

1 CAUTIONS IN USING A REALTIME PARTIALLY EDITED TRANSCRIPT

2

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.

20

21

22

23

24

25

26

27

28

1 GABRIELINO-TONGVA TRIBE VS. STEIN, TRIAL DAY 19

2 ROUGH TRIAL TESTIMONY OF LORNA DERTADIAN

3 A. Lorna l o r n a , Dertadian, der t a di a n .

4 THE CLERK: Thank you.

5 THE COURT: Thank you you may begin.

6 MR. STEIN: Thank you Your Honor. Watch out, I  
7 don't want to take a finger with you.

8 Q. BY MR. STEIN: Lorna before we get to exhibit 577  
9 could you please tell us what your current position is?

10 A. I'm a manager at Talley & Company.

11 Q. And a manager at -- first of all, how many  
12 [PROEFLTZ] are at Talley & Company?

13 A. We're probably at 50,000.

14 Q. 50?

15 A. 50 or more.

16 Q. And as a manager, what do you do there?

17 A. I'm a manager of the tax department so I review  
18 tax returns and manage staff and handle clients, I'm a  
19 client service, you know, I have a -- I've a list of  
20 clients that I manage.

21 Q. Uh-huh. And in 2006, were you working at Talley &  
22 Company?

23 A. Yes I was.

24 Q. When did you start working there?

25 A. 1991.

26 Q. 1991 would be --?

27 A. Like 25 years.

28 Q. 25 years, good for you Lorna. Did you work with

1 Mr. Stein?

2 A. Yes, I did.

3 Q. Did you work with SMDC?

4 A. Yes I did.

5 Q. Did you work with GT Tribe?

6 A. Yes I did.

7 Q. And in 2006 did you write an accounting services  
8 final report?

9 A. Yes, I did.

10 Q. And what was the purpose of the accounting  
11 services final report?

12 A. The report was to state the services that we  
13 performed.

14 Q. So why don't we -- I know this is -- have you ever  
15 testified in a court case before?

16 A. Not before this case, I mean for --.

17 Q. Are you a little nervous today?

18 A. Very much so.

19 Q. So get your best testimony, we'll go through the  
20 agreement paragraph by paragraph and then obviously  
21 opposing counsel may choose a different approach?

22 A. Okay.

23 Q. But can you tell us about the first paragraph?

24 A. The one --.

25 THE COURT: This is which exhibit now?

26 A. This is 577 Your Honor.

27 THE COURT: And that is the Talley report.

28 MR. STEIN: Talley report, October of 2006?

1           A.    The first paragraph is state [WHAG] the memo is  
2 about, it's about the services Talley & Company performed  
3 during the period of September 18 to October 3.

4           Q.    So did you write this report over several weeks?

5           A.    I performed the services over several weeks, I  
6 wrote the report as a summary at the end.

7           Q.    But you performed the accounting services with  
8 regards to Quickbooks processing and reporting for several  
9 weeks?

10          A.    Yes.

11          Q.    And how did you do that.

12                THE COURT: Is that September 18th through October  
13 3rd is that the sometime frame?

14          A.    Yes.

15                THE COURT: It says that on their, first  
16 paragraph?

17          A.    Yes.

18                THE COURT: Okay thank you.

19          Q.    BY MR. STEIN: And how did you do the work that  
20 showed up in this report?

21          A.    I went to Jon Stein's office and we logged into  
22 the Quickbooks program and the first part of it we had  
23 to -- we did a bank reconciliation, reconciled the interest  
24 in the accounting software to the bank statements.

25                THE COURT: Do you remember which computer you  
26 were on at the time? Well there's been testimony that  
27 there's multiple computers in Mr. Stein's office and they  
28 each contain different things so did you go to -- how many

1 computers did you consult?

2 A. Just one.

3 THE COURT: Do you remember which one it was?

4 A. The one in the empty office.

5 THE COURT: The one in the empty office, okay.

6 And I couldn't told who's office that was?

7 A. No I don't think there was anybody else.

8 Q. BY MR. STEIN: Well in the empty office were there  
9 lots of four inch binders on the wall?

10 A. Yes it was the --

11 Q. So would it refresh your recollection to say that  
12 that empty office was the tribes office?

13 A. I don't know who's office it is, I just know there  
14 was [known|no one] there.

15 Q. And [THAFRLS] the computer that you have used?

16 A. Yes.

17 Q. And that was where you found the Quickbooks with  
18 the tribes information on it?

19 A. Yes.

20 Q. And now, let's talk about the bank account  
21 reconciliation there. There are several parts so let's  
22 take them part by part. And what did you did for the bank  
23 account reconciliation?

24 A. We reconciled the entries in the Quickbooks to the  
25 bank statements.

26 Q. And what does it mean to reconcile the entries in  
27 Quickbooks, the computer program to a bank statement?

28 A. We tie up the amounts of the check records, add up

1 all the deposits, make sure they all match up.

2 Q. And that is the -- these with written bank  
3 statements?

4 A. These are bank statements that's issues by the  
5 bank.

6 Q. Huh. I see. And it says this requires us to  
7 change check numbers in Quickbooks. Were there misstates  
8 in the Quickbooks?

9 A. Yes what happens is if a check gets skipped,  
10 sometimes Quickbooks will -- Quickbooks assigns a Check  
11 Number so if a check gets skipped so let's say certain  
12 checks are written out of order, Quickbooks will -- might  
13 not match the check numbers but the amounts will tie to the  
14 bank statements.

15 Q. And you said we do not have records required to  
16 perform further investigation. What was the problem there?

17 A. Well sometimes if a Check Number gets duplicated,  
18 we don't have anything to go back there because the records  
19 are not available to us.

20 Q. And in this case were the records for September  
21 from the banks available?

22 A. No.

23 Q. What had happened?

24 A. They're not in the location any more, basically.  
25 I think --.

26 THE COURT: You mean in the office or?

27 A. In the office, yeah.

28 THE COURT: Not the bank account --

1           A.    The last bank statement was the August, was the  
2 last bank statement that was available to us.

3                   MR. STEIN:

4           Q.    And was it your understanding that they were in  
5 the possession of the tribal council and Elizabeth Aronson  
6 the tribal general counsel?

7           A.    Yes because Elizabeth Aronson actually provided me  
8 with the missing checks so that I could complete you know  
9 the accounts -- the accounting for it, parts of it.

10          Q.    But she never showed you the bank statements?

11          A.    No. No she sent it to me via e-mail.

12          Q.    And she never showed you the current check books?

13          A.    No.

14          Q.    But she did cooperate to a limited extends?

15          A.    Yes.

16          Q.    And you note that here when you say we input  
17 additional checks per e-mail from Elizabeth Aronson?

18          A.    Yes.

19          Q.    Very good. So that was one part of your work.  
20 And the other part was accounts payable can you tell us  
21 what you did there?

22          A.    For the accounts payable there are two ways of  
23 doing it in Quickbooks, you either write a check or you  
24 other pry it it to payable. We were making sure that the  
25 checks paid were being applied to the payables to zero it  
26 out and make sure they were all input correctly so that  
27 when you printout an accounts payable ledger it will show  
28 the payables and the amounts, the checks against it so

1 that's -- and when you put it that way, it will show  
2 whether there are duplicates or non-duplicates.

3 Q. And in this case what did they show for the  
4 accounts receivable?

5 A. I'm not sure what you mean by what do they show.

6 Q. Read that paragraph?

7 A. Oh the total accounts receivable as of this date  
8 is 4,000,000 nine 18,000 \$175 73 cents.

9 Q. And that's money that is owed by GT Tribe?

10 A. Yes.

11 Q. And then you said here we reconciled St. Monica?

12 A. Yes. There was a payable account for expenses  
13 that St. Monica paid so we reconciled that payable to  
14 what's on the -- to the amounts that was paid by St.  
15 Monica.

16 Q. And what amount did it come out to?

17 A. 2,000,000 46 \$4 Five \$35 96 cents.

18 Q. And you have details at the back, I'm going to  
19 skip forward for a second. Besides the record for GT  
20 Tribe, you gave special emphasis to SMDC in extra reports  
21 at the back is that correct?

22 A. Yes. So let's go to one of them right now, you'll  
23 have to read it sideways. And what was this report about?

24 A. Okay this is a summary of the expenses and the  
25 payments that were made and the paid amount.

26 Q. So was the idea to make sure in detail that SMDC  
27 expenses were properly accounted for?

28 A. Yes we were applying them to the expense



1 information.

2 Q. And did you avoid double counting any expenses in  
3 this matter?

4 A. Yes.

5 Q. Did you find some expenses that had been double  
6 [KOUFPBT]-d?

7 A. There were some and we deleted them so there's  
8 only one showing.

9 Q. Very good. And then you did another report after  
10 that one, I hope you're using to reading sideways because  
11 this is also sideways and [TH-GS] interest calculations for  
12 St. Monica development loans?

13 A. Uh-huh.

14 Q. What are those?

15 A. This is basically accruing interest on the balance  
16 on the Santa Monica loan, on a periodic basis.

17 Q. And it looks like you calculate [T-D] very  
18 carefully?

19 A. It's bi-monthly, it's calculated on an annual  
20 basis, accrued monthly based on the balances.

21 Q. And what was the amount of interest shown?

22 A. On the summary, it's 617,000 \$63 56 cents.

23 Q. And was that part of the 2.4 million?

24 A. Yes.

25 MS. IBARRA: Counsel where are you.

26 MR. FORDYCE: It looks like Page 20 of 24.

27 Q. BY MR. STEIN: And is that the same number here,  
28 six 17?

1 A. Yes.

2 Q. '06 four?

3 A. Yes.

4 THE COURT: Just so I'm clear, why were you doing  
5 this now? Did Mr. Stein higher you to do a -- I'm trying  
6 to figure out?

7 A. Accrued interest on the loan.

8 THE COURT: No I mean the whole job, you were  
9 hired by Mr. Stein to do an analysis, I'm trying to figure  
10 out how you got there?

11 A. In doing accounting and when there's a loan you  
12 need to --.

13 THE COURT: Oh no I understand that part, what I'm  
14 asking is how did you get hired [TKP] Mr. Stein call you  
15 and say I've got a job for you?

16 A. It's just part of accounting it's something we do  
17 for the clients too.

18 THE COURT: So who hired Talley?

19 A. John is our main contact.

20 THE COURT: Mr. Stein?

21 A. Mr. Stein is our main contact, yes.

22 THE COURT: And did he tell you what was the  
23 purpose of the hiring, to what end he was trying to have  
24 you do the accounting.

25 A. I was just hired to help with the Quickbooks for  
26 the tribe, that's what my understanding is and to set up.

27 MR. STEIN: Lorna?

28 A. It started with setting up to the charter account.

1 THE COURT: Sure I needed an introduction we  
2 didn't get to that.

3 MR. STEIN: That's exactly right and.

4 Q. Lorna what the court is after is October 3, 2006  
5 Mr. Stein was very upset when he called you wasn't he?

6 A. Yes.

7 Q. And what was had he upset about?

8 A. I think there was disagreement with the tribe.

9 Q. Was Mr. Stein concerned he was going to get sued  
10 tore securities fraud?

11 A. I don't remember that, sorry.

12 Q. Was Mr. Stein concerned that the money was  
13 disappearing and he wanted to capture a snapshot?

14 A. Yes.

15 Q. And what did Mr. Stein say about that?

16 A. We need to make sure that we do a good accounting  
17 and and your question part of that account-g is you know  
18 accruing interest on loans, on the SMDC loan.

19 Q. And did Mr. Stein use the phrase capture a  
20 snapshot?

21 A. Yes.

22 THE COURT: Capture a snapshot of what?

23 A. Which is what a balance sheet is, it's just a  
24 point in time what it is at a point in time.

25 THE COURT: All right.

26 Q. BY MR. STEIN: Was it your understanding that Mr.  
27 Stein thought that the casino funds would be  
28 misappropriated by the tribal council and so therefore,

1 wanted a full accounting of what was happening in October  
2 in case this problem occurred in the future?

3 A. That was said, yes.

4 Q. And was it your understanding that that was in  
5 fact exactly what happened to next?

6 A. I don't think I can testify to that I'm sorry.  
7 I'm not sure.

8 Q. The next detail you did on St. Monica development  
9 payable balance, what is this one about, it's at the end of  
10 the report?

11 A. This is a detail of all the -- this is just a part  
12 of -- this is just a payable report that's St. Monica only.

13 Q. And was it to make sure that everything that was  
14 owed to Santa Monica was reviewed and accurately set forth  
15 by a third party?

16 A. Yes.

17 Q. And do you feel you accomplished that?

18 A. Yes.

19 Q. And now let's go back --.

20 THE COURT: Was your job to look at any other  
21 creditors of the tribe or were you just doing St. Monica  
22 development?

23 A. No we're doing all the payables, I'm looking at  
24 all -- the whole accounting and.

25 THE COURT: The whole accounting?

26 A. And looking at all the payables it's just a big  
27 chunk of it was St. Monica.

28 THE COURT: Was there anything for Crane Group in

1 there or.

2 A. Yes there's a list of payables, all the payables  
3 are listed here (Indicating.) and it's basically showing  
4 all the invoices less ant payments.

5 THE COURT: Okay I just wanted to know if there  
6 was something in connection with that.

7 MR. STEIN: No no no, if the court is interested,  
8 let's go there next, let me get tote right page and this is  
9 Page 4 18, '03 four 18, vendor balance summary. And in the  
10 vendor balance summary were these the amounts outstanding  
11 with by vendor on October 2, 2006?

12 A. Yes.

13 Q. And then can we find the Crane Group in here?

14 A. I don't see it here.

15 Q. Let's go down to here on Page 20?

16 A. Yeah.

17 Q. The Crane Group?

18 A. Yeah it shows that there was an invoice and they  
19 were paid.

20 Q. I see. And so that was a 50,000 invoice and a  
21 50,000 payment was in the system?

22 A. Yes, so they're not showing on the payable.

23 Q. So nothing else is in the system about the Crane  
24 Group in October of 2006?

25 A. No.

26 THE COURT: There was no bill or outstanding debt,  
27 in other words there was no invoice that was unpaid?

28 A. Not in the system, no.

1 THE COURT: Okay.

2 Q. BY MR. STEIN: But under the Crane contract there  
3 could have been additional amounts that simply had not been  
4 put in the system on that date?

5 A. Sure.

6 Q. So turning to other people, let's walk through the  
7 vendor payments and balances beginning on Page 19, three  
8 19?

9 A. Okay.

10 Q. Adam Loya was a tribal council [P\*EPB]?

11 A. I believe so.

12 Q. And he had been paid 6,000 and 3,000 and  
13 [thou|thousand] and 3,000 and 3,000 is that correct?

14 A. Yeah.

15 Q. And then Alan low [THAUL] for state senate would  
16 that be a political contributions?

17 A. Yeah.

18 Q. And Aprea and company that would be for breach of  
19 contract services?

20 A. Right.

21 Q. And Audra Strickland would that be another  
22 political contribution?

23 A. It looks like it, yes.

24 Q. California democratic party would that be another  
25 political contribution?

26 A. Yes.

27 Q. And California republican party for luncheon with  
28 governor Schwarzenegger?

1 A. Yes.

2 Q. Moving on to the next page, Charles Calderon, name  
3 us name for the assembly 2006 would that be another  
4 political contribution?

5 A. Yes.

6 Q. And clerk of the court, would that be in  
7 association for the satisfaction of judgment that was paid  
8 out of casino funds?

9 A. Yes.

10 Q. Committee to save Inglewood, would that involve  
11 Senator Vincent and a lit [WAL] contribution?

12 A. Yes.

13 Q. Consumers for Tom Umberg that would be a political  
14 contribution?

15 A. Yes.

16 Q. And then we have the Crane Group, occur en price  
17 for assembly?

18 A. Yes.

19 Q. Would that be a political contribution?

20 A. Yes.

21 Q. Oh and David Velasques, \$14,000, would that be  
22 payment for records that he provided?

23 A. I'm not sure what -- I don't recall what the  
24 payment was for.

25 MS. IBARRA: Objection lacks foundation.

26 THE COURT: She says she doesn't know.

27 MR. STEIN: Uh-huh.

28 A. I don't recall.

1 Q. Moving to the next page, we're now at Page 22,  
2 Edgar Perez, so Mr. Perez get 5,500 3,000, 3,000, 3,000 and  
3 3,000 is that correct?

4 A. Yes.

5 Q. And Elizabeth Aronson, God, 7,000 and 4,000 and  
6 4,000 and 4,000 and 6800?

7 A. Yes.

8 Q. And field research association, would that be  
9 11,700 for a poll from the famous field polling  
10 organization?

11 A. Yes.

12 Q. Moving on to friends of Dean Florez, is \$3300  
13 contribution?

14 A. Yes.

15 Q. And friends of Merve Dimalley another political  
16 contribution?

17 A. Yes.

18 Q. And these are marked state political  
19 contributions, is that correct?

20 A. That's the memo to not it says yes.

21 Q. And moving to the next page, friends of Ed  
22 [SR\*EUP] that would be a contribute, again for Ed Vincent?

23 A. Yes.

24 Q. And a contribution for friends of Kevin did he Lee  
25 own?

26 A. Yes.

27 Q. Now I notice in this contribution made on  
28 September 28th do you know the contribution was supposed to



1 be for \$3390 but only a thousand was given?

2 A. Yes.

3 Q. Would that perhaps be a mistake made by Elizabeth  
4 Aronson?

5 A. I don't know.

6 Q. So does it look like GT Tribe stiffed Kevin delay  
7 own?

8 A. They owe him 2300 is what it shows.

9 Q. Huh. Okay. And then [TKPWAEUR] amend Dee for  
10 lieutenant governor, that would be John [TKPWAEUR] amend  
11 Dee, [HRAO\*UPBT] governor is that correct?

12 A. Yes.

13 Q. And [TKPWEUL] is he Dee oh that would be a  
14 political contribution for [TKPWEUL] is he [TAOE] oh?

15 A. Yes.

16 Q. And honorable air hand Arabian would that be a  
17 payment to air mandatory a- [RAEUB] [KWRAPB]?

18 A. Yes.

19 Q. For legal work for \$13,500 in legal work? And yes  
20 honorable crews Rae nose zero would that be payment to the  
21 honorable Cruz Reynoso for \$12,000?

22 A. Yes.

23 Q. For legal work?

24 A. That's what it's described here, yes.

25 Q. Jenny or oh pays a-, thousand dollars for  
26 political contribution?

27 A. Yes.

28 Q. Let's now move on to the next payment, it's Page

1 24, Judy Shapiro oh, these were invoiced from the Libra  
2 transaction to the Washington based Native American law  
3 expert Judy Shapiro oh.

4 THE COURT: Do you know even know who judicial  
5 [SHAP] is has there been any testimony.

6 MS. IBARRA: There has, she was the Indian law  
7 expert.

8 THE COURT: Oh okay.

9 Q. BY MR. STEIN: And Julia brown Lee now a Congress  
10 woman is that correct?

11 A. Yes.

12 Q. And Laura Richardson for assembly?

13 A. Yes.

14 Q. And law offices of David Helfant for more legal  
15 work?

16 A. Yes.

17 Q. Then Mark Leno several conversations to Mark Leno?

18 A. Yes.

19 Q. Several contributions, a lot of contributions --  
20 several contributions to mark Ridley-Thomas?

21 A. Yes.

22 Q. And then Martin Alcala got paid 6,000 and 3,000  
23 and 3,000 and 3,000 and 3,000 is that correct?

24 A. Yes.

25 Q. Oh and then Mary Aguilera she's mentioned here as  
26 a payment due is that correct?

27 A. Yes.

28 Q. And Mike Feuer got a contribution didn't he for

1 \$3300?

2 A. Yes.

3 Q. Then Olson Hagel and Fishburn, lawyers?

4 Sacramento were paid?

5 A. Yes.

6 Q. Oh there is it is Patricia Neminski was due  
7 payment is that correct?

8 A. Yes.

9 Q. Patricia Neminski was due payment is that correct?

10 A. Yes.

11 Q. And Rae Lamothe was paid is that correct,  
12 \$60,000?

13 A. Yes.

14 Q. And then RGP associates, Richard G Polanco, 1500  
15 and 1500, and 4,000 and four [#240U] and 4,000 and 4,000  
16 and 2500 2500 4,000 4,000 4,000, those were all the  
17 payments to Richard Polanco?

18 A. Yes.

19 Q. Oh look, the Ron Calderon legal defense fund even  
20 got paid is that correct?

21 A. There's an accrual, they oh him.

22 MS. IBARRA: He needs it now.

23 Q. BY MR. STEIN: And Sam Dunlap got paid is that  
24 correct?

25 A. Yes.

26 Q. And that was 6,000 3,000 [thou|thousand] 3,000 and  
27 3,000?

28 A. Yes.

1 Q. And [ST\*EP] Lee the Sam Dunlap loan, that was all  
2 separate to 51,000 that Sam Dunlap is that correct?

3 A. Yes.

4 Q. Oh and look here at Sheppard, Mullin --.

5 THE COURT: Let me ask you that 51,000 is the one  
6 that you paid for the judgment against him or was it  
7 something else.

8 MR. STEIN: Oh it was something else, something  
9 else just more money he demanded.

10 MS. IBARRA: Objection the document doesn't  
11 reflect that.

12 THE COURT: Is that what it says, what does it say  
13 [THARBGS] can you tell me.

14 MR. STEIN: It says reimbursements, triable  
15 mailer, Fresno strip, to reimbursements were 51,000 for  
16 2001, two, three and four.

17 THE COURT: Oh all right. Well no more detail I  
18 guess.

19 MR. STEIN: Uh-huh.

20 THE COURT: All right.

21 MR. STEIN: And.

22 THE COURT: By the way how much are we going to go  
23 through.

24 MR. STEIN: We're getting to SMDC and the end. So  
25 Shirley Machado watt another councilwomen?

26 A. Yes.

27 Q. And then SMDC, the FPPC contract what was your  
28 understanding of the FPPC contract?

1           A.    It's a political contract for political  
2 services.

3           Q.    And how much was paid under that contract?

4           A.    It's 10,000 a month.

5           Q.    And how many months, can you count?

6           A.    It looks like seven.

7           Q.    One two three four Five six seven.  So SMDC was  
8 paid 70,000 for FPPC.  SMDC interest, that was the 617,000.  
9 Are there any payments to SMDC for interest?

10          A.    No.

11          Q.    SMDC loan, there are several payments, can you  
12 estimate those payments for us, you're probably faster,  
13 that's 7/12, 13, 16, 18, 19, 21, 26,000, would that be  
14 about correct?

15          A.    31,000 is on the summary.

16          Q.    31,000 very good.  There's more on the other side,  
17 and SMDC monthly fee, how many payments to SMDC monthly fee  
18 were made, 40, 40 is '80 and 50 is 130,000?

19          A.    Yes.

20          Q.    And we're almost done.  What was that number again  
21 Lorna?

22          A.    130,000.

23          Q.    Talley & Company, your favorite people, those are  
24 **[TPAEUPLTS]** for 11 and to Talley ask company for its work  
25 for GT Tribe?

26          A.    Uh-huh.

27          Q.    And this one says set up Quickbooks for a tribe?

28          A.    Yes.

1 Q. So does that refresh your recollection that you  
2 and other members of Talley and company set up the  
3 Quickbooks system that generated these reports?

4 A. Yes we set up.

5 Q. And then Tom Umberg for state senate was a  
6 political contribution and Virginia Carmelo was another  
7 councilwomen and 6,000 and 3,000 and 3,000 and 3,000 and  
8 3,000?

9 A. Yes.

10 Q. Going back to the vendor detail now, those were  
11 payments to SMDC. Can we total this up, you're probably  
12 better at math than I am?

13 A. That's 23 1,000.

14 Q. And those are tote at payments to SMDC?

15 A. Yes.

16 Q. So that was total paid. And the total owed would  
17 be listed in the vendor detail?

18 A. Yes.

19 Q. And how much was owed on the FPPC contract?

20 A. 30 or 20, it's hard to see.

21 Q. 20 K.

22 MR. FORDYCE: 20 yes.

23 A. You said 20.

24 MR. FORDYCE: Yes.

25 Q. BY MR. STEIN: And then for interest was 617,000?

26 A. Yes.

27 Q. And then for reimbursements what you called the  
28 loan 232,000?

1 A. Yes.

2 Q. And then for the fees?

3 A. 1,000,000 59 5,000.

4 Q. And that total was approximately 2.4 million  
5 (Ditto) if you add those together?

6 A. Higher, it would be higher.

7 Q. 2.5?

8 A. No because 1.6 and six is two point -- oh yeah  
9 it's 2.4, sorry.

10 Q. Two four?

11 A. Yes it is.

12 Q. So is it your understanding after is this very  
13 careful accounting report that on October 3, approximately  
14 2.4 million was owed SMDC?

15 A. Yes.

16 Q. Now, let me ask you, using this same report, could  
17 somebody calculate how much was owed to SMDC slightly  
18 earlier, say May of 2006?

19 A. Using the same report can we calculate what's owed  
20 in May?

21 Q. Yes. If somebody wanted to say okay, in October  
22 you're owed 2.4 but we don't like what happened in October  
23 but in May of 2006 everything was fine so what were you  
24 owed in May, could that be calculated from this same  
25 report?

26 A. Combination of the reports, yes.

27 Q. So you could just go back to the details at the  
28 end and simply subtract out amounts that had accrued in

1 months after -- in months in 2006 you could just subtract  
2 out some amounts?

3 A. Yes or you could take it from the balance.

4 Q. (Ditto), just work backwards subtracting 25,000  
5 per month?

6 A. Yes.

7 Q. And in you said everything was hunky dory in May  
8 of 2006 you could just take the amount of May of 2006 by  
9 simply calculating it from these same details?

10 A. Yes.

11 Q. Thank you. No further questions. .

12 THE COURT: Thank you cross-examination.

13 MS. IBARRA: Yes.

14 Q. Ms. Dertadian did you -- so Talley did the income  
15 tax [-Z] for the tribe right?

16 A. We drafted them yes.

17 Q. When did you draft them?

18 A. I don't recall when.

19 Q. Were you aware that the court -- that the judge  
20 asked Mr. Stein to have you bring the signed income tax  
21 returns?

22 A. We don't have signed income tax returns.

23 THE COURT: Why not?

24 A. Oh it's -- we don't keep signed income tax returns  
25 for any of our clients we don't have them. It's not part  
26 of our --.

27 THE COURT: So did Mr. Stein tell you that he  
28 represented here that you were -- that you were the people



1 who had possession of them?

2 A. The signed tax returns.

3 THE COURT: Right.

4 A. No I didn't know that, he asked me to bring copies  
5 of signed tax returns and I said that we didn't have them.

6 THE COURT: Right but my question is did he tell  
7 you that he had told the court that you were in possession  
8 of them?

9 A. No.

10 Q. BY MS. IBARRA: He also said that you checked to  
11 see when the income tax returns were filed did you do that?

12 A. [TPHROZ] way for us -- we tried to get a  
13 transcript with the IRS but the IRS does not give history  
14 past the last four years so we don't know when they were  
15 filed.

16 Q. So that means that you haven't done -- so is your  
17 relationship with the tribe continuing with Mr. Stein's  
18 clients, continuing?

19 A. We're not doing any [PHORBG] for the tribe right  
20 now.

21 MR. STEIN: Objection the tribe is not Mr. Stein's  
22 client, she just said the tribe is Mr. Stein's client.

23 THE COURT: Well it's a little vague as to what  
24 you mean by who is the tribe because we --.

25 MS. IBARRA: Okay.

26 Q. BY MS. IBARRA: Have you previously prepared  
27 income tax returns for a tribal entity that was associated  
28 with Mr. Stein?

1           A.    Have I previously.

2           MR. STEIN:  Objection vague.

3           THE COURT:  Overruled.

4           A.    Have I previously prepared tax returns associated  
5 with the tribe.

6           Q.    BY MS. IBARRA:  For eye tribal entity that was  
7 associated with Mr. Stein?

8           A.    We assisted in the preparation, yes.

9           Q.    Do you know when that was?

10          A.    The dates when we prepared them?

11          Q.    Yes.

12          A.    Between 2006 and after, maybe -- it would have  
13 been 2007 and after.  Would have been after 2006 because  
14 the returns we prepared would have been 2006, I don't  
15 recall if we did a 2007 return, it would have been every  
16 year.

17          Q.    Can I ask you to see if this will refresh your  
18 recollection is 503 and I think it's a different book than  
19 the one -- it's a white book but different than the one you  
20 have.  Ms. Dertadian do these look familiar.

21          MR. STEIN:  Would you like to get one for Ms.  
22 Dertadian?

23          A.    503 here?

24          MS. IBARRA:  Let me go and help you, make sure you  
25 have the right one.

26          THE COURT:  We're going to stop right at four so  
27 she's probably going to have to come back.

28          MS. IBARRA:  Yeah okay --.

1 THE COURT: Well it's five minutes and we'll have  
2 her come back tomorrow.

3 MS. IBARRA: Okay.

4 MS. IBARRA: [STKWR] can you look at these tax  
5 documents and see?

6 A. Okay.

7 Q. Do you recognize them?

8 A. Yes.

9 Q. Did your office prepare them?

10 A. Yes.

11 Q. Why isn't there a signature in the paid preparer's  
12 use?

13 A. Because we needed more time, this is -- these are  
14 draft corporate tax returns and --.

15 THE COURT: Oh those are not the ones that were  
16 actually filed?

17 A. No these were the ones that whether prepared but  
18 we needed more time to be able to sign it to do more  
19 research and we need today do more research to be able to  
20 know it's right.

21 THE COURT: So my point is that is not the final  
22 tax return then?

23 A. This is the tax return that we drafted for the  
24 corporation.

25 THE COURT: The point is it's not the final  
26 drafted tax return.

27 MR. STEIN: Your Honor that's [WHAPB] she's  
28 saying.

1 THE COURT: I'm asking her?

2 A. This is the last form we repaired for these  
3 entities for these years, the tribe did not have the funds  
4 to pay us to do more re [SOEUP].

5 THE COURT: So you stopped?

6 A. We stopped and we provided the -- these forms,  
7 these forms are complete but we couldn't -- we have to do  
8 more research basically.

9 THE COURT: So you couldn't certificate  
10 [TPAO\*EUTD] [TPAOEU] those tax returns so you returned them  
11 back to the tribe because you needed more information that  
12 they couldn't give you and they --?

13 A. We needed to do more research on our [HEPBD]  
14 because a tribe is a unique entity.

15 THE COURT: I understand?

16 A. And we had to make sure --.

17 THE COURT: I just want to I understand that this  
18 was not a tax return that you certified or anything?

19 A. We did not certified.

20 THE COURT: Or that was filed?

21 A. I --.

22 THE COURT: Have no idea?

23 A. Yeah they could have filed these returns, these  
24 are complete corporate tax returns.

25 THE COURT: But you would not have certified them?

26 A. We couldn't sign it, no.

27 Q. BY MS. IBARRA: So you have don't have any  
28 personal knowledge as to whether these returns were ever

1 filed?

2 A. These were provided, I was not sure but I -- I'm  
3 not sure.

4 Q. Yeah, so my question is whether you have any  
5 personal knowledge whether these were ever filed?

6 A. I'm trying to think I'm sorry. I'm trying -- it's  
7 a long time ago.

8 Q. So if you don't have -- if your answer is not  
9 sure, then I think you [THEFPB] you don't have any personal  
10 knowledge but I don't want to put words in your mouth?

11 A. Yeah I know. I'm trying to recall how this was  
12 delivered because this would have been, yeah provided for  
13 filing and if they wanted to file it this way.

14 Q. So it's possible that they were filed?

15 A. Yes.

16 Q. So -- and if -- since you didn't certify them, you  
17 wouldn't keep a signed copies of them?

18 A. We don't keep signed copies at all.

19 Q. So even if had you certified them?

20 A. We would not have signed copies.

21 Q. What kind what do you keep to see they are clients?

22 A. Just a copy, just the same copy that they have is  
23 not signed because we do is package it and [S-Z] here  
24 [KWRAOUR] return, [AOERZ] your copy, none of it is signed  
25 when they send it out, all of our copies are not signed,  
26 it's basically a blank form.

27 THE COURT: But if it had been certified by you it  
28 you would know from that draft wouldn't you?

1 A. We would have our name down there.

2 THE COURT: But it's not down there?

3 A. It's not down there.

4 THE COURT: You might have provided to you but you  
5 wouldn't have certified it?

6 A. No, we didn't.

7 THE COURT: If they wanted to file it on their  
8 own, they could have done that?

9 A. Yeah.

10 THE COURT: But you just didn't certify it.

11 A. Yeah.

12 THE COURT: Because you needed more information.

13 A. We need to know more to certify, basically.

14 THE COURT: That's fine.

15 Q. BY MS. IBARRA: And you personally prepared these  
16 or did you work with somebody who personally prepared  
17 these?

18 A. Probably have somebody help me yes.

19 Q. But you have personal knowledge of these?

20 A. Yes.

21 Q. So I can ask you questions about these?

22 A. Sure.

23 Q. Do you know why you filed a return back to 2000?

24 A. Thaws because the activity went back to 2000 to  
25 preserve the net operating loss so it needs to carry  
26 forward every year in the event there's income.

27 Q. What's the advantage of preserving the net  
28 operating loss?

1 A. What's that?

2 Q. What's the advantage, I mean --

3 A. Because the loss carries over, depending on the  
4 year t could be 15 or 20 years, so if you have income  
5 within that 20 years you can take that loss against the  
6 income and not pay tax on that portion it.

7 Q. Is it like a deduction?

8 A. It's a carry over loss, yes a deduction, it goes  
9 on one of the lines here, line 29, net operating loss carry  
10 over.

11 Q. And do you know who the beneficiary of that?

12 A. The corporation.

13 Q. The corporation?

14 A. The entity that files it basically. The tribe.

15 Q. Can I have you look at the draft one for 2006 and  
16 then look at, the number below is 00 '70 and it's the other  
17 deductions?

18 A. What page?

19 Q. Oh it's going to be other deductions, form 11 20  
20 so the bottom number says 00 '70, it's like a Bates stamp?

21 A. 2006?

22 Q. Yes. 2006?

23 A. What page.

24 Q. I'll go help you, it's 4:00 o'clock Your Honor  
25 shall we do this.

26 THE COURT: Yes we should stop.

27 MS. IBARRA: Yeah.

28 THE COURT: So I'm ordering you to return tomorrow

1 what time Nelli.

2 THE CLERK: Nine 45. Okay I'm see everybody  
3 tomorrow at nine 45.

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28