

1  
2  
3  
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

CAUTIONS IN USING A REALTIME PARTIALLY EDITED TRANSCRIPT

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

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

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

1 GABRIELINO-TONGVA TRIBE VS. STEIN, TRIAL DAY 20  
2 ROUGH TRIAL TESTIMONY OF LORNA DERTADIAN, STEVEN JOHNONS,  
3 AND VIRGINIA CARMELO

4 09:48 AM.

5 THE COURT: Gabrielino-Tongva Tribe versus Stein,  
6 BC361307. Counsel make your appearances.

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

9 MR. STEIN: Jonathan Stein on behalf of  
10 cross-defendant SMDC and also Defendant and also  
11 cross-complainant -- let me start that over,  
12 cross-complainant and Defendant SMDC and on behalf of the  
13 Crane Group cross-complainant only.

14 THE COURT: All right thank you.

15 MR. FORDYCE: Good morning Niall Fordyce on behalf  
16 of Stein Defendants.

17 THE COURT: Thank you. I have something in front  
18 of me.

19 MR. STEIN: Your Honor we have a number of items,  
20 one of which is in front of you, we have been following up  
21 on Exhibit 90, if the court will go to the second page.

22 THE COURT: Well this is your group isn't it Mr.  
23 Stein.

24 MR. STEIN: No, it's not -- actually I shouldn't  
25 say that, I don't know, I actually don't know.

26 THE COURT: All right we're referring to this SD  
27 status letter, I mean your group is the one that filed the  
28 documents with the Franchise Tax Board, so I'm assuming

1 this is referring to your group not the plaintiff.

2 MS. IBARRA: And it's also address today Mr.  
3 Stein.

4 THE COURT: And it's addressed to you.

5 MR. STEIN: It is address today me because I made  
6 the inquiry.

7 THE COURT: Okay.

8 MR. STEIN: So Your Honor if I may make any  
9 presentation and my record.

10 THE COURT: Sure.

11 MR. STEIN: Objection. For should reason the tax  
12 returns developed into an issue when they were -- they  
13 weren't an issue into Phase I of the [SKAEUS] the [TKOERT]  
14 has been extremely interested in the tax returns.

15 THE COURT: Right I asked you to bring them, you  
16 asked to the court that the last witness would bring them  
17 to court and she said she didn't have them and they  
18 never -- she said they didn't have them because they never  
19 certified them so.

20 MR. STEIN: That's correct Your Honor but it was  
21 testimony not --.

22 THE COURT: You said they did have them.

23 MR. STEIN: It was testimony that they did have  
24 and obviously it was incorrect testimony but it was  
25 testimony not a representation to the court.

26 THE COURT: No no what are you talking -- what was  
27 testimony and not a representation.

28 MR. STEIN: That I -- my recollection was that we

1 had sent one off to Candelaria for signature and gotten it  
2 back, apparently we never got it back from Candelaria is  
3 the best we had determined, I should have asked Barbara  
4 Garcia about that, I should have asked Linda Candelaria  
5 about that, that was my best recollection, it was not  
6 correct, they do not have that and when Lorna shows up here  
7 shelf recall that I said to her but I told the court you  
8 did have signed and she says I know we don't have them.

9 MS. IBARRA: Your Honor.

10 MR. STEIN: Forgive me I just really want to get  
11 this on the record because I'm you're stepping all over me  
12 and I really want to get.

13 THE COURT: I'm not speaking over you have Ms.  
14 Ibarra was trying to talk over you I didn't say anything.

15 MR. STEIN: So what set the Court's interest is  
16 Exhibit 90 where it says on October 3 of 2006 before the  
17 split occurred, this is Exhibit 90 that's why I put that  
18 with that, it says dear tribal council I spoke with Andy  
19 Talley yesterday, Andy did the tribes tax returns for four  
20 years without current pay and the court said well wait a  
21 second, I thought that Linda Candelaria had said that she  
22 did them in 2007 after the 2000 ask 2006 through were due  
23 and the court said bring me the signed [SEUBLGTS] [PWAU]  
24 there's discrepancies of the tax returns for four years,  
25 and apparently I don't have a recollection myself Your  
26 Honor I'm not make [AEUG] representation to myself but  
27 Lorna Dertadian will clarify that the tribes taxes were Tuo  
28 to California and were not paid, and I made inquiry when I

1     tried to get it off the read for an entity status letter  
2     and this is a response to my inquiry that I got on July  
3     19th, apparently this GT Tribe is the -- may be, I don't  
4     know --.

5             THE COURT: Well let's look at the ID number, does  
6     it match the ID number for the other tribe, for the other  
7     faction, you know I mean let's just look at the document,  
8     I'm sure it does. They haven't filed anything. If they  
9     did then --.

10            MR. STEIN: Well Your Honor forgive me, they  
11     haven't filed, that's I didn't asked Mr. McShane whether he  
12     checked they were in good standing, it's correct they  
13     haven't filed anything but apparently before the split tax  
14     returns were filed with the Franchise Tax Board, \$800 a  
15     year was due and now it's 2016 and they are not in good  
16     standing.

17            THE COURT: Let's see if we're talking about the  
18     same entity because it says entity ID number I don't know  
19     if we're talking about the same people.

20            MR. STEIN: I don't know but I would assume that  
21     it is the same.

22            MS. IBARRA: It is the same Your Honor -- no, it's  
23     not.

24            MR. FORDYCE: Your Honor if we actually have --  
25     this may actually be part of 503 and I am not a tax expert.

26            THE COURT: Right I'm not either so.

27            MR. FORDYCE: But I see at least a number down in  
28     the lower right of this the EI N .

1 THE COURT: Right.

2 MR. FORDYCE: Which does not maybe the entity ID  
3 number in the entity status letter but I'm really I'm  
4 recent --.

5 THE COURT: Given how many factions they have it's  
6 hard to know who this refers to because they all call  
7 themselves the Gabrielino-Tongva Tribe so you know --.

8 MR. STEIN: But Your Honor I don't think the court  
9 can dismiss it at that point. In other words the evidence  
10 of the court under Exhibit 90 is that on October 3, 2006 --  
11 this is why the court made such a big deal out of a very  
12 minor issue in the case.

13 THE COURT: No that's not why so this is your --  
14 you brought this to my attention and I appreciate it [PWRU]  
15 until I have some information as to who this  
16 Gabrielino-Tongva Tribe is that's described in this  
17 document, I can't -- I don't know -- there are so many  
18 factions and Candelaria faction who was filing franchise  
19 [T\*URPBDZ] back to 2000.

20 MS. IBARRA: [URB].

21 MR. STEIN: Your Honor if I may [STWER] that.

22 MS. IBARRA: Your Honor if I may speak.

23 THE COURT: Let her speak now.

24 MR. STEIN: [SR\*ERG].

25 MS. IBARRA: Soy just want to say that the first  
26 representation about the tax returns was not from Mr.  
27 Stein, it was from [PH-D] Candelaria who said that even  
28 though she had not signed these she had a specific

1 recollection that she had signed them at the behest of Ms.  
2 Garcia. So I'm not really sure why Mr. Stein is saying  
3 that it wasn't his -- there was just his argument and not  
4 his testimony, it was the testimony of one of my witnesses.

5 MR. STEIN: Forgive me Your Honor, I did testify  
6 on Exhibit 90 which showed -- this is what set the court to  
7 inquiry that it says here the -- Andy did the [TRAO\*EUBDZ]  
8 tribes tax returns for four years, this is app e-mail dated  
9 2006. So the only testimony in the case is just like the  
10 FPPC number was filed early and continued by the Candelaria  
11 Group so were tax returns filed early and continued by the  
12 Candelaria Group. Now, if we now move from that premise  
13 that numbers existed before the split, they were continued  
14 by the Candelaria Group but the Dunlap group decided it was  
15 not going to look into fax taxes, it was not going to make  
16 an [\*EFT] to protect its lawsuit and I asked Mr. McShane  
17 did you make an effort to protect this [HRAUFT], he laughed  
18 at me, he laughed at me.

19 THE COURT: I don't recall that, I don't recall  
20 Mr. McShane laughing at anybody in this courtroom.

21 MR. STEIN: Well he did laugh at that, he said an  
22 unincorporated association doesn't have to do that,  
23 apparently the Franchise Tax Board disagrees and we are now  
24 face [W-D] that holding so it's just like -- if we take  
25 that premise just like the FPPC numbers and the FPPC  
26 filings that occurred before the split, new filings were  
27 due that were not made by the Dunlap faction, Phase I  
28 showed that the Dunlap faction should have been making

1 those FPPC filing and should have been.

2 THE COURT: Let put it that way.

3 MR. STEIN: And should have been paying taxes.

4 THE COURT: It seems to me maybe if this were the  
5 case maybe you should have present [TH-D] in the first case  
6 of the trial but jury already made Rae find that long they  
7 have standing so if in fact this is true, then had you  
8 should have brought it to their attention but there's  
9 already been a jury [STPAOEUPD]-g that they have standing  
10 and they're the real party in interest and you know but  
11 moreover, I don't find this to be even.

12 MS. IBARRA: Persuasive.

13 THE COURT: There's no evidence that this is the  
14 same entity that the plaintiff has put before me so I don't  
15 want to spend any more time on if you have want to put  
16 something in writing, some argument then do that.

17 MR. STEIN: That's exactly what we'd like to set  
18 up Your Honor.

19 THE COURT: Then do.

20 MR. STEIN: (Ditto).

21 THE COURT: I don't want to hear any me argument  
22 on put it in a a- agreement.

23 MR. STEIN: We will be seeking an abatement of the  
24 case we've done our research on that.

25 THE COURT: Let me know in writing, let's move on  
26 to the next topic.

27 MR. STEIN: Very good, Your Honor. But I don't  
28 believe the court has authority to hear a case when.



1 THE COURT: Mr. Stein.

2 MR. STEIN: it's not in good standing. That is  
3 different from the jury said in Phase I.

4 THE COURT: Mr. Stein, let's move on. Present  
5 this in writing because this could take two hours and we're  
6 in the middle of trial. Present it in writing with Points  
7 and Authorities and your proof that this is referring to  
8 the plaintiff that is present in court, that's what I'm  
9 looking for, and let know what you want.

10 MR. STEIN: Thank you. And there will be a  
11 abatement motion and a dismissal motion.

12 THE COURT: I'll look forward to it.

13 MR. STEIN: The expert testimony. On Thursday --  
14 either Thursday or Friday morning, I need a recess because  
15 case in Van Nuys, Ingam V Ingam was set for July 25th, the  
16 ex parte order was granted yesterday.

17 THE COURT: You're in trial so you need to tell  
18 the judge you're in trial.

19 MR. STEIN: And that's what I will need the recess  
20 to do unless I can conscious unless a court employee can  
21 make a phone call to that department and just ask them to  
22 move the date because I'm still in trial.

23 THE COURT: Well I can't ask them to move the  
24 dates but you can let me Neminski to confirm you are in  
25 trial.

26 MR. STEIN: So I would think I would need a  
27 Thursday a.m. recess in ex parte in Virginia Keeny's  
28 department in Van Nuys.

1 THE COURT: Thursday morning.

2 MR. STEIN: Thursday morning, yeah. And  
3 unfortunately with the drive back and forth and the fact  
4 that ex parties don't necessarily get taken before she  
5 starts the court day.

6 THE COURT: Well, let's call and find out when she  
7 hears ex parties.

8 THE CLERK: Van Nuys department what, I'm sorry?

9 MR. STEIN: J, J as in John.

10 THE COURT: Let's find out when she hears  
11 ex-parties. So if you need in the morning to go to an  
12 ex-parte, we'll accommodate that.

13 MR. STEIN: What I need to mention to you is as  
14 you know our expert will be testifying after all the  
15 evidence is in. Right now that I would look like Monday,  
16 however if we miss the Monday window, he's not available  
17 again until Thursday, he has an arbitration to do as well  
18 as seminar to do. So that is a --.

19 THE COURT: So we'll accommodate him on that date,  
20 we can take people out of order.

21 MR. STEIN: Well once again he can't be  
22 accommodated because he has to wait until all the evidence  
23 is in so he can give his opinion on the evidence that's  
24 been presented so he would be our last witness and that's  
25 why if we don't hit the Monday window we would have to  
26 recess until Thursday or finish up and then go until  
27 Thursday of next week.

28 MS. IBARRA: So we would recess, is that what the

1 suggestion is.

2 MR. STEIN: Well no, hopefully we would finish  
3 everything before Thursday, I'm just saying if we [PHEULS]  
4 the Monday window I just want to give everybody a notice we  
5 will he's not available until Tuesday and Wednesday this  
6 week.

7 THE COURT: Well I [KWES] you need to present all  
8 your case by the end of the week I [SPO\*EBG] suppose.

9 MS. IBARRA: I think we're on track.

10 THE COURT: We should be done by Friday.

11 MR. STEIN: That's unlikely given the Thursday  
12 a.m. recess, that's the difficulty and once again I begged  
13 and plead [W-D] my opposing counsel to no avail, I begged  
14 and pleaded don't do this, he took a September motion,  
15 moved it up to July 25th which was an existing date.

16 THE COURT: We will try but let's get it done by  
17 Friday.

18 MR. STEIN: Well once again I would get three  
19 [TPHRAF] days rather than take the six days that the  
20 plaintiff enjoyed.

21 THE COURT: Well we look a lot of witnesses out of  
22 order didn't we.

23 MS. IBARRA: We did.

24 THE COURT: What's the next issue.

25 MR. STEIN: The next date would be August 8th for  
26 Elizabeth Aronson so we wouldn't be getting it done by  
27 Friday anyway, right.

28 THE COURT: What day is Friday, I guess that's

1 true.

2 MR. STEIN: That's what I'm saying.

3 THE COURT: That's true.

4 MR. STEIN: And once again it's not that I'm  
5 urging the court any direct action I'm just giving the  
6 court information.

7 THE COURT: Do you have still want to want  
8 Aronson.

9 MS. IBARRA: At this point I do because I think  
10 she's kind of a key witness.

11 THE COURT: All right fine don't worry about  
12 timing then.

13 MS. IBARRA: Mr. Stein talked about Mr. Polanco  
14 back and he's also traveling.

15 MR. STEIN: I don't need him, and that's my next,  
16 I don't need Mr. Dunlap either.

17 MS. IBARRA: Oh, you don't because he's coming.

18 MR. FORDYCE: If you have wanted to run out into  
19 the hall at the [courts|court's] earliest convenience and  
20 tell him not to get in the car ask tell him to turn around  
21 if he was already in the car we need Virginia Carmelo at  
22 130.

23 THE COURT: What today.

24 MS. IBARRA: Today yes so that's the order that we  
25 had set up yesterday so we let Mr. Dunlap know and Mr.  
26 Dunlap is probably on his way.

27 [LEFT2]: Yes.

28 MS. IBARRA: Because he's can coming from

1 Temecula.

2 THE COURT: Why didn't you let them know if you  
3 didn't need him to appear.

4 MR. STEIN: It [TOURPBDZ] out all the exhibits are  
5 identified by Carmelo not Dunlap it's an identify.

6 THE COURT: Well if he goes home and you can't get  
7 those documents in through Carmelo they won't come in and  
8 he's not coming back.

9 MR. STEIN: Yes, I understand that.

10 MS. IBARRA: Okay.

11 THE COURT: Yeah eight 15 sharp. So ex parties  
12 are due in department J eight 15 sharp so I guess the judge  
13 is.

14 MR. STEIN: That's actually good news, what I'll  
15 do is I'll get up and make my way back there may be we can  
16 start at 11:30 or something.

17 MS. IBARRA: About Mrs. Aronson can I just re  
18 [SRA\*EPLT] at the close of Mr. Stein's case because  
19 obviously she'll be coming in as a registered nurse witness  
20 so obviously I will know by Friday.

21 THE COURT: Okay.

22 MR. STEIN: So today we will have Lorna Dertadian,  
23 my half hour that I mentioned yesterday that the court  
24 wanted me to lay.

25 THE COURT: Your half hour, what do you mean your  
26 half hour.

27 MR. STEIN: To set the foundation for the various  
28 tax returns that the court was interested? .

1 MS. IBARRA: Again he didn't let me know yesterday  
2 and not at the close of business to the court and I got an  
3 e-mail at 5:30 in the morning that this is the new order  
4 and I didn't even here about Sam Dunlap not needing to be  
5 here until now.

6 THE COURT: Wait. I don't know what you're  
7 talking about if you're talking about your own testimony,  
8 maybe you should ask your counsel, how is this, what is  
9 this --.

10 MR. FORDYCE: Your Honor actually yesterday what  
11 we had planned to do is have Mr. Stein testify for a half  
12 an hour to set the foundation for the quantum meruit  
13 exhibits.

14 MR. STEIN: Time slips.

15 MR. FORDYCE: And time slips for his  
16 cross-complaint.

17 THE COURT: If he's going to testify he's going to  
18 testify about everything, he's not going to piecemeal  
19 testify as it is we already had a little bit of a delay on  
20 the cross-examination with Ms. Ibarra so we can't -- you  
21 know you can't piecemeal like that. You know if he's going  
22 to do a direct, he's going to do an entire direct, if he's  
23 going to do a cross, he's going to do an entire cross but  
24 he can't jump throughout the trial and [PWREUF] in little  
25 pieces at a time, that's not how trials go so that's --.

26 MR. STEIN: The court -- we've talked to the court  
27 about pods earlier and the court didn't approve or  
28 disapprove but we had talked about pods so that it was not

1 like an all day [SEUGS] with Mr. Stein.

2 THE COURT: Well I had no comment [-RBS] I don't  
3 know what you meant by pods I've never heard.

4 MR. STEIN: The idea of breaking up the testimony  
5 as we suggested.

6 THE COURT: Yeah you have can't do that you get up  
7 there and you testify all at once, you get up there, we're  
8 not breaking up testimony.

9 MR. STEIN: Okay. If that would be the case, then  
10 what's going to have to happen is we're going to have to  
11 bring back Steve Johnson son and Barbara Garcia another  
12 time and the court had mentioned that might be a  
13 possibility.

14 THE COURT: You know, I don't know how many times  
15 you're going to bring back the same witness, like I said  
16 they only get up there and testify once you need to get  
17 everything up when they're on the witness stand.

18 MR. STEIN: As we said to the court yesterday we  
19 had wanted Mr. Stein so get up there and set the foundation  
20 for the time slips so Barbara Garcia and Steve Johnson  
21 would not have to be brought court, of the court said no  
22 we're going to have to bring them back, the court is now  
23 telling me I can't put on my case and bring them back.

24 MS. IBARRA: There's a simple solution, Your  
25 Honor, he could have chosen to continue with the Stein  
26 testimony, instead he wanted to bring in all these  
27 witnesses and didn't give us notice that he was changing it  
28 until late Sunday night and then again he didn't give us

1 notice that he was changing all these witness he gave us  
2 until this morning. So he could have just given us notice  
3 if he wanted to pursue with a different schedule with  
4 enough time so I can prepare for it.

5 MR. STEIN: We gave notice yesterday.

6 THE COURT: Well, not enough time. Okay who's the  
7 next witness?

8 MS. IBARRA: Lorna Dertadian.

9 THE COURT: Is she out there.

10 {MIDDLE}: She was using the restroom, let me  
11 check.

12 THE COURT: Let's bring her in. Ms. Dertadian?

13 A. High.

14 THE COURT: You may just take a seat, you have  
15 don't need to be re sworn so long as you understand and  
16 affirm that you are still under oath and you have to tell  
17 the truth?

18 A. Yes Your Honor.

19 THE COURT: Okay great.

20 Q. BY MS. IBARRA: Ms. Dertadian?

21 A. High.

22 Q. We left off with Exhibit 50 three I'm going to  
23 help you grab it?

24 A. Okay.

25 Q. 503 it's the tax returns and I was looking at  
26 2006. I'm sorry you probably know these better than I do.  
27 Yeah 2006, and I wanted you to look at this which is the  
28 Bates number at the bottom 00 '70?



1 A. Okay.

2 THE COURT: I'm sorry what exhibit number is this.

3 MS. IBARRA: This is Exhibit 50 three it's the tax  
4 returns.

5 THE COURT: Okay.

6 Q. BY MS. IBARRA: So Ms. Dertadian, so does this  
7 reflect compensation to SMDC from the tribe?

8 A. Which one.

9 Q. In the other deductions?

10 A. These are the expenses paid out by the tribe.

11 Q. So --.

12 MR. STEIN: What exhibit number are we on.

13 MR. FORDYCE: 503.

14 Q. BY MS. IBARRA: So do you see here compensation to  
15 SMDC as reflected as expenses for the tribe?

16 A. Yes there's 300,000 right here.

17 Q. Okay so that's what that reflects?

18 A. Yes.

19 Q. So can we look at the same form in 2007 and I'm  
20 genuinely just curious about it, I don't understand it and  
21 I think you probably do.

22 MR. STEIN: What page are we on.

23 MS. IBARRA: 00 '76.

24 MR. STEIN: 00 '76.

25 MS. IBARRA: Which is the expenses -- or other  
26 deductions for the Gabrielino-Tongva Tribe for 2007. So  
27 this also reflects -- so this also reflects compensation  
28 for the SMDC right?

1 A. Yes.

2 Q. So there was compensation in 2006?

3 A. Uh-huh.

4 Q. And 207?

5 A. Right.

6 Q. For SMDC?

7 A. Yes there was accrued compensation, yes.

8 Q. Accrued compensation, what does that mean?

9 A. Meaning it was money owed but not paid. Basically  
10 on an accrual accounting method, you match the expense to  
11 the year. So if that expenses for that year paid or not --  
12 actually paid or not, it gets recorded in that year.

13 Q. Oh paid or not?

14 A. Paid or not.

15 Q. So is that what you did with all the other tax  
16 returns as well?

17 A. Yes they're a- [KRAOULG] basis so basically you  
18 match the expense to the year.

19 Q. So to your knowledge, in 2006 they were actually  
20 paid, right?

21 A. I have to go through the accounts payable, the  
22 accounts payable will show the accrual, I think that's the  
23 one that was a million Five, that's the amount that was  
24 owed and every year it's 300 grand a year that's been owed  
25 if, if it wasn't paid then that's what it is. This just  
26 reflects what the expense is for that year, paid or not.

27 Q. So you cannot tell us as you sit here today just  
28 by looking at these documents?

1           A.    By looking at this, these are the expense for the  
2 year.

3           Q.    So whether they were actually tendered to SMDC,  
4 you can't tell?

5           A.    No not from the accrual basis.

6           Q.    Okay. Can we now move to the Talley report which  
7 we were discussing yesterday?

8           A.    That's a different folder, right, it was 53 three  
9 or something?

10          A.    570 something.

11          Q.    Oh yeah 57 three in another book. Here you go  
12 it's 577?

13          A.    Yes.

14          Q.    So the first page of your report, the second  
15 bullet point under bank account reconciliation?

16          A.    Uh-huh.

17          Q.    Actually, the last bullet point under accounts  
18 payable can you read that?

19          A.    Reviewed outstanding bills and additional bills  
20 that were paid as represented in Quickbooks and deleted the  
21 ones that were duplicate as of them per Jon Stein.

22          Q.    So your main point of contact was Jonathan Stein  
23 correct?

24          A.    Yes.

25          Q.    So moving on to the second page, the first full  
26 paragraph after the bullet points, can you read that?

27          A.    We reconcile the St. Monica expense reports and  
28 invoices provided by Jon Stein to the bills in Quickbooks

1 and prepare the summary of outstanding balances there. THE  
2 total outstanding balance owed to St. Monica Development as  
3 of October 3, 2006 was \$2,464,535.96.

4 Q. I actually meant a different bullet point but  
5 that's fine?

6 A. Oh sorry.

7 Q. The first full paragraph after the bullet points  
8 it starts with please notes?

9 A. Please note that the reports are generated based  
10 on transactions that existed in the companies Quickbooks  
11 file there was no other documentation available to review  
12 or confirmation of these transactions except for August  
13 bank accounts for the financial accounts.

14 THE COURT: I'm sorry I couldn't understand that.  
15 Could you please repeat it, because it wasn't audible?

16 A. Please note that the reports are generated based  
17 on transactions that existed in the companies Quickbooks  
18 file, there were no documentations available for review or  
19 confirmation of these transactions except for the August  
20 bank accounts for the financial accounts. Talley and  
21 companies limited to presenting the transactions in  
22 financial statement format and supplementary schedules  
23 available in Quickbooks we have not audit-d or reviewed the  
24 financials and accordingly [do not|done] issue an opinion  
25 on any other proof of assurance.

26 THE COURT: On any eye?

27 A. Proof of assurance.

28 THE COURT: What does that mean?

1           A.    Well in financial accounting when you issue  
2 financial statements to the bank they look for either an  
3 audit-d report or a reviewed report which provides certain  
4 assurances and to be able to do those it's basically going  
5 through an audit or going through a review process that  
6 requires step by step for each account.

7           THE COURT:   So you're saying you couldn't certify  
8 anything to a bank is what you're saying?

9           A.    Yeah exactly we can't safe it's a reviewed  
10 financial statement or we can't say it's an audit-d  
11 financial statement because this is basically just a  
12 compiled accounting.

13           MS. IBARRA:   Yes.

14           Q.    So let me just clarify?

15           A.    It's a standard paragraph.

16           Q.    So it's not an audit?

17           A.    No.

18           Q.    And you didn't look at any underlying documents?

19           A.    We didn't analyze any of them, no just what is --  
20 what is normally just available to you when you're doing  
21 accounting for a client.

22           Q.    So meaning whatever was in Quickbooks?

23           A.    In the Quickbooks and you know if I asked a  
24 question I get an answer.

25           Q.    So the report --.

26           THE COURT:   So it's like saying I looked through  
27 something that was inputted in the computer but I didn't  
28 have my back up documents?

1           A.    Not all of them, no.  There was a summary of  
2 expenses from I think it was a credit card account that we  
3 were tying these bills to, like a --.

4           THE COURT:  A credit card account?

5           A.    I'm not sure but this was just basically things  
6 that were in Quickbooks and we're tying it to what was  
7 already paid because the amounts were paid by check, some  
8 of the expenses were so we want to make sure they all  
9 matching.  And it looks like there's a duplicate we  
10 question it.

11          THE COURT:  And you had checks for what time  
12 period.

13          MS. IBARRA:  It said here?

14          A.    To August.

15          Q.    Yeah it said only August.

16          THE COURT:  Only August, one month?

17          A.    And then -- no the bank statements were until  
18 August and the remaining checks were outstanding were  
19 provided by Elizabeth Aronson she told us these checks are  
20 still around -- you know paid off because it goes by check  
21 numbers.

22          THE COURT:  So what was the time period that you  
23 had documents?

24          A.    For the accounting -- well the accounting itself  
25 is until October 3 because that was the date I was there.

26          THE COURT:  What was the date starting.

27          A.    The last bank statement would have been August so.

28          THE COURT:  So August through October, August

1 through October?

2 A. The last bank statement would have been August.

3 MR. STEIN: 31?

4 A. Yeah.

5 THE COURT: And when did you start, in other words  
6 when did the auditing start what was the date of the end  
7 point because your end point is August 31st right?

8 A. For the banks reconciliation.

9 THE COURT: That's what you did, right?

10 A. The bank reconciliation buzz accounting was  
11 present in Quickbooks up to October 3, that was there.

12 Q. BY MS. IBARRA: Well but your accounting is only  
13 as good as the entries into Quickbooks, right?

14 A. Yes.

15 Q. So you had no idea if the entries into Quickbooks  
16 were actually [do not|done] correctly? You could only  
17 figure out if they were duplicates?

18 A. Yes yes and if they matched the checks that were  
19 made.

20 Q. And if they matched the checks but you didn't have  
21 invoices?

22 A. I don't think so.

23 Q. And you didn't know if the payments were actually  
24 related to the tribe?

25 A. The checks were there when we reconciled the bank  
26 accounts, I'm not sure --

27 Q. Yeah I mean some of these expenses could be  
28 related to other maybe law offices of Jonathan Stein or

1 something else?

2 A. I would not know that.

3 Q. Right, that was my question?

4 A. Okay.

5 Q. Do you know who inputted the information to  
6 Quickbooks?

7 A. It will probably be -- I don't know for sure but  
8 it would probably be Barbara.

9 Q. [PWAH\*RB]?

10 A. Yeah because I was training her also.

11 THE COURT: You were training her to --?

12 A. And this --.

13 THE COURT: Wait a minute, wait a minute, you were  
14 training her to put things into the Quickbooks?

15 A. Well I was showing her the right way to do it  
16 because I was making corrections, I was -- I was --.

17 THE COURT: I understand?

18 A. My -- my purpose was to make sure the Quickbooks  
19 accounting was properly maintained.

20 THE COURT: And she was the one who was going to  
21 be doing it?

22 A. I -- my recollection was Elizabeth Aronson was  
23 also there but I'm not sure at what point there was a  
24 chance furr or not.

25 Q. BY MS. IBARRA: So let me back up, did you have  
26 also set up the Quickbooks?

27 A. The accounts, the tribal accounts, yes.

28 Q. So when did you do?



1 A. I don't -- specific date I don't recall.

2 Q. Would it have been after the tribe had -- the  
3 investor funds?

4 A. I don't -- I don't recall that.

5 Q. Because they didn't have funds before that right?

6 A. No, they didn't. I don't recall when I actually  
7 came to set up the Quickbooks.

8 Q. But you said up the Quickbooks?

9 A. Yes the accounts.

10 Q. And then you trained Barbara to do the inputting?

11 A. Yes, that's what I put in here, personal training  
12 on check print.

13 THE COURT: Did you --

14 A. Check print.

15 THE COURT: Hey wait a minute. Whoa, whoa; wait?

16 A. Oh I'm sorry.

17 THE COURT: Listen to me. Did you train anybody  
18 else other than Barbara?

19 A. No.

20 Q. BY MS. IBARRA: So let me ask you about some of  
21 the items in here just if we go to the first page on  
22 uncleared checks as of 9, 28, '06, do you have any -- you  
23 don't have any knowledge about any of these checks, right,  
24 the uncleared ones except that you found them and they  
25 weren't cleared?

26 A. They weren't cleared the bank, yes.

27 Q. So you have don't know if they're cleared?

28 A. Well it says here there's not [THAEURD].

1 Q. As of the state of the dart?

2 A. (Ditto).

3 Q. So here's one, the first one on the union checking  
4 account is three, 10, 2006 so as of October 31 the Ed  
5 Vincent hasn't cleared?

6 A. That's right.

7 Q. That's interesting because that's very old at this  
8 point?

9 A. Uh-huh.

10 MR. STEIN: And what page are you on.

11 MS. IBARRA: Bates stamp is PO L 12 dash '03 115.

12 MR. STEIN: Thank you.

13 Q. BY MS. IBARRA: So moving on to -- you've covered  
14 this with --.

15 THE COURT: What date is the Ed Vincent check do  
16 you see a date.

17 MS. IBARRA: Three, 10, 2006 so March 10th.

18 THE COURT: And it's never been cleared.

19 MS. IBARRA: As of October 3rd 2006 of this  
20 report, right, October 3rd?

21 A. Yes.

22 Q. So looking at the vendor balance, you have some  
23 interesting people who haven't been paid, including a lot  
24 of the tribal council people?

25 A. Where is it.

26 Q. Right? So are you familiar with the tribal  
27 council?

28 A. That there's a group of people serving like a

1 board of directors type function.

2 Q. Right, are you familiar with their names?

3 A. Not all of them.

4 Q. Because I'm wondering, like the last one in  
5 payment PO L 12 dash '03 one 19 which is the vendor balance  
6 summary has Virginia Carmelo as being owed 176.

7 THE COURT: \$176 or 176,000.

8 Q. \$176,000?

9 A. Okay.

10 Q. And Adam Loya is actually small it's only 12,000  
11 but Cindi Alvitre whom we heard didn't attend that many  
12 meetings is owed \$95,000?

13 A. Okay.

14 Q. David Velasques is 14, Dianna Simental who only  
15 attended one meeting right with Mr. Stein because she came  
16 in and she testified she's owed \$14,000.

17 THE COURT: Were there invoices that shows that  
18 this debt was owed?

19 A. Actual invoiced.

20 THE COURT: Were there any invoices?

21 A. No they were basically accruals, let's say you get  
22 paid so much per month that's input that we owe this  
23 person, if a council member is owed let's say three grand a  
24 month then it will show that we owe 3,000 a month or they  
25 oh 3,000 a month.

26 THE COURT: So it's kind of like the SMDC where it  
27 accrues but it hasn't been paid?

28 A. Yes so if there's some monthly accrual that's

1 where it is.

2 Q. BY MS. IBARRA: So but it's odd because we've  
3 heard testimony from Dianna Simental, from Patricia  
4 Neminski and for Victor Velasquez all of whom are here all  
5 of who said they only went to one meeting and then they  
6 either abandoned or quit the tribal council or were kicked  
7 off the tribal council?

8 A. Okay.

9 Q. So I'm not sure that they actually knew --

10 A. The accrual is 3,000 a month, they started it  
11 looks dish when I look at the accounts payable they started  
12 paying them from May through September and they were  
13 accruals before that so they were before May.

14 Q. Okay. There's also a lot of political people?

15 A. Uh-huh.

16 Q. Who are listed here. I mean they wouldn't  
17 actually you know send an invoice?

18 A. No.

19 Q. Right.

20 A. No.

21 Q. So then why are they listed?

22 A. They're -- were are they listed as payable?

23 Q. Yeah as accrued or --?

24 A. When you're doing accounting when you're doing the  
25 bill payment method to be able to pay it you say bill pay  
26 and those payables needs to be there. So a check can be  
27 assigned to a payable so you have to create the payable to  
28 pay the bill. That's the only way you can create an

1 accounts payable ledger that will list all the payables  
2 less --.

3 THE COURT: You're taking these payables and  
4 [AUPL] that just from what's in the Quickbooks, right?

5 A. Yeah.

6 THE COURT: You don't have any hard copies of  
7 supporting documents?

8 A. No invoices, no.

9 Q. .

10 THE COURT: You're just looking at what somebody  
11 inputted into the computer right?

12 A. Yeah that was paid.

13 THE COURT: So your report is only as good as the  
14 information somebody put in there?

15 A. Yes.

16 THE COURT: Because had you didn't really go  
17 around and say oh is there some receipt that verifies or  
18 some invoice that verifies this entry in this Quickbooks?

19 A. Yes.

20 THE COURT: So that's -- I think that's what I'm  
21 getting is why you're struggling were with the answers  
22 because you're just entering at what was entered in the  
23 Quickbooks and not the backup?

24 A. And the consistency so if it's 3,000 a month for  
25 each person it's 3,000 a month.

26 THE COURT: Sure, independents.

27 BY {LEFT1}:

28 Q. Okay but 10 years later if these people didn't

1 submit a demand for payment, is this debt still go?

2 A. If the people are not asking to be paid?

3 Q. Well yeah and nobody sued to get paid or sort of  
4 made a demand on the tribe for payment, what happens to all  
5 this debt?

6 A. They just get written off I guess, no different  
7 than a bank.

8 MR. STEIN: Objection she's not an expert.

9 THE COURT: True.

10 MR. STEIN: It's an expert opinion she's asking  
11 for.

12 MS. IBARRA: She's an accountant.

13 THE COURT: Is there a way to deal with -- is it  
14 called bad Defendant?

15 A. Yes.

16 THE COURT: Oh okay overruled?

17 A. Yeah it's no different than if you owe a credit  
18 card and they don't pay you -- I mean you don't want to pay  
19 them, the credit card will just write it off, that's what  
20 I'm thinking that's the general normal standard way to deal  
21 with bad debt.

22 Q. BY MS. IBARRA: Okay so there's just a number of  
23 entries like that, I don't want to belabor the point  
24 because I think we get the idea. Do you know what burnt  
25 down productions is, it's also listed as one of the vendors  
26 who's unpaid?

27 A. It's a -- I think it's an LLC, I can't recall,  
28 yeah it's an LLC I think.

1 Q. Is it related to Mr. Stein?

2 A. I believe so.

3 Q. And then again this was just an entry that you  
4 found in there?

5 A. Yeah.

6 Q. And you don't know what it is? So Sheppard,  
7 Mullin took like a \$300,000 retainer so they're also  
8 limited as being owed \$15,000. Do you know if it was on  
9 top of the \$300,000 retainer that they took versus before?

10 A. No, I do not know.

11 Q. So I think that's -- I think we get the point with  
12 that. Can I ask you to look in the blue binders as Exhibit  
13 1.

14 MR. FORDYCE: Counsel I don't have that as  
15 identified jet is that right.

16 MS. IBARRA: Oh yes this is new.

17 THE COURT: I think number 1 she said.

18 MR. FORDYCE: One, Plaintiff's 1.

19 MS. IBARRA: Plaintiff's 1.

20 THE COURT: I think that might be new.

21 MS. IBARRA: This is new, we're finally getting  
22 around to this part.

23 Q. Are you familiar with this check?

24 A. I don't know what I mean by familiar, it's right  
25 here.

26 Q. Was this part of your accounting?

27 A. Can I go back to my account-g because I --.

28 Q. Yes. It's 577 is your Talley?

1 A. So you want to know if this is in here?

2 Q. Yes. Is there a way that you can figure out if  
3 this is in there?

4 A. Let's see. . I don't see account -- oh Check  
5 Number 102 one here.

6 Q. Oh, did you find it?

7 A. No. Let me look at the beginning. .

8 Q. I see where you're looking at?

9 A. I'm looking at the vendor balance detail, looking  
10 at the check numbers to see if I can find 102 one.

11 Q. It's not in the uncleared checks, right?

12 A. It's not part of this account [STKPHR-G] it's not  
13 part of this account-g. So if you have didn't get  
14 information on this, you wouldn't have been able to include  
15 t right?

16 A. Correct.

17 MR. STEIN: Your Honor should I wait until cross  
18 clear this up.

19 THE COURT: Yeah.

20 A. I'm not sure which bank account this is. I don't  
21 have the bank account numbers here to tie it so.

22 THE COURT: So you don't have a union bank of  
23 California account in the name of Gabrielino tribal  
24 authority?

25 A. There's three.

26 THE COURT: There's three accounts?

27 A. Oh wait a minute, it's on the -- yeah there's  
28 three accounts here.



1 THE COURT: Is there one from Union Bank?

2 A. One for Union Bank, I don't know what the other  
3 accounts are.

4 MS. IBARRA: I think there's a Wells Fargo one.

5 THE COURT: Okay?

6 A. My report doesn't identify what bank it is  
7 actually.

8 THE COURT: It doesn't say whether it's Union  
9 Bank?

10 A. Only one identifies the union given not the other  
11 ones.

12 Q. BY MS. IBARRA: Oh I see. So you wouldn't be able  
13 to identify it here?

14 A. The checks.

15 Q. Yeah.

16 A. I don't see it here.

17 THE COURT: It's not listed in your report.

18 MR. STEIN: It is actually.

19 THE COURT: Well she --?

20 A. I don't --.

21 THE COURT: She's saying it's not there. If you  
22 think it's there, why don't you direct her to the page so  
23 she's not struggling with it.

24 MR. STEIN: Sure it is June 23rd --.

25 THE COURT: What page is it on.

26 MR. STEIN: It's on page -- one part of it is on  
27 page 126.

28 THE COURT: Look at page 126.

1 MR. STEIN: And one part of it is on Page 13  
2 three, FPPC contract and then the SMDC fees?

3 A. It's a split check.

4 MR. STEIN: But they are not identified as --  
5 there's no Number 10 21 identified with them.

6 THE COURT: Do you see.

7 MR. STEIN: Yeah there's --.

8 THE COURT: Asking her if she seize conscious  
9 let's do it one step at a time.

10 MR. STEIN: You're right Your Honor forgive me.

11 THE COURT: Let her find it first?

12 A. Oh wait 136. June 23 there's 25,000 there, for  
13 July, 133. What date did you say, June 20 --.

14 MR. STEIN: The transaction --.

15 THE COURT: Well do you see it on Page 136 and  
16 133?

17 A. Not this -- the check -- not the transaction  
18 number, there are payments here.

19 THE COURT: But it's not this payment?

20 A. Not that Check Number.

21 MR. STEIN: Not that Check Number but if you add  
22 the amounts together is 25 plus 15 plus 10 plus 10 is 60.

23 THE COURT: Yes but this is one check, right.

24 MR. STEIN: One check instead of separate checks  
25 right.

26 THE COURT: So it's not accounted for in the  
27 document?

28 A. It's not listed as one check.

1 MR. STEIN: But Your Honor there are no -- there  
2 are not checks for those entries that are shown, this is  
3 the one check shown. If there were other checks to the  
4 entries that would be matched to those [EPBZ] trees then  
5 you'd say Ah this is an extra 60,000 somebody's got their  
6 hands in the cookie jar, there are no checks being shown by  
7 Ms. Ibarra, that amounts correlates to the payments too and  
8 the payments made here and I'd be happy to [KHRAEUR] on on  
9 cross if the court prefers.

10 MS. IBARRA: I'm actually done with the witness  
11 that was my last question so counsel can try to clarify.

12 THE COURT: Go ahead and try to clarify.

13 MS. IBARRA: Thank you Ms. Dertadian.

14 Q. BY MR. STEIN: And let me use the board so the  
15 court can follow along more easily. By the way, did we  
16 ever identify that check, it's not been in evidence before.

17 MR. FORDYCE: Correct.

18 MS. IBARRA: We tried to identify it by  
19 identifying it in her exhibit, in the Talley exhibit  
20 report.

21 MR. STEIN: So is it in evidence or is it not in  
22 evidence.

23 THE COURT: Not yet I'm assuming she'll have to  
24 wait for to you get on the stand because it's not in her  
25 report.

26 MS. IBARRA: No, it's not.

27 THE COURT: And she said she didn't look -- this  
28 wasn't one of the checks that was provided to you, because

1 if it had been it would have been reflect [TH-D] that  
2 report correct?

3 A. Correct.

4 THE COURT: So no, it's not in evidence yet.

5 MR. FORDYCE: It's not in evidence.

6 MS. IBARRA: Okay.

7 Q. BY MR. STEIN: So can we go to Page 13 three and  
8 I'm going to write this down just so we can refer back to  
9 number if it's helping. So Page 13 three, FPPC checks.

10 THE COURT: We're looking back at the Talley  
11 report, correct.

12 MR. STEIN: Yes Your Honor. Just trying to get my  
13 sharp he's out.

14 THE COURT: All right I just wanted to make sure  
15 we're talking about the right exhibit.

16 MR. STEIN: And then we're going to look at Page  
17 136 and that's a separate account for monthly fees.

18 Q. So Lorna let's just start what was the FPPC  
19 contract checks account for?

20 A. It's for lobbying services.

21 Q. And then was that separate from the monthly fees?

22 A. Yes.

23 Q. And was that a separate contract to your  
24 knowledge?

25 A. That's my understanding.

26 Q. Okay. So let's get to 133 first, so this is the  
27 FPPC contract?

28 A. Yeah.

1 Q. [PHOU] when it sets bill payment check, did you  
2 check through that -- did you tie that \$10,000 through to  
3 one of the three Union Bank accounts?

4 A. To the banks, yes.

5 Q. Our going to have to talk more loud [HRAOEF] the  
6 court has to hear you?

7 A. Yes.

8 MS. IBARRA: Counsel can you move so that I can  
9 see the -- thank you.

10 THE COURT: That's better.

11 MR. STEIN: Yeah and once again I do have to stand  
12 somewhere so I can point, is that okay Ms. Ibarra.

13 MS. IBARRA: Yeah thank you.

14 MR. STEIN: Okay.

15 Q. BY MR. STEIN: So each of these -- you found each  
16 of these checks somewhere?

17 A. They were clear the bank, yeah.

18 Q. Where you put a number that was the number you  
19 found?

20 A. That was the number yes.

21 THE COURT: The number, like a transaction number?

22 A. It was like a transaction Check Number, a Check  
23 Number.

24 Q. So that would be a transaction number instead of a  
25 Check Number.

26 THE COURT: Where would you get the transaction  
27 number from, where did you get that?

28 A. Let's say had you start with the system, let's say

1 you start with one, the system would start with two three  
2 four Five six.

3 THE COURT: You're talking about Quickbooks.

4 A. Quickbooks, yes.

5 THE COURT: So it would be a Quickbooks number or  
6 it would be a Check Number?

7 A. Yes.

8 THE COURT: Okay.

9 Q. BY MR. FORDYCE: Okay. So -- but your job was to  
10 take the various checks that were written such as Exhibit 1  
11 for the 60,000 and see what Quickbooks entries they paid  
12 for is that correct?

13 A. Yes.

14 Q. A little louder please?

15 A. Oh yes.

16 Q. And so even if -- if you had a \$60,000 check,  
17 would you seek to tie that to \$60,000 of entries is that  
18 correct?

19 A. Yes you split the entries.

20 Q. Now, the date of the entries, would that be the  
21 date inputted saying here is a -- an account payable for  
22 the June monthly fee?

23 A. It could be the date, yes.

24 Q. So you would match up the dates they were paid or  
25 the dates that they were inputted over here?

26 A. To the dates of the -- yes.

27 Q. Now if the check is written on a different date,  
28 would you take the input date or the check date?

1           A.    If I [TAFP] the date different I will correct the  
2 date, okay?

3           Q.    If one check covered several entries would you  
4 necessarily correct the date?

5           A.    Well they have to be the same date so the dates  
6 would have the same -- the entries would have the same  
7 dates if they're the same check.

8           Q.    Very good, so --.

9           THE COURT: Is that what happened here?

10          A.    That's what it looks like, because if they're the  
11 same days, you either printed Five different checks or you  
12 had one check and you split up your entry because in  
13 Quickbooks you can take one check and say if I pay you this  
14 amount for these many invoice you can list those invoices  
15 separately in your entry that should total the amount of  
16 the check.

17          THE COURT: So it wouldn't be listed by Check  
18 Number or?

19          A.    It could be listed by Check Number or you know  
20 this case it looks like it's transaction number, I'm not --  
21 you know because I didn't find you snow headlight Check  
22 Number in here.

23          THE COURT: So if you didn't have the check at the  
24 time, you wouldn't [AOUDZ] -- if you had the check at the  
25 time would you use the check is my question.

26          A.    Yes.

27          THE COURT: And would it be reflected in your  
28 report?

1           A.    Yes.  And if it cleared the bank, it cleared the  
2 bank, the check would have been in the system at 60,000 if  
3 you look at the check register, but if you look at the  
4 posting, it will Post-it in different amount, we have to  
5 look at those similar [APBLTS] here and total them  
6 basically because you can pay one check for different  
7 invoices.

8           THE COURT:  Buff I guess my question is this check  
9 would still be reflected in your report somewhere wouldn't  
10 it?

11          A.    Yes but it's not -- it's not -- there's no  
12 basically a check register in this report, this report is  
13 just saying here are the payable and here are the checks  
14 that paid them, check register like a regular check  
15 register would show the checks listed the way you do your  
16 bank check register.

17          THE COURT:  So there's no way to correlate this  
18 check to those transactions that are --?

19          A.    Exactly, to this for that, to go through and say  
20 these this four entries tort same person, or there's  
21 however had many entries for this person this could be one  
22 collect.

23          THE COURT:  So there is no way to correlate it?

24          A.    Exactly directly.

25          THE COURT:  Yes?

26          A.    No.

27          Q.    BY MR. STEIN:  And it you could please total for  
28 my the amount paid through June 30th so the date on this



1 check says \$60,000 on June 30th; is that correct?

2 A. Yes.

3 Q. So that check is \$60,000 on June 30th. Can you  
4 count up the number of payments made by June 30th on the  
5 FPPC account and their amount?

6 A. That's six, six payments of 10,000.

7 Q. So Check Number 102 one was '67 zero thousand  
8 dollars and was written on six, 30, '06; is that correct?

9 A. Yes.

10 Q. And all the FPPC amounts by six, 30, '06 total  
11 \$60,000?

12 A. Yes.

13 MR. STEIN: Is the court clarified on the extent  
14 of the report.

15 THE COURT: No audible response.

16 MR. STEIN: Okay.

17 Q. Now Lorna, did Mr. Stein ask you to do a [TP\*UFL]  
18 [TPHREPBLGD] audit?

19 A. No.

20 Q. Did you inform Mr. Stein of the great cost of a  
21 full-fledged audit?

22 A. Yes.

23 Q. Did Mr. Stein instead just was a snapshot on  
24 October 3?

25 A. Yes.

26 Q. And did you do your best to make sure that the  
27 Quickbooks entries accurately tied to the checks that were  
28 written?

1 A. Yes.

2 Q. Did you redesign the whole system to be a much  
3 better system so that 10 years from now we could look back  
4 and say that was a marvelous piece of work?

5 A. I'm not sure I can answer that, I'm sorry.

6 Q. Or did you do the best within the budget to just  
7 take a snapshot and accurately make sure that Quickbooks  
8 reflect what it paid and that was owed in the consistent  
9 fashion of monthly fees?

10 A. Yes.

11 Q. Were council people due 3,000 per month from when  
12 their counsel began?

13 A. That's what's recorded.

14 Q. And so if we can to Virginia Carmelo, let's just  
15 take a second to clarify that. And Virginia Carmelo, was  
16 the question that she was owed \$3,000 per month for a fixed  
17 period of time?

18 A. Yes.

19 Q. And she was paid certain amounts against that  
20 fixed period of time?

21 A. Yes.

22 Q. And she was paid all that was due to her by the  
23 time that she had left, September 28th she paid herself  
24 every penny that was due to her?

25 A. Yes.

26 Q. Now let me clarify some tax forms because the  
27 court expressed interest in them and we just want to  
28 clarify it, we don't want to do anything but provide more

1 information as requested by the Court. Let's begin with  
2 503 A and we have provided copies -- did we provide copies  
3 to the court Niall.

4 MR. FORDYCE: Hold on, I need to provide copies, I  
5 need to provide ever copies. I'm just going to give them  
6 each one.

7 MR. STEIN: Are they labeled? Niall, are they  
8 labeled.

9 MR. FORDYCE: Yeah.

10 MR. STEIN: Very good.

11 MR. FORDYCE: Go ahead Jonathan just don't mind  
12 me.

13 MR. STEIN: Well the court has copies in front of  
14 it, do we have copies for the witness Niall.

15 MR. FORDYCE: Yeah.

16 MR. STEIN: And then Ms. Ibarra of course.

17 MR. FORDYCE: Yes, . Yes yes yes.

18 MR. STEIN: So let's just wait another moment if  
19 that's okay.

20 MR. FORDYCE: Here's for the witness.

21 MR. STEIN: And are they labeled.

22 MR. FORDYCE: Yes.

23 MR. STEIN: So let me happened them to the  
24 witness. So you can refer to these.

25 THE COURT: This says draft, 503 E is a draft.

26 MR. STEIN: Yes that's [SARBGT] Lee right, we're  
27 showing that on purpose.

28 THE COURT: I'm still looking for signed -- you

1 know you keep bringing in this stuff and it's unsigned,  
2 nobody can verify them, I'm not sure they're going to carry  
3 any weight but.

4 MR. STEIN: Your Honor all we're showing with the  
5 drafts, the proffer on the drafts.

6 THE COURT: Yes uh-huh.

7 MR. STEIN: Is to show that the signature ready  
8 was sent by Lorna forward, there was some doubt cast of  
9 whether signature ready or drafts were sent, drafts are  
10 marked drafts that's what we're trying to show here and  
11 then that the copies that are unsigned were sent to tribal  
12 headquarters with the intention of having them filed.

13 MS. IBARRA: There's a transmission --

14 MR. STEIN: And the mistake that was made was made  
15 by Mr. Stein when he testified that he felt that signed  
16 copies had been sent back to Talley, apparently they were  
17 sent to Candelaria and she only sent them to the IRS.

18 THE COURT: Without, like I said without some  
19 proof --.

20 MR. STEIN: We're not trying to prove anything by  
21 the tax returns Your Honor, there's nothing in our case  
22 proven by the tax returns. This is an investigation that  
23 the court inquired about, we wanted to follow through at  
24 the court's behest. This has nothing to do with our case  
25 in chief, nothing whatsoever.

26 THE COURT: But wasn't there six tax returns that  
27 were in 2000 through 2006 that were proffered that were  
28 unsigned and there was a question about --.

1 MR. STEIN: And in Phase I that question wasn't  
2 answered that the jury didn't care about the tax returns,  
3 that the jury found that the real party in interest was not  
4 the party that filed the tax return is the plaintiff in  
5 this action.

6 THE COURT: So you're not using this for this  
7 phase.

8 MR. STEIN: Absolutely nothing. The court has  
9 engaged in this investigation, we're following through at  
10 the court's behest. It means nothing to us after the  
11 jury's determination in Phase I, nothing in our case is  
12 being proven by these tax returns.

13 THE COURT: You mean in this phase of the case.

14 MR. STEIN: In this phase of the case.

15 THE COURT: You're not offering it for the truth;  
16 all right.

17 MR. STEIN: If I may continue with the witness if  
18 we now have everybody have it.

19 Q. 503 A. And this is from Talley & Company?

20 A. Uh-huh.

21 Q. And you are instructing that the 2008 tax return  
22 has an amount due of eight 49?

23 A. That's the minimum payment with penalties, yes.

24 Q. Are you talk more loudly for the Court to hear?

25 A. Oh yes.

26 Q. Thank you. And whether previous years sent with  
27 this same information that California needed to be paid by  
28 GT Tribe?

1 A. No.

2 Q. Tell us why?

3 A. When you --.

4 MS. IBARRA: Counsel, I don't have that page.

5 MR. STEIN: 503 A, it doesn't look the same that's  
6 not what he said.

7 MR. FORDYCE: Oh thought we meant the first page  
8 of tax return.

9 THE COURT: Was that a party submission.

10 MR. STEIN: Forgive me let me follow through.

11 MR. FORDYCE: That is a misunderstanding between a  
12 miscommunication between Mr. Stein and myself.

13 MR. STEIN: Yeah I said first page only and you  
14 have thought this second page here so may we show the  
15 second page here, is a 2008 tax return and that's where  
16 Talley & Company is shown?

17 A. Yes.

18 Q. And that was the draft or -- the draft for it or  
19 is this the final?

20 A. It could be the final I'm not sure.

21 Q. For 2008?

22 A. Yeah I'm not -- I can't -- I'm not sure it could  
23 be a draft or a final.

24 THE COURT: You're not sure?

25 A. I'm not sure.

26 THE COURT: Whether it's the final?

27 A. Yes. Basically got to match it what I have in the  
28 file.

1 THE COURT: I thought you said you didn't have any  
2 tax returns in your file?

3 A. No I don't have signed tax returns in the file, I  
4 have the same copies that they have.

5 Q. .

6 Q. BY MR. STEIN: [SKPEPB] Exhibit 50 three E for  
7 2004, that was marked draft?

8 A. Yes.

9 Q. And then Talley & Company was on it?

10 A. Yes.

11 Q. Was the final then, was the final then -- the  
12 draft was taken off and sent up to tribal headquarters?

13 A. Yes and the name taken off.

14 Q. And the name off the understanding is they would  
15 thin sign it and file it?

16 A. Yes.

17 THE COURT: When you say the name off?

18 A. Our name.

19 THE COURT: So Talleys named would not be on it  
20 because you're not certifying it.

21 A. Yes.

22 THE COURT: I understand that, we've been over  
23 there before, I understand Mr. Stein you just want to make  
24 sure I understand and I do. I understand.

25 MR. STEIN: It just reminds me of this football  
26 coach I used to have.

27 Q. So again Exhibit 50 four, that's to GT Tribe for  
28 the tax year ending 2007 and is this a -- have you run into

1 a demand for past due corporation return?

2 A. That's a notice for past due, yes.

3 THE COURT: I don't think that's in my.

4 MR. FORDYCE: Hold on this could be me, hang on.

5 THE COURT: Yeah I think we need to take this down  
6 and not use that.

7 MR. FORDYCE: Let's hang on for a second, this  
8 could be a labeling thing on my part, hang on.

9 THE COURT: Yeah let's take it down.

10 MR. STEIN: Let's take it down and get it  
11 straightened [OUD].

12 THE COURT: Because you're showing her things that  
13 aren't.

14 MR. STEIN: Absolutely right.

15 THE COURT: Aren't in my package that you've  
16 related 5034 A through E you're showing here things that  
17 [-RT] documents that you've handed to me nor to her, so.

18 MR. STEIN: Niall this is 504.

19 THE COURT: Why don't we just take a break perhaps  
20 you can.

21 MR. STEIN: Oh absolutely take a break, straighten  
22 it out, start over.

23 THE COURT: Right and make sure everybody has the  
24 right document.

25 MR. STEIN: Thank you. I appreciate, the  
26 opportunity. (Ditto)

27 (Break taken.) 10:58 AM to 11:07 AM.

28 THE COURT: Gabrielino-Tongva Tribe versus Stein,



1 BC361307. Did we straight not out the paperwork.

2 MR. FORDYCE: I think we did Your Honor so you  
3 should now have a different 503 A, in other words it's the  
4 same title but a different single page and you should now  
5 also have 504 which is Five pages of demand for past due  
6 corporation return going from '04 through '09 with no '08  
7 so it should be '04, '05, '06, '07 and '09.

8 THE COURT: I don't have any of that.

9 MR. FORDYCE: 504.

10 {MIDDLE}: It's on the side, 50 and 504 Your  
11 Honor.

12 THE COURT: I'm sorry.

13 MR. FORDYCE: Super I think we're [SPRAEUT] end  
14 out then.

15 THE COURT: Why don't we just use the hard copies  
16 then.

17 MR. STEIN: Very good.

18 MR. FORDYCE: Hearing Jonathan do you want --.

19 MR. STEIN: If I could that would be great.

20 MR. FORDYCE: Yeah that should be a complete set.

21 MR. STEIN: So let's begin with 504?

22 Q. Can you identify 504 please?

23 A. It's a tax notice for requesting tax returns,  
24 corporate tax returns from the State of California, for  
25 2000 --

26 Q. Now did you set up the taxes for GT Tribe as a  
27 corporation?

28 A. Those are the forms we filed, yes.

1 Q. And so Exhibit 50 four is for what years?  
2 A. 2004, 2005, 2006, 2007, 2009.  
3 Q. And they all demand past due returns to be filed?  
4 A. Yes.  
5 Q. Thank you. Turning to 503 A filing instructions.  
6 THE COURT: This was in 2005, I'm sorry which.  
7 MR. STEIN: Oh 503 A.  
8 THE COURT: Oh we're on a different.  
9 MR. STEIN: 503 A. Oh actually I'm sorry does the  
10 court wish to go back to 504.  
11 THE COURT: No.  
12 MR. STEIN: Does the court [UPDZ] that 504, each  
13 page is for a different tax return.  
14 THE COURT: Yes.  
15 MR. STEIN: Tax yes, sir ending in the top  
16 right-hand corner, four.  
17 THE COURT: Yes.  
18 MR. STEIN: Very good and then 503 A.  
19 THE COURT: Is a new one.  
20 MR. STEIN: Again we're just [KHRAEUR] [TPAOEUEFG]  
21 the Court's past questions this is not part of our case in  
22 chief.  
23 Q. Is this a filing instruction from Talley to GT  
24 Tribe?  
25 A. Yes.  
26 Q. And it's saying that a balance is due of \$800 for  
27 2008?  
28 A. Yes.

1 Q. To your understanding, the State of California  
2 would require those payments going back to 2004, Five, six,  
3 seven and nine?

4 A. Yes.

5 Q. So that would be 800 per year?

6 A. Yes.

7 Q. And then plus penalties?

8 A. Yes.

9 Q. Now the 503 A one, separate exhibit, similarly  
10 named, 503 A one.

11 THE COURT: I found it.

12 Q. BY MR. STEIN: And can you identify this document?

13 A. It's a federal IRS tax notice regarding 2008  
14 corporate return.

15 Q. And what were they -- does it say what they're  
16 doing?

17 A. It just says they haven't resolved this matter  
18 because we haven't completed all the research necessary for  
19 a complete response, we will contact you again within 45  
20 days.

21 Q. And does that indicate that the tax return for  
22 2008 had been filed?

23 A. That's -- yes that's what it looks like.

24 Q. I am now going to skip around and look for 503 C1.  
25 Is 350 three C dash one available?

26 A. Yes.

27 Q. And that's the court located, 503 C dash one.

28 THE COURT: No not yet.

1 MR. STEIN: I thought identify wait for a second.

2 THE COURT: 503 C dash one, yes okay let me get a  
3 new page here. 503 C dash one. Okay I have that.

4 Q. BY MR. STEIN: And what does this -- what is this  
5 document?

6 A. It's an IRS notice for the 2006 tax return looks  
7 like, the tax period, it's penalty.

8 Q. Did you see a penalty notice from the IRS indicate  
9 that the taxes -- the tax returns for calendar year 2006  
10 were filed?

11 A. It does.

12 Q. Going become to exhibit is it 505 Niall for the  
13 unsigned [T\*URPBD].

14 MR. FORDYCE: No 503.

15 MR. STEIN: 503.

16 THE COURT: Which there's ABC D so.

17 MR. FORDYCE: I believe counsel may be referring  
18 to the 503 the 50 page document, the 50 without any  
19 letters, I think that's what counsel's referring to.

20 THE COURT: And I have 503 the 50 page document.

21 Q. BY MR. STEIN: Going back to 503 -- you're getting  
22 your exercise today. Okay now, is in this document is the  
23 2006 tax return included in this document?

24 A. Yes.

25 Q. And is the 2008 tax return included in that  
26 document, maybe yes, maybe no?

27 A. Yes.

28 Q. Okay. So both of these that were filed, both were

1 part of exhibit -- what's the number?

2 A. 503.

3 Q. 503 unsigned. So based on the fact that 2006 was  
4 filed -- Niall what was the number of 2006, 50 --.

5 MR. FORDYCE: Which one are you looking for.

6 MR. STEIN: 503 C1.

7 MR. FORDYCE: Oh unfortunately you took my  
8 exhibits but.

9 MR. STEIN: 503 C1.

10 THE COURT: 503 C1 is a letter yeah.

11 MR. STEIN: And 503 A one. That's 503 A one, does  
12 that indicate to you that at least those two from Exhibit  
13 50 three were in [#235BG9] filed with the IRS?

14 A. Yes.

15 Q. And do the other exhibits indicate to you that the  
16 State of California was looking for \$800 a year beginning  
17 in 2004?

18 A. Yes.

19 Q. I hope we've clarified the situation for the  
20 Court, this has nothing to do with our case in chief but we  
21 wanted to make sure that the testimony was as accurate as  
22 possible even if some mistakes were made along the way, no  
23 further questions.

24 THE COURT: Okay any cross-examination.

25 MS. IBARRA: No, no Your Honor. Actually yes, I'm  
26 going to ask about the -- because we haven't introduced --  
27 no I'm objection I'm not going to ask her, thanks.

28 THE COURT: Okay.

1 MS. IBARRA: Thank you.

2 THE COURT: Well you may step down ma'am?

3 A. I'm just leave this in between where they're  
4 supposed to be.

5 THE COURT: Do you want to call your next witness.

6 MR. STEIN: Yeah Steve Johnson.

7 THE COURT: And he's outside.

8 MR. STEIN: Yes.

9 THE COURT: Very good.

10 MR. STEIN: And if you'll forgive me I'll need to  
11 pull something up for him.

12 THE COURT: Sure.

13 MR. STEIN: I think Mr. Stein is trying to look  
14 for something right now so.

15 MR. STEIN: The witness can be sworn.

16 THE COURT: Oh very good. Come forward. Stand  
17 behind the court reporter. Face the clerk to my right.

18 THE CLERK: Please raise your right hand \* \*  
19 state, so help you God \* \*.

20 A. I do.

21 THE CLERK: Thank you sir you may have a seat to  
22 your right. And sir can you please state and spell your  
23 first and last name.

24 A. Steven, S-t-e-v-e-n, Johnson, J-o-h-n-s-o-n.

25 THE CLERK: Thank you.

26 THE COURT: Thank you you may begin.

27 Q. BY MR. STEIN: Mr. Johnson, could you tell me --  
28 tell us what you do?

1 A. I am in financial sales.

2 Q. And did you work for the company NRT?

3 A. Yes, I did.

4 Q. For how long?

5 A. Approximately four years.

6 Q. And what does NRT do?

7 A. They provide financial products to the casino  
8 industry.

9 Q. Including what?

10 A. ATM's, ticket redemption machines, check cashing  
11 and a variety of automated financial products.

12 Q. And in these automated financial products in the  
13 realm of banking are they sophisticated or are they  
14 relatively spill approximately?

15 A. They're quite sophisitcated.

16 Q. And why must they be sophisticated?

17 A. To guard again potential scams from casino  
18 clientele who attempt to maybe try to get money out of the  
19 machines, there's mandatory tax filings that are required  
20 for if a customer gets out a certain amount of money they  
21 have to record that to the government to avoid money  
22 laundering so there's quite a few checks and balances  
23 involved.

24 Q. And in these -- in this work, is it following  
25 through on other work that you've done in the banking  
26 industry?

27 A. Yes.

28 Q. And how many years have you spend in the banking

1 industry?

2 A. 25 or 30.

3 Q. And what companies did you work for, what  
4 positions did you hold?

5 A. For about the first 15 years or so I was with  
6 major oil companies which would include companies like  
7 Texaco, Mobile Oil, Exxon, Sun Oil, all names that you're  
8 familiar with and after quite some time doing that, I moved  
9 over to get involved in lending money to casinos to develop  
10 and build casinos.

11 Q. And when did you first meet Mr. Stein?

12 A. I met him I believe in the summer of 2007 at a  
13 work out group in Santa Monica.

14 Q. And did you work for GT Tribe at any time?

15 A. Yes, I did.

16 Q. And what did you do for them?

17 A. I was hired by the tribe to basically handle the  
18 books and records, make payments to vendors and manage the  
19 accruals.

20 THE COURT: Manage the?

21 A. Manage the accruals.

22 THE COURT: Accruals?

23 A. Accrued expenses.

24 Q. And were you the controller of GT Tribe?

25 A. Yes, I was.

26 Q. And when did you begin?

27 A. If memory serves, it was around September of

28 2007.



1 Q. And what were you task-d to do?

2 A. I would come -- I would attend the tribal council  
3 meetings and weekly I would come to the offices and write  
4 checks to some of the vendors and accrue payments to some  
5 of the other vendors who were accruing expenses but not  
6 being paid.

7 Q. And did you while doing this work have a chance to  
8 work with the tribes Quickbooks system?

9 A. Yes.

10 Q. And what did you do with the tribes Quickbooks  
11 system?

12 A. I used that to cut checks to vendors and to manage  
13 the accruals.

14 Q. And did you also do any work for the period before  
15 2007?

16 A. I didn't work prior to 2007 but I it review all  
17 the books ask records prior to that time and matched the  
18 contracts with the payments and lined them up against the  
19 financials to make sure everything was being done  
20 correctly.

21 Q. So we just saw testimony where the Talley report  
22 was produced. Let me show you that, exhibit 577 and that  
23 would be the second volume I think. Yeah. Have you seen  
24 exhibit 577 before?

25 A. Yes I have.

26 Q. And we heard -- I'll represent to you that we  
27 heard testimony from Lorna Dertadian that the Talley report  
28 was done without matching up contract amounts to amounts

1 stated in Quickbooks other than to check the amounts stated  
2 in Quickbooks were consistent month to month?

3 A. Correct.

4 Q. Did you go farther than that?

5 A. Yes.

6 Q. So you went beyond the Talley report?

7 A. Yes.

8 Q. And what did you do?

9 A. I took a look at the contracts and I matched up  
10 what was being contractually obligated to pay with what was  
11 being paid and matched that to the financial statements in  
12 the Talley report.

13 Q. And did you make financial statements as well  
14 besides the Talley -- besides matching it with the Talley  
15 report?

16 A. Yes we printed out periodic Quickbooks, financial  
17 statements based on Quickbooks accounts.

18 Q. And may I show you an exhibit that I'll ask you to  
19 look for and Your Honor may I show it on the screen.

20 THE COURT: Which exhibit --.

21 MR. STEIN: Let me show it first and then the  
22 court can tell me whether I can put it on the screen.

23 Niall the exhibit number for the financial statements.

24 THE COURT: Which number are you.

25 MR. FORDYCE: Which financial statements.

26 MR. STEIN: The 2001 to 2007.

27 MR. FORDYCE: Have they been identified before.

28 MR. STEIN: No let's identify them now, let's go

1 to Exhibit 15 16. Can we print that out yet.

2 MR. FORDYCE: No.

3 MR. STEIN: I think we have another version of  
4 that same.

5 MR. FORDYCE: Yes, we did, I'm sorry, that's my  
6 bad, I think we did, hang on one sec.

7 MR. STEIN: Actually we'll just use 502, we'll use  
8 502.

9 THE COURT: That's a new one but it is on the  
10 list.

11 MR. STEIN: And I thought I'd do this before  
12 putting it on the screen Your Honor.

13 THE COURT: He can put one of the binders up here  
14 or right here if you want.

15 MR. FORDYCE: Yes Your Honor I think 502 is a new  
16 second.

17 Q. BY MR. STEIN: Can you identify Exhibit 502?

18 A. That is an asset and liability statement of the  
19 Gabrielino-Tongva Tribe as of December 31st, 2001.

20 Q. And the date in the left-hand corner of January 6,  
21 2008, were you working for GT Tribe on January, 2008?

22 A. I was and this has January 16th, 2008.

23 Q. Forgive me, January 16th, 2008?

24 A. But the answer's the same.

25 Q. And may I put that on the screen Your Honor.

26 THE COURT: 502, yes you may.

27 Q. BY MR. STEIN: And it says accrual basis so these  
28 are the accrued amounts over the contracts?

1 A. Correct.

2 Q. And you matched them against the contracts?

3 A. Yes.

4 Q. And here we have, let me roll up to where this  
5 begins, we start with 2001?

6 A. Correct.

7 Q. And that's at -- and is this a balance sheet?

8 A. Yes.

9 Q. And then the next page, is that the income  
10 statement?

11 A. Yes.

12 Q. And does it show SMDC was owed 275,000 at the end  
13 of 2001?

14 A. Yes.

15 Q. So if the court or the finder of fact was called  
16 onto say okay how much was SMDC owed on a certain date when  
17 performance had been accepted, they could refer to each  
18 year here?

19 A. Correct.

20 Q. So let's start at 2001 for SMDC and the amount is  
21 275?

22 A. Yes.

23 Q. And I notice by December 1, tribal general counsel  
24 is already listed as owed, correct?

25 A. Yes.

26 Q. So does that indicate to you that there had before  
27 a tribal general counsel already employed for whatever time  
28 it took to accrue \$80,000?

1 A. Yes.

2 Q. And does this show the vendor balance of SMDC  
3 monthly fee of 275?

4 A. Exactly.

5 Q. And then a reimbursable of 6700?

6 A. You mean right above it?

7 Q. Yes.

8 A. Yes.

9 THE COURT: The monthly fee is \$275,000?

10 MR. STEIN: No the monthly fee is \$25,000.

11 THE COURT: Is that the accrued amount.

12 MR. STEIN: Yes.

13 THE COURT: I'm asking the witness.

14 MR. STEIN: Oh, forgive me.

15 A. That's the fee for the entire year, but it's the  
16 monthly fee for the year, but it's titled monthly.

17 THE COURT: Say that again?

18 A. It's titled Santa Monica Development monthly fee,  
19 but that's the accumulation of the monthly fees for the  
20 entire year.

21 THE COURT: Oh okay.

22 MR. STEIN: And so then 275,000 would be 12,000 at  
23 \$25,000 a month?

24 A. Yes.

25 Q. And then we'll move on to 2002 and this the  
26 balance sheet for 2002?

27 A. Yes.

28 Q. And then the income statement in 2002?

1 A. Yes.

2 Q. And in 2002, this indicates that 300,000 dollars  
3 is due to SMDC --

4 A. Correct.

5 Q. -- is that correct?

6 A. Yes.

7 Q. So then in 2002 would be a full 12 months, 2001  
8 looks like it was 11 months; is that correct at 25,000 a  
9 month?

10 A. I don't recall specifically but that appears  
11 correct.

12 Q. So if damages were awarded for work under the  
13 contract in 2002, the proper amount would be 300,000?

14 A. Yes.

15 Q. And I also notice there's a tribal general counsel  
16 compensation of 120-, would that indicate that general  
17 counsel compensation was 10,000 a month?

18 A. Yes.

19 Q. So going back to 2001, If the compensation accrued  
20 was eight months, does it look like general counsel was in  
21 p lace?

22 A. For eight months.

23 Q. For eight months?

24 A. Yes.

25 Q. So I'm going to start a separate list here of  
26 tribal general counsel, 2001, eight months; 2002, 12  
27 months. Going to 2003 -- well starting at 2002, the vendor  
28 balance, this is Page 85, the vendor balance is 575, would

1 that be the two years added together?

2 A. Yes.

3 Q. So that if SMDC deserved to be paid for those two  
4 years, the amount due according to this financial statement  
5 would be 575,000?

6 A. Yes.

7 Q. And then the -- moving on to 2003, is that the  
8 balance sheet for 2003?

9 A. Yes.

10 Q. And can you see it indicate that the SMDC  
11 compensation for 2003 would be \$300,000?

12 A. Yes.

13 Q. So that if the court determined that SMDC deserved  
14 to be paid for 2003's efforts alone, that would be  
15 \$300,000?

16 A. Correct.

17 Q. And we noticed that tribal general counsel has  
18 accrued another \$120,000?

19 A. Yes.

20 Q. Would that indicate that their tribal general  
21 counsel worked all two months?

22 A. Yes.

23 Q. So let's add to the tribal general counsel 2003,  
24 12 months worked. And going to the vendor balance at the  
25 end of 2003, if the court decided that the work in 2001,  
26 two and three deserved to be paid, would that amount be  
27 \$875,000?

28 A. Yes.

1 Q. And we now see Rae Lamothe at three 20,000, would  
2 that indicate that Rae Lamothe had been tribal general  
3 counsel during that whole time?

4 A. Yes.

5 Q. Going now to 2004, is that the balance sheet for  
6 GT Tribe for year 2004?

7 A. Yes it is.

8 Q. And the income statement would indicate that SMDC  
9 had accrued another \$300,000?

10 A. Yes.

11 Q. So if the court decided that if SMDC did he served  
12 to be paid only for work in 2004, it would be \$300,000?

13 A. Correct.

14 Q. And tribal general counsel is listed as \$120,000?

15 A. Yes.

16 Q. Now I notice the tribal council compensation is  
17 much larger than tribal general counsel compensation,  
18 correct?

19 A. Correct.

20 Q. And it's actually the tribal council was earning  
21 almost as much as SMDC; is that your understanding?

22 A. Yes.

23 Q. So let me add that in 2004 tribal general counsel  
24 apparently worked all 12 months?

25 Q. Going to the vendor balance summary at the end of  
26 2004, is SMDC now up to 1,000,000 175?

27 A. Yes.

28 Q. And if the court were to decide that SMDC deserved



1 to be paid for its efforts in [thou|thousand] one, two,  
2 three and four, the total would woman come up to 1,000,000  
3 175?

4 A. Yes.

5 Q. And at this point Edgar Perez is doing pretty well  
6 for 13 two for his work to date is that correct?

7 A. Yes.

8 Q. And Martin Alcala is doing well at 133  
9 [thou|thousand] 500?

10 A. Yes.

11 Q. For two weeks extra work, and of course Sam Dunlap  
12 is doing well at 138,000?

13 A. Correct.

14 Q. The loan amount would be reimbursables of \$41,000  
15 at this point.

16 THE COURT: The loan to Dunlap you mean.

17 MR. STEIN: The loan to Dunlap?

18 A. Yes.

19 Q. And Virginia Carmelo is doing well at \$128,000?

20 A. Correct.

21 Q. And Mr. Johnson is it your understanding that if  
22 21 million dollars was funded to the tribe that eventually  
23 all these bills could get paid from within the 21 million  
24 dollars?

25 A. Certainly, yes.

26 Q. Moving to 2005, is that the balance sheet for GT  
27 Tribe as of December 31, 2005?

28 A. Yes.

1 Q. And is this the income statement for 2005?

2 A. Yes.

3 Q. And it shows 300,000 in expenses for SMDC is that  
4 correct?

5 A. Correct.

6 Q. And so if the court want today pay SMDC only for  
7 work in -- for the work that it did in 2005 would it pay  
8 \$300,000?

9 A. Correct.

10 Q. And in 2005, the tribal general counsel the  
11 \$120,000, would that indicate that the tribal general  
12 counsel worked all 12 months in 2005?

13 A. Yes.

14 Q. And at this point, the SMDC reimbursable [SP\*EPS]  
15 is showing 47 zero thousand dollars; is that correct?

16 A. Yes.

17 Q. And that eventually got paid in part or in  
18 whole?

19 A. In part.

20 Q. Moving on to the vendor balance as of December 31,  
21 2005 --.

22 THE COURT: What was the reimbursables again, four  
23 something right?

24 A. It's right here is 20 Five.

25 Q. Oh I thought it was 400 something [thou|thousand]?

26 A. Yeah it looks like there may have been a problem  
27 with that, that may have been reimbursables and interest.

28 THE COURT: Okay.

1 MR. STEIN: Oh the interest is 47 zero, forgive  
2 me, the interest is 47 zero.

3 THE COURT: The interest on the 300, 300.

4 MR. STEIN: Yes.

5 THE COURT: Okay.

6 MR. STEIN: And the reimbursables is 20 Five.

7 THE COURT: Soy just wanted to be clear those are  
8 separate categories right.

9 MR. STEIN: Yes absolutely.

10 THE COURT: So interest is four 35.

11 MR. STEIN: 47 zero.

12 THE COURT: And the --.

13 MR. STEIN: And it's right here, see it says  
14 interest 47 zero.

15 THE COURT: And the reimbursable is.

16 MR. STEIN: 20 Five.

17 THE COURT: Thank you.

18 MR. STEIN: And the monthly fee now [TOUP]  
19 1,000,000 47 Five?

20 A. Yes.

21 Q. So if the court decides that SMDC should be paid  
22 under the contract for 2001, two, three, and Five, would  
23 the total amount be 1,000,000 47 Five?

24 A. Yes.

25 Q. And we'll put also reimbursables here, reimburse  
26 20 Five K. And moving on to 2006, is this the balance  
27 sheet for GT Tribe as of December 31, 2006?

28 A. Yes.

1 Q. And is this the income statement as of December  
2 31, 2006?

3 A. Yes.

4 Q. And it indicates Dunlap Carmelo group withdrawal?

5 A. Yes.

6 Q. Does that indicate that they pulled money out?

7 A. Correct.

8 Q. And going down to tribal professionals, does it  
9 indicate SMDC compensation of 300,000?

10 A. Yes.

11 Q. And does it indicate that the tribal general  
12 counsel must be pay as well?

13 A. I don't see it there. I know it is but where is  
14 it, can you point that out? I think it's above under  
15 tribal administration.

16 Q. I think it's under tribal counsel under tribal  
17 administration?

18 A. Yes.

19 Q. And that is 85,865?

20 A. Correct.

21 Q. I'll put 85,000 rather than much it is worth since  
22 it's obviously a different amount. Would that be the  
23 amount left over after payments made?

24 A. Correct.

25 Q. So it would be 85,000 plus whatever payments were  
26 made to Rae Lamothe in 2006?

27 A. Right.

28 Q. And move to December 31, if the court decided that

1 the SMDC should be paid through December 31 it would be one  
2 million six forty-five; is that correct?

3 A. Correct.

4 Q. That would include amounts after November 30th  
5 though wouldn't it, it would include one month after  
6 November 30th?

7 A. Yes I believe so.

8 Q. So if it was terminated in October, if the SMDC  
9 agreement was terminated in October it would be less than  
10 that amount?

11 A. Correct.

12 Q. And a 30-day notice of termination would go into  
13 November. So this would be less than one million six  
14 forty-five is that correct.

15 Q. And the loan has grown to 27 four but that's again  
16 on December 31st so the reimbursables would be less than 27  
17 four?

18 A. Correct.

19 Q. Now I see here that the Crane Group is listed?

20 A. Correct.

21 Q. So let's now talk about the Crane Group for a  
22 moment. Did you find a mistake involving the Crane  
23 Group?

24 A. I believe that the Talley report did not include  
25 accrued payments to the Crane Group so we went back and  
26 corrected it.

27 Q. So you actually looked at the Crane Group contract  
28 is that correct?

1 A. Correct.

2 Q. And it's your understanding that the Talley group  
3 did not look at the contract?

4 A. Correct.

5 Q. So whoever was handling Quickbooks before you had  
6 failed to input the Crane Group contract?

7 A. Correct.

8 Q. And you discovered that error?

9 A. Yes.

10 Q. And corrected it?

11 A. Correct.

12 Q. And you compared the contract amounts of payments  
13 to show that [HEFGS] due at December 31st, \$225,000?

14 A. Yes.

15 Q. And is it your understanding that the Crane Group  
16 actually terminated one month afterwards in January of  
17 2007?

18 A. Honestly I don't recall.

19 Q. Very good. Let me show another exhibit, Niall did  
20 you make copies of the exhibit for court.

21 MR. FORDYCE: Which number.

22 MR. STEIN: 15 28.

23 MR. FORDYCE: I did.

24 THE CLERK: I'm sorry one more time.

25 THE COURT: Are we looking at a new exhibit.

26 MR. FORDYCE: Yes Your Honor.

27 MR. STEIN: Yes.

28 THE COURT: Well you're going to have to explain

1 it all to us then.

2 (Discussion held off the record.).

3 MS. IBARRA: I'm going to object because this is  
4 Mr. Stein's -- this is the unredacted part.

5 THE COURT: This is the unredacted.

6 MS. IBARRA: This is the only unredacted that I've  
7 seen of the quantum meruit.

8 THE COURT: Well this needs to be --.

9 MR. FORDYCE: That's not quite accurate Your  
10 Honor.

11 MS. IBARRA: This not? I mean it's --.

12 THE COURT: Well what's your -- okay.

13 MR. STEIN: Your Honor that's why I was going to  
14 testify for a half an hour is to explain the whole story  
15 but he saw the unredacted version that's what we're trying  
16 to establish now, this has the totals on the back of it.

17 THE COURT: Wait a minute. This has a total based  
18 on what though.

19 MR. STEIN: I will be asking Mr. Johnson that and  
20 I will also be testifying it but we can hold this and bring  
21 Mr. Johnson back, this is the point I've been presenting  
22 for the last two days.

23 THE COURT: You're presenting 4,000,000 500  
24 \$29,000 on professional [SERGZ] [-Z] on 10 pages of sheets.

25 MR. STEIN: No if you look it begins in September.

26 THE COURT: Right.

27 MR. STEIN: And if I can let the witness identify  
28 it.

1 THE COURT: No. First you tell me what you're  
2 going to try to do.

3 MR. STEIN: Yes.

4 THE COURT: Because you would have to verify these  
5 and moreover, where are the rest of them.

6 MR. STEIN: Your Honor we've located that as well.

7 THE COURT: Okay.

8 MR. STEIN: They were in a notebook that has been  
9 in the possession and still is in the possession of  
10 Plaintiffs and we have the table of contents from the  
11 notebook that I will identify, this is why I asked for the  
12 last two days to be able to testify for a half an hour but  
13 we can bring Mr. Johnson back after the testimony, we took  
14 the notebooks with the time slips in it and that's why we  
15 haven't found the unredacted time slips.

16 THE COURT: See I understood that you had two sets  
17 of binders they took one and one re he [PHAEUPBD] in your  
18 office h there really has not been an issues who has the  
19 documents if that's the documents you're referring to.

20 MR. STEIN: Your Honor if I may clarify.

21 THE COURT: Yes uh-huh.

22 MR. STEIN: There were two sets of original  
23 resolutions, they took one set of original resolutions  
24 which are over 10 notebooks, there was one set of other  
25 notebooks, many, many notebooks for very many things, one  
26 of which was for time slips, clearly marked, [WHEF] the  
27 table of [KOPBTS] [TPEPBTS] tort notebooks, there was only  
28 16 those which hill testify to as well. That was taken by



1 them apparently because me recognized the value of Mr.  
2 Stein's diary for five years of his work would have all the  
3 names and places of things that he's done they've been in  
4 possession of that the whole time it was never recovered by  
5 the Sheriff's and [THEUF] immediate a big issue of  
6 something they've been in possession of since September  
7 9th, 2001.

8 MS. IBARRA: Your Honor can I --.

9 THE COURT: No. My question would be, aren't  
10 these in computer programs.

11 MR. STEIN: That computer program as I mentioned  
12 to the court is two computer programs ago.

13 THE COURT: Okay.

14 MR. STEIN: Two -- and I will give my testimony,  
15 that was replace by Quickbooks invoicing program that was  
16 replaced by Thompson [ROEUT]-er time slips.

17 MS. IBARRA: Can I just --.

18 MR. STEIN: But that's what had the diary of Mr.  
19 Stein.

20 MS. IBARRA: Your Honor can I just ask you about  
21 this.

22 MR. STEIN: And they took it.

23 MS. IBARRA: We've heard testimony [TPWR] many  
24 [WEUTSDZ] September 9th they take off with the blocks, and  
25 they go back September 19th [KW] Mr. McShane this goes from  
26 September 6 to October 3rd, there's no way they could have  
27 taken this on September 9th.

28 MR. STEIN: Not this the originals, this was

1 [S\*EPDZ] because it contained a diary of the breakup and  
2 that's why we found the separated document when the court  
3 said go back and do an exhaust leg counsel search, that is  
4 one of the six documents in the quantum meruit paperwork  
5 that we turned into the court yesterday, that is one of the  
6 six documents, Mr. [SKWROP] saw the original unredacted  
7 version and went through it month [PEU] month to ensure  
8 that work was done and that is what he is about to testify  
9 to.

10 MS. IBARRA: Mr. Johnson was not working -- I mean  
11 we just heard testimony that he wasn't working with the  
12 tribe, the tribal entity he was affiliated with until 2007.

13 MR. STEIN: When the time slips program was still  
14 on the computer.

15 THE COURT: I'm going to find insufficient  
16 foundation. If that's the testimony.

17 MR. STEIN: Why don't we bring Mr. Johnson back.

18 THE COURT: I'll listen to what you have to say  
19 and if you want to bring him back I'll consider it.

20 MR. STEIN: That's right.

21 THE COURT: But until --.

22 MR. STEIN: Let us do this.

23 THE COURT: Finish some other subject and then we  
24 can come back to this one.

25 MR. STEIN: Very good. And then Your Honor we  
26 didn't want surprise the court, for two days we've been  
27 saying can Mr. Stein testify to lay the foundation, that's  
28 the foundation we would lay. We're happy to bring Mr.

1 Johnson back again to meet the Court's ordering.

2 THE COURT: I don't know. We'll see.

3 MR. STEIN: Mr. Johnson --.

4 THE COURT: Well the other thing would be hearsay  
5 if he were to try to repeat something that was in some  
6 document that you created, that's the other problem but  
7 anyway let's get out of him what we can today.

8 Q. BY MR. STEIN: Mr. Johnson did you try to  
9 correlate that SMDC worked each month from 2001 to 2006?

10 A. Yes.

11 Q. And did you find evidence that SMDC worked each  
12 month from 2001 to 2006?

13 A. I did.

14 Q. And what was that evidence?

15 A. There was voluminous filings, trips, meetings, it  
16 was just an overwhelming amount of work [THA\*FTS] that was  
17 quite frankly mind boggling.

18 Q. And why do you say it was mind boggling?

19 A. I found the pace of work to be incredulous, the  
20 volume of work that was created to be a lot --.

21 Q. And by the way don't say incredulous because that  
22 means that you don't believe it?

23 A. Incredible.

24 Q. Incredible.

25 A. You know a lot -- you have know I can't cite  
26 chapter and verse of what I saw I just remember oh my gosh  
27 a lot of work has been done here, it's an incredible volume  
28 of stuff and I was kind of very surprised and overwhelmed

1 by it.

2 Q. Okay. So SMDC worked every month. And did you  
3 find expenses that seemed to indicate that to be the case?

4 A. Yes.

5 Q. Did you find other documentation in the tribes  
6 notebooks to indicate that was the case?

7 A. A lot of books and records indicating work that  
8 had been done during the time.

9 Q. And this was row after row of notebook binders?

10 A. Yes.

11 Q. And not just resolutions buff on every topic?

12 A. Correct.

13 Q. Exam were there architectural drawings indicating  
14 work with architects?

15 A. Quite a few.

16 Q. And was there historical documents indicating a  
17 researching of 150 years of Gabrielino history?

18 A. Exactly.

19 Q. And these are the types of books and records  
20 you're referring to?

21 A. It was a lot more than that.

22 Q. Then did you see a complete version beginning in  
23 December 2000 and going through until October 4th of  
24 Exhibit 15 28?

25 A. Yes, I did.

26 Q. So you saw the complete version?

27 A. Yes.

28 Q. Did you read it.

1 MS. IBARRA: I would object -- so the court just  
2 indicate \$4 it would be hearsay and he's testifying to this  
3 document.

4 THE COURT: Are you talking about this document.

5 MS. IBARRA: This is 15 28.

6 MR. STEIN: The complete version, yes.

7 THE COURT: Oh yeah it's hearsay, sustained.

8 MR. FORDYCE: I'm puzzled didn't he just testify  
9 to the existence of it, not the content.

10 MR. STEIN: Yes just the existence of it.

11 THE COURT: That there exists 15 28.

12 MR. STEIN: No.

13 Q. Did you see a complete version that 15 28 is a  
14 part of, I didn't say that well.

15 MS. IBARRA: Objection I've seen a redacted  
16 version of that.

17 THE COURT: What's the complete complete version.

18 Q. BY MR. STEIN: Did you read it?

19 A. Yes.

20 Q. And in this book was it part of the tribes -- was  
21 it part of the books ask records that you examined?

22 A. Yes it was.

23 Q. And was -- did it indicate that daily or weekly --  
24 daily entries for that period.

25 THE COURT: Sustained.

26 MS. IBARRA: Objection hearsay.

27 THE COURT: Sustained.

28 MR. STEIN: We can always bring him back I'm just

1 going trying to save time.

2 THE COURT: I think I already made that ruling.

3 MR. STEIN: Very good I didn't put two and two  
4 together fast enough, forgive me Your Honor.

5 Q. Going back to exhibit 502, did you complete 502  
6 through March 1st of 2007?

7 A. Yes.

8 Q. And was that the final entry is in March 31st of  
9 2007?

10 A. I thought it might have gone later than that but I  
11 couldn't be sure.

12 Q. Okay. Now let me --?

13 A. But I know I worked up through that period.

14 Q. Uh-huh. Let me turn you to -- we need to -- we've  
15 identified it before, Exhibit 58 four, .

16 THE COURT: 58 four is that what we're looking at  
17 now.

18 MR. FORDYCE: Yes Your Honor.

19 THE COURT: Has that been admitted already.

20 MR. FORDYCE: It was six, 31 and admitted on six,  
21 30.

22 MR. STEIN: Oh by the way Your Honor.

23 THE COURT: Yes.

24 MR. STEIN: You sustained this crossing that out.

25 THE COURT: Oh you were starting to write a note.

26 MR. STEIN: I was starting to write I just wanted  
27 to make sure you understand I was trying to do what the  
28 court says.

1 Q. And did you explain what exhibit 58 four?

2 A. Is it's an estoppel certificate that basically  
3 states that I reviewed the books and records of the tribe,  
4 [SHOEFD] the total amount of monthly fees and reimbursable  
5 amounts and interest total and how it was broken down.

6 Q. And is that your signature Steven K Johnson?

7 A. Yes it is.

8 Q. So let's have the court --.

9 THE COURT: Hold on counsel I don't have Exhibit  
10 58 four why is it not in my book.

11 MR. FORDYCE: Hold on I may have an answer for  
12 that.

13 THE COURT: I may have a loose copy.

14 MR. FORDYCE: Nelli I think it might be -- oh have  
15 you got it.

16 THE CLERK: Yes, I have.

17 THE COURT: There's a lot of loose docks. Okay 58  
18 four, thank you. Okay you can continue, I have it now.

19 Q. BY MR. STEIN: So let's just start at the top,  
20 it's from -- it's [TO\*LT] to the tribal council?

21 A. Yes.

22 Q. Now that would be the Candelaria council by this  
23 time?

24 A. Correct.

25 Q. And was this estoppel -- was this estoppel  
26 certificate used as part of the estoppel agreement?

27 A. I believe so.

28 Q. And was it the -- was all your work up until then

1 reflected in this certificate?

2 A. I think so. I'm a little foggy on the details but  
3 I think so.

4 Q. So when you say the tribal council you're saying  
5 it's for the Candelaria Group?

6 A. Correct.

7 Q. So you are not trying to -- you were not working  
8 for the Dunlap group?

9 A. No.

10 Q. But you were covering the time where the Dunlap  
11 group had worked with SMDC?

12 A. Absolutely.

13 THE COURT: Assuming you were looking at the  
14 books?

15 A. Correct.

16 THE COURT: From the tribe.

17 BY {RIGHT2}:

18 Q. Could you read the subject?

19 A. Calculation of amounts to be included in estoppel  
20 certificate to be signed by the tribal council on March 18,  
21 2007. .

22 Q. And then can you read the introduction?

23 A. As part of the preparatory process necessary to  
24 sign the estoppel certificate, which the tribal council  
25 plans to sign on March 18, 2007, I have reviewed the books  
26 ask records of the tribe and find that the total amount of  
27 monthly fees, reimburse ability amounts and interest total  
28 1,000,000 700,000 897.65. This is broken down as



1 follows.

2 Q. And was that one supposed to be a two. Let's add  
3 them up individually?

4 A. It looks like it.

5 Q. So let's add up individually, monthly fees are one  
6 millions six ninty-five through February?

7 A. Correct.

8 Q. And that would be past November 16 so this would  
9 be past no 206 monthly fees what was the amount 169 Five?

10 A. 169,500.

11 Q. And these were the ones that were unpaid?

12 A. Correct.

13 Q. So if the court wanted to award SMDC the full  
14 amount through November 30th it would be less than.

15 THE COURT: Is that showing there, is that your  
16 Internet.

17 MR. FORDYCE: Yeah.

18 THE COURT: You miss [T-D] Mr. Stein was there a  
19 pop up or something.

20 MR. STEIN: Was it good.

21 THE COURT: I don't know I didn't see it it just  
22 appeared.

23 MR. STEIN: Did I win the lottery, I should ask if  
24 they [WO\*FRPB] the lottery I think that's what we're doing  
25 here today.

26 Q. So monthly fees would be less than 169 Five  
27 through -- unpaid through November 30th?

28 A. Correct.

1 Q. Or so past November 6 is that and then --.

2 THE COURT: I have a question, you said was there  
3 an error in the calculation are you trying to get to that.

4 Q. .

5 MR. STEIN: We're getting there.

6 THE COURT: I'll trying to have figure out what  
7 was the error.

8 MR. STEIN: These reimburse ability amount through  
9 March 1?

10 A. Correct.

11 Q. And again that is past November 2006 and what are  
12 the reimbursable amounts?

13 A. 357389 3. 46.

14 Q. Now that's a lot more than 23 \$2,000?

15 A. Is that correct?

16 A. Right.

17 Q. So Mr. Stein pumped in over 100,000 in cash to  
18 help --?

19 A. Correct.

20 Q. The financial oversight committee and to continue  
21 the casino project with things such as the Oropeza bill.  
22 Does that indicate that Mr. Stein paid some of the vendors  
23 that GT Tribe refused to pay from the casino project?

24 A. Correct.

25 Q. Does it indicate had he did it out of his own  
26 pocket?

27 A. Absolutely.

28 Q. So in your opinion why would Mr. Stein take over

1 100,000 in cash out of his own pocket to pay individual  
2 vendors on the casino project after the tribal council ran  
3 off with 898,000 and refused to pay any of them?

4 A. Because he believed in the project and wanted to  
5 keep it going.

6 Q. And was that your impression from talking to Mr.  
7 Stein at the time?

8 A. Yes it was [STKPWHR-S] and did he also believe in  
9 paying bills for people who had rendered services to the  
10 casino project?

11 A. Yes.

12 Q. And he took money out of his own pocket, the  
13 difference between 232,000 and 357 to do so?

14 A. Correct.

15 Q. And moving on to interest, what do you calculate  
16 the interest as?

17 A. Six 4800 four-point 19.

18 Q. And again it's past 2000 -- November 2006 and how  
19 much is that amount?

20 A. Six 4800 four-point 19.

21 Q. And that's up paid?

22 A. Correct.

23 Q. So that is interest reimbursable and fees?

24 A. Correct.

25 Q. Monthly fees. And do you feel your work in  
26 matching contract amounts for SMDC is properly reflected in  
27 that certificate?

28 A. No.

1 Q. Why that?

2 A. Because the numbers one two and three add up to a  
3 million dollars more than what I have totaling above.

4 Q. So the total should be 2,700,000?

5 A. Exactly.

6 THE COURT: Did we stop there because it's  
7 lunchtime and we have to bring you back but.

8 MR. STEIN: Oh absolutely sure.

9 THE COURT: Okay so 130.

10 MR. STEIN: Yeah and I'll see -- I may have a  
11 question or two but otherwise we would do the cross  
12 beginning with the cross, I think that's about it.

13 THE COURT: Okay thank you.

14 MS. IBARRA: Thank.

15 (Noon break.) 12:05 PM to 01:54 PM.

16 THE COURT: Gabrielino-Tongva Tribe versus Stein  
17 BC361307, you may be seated everybody.

18 MR. STEIN: Your Honor may have we reserve  
19 sometime at the end of the day to discuss some mechanics  
20 we're running into problems with some witnesses and  
21 accusations so we can just set it forward straight so  
22 there's not a problem.

23 THE COURT: All right.

24 MR. STEIN: Thanks, Your Honor I wish it was  
25 otherwise.

26 THE COURT: Okay.

27 MR. STEIN: We've been very clear in what we  
28 wanted to do.

1 THE COURT: All right. I just want to make sure  
2 Mr. Stein is finished with his.

3 MR. STEIN: As long as we can redirect.

4 THE COURT: Yes that's fine. So we direct.

5 MS. IBARRA: Yes.

6 Q. Mr. Johnson you were talking with Mr. Stein about  
7 502 which is the documents that you prepared, right?

8 A. Correct.

9 Q. So you make a few assumption when's you prepare  
10 this, one of them is the SMDC agreement is valid, that is  
11 correct?

12 A. I'm not in a position to judge that, I'm not an  
13 attorney.

14 Q. Right. But in order for you to make your  
15 calculations, you have to assume it's valid?

16 A. I --.

17 MR. STEIN: Objection it's facts not in evidence.  
18 He said -- he just said otherwise.

19 Q. BY MS. IBARRA: Well if it's had not valid, would  
20 SMDC still be entitled to \$25,000 a month.

21 MR. FORDYCE: Calls for a legal conclusion.

22 MR. STEIN: Yeah.

23 THE COURT: Overruled it's asking him to assume  
24 that.

25 A. You're asking me did I assume that the contract  
26 was valid.

27 Q. BY MS. IBARRA: Yes?

28 A. Yes.

1 THE COURT: Well no, that's objectionable?

2 A. Yeah.

3 MR. STEIN: Yeah.

4 THE COURT: You can ask him to assume that -- you  
5 can say assuming this is invalid you can ask the question  
6 but the way you asked was objectionable.

7 MS. IBARRA: Okay.

8 Q. BY MS. IBARRA: So if the SMDC agreement is  
9 invalid, would your calculations be different?

10 A. There's a lot of questions surrounding that, when  
11 would it become invalid, it obviously had been in place for  
12 six or seven years without any problems and would I assume  
13 that it would go unchallenged for six or seven years and  
14 all of a sudden become invalid I think that's reaching.

15 Q. Okay. Nonetheless, assume that it was invalid,  
16 would your calculations be different?

17 A. I probably wouldn't even be involved.

18 Q. You probably wouldn't even be involved.

19 THE COURT: When you say you wouldn't be involved  
20 you have wouldn't --?

21 A. I have wouldn't be sitting there writing accruals  
22 and checks for an entity that had no legal standing, if I  
23 knew it had no legal standing.

24 MS. IBARRA: All right I think my question is a  
25 little bit different than legal standing, but be that as it  
26 may I don't want to get into legal issues?

27 A. Well you asked me to make a legal conclusion.

28 Q. No I asked if it was invalid, if your calculations

1 would be different?

2 A. Well the calculations are based on the contracted  
3 amount, so if there were no contract, there would be no  
4 calculations.

5 Q. So for the expenses that are reflected here, did  
6 you actually look at the underlying documents?

7 A. Yes, I did.

8 Q. And did you determine that those expenses had any  
9 relationship to the tribe?

10 A. Yes.

11 Q. How did you determine that?

12 A. There were reams and reams of notes and details  
13 backing up the notes, there were binders full of documents  
14 relate to go the activities and I did a pretty detailed  
15 look, overall inspection of what was going on and concluded  
16 that there was a substantial amount of work associated with  
17 tribal activities connected to the billings.

18 Q. Okay. So that's separate than what my -- my  
19 question was about the expenses. So the out-of-pocket  
20 expenses that are being claimed because in addition to -- I  
21 understand that that's your contention about quantum  
22 meruit, like time spent but my question is about the  
23 expenses that are claimed here?

24 A. Okay.

25 Q. So did you look at the invoices and determine that  
26 there was actual -- a relationship between those expenses  
27 and the tribe?

28 A. I did.

1 Q. How did you determine that there was a  
2 relationship between the expenses and the tribe?

3 A. It's like any expense account, you look at the  
4 money spent, see what they spent it on, see that those  
5 expenses were reasonable and that they were directed  
6 towards tribal activities.

7 Q. But some of them, Mr. Stein also had a legal  
8 practice, so for example so for overhead expenses, how do  
9 you -- or for postage stamps or FedEx expenses, how do you  
10 know that those have a relationship to the tribe.

11 MR. STEIN: Objection there is no evidence of  
12 those expenses there.

13 THE COURT: Overruled.

14 Q. BY MS. IBARRA: Well let's look at the Talley  
15 report, the Talley report is 577 so?

16 A. Where would I find that.

17 Q. It's 577 I think did you remember.

18 THE COURT: Please just state your objection and  
19 the ground, okay?

20 A. Don't have it here.

21 MS. IBARRA: I'll help you find it?

22 A. I have 575 and there's a gap and is it starts  
23 again at 58 Five.

24 Q. So it's going to be over here, no it should be  
25 there?

26 A. Oh it's in the previous part.

27 Q. There you go.

28 THE COURT: You said 58 Five.



1 MS. IBARRA: 577 which is the Talley report.

2 (Discussion held off the record.).

3 THE COURT: Okay go ahead.

4 Q. BY MS. IBARRA: So are you familiar with the  
5 Talley report?

6 A. Yes.

7 Q. Can you look at one of the back pages in the  
8 Talley report and the bottom is going to say '06 12 is --  
9 there's a lost Bates stamps but the very bottom one is  
10 going to say '06 12 and it's the St. Monica development  
11 payable balance detail?

12 A. I can I move this.

13 THE COURT: Yes that's fine.

14 A. Thank you. It says created four 56 on 10/3/06.

15 Q. BY MS. IBARRA: Yes.

16 A. Okay.

17 Q. So looking at 4/19, 2006, there is an item for  
18 Lakers game? Do you want me to go see if you have the  
19 right page?

20 A. Yeah because I'm not on the right page.

21 Q. It's the next page, 612?

22 A. Okay.

23 Q. So do you see the item on 4/19, 2006?

24 A. Yes.

25 Q. For Laker games?

26 A. Yes.

27 Q. So those are expenses that are being charged to  
28 the tribe by SMDC?

1           A.    Right.

2           Q.    So we've heard testimony from a lawyer that he  
3 went to Laker games with Mr. Stein.  So would that be an  
4 expense that would be chargeable to the tribe?

5           A.    I would think so, depending on if the lawyer was  
6 working with the tribe.

7           Q.    Okay.  So let's say it was before.

8           MR. STEIN:  Objection facts not in evidence.

9           THE COURT:  Overruled.

10          MR. STEIN:  Objection incomplete hypothetical.

11          THE COURT:  What's missing.

12          MR. STEIN:  Whether the lawyer is working with GT  
13 Tribe and she just then said let's say he's not, that's not  
14 a complete hypothetical, what happens if he might be  
15 interviewed because they would need a new tribal general  
16 counsel.

17          THE COURT:  Well that's -- overruled.

18          Q.    BY MS. IBARRA:  So let's say before, let's say it  
19 was sometime before there was engagement with GT Tribe?

20          A.    So if a lawyer went to a Lakers game before he was  
21 engaged by GT Tribe, you know there's a lot of what ifs if  
22 he was being interviewed to go to work for the tribe, if  
23 they were trying to induce him to do some work for the  
24 tribe.

25          THE COURT:  That would be considered something  
26 that he could charge?

27          A.    Yeah I would think so, or if it was somebody that  
28 was an attorney for somebody we wanted to get friendly

1 with, he might take them to a Lakers game, I know John was  
2 very judicious with his tickets, I tried to get some and I  
3 nephew got any.

4 Q. How about looking at this report and I'll just  
5 keep going with this report just because it has a lot of  
6 detail?

7 A. Sure.

8 Q. So three, 13, 2006, polo club with Jonathan Chan,  
9 do you know who Mr. Jonathan Chan is?

10 A. I know a Jonathan Chan I don't know if it's the  
11 same one. I believe Jonathan Chan is an investor out of  
12 Singapore, .

13 Q. Okay?

14 A. Is it that one.

15 MR. STEIN: Nods.

16 THE COURT: Excuse me, I'm assuming you are not  
17 asking that question of Mr. Stein?

18 A. Well I just was surprised to see the name and I  
19 just want to make sure.

20 THE COURT: Right, you don't look for an attorney  
21 to ask him a question and moreover Mr. Stein you don't  
22 answer him?

23 A. Jonathan Chan was.

24 THE COURT: Excuse me, do you understand that?

25 A. Yeah I was just trying to make sure if I knew it  
26 was the right person.

27 THE COURT: Ask the lawyer who's asking the  
28 question, don't look to the other lawyer and ask him.

1 Q. BY MS. IBARRA: So you think you know who Mr.  
2 Jonathan Chan is?

3 A. Correct.

4 Q. Is so what is I relationship with the tribe?

5 A. He was working out of Singapore and he was  
6 representing an investment group that actually I introduced  
7 to the tribe, he was traveling to Los Angeles from  
8 Singapore and I thought he should spend time with Mr. Stein  
9 as a potential source for investing in the tribes  
10 activities so it was very appropriate.

11 Q. So all of Mr. Stein's entertainment activities  
12 with just about anybody could be an expense?

13 A. Not the way he did it. I have mean hypothetically  
14 yes but he was very meticulous about how he accounted for  
15 it.

16 Q. And you personally reviewed all the accounting for  
17 all the expenses?

18 A. For these, yes.

19 Q. For these in the Talley report as well?

20 A. These that you have listed here, yes.

21 Q. Now, do you know who Ms. Rae Lamothe is?

22 A. He was an attorney I think that represented the  
23 tribe at one time.

24 Q. Yes it's a she but?

25 A. Okay.

26 Q. Otherwise that's my understanding?

27 A. I've never met her but I know the name.

28 Q. So do you know that she was -- that she settled

1 for a certain amount when they left, that she wasn't --?

2 A. I forgot --.

3 MR. STEIN: Objection facts not in evidence.

4 THE COURT: Who are you asking about.

5 Q. BY MS. IBARRA: So I basically want to understand  
6 why she's on the vendor list as being owed half a million  
7 dollars when she was paid 60 in total.

8 THE COURT: Which lawyer are we talking about.

9 MS. IBARRA: Rae Lamothe.

10 THE COURT: Okay.

11 MR. STEIN: Objection to the use of the word  
12 settlement, there was no settlement with Rae Lamothe.

13 THE COURT: Counsel what did I say about  
14 objections, didn't I say you state the objection and you  
15 state the ground, that's how you object, I told you over  
16 and over again. I'm going to have this witness excused if  
17 you can't abide by this simple procedure, how long --  
18 you've been a lawyer for --.

19 MR. STEIN: My apologies Your Honor you had asked  
20 me to explain earlier I have thought the court indicated  
21 they wanted an explanation. It's entirely my mistake.  
22 It's entirely my mistake.

23 THE COURT: They've been repeated despite numerous  
24 numerous admonitions, or you may repeat your question.

25 MS. IBARRA: Okay so -- so some of the -- are some  
26 of the vendors quote unquote that are are listed here, is  
27 it possible they were paid a lesser amount than what is  
28 reflected here in total for their -- you know for

1 compensation?

2 A. I can't remember, it's possible but again this is  
3 2006, this is 9, -- more than 10 years, 11 years ago, so I  
4 think some of them that was done but I can't remember the  
5 specifics.

6 Q. So do you know if some of these vendors were paid,  
7 if those vendors are still reflected as expenses incurred  
8 by SMDC?

9 A. I think some of them were paid some and there were  
10 some accruals as well so there may have been some people  
11 were paid and some people were a mixture of paid and  
12 accruals. There was not a lot of money to go around and as  
13 testified earlier, Mr. Stein was putting money in out of  
14 his pocket so trying to spread it around as best we could.

15 Q. And he -- he paid vendors, right and that's why  
16 these expenses are so high?

17 A. Well he put the money in and then -- and then we  
18 paid the vendors from the money that he put in.

19 Q. Item. So these vendors are part of the expenses  
20 that he's claiming now.

21 MR. STEIN: Objection vague.

22 THE COURT: Overruled?

23 A. I'm not -- I need to understand a little bit more  
24 what you're asking.

25 Q. BY MS. IBARRA: I'm asking if the expense that's  
26 he's claiming over the course of all these many years  
27 include vendors who you claims to have paid out of his own  
28 pocket or money that he put in as he put it?

1           A.    I can't really answer that accurately because I  
2 don't recall how the money was divided up between expenses  
3 they incurred and vendors.

4           Q.    Because you don't recall, I'm sorry?

5           A.    I don't -- you know it was a long time ago and I  
6 don't remember that specifically about how -- how that was  
7 handled at the time.

8           THE COURT:   Wasn't there a category to  
9 reimbursables in here, right?  Wasn't that one of your  
10 categories in that letter or maybe -- I know there was an  
11 interest and something else.

12          Q.    BY MS. IBARRA:  So was had he -- do you know how  
13 the Libra investment funds --.

14          THE COURT:  Yes Mr. Stein.

15          MR. STEIN:  Did the court want clarification.

16          THE COURT:  Just give me an exhibit number.

17          MR. STEIN:  She is --.

18          THE COURT:  Just the exhibit number, thank you.

19          MR. STEIN:  The same exhibit Page 13 three at the  
20 bottom, all of these entries are under --.

21          THE COURT:  What I did I say I said 133, that's  
22 all I wanted to know is the page Mr. Stein.

23          MR. STEIN:  Yes, ma'am.

24          THE COURT:  Thank you.

25          MR. STEIN:  Yes, ma'am.  At the bottom.

26          THE COURT:  You're talking about 577.

27          MR. STEIN:  Yes Your Honor.

28          THE COURT:  No no I'm talking about a different

1 exhibit, I'm talking about the one he prepared, the memo.

2 MR. STEIN: That's not what she's questioning him  
3 on Your Honor.

4 THE COURT: I know but I was asking.

5 MR. STEIN: 502 Your Honor.

6 MS. IBARRA: 502.

7 THE COURT: 502, all right. Where is 502.

8 A. That was the estoppel certificate.

9 THE COURT: Keep going while I'm looking for 502.

10 MS. IBARRA: Sure.

11 Q. BY MS. IBARRA: So I guess my question Mr. Johnson  
12 is even when somebody like Ms. Lamothe would have a valid  
13 contract presumably because I don't know, so I'm going to  
14 assume that Ms. Lamothe had a valid contract for I think in  
15 the other exhibit that you went through you determined that  
16 it was \$10,000 is what you calculated for the general  
17 counsel?

18 A. I don't -- I don't remember.

19 Q. So 502?

20 A. You'll have to redirect me.

21 THE COURT: No this is not the one, it's the one  
22 that has his letter that has three paragraphs, three  
23 totals.

24 MS. GOAD: 58 four.

25 MR. FORDYCE: 54?

26 A. The one with the typo.

27 THE COURT: Yeah the calculation error, you're  
28 right the calculation error, that's the one, 58 four.



1 Q. BY MS. IBARRA: So from what I recall from just an  
2 hour ago or an hour and a half ago from your testimony.

3 THE COURT: It's not in this binder.

4 MS. IBARRA: From an hour and a half ago was you  
5 calculated \$10,000 per month for general counsel, payments  
6 to the general counsel was \$10,000?

7 A. I believe that was based on the contract prior to  
8 my engagement and I probably went back and verified that it  
9 was a valid contract to make sure it was being approved  
10 correctly.

11 Q. So presumably Ms. Lamothe had a valid contract,  
12 we'll just assume it was a valid contract for \$10,000, she  
13 walked away with less than \$10,000, I mean \$10,000 a month  
14 accrued so there was a practice by the people engaged in  
15 this transaction to walk away for less than amount accrued.

16 MR. STEIN: Objection -- objection facts not in  
17 evidence.

18 THE COURT: Overruled?

19 A. It's that's a lot better than a lot of people got.

20 Q. BY MS. IBARRA: Right but it was -- if there's no  
21 investor money that's something or if there's a lot of  
22 people in line to get paid it's something, right?

23 A. Correct.

24 THE COURT: 58 four is that the one.

25 MR. FORDYCE: I believe so, I think that's the one  
26 you're referring to.

27 THE COURT: No I don't have that.

28 Q. BY MS. IBARRA: Do you know those backups that you

1 reviewed, do you know if they're exhibits here?

2 A. The backups for the payable?

3 Q. Yeah.

4 A. I don't think there's any in here.

5 Q. You don't think there's any in here.

6 THE COURT: 502.

7 MR. STEIN: 502 we looked at earlier, 503 is the  
8 exhibit it's a one page exhibit and the core located it  
9 earlier.

10 THE COURT: Right. No that's not the one unless  
11 it's in there but I don't see a one-page document.

12 MS. IBARRA: 58 four.

13 MR. STEIN: 58 four the court had it in front of  
14 it before.

15 THE COURT: 58 four estoppel calculation?

16 A. Yes it's right here.

17 MS. IBARRA: It's a calculation, it's a memo  
18 regarding the estoppel certificate?

19 A. It's under 58 four.

20 MS. IBARRA: It's 58 four?

21 A. Yep.

22 THE COURT: Yes that's it. Monthly fees  
23 reimbursables, so reimbursables is there, right?

24 A. Yes.

25 Q. BY MS. IBARRA: So according to this memo they  
26 began accruing February 1 and go up to March 1, 2007. So  
27 after that, did he not incur any more reimbursable  
28 expenses?

1           A.    I'm sure he did but I stopped being involved about  
2 that time.

3           Q.    And so there was a calculating error in this  
4 memo?

5           A.    Correct.

6           Q.    But let's look at the actual estoppel certificate  
7 which is I believe 583?

8           A.    I actually clearly remember making this error  
9 which I thought had been corrected by another document.

10          Q.    Right.  So 583 is the actual estoppel -- oh I'm  
11 not sure if this is in evidence actually.

12                   MR. STEIN:  It is.

13                   MS. IBARRA:  It is.

14                   THE COURT:  Yes.

15          Q.    BY MS. IBARRA:  So Mr. Johnson did you prepare  
16 this document?

17          A.    The estoppel certificate?

18          Q.    Yes.

19          A.    No.

20          Q.    Did you do the calculations for the estoppel  
21 certificate?

22          A.    Yes.

23          Q.    And you're familiar with the documents?

24          A.    Yes.

25          Q.    So is this estoppel certificate between St. Monica  
26 development company and the Candelaria faction of the  
27 Gabrielino-Tongva Tribe?

28          A.    I believe so.  It's signed by Linda Candelaria.

1 Q. Okay. Can you look at Page 5 of the document and  
2 the very last Bates stamp on it is '06 '66, it's an ominous  
3 number?

4 A. Okay.

5 Q. So you see the second whereas towards the top of  
6 the page?

7 A. Whereas as of March 1st --

8 Q. Yeah, can you read the whole paragraph?

9 A. Whereas as of March 1st 2007 SMDC has accrued the  
10 following amounts under the SMDC agreement for which the  
11 tribe wishes to take joint and several liability in the  
12 amount of 2,700,000 eight '97 and '65 over \$100 or the  
13 estoppel amount. The components of which Steven Johnson  
14 the tribes controller has reviewed for accuracy and which  
15 is calculated as follows.

16 Q. So that is the correct amount?

17 A. Yes.

18 Q. According to your calculations? And this is the  
19 amount. Estoppel certificate, right?

20 A. Correct.

21 Q. So even though your calculation in the earlier  
22 memo was incorrect, the estoppel certificate that binds the  
23 Candelaria faction actually has the correct amount in it?

24 A. Yes and [WOEU] add that I believe the original  
25 calculation that has an error was replaced by a document  
26 that had the right number in it.

27 Q. So there's another one you think, there's a  
28 superseding document?

1           A.    I think so, it just has the right calculation in  
2 it.

3           Q.    I see so it might just be a clerical error?

4           A.    Exactly.

5           Q.    So the Candelaria faction had decided to bind  
6 themselves and reimburse Mr. Stein for all of his expenses  
7 and for the monthly fees incurred, so why should the  
8 plaintiff also make him whole, make him whole twice.

9           MR. STEIN:  Objection calls for a legal  
10 conclusion.

11           THE COURT:  Sustained.

12           Q.    BY MS. IBARRA:  Can you read -- so towards the end  
13 of Page 5 in the third whereas and the fourth -- do you see  
14 like the Roman numeral four?

15           A.    Okay.

16           Q.    Can you read that part?

17           A.    Assume the obligations of the tribe under SMDC  
18 agreement.  As it is hereby amended free and clear of any  
19 defense as may be enjoyed by the Dunlap and Carmelo group  
20 of the tribe -- or the tribe.

21           Q.    Do you know what that means.

22           MR. STEIN:  Objection calls for a legal  
23 conclusion.

24           THE COURT:  Is this part of the estoppel.

25           MS. IBARRA:  .

26           MS. IBARRA:  It's part of the estoppel  
27 certificate.

28           THE COURT:  Okay.  Overruled?

1 A. I believe so.

2 Q. What does it mean?

3 A. It means that they agree to the obligations and  
4 they have No objections to it including but not limited to  
5 hypothetical objections by the Dunlap and Carmelo group.

6 Q. Including the results of this trial potentially?

7 A. I have no idea who is suing who here.

8 Q. When you looked at all of the -- all of those  
9 backup documents, were you able to determine if Mr. Stein  
10 was doing legal work for the tribe?

11 A. Yes.

12 Q. And what did you conclude?

13 A. He was.

14 Q. He was doing legal work for the tribe.

15 MR. STEIN: Objection facts not in evidence.

16 THE COURT: Overruled.

17 MR. STEIN: Calls for a legal conclusion.

18 THE COURT: Overruled?

19 A. I think he was using his general legal knowledge  
20 but I think most of it was development work for trying to  
21 get a gaming license.

22 Q. Right. But it's really hard to sort of separate  
23 the brain from economic development work and legal work is  
24 that what you're saying?

25 A. Well I mean he's a pretty smart guy so he used his  
26 well oiled brain to try to do -- better the tribe in many  
27 different directions and if some of that involved legal  
28 expertise but you know he's the type of lawyer that has a

1 lot of common business sense and I saw more of that than  
2 particular legal work.

3 Q. Right. Because he did a lot of transactional work  
4 before he became a litigator, did you know that?

5 A. I did not know that.

6 Q. Oh. Was that evident in the documents that you  
7 reviewed?

8 A. That he did transactional work?

9 Q. Yeah like sophisticated financial transactional  
10 work?

11 A. You know I had no -- I saw no evidence of that.

12 Q. So can you give me any specific examples of legal  
13 work that you saw him do in those backup documents?

14 A. No, I can't, it's too long ago.

15 Q. But that's your general impression?

16 A. That he uses legal expertise in what he was doing  
17 but I think you know maybe preparation of this document --  
18 well he hired outside counsel to do a lot of the actual  
19 legal work.

20 Q. Right. Because there was a lot?

21 A. Uh-huh.

22 Q. But do you know if he prepared this document?

23 A. I really don't recall. I think I knew but I don't  
24 recall at this point.

25 Q. Okay. All right that's all I have for you thank  
26 you?

27 A. Okay.

28 THE COURT: Redirect.

1 MR. STEIN: Thank you Your Honor. .

2 Q. BY MR. STEIN: Let's stay on this document and  
3 cover just two or three things, just street not a few  
4 things out that may be unusual here. So let's just begin  
5 with the page, the estoppel document, that's 583?

6 A. Okay.

7 Q. Can we go to the last page, is that Mr. Stein's  
8 signature?

9 A. No.

10 Q. The last page, St. Monica development company by  
11 Jonathan Stein, very last page?

12 A. Oh I'm on the second to last page.

13 Q. Yes. ?

14 A. Yes.

15 Q. Okay. Now let's go to the second to last page,  
16 Gabrielino-Tongva Tribe signed by Linda Candelaria, do you  
17 see that signature?

18 A. Yes.

19 Q. Approved as to form, Tisdale and Nicholson LLP,  
20 attorneys for tribe and tribal council. To your  
21 understanding were they the attorneys that prepared this  
22 document?

23 A. You know I now -- I do now recall Jeff Tisdale was  
24 hired specifically to prepare documents of this nature and  
25 I believe he prepared this.

26 Q. And from what you saw was it typical that Mr.  
27 Stein had outside counsel whenever he dealt with the tribe?

28 A. Yes.



1 Q. And would that include law offices of Rae Lamothe  
2 the tribal general counsel?

3 A. I guess that's why Rae Lamothe was hired.

4 Q. So when you said Mr. Stein used his legal skills,  
5 did he use it to get a casino?

6 A. That's a very broad question but I mean you had  
7 some general knowledge of some of the regulations involving  
8 casinos and they were legal regulations and bills in front  
9 of a Sacramento assembly and you used your legal knowledge  
10 to advance a few theory to the benefit of the tribe.

11 Q. Turning back to the page that you examined before,  
12 Page 66 six?

13 A. Okay.

14 Q. Okay? The two point million is corrected there?

15 A. Yes.

16 Q. Now, the three paragraphs that lead up to the 2.7  
17 million, are those paragraphs nearly identical to exhibit  
18 58 four and I'll ask you to look at 58 four. So is the  
19 figure for monthly fees the same?

20 A. Yes.

21 Q. And is the figure tore reimbursable expenses the  
22 same?

23 A. Exactly the same.

24 Q. And is the figure for interest the same?

25 A. Yes.

26 Q. So the only thing that was corrected was the total  
27 amount and that was changed from 1,000,000 700,000 897 to  
28 2,700,000 897?

1 A. That's correct.

2 Q. Okay. Now, let's go back to exhibit 577, the  
3 Talley report. And they ask you about the page indicating  
4 134?

5 A. Which page is that?

6 Q. If you see at the bottom PO L dash ending in 134?

7 A. I'm getting there, okay.

8 Q. Take your time. And are you on that page?

9 A. I believe so.

10 Q. Now, turn one more page, Page 13 three.

11 THE COURT: Backwards, you want to go back.

12 MR. STEIN: Yes to Page 13 three?

13 A. Okay.

14 Q. Now this says St. Monica development dash loan, so  
15 is this the account in the Talley report dealing only with  
16 reimbursable expenses.

17 THE COURT: Can you repeat your question so I can  
18 follow along here.

19 MR. STEIN: Sure.

20 THE COURT: What entry are we talking about.

21 MR. STEIN: We're talking about the account at the  
22 bottom of the page, [SAEUPT] Monday development dash loan.

23 THE COURT: Okay I follow you.

24 Q. BY MR. STEIN: And is it your understanding of the  
25 Talley report that there were different accounts for SMDC,  
26 this account was for reimbursements sought by SMDC?

27 A. Yes.

28 Q. So all of the examples that Ms. Ibarra gave you

1 were out of these reimbursables?

2 A. I think so, yeah.

3 Q. So the first one being the Lakers game. Did  
4 you -- was Mr. Stein available to answer your questions?

5 A. Yes.

6 Q. Could you ask Mr. Stein did you take a politician  
7 to the Lakers game, did you take a finance [AOER] to a  
8 Lakers game, did you talk to an investment banker at the  
9 Lakers game did you ask him questions about that?

10 A. Sometimes.

11 Q. And if you were satisfied with the answers you  
12 said yes that was a tribal expense?

13 A. Correct.

14 THE COURT: What was the answer to this?

15 A. I can't remember who he took to the Lakers game in  
16 2006 but I'm sure --.

17 THE COURT: Did he go to Lakers games that often  
18 or?

19 A. Every couple months. You know I can't remember  
20 who he took but I'm sure I asked, it might -- it might have  
21 even been noted on there because typically he was -- he was  
22 very meticulous about noting who he took and you just see  
23 it and it's pretty self-evident.

24 Q. BY MR. STEIN: Another entry was polo club with  
25 Jonathan Chan?

26 A. Correct.

27 Q. And is Jonathan Chan an investor from Singapore?

28 A. Correct.

1 Q. And does he work very closely with the Genting  
2 Group?

3 A. He does.

4 Q. And does the Genting Group own the largest casino  
5 in America?

6 A. They were an investor in fox woods which is the  
7 now the second largest.

8 Q. And do they now own as well as the largest in New  
9 York City?

10 A. I don't know.

11 Q. Very good.

12 A. I know they're building one in Las Vegas that's  
13 enormous.

14 Q. And was Mr. Stein interested in convincing them to  
15 make a small investment that might get them to build one in  
16 Los Angeles?

17 A. That would be a very smart meeting to take.

18 Q. And the polo club?

19 A. Yes.

20 Q. Is in Beverly Hills?

21 A. Yes.

22 Q. The vendor balance, was the amount owed -- this is  
23 the vendor balance, exhibit -- Niall which exhibit is  
24 the -- 502, 502. May have I bother you for volume one  
25 Niall.

26 MR. FORDYCE: No of course.

27 MR. STEIN: We're we go.

28 MR. FORDYCE: There you go.

1 MR. STEIN: That's very kind thanks.

2 MR. FORDYCE: It is.

3 Q. BY MR. STEIN: And you testified earlier that the  
4 vendor balance is what was owed after payments; is that  
5 correct?

6 A. Yes.

7 Q. Do you -- was Rae Lamothe still owed money after  
8 she was paid \$60,000?

9 A. From this it looks like she was.

10 THE COURT: Can I ask you a question, did you see  
11 bills from Rae Lamothe to you that said you know here's my  
12 billing sheet or here's any bill or invoice or something  
13 like that?

14 A. Honestly I don't remember.

15 Q. BY MR. STEIN: Was Rae Lamothe being paid \$10,000  
16 a month or 120 a year?

17 A. No, she was being accrued that amount.

18 Q. She was being accrued. And the accruals would be  
19 what would be the vendor balance?

20 A. Correct.

21 Q. And then that vendor balance would be reduced by a  
22 payment of \$60,000?

23 A. Correct.

24 THE COURT: She wasn't submitting bills every  
25 month or something to you?

26 A. I'm sure she did but I really don't have any  
27 recollection of it at all.

28 THE COURT: Okay.

1 THE COURT: Same with the Crane Group, have you  
2 heard of the Crane Group?

3 A. Yes.

4 THE COURT: Were they submitting bills, did they  
5 submit bills from the Crane Group?

6 A. I do remember that.

7 THE COURT: Had you saw bills from the Crane  
8 Group.

9 A. Yes because they were fairly involved, I think Rae  
10 Lamothe was past history.

11 THE COURT: Did you see a bill for 50,000 to  
12 Crane?

13 A. I think I did.

14 THE COURT: Yeah.

15 Q. BY MR. STEIN: When you said earlier when you  
16 testified that Stein doing legal work and you said legal  
17 knowledge, which is it was Stein doing legal work or was he  
18 using his legal knowledge?

19 A. He was using legal knowledge.

20 Q. And was Stein -- was tribal general counsel Rae  
21 Lamothe the attorney for the tribe?

22 A. Yes.

23 Q. Was there any need for Mr. Stein to be a second  
24 attorney for the tribe?

25 A. Not that I could see.

26 Q. Was Mr. Stein in fact working with SMDC as a  
27 vendor for the tribe to get them a casino?

28 A. Correct.

1 Q. No further questions.

2 THE COURT: Anything further.

3 MS. IBARRA: Yeah just one.

4 THE COURT: Recross.

5 Q. BY MS. IBARRA: Did you did mention you never met  
6 Ms. Rae Lamothe?

7 A. Never did.

8 Q. So you never actually observed her interaction  
9 with Mr. Stein and how they -- how they -- how they worked  
10 together or how they divided work between themselves?

11 A. No.

12 Q. Okay that's all, thank you.

13 THE COURT: Thank you sir you may step down?

14 A. Okay. Should I just leave these here.

15 THE COURT: Thank you. Do we have time for  
16 another witness? I think you had somebody out there didn't  
17 you?

18 A. Am I totally done or.

19 MS. IBARRA: You're totally done.

20 THE COURT: He wants to know if he needs to be on  
21 call Mr. Stein.

22 MR. STEIN: Yes we would like to leave you on  
23 call?

24 A. Okay. Today so I need to hang around today.

25 MR. STEIN: No not today.

26 THE COURT: On call means just give him your phone  
27 call and he'll call you if he needs you?

28 A. All right thank you so much.

1 THE COURT: Okay who's your next witness.

2 MR. STEIN: Virginia Carmelo please.

3 MR. STEIN: And Your Honor I'd like to go back to  
4 using the projector if that's okay.

5 THE COURT: I don't know you've had so many  
6 problems with that projector.

7 MR. STEIN: Would you prefer not.

8 THE COURT: Well what is it that you want to use  
9 it for, do you have a few exhibits.

10 MR. STEIN: Yeah we have a number of exhibits,  
11 there's actually one, two, three, four exhibits, Five.

12 THE COURT: Are they already in evidence.

13 MR. STEIN: They're all -- yes everything is  
14 already in evidence.

15 THE COURT: All right. Ms. Carmelo come back up?

16 A. Hello.

17 THE COURT: Hello. You have don't need to be re  
18 sworn as long as you tell me that you understand that you  
19 are still under oath?

20 A. Yes I understand that.

21 THE COURT: All right thank you. Pull the  
22 microphone closer to you.

23 A. I will.

24 THE COURT: Thank you. Okay.

25 MR. STEIN: Your Honor let me start with one  
26 exhibit that has not been identified so.

27 THE COURT: Isn't that what I -- so don't use the  
28 projector just hand us all the documents document so we all



1 are on the same page.

2 MR. STEIN: Yes Your Honor. Niall Exhibit 15 35  
3 did you make copies. We circled it, laid it out for  
4 counsel.

5 MR. FORDYCE: What is 15 35.

6 MR. STEIN: The slow down attachment.

7 MR. FORDYCE: No, I didn't make copies of that.

8 MR. STEIN: Could you start making copies now and  
9 we'll come back to it.

10 Q. BY MR. STEIN: I'd like to show you Exhibit 693.

11 THE COURT: [EUT] might have --.

12 MR. STEIN: This is courting disaster to put it  
13 here.

14 THE COURT: You might need to put one binder, you  
15 can put one binder here. It's not one of the exhibits.

16 THE CLERK: I have no 693.

17 THE COURT: Did you say '69 two or 693.

18 MR. STEIN: 693.

19 THE COURT: Hold on, 693 Carmelo and interest for  
20 Sheppard, Mullin for \$300,000 retainer okay it hasn't been,  
21 let me take a look at it first.

22 MR. STEIN: And I have a cover over the projector  
23 Your Honor.

24 MS. IBARRA: That was stricken Your Honor.

25 THE COURT: Okay.

26 MR. FORDYCE: What number was it.

27 THE CLERK: 693.

28 MR. FORDYCE: 693.

1 THE COURT: Why was it stricken did you see anyone  
2 remember.

3 MS. IBARRA: It was Mr. McShane and he couldn't  
4 identify it.

5 THE COURT: Well this has her signature on it she  
6 can identify it. Okay it was stricken because he couldn't  
7 identify it.

8 MS. IBARRA: Right. So it's new basically.

9 THE COURT: Okay that's fine.

10 Q. BY MR. STEIN: Is that your signature on 693?

11 A. Yes.

12 Q. Can you identify Exhibit 693?

13 A. Let me take some time to read it.

14 Q. Please.

15 A. Okay yes.

16 Q. Please identify Exhibit 693?

17 A. It's a letter from Sheppard, Mullin, the title is  
18 grant of security interest, transfer instruction.

19 Q. And is that stuff identification for me to put it  
20 on the projector Your Honor.

21 THE COURT: Yes.

22 Q. And could you please read it?

23 A. Dear ladies and gentlemen, this letter suspects  
24 the engagements letter which we have previously delivered  
25 to you, we anticipate that you will be receiving  
26 approximately \$750,000 from Wells Fargo institutional  
27 services LLC to your client trust account. From these  
28 amounts you are instructed to transfer \$300,000 to your

1     retainer account for the tribe. We hereby grant to you a  
2     security interest in the hundred thousand dollars amount so  
3     transferred to secure our obligations to you for payment of  
4     fees and expenses of your firm incurred on behalf of the  
5     Gabrielino-Tongva Tribe.

6             THE COURT: It's signed by you and then there's  
7     another signature, do you recognize that signature?

8             A. Yes that's senator Polanco's signature.

9             THE COURT: You've seen his signature before?

10            A. Uh-huh. Yes.

11            Q. BY MR. STEIN: Was this -- was that 750,000 part  
12     of the 898,000 that Mr. Stein claimed to members of the  
13     tribe was misappropriated from the casino project? Was  
14     that this part of the '89 eight?

15            A. This was part of that amount, yes.

16            Q. Does this security interest indicate that despite  
17     Mr. Stein's objections, in other words not looking at  
18     whether Mr. Stein was right or wrong, does this indicate  
19     that in fact that you guys -- that the GT Tribe -- and I'll  
20     call it GT Tribe instead of the Dunlap faction now, does it  
21     indicate that that \$750,000 was in fact available to you on  
22     the date of this letter.

23            THE COURT: Where is the date?

24            A. Yeah the date -- the letters not dated for some  
25     reason.

26            Q. BY MR. STEIN: If you go to the too much it says  
27     November 3 on a fax line?

28            A. That looks like a fax date.

1 Q. So was this -- did this occur on or about November  
2 3?

3 A. According to this, yeah, this paper, that's what  
4 it indicates.

5 Q. Back to the earlier question, does it indicate  
6 that by November 3 you had control of 750,000 of the  
7 898,000, no matter what else SMDC did wrong?

8 A. That's the indication, yes.

9 Q. And that control was entirely independent of SMDC  
10 or Stein?

11 A. Yes.

12 Q. And the lawsuit had just been filed on November 2;  
13 is that correct?

14 A. That sound like the date it was filed.

15 Q. And then in looking at the usage of the money,  
16 does it look to you that \$300,000 was use today pay  
17 Sheppard, Mullin?

18 A. That amount was set aside for --.

19 Q. And that --?

20 A. For payment.

21 Q. And in fact they spent it all didn't they?

22 A. Right now I don't recall. I'd have to look at  
23 that information but that is the amount that was set  
24 aside.

25 Q. Okay. Can we go -- can we go to Exhibit 7 21 --  
26 actually before we go to 721 A I'd like to start a list if  
27 I go and you can tell me if you remember things, if you  
28 don't please wait because we can refresh your recollection

1 later. Out of \$898,000, we just want to see if GT Tribe  
2 got the benefit of money that was owed by GT Tribe despite  
3 whatever Mr. Stein or SMDC might have done wrong. So  
4 should we put \$300,000 was set aside for Sheppard, Mullin?

5 A. Okay.

6 Q. And then I will ask you just individual  
7 expenditures that were large that you might know. Jon  
8 Velie, Velie and Velie, \$100,000 to write the new  
9 constitution?

10 A. You have know you're not showing me anything that  
11 I can refer to but I'm going to say yes, okay.

12 Q. So were you able to --

13 A. There was an -- there was an amount set aside for  
14 Mr. Velie.

15 Q. And so despite whatever Mr. Stein or SMDC had done  
16 wrong, you were able to pay Mr. Velie \$100,000 for the  
17 constitution; is that correct?

18 A. There was an amount set aside for him, I'm not  
19 remembering the exact amount of 100,000 at this point.

20 Q. Okay. And there was \$100,000 available for Mr.  
21 Richard Polanco; is that correct?

22 A. That sounds correct.

23 Q. So whatever Mr. Stein or SMDC did wrong in the  
24 summer of 2006 you still got the use of your money and were  
25 able to pay Mr. Polanco the 100,000?

26 A. Yes.

27 Q. And let's go to -- oh yeah, and then wasn't there  
28 an escrow -- well let's go to Exhibit 7 21 I don't want you

1 to struggle, Exhibit 72 1-A the redacted resolution  
2 admitted into evidence.

3 MS. IBARRA: 721 is --.

4 MR. FORDYCE: 721 A is the redacted version.

5 MS. IBARRA: Oh I'm sorry.

6 MR. STEIN: I'm not sure if 721 A is the --.

7 MS. IBARRA: I don't have 721 A.

8 MR. FORDYCE: I know I gave it to you.

9 MS. IBARRA: Is it a redacted declaration.

10 MR. FORDYCE: Exactly.

11 MR. STEIN: And we went through quite a lot of  
12 effort to make sure they were redacted properly and went  
13 through for a second redaction at the request of Ms.  
14 Ibarra.

15 Q. And this is a --.

16 THE COURT: Hold on I haven't found it yet.  
17 What's the number again.

18 MR. FORDYCE: 721 Your Honor.

19 THE CLERK: The very last one.

20 (Discussion held off the record.)

21 MR. FORDYCE: And that should have a first page,  
22 expenses signature.

23 THE COURT: 721 this is the Carmelo declaration as  
24 redacted.

25 MR. FORDYCE: Yes Your Honor.

26 THE COURT: Thank you because I think you met and  
27 conferred about the redaction.

28 MR. FORDYCE: I believe so, yes.

1 THE COURT: Okay.

2 Q. BY MR. STEIN: And Ms. Carmelo you'll have the  
3 unredacted version in front of you?

4 A. So let's go to the figures shown here and you've  
5 already testified about this on July the 12th, Ms. Carmelo.  
6 And Paragraph 61 would be on Page 12. So Paragraph 6 one  
7 talked about the tribes union bank account, were there  
8 three bank accounts Ms. Carmelo?

9 A. Were there three bank accounts, yes.

10 Q. And so this was one bank account and how the  
11 money -- how the 64,000 and then four 17,000 was added into  
12 it; is that correct?

13 A. It looks correct.

14 Q. And there are little footnotes as to where each  
15 came from, Number 2 said Sheppard, Mullin retainer funds  
16 and then Section 3 says Libra account where 150,000 had  
17 been September to Maguire Woods and 24,000 was left over  
18 and that is the Libra escrow account?

19 A. Yes.

20 Q. And that was the deposit that Mr. Stein created to  
21 make sure that Marilyn Barrett got paid, but not as much as  
22 she had demanded when the transaction was about to close?

23 A. That was the -- yeah, amount set aside.

24 Q. But I see there's a little typo here, but that  
25 150,000 can we put that down as a payment you were able to  
26 make directly from the Libra escrow account?

27 A. Yes.

28 Q. So whatever else that Mr. Stein or SMDC did wrong

1 in August, September and October of 2006, you actually got  
2 use of that \$150,000?

3 A. We did.

4 Q. Much like you got use of the \$100,000 for Mr.  
5 Polanco is that correct?

6 A. Yes that's correct.

7 Q. Much like you got use of the \$100,000 for the  
8 Velie & Velie to write the constitution is that correct?

9 A. Yes those funds were used.

10 Q. And much as you got use of the \$300,000 after you  
11 circulated the large sum through the attorney-client trust  
12 account is that correct?

13 A. Yes.

14 Q. Then you have the uses of the money here and we  
15 see various amounts here in the next page and these are  
16 your declaration is this is the way we spent the money?

17 A. Yes.

18 Q. Now we have tribal council stipends, what are  
19 those?

20 A. The monthly Stipends due to the tribal council.

21 Q. And so you spent \$117,000 on tribal council  
22 Stipends?

23 A. Yes.

24 Q. So whatever else Mr. Stein and SMDC did wrong in  
25 July and August and September and October of 2006, in fact  
26 by November 3 you were able to pay \$117,000 to the various  
27 tribal council people?

28 A. Yes.



1 Q. We see Richard Polanco CEO \$79,000, that's part of  
2 the \$100,000 he was paid; is that correct?

3 A. Yes that looks like it.

4 Q. And then not to be outdone, Olivia Polanco, is  
5 that his wife?

6 A. Yes.

7 Q. She was paid \$10,000 but that was reimbursement  
8 for various things purchased?

9 A. Yeah.

10 Q. So --.

11 THE COURT: So that one up [thou|thousand], is  
12 that included in the 100,000.

13 MR. STEIN: No it's above it, there's another  
14 entry, let's go to the another entry to clarify the point  
15 while we have it, we then go to the GTGA bank account in  
16 Paragraph 62, if we can go over to the next page and then  
17 page -- paragraph -- let me find the rest of Mr. Polanco's  
18 money, Tres Es, is that Polanco?

19 A. Yes.

20 Q. For 25,000?

21 A. Right.

22 Q. So actually Mr. Polanco was paid 104  
23 [thou|thousand]?

24 A. Yes.

25 Q. And that is separate from what Olivia Polanco was  
26 paid?

27 A. Yes.

28 Q. Now I notice also in 16 these accounts that there

1 was a \$50,000 payment to Sheppard, Mullin is that correct?

2 A. Yes.

3 Q. Let me go back up to that so we can catch up with  
4 you.

5 THE COURT: You're going back [EURBGTS].

6 Q. And that is Paragraph 62 from the GTGA bank  
7 account, Sheppard, Mullin 50,000?

8 A. Yes.

9 Q. So in fact was Sheppard, Mullin paid 350,000?

10 A. Yes.

11 Q. Because 300,000 wouldn't be quite enough. So  
12 whatever else that Mr. Stein and SMDC did wrong, you were  
13 able to pay Sheppard, Mullin a retainer of 50,000 and then  
14 a second retainer of hundred [thou|thousand] is that  
15 correct?

16 A. I don't think it was called a second retainer but  
17 the funds were set aside for Sheppard, Mullin.

18 Q. And you were able to pay Olivia Polanco to  
19 reimburse her for setting up the new office?

20 A. Yes.

21 Q. The various expenses in here such as postage of  
22 \$20,000, you paid that all at once, right?

23 A. Right.

24 Q. And you bought \$20,000 worth of stamps in a single  
25 day?

26 A. I wouldn't call it stamps, I would call it postal  
27 services.

28 Q. Okay. Let me put postal services. And then

1 mobile phone, office and mobile phone for 4,000?

2 A. Yes.

3 Q. So Mr. Stein you had testified earlier had shut  
4 off the cell phones you were able to replace them in short  
5 order with your own cell phones?

6 A. Well I'm not quite sure order, it was two months  
7 later.

8 Q. Two months later so whatever else Mr. Stein did  
9 wrong you were able to fix it in two months. Cell phones,  
10 and let me put quote two months later. Fenton Productions  
11 videographer for 13,000 and Lisa Baca-Sigala for 22,000,  
12 what were those expenditures for?

13 A. Fenton productions was for a video project that we  
14 produced For tribe and Lisa Baca-Sigala was -- well it says  
15 right there reimbursements for tribal events, so those  
16 would have been tribal meetings, a lot of them at that time  
17 were for the constitution, meetings which were held  
18 quite -- I think quite often, more often than membership  
19 meetings.

20 Q. And then -- but this is all -- these were all  
21 expenditures in November?

22 A. Yes.

23 Q. In one month?

24 A. Yes.

25 Q. And MGB Strategies for 40,000, what was that  
26 for?

27 A. It says public relations.

28 Q. So if we add 40 to 13 is 53, add 22 is 63, 63, 75

1 and 30, it's 105, could we group that 105 together and call  
2 it tribal events and PR?

3 A. That sounds likely.

4 Q. So \$135,270.44 tribal events and PR. And so  
5 whatever else Mr. Stein did wrong in August and September  
6 and October of 2006, you were able to spend \$135,000 on  
7 triable events and public relations?

8 A. Yes.

9 Q. And did you that in November?

10 A. The money was distributed in November yes but the  
11 activities took place in the future.

12 Q. Uh-huh and Niall do you have the Exhibit No..

13 MR. FORDYCE: For -- oh 15 35.

14 MR. STEIN: Did you label it.

15 MR. FORDYCE: Yeah.

16 MR. STEIN: Can we hand that out.

17 MR. FORDYCE: I have one for the witness.

18 MR. STEIN: And let me pull it up only with the  
19 cover on.

20 THE COURT: Let me take a look at it first, wait a  
21 minute, Mr. Stein hold on to it, don't give it to her yet.

22 MR. STEIN: Very good.

23 THE COURT: Let me look at it. Why is this  
24 redacted.

25 MR. STEIN: It was redacted by Sheppard, Mullin  
26 and you can see their number at the bottom of it.

27 THE COURT: Ah, all right. Still I'm wondering  
28 judge it was redacted.

1 MS. IBARRA: I don't know Your Honor.

2 MR. STEIN: I would have love to ask Mr. McShane,  
3 we felt we had it we had copied the wrong document into its  
4 place.

5 THE COURT: Is she on -- oh she's on the bottom  
6 e-mail.

7 MS. IBARRA: Yeah she's not the top this is purely  
8 Sheppard, Mullin.

9 THE COURT: She's not at the top e-mail.

10 MS. IBARRA: She's had not even referenced in the  
11 top.

12 THE COURT: Well there's a cc to her, right.

13 MR. STEIN: That's correct.

14 THE COURT: [SREURPL] Carmelo.

15 MS. IBARRA: Not at the top Your Honor.

16 THE COURT: Not at the top, true.

17 MR. STEIN: But the top is also redacted Your  
18 Honor.

19 THE COURT: Why is there something attached.

20 MR. STEIN: The attachment it should only be one  
21 page.

22 THE COURT: Okay.

23 MR. STEIN: If you just rip off the back page.

24 MS. IBARRA: Because this is McShane deposition so  
25 there's no relevance to this.

26 MR. STEIN: Yeah we said for one page is all we  
27 want. So --.

28 THE COURT: Well wait a minute, let me read the

1 bottom. Orange so -- you can ask her about the portion  
2 that she's a signator on or copied on but the top part  
3 first of all it's redacted, second of all she's not on it.

4 MR. STEIN: So let me ask a general question  
5 without referring to the exhibit.

6 THE COURT: Okay.

7 MR. STEIN:

8 Q. Was the purpose of buying 20,000 in postage and  
9 \$135,270.44 paid up front for PR events for events  
10 **[do not|done]** later to avoid attachment proceedings from  
11 the lawsuit between GT Tribe and Mr. Stein?

12 A. No.

13 Q. What was the purpose?

14 A. The purpose was to set the tribe bark on I was  
15 feet and start moving ahead and we had determined what  
16 things would -- assistance to those goals and the payments  
17 were made.

18 Q. So it had nothing to do with the question as to  
19 whether the tribe should try to move the account for a  
20 different bank in order to slow the anticipated attachment  
21 proceedings that Stein is likely to bring?

22 A. At this time I was unaware of any proceedings by  
23 Stein other than what we had begun really initiated the  
24 suit on November I think second or third to try to  
25 retain -- to try to retrieve our membership records, there  
26 was no other proceedings that I was aware of.

27 Q. And you do understand that the tribe has waived  
28 its attorney-client privilege with Mr. McShane and

1 therefore, I can ask about things that you talked about to  
2 Mr. McShane?

3 A. I'm not aware of that.

4 Q. Can we make her aware of that Your Honor.

5 THE COURT: Well I don't know if that's happened,  
6 has that happened, I don't know.

7 MS. IBARRA: I think it was probably done in Mr.  
8 [SHA\*EUPBZ] case -- well Sheppard, Mullin's case with Mr.  
9 Stein in order for them to defend, I'm not sure that it's  
10 done in this part of the case, Sheppard, Mullin settled in  
11 2011.

12 THE COURT: Yeah I don't remember.

13 MR. STEIN: Well Your Honor.

14 THE COURT: Talking about that I don't think --.

15 MR. STEIN: If there is no -- if there is no  
16 attorney-client waiver then we would like a nonsuit on the  
17 malpractice action.

18 THE COURT: What did you see her conversations  
19 with McShane have to do with whether you were acting as  
20 their attorney or not.

21 MR. STEIN: The --.

22 THE COURT: So I don't understand why you need to  
23 get into her attorney-client conversations. If you  
24 [WAOUPBT] to brief it to me as to why you think there is a  
25 waiver or whether there has been a waiver, there has [-PT]  
26 been any express waiver, right, nothing in writing.

27 MS. IBARRA: Not that --.

28 MR. STEIN: There was a representation in open

1 court on the record Your Honor (Ditto).

2 THE COURT: I don't recall Mr. McShane saying  
3 that.

4 MR. STEIN: It was not Mr. McShane, it was the  
5 tribe in agreement that they would not get a nonsuit on the  
6 malpractice action and that's why -- is it is he gallon.

7 MR. FORDYCE: I have it.

8 MR. STEIN: Of the defense.

9 MR. FORDYCE: Yeah I have it right here.

10 MR. STEIN: And there was a waiver in open court  
11 and the court was ready to nonsuit them if they did not  
12 make a waiver they made the attorney/client --.

13 THE COURT: Who was going to nonsuit.

14 MR. STEIN: We threatened a nonsuit.

15 THE COURT: Are you talking about this in this  
16 court.

17 MS. IBARRA: This is about Rae Lamothe, so the  
18 court made clear we need to waive as to Rae Lamothe as to  
19 Mr. McShane it's different.

20 MR. STEIN: And as to Jim McShane, before he  
21 started testimony. It's on the record it's on the record.

22 THE COURT: You can find it and if it's there with  
23 respect to McShane and the tribe.

24 MR. STEIN: And she can come back tomorrow so we  
25 can have her tomorrow to establish this.

26 THE COURT: Zero no this should have been raised a  
27 long time if you're going to get into something called a  
28 attorney-client privilege waiver had you need to raise that



1 ahead of time and.

2 MR. STEIN: We did we did as to Mr. McShane.

3 THE COURT: And I don't recall.

4 MS. IBARRA: I only recall it as to Ms. Rae  
5 Lamothe because we've had a lot of conversation about that.

6 THE COURT: Or Aronson, who was I've tribal  
7 counsel.

8 MR. STEIN: Or McShane, who was testifying here.

9 THE COURT: Well, you didn't ask him about the  
10 attorney-client waiver.

11 MR. STEIN: Well, is there no attorney-client  
12 waiver as to Sheppard, Mullin.

13 THE COURT: Well, I don't know if there was one.

14 MR. STEIN: I'd like to hear from opposing counsel  
15 is there no attorney-client waiver as to Sheppard, Mullin,  
16 I'd like to hear that on the record.

17 THE COURT: I would like to see some briefing on  
18 it before it's done so --

19 MR. STEIN: Yes, that's fine. And I'd like hear  
20 on the record that's the case so we can have a nonsuit on  
21 it.

22 THE COURT: I don't know, is there a waiver?

23 MS. IBARRA: I don't recall that we've -- that  
24 that has come back of about, it's come up with Rae Lamothe  
25 and it's come up with Liz Aronson I don't recall if I've  
26 made that and I actually need to talk to my client about  
27 that. I don't recall that it came up when we interviewed  
28 Mr. McShane.

1 MR. STEIN: So is it clear to the court that there  
2 is no waiver of the attorney-client privilege between  
3 Sheppard, Mullin and GT Tribe.

4 THE COURT: That's what I'm hearing.

5 MR. STEIN: Thank you Your Honor.

6 THE COURT: So if you can find it, then no  
7 problem.

8 MR. STEIN: Your Honor I am delighted to hear that  
9 there is no waiver. I am delighted to hear that there is  
10 no waiver of the attorney-client relationship.

11 MS. IBARRA: Your Honor can we have that  
12 conversation without the witness here so that I can  
13 understand what Mr. Stein needs.

14 MR. STEIN: Your Honor I've already heard, there's  
15 no waiver of the attorney-client privilege regarding  
16 Sheppard, Mullin and GT Tribe for the purposes of  
17 individual Carmelo's testimony or any other purpose that's  
18 what I needed to here.

19 THE COURT: Well my point is that if they're not  
20 waiving, what is the relevance of those conversations.

21 MR. STEIN: The relevance of this conversation --

22 THE COURT: Yes.

23 MR. STEIN: -- is whether or not these  
24 expenditures were done in the words of Mr. McShane so the  
25 tribe should try to move the account to a different bank in  
26 order to slow the anticipated attachment proceedings that  
27 Stein is likely to bring and which in fact were brought and  
28 a writ of attachment was in fact issued.

1 MS. IBARRA: So sounds like that was within the  
2 scope of what was already waived for the Sheppard, Mullin  
3 to make its defense in the proceedings brought by Mr. Stein  
4 against Sheppard, Mullin because these incidents were you  
5 know.

6 THE COURT: Explored.

7 MS. IBARRA: They were at issue and they were  
8 explored so --.

9 THE COURT: In the other trial.

10 MS. IBARRA: In the -- but there was no trial but  
11 there was substantial pretrial provide [-GZ] include not  
12 motion for summary judgment and so it sounds like it was  
13 waived in that context but the client to Sheppard, Mullin.  
14 If --.

15 THE COURT: This should have been addressed  
16 earlier, you had Mr. McShane here, you didn't ask Mr.  
17 McShane did Virginia Carmelo tell to you move money, you  
18 didn't ask him that when he was here.

19 MR. STEIN: [WURPB] we Your Honor we tried to we  
20 looked for exhibit, we identified the exhibit, it turned  
21 out we didn't other.

22 THE COURT: Huh didn't knee the document to ask  
23 him.

24 MR. STEIN: And the court [do not|done] re [KA]  
25 I'm very heap [AOE] to receives if is there I a wore.

26 THE COURT: [HREFTS] put it that way you have  
27 didn't need the document to ask him the question but it  
28 wasn't explored with him so I don't understand why we're

1 going down this [ROUFT] why as the witness has testifying h  
2 has driven I don't know out from miles and miles, where is  
3 she coming from.

4 MS. IBARRA: Orange County.

5 A. Anaheim.

6 THE COURT: Oh okay that's not as that that bad  
7 it's not as bad adds Dunlap right.

8 MS. IBARRA: Temecula.

9 MR. STEIN: Your Honor we had a waiver on the  
10 record I thought I'm happy if there is no waiver, I in  
11 understanding there's [TPHOEU] waiver as of right Nye.

12 THE COURT: [KWREUTZ] hear a waiver.

13 MR. STEIN: So there's a waiver as Sheppard,  
14 Mullin and GT Tribe in the [TPH\*] [THOED] [PWROELD].

15 MR. STEIN: .

16 THE COURT: I didn't hear it if you have want to.

17 MR. STEIN: No no I'm happy let's move on Ms.  
18 Carmelo.

19 THE COURT: All right let's move on.

20 MS. IBARRA: If we can all right.

21 Q. BY MR. STEIN: If we can move on Ms. Carmelo, if  
22 we add these things together -- Ms. Carmelo.

23 THE COURT: You can talk to your client together.

24 Q. BY MR. STEIN: [KWEBG] add these matters together.  
25 So let's add, we have 44, we have 9, and I'll ask maybe  
26 Niall to double check my math on a calculator on your phone  
27 or something, we had 350 plus 100 would be 450 and another  
28 100 would be 550, another 150 would be six 50 and seven and

1 one 17 would be 8/17 and 10 would be eight 27 and 20 would  
2 be eight 47 and 135 would be nine 47 and '97 seven. So  
3 this looks like '99 9,000; is that correct Niall.

4 MR. FORDYCE: I keep my phone turned off in court  
5 and I don't know where the calculator is but I'm very  
6 confidential it's correct so I can do it correct quickly.

7 THE COURT: You know what it's three 10 so maybe  
8 we could take a break.

9 MR. STEIN: That would be great.

10 THE COURT: And you can check h maybe talk to Mr.  
11 McShane and your client and find out what the status.

12 MS. IBARRA: Okay, thank you.

13 THE COURT: Thank you I'll give you 15.

14 (Break taken.) 03:07 PM to 03:30 PM.

15 THE COURT: All right Ms. Carmelo come up please?

16 A. Thank you.

17 MS. IBARRA: So can I state what the --.

18 THE COURT: Let me call the case,

19 Gabrielino-Tongva Tribe versus Stein, PC 36 one 307. What  
20 did you want to stay.

21 MS. IBARRA: Oh so I speak -- I spoke to Sheppard,  
22 Mullin, their recollection off the top of their head was it  
23 was waived but they would need to do some research because  
24 the documents are in storage to figure out if it had been  
25 but that's my recollection as well, that's their  
26 recollection but it's not something that we're going to do  
27 lightly either.

28 THE COURT: That you're what.

1 MS. IBARRA: Is that we're going to do height Lee,  
2 it's both their recollection, my recollection is that it  
3 was [WAEUFTD].

4 THE COURT: Well when they were sued, they were  
5 sued in connection with this -- with this same set of  
6 facts.

7 MS. IBARRA: Yes which is why there's a strong  
8 inference.

9 THE COURT: Probably likely there was one then.

10 MR. STEIN: Well Your Honor all I want to know  
11 then is on the record we have no waiver of the  
12 attorney-client privilege for Sheppard, Mullin.

13 THE COURT: Why doubt want that on the record.

14 MR. STEIN: Because under California law that  
15 means that this court must grant a nonsuit on the  
16 malpractice cause of action in that Mr. Stein condition  
17 defend himself.

18 THE COURT: No that is when the attorney and the  
19 plaintiff are the client and the attorney are in an action  
20 and the client won't waive the attorney-client privilege,  
21 in other words if your client was suing you and says well  
22 I'm not going to waive any attorney-client privilege I have  
23 with the attorney, you have can't do that because then it  
24 puts the attorney in a bind he can't defend himself unless  
25 had he brings in the statement so that's an entirety  
26 different situation than we're doing now but my point is  
27 that if it's been waived somewhere else in connection with  
28 the same facts, then it's public communication already so

1 there's been disclosure.

2 MS. IBARRA: Yes Your Honor and most of the  
3 e-mails that I've seen, I've never seen a redacted e-mail  
4 from Sheppard, Mullin.

5 THE COURT: Well that's not in evidence so --.

6 MS. IBARRA: -- I mean I've seen a lot of  
7 communications between the [PA\*ETS] and Sheppard, Mullin  
8 that were turned over during the course of discovery early  
9 on in this case and you know they've -- it doesn't seem  
10 like there was any preservation of the privilege with  
11 regards to these facts, they were always waived, that's how  
12 they were able -- that's how Sheppard, Mullin was able to  
13 defend themselves.

14 THE COURT: Right in that other action.

15 MS. IBARRA: (Ditto).

16 THE COURT: But my point is that if there was a  
17 waiver in that action there's been disclosure to third  
18 parties obviously.

19 MS. IBARRA: Yes.

20 THE COURT: And so there would be no reason to try  
21 to assert --.

22 MS. IBARRA: And not just third parties but Mr.  
23 Stein.

24 THE COURT: Right but --.

25 MS. IBARRA: So there's no reason to try to -- and  
26 [KWRA\*S] I can't see, I was just discuss that long with my  
27 client whether there would be any prejudice to preserving  
28 the privilege for fees underlying facts, even [PREPLG] to

1 [SHEP] who's already settled, no I don't see any reason to  
2 preserve the privilege for it, no. So Mr. -- I'm not  
3 saying that we haven't waived it, it seems to me that we  
4 waived it a long time ago before I was counsel of order.

5 MR. STEIN: Your Honor do I treat it as been  
6 waived or do I treat it as not being waived, it may be that  
7 there's a small possibility, I mean the court certainly as  
8 a good grasp of law.

9 THE COURT: Right.

10 MR. STEIN: As is involved in these proceedings  
11 but it may be that an appellate court might did I say a-  
12 [TKPWRAE] that the calves law of the Sulzer [HREPB] cases  
13 is a little broader.

14 THE COURT: Well brief t brief it to the court and  
15 we'll just preserve it for now by [PWROEF] it to the court  
16 and if you need to bring her back because it's material  
17 then we can readvise at this time so let's just do that for  
18 now.

19 MR. STEIN: But for now there's no waiver for  
20 purpose much [THRAOEUL] now.

21 THE COURT: Right, for now.

22 MR. STEIN: Very good Your Honor. And may I  
23 continue now with the witness.

24 THE COURT: Right, yes.

25 MR. STEIN: Very good.

26 Q. BY MR. STEIN: Ms. Carmelo I'm going to point you  
27 to Exhibit 6 44, the Libra agreement and in particular, the  
28 budget Exhibit E which we've seen before, may I put is it



1 up on the --.

2 THE COURT: What's the number again.

3 MR. STEIN: 644 and it's Page 9 27, Bates stamp  
4 Page 9 27 it's Exhibit E the budget.

5 THE COURT: Oh yes I remember that.

6 MR. STEIN: May I put it up on the board.

7 THE COURT: Yes you may.

8 MR. STEIN: Thank you Your Honor.

9 MR. STEIN:

10 Q. Now is it your recollection that this exhibit E,  
11 [HREL] let me show you that this is Exhibit E, that that is  
12 the budget agreed to by the investors to use for their  
13 first reimbursement of two point \$15,000,000?

14 A. Yes.

15 Q. And is it your understanding that the investors  
16 had no obligation to go past two point \$15,000,000?

17 A. Yes.

18 Q. Okay. Is annex penned tour of \$350,000 for  
19 Sheppard, Mullin included in any of these items?

20 A. I don't believe so.

21 Q. We'll just go through and is it is the expenditure  
22 for Velie & Velie in writing a new constitution included in  
23 any of those items?

24 A. No.

25 Q. And annex pep tour for 104 thousand dollars for  
26 Mr. Polanco included in any of those items?

27 A. One of the items is for CEO which Mr. Polanco was  
28 filling that capacity at that time.

1 Q. And what item is for CEO? Let me pull up a little  
2 bit here.

3 THE COURT: Well you can't see the entire document  
4 on that. Why don't you --.

5 A. It would be right there tribal administration, S M  
6 -- S M.D. fees 10 MO S times 50,000, 500,000.

7 Q. Wasn't SMDC owed those fees already?

8 A. No.

9 Q. You didn't owe SMDC at least Five up thousand  
10 dollars?

11 A. This money in that budget was for May 20th going  
12 forward.

13 Q. And Marilyn Barrett for 150,000, that is in the  
14 budget for 130,000, let me go down there, Marilyn Barrett?

15 A. Okay, Yes, I believe so.

16 Q. I see. And below Marilyn Barrett Indian law  
17 counsel that is Judy Shapiro oh in Washington, D.C.?

18 A. It may have been.

19 Q. And Mr. Stein was not doing Indian work as legal  
20 counsel for the tribe on the Libra transaction.

21 THE COURT: Is that correct.

22 MR. STEIN: That's correct?

23 A. On the Libra transaction? I would say no.

24 Q. BY MR. STEIN: And tribal PR events of \$135,270.44  
25 is not in this budget?

26 A. I think membership was in the budget somewhere.

27 Q. Member meeting?

28 A. Meetings, yes.

1 Q. And let's find that. Would that be office  
2 overhead? Because I don't see it anywhere else?

3 A. There's one that says member meeting October 6.

4 Q. Yes. \$4,000. So you spent \$135,000 on a \$4,000  
5 budget item?

6 A. The budget had changed, that's not a correct  
7 statement because the budget had changed by then.

8 Q. Why do you see the budget has changed?

9 A. It did change.

10 Q. Do you have any written budget other than this  
11 one?

12 A. Well the expenditures are listed as -- from the  
13 previous document that we looked at so that's the changed  
14 budget.

15 Q. What is the changed budget, this is?

16 A. No.

17 Q. What is the changed budget.

18 A. The expenditures.

19 Q. The expenditures but it was never in writing  
20 anywhere?

21 A. I would think that it would be.

22 Q. Did you bring it with you?

23 A. No.

24 Q. Did you give it to your attorneys?

25 A. No.

26 Q. Because if he finished their case and they never  
27 introduced anything like that into evidence does that  
28 change your testimony?

1           A.    No.

2           THE COURT:  Well assume -- you have to ask --  
3  assume they didn't put something like that into evidence,  
4  you have to ask her in hypothetical, because you're not  
5  testifying so you need to ask her in a different fashion.

6           MR. STEIN:  Thank you Your Honor and the court is  
7  correct, of course.

8           Q.    BY MR. STEIN:  Would it change your testimony if  
9  you knew that no changed budget was ever adopted?

10          A.    What testimony, just about the budget?

11          Q.    Yeah that you're saying that there was a changed  
12  budget and I'm telling you that there wasn't.

13          THE COURT:  Well you can't do it that way, you're  
14  not testifying so you have to ask her assume there was  
15  nothing introduced or assume there was no testimony.

16          Q.    BY MR. STEIN:  Assume there is no testimony or any  
17  document in evidence of a changed budget, would that change  
18  your testimony?

19          A.    Well that's very confusing, [AOEULT] not -- I'm  
20  not straight on what your question is.

21          THE COURT:  He just wants you to assume, in other  
22  words assume that it's true that there is no document that  
23  was introduced in the trial or any testimony in the trial  
24  of the revised budget or a changed budget?

25          A.    Oh all right.

26          THE COURT:  So just accept that as a fact and then  
27  he's going to ask you his question?

28          A.    Okay.

1 Q. BY MR. STEIN: And the question is does that  
2 change your testimony that the new matters were in a  
3 revised budget?

4 A. No that doesn't change my testimony, the new  
5 matters were in the revised budget.

6 Q. I see. And how was the revised budget adopted?

7 A. I would -- thinking back, since the funds needed  
8 to be approved by the tribal council and that was our  
9 manner of procedure, I would think that it was a- adopted  
10 and approved in the tribal council meeting.

11 Q. So the tribal council approved the new budget is  
12 that correct?

13 A. I'm thinking that that's what would have  
14 happened.

15 Q. But not Libra -- not Libra?

16 A. In our conversations with Libra, they indicated  
17 that the tribal council was in -- that the funds were for  
18 the tribal council's use to determine how they would be  
19 used and that's why we proceeded forth.

20 Q. Oh very good. And we have added up these amounts  
21 to '99 zero thousand dollars, the first total was '99 nine.  
22 Is it your understanding that at least 898,000 and up to  
23 990,000 was available for the GT Tribe tribal council's use  
24 no matter what else Mr. Stein or SMDC did wrong?

25 A. I do remember the amount of 898,000.

26 Q. And it was available to the tribal council's use  
27 for these purposes?

28 A. Yes.

1 Q. So is it accurate to say that whatever else Stein  
2 or SMDC did wrong, the full \$898,000 was available and used  
3 by GT Tribe?

4 A. Yes I think that's accurate.

5 Q. Let's talk about member records.

6 THE COURT: You're kind of going over old grounds  
7 Mr. Stein, I realize this is your case but I've heard some  
8 of this before.

9 MR. STEIN: Absolutely why we're going to take a  
10 different approach.

11 Q. You filed a lawsuit to get the member records back  
12 from SMDC and Mr. Stein is that correct?

13 A. Correct.

14 Q. Was it your understanding that those member  
15 records were the property of individuals, each individual  
16 owned his own member record?

17 A. At that point in time we had spent months  
18 collecting information from members and they were in files.  
19 At that point in time we were requesting that the  
20 individuals request their own information back to go to  
21 them. We were also with the suit requesting that those  
22 files be returns to us.

23 Q. But the member records belonged to individuals,  
24 correct?

25 A. Not at that point. Initially they were  
26 volunteered adds we requested by the [PHEPLD] but we you  
27 know let them know that we would be using them for the  
28 purposes of the tribes goals so we understood that they

1 were copies for the tribe -- for the tribe and the tribal  
2 council use.

3 Q. So you don't believe that the member records  
4 blocked to individuals and yet you had those same  
5 individuals request their member records back from the  
6 financial oversight committee using blue cards?

7 A. At a later Dave we did request that. At the point  
8 when we were trying to get them back before November 3rd,  
9 on November 3rd, we believed them and still do them to be  
10 part of the tribal council's property that were stored at  
11 those law offices.

12 Q. So were the blue cards sort of a fraud?

13 A. I don't think so.

14 Q. Well wait a second, you said the blue cards was  
15 the individual member asking for his membership records.  
16 Are you saying in fact you didn't believe that membership  
17 record blocked to him you just wanted him to ask for it as  
18 if it was his so he could get it?

19 A. No. At that point in time that member, let's say  
20 one individual member had already given us their new  
21 information and we wanted their original information that  
22 was lost to us at your law office to be returned to them.

23 Q. Can we get a member card number for the exhibit,  
24 Niall.

25 MR. FORDYCE: Yep.

26 MR. STEIN: A blue card.

27 THE COURT: I've seen the blue cards do we need to  
28 see them again.

1 MR. STEIN: We need to read them, 508.

2 MR. FORDYCE: 508.

3 Q. BY MR. STEIN: Okay. This says -- and this was  
4 typed out by GT Tribe photographer [A\*EFP] member, right,  
5 and then you distributed to the members to fill out and  
6 sign?

7 A. The initial ones, yes.

8 Q. I demand you return all my member records, doesn't  
9 it look like that means it's a private members records, an  
10 individual that demanding his private property back?

11 A. They were -- the first cards that were sent out  
12 were for that individual member to request and demand that  
13 their own tribal records be returned to us at the new  
14 office on terminal street.

15 Q. And that's why it says I demand you return all my  
16 member records?

17 A. Yes.

18 Q. So you don't think that -- you still think that he  
19 is making a demand for his member records as if it's his  
20 property usurp but you're saying it wasn't his property it  
21 was [AULD] GT Tribe's property?

22 A. It was both, that information belongs that that  
23 member [SKP-RBGS] that information -- the fact that that  
24 person received the card [PHAEPBD] that they were in  
25 support of what we were doing and the fact that they filled  
26 it out to be returned to our tribe was the indication that  
27 they were -- and still in support of us and not in support  
28 of you Mr. Stein, that's why it's addressed to you.



1 Q. So you're saying that at one point in time the  
2 member records [do not|done] belong to individuals but at  
3 the point in time where the blue cards are sent they do  
4 believe to individual and the tribe both.

5 MS. IBARRA: Objection misstates her testimony.

6 THE COURT: Sustained.

7 MR. STEIN: That's correct.

8 THE COURT: Sustained.

9 MR. STEIN: You said yes both what do you mean by  
10 that.

11 THE COURT: No she doesn't have to answer the  
12 question I sustain the objection.

13 Q. BY MR. STEIN: What did you mean when you said yes  
14 both?

15 A. The information obviously belongs to the person  
16 who that information belongs to but once they initialize or  
17 agree to support, then -- that their information belongs to  
18 us then their information belongs to us it still belongs to  
19 them but as part of a tribe we need that information to  
20 proceed forward and they by giving us their information,  
21 they agree to allow us to use their information, the tribal  
22 information as a tribe. In other words huh can't function  
23 as a tribe with no tribal members information, that's  
24 ridiculous.

25 Q. So accurate to say yes both.

26 THE COURT: I think she answered the question  
27 counsel.

28 MR. STEIN: Very good.

1 THE COURT: The answer was yes, let's go keep  
2 asking the same questions.

3 MR. STEIN: Yep. Okay.

4 Q. Now, you said you brought the lawsuit to get the  
5 member records is that correct?

6 A. That was the initial goal, yes.

7 Q. Is there anything that you can recall as you sit  
8 here today that Mr. Stein or SMDC did wrong in 2001?

9 A. You want me to answer that for today or from my  
10 view as a new member in 2001?

11 Q. In 2001, did you think that Mr. Stein or SMDC did  
12 anything wrong?

13 A. I was unaware of a lot of information so I had  
14 nothing to base that kind of opinion on, I would say no.

15 Q. And in -- and you were happy to see Mr. Stein and  
16 SMDC spend money to forward the tribe in its efforts to get  
17 federal recognition on a casino in 2001; is that correct?

18 A. I have wouldn't say I was happy, I was really  
19 unaware of that.

20 Q. So then you were unhappy that Mr. Stein was  
21 spending his money on GT?

22 A. I was neither --.

23 MS. IBARRA: Objection.

24 THE COURT: Hold on.

25 MS. IBARRA: Misstates her testimony.

26 THE COURT: Yeah sustained, she didn't say she was  
27 unhappy she said she didn't know.

28 Q. BY MR. STEIN: Okay. But in 2001 there was

1 nothing that you could point to that SMDC did wrong?

2 A. Like I said, I would have very little information  
3 so I would say no.

4 Q. Okay. So I'll say no, little information. 2002  
5 is there anything that Mr. Stein or SMDC did wrong, that  
6 you thought was wrong in 2002?

7 A. I don't remember anything from that year.

8 Q. So would no be accurate.

9 MS. IBARRA: Objection misstates her testimony.

10 MR. STEIN: Would no be accurate.

11 THE COURT: Overruled?

12 A. I would say I don't remember anything from that  
13 year.

14 THE COURT: She does not remember.

15 MR. STEIN: Okay.

16 Q. BY MR. STEIN: But you don't remember anything  
17 that they did wrong in 2002, do you?

18 A. That's what I said, yes.

19 Q. And you don't remember anything that they did  
20 wrong in 2001, do you?

21 A. No.

22 Q. In 2003, do you remember anything that SMDC or  
23 Stein did wrong?

24 A. You know there was a lot going on and that's a lot  
25 to remember, a whole entire year.

26 Q. In 2003?

27 A. Yes. Any year, I mean there's just so much,  
28 there's so much --.

1 THE COURT: We're going to start setting some time  
2 limits on this testimony but what you did wrong in 2000 is  
3 just overbroad, I mean it's almost 4:00 o'clock so we'll  
4 bring her back but we're going to put some more time limits  
5 on some of the testimony Mr. Stein.

6 MR. STEIN: This is really the last -- the second  
7 to last topic.

8 THE COURT: I'm just saying some of the questions  
9 are just so overbroad, we'll be here --.

10 MR. STEIN: Very good.

11 Q. When the Libra money was raised, did that benefit  
12 the tribe?

13 A. Yes.

14 Q. And that was in May of 2006?

15 A. Yes.

16 Q. Was that a very large benefit in your mind?

17 A. In my opinion today, no.

18 Q. Why not?

19 A. It was a stepping stone to a much brought-er  
20 broader, to achieve a much broader goal.

21 Q. Had anybody raised any money for GT Tribe in your  
22 experience?

23 A. There had been some grants to the tribe  
24 previously, other factions of the tribe.

25 Q. To any faction that you were a part of?

26 A. No.

27 Q. And so no other money. And did anybody ever spend  
28 \$232,000 of their own money on the tribe?

1 A. Not that I know.

2 Q. Did anybody ever spend more than \$32,000 on the  
3 tribe that you can think of during your entire involvement  
4 with GT Tribe?

5 A. You know, your consideration for my involvement  
6 with GT Tribe is a little bit different than mine. Being  
7 porn [TPHRA] a tribe I've always been involved with it, I  
8 think you're talking from the period of 2001 when I came on  
9 board as a counsel member so I'll address that and I'll say  
10 no.

11 Q. And before 2001, do you know of anybody who spend  
12 even \$32,000 trying to get federal recognition GT Tribe or  
13 trying to get a casino for GT Tribe?

14 A. A casino, no. There had been some efforts and  
15 money spent on federal recognition, I don't know the  
16 amounts.

17 Q. What was done?

18 A. I don't know.

19 Q. You don't know?

20 A. No.

21 Q. So it could have been \$5,000 for all you know; is  
22 that correct?

23 A. It could have been.

24 Q. It could have been \$1,000 for all you know?

25 A. Uh-huh.

26 Q. So why do you say that in May 2006 you didn't  
27 think it was a big deal to bring in \$2,000,000 and to  
28 \$232,000 of SMDC's money that was never made back?

1 A. I didn't say it wasn't a big deal.

2 Q. Was it a big deal?

3 A. It -- it was -- yes, it was a different -- a  
4 change because it looked like, like I said, there were  
5 steps being taken towards our goal, towards the tribes  
6 goal.

7 Q. And were you happy that SMDC arranged the 2.15  
8 million in financing, were you happy to SMDC for doing  
9 that?

10 A. I was.

11 Q. And were you happy with SMDC for spending \$232,000  
12 of its own money that was never reimbursed.

13 MS. IBARRA: Objection facts not in evidence that  
14 it was that amount.

15 MR. STEIN: They are in evidence.

16 THE COURT: What amount.

17 MR. STEIN: They are in evidence 123450 of Mr.  
18 Stein's money.

19 THE COURT: Yeah I'm not sure if it was your Moehn  
20 [AOE] or somebody else's money or.

21 MR. STEIN: It was SMDC's -- SMDC's --.

22 Q. Were you happy with SMDC for spending \$232,000 for  
23 un reimbursed expenses on behalf of drive and it's casino  
24 project.

25 MS. IBARRA: Objection facts not in evidence that  
26 that money was spent on behalf of the tribe.

27 THE COURT: Yeah I mean the problem with it is  
28 there are no checks showing these expenditures I mean

1 you've been -- we have somebody who you know put something  
2 into Quickbooks but you know I'll sustain the objection,  
3 it's just --.

4 Q. BY MR. STEIN: Can we go to exhibit 57 two please,  
5 it's already in evidence so I'll put it up here. Is that  
6 okay do you want me to cover this up Your Honor or do you  
7 want me to pick this up tomorrow.

8 THE COURT: No is this the last one though.

9 MR. STEIN: No 57 two three four there are three  
10 demands and what was done to them.

11 MS. IBARRA: I'm going to object to relevance and  
12 also just asked and answered of all the witnesses and but  
13 that's fine. And redundant.

14 THE COURT: Yeah we're starting to get repetitive,  
15 I think what you already need is already in evidence, I  
16 think it's already in evidence through her. That's part of  
17 the problem, what is it that you have want to go over with  
18 her again.

19 MR. STEIN: The proffer of proof is Mr. Stein  
20 tried to avoid a lawsuit and they went ahead and filed  
21 first.

22 THE COURT: Yes I think that's clear what  
23 happened, Mr. McShane said it and I think they've admitted  
24 it and the proof -- I took judicial notice of when it was  
25 filed, you also have in evidence all of your letters prior  
26 to, I don't think we need to --.

27 MR. STEIN: Sure if we can get a stipulation  
28 that --.

1 THE COURT: With you don't need a stipulation it's  
2 already in evidence.

3 MR. STEIN: No further questions Your Honor.

4 THE CLERK: Nine 45.

5 THE COURT: Okay nine 45 tomorrow.

6 MS. IBARRA: Nine 45 are we continuing with this  
7 witness or.

8 THE COURT: Well do you need her for anything if  
9 you need her for something, if not she could be ex [KAOUTZ]  
10 [-DZ].

11 MS. IBARRA: I could just also bring her back for  
12 rebuttal if I need her.

13 THE COURT: It's up to you f you want to forgo  
14 cross you can for [TKPWO\*] go cross but yes you can bring  
15 her back in rebuttal if you need her but again make sure  
16 we're not repeating ourselves because if you're repeating  
17 yourself we're going to do the same thing.

18 MS. IBARRA: We had [PHRAPD] to have our expert  
19 tomorrow, continue the cross of Mr. Margolis.

20 THE COURT: Oh Mr. Margolis that's right he is --.

21 MR. STEIN: So I'm finished with Ms. Carmelo and.

22 THE COURT: So the question is what do you have.

23 MS. IBARRA: I have some more questions with Mr.  
24 Margolis -- I mean Ms. Carmelo about some of her testimony  
25 right now but I can wait to do that in rebuttal and just  
26 have her come back later so that we can finish Mr. Margolis  
27 and then do Mr. Stein and bring her back.

28 THE COURT: All right well then why don't we just



1 wait until your rebuttal then.

2 MR. STEIN: Your Honor and if we can talk about  
3 witness scheduling, I believe the witness could be excused  
4 if that was the Court's pleasure.

5 THE COURT: Well if you're ready let's talk about  
6 what we're doing [STORPL].

7 MR. STEIN: Once again the court mentioned  
8 something and I really just don't want to have the same  
9 thing that happened this morning and yesterday morning  
10 happen again, I just feel like --

11 THE COURT: Oh this is an issue that you raised  
12 that you want to talk about this afternoon. You can step  
13 down.

14 MR. STEIN: I just want to straighten things out.  
15 The court seems to be ready to blame me for a lot of stuff  
16 that I had I thought I had it all organized, I thought I  
17 had stated it, but I didn't do it well enough, so I'd like  
18 to take some time now to do it to the court's satisfaction.

19 THE COURT: Well I'm not sure what you're talking  
20 about Mr. Stein but --.

21 MR. STEIN: So tomorrow we would have Mr. Margolis  
22 on cross.

23 THE COURT: Right.

24 MR. STEIN: So that's left over from Plaintiffs  
25 case in chief, also left over from Plaintiffs case in chief  
26 is the cross-examination of Mr. Stein when called as a six  
27 witness. This court said once Mr. Stein takes the stand  
28 he's going to go straight through, I was wondering perhaps

1 whether Mr. Stein's cross-examination from the six could  
2 happen separately from his testimony.

3 THE COURT: Yeah, in your case you mean.

4 MR. STEIN: Yes.

5 THE COURT: Yes.

6 MR. STEIN: And we have it prepared as a separate  
7 section.

8 THE COURT: That's fine. So you're finish the  
9 cross and then you'll call yourself in your case, that's  
10 fine. What I didn't have want is you have wanted to call  
11 yourself like three different -- separate times and you  
12 can't do that.

13 MR. FORDYCE: Well Your Honor to be clear.

14 THE COURT: That was the problem but if you want  
15 to do it that I way I'm okay with that.

16 MR. FORDYCE: So if Mr. Stein is called tomorrow  
17 for his 776 cross, does that mean that the next witness in  
18 our case in chief has to be Mr. Stein, in other words.

19 THE COURT: No.

20 MR. FORDYCE: All right just making sure I  
21 understand very good.

22 THE COURT: No you can call Mr. Stein in your case  
23 when you have want, I just do -- see he was testifying in  
24 her case and cross did not finish.

25 MR. FORDYCE: Right.

26 THE COURT: You weren't finished with Mr. Stein  
27 there, if you have want to call Mr. Stein in your case,  
28 then you call him but what I'm saying is get out what you

1 need through Mr. Stein when you call him.

2 MR. FORDYCE: All in one case Your Honor.

3 THE COURT: Yeah I don't want you calling hill  
4 three leg counsel times in your case.

5 MR. STEIN: And we talked about pods and the court  
6 said what's a impacted.

7 THE COURT: Right.

8 MR. STEIN: Okay we have Margolis cross-examine,  
9 we have Stein cross-examine separate from testimony and  
10 case in chief, and then the [#E] thing we have is Rae  
11 Lamothe who would be available on Thursday.

12 THE COURT: Okay.

13 MR. STEIN: And then on Monday we have bill mills  
14 23 we can get to him, the next opportunity is Thursday.

15 MS. IBARRA: So nothing Friday.

16 MR. FORDYCE: Wouldn't it be.

17 MR. STEIN: Just with that in mind, Stein would be  
18 available for his direct testimony in his case in chief on  
19 Friday.

20 THE COURT: So tomorrow is Margolis, tomorrow is  
21 Wednesday or Thursday.

22 MR. FORDYCE: Wednesday.

23 MS. IBARRA: Wednesday.

24 THE COURT: Thank you I'm losing track.

25 MR. FORDYCE: I know the feeling Your Honor.

26 THE COURT: Okay Wednesday is Margolis and then  
27 the cross-examine of Stein on Wednesday, tomorrow.

28 MR. STEIN: Yes.

1 MR. FORDYCE: That sound good.

2 THE COURT: And then.

3 MR. STEIN: Rae Lamothe.

4 THE COURT: Lamp on Thursday.

5 MS. IBARRA: On Thursday.

6 MR. STEIN: And then when she finishes, Stein on  
7 direct.

8 THE COURT: Stein's own case.

9 MR. STEIN: (Ditto) and then that would continue  
10 into Friday.

11 THE COURT: Well hopefully it won't but --.

12 MR. STEIN: Well I think --.

13 THE COURT: I guess Lamothe will take a while, is  
14 that.

15 MR. FORDYCE: And also Your Honor I believe Mr.  
16 Stein has something to do on Thursday morning right so  
17 that's the ex parte.

18 THE COURT: True. Are you going to do your ex  
19 parte on Thursday morning?

20 MR. STEIN: Yeah, and how do you want to handle  
21 that, because if it's 8:15 sharp, it may be I could get  
22 back to 11:00 and I'm just not sure and I'd hate to  
23 inconvenience other party.

24 THE COURT: Well, you tell me what you want to do.  
25 If you get hung up then I understand.

26 MS. IBARRA: I'm downtown Your Honor so --

27 THE COURT: What?

28 MS. IBARRA: I'm downtown, Your Honor.

1 MR. STEIN: So would it please the court that Rae  
2 Lamothe start Thursday at 130 p.m. and if I'm available at  
3 11 then we would endeavor to make sure that Niall gets a  
4 hold of Delia gets a hold of clerks and say okay this is  
5 the estimated time for arrival and then given the Court's  
6 schedule, given Ms. Ibarra's schedule we'd get here as  
7 early as we can to continue Mr. Stein's cross-examination  
8 from Wednesday.

9 THE COURT: If it's still necessary.

10 MR. STEIN: In its still necessary, right.

11 THE COURT: Yeah okay we can do that. Let's do  
12 130 certain and you can do your ex parte in the morning,  
13 call us if it looks like you got done really early and  
14 maybe we can assemble and continue but 130 Lamothe is fine  
15 that way we'd be firm at 130.

16 MR. STEIN: And then the idea would be that no  
17 matter what both parties finish with her end of day  
18 Thursday so the time limits have to be set, set it equally  
19 for both parties.

20 THE COURT: Presumably we should be able to get  
21 done with Lamothe Thursday.

22 MS. IBARRA: Because we've covered so much already  
23 so I think so.

24 MR. STEIN: And that would give all day.

25 THE COURT: Did she testify already.

26 MS. IBARRA: No but we've covered a lot of stuff  
27 with just so many other witnesses that we've had.

28 THE COURT: It was Barrett right, Barrett

1 testified.

2 MR. FORDYCE: That was one Your Honor.

3 THE COURT: Okay.

4 MR. STEIN: And then on -- and Mr. Stein would  
5 have all day Friday which hopefully is enough to kill any  
6 horse.

7 THE COURT: Okay so then Monday is bill mills.

8 MR. FORDYCE: Yes correct Your Honor.

9 MR. STEIN: And then we would rest our case and  
10 there's one other topic but I believe Ms. Ibarra may want  
11 to introduce it.

12 MS. IBARRA: So I discussed this with Mr. Stein he  
13 thinks his witness -- his expert witness his ethics expert  
14 comes back on rebuttal and mine doesn't I think it's [#07S]  
15 because I bear the [PWHURDZ] on those claims, right so  
16 after he rests.

17 THE COURT: Right. On the [\*EBGTS] expert.

18 MS. IBARRA: Yes.

19 THE COURT: Yeah, there's no -- there's no  
20 surreply or surrebuttal, there's just -- you have a  
21 cross-complaint but it has nothing to do with those.

22 MR. STEIN: Your Honor our expert -- or expert is  
23 her expert in her case in chief.

24 THE COURT: Yes.

25 MR. STEIN: Our expert is rebuttal it's a [R\*EPT].

26 THE COURT: Well you're calling it rebuttal but  
27 it's in your case.

28 MR. STEIN: No, it's not in our case in chief, we

1 need no expert for our case in case.

2 MS. IBARRA: Buff it's his defense.

3 MR. STEIN: It's our defense to malpractice, it's  
4 our defense to breach of fiduciary duty.

5 THE COURT: Right it's your defense.

6 MR. STEIN: Right and it's in our difference to  
7 SMDC agreement is --.

8 THE COURT: But you're calling it [REFRB] but it's  
9 really in your defense you're just giving it a different  
10 name.

11 MR. STEIN: So in my understanding and I checked  
12 this with my expert who's testified for literally hundreds  
13 of times, they do not get a rebuttal -- a surreply to our  
14 rebuttal expert.

15 THE COURT: First of all yours is not a rebuttal  
16 expert it's your defense expert. She presents her expert  
17 in her case, you present your expert in your defense then  
18 if she wants to call her expert in rebuttal she can call  
19 her expert in rebuttal reason being is she carries the  
20 burden on that. It's simple, that's the way the trials are  
21 structured so there really isn't any -- what you're calling  
22 rebuttal is really your defense.

23 MR. STEIN: Very good.

24 THE COURT: You're miss naming it.

25 MR. FORDYCE: And Your Honor that rebuttal  
26 testimony is not limited in any way it's not just  
27 impeachment it is rebuttal on our case in chief opinion  
28 expert.

1 THE COURT: No what he's -- I think what Mr. Stein  
2 is trying to say is his expert can rebut what the  
3 Plaintiffs expert said during Plaintiffs case in [KHAO\*]  
4 chief.

5 MR. FORDYCE: Right.

6 THE COURT: Yeah absolutely heck do that.

7 MR. FORDYCE: Yes yes Your Honor [OEUPL] on the  
8 record erg [STHAOEUFPLT] [AOETS] just calling it rebuttal.

9 MR. FORDYCE: I think I'm all fours with the  
10 [courts|court's] terminology so in other words Plaintiffs  
11 rebuttal expert did not limited, in other words Plaintiffs  
12 rebuttal [R\*EPT] [TK-TS] Mr. Margolis it's the same expert  
13 can come back and opine as to Defendants experts opinions.

14 THE COURT: Opinions, right.

15 MR. FORDYCE: So it's not limited to impeachment  
16 it's not.

17 THE COURT: No that's rebuttal.

18 MR. STEIN: And that's what we wanted to clear up  
19 [-P] because it's my understand one expert testifies and  
20 another expert testifies and that's it what you're saying  
21 there's a [#E] leg.

22 THE COURT: Right plaintiff has rebuttal because  
23 plaintiff bears the burden so that's how it's structured.

24 MR. STEIN: Thank you Your Honor we thought it  
25 would be worthwhile clarifying rather than getting into a  
26 fight in the middle of egg.

27 THE COURT: When you said rebuttal [SKWRESZ] your  
28 expert during testimony can rebut what Plaintiffs expert



1 said in her -- in his direct testimony.

2 MR. FORDYCE: We have to necessarily have to.

3 THE COURT: Right he was sitting in here, right he  
4 was sitting in here listening to what.

5 MR. FORDYCE: And Your Honor the only way that  
6 we'd be entitled to anything beyond Plaintiffs rebuttal  
7 expert is if that testimony moves onto new areas not  
8 original Lee part of the designation.

9 THE COURT: Then you can raise that with me.

10 MR. STEIN: No part of the testimony, in other  
11 words if her testimony gets -- in rebuttal gets beyond --  
12 we would have a chance to bring Mr. Mills back if it's  
13 new -- if it's new testimony instead of just answering his  
14 testimony.

15 THE COURT: Well it shouldn't be but if nor should  
16 reason it is you have to ask the court to believe to have  
17 a [SUR] -- it would be a [SUR] re [H\*] rebuttal but it's not  
18 required that I give the the surrebuttal and there really  
19 shouldn't be anything quote new.

20 MS. IBARRA: Right.

21 MR. FORDYCE: Understood Your Honor.

22 THE COURT: Rebuttal is supposed to be limited to  
23 what was presented in the defense.

24 MS. IBARRA: Right.

25 THE COURT: So but sometimes things happen.

26 MS. IBARRA: And then last thing.

27 MR. STEIN: Absolutely thank you Your Honor for  
28 clarifying so we seek leave of court and the court in its

1 discretion makes its decision.

2 THE COURT: Right you'd have to tell me what it is  
3 you need to defense.

4 MR. STEIN: Very helpful.

5 MS. IBARRA: And just one last issue usurp because  
6 I was threat [EPBTD] with a nonsuit today about the issue  
7 are you still going to assert this if so then I want to  
8 submit something to the court and it can be with my -- I  
9 mean is that still an issue.

10 MR. STEIN: No no we do have.

11 MS. IBARRA: Because you dismissed.

12 MR. STEIN: We do have issues [TPOEUR] [TPHO\*PS]  
13 that would be the one thing I'd like to [SK-T] court it's  
14 getting a little late today but when how do we do a nonsuit  
15 can we do it on Tuesday.

16 THE COURT: Well nonsuit you can do -- well  
17 there's different times you can do the nonsuit but some of  
18 them have passed already so --.

19 MR. STEIN: That's what I'm asking if I'm -- if  
20 I'm part of Plaintiffs case in chief and I'm just giving  
21 any cross-examination, remember the court pointed this out  
22 itself saying hey you know your nonsuit motion when is it  
23 going to lap, we've got pieces all over the place so I'd  
24 like to kind of go back to that investigation just tore two  
25 or minutes right now because we would like to submit  
26 papers, we would like argument on certain nonsuit topics  
27 some have been revealed, some have not.

28 THE COURT: Well a nonsuit occurs -- you can make

1 a motion I believe for nonsuit after the opening statement,  
2 you can make a nonsuit I believe after the Plaintiffs.

3 MR. STEIN: Race rests.

4 THE COURT: Case is concluded, you can also make a  
5 motion at the close of evidence, I'm not sure what the name  
6 of it is, a directed verdict maybe, no directed verdict is  
7 after Plaintiffs case, I don't know what the name clay tour  
8 is, it's late in the afternoon.

9 MS. IBARRA: The reason I I ask is because Mr.  
10 Stein dismissed Ms. Carmelo so I assume he doesn't need her  
11 testimony so that the question as to whether there was a  
12 waiver with Sheppard, Mullin is not relevant any more, if  
13 it's going to be relevant then I I want an opportunity to  
14 discuss it with Ms. Carmelo and actually you know the issue  
15 of waiver is not with Ms. Carmelo any more because she's  
16 not the tribal share, she's not on the tribal council so  
17 she's not -- she doesn't hold the privilege any more so  
18 whatever she said on the stand is not binding on my client  
19 and I want to make sure that I have it clear with them that  
20 there --.

21 THE COURT: Let's put it this way: I said that if  
22 we're going to have a discussion about it any more I have  
23 to have a motion in front of me.

24 MS. IBARRA: Objection.

25 THE COURT: So he's [HAEB]-g a nonsuit or he may  
26 make a nonsuit based on.

27 MR. STEIN: And when is the question.

28 MS. IBARRA: But if he dismisses Carmelo then that

1 testimony is not at issue any more.

2 THE COURT: I don't know what it will be my point  
3 is if he makes a motion for nonsuit in he wants to cite  
4 something about the attorney-client privilege not being  
5 waived then let him put it in writing like he wants to do  
6 and bring forth the authorities that support his position,  
7 I'll consider it at that time, you can file an opposition,  
8 I mean it's just --.

9 MS. IBARRA: I want to -- so for that reason, I  
10 want to preserve the right to bring back Ms. Carmelo and if  
11 my client waives the privilege with Sheppard, Mullin.

12 THE COURT: You have already waived.

13 MR. STEIN: Once again, she's had the tribal  
14 chairwoman sitting here helping er all day long this day  
15 and other days as well so -- and we established on the  
16 record what we established on the record, and if it's good  
17 enough for a nonsuit, it's good enough and if it doesn't  
18 the record shows what's there.

19 THE COURT: Well I told you what the problem was I  
20 think you might have the authorities a little bit backwards  
21 but.

22 MR. STEIN: That's exactly right.

23 THE COURT: But once you do the research you'll  
24 figure it out, is that something, maybe the judge was  
25 right, maybe the judge was wrong but.

26 MR. STEIN: But we think he have nonresponsive  
27 [OPBS] other points.

28 THE COURT: And that's fine.

1 MR. STEIN: Like [KWRAOEUZ] [PROEFS] of the  
2 confidence here anywhere and maybe we can whittle down some  
3 of the causes of action we're not trying to throw  
4 everything out but there are some [KA\*U] [-Z] that we  
5 believe the attorney-client [KA\*USZ] can be thrown out on  
6 several grounds.

7 THE COURT: All right then bring your notion when  
8 you can but bring it in writing if you do it orally it will  
9 be on the Nye.

10 MR. STEIN: Monday morning [SA\*] would be a good  
11 time to bring it. (Ditto).

12 THE COURT: All right. So tomorrow then 9:45.

13 MR. STEIN: Thank you Your Honor thank you for  
14 extra guidance.

15 THE COURT: Thank you.

16 MS. IBARRA: Thank you.

17 MR. STEIN: The court has great Stout. 04:16 PM.d  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28