identified or
17 admitted which I'm not sure about, this is exhibit 1508.
18 Mr. Stein please identify -- or have you seen this document
19 before?

20 A. Yes.

21 Q. Please identify the document?

22 A. This is from Marilyn Barrett and her firm at the
23 time van [ET] inn sue motel oh and beck [ET] and it was a
24 conflict waiver that she wanted SMDC to sign.

25 Q. Who is the document addressed to?

26 A. This is address today Saint Monday development and
27 Jonathan Stein as chief executive officer of SMDC.

28 Q. And it says re: Representation and proposed

1 financial transaction. Will you please read the first
2 paragraph?

3 A. It is our understanding that Saint Monday
4 development company, LLC, SMDC has requested that our firm
5 represent it in connection with the financing transactions
6 contemplated un the engage engagement letters entered into
7 by Gabrielino-Tongva Tribe and SMDC dated March 16th, 2006.
8 So she's saying here that there was signed engagement
9 letters on one hand by GT Tribe and then a separate
10 engagement letter by SMDC on March 16th and she then says
11 while we previously agreed to represent only the tribe, we
12 have agreed to September SMDC in this transaction only
13 subject to the provisions herein. To peremptory [AOE]
14 tribe and [STR*PLD] identify 3-310 [WEUFLS] eye pretty
15 joint representation, rules of professional 3:30 prone hits
16 attorneys with representing adverse or potentially adverse
17 interests without their informed written consent, this
18 letter request that consent the copy of rule 3:310 is
19 enclosed for your review.

20 Q. And then the next paragraph?

21 A. We're requesting your informs written foamed [AOE]
22 should new or different information come to our attention
23 we may be required to amend this letter and again seek your
24 impacted written consent.

25 Q. Ask what's your understanding of the purpose here?

26 A. The purpose of this was to slightly different than
27 how she stated it, she wanted to make sure that SMDC was on
28 the hook for the money and --.

1 THE COURT: Where does it say that though.

2 A. It says it politely, it it says that SMDC asked
3 her for her representation and I was fine with that, I was
4 not at all uncomfortable with that so which -- she used
5 standard language in saying that SMDC requested that her
6 firm represent it.

7 Q. And Mr. Stein just to be clear.

8 THE COURT: And that.

9 MR. FORDYCE: Sorry Your Honor.

10 THE COURT: So it doesn't have anything to do with
11 the money.

12 MR. FORDYCE: I just wanted to be clear for the
13 record to clarify some pronounce when you say Mr. Stein
14 that SMDC would be on the hook for the money can you just
15 explain what you remember mean.

16 THE COURT: Well it's [HEURT] because that's
17 [WHAPB] it says, right.

18 MR. FORDYCE: Well that's what he testified to,
19 and I'm just asking for an explanation of what he just
20 testified to?

21 A. We'll follow the Court's instructions.

22 MR. FORDYCE: That's fine?

23 A. She was going to represent the both SMDC and the
24 tribe in the financing transaction with Libra, both SMDC
25 and the tribe had been interest in that transaction because
26 SMDC was the independent contractor that was supposed to
27 get the casino project [do not|done] and get the investment
28 funds in the door and would be paid out of those funds, GT

1 Tribe of course was interested in the -- because this will
2 wanted the casino project to be financed and the same money
3 would also pay 3,000 per month to the tribal council.

4 Q. At the time of this waiver agreement was there any
5 count in your mind as to whether Ms. Barrett was
6 representing GT Tribe as far as the Libra agreement was
7 concerned?

8 A. No she -- she was representing GT Tribe by the
9 time she tendered this to us. I note that far she [P*UT]
10 puts a March 16th date in one place and the letter is dated
11 March 15th I assume that those are just typo type
12 considerations.

13 MR. FORDYCE: Your Honor this is probably just
14 without [TK*EFLG] further into this, I'm not sure how much
15 detail we need to go into this but this would seem to be a
16 good stopping place?

17 A. Well if we can talk about the signature blocks
18 maybe.

19 Q. Oh sure sure. That's fine. Mr. Stein can you
20 turn to the what I believe is actually the hen [AOE]
21 penultimate page, which is the third to the last page and
22 then the actual last page I'll direct you to those, there
23 are signature blocks on both, so what's marked on Page 4 on
24 the top left, there's a signature block for Ms. Barrett and
25 then a signature block for you, can you please explain?

26 A. Yeah the signature blocks were the consents to the
27 joint representation and one was for Saint Monday and I
28 signed for that and the other one was for the tribe and

1 that would be signed by all six tribal council people.

2 Q. Have you seen a signed copy of this document at
3 any time?

4 A. Yes.

5 Q. And whose signature did you observe, I'm not sure
6 whether it was just my signature or whether it was the
7 completed signatures of everybody?

8 A. .

9 Q. Did you see a document with Ms. Barrett's
10 signature on?

11 A. Yes yes.

12 Q. To to your knowledge, as you sit here today it's
13 your believe that both you and Ms. Barrett signed this?

14 A. Yes and my believe the council signed it as well
15 but I don't know -- I don't have a specific recollection of
16 seeing their signatures.

17 Q. And you don't recall whether all the [KO*UPLDZ] on
18 the last page of the document signed?

19 A. No.

20 Q. All right. Well that's noon, is that okay.

21 MS. IBARRA: Yes, it is okay?

22 A. Can we admit this into evidence.

23 MR. FORDYCE: Your Honor can we, is that.

24 MS. IBARRA: No until we have.

25 THE COURT: I don't think this will we have some
26 kind of verification.

27 MS. IBARRA: Ms. Barrett.

28 THE COURT: It was fully signed or at least

1 someone is saying he saw it signed.

2 MR. FORDYCE: Mr. Stein just said he saw it
3 signed.

4 THE COURT: Well, he didn't say he saw all the
5 coucil members sign it.

6 MS. IBARRA: He said he signed it. He could have
7 signed it yesterday. It's not the same.

8 THE COURT: I understood him to say he saw it
9 signed sometime after it was presented?

10 A. Yes.

11 THE COURT: But he didn't say he saw one with
12 everybody's signature, so that's the problem, maybe
13 Ms. Barrett can to that. And Your Honor again just an
14 evidentiary question from my own lack of full [-PBD]-g,
15 while the court may give much less weight because it's not
16 signed wouldn't this be admitted into evidence as rebuttal
17 to the idea that I'm -- that I was doing work as the
18 attorney for the tribe when I was firing Ms. Barrett, in
19 other words isn't this a documentary proof, [AOEP] if it's
20 unsigned that there was a draft and that this is proof of
21 the relationship.

22 THE COURT: Only if it was the final, I mean just
23 a draft where nobody can -- can say that they saw a signed
24 copy that's a problem, I mean if you have someone at least
25 be able to testify that they saw a signed copy then I'm
26 willing to admit the document understanding that there
27 isn't a signed document but the testimony that somebody saw
28 all the signatures, then I would allow it?

1 A. But doesn't it go as supporting evidence to the
2 testimony that SMDC had an independent attorney-client
3 relationship with Ms. Barrett and therefore, when SMDC said
4 you're fired it was being said on behalf of SMDC, they are
5 claiming that the same claiming -- they are claiming that
6 the statement at the same time was SMDC was attorney for
7 the tribe and therefore, was firing her for the tribe.

8 MS. IBARRA: It doesn't --?

9 A. And this was evidence that SMDC was not acting
10 that way.

11 MS. IBARRA: I don't -- even as to weight, it
12 doesn't fix the fact that she was fired and nobody
13 represented the tribe except for Stein [TPH*T] closing of
14 the Libra agreement?

15 A. Rae Lamothe represented the trying.

16 MS. IBARRA: [SHAOEFS] gone and she specifically
17 says?

18 A. And Elizabeth Aronson.

19 MS. IBARRA: She had no involvement except for
20 gathering documents as a paralegal on behalf of Mr. Stein?

21 A. Beth [barren|baron] was there.

22 THE COURT: So if we can get somebody -- I mean
23 yeah maybe Aronson can testify that it was signed by
24 somebody if I at least have oral testimony that somebody saw
25 the entire executed don't then I'm willing to admit the
26 document even though it's unsigned now it will affect the
27 weight that I give to it but at this point unless I can
28 have minimum at that testimony I can't receive it. But you

1 can put it before Aronson if she's going to be here, okay?

2 A. Sure very good, good explanation, thank you.

3 THE COURT: You're welcome.

4 MR. FORDYCE: And Your Honor are we on for quantum
5 merit tomorrow.

6 THE COURT: Hopefully?

7 A. The 402 hearing.

8 THE COURT: Let me tell you what I've read so far
9 I think we probably need a 402, a full -- evidentiary
10 hearing as to foundation for it because [its|it's] so
11 redacted I can't tell. So I think if I'm going to admit it
12 I'm going to need a 402 hearing with live testimony so we'd
13 have to get people who were involved with its preparation
14 and redactions whoever did the redactions, who was
15 maintaining, et cetera. So even if I said you have know
16 looks like something I'm willing to consider, I think we
17 have to have a hearing before I make a final ruling, so you
18 might want to call people who can provide that foundation I
19 think that's where I'm leaning?

20 A. Your Honor, just mechanics only.

21 THE COURT: Yeah?

22 A. It sounds like that format is entirely fair.
23 Should we begin the hearing Friday or Monday as fits the
24 Court's schedule and then as we get to the point we then
25 can bring the people back, [PWA*RG] works across the park
26 from here and Steve Johnson we just need to give him enough
27 of a heads up to clear his schedule, he's a scales person
28 so if he's in town he'd be happy to [TKO*] come.

1 MS. IBARRA: Well [PHU] Steve John had nothing to
2 do the preparation.

3 THE COURT: Well well [SAOET]?

4 A. And that's where.

5 THE COURT: Mr. Stein hold on, if they think he
6 has something to do with then he should be here but if you
7 need time to get him here that then tomorrow should be too
8 son so probably next week?

9 A. And if Ms. Ms. Ibarra [-Z] point is the wing point
10 let me not bother him to say.

11 THE COURT: Either way from what I'm hearing I
12 need a hearing.

13 MR. STEIN: By the way there any Ed near toe MSJ,
14 these were MSJ document, there was no objection to that so
15 doesn't that bring them into trial even despite whatever
16 she's saying.

17 MS. IBARRA: In 2008.

18 MR. STEIN: No.

19 MS. IBARRA: It was a different party.

20 MR. FORDYCE: [TPHOFS] a a evidentiary issue.

21 THE COURT: I don't I don't think that that.

22 MR. STEIN: Your Honor that is the law.

23 THE COURT: It's an admission against the party
24 who didn't object it.

25 MS. IBARRA: [T*EUBZ] is saying she weren't a
26 party.

27 MR. STEIN: No no it was the MSJ that's what I'm.

28 MS. IBARRA: [PO*ELZ] [PH-FPL] S J.

1 THE COURT: Well present the evidence then.

2 MR. STEIN: Right and once again it's admitted.

3 THE COURT: Present the evidence that it wasn't --
4 or that it was against this party, okay and I'll consider
5 that.

6 MR. STEIN: Okay.

7 THE COURT: All right thank you.

8 MR. STEIN: And Your Honor we'll have more than
9 just the Friday hearing because that's quite a lot of work
10 to get exactly.

11 THE COURT: Yes I'm not going to require the 40 28
12 hearing on Friday [H-Z], that's too son.

13 MS. IBARRA: That's tomorrow so not tomorrow.

14 THE COURT: Yeah not tomorrow.

15 MR. FORDYCE: Buff possibly start addressing.

16 THE COURT: Possibly you tell me when you think
17 you can be ready to present your witnesses ask then we can
18 set it. 12:06 PM.

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