



BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS:

JEFF HATCH-MILLER, Chairman
WILLIAM A. MUNDELL
MARC SPITZER
MIKE GLEASON
KRISTIN K. MAYES

In the matter of:

YUCATAN RESORTS, INC., d/b/a
YUCATAN RESORTS, S.A.,
3222 Mishawaka Avenue
South Bend, IN 46615;
P. O. Box 2661
South Bend, IN 46680;
Av. Coba #82 Lote 10, 3er. Piso
Cancun, Q. Roo
Mexico C.P. 77500

RESORT HOLDINGS INTERNATIONAL,
INC. d/b/a
RESORT HOLDINGS INTERNATIONAL,
S.A.,
3222 Mishawaka Avenue
South Bend, IN 46615;
P. O. Box 2661
South Bend, IN 46680;
Av. Coba #82 Lote 10, 3er. Piso
Cancun, Q. Roo
Mexico C.P. 77500

WORLD PHANTASY TOURS, INC.
a/k/a MAJESTY TRAVEL
a/k/a VIAJES MAJESTY
Calle Eusebio A. Morales
Edificio Atlantida, P Baja
APDO, 8301 Zona 7 Panama

MICHAEL E. KELLY and LORI KELLY,
husband and wife,
3222 Mishawaka Avenue
South Bend, IN 46615;
P. O. Box 2661
South Bend, IN 46680;

Respondents.

DOCKET NO. S-03539A-03-0000

**RESPONDENTS' JOINT MOTION TO
PRECLUDE THE TESTIMONY OF
MARCIA TAPLIN, AND PRECLUDE
ALL EXHIBITS RELATED THERETO,
OR IN THE ALTERNATIVE, TO
COMPEL PRODUCTION OF
DOCUMENTS AND STAY THE
HEARING**

(Assigned to Administrative Law Judge
Marc E. Stern)

AZ CORP COMMISSION
DOCUMENT CONTROL

2005 SEP 19 A 8:55

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NOW COME the Respondents, Resort Holdings International, Inc. ("RHI Inc."), Resort Holdings International, S.A. ("RHI S.A."), Yucatan Resorts, Inc. ("Yucatan Inc."), Yucatan

1 Resorts, S.A. ("Yucatan S.A." or, collectively, "Respondent Entities"), and Michael E. Kelly
2 ("Kelly") (collectively, the "Respondents") and file this, their Joint Motion to Preclude the
3 Testimony of Marcia Taplin and Exhibits Related Thereto, or in the Alternative, to Compel
4 Production of Documents and Stay Hearing. In support thereof, Respondents would respectfully
5 show the following:

6 I.

7 INTRODUCTORY STATEMENT

8 The purpose of this Motion is to preclude the testimony of the Securities Division proffered
9 "expert" witness, Marcia Taplin, and all exhibits prepared by Ms. Taplin and/or about which
10 Ms. Taplin is being called to testify. With all due respect to Ms. Taplin, she does not qualify as an
11 expert witness. The witness lacks the knowledge and experience to qualify as an expert witness
12 and, therefore, her testimony at the Hearing in this case should be precluded. Further, all exhibits
13 about which Ms. Taplin is being called to testify and/or that were prepared by Ms. Taplin should
14 be precluded from being admitted.

15 Even assuming that Ms. Taplin could be qualified as an expert witness, which she cannot,
16 she was completely unprepared at her deposition, scheduled just one week prior to the continuation
17 of the hearing in this case, to opine on any relevant aspect of the case. Repeatedly during
18 Ms. Taplin's deposition, she responded that either she had not yet formed an opinion on a specific
19 issue and/or had not discussed the opinion or testimony with counsel for the Securities Division
20 and, therefore, was not prepared to opine.¹ This lack of preparedness is inexcusable, and operates
21 an extreme and irreparable prejudice on the Respondents. Simply put, the Respondents still have
22 not been afforded the opportunity to test the witness on her opinions.

23 Additionally, the Securities Division has refused to produce documents and information
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26 ¹ See Deposition Transcript of Marcia Taplin ("Transcript"), dated September 12, 2005, which is attached hereto as
27 Exhibit "A," at, *inter alia*, p. 28, line 11 through p. 29 line 28; p. 101, lines 21-24; p. 111, lines 14-17; p 114, lines
9-13; p. 115, lines 13-15.

1 that Ms. Taplin reviewed and considered in forming her opinions.² Indeed, at Ms. Taplin's
2 deposition, Respondents repeatedly called for the production of documents and information that
3 Ms. Taplin testified she reviewed and relied on in this case. The Securities Division's attorney
4 instructed Ms. Taplin not to answer certain questions, and refused to turn over the requested
5 records. By letter dated Wednesday, September 14, 2005, the Respondents demanded that these
6 records be produced—so that the Respondents can at least attempt to prepare for, and test,
7 Ms. Taplin's testimony at the Hearing.³ In a letter dated September 16, 2005, the Securities
8 Division again refused to produce documents reviewed and considered by their proffered expert in
9 forming opinions in this case.⁴

10 Finally, Ms. Taplin is a biased and interested witness in this case. She is an employee of
11 the Securities Division of the Arizona Corporation Commission. Further, she was assigned to be
12 part of the investigation in October of 2003. She is not a neutral. She is not independent. Because
13 Ms. Taplin lacks the requisite experience to assist the trier of fact in this case, and suffers from a
14 complete lack of independence, the witness must be precluded from testifying in this case, and any
15 and all exhibits prepared by Ms. Taplin should, likewise, be precluded from admission in this case.
16 In the alternative, the Administrative Law Judge should grant the Respondents' Motion to Compel
17 and stay this Hearing until such time as all documents reviewed by the purported expert have been
18 produced, and the Respondents afforded sufficient time to review the documents and re-depose the
19 witness.

20 II.

21 ARGUMENT

22 1. Ms. Taplin Cannot Be Qualified as an Expert Witness.

23 Arizona Rule of Evidence 702 provides:

24 ² A true and correct copy of the Respondents' Demand Letter is attached hereto as Exhibit "B." The documents
25 requested in the demand letter, and the bases for production of these documents are set forth in Exhibit B, and are
26 hereby incorporated herein by reference.; *see also* correspondence from Jaime Palfai to Respondents dated
27 September 16, 2005, which is attached hereto as Exhibit "C." Also, *see, inter alia*, p. 30, line 23 through p. 31, line
13.

³ *See* Exhibit B.

⁴ *See* Exhibit C.

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If scientific, technical, otherwise specialized knowledge will assist the trier of fact to understand the evidence or to determine a fact in issue, a witness **qualified** as an expert by knowledge, skill, experience, training, or education, may testify thereto in the form of opinion or otherwise.

See Arizona Rule of Evidence 702 (emphasis supplied). “While the determination of whether an expert witness is qualified to testify is normally within the discretion of the trial court, that determination is reversible if it is a clear abuse of discretion.” *Wood v. Stihl, Inc.*, 705 F.2d 1101 (9th Cir. 1983).

Ms. Taplin’s credentials and experience are insufficient to qualify her as an expert witness in this case. During her deposition, Ms. Taplin testified that she graduated with a bachelor’s degree in accounting from Arizona State University.⁵ Her resume reflects that she received this degree in May of 1996.⁶ Out of college, Ms. Taplin gained only one and one-half years experience as an “associate auditor” with Coopers & Lybrand, LLP—where she worked from June of 1996 until December of 1997.⁷ In January of 1998, Ms. Taplin elected to take a position with the Securities Division of the Arizona Corporation Commission, and in October of 1998, she was admitted as a Certified Public Accountant.⁸ She holds no other degrees, and no other certifications.

Ms. Taplin’s title with the Securities Division is “forensic accountant.”⁹ She does not know how many hours of study she has in the field of forensic accounting, but it is less than 500 hours, and she does not know if it is even 100 hours.¹⁰ Ms. Taplin testified that she received one year of apprentice training, under a Mr. John Fink, for her forensic accountant position with the Securities Division.¹¹ She could not recall what grade level she is—as a state employee.¹²

⁵ Transcript, dated September 12, 2005, at p. 5, lines 18-23.
⁶ A true and correct copy of Ms. Taplin’s resume is attached hereto as Exhibit “D.”
⁷ Transcript at p. 7, lines 8-13; *see also* Exhibit D.
⁸ *See* Exhibit D.
⁹ Transcript at p. 14, line 20 through p. 15, line 2.
¹⁰ *Id.* at p. 15, line 17 through p. 16, line 11.
¹¹ *Id.* at p. 16, lines 12-25.
¹² *Id.* at p. 24, lines 5-9.

1 Ms. Taplin testified that she had never given her deposition prior to the Monday,
2 September 12, 2005, deposition in this case.¹³ Further, she testified that she has been called as a
3 witness five (5) times—each time for the Arizona Corporation Commission.¹⁴ She recalled that
4 she was called twice as a witness in Arizona Superior Court cases,¹⁵ and was called to testify
5 before three grand juries—where she was not subject to any cross-examination.¹⁶

6 Importantly, especially in light of the fact that she was called as a witness in two Superior
7 Court civil cases, Ms. Taplin testified that *she does not know if she has ever been qualified as an*
8 *expert witness.*¹⁷ This fact is extremely remarkable because the resume that she provided to the
9 Respondents states that she is, “[r]esponsible for participating as a forensic accountant in the
10 investigation and prosecution of alleged violations of the Arizona Securities Act, *and testifying as*
11 *an expert witness on financial and accounting matters in administrative, civil and criminal*
12 *proceedings.*”¹⁸ She has no board certifications as a forensic examiner, and has never lectured on
13 the proper way to conduct a forensic account examination.¹⁹ She is not an approved instructor in
14 this field, and has never been published in the field of accounting, or any other field.²⁰ In light of
15 the forgoing facts, Ms. Taplin lacks the background, experience and credibility to assist the trier of
16 fact in this matter. Consequently, the witness should be precluded from testifying, and all
17 documents related thereto should also be precluded from admission.

18 2. The Prejudice and Deprivation of Due Process Continues.

19 Ms. Taplin’s deposition was noticed for Monday, September 12, 2005. The continuation of
20 the Hearing in this case is scheduled for Monday, September 19, 2005. The Respondents
21 purposefully scheduled Ms. Taplin’s deposition close to the re-opening of the Hearing. The
22 motivation for the timing of the deposition simple: the Respondents purposefully scheduled

23 ¹³ *Id.* at p. 4, lines 7-12.

24 ¹⁴ *Id.* at p. 9, lines 12-17.

25 ¹⁵ *Id.* at p. 9, line 18-21 through p. 11, line 17.

26 ¹⁶ *Id.* at p. 12, line 12 through p. 13, line 10.

27 ¹⁷ *Id.* at p. 10, lines 21-25 (“I don’t remember the specific discussion of expert”); *see also, inter alia*, p. 11, lines 1-13; p.
12, lines 5-11.

¹⁸ Exhibit D.

¹⁹ Transcript at p. 17, lines 3-5.

²⁰ *Id.* at p. 22, line 20 through p. 23, line 21.

1 Ms. Taplin's deposition close to the scheduled Hearing date so that there would be no issues with
2 regard to the identified Securities Division expert witness being able to testify on all opinions she
3 formed regarding this case, and all documents and information relied on by this witness in forming
4 her opinions.

5 However, the Securities Division once again blocked Respondents from conducting basic
6 discovery in this case, and in so doing, continued their strategy of trampling on the Respondents'
7 due process rights. Ms. Taplin's testimony was totally unprecedented for a proffered expert
8 witness. When asked to opine on issues related to this case, Ms. Taplin consistently testified that
9 either she had not formed any opinions and/or that she had not conversed with Securities Division
10 counsel regarding the specific opinions that she would be offering.²¹ Therefore, according to
11 Ms. Taplin, she was not prepared to discuss her opinions at the deposition.²²

12 Virtually the only testimony, of Ms. Taplin, that even approached an opinion was that the
13 case involved a Ponzi scheme.²³ To date, there is no allegation in the Securities Division
14 Amended Complaint that the Universal Lease program is, or involves, a Ponzi scheme. See
15 Securities Division's Amended Order to Cease and Desist. Therefore, virtually the only opinion
16 that the Securities Division purported "expert" was prepared to opine on was totally irrelevant to
17 any claim at issue in this administrative proceeding. Moreover, and importantly, the Securities
18 Division cannot be permitted to thwart the deposition of a proffered expert witness by having the
19 purported expert witness not form opinions until after the scheduled date of the deposition.

20 The prejudice extends beyond the lack of preparedness of the proffered expert witness, and
21 into the Securities Division's failure to produce the documents and information that underlie and
22 form the basis of Ms. Taplin's opinions. Indeed, during Ms. Taplin's deposition, every time she
23 testified to reviewing documents or information that she relied on in preparing exhibits, or in
24 forming opinions in this case, and which records had not already been produced, the Respondents

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26 ²¹ *Id.* at, *inter alia*, p. 28, line 11 through p. 29 line 28; p. 101, lines 21-24; p. 111, lines 14-17; p. 114, lines 9-13; p. 115,
lines 13-15.

27 ²² *Id.*

²³ Transcript at p. 101, lines 1-24.

1 immediately called for production of the documents so that Respondents could test the information
 2 and the witness. The Respondents followed up their call for documents with a demand letter that
 3 was served on the Securities Division.²⁴

4 The Securities Division refused to turn over the records and, at times, instructed the witness
 5 not to answer questions. Indeed, as a basis for withholding requested documents the Securities
 6 Division asserted that interagency communications may be at play that are protected by
 7 confidentiality agreements.²⁵ However, documents reviewed by an expert witness in considering
 8 and/or forming opinions are discoverable—even the Securities Division acknowledged this
 9 discovery fact.²⁶ To the extent that any of these “interagency confidentiality agreements” actually
 10 exist, any applicable privilege would have been waived by virtue of the Securities Division’s
 11 proffered expert witness reviewing documents exchanged under such agreements. Thus, if there
 12 are no interagency confidentiality agreements protecting the documents, the Securities Division
 13 must produce the responsive documents. But, even if there are written interagency confidentiality
 14 agreements, and assuming that the confidentiality agreement is valid, the documents are still
 15 discoverable and must be produced because Ms. Taplin reviewed them in forming opinions and in
 16 creating summary exhibits.

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 19 ²⁴ See Exhibit B.

20 ²⁵ Transcript at, *inter alia*, p. 40, line 15 through p. 43, line 2. Mr. Palfai also instructed Ms. Slazyk, during her
 21 deposition, not to answer questions or produce documents in response to Respondents’ requests for production—
 22 asserting that there *may* be interagency confidentiality agreements that would preclude disclosure of the information.
 23 Specifically, Mr. Palfai, in a response to being asked if there are any such written interagency confidentiality
 24 agreements in this case said, “[i]n general, they [sic] are either oral or written, but they exist. There is always, they exist
 25 through the natural course of cooperation, they are always entered into between agencies.” See Deposition Transcript of
 26 Kelly Slazyk, attached as Exhibit A to Respondents’ Joint Motion to Preclude Ms. Slazyk, at p. 32, line 6 through p. 35,
 27 line 5. Ms. Slazyk was not aware of any such interagency confidentiality agreements. *Id.*

²⁶ See Exhibit A to Ms. Slazyk’s deposition transcript at p. 16, line 14 through p. 19, line 6 where the Securities
 Division objected to the Respondents’ requests for documents from Ms. Slazyk, a non-expert in this case. Specifically,
 Mr. Palfai stated, “. . . *as a nonexpert* you are not entitled to her [Ms. Slazyk’s] personal e-mails, and especially since a
 lot of those communications are confidential and privileged. You are not going to get them. You are not going to
 obtain them physically, and, therefore, I am not going to let you talk about them during this deposition.” Further, Mr.
 Palfai stated, “There are a number of privileges that apply. *First of all she is not an expert so you are not entitled to
 all her notes in this matter, and emails.*” *Id.* The Securities Division is irrefutably aware of its obligation to produce all
 documents reviewed by Ms. Taplin, or it never would have objected to and drawn the expert/non-expert distinction
 during Ms. Slazyk’s deposition—which occurred just hours before Ms. Taplin’s deposition on September 12, 2005.

1 The proper way to conduct discovery, including discovery related to an expert witness, is
2 not foreign to the Securities Division. Unfortunately, the stark and inexcusable reality is that
3 Securities Division picks and chooses the Respondents that will receive due process, and those that
4 do not, in administrative proceedings before the Commission. For example, in the Stockbridge
5 administrative action, Docket Number S-03465A-02-0000, which is contemporary of this
6 administrative action, full discovery was afforded the Respondents and the Securities Division.
7 However, the professionalism of the Securities Division in the *Stockbridge* case did not end with
8 regular formal discovery. Importantly, on April 1, 2003, the Securities Division produced an
9 expert witness report for their expert, Michael Donovan.²⁷ The Securities Division identified
10 Mr. Donovan, provided a work history of Mr. Donovan, and even explained the proposed expert
11 witness' expected testimony.²⁸

12 Thus, in one case, the *Stockbridge* case, the Securities Division chose to act professionally
13 and engaged in formal production of documents—including the production of expert reports,
14 summaries of expected expert opinion testimony, and the like. Despite being a contemporary
15 administrative proceeding, and despite involving at least one of the same Securities Division
16 attorneys, Mark Dinell, the Respondents in this case have been deprived of all of these types of
17 discovery. The expert witness deposition of Ms. Taplin was ordered by the ALJ Stern, but
18 effectively thwarted by the lack of preparation of the witness, and in the refusal of the Securities
19 Division to turn over documents at the heart of the witness' testimony. The Securities Division
20 will stop at nothing to get an advantage in this case—including the employment of tactics
21 specifically designed to deprive the Respondents of Constitutionally-recognized rights.

22 **3. Ms. Taplin is Biased.**

23 The purpose behind admitting expert testimony is to have an independent and unbiased
24 witness, with scientific, technical or specialized knowledge assist the trier of fact in understanding
25 subjects beyond the common sense, experience and education of an average juror. courts do not
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27 ²⁷ See April 1, 2003, Expert Report attached as Exhibit G to Respondents' Joint Motion to Dismiss or Stay Proceeding.

28 ²⁸ *Id.*

1 permit a testifying expert to be a conduit for the opinions of others. Expert witness' opinions,
2 which have been crafted by the attorneys that hire them, are routinely precluded. *In re Tri-State*
3 *Outdoor Media Group, Inc.*, 283 B.R. 358, 365 (Bankr. M.D. Ga. 2002) ("Courts must be careful
4 not to allow the testifying expert's opinion to be a conduit for the attorney's opinion or allow the
5 testifying expert to be influenced by the attorney or non-testifying experts.").

6 Where the expert does not independently prepare his report, and instead simply recasts
7 information at the attorney's request, the testimony is properly excluded. *Baxter Int'l Inc., v.*
8 *McGaw, Inc.*, 1996 WL 145778, at *4 (N.D. Ill. 1996) ("The testimony of plaintiffs' legal expert
9 ... has been disregarded by the court, since it is the court's finding that [the expert] did not
10 independently prepare his report, allowing himself to be a 'mouthpiece' for the plaintiff's
11 attorneys."), *aff'd in part, rev'd in part on other grounds*, 149 F.3d 1321 (Fed. Cir. 1998).²⁹

12 Ms. Taplin testified that she first became involved in the case in the fall of 2003.³⁰ She
13 assumed from the outset of her assignment that she would be an expert in the case.³¹ The
14 Securities Division "shared" with Ms. Taplin that it believed the Universal Lease program was a
15 Ponzi scheme.³² Though there is no allegation in the Securities Division's Amended Complaint,
16 the witness miraculously arrived at virtually the only opinion she could muster during the entirety
17 of her deposition: the Universal Lease program is "basically" a Ponzi scheme.³³

18 When asked by attorney Paul Roshka if there were any other opinions that Ms. Taplin
19 would provide, at the Hearing she answered, "[w]e haven't, we haven't prepared so that's hard to
20 say."³⁴ When probed further about when the opinions when Ms. Taplin would meet with Attorney
21 Palfai to finalize the testimony, Ms. Taplin responded, "[h]opefully this week."³⁵ While the
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24 ²⁹ See also, *Marbled Murrelet v. Pac. Lumber*, 880 F.Supp. 1343, 1365 (N.D. Cal. 1995)(holding that the expert witness
lacked objectivity and credibility because their trial testimony "appears to have been crafted by [retaining] attorneys.").

25 ³⁰ Transcript at p. 102, lines 6-8.

26 ³¹ *Id.* at lines 9-12.

27 ³² *Id.* at lines 10-14.

28 ³³ *Id.* at p. 101, lines 13-15.

29 ³⁴ *Id.* at lines 13-24.

30 ³⁵ *Id.* at p. 111, lines 15 through 17.

1 Securities Division team discusses their proffered expert's opinions, after the deposition, but
2 before the Hearing, any developed opinions will still not be based on sufficient information.

3 Ms. Taplin testified that she would have liked to have seen more records.³⁶ Indeed,
4 Ms. Taplin testified that she wanted additional documents, and she believed that she made this
5 request to the Securities Division attorneys.³⁷ She testified, "[i]t would be nice to have the records,
6 the actual corporate books and records directly from the company rather than subpoena from banks
7 and go through that route."³⁸ Ms. Taplin also would have liked to have viewed more bank
8 documents, stating, "I would want everything I could possible get . . . [s]o I could make an
9 informed decision."³⁹

10 The fact that the proffered expert witness' opinion, that the Universal Lease program is a
11 Ponzi scheme, was reached with admittedly insufficient information, and where the Securities
12 Division intimated to the witness that it believed the case involved a Ponzi scheme, evidences the
13 extreme bias of the witness. The record of the deposition transcript establishes that any opinion
14 testimony offered by Ms. Taplin, when and if it is ever crystallized, will be nothing more than an
15 unfounded and unsupportable regurgitation of the Securities Division attorneys' arguments. This
16 employee/expert is the mouthpiece and conduit of the Securities Division's case, and her
17 testimony, and any exhibits related thereto, should be precluded.

18 **4. The Securities Division Cannot Satisfy Arizona Rules of Evidence 1002, 1003,**
19 **or 1006.**

20 "Rules of evidence before the Superior Court of the State of Arizona will generally be
21 followed" in administrative proceedings. R14-3-109(K). Arizona Rule of Evidence 703 allows an
22 expert witness to testify as to his opinion based on facts or data not in evidence, but perceived or
23 known to him before the hearing—so long as the facts or data are the type reasonably relied upon
24 by expert witnesses in their particular field.⁴⁰ If the facts or data are the type reasonably relied

25 ³⁶ *Id.* at p. 106, line 16 through p. 107, line 10.

26 ³⁷ *Id.*

27 ³⁸ *Id.*

³⁹ *Id.*

⁴⁰ *State v. Lundstrom*, 161 Ariz. 141, 145-46 (Ariz. 1989).

1 upon by expert witnesses in their given field, the facts or data need not be admissible in
2 evidence.⁴¹ Thus, an expert witness may, on direct examination, disclose facts or data that have
3 not been admitted in evidence (and that may not be admissible) if the facts or data form the basis
4 for the expert's opinion.⁴² The facts or data are not admitted as substantive evidence, but merely
5 for the limited purpose of showing the basis for the expert's opinion.⁴³ As evidenced above,
6 Ms. Taplin is not an expert witness. Non-expert witnesses cannot testify regarding hearsay
7 information. *See* Arizona Rule of Evidence 802.

8 Arizona Rule of Evidence 1006 addresses specifically "summaries." This provision
9 provides:

The contents of voluminous writings, recordings, or
10 photographs which cannot conveniently be examined in court
11 may be presented in the form of a chart, summary, or
12 calculation. The originals, or duplicates, shall be made
13 available for examination or copying, or both, by other parties
14 at a reasonable time and place. The court may order that they
15 be produced in court.

16 Arizona Rules of Evidence, Rule 1006.

17 The Securities Division analyses and flow charts, including the summaries that Ms. Taplin
18 is being proffered to opine on, constitute "summaries" under Arizona Rule of Evidence 1006—as
19 they allegedly are contents of voluminous writings, recordings or photographs that were turned
20 into summaries, charts and/or calculations. While Arizona Rule of Evidence 1006 does permit
21 parties to present information derived out of voluminous writings, recordings, or photographs, in
22 the form of charts, summaries, or calculations, the parties must make the originals or duplicates of
23 these documents available at a reasonable place and time and, importantly, the documents
24 underlying the summaries must be admissible.

25 The Arizona Court of Appeals recently held that, "[a] witness may summarize the
26 information contained in voluminous reports or records *as long as the information contained in*
27 *the documents would be admissible and the documents are made available to the opposing party*

26 ⁴¹ *Id.*

27 ⁴² *Id.*

⁴³ *Id.*

1 *for their inspection.*” *Crackel v. Allstate Insurance Co.*, 208 Ariz. 252, 266 (Ariz. Ct. App.
 2 2004)(quoting *Rayner v. Stauffer Chem. Co.*, 120 Ariz. 328, 333-34 (App. 1978). Here, not all of
 3 the documents and information underlying the creation of the summaries have been produced to
 4 the Respondents and/or made available to them. Furthermore, the documents that underlie the
 5 summaries, which have been produced, are not admissible.

6 Arizona Rule of Evidence 1002 provides, [t]o prove the content of a writing, recording or
 7 photograph, the original writing, recording or photograph is required, except as otherwise provided
 8 in these rules or by applicable statute or rule.” Arizona Rule of Evidence 1003 provides, “[a]
 9 duplicate is admissible to the same extent as an original unless (1) a genuine question is raised as
 10 to the authenticity of the original or (2) in the circumstances it would be unfair to admit the
 11 duplicate in lieu of the original.”

12 The Securities Division produced some of the purported banking records Ms. Taplin
 13 reviewed. However none of the purported banking records are original documents. Ms. Taplin
 14 received some purported banking records from another Securities Division witness, Kelly Slazyk
 15 of the National White Collar Crime Center, who, in turn, obtained the records from the
 16 Pennsylvania Securities Commission.⁴⁴ Ms. Taplin obtained records from the Indiana Securities
 17 Commission.⁴⁵ The Securities Division, and Ms. Taplin, also teamed up to issue subpoenas for
 18 records from the Florida Securities Investigative Board and the New York Attorney General.⁴⁶
 19 She also obtained purported investor lists from securities agencies in the states of Texas and
 20 Maryland.⁴⁷ Ms. Taplin also reviewed “IRA custodial documents,” “interview memos,” and “sales
 21 agent listings,” “sales agent records” and “questionnaire responses” as resources for creating
 22 exhibits.⁴⁸ Of course, Ms. Taplin has no ability to testify to the originality or authenticity of even a
 23 single page of the aforementioned types of documents she reviewed.

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 25 ⁴⁴ See Deposition Transcript of Kelly Slazyk, dated September 12, 2005, and attached to the Respondents’ Joint Motion
 to Preclude Ms. Slazyk, at Exhibit A, p. 31, lines 2-19.
 26 ⁴⁵ Transcript at p. 39, line 12 through p. 41, line 1.
⁴⁶ *Id.* at p. 43, line 12 through p. 44, line 17.
⁴⁷ *Id.* at p. 135, line 24 through p. 136.
 27 ⁴⁸ *Id.* at p. 130, line 1 through 132, line 17.

1 Additionally, no subpoena issued to the bank has ever been produced. No correspondence
2 to or from the bank from either Ms. Taplin and/or the National White Collar Crime Center, the
3 Indiana Securities Commission, the New York Attorney General's Office, the Florida Securities
4 Investigative Board, the Texas Securities Board or the Maryland Securities Commission has ever
5 been produced. Further, there is no custodian of records from any of the alleged banks identified
6 as a witness by the Securities Division to testify to the authenticity of the purported bank records,
7 or in what course, if any, the records were maintained and/or produced.

8 Moreover, during Ms. Taplin's deposition the Respondents demanded that any subpoenas,
9 correspondence and/or documents relating to these purported banking records, and any documents
10 relating to the summaries about which Ms. Taplin is going to testify about, be turned over to the
11 Respondents.⁴⁹ The Securities Division repeatedly ordered Ms. Taplin not to answer on-point
12 questions related to her testimony, her involvement in this case, the documents she reviewed, the
13 documents she used to create summaries, and the history surrounding the creation of these
14 Exhibits.

15 Thus, there is no witness to testify to the originality or authenticity of any of the records.
16 There also is no witness to establish that the purported banking records underlying the summaries
17 were business records, and the records are not certified public records. Therefore, there is a
18 genuine issue as to the authenticity of these documents and, even if there were not an issue related
19 to the authenticity of the documents, it would irrefutably be unfair to permit Ms. Taplin to testify
20 regarding any of the summaries she created and/or is being called to testify about--especially
21 where the Respondents have not been provided with all of the documents that Ms. Taplin reviewed
22 and relied on to create the summaries or form her opinions.

23 Section 41-1062(A)(1) of the Arizona Administrative Procedure Act provides every person
24 who is a party to an administrative proceeding in a contested case "shall have the right of cross
25 examination." *See also* R14-3-109. The Securities Division, in refusing to produce some of the
26

27 ⁴⁹ *See* Exhibit B; *see also* Exhibit C, and Transcript at, *inter alia*, p. 30, line 23 through p. 31, line 13.

1 key documents underlying only exhibit that Ms. Taplin is being call to testify about and, therefore,
2 has effectively deprived the Respondents of their right to cross examine the witness. There is no
3 way for the Respondents to test the accuracy or reliability of Ms. Taplin's testimony or any of the
4 exhibits that she created. Therefore, Ms. Taplin should be precluded from testifying.

5 **5. Ms. Taplin's Testimony Regarding the Summaries Consists of Multi-Level**
6 **Hearsay Without Any Applicable Exception.**

7 The problems associated with Ms. Taplin's testimony, and proposed exhibit summaries, do
8 not end with the fact that the Securities Division once again is hiding documents related to a
9 testifying witness, and the fact that the documents underlying the summary are unoriginal,
10 unauthenticated, and inadmissible. Indeed, another insurmountable hurdle is the fact that all of
11 Ms. Taplin's testimony, and the Exhibit that she is being called to testify about, constitute multi-
12 level hearsay without any applicable exception.

13 "Hearsay" is a statement, other than one made by the declarant while testifying at the trial
14 or hearing, offered into evidence to prove the truth of the matter asserted. See Arizona Rule of
15 Evidence 801. Hearsay is not admissible except as provided by applicable constitutional
16 provisions, statutes, or rules. See Arizona Rule of Evidence 802. The Arizona Rules of Evidence
17 also specifically address situations where a party attempts to introduce multiple level hearsay.
18 Specifically, Arizona Rule of Evidence 805 provides, "[h]earsay included within hearsay is not
19 excluded under the hearsay rule if each part of the combined statements conforms with an
20 exception to the hearsay rules provided in these rules."

21 Ms. Taplin's testimony regarding the summaries is multi-level hearsay with no available
22 exception at any level—as the testimony is inextricably linked with out of court statements, by
23 someone other than Ms. Taplin while testifying at hearing, and the information is being offered for
24 the exclusive purpose of proving the truth of the matters asserted therein. Because the entirety of
25 Ms. Taplin's testimony would involve hearsay statements without exception, Ms. Taplin should be
26
27

1 precluded from testifying at the Hearing, and all summary exhibits related there should also be
2 precluded.

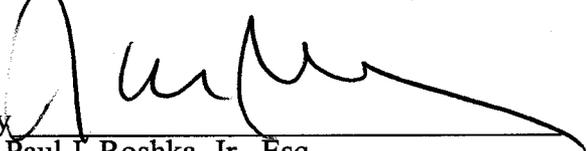
3 IV.

4 CONCLUSION

5 For the foregoing reasons, the Respondents' Joint Motion to Preclude the Testimony of
6 Marcia Taplin, and All Exhibits Related Thereto, or in the Alternative, to Compel Production of
7 Documents and Stay Hearing should, in all things, be granted.

8 RESPECTFULLY SUBMITTED this 19th day of September, 2005.

9 ROSHKA DeWULF & PATTEN, PLC

10
11 By 

12 Paul J. Roshka, Jr., Esq.
13 James M. McGuire, Esq.
14 One Arizona Center
15 400 East Van Buren Street, Suite 800
16 Phoenix, Arizona 85004
17 Attorneys for Respondent
18 Michael E. Kelly

19 and

20 GALBUT & HUNTER

21 Martin R. Galbut, Esq. (#002943)
22 A Professional Corporation
23 2425 East Camelback, Suite 1020
24 Phoenix, Arizona 85016
25 Attorneys for Respondents Yucatan Resorts, Inc.,
26 Yucatan Resorts S.A., RHI, Inc., and RHI, S.A.

27 and

BAKER & MCKENZIE, LLP

Joel Held, Esq.
Elizabeth L. Yingling, Esq.
Jeffrey D. Gardner, Esq.
2300 Trammel Crow Center
2001 Ross Avenue - Ste. 2300
Dallas, Texas 75201
Attorneys for Respondents Yucatan Resorts, Inc.,
Yucatan Resorts, S.A.; RHI, Inc.; RHI, S.A.

ROSHKA DeWULF & PATTEN, PLC
ONE ARIZONA CENTER
400 EAST VAN BUREN - SUITE 800
PHOENIX, ARIZONA 85004
TELEPHONE NO 602-256-6100
FACSIMILE 602-256-6800

ROSHKA DeWULF & PATTEN, PLC
ONE ARIZONA CENTER
400 EAST VAN BUREN - SUITE 800
PHOENIX, ARIZONA 85004
TELEPHONE NO 602-256-6100
FACSIMILE 602-256-6800

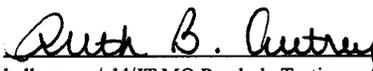
1 ORIGINAL and thirteen copies of the foregoing
hand-delivered this 19th day of September, 2005 to:

2
3 Docket Control
4 Arizona Corporation Commission
1200 West Washington Street
5 Phoenix, Arizona 85007

6 COPY of the foregoing hand-delivered
this 19th day of September, 2005 to:

7 Marc E. Stern
8 Administrative Law Judge/Hearing Officer
Hearing Division
9 Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

10 Jamie B. Palfai, Esq.
11 Matthew J. Neubert, Esq.
12 Securities Division
13 Arizona Corporation Commission
14 1300 West Washington Street, 3rd Floor
Phoenix, Arizona 85007

15 
16 _____
17 kellym.acc/pld/JT MO Preclude Testimony of Taplin.doc

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19
20
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22
23
24
25
26
27

Exhibit A

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF:)	
)	
YUCATAN RESORTS, INC.,)	DOCKET NO.:
3222 Mishawaka Avenue)	S-03539A-03-0000
South Bend, IN 46615;)	
P.O. Box 2661)	
South Bend, IN 46680)	
Av. Coba #82 Lote 10, 3er. Piso)	
Cancun, Q. Roo)	
Mexico C.P. 77500, et al.)	
)	
Respondents.)	
)	

DEPOSITION OF MARCIA TAPLIN

Phoenix, Arizona
September 12, 2005

ARIZONA REPORTING SERVICE, INC.
Court Reporting
Suite Three
2627 North Third Street
Phoenix, Arizona 85004-1126

Prepared for: By: COLETTE E. ROSS
Certified Court Reporter
Certificate No. 50658

1	INDEX TO EXAMINATIONS	
2	WITNESS	PAGE
3	MARCIA TAPLIN	
4	Examination by Mr. Held	4
	Examination by Mr. Roshka	101
5	Examination by Mr. Palfai	130
	Re-Examination by Mr. Held	135

7	INDEX TO EXHIBITS		
8	NO.	DESCRIPTION	MARKED IDENTIFIED
9		(None)	

10
11
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1 MARCIA TAPLIN,
2 a witness herein, having been first duly sworn by the
3 Certified Court Reporter to speak the truth and nothing
4 but the truth, was examined and testified as follows:
5

6 EXAMINATION
7 BY MR. HELD:

8 Q. Ms. Taplin, have you ever testified, ever given
9 a deposition before?

10 A. No.

11 Q. I am sorry?

12 A. No.

13 Q. Okay. Has Mr. Palfai explained to you what a
14 deposition is?

15 A. Yes.

16 Q. Okay. Now, you are physically sitting in the
17 room, right?

18 A. Yes.

19 Q. We will have a couple of agreements before we
20 start. In the first instance, since I am on the
21 telephone and you are sitting physically in the room, I
22 won't be able to see you. And so you won't be able to
23 answer any questions with a head shake or nod or
24 anything. You will have to be very verbal in your
25 responses. Can we have that agreement?

1 DEPOSITION OF MARCIA TAPLIN
2 was taken on September 12, 2005, commencing at 1:15 p.m.
3 at the law offices of ROSHKA HEYMAN & DeWULF, PLC, 400
4 East Van Buren Street, Suite 800, Phoenix, Arizona,
5 before COLETTE E. ROSS, Certified Court Reporter No.
6 50658 for the State of Arizona.

7 APPEARANCES:

8
9 For the Arizona Corporation Commission:
10 Mr. Jamie B. Palfai
11 Staff Attorney, Securities Division
12 1300 West Washington Street
13 Phoenix, Arizona 85007

14 For Yucatan Resorts, Inc.; Yucatan Resorts, S.A.; Resort
15 Holdings International, Inc.; Resort Holdings
16 International, S.A.:

17 BAKER & MCKENZIE, LLP
18 By Mr. Joel Held
19 2300 Trammell Crow Center
20 2001 Ross Avenue
21 Dallas, Texas 75201
22 (Appearing via teleconference.)

23 For Michael Kelly:
24 ROSHKA HEYMAN & DeWULF, PLC
25 By Mr. Paul J. Roshka, Jr.
One Arizona Center
400 East Van Buren Street, Suite 800
Phoenix, Arizona 85004

ALSO PRESENT:

Ms. Karen Houle, Legal Assistant, Securities
Division

1 A. Yes.

2 Q. Secondly, if you don't understand a question I
3 am asking, just stop me and I will rephrase it or repeat
4 it or we will somehow get both on the same page. Can we
5 have that agreement?

6 A. Yes.

7 Q. And, finally, since I am on a telephone, you
8 will let me finish my questions before you answer. And
9 I will try to do the best I can to let you finish your
10 answers before I ask you the next question. Okay?

11 A. Okay.

12 Q. And could you please, I think you probably did
13 this, but state your name for the record.

14 A. Marcia Taplin.

15 Q. Okay. And where are you -- and what is your
16 date of birth?

17 A. August 31st, 1973.

18 Q. Happy birthday. And let's have a short history
19 of your educational background.

20 A. I graduated from Arizona State University with a
21 bachelor's degree in accounting.

22 Q. And when was that?

23 A. That was in May of 1996.

24 Q. And prior to that time you were in high school?

25 A. I, well, out of high school I spent two years at

1 Hampton University in Hampton, Virginia, and then
2 transferred to Arizona State University and completed my
3 last few years there.
4 Q. What kind of school is Hampton University?
5 A. It is a university. I don't understand what you
6 are asking me.
7 Q. Four-year matriculated course?
8 A. Yes.
9 Q. I am sorry?
10 A. Yes.
11 Q. Four year?
12 A. Yes, correct.
13 Q. Okay. And I may be imagining this, but I think
14 Ms. Slazyk said she graduated from Hampton, didn't she?
15 MR. ROSHKA: No. She went to Old Dominion.
16 MR. HELD: No, before then.
17 MR. ROSHKA: It was Bland College.
18 MR. HELD: Bland, right, okay.
19 BY MR. HELD:
20 Q. And you said you took, you got a bachelor's
21 degree in accounting?
22 A. Correct.
23 Q. And that was your major?
24 A. Correct.
25 Q. And how many hours of accounting courses did you

1 have?
2 A. I don't recall.
3 Q. What was your major in Hampton University?
4 A. It was accounting.
5 Q. Okay. So am I right you spent two years at
6 Hampton and two years at ASU?
7 A. I spent three years at ASU.
8 Q. And what was your first job out of college?
9 A. As an associate auditor for Coopers & Lybrand.
10 Q. What is an associate auditor?
11 A. They audit.
12 Q. What does that mean?
13 A. Audit books and records.
14 Q. Well, as an associate auditor, what did you,
15 what was your day-to-day routine in connection with an
16 audit?
17 A. Basically, depending on the job, I took my
18 direction from the senior auditor and the manager on the
19 job and basically performed whatever audit procedures in
20 accordance with generally accepted auditing standards,
21 so that could vary.
22 Q. Would you agree with me that an associate
23 auditor fresh out of college is a fairly entry level
24 position in the accounting field?
25 A. Well, I had actually been working with them as

1 an intern two years prior to that. So I did not have
2 the same learning curve as the normal associate.
3 Q. What did you do as an intern?
4 A. I worked there part time during the school year
5 and full time during the summer and vacations and
6 supported the audit staff as need be in various
7 functions.
8 Q. As an associate auditor were you responsible for
9 sending out confirmations?
10 A. Yes.
11 Q. For reviewing books to back up whatever audit
12 entries you were making?
13 A. Yes, you know, generally yes.
14 Q. Did you review, were you responsible for
15 reviewing contracts or agreements that supported claims
16 of income recognition and things of that nature?
17 A. Yes.
18 Q. Were you responsible for -- when I say
19 responsible, did you do that on your own or were you
20 directed to do that?
21 A. Well, there is directed, there is an audit
22 program that we follow that lists out specific functions
23 that we are to perform during the course of the audit.
24 Q. Okay. And how long did you do that, when you
25 were an -- associate auditor did you say?

1 A. For about a year and a half.
2 Q. And then what did you do?
3 A. And then I came to the Corporation Commission.
4 Q. And what was your entry level position at the
5 Corporation Commission?
6 A. Forensic accountant.
7 Q. What is that?
8 A. I am involved with the financial analysis in our
9 cases.
10 Q. Have you ever testified before, period?
11 A. Excuse me?
12 Q. Have you ever testified before at any time?
13 A. Yes.
14 Q. How many times?
15 A. Five times.
16 Q. All for the Corporation Commission?
17 A. Yes.
18 Q. Have you ever testified in court?
19 A. Yes.
20 Q. How many times?
21 A. Twice.
22 Q. What cases?
23 A. John Lawson and William McRae.
24 Q. What kind of cases were those? Let's take the
25 Lawson case. What kind of case was that?

Page 10

1 A. It was a securities case.
2 Q. What kind of securities case?
3 A. The gentleman sold promissory notes and I don't
4 remember the specific amounts.
5 Q. What did you testify to?
6 A. I performed a financial analysis in that case.
7 And in that particular testimony that was actually a
8 sentencing hearing.
9 Q. Oh, I see. Okay. So you testified as to what?
10 A. The financial matters. I don't recall the
11 specific questions that were asked of me.
12 Q. Did you testify as to how much in notes were
13 sold?
14 A. You know, I don't recall the specifics of what I
15 testified to. That's my part of the case, so it was
16 something financially related, most likely my report.
17 Q. Okay. Was your report a summary report of
18 documents that were generated during that case?
19 A. My report was a summary of sources of funds into
20 the bank accounts and disbursements of those funds.
21 Q. Okay. So you were testifying as to a summary;
22 you were not being called as an expert, is that right?
23 A. I believe I was asked my background and my job
24 history. I don't remember the specific discussion of
25 expert.

Page 11

1 Q. Were you qualified as an expert -- strike that.
2 What court was this in?
3 A. Superior Court.
4 Q. And were you qualified as an expert?
5 A. I don't remember.
6 Q. Were you accepted by the court as an expert?
7 A. I testified.
8 Q. No. I understand you testified. The question
9 is whether you testified as a fact witness having
10 provided summary information to the court or whether you
11 testified as to your opinion on something in particular.
12 A. I don't remember that discussion. So I honestly
13 can't answer that question. I don't remember.
14 Q. Okay. And in the -- McRae was it?
15 A. Yes.
16 Q. And in that case, where was that?
17 A. That was also Superior Court.
18 Q. And were you -- what kind of case was that?
19 A. That was a civil injunction against him.
20 Q. And what did you do in connection with that
21 case?
22 A. I don't remember the specifics. I don't
23 remember the specifics, but something financially
24 related.
25 Q. Did you again testify as to summaries of

Page 12

1 documents that you had reviewed?
2 A. I can't remember. But I am going to say most
3 likely yes because that tends to be what my job function
4 is, to review documents.
5 Q. Did you express any opinions during that
6 testimony?
7 A. I don't recall.
8 Q. Were you qualified by the court as an expert?
9 A. This is that same situation where I don't
10 remember the specific discussion. So I can't really
11 answer that question. I don't recall.
12 Q. And that makes two of the five times that you
13 have had prior testimony. The other three were before
14 hearing examiners?
15 A. Actually no, the other three were Grand Jury
16 proceedings.
17 Q. So that is as Grand Jury testimony.
18 A. Correct.
19 Q. And during those Grand Jury testimony hearings,
20 did you again report, did you provide reports as to
21 summaries of documents you had reviewed?
22 A. Yes.
23 Q. Were you asked to express any opinions or was it
24 just sort of, as you say, reviewing documents, saying
25 these are the summaries of the documents, this is what

Page 13

1 they show and so on?
2 A. That is somewhat of a fine line. I don't
3 remember the specific questions. Part of my testimony
4 may have included opinions. Again, I don't remember
5 specific questions and specific answers.
6 Q. Okay. And in the Grand Jury testimony, unless
7 Arizona is totally different than anything else I have
8 ever seen, there was no cross-examination by the
9 defendant's counsel, was there?
10 A. No.
11 Q. So this was just you were called by the Attorney
12 General's Office?
13 A. We worked with the Attorney General's Office,
14 yes.
15 Q. Okay. And the testimony was secret?
16 A. Correct.
17 Q. Okay. Any other testimony?
18 A. No.
19 Q. To your recollection, have you ever been
20 qualified by a court as an expert?
21 A. I don't know.
22 Q. And you have a CPA's license?
23 A. Correct.
24 Q. And when did you get that?
25 A. I was certified in October of 1998.

1 Q. And when did you join the Corporation
2 Commission?
3 A. In January of 1998.
4 Q. Did you study for your CPA while you were an
5 employee of the Commission?
6 A. I had one section still left to pass. So I
7 studied for that one section.
8 Q. And what is -- has your job description since
9 the time you joined the Corporation Commission changed?
10 A. It is just the word senior has been added to my
11 title.
12 Q. Okay. And when was that?
13 A. Maybe a year or two into my job. I don't recall
14 specifically.
15 Q. So during the time that you were conducting
16 whatever you were doing in connection with this case,
17 the Yucatan case, you were a senior, I guess, forensic
18 accountant?
19 A. Correct.
20 Q. And tell me what your job description as a
21 senior forensic accountant is.
22 A. Well, I participate in our investigations of
23 alleged securities violations. More specifically I
24 review and analyze various accounting and financial
25 records to try to determine how much money was raised

1 from the sale of securities and how those funds were
2 subsequently spent.
3 Q. Okay. And so according to your resume you are
4 responsible for identifying, collecting, analyzing and
5 interpreting financial and accounting data, is that
6 accurate?
7 A. Yes.
8 Q. And it says you prepare reports, financial
9 statements, schedules and charts, is that right?
10 A. Yes.
11 Q. What training did you go through to become a
12 forensic accountant?
13 A. Well, aside from just my daily on-the-job
14 training and mentoring under my supervisor, I would have
15 to look back at my records to see the specific training
16 courses that I took during that time.
17 Q. How many hours total study would you say you had
18 in the field of forensic accounting?
19 A. I don't know.
20 Q. More than a thousand?
21 A. No.
22 Q. I was moving paper around. I don't know if you
23 heard me.
24 MR. ROSHKA: The last question we heard was more
25 than a thousand.

1 MR. HELD: Right. And I haven't heard an
2 answer.
3 MR. ROSHKA: She said no.
4 MR. HELD: I am sorry.
5 BY MR. HELD:
6 Q. More than 500?
7 A. No.
8 Q. More than 100?
9 A. I don't know.
10 Q. I am sorry?
11 A. I don't know, maybe. I don't know.
12 Q. Did you ever serve in any apprentice capacity as
13 a forensic accountant?
14 A. I am not sure what that means.
15 Q. Did you understudy to anyone who was a senior
16 forensic accountant while at the Corporation Commission?
17 A. Essentially, yes.
18 Q. Who?
19 A. John Fink.
20 Q. And what is his job title?
21 A. He is my supervisor. I don't know his specific
22 title off the top of my head.
23 Q. Okay. And how long did you apprentice with
24 Mr. Fink?
25 A. At least my first year there.

1 Q. What did you do as an apprentice?
2 A. I assisted him in his cases.
3 Q. Do you have any board certifications as a
4 forensic accountant?
5 A. No.
6 Q. I might have missed it but I didn't hear an
7 answer.
8 A. No.
9 Q. Okay. I am sorry. How many cases have you
10 worked on in your capacity as senior forensic accountant
11 for the Corporation Commission?
12 A. That's, I don't know off the top of my head.
13 Q. More than ten?
14 A. Yes.
15 Q. In the cases you have worked on as a forensic
16 accountant, how many times have you prepared reports
17 that have been submitted to a court or tribunal?
18 A. Again, without having anything in front of me,
19 that's hard to say.
20 Q. Is it a few or more than a dozen?
21 A. I don't know.
22 Q. I don't know if you have answered, because --
23 A. I don't know. Again, with nothing in front of
24 me, it is hard to answer that.
25 Q. Okay. Have you ever had any, have you ever

1 appeared as a witness in a court or any tribunal while
2 you were with Coopers & Lybrand?
3 A. No.
4 Q. Have you ever provided written reports for use
5 by the FBI?
6 A. I don't believe so.
7 Q. Have you ever prepared any reports for use by
8 any other agency of the Arizona state government?
9 A. I may have. That is hard to say.
10 Q. Why would it be hard to say?
11 A. Because I would have to sit down with a list of
12 all the cases I have worked over the last, you know,
13 since I have been here and go through each case to
14 determine that.
15 Q. Okay. To your recollection, as you sit here
16 today, do you have any recollection of providing any
17 reports for use by an agency of the Arizona state
18 government other than the Arizona Corporation
19 Commission?
20 A. Yes, I do believe I have done that.
21 Q. Okay. On how many occasions?
22 A. I don't know.
23 Q. Have you ever prepared any reports for use by
24 some other agency of the federal government, like the
25 SEC, or I mean Securities and Exchange Commission, U.S.

1 Attorney's Office, anything like that?
2 MR. PALFAI: And before she answers that, you of
3 course are referring to cases that don't involve the
4 present case, right?
5 MR. HELD: Any case.
6 MR. PALFAI: I would instruct her not to answer
7 any questions about any federal agencies involved in,
8 involved in the present case, if they are indeed
9 involved.
10 BY MR. HELD:
11 Q. All right. Are you going to refuse to answer
12 the question based upon advice of Mr. Palfai?
13 MR. PALFAI: Mr. Held, all I said was if,
14 excepting the present case, if we are talking about
15 other cases in the past, she can answer that on a
16 generic basis.
17 MR. HELD: Any case, including this one.
18 MR. PALFAI: Not including this one. I am going
19 to preclude her from answering any questions as to --
20 MR. HELD: And I am asking her.
21 BY MR. HELD:
22 Q. Are you going to refuse to answer based upon
23 Mr. Palfai's advice, ma'am?
24 MR. PALFAI: Yes, I am instructing Ms. Taplin
25 not to answer that question if you are not going to

1 restrict it.
2 MR. HELD: Now, I am asking her if she is going
3 to refuse to answer the question based upon your advice.
4 It is simple, yes/no.
5 THE WITNESS: I am thinking actually. I don't
6 believe I have provided any reports to the SEC, no.
7 BY MR. HELD:
8 Q. Okay. And that would include this case?
9 A. Correct.
10 Q. Okay. And have you prepared and provided any
11 reports of any of your work for use by the Arizona
12 Attorney General's Office in any case?
13 A. Are you referring to Grand Jury cases?
14 Q. No. Well, aside from the three Grand Jury cases
15 you have already talked about.
16 A. Yes.
17 Q. You have?
18 A. Yes.
19 Q. Okay. And how many cases were those?
20 A. I don't know.
21 Q. To the best of your knowledge have you ever
22 testified, have you ever been -- strike that.
23 Have you ever lectured on the subject of
24 forensic accounting outside of conversations or lectures
25 to Staff inside the Corporation Commission?

1 A. Yes.
2 Q. And where?
3 A. As a part of our public information, the person
4 that goes out and deals with the public, I have gone out
5 on some occasions to talk about what I do.
6 Q. In other words, general conversation about what
7 a forensic accountant is?
8 A. Yes.
9 Q. Have you ever given any lectures, again outside
10 of the Corporation Commission Staff, on a proper way to
11 conduct a forensic examination?
12 A. No.
13 Q. I am sorry, did you answer that?
14 A. Yes. The answer was no.
15 Q. Okay. I am sorry. For some reason, could you
16 give me like a two second wait before you answer? Maybe
17 that's the problem, is my speaker is cutting you out
18 because it is not finished digesting what I am saying.
19 I have no idea.
20 Let me ask you, is Mr. Palfai representing you
21 today?
22 A. I am not sure what you are asking me.
23 Q. Is he your lawyer for the purposes of this
24 deposition?
25 A. I --

1 MR. PALFAI: Objection. She has no foundation
2 to answer that.
3 MR. HELD: Foundation? You have instructed her
4 not to answer a question, and I am entitled to know the
5 basis of that instruction.
6 MR. PALFAI: I can instruct any of my witnesses
7 not to answer a question, Mr. Held.
8 MR. HELD: Then I can ask her any question I
9 want to.
10 BY MR. HELD:
11 Q. So I am asking you if, if Mr., if Mr. Palfai is
12 your counsel for the purpose of this deposition.
13 A. Was that a question?
14 Q. Yes.
15 A. Yes.
16 Q. Okay. So you have retained him?
17 A. No.
18 Q. Are you paying him?
19 A. No.
20 Q. Are you an approved instructor for anything or
21 anybody?
22 A. No.
23 Q. Are you, other than being a CPA, do you have any
24 other licenses?
25 A. No.

1 Q. Other than studying for your CPA exam -- strike
2 that.
3 When studying for your CPA exam, did you do that
4 through any kind of postgraduate course or just a
5 regular CPA study course?
6 A. No. I didn't use either.
7 Q. You just did it on your own?
8 A. Correct.
9 Q. Okay. And do you have any degrees other than
10 your bachelor in accounting?
11 A. No.
12 Q. Have you taken any postgraduate courses?
13 A. No.
14 Q. Have you ever been published in the field of
15 accounting?
16 A. No.
17 Q. Did you understand what I meant?
18 A. Yes. My answer was no.
19 Q. Okay. Have you ever been published in any
20 field?
21 A. No.
22 Q. Other than being a member of this certified --
23 well, I don't know. What professional organizations are
24 you a member of?
25 A. The American Institute of Certified Public

1 Accountants and the State Board of Accountancy of
2 Arizona, if you count that.
3 Q. Anything else?
4 A. Nothing that I can recall at this point.
5 Q. Okay. I don't know much about the Arizona State
6 structure. Do you have a grade level of employment?
7 A. Yes.
8 Q. And what is your grade level?
9 A. I don't remember.
10 Q. Do you get bonuses or any increased compensation
11 if a case, if you work on a case and the case is won by
12 the State?
13 A. No.
14 Q. In your evaluation as an employee, does the
15 number of times you testify have anything, any impact
16 adverse or otherwise on your promotional status?
17 A. No.
18 Q. When did you first get involved in this case?
19 A. The fall of 2003.
20 Q. And how did you get involved in it?
21 A. I was assigned to this case by my supervisor.
22 Q. Mr. Fink?
23 A. Correct.
24 Q. What was your job, what were you told that you
25 were to be doing in connection with this case?

1 A. Prepare a financial analysis and support the
2 case, and whatever financial dealings I need to review.
3 Q. During the course of your involvement with this
4 case, what documents did you review?
5 A. Do you want to be more specific? I reviewed a
6 whole lot.
7 Q. Like what?
8 MR. PALFAI: Objection; vague and ambiguous.
9 BY MR. HELD:
10 Q. Did you review bank records?
11 A. Yes.
12 Q. From whom, what banks?
13 A. National City Bank, First Bank of Miami, Lake
14 City Bank, Hemisphere Bank.
15 Q. I am sorry. What was the last one?
16 A. Hemisphere Bank.
17 Q. How do you spell that?
18 A. Hemisphere, like the hemisphere.
19 Q. Oh, Sphere Bank. Got it. Okay.
20 A. Dredsner Bank, Compass Bank, Wells Fargo Bank.
21 Q. Anything else that you can remember?
22 A. That's all I can recall at this point.
23 Q. Now, do those banks -- I am going to switch
24 subjects on you for a minute, then get back to the
25 banks, but what exhibits are you going to be testifying

1 about during the hearing?
2 A. Well, my reports. I don't know the exact
3 exhibit numbers. Should I flip through?
4 Q. Okay. Take a look at Exhibit S-30.
5 A. Okay.
6 Q. Are you testifying about S-30?
7 A. Yes.
8 Q. Okay. What about S-31?
9 A. Yes.
10 Q. Yes?
11 A. Yes.
12 Q. Okay. S-32?
13 A. Yes.
14 Q. S-32b, as in boy?
15 I am sorry. Did you say yes?
16 A. Yes.
17 Q. Okay. S-32c?
18 A. Yes.
19 Q. S-32d, as in David? I am sorry. There is no
20 S-32d. Wrong one. S-33?
21 A. Yes.
22 Q. It is actually S-33a, and then there is an
23 S-33b. Both of those?
24 A. Yes.
25 Q. And S-34a?

1 Q. S-34f?
2 A. I am not sure about this one.
3 Q. Take a look at S-34g.
4 A. Yes.
5 Q. And S-34h?
6 A. Yes.
7 Q. What about, let's go to 35, S-35?
8 A. Hold on. I don't have an S-35.
9 MR. PALFAI: Do you have an S-35?
10 BY MR. HELD:
11 Q. Any other exhibits about which you will be
12 testifying?
13 A. Yes, I do believe so.
14 MR. PALFAI: I am going to have to object to any
15 more questions about this, about exhibits that she
16 hasn't prepared and that are included in our exhibits.
17 She doesn't know. It would be calling for speculation
18 right now for her to answer any more questions.
19 MR. HELD: I am asking what she is going to be
20 testifying about, what exhibits she is going to be
21 testifying about.
22 MR. PALFAI: The ones she prepared she has just
23 spoken of. You are asking about other exhibits. It
24 would be pure speculation at this point.
25 MR. HELD: How can it be pure speculation?

1 MR. ROSHKA: Excuse me. Is there an S-33c?
2 MR. HELD: I don't have one if there is.
3 MR. PALFAI: There is a C and a D.
4 MR. HELD: Oh, yes, I do. There is an S-33c.
5 Very good.
6 BY MR. HELD:
7 Q. Are you going to be testifying about that one?
8 A. Yes.
9 Q. And S-34a?
10 MR. ROSHKA: There is 33d as well.
11 MR. HELD: So there is. It is a chart.
12 BY MR. HELD:
13 Q. S-33d?
14 A. Yes.
15 Q. S-34a?
16 A. Yes.
17 Q. Okay. There is an S-34b. S-34b?
18 A. Yes.
19 Q. S-34c?
20 A. I am not sure; perhaps, maybe. I don't know.
21 Q. S-34d?
22 I am sorry. Did you answer that?
23 A. Yes.
24 Q. Okay. And e, S-34e?
25 A. I am not sure about this one.

1 Either she knows now what she is going to be testifying
2 about or she doesn't.
3 MR. PALFAI: She will know by next Tuesday.
4 MR. HELD: Well, are we going to take her
5 deposition next Tuesday when you pop something else on
6 us, oh, by the way, she is going to testify about
7 Exhibit No. 28?
8 MR. PALFAI: Mr. Held, you can ask her all you
9 want. I don't think she knows the answers to any of
10 those questions, but go ahead.
11 BY MR. HELD:
12 Q. Have you been prepared or asked to testify about
13 any exhibits other than Exhibits S-30 through S-34h?
14 A. You are going to have to give me a moment.
15 MR. ROSHKA: While she is taking the moment,
16 Mr. Palfai, when you and I spoke, I think it was on
17 Friday, you made reference to 39, 49 and 50.
18 MR. PALFAI: That is something that I can
19 address, but I don't think Ms. Taplin is in a position
20 to.
21 MR. ROSHKA: Well, the reason those came up was
22 in response to my question to you of which exhibits
23 would Ms. Slazyk and Ms. Taplin be testifying to. And
24 you said 30 through 34 was the crux of the testimony,
25 but that 39, 49 and 50 would also be touched upon as

1 well.
2 MR. PALFAI: 39 is certainly one of them. 49
3 may be. I can't be sure at this point. And 50 has been
4 withdrawn, so that one probably won't be touched on.
5 MR. HELD: Just so you know, Mr. Palfai, any,
6 any request for testimony from this witness on anything
7 other than 30 through 34h will be vehemently objected to
8 as us not having the opportunity of examining her on
9 those issues.
10 MR. PALFAI: Well, I just gave you 39, didn't I,
11 and 49? But I can't at this point --
12 MR. HELD: 49 I do not have. So, Paul, I would
13 have to leave it up to you to ask her about.
14 MR. PALFAI: And I just can't at this point
15 limit her to those exhibits. As soon as I know more
16 information, if there are other exhibits, I will
17 disclose it to you. These exhibits have either already
18 been admitted or -- they are not surprise exhibits.
19 MR. HELD: No surprise exhibits, it has to do
20 with surprise testimony. If she is going to testify to
21 or claim to be an expert on something, we have a right
22 to find out what it is.
23 BY MR. HELD:
24 Q. Let me ask this: Ms. Taplin, have you, have you
25 gone over with the Staff members of the Arizona

1 prepared 30 to 34. And obviously some of those exhibits
2 are signatory cards and things of that nature, which she
3 obviously didn't prepare herself.
4 MR. HELD: Okay. I was trying to short-circuit
5 this. I guess I can't.
6 BY MR. HELD:
7 Q. Let's go back to Exhibit 30. Now, what -- did
8 you prepare Exhibit 30?
9 A. Yes.
10 Q. And what did you prepare it from?
11 A. Bank records, sales agent listings.
12 Q. I am sorry, bank records and what? Oh, sales
13 agent?
14 A. Sales agent records, in addition to potentially
15 investor interview memos.
16 Q. Anything else?
17 A. That's all I can recall at this point in time.
18 Q. Okay. Which bank records did you review in
19 order to prepare Exhibit S-30?
20 A. I reviewed deposits and checks.
21 Q. From which accounts?
22 A. National City Bank -- I am sorry, what was your
23 question again?
24 Q. Which bank records, records from which bank did
25 you review to gather the information in Exhibit S-30?

1 securities commission what your testimony is going to be
2 and your opinions are going to be at the hearing?
3 A. Generally, yes.
4 Q. And with whom have you had those conversations?
5 A. Mr. Palfai.
6 Q. Okay. And what were those conversations?
7 A. You are going to have to be more specific. We
8 have had a lot of conversations.
9 Q. What opinions are you prepared to give that the
10 Staff has asked you to give?
11 A. I don't think it is so much that I have been
12 asked to give a specific opinion. I have been asked to
13 prepare this report and I am going to be asked about it.
14 Q. Okay. In preparing Exhibits 30 through 34h, did
15 you, you had mentioned -- strike that.
16 You had mentioned various banks before when I
17 asked you what records you reviewed. In going through
18 Exhibits 30, in preparing Exhibits 30 through 34h, did
19 you use the records of all of those banks? Just to
20 refresh your recollection, it was National City Bank,
21 First of Miami, Lake City, Sphere Bank, Dredsner Bank,
22 Compass Bank, and Wells Fargo Bank.
23 MR. PALFAI: I am going to have to object to
24 that question, because I couldn't quite follow it, quite
25 frankly. Second of all, she never testified that she

1 A. National City Bank, First Bank of Miami,
2 Hemisphere Bank and Dredsner Bank.
3 Q. And the first -- hold on one second. The
4 National City Bank, whose account was that?
5 A. There were several accounts housed there
6 actually.
7 Q. Was one of those accounts the account for World
8 Phantasy Tours?
9 A. No.
10 Q. I am sorry?
11 A. No.
12 Q. Okay. So the bank records that you reviewed
13 were all from which company?
14 A. I am sorry. Could you ask that again.
15 Q. Yes. The bank records, you said you looked at
16 National City Bank, First Miami, Sphere Bank and
17 Dredsner Bank. For which company or companies were they
18 bank accounts?
19 A. Which bank are you referring to?
20 Q. Let's start with National City Bank.
21 A. National City Bank had a Yucatan Resorts
22 account, a Yucatan Investments account, a Resort
23 Holdings International lease account.
24 Q. I am sorry. A Yucatan Resorts account, and then
25 you said a Yucatan Investment account?

1 A. Yes.
2 Q. And the third one was what?
3 A. A Resort Holdings International lease account.
4 And there were a couple other accounts that, smaller
5 accounts that I can't remember that were at this bank.
6 Q. Okay. And the names of the people who are
7 listed as the -- exactly what is -- strike that.
8 Exactly what is Exhibit S-30 supposed to be?
9 A. This is a list of individuals that I have
10 identified as Arizona investors.
11 Q. When you say investors, you mean people who have
12 purchased the Universal Lease?
13 A. Correct.
14 MR. PALFAI: Mr. Held, sorry for interrupting,
15 but one other exhibit that she will be talking about is
16 30.1, which I believe we sent you recently. And when I
17 was mentioning the numbers earlier, I inadvertently
18 omitted 30.1.
19 Sorry. Go ahead.
20 MR. HELD: Well, I am going to have to see if I
21 can find 30.1. One second. I will get to it.
22 BY MR. HELD:
23 Q. Okay. So we have got, this is a list of all
24 persons who you have identified from reviewing bank
25 records that purchased Universal Leases?

1 A. This is a list of individuals that I have
2 identified as Arizona Universal Leaseholders from not
3 just bank records but also sales agent listings.
4 Q. Okay. And investor interview memoranda, I think
5 you said?
6 A. Correct.
7 Q. Okay. And one of the, I think you said one of
8 the accounts of National City Bank was the Yucatan
9 Resorts account and then the Yucatan Investments
10 account?
11 A. Those were two of the accounts, yes.
12 Q. Well, Yucatan Investments Corp.?
13 A. I don't remember if it was Corp. I don't
14 remember the ending to that.
15 Q. And how old were those accounts?
16 A. That's hard to say without having the bank
17 statements in front of me.
18 Q. And then there was another account entitled
19 Resort Holdings International lease account?
20 A. Correct.
21 Q. Where did you get these account statements from?
22 Let me ask it differently.
23 I am assuming, when you said you reviewed the
24 accounts, you are talking about reviewing bank
25 statements and bank account records from the National

1 City Bank.
2 A. Yes.
3 Q. And where did you get those records from?
4 A. Well, actually a variety of places. Originally
5 we received the bank statements from the National White
6 Collar Crime Center. And that is when we first started
7 the case. Subsequently we worked with the Indiana
8 Securities Division. They issued a subpoena for the
9 records at that point. And we received records directly
10 from the bank.
11 Q. I am confused. The Indiana Securities
12 Commission issued a subpoena and you received them
13 directly from the bank, is that what you said?
14 A. I said that initially we received statements
15 from the National White Collar Crime Center.
16 Q. I understood that.
17 A. And then subsequently we worked with the Indiana
18 Securities Division and they issued a subpoena for these
19 bank records. And the bank records were then
20 delivered -- I can't recall if they went to Indiana
21 first. I would have to go back and look at the actual
22 records. Some of them did come straight to us, but some
23 of them may have gone to Indiana Securities.
24 MR. PALFAI: I am sorry. I am a little confused
25 here. Which account are we talking about? Is there --

1 you said where did the bank records come from. We are
2 talking many different companies.
3 MR. HELD: Well, apparently she knows what I am
4 talking about. I know what I am talking about. So why
5 don't you hold on and I will get there.
6 MR. PALFAI: It is hard for me to follow along,
7 Mr. Held. Please have patience with me.
8 MR. HELD: That's tough.
9 BY MR. HELD:
10 Q. Okay. So you received bank records from the
11 National City Bank from the National White Collar Crime,
12 what we call NW3C, right?
13 MR. PALFAI: Objection. I think that misstates
14 prior testimony.
15 BY MR. HELD:
16 Q. All right. Let me ask you again. Ms. Taplin, I
17 think you just said, is it true, that you received some
18 records from the National City -- the records of the
19 National City Bank account for one of the Yucatan, or
20 more, of the Yucatan companies from the NW3C?
21 A. I received bank statements.
22 Q. Bank statements, okay. And I believe Ms. Slazyk
23 testified that what she sent you was records from an
24 account that ends in 8187 from the National City Bank.
25 Does that help you at all?

1 A. Yes.
2 MR. PALFAI: Are you referring to a World
3 Phantasy Tours account, Mr. Held?
4 MR. HELD: No, I am not. I am talking about a
5 Yucatan Resort account.
6 THE WITNESS: I did receive records from Kelly
7 Slazyk for the account ending 8187.
8 BY MR. HELD:
9 Q. Okay. And then you testified that you got
10 records that the Indiana Securities Commission sent you
11 records -- strike that.
12 I think you testified that the Indiana
13 Securities Commission issued a subpoena for bank
14 records?
15 MR. PALFAI: You know, I am going to have to
16 object. This is so vague and ambiguous. Bank records,
17 we have bank records from several different accounts,
18 several different entities, and you are throwing around
19 bank records like there is one set of records.
20 MR. HELD: No, I am not. You know full well
21 what I am asking her.
22 BY MR. HELD:
23 Q. Now, Ms. Taplin, you testified that the Indiana
24 Securities Commission issued a subpoena for bank records
25 relating to one of the Yucatan companies, is that right?

1 A. The Indiana Securities Division did issue a
2 subpoena for records.
3 Q. Do you know which bank they subpoenaed records
4 from?
5 A. The National City Bank of Indiana.
6 Q. Any other banks that you are aware of?
7 A. The Lake City Bank.
8 Q. Is that in Indiana also?
9 A. I believe so.
10 Q. Any other banks that you are aware of?
11 A. Not that I can recall at this point.
12 Q. Okay. Did you or anyone from the Arizona
13 securities commission ask the Indiana Securities
14 Division to issue the subpoena in Indiana?
15 A. Could you repeat the question.
16 Q. Did you or anyone else to your knowledge from
17 the Arizona securities commission -- strike that.
18 Did you or anyone to your knowledge from the
19 Arizona Corporation Commission request that the Indiana
20 Securities Division issue a subpoena in Indiana for bank
21 records of any of the respondents in this case?
22 A. Yes.
23 Q. And who was that who requested that be done?
24 A. I don't recall specifically who that came from.
25 Q. Was it you?

1 A. It might have been. I don't recall.
2 Q. Was it Mr. Palfai?
3 A. It might have been. I don't recall.
4 Q. Did you discuss this request for a subpoena with
5 either Mr. Palfai or anyone else on the litigation staff
6 of the Arizona Corporation Commission?
7 A. Yes.
8 Q. And with whom?
9 A. With Mr. Palfai and with Mr. Fink.
10 Q. And tell me what those conversations were.
11 A. I don't think I could.
12 Q. Why?
13 A. It has been a couple years. I don't remember
14 the specifics.
15 Q. Whose idea was it amongst all of you to ask the
16 Indiana Securities Division to issue a subpoena?
17 A. I am sure it was collectively. It was the next
18 step. So I don't know who specifically, whose mouth it
19 came out of.
20 Q. Okay. Was the request made in writing?
21 A. The request of who?
22 Q. Of the Indiana Securities Division to issue a
23 subpoena to get the bank records of the respondents in
24 Indiana, was that made in writing from the Arizona
25 Corporation Commission?

1 A. I don't remember.
2 Q. Do you have a file of correspondence in
3 connection with this case?
4 A. Yes.
5 Q. And how thick is that file?
6 A. I am not sure what you are asking me.
7 Q. Is it a boxful of documents or is it a couple
8 inches thick or what?
9 A. Maybe a couple inches.
10 Q. Okay. And do you have in that file your own
11 work papers and memos about this case?
12 A. My correspondence folder has just that
13 correspondence.
14 MR. HELD: I am going to ask for production of
15 the correspondence folder or file maintained by
16 Ms. Taplin in connection with this case. Mr. Palfai?
17 MR. PALFAI: Well, Mr. Held, I think a lot of
18 what you are asking for is entirely irrelevant to this.
19 MR. HELD: Just answer the question. Are you
20 going to agree to it or not?
21 MR. PALFAI: To the extent that the
22 communications are privileged, no.
23 MR. HELD: Okay.
24 MR. PALFAI: To the extent the communications
25 are interagency communications that are governed by

1 confidentiality agreements, no. If there is no
2 privilege or no confidentiality agreement, I don't have
3 a problem with disclosing it.

4 MR. ROSHKA: Mr. Palfai, could you explain to me
5 how there can be any privileges associated with
6 Ms. Taplin's correspondence since you have asked her to
7 be a witness in this case?

8 MR. PALFAI: All Division correspondence with
9 other agencies where there is a confidentiality
10 agreement are confidential. It doesn't matter if they
11 come from me or anyone else. If they don't pertain to
12 her report and they are confidential, you are not
13 getting them. I don't think Judge Stern will allow you
14 to get them.

15 MR. ROSHKA: But you are not asserting that her
16 communications with others, now that she is a witness,
17 are privileged, are you?

18 MR. PALFAI: If those communications involve
19 interagency confidentiality agreements, I am going to
20 have to assert a, assert that privilege and have Judge
21 Stern determine whether or not we are going to turn them
22 over. If they are not, if they are not relevant, I
23 don't see why you need them. But if there is no
24 privilege attached them, I don't have a problem with you
25 getting them. But I will have to look through the file.

1 A. To the Florida -- let me think of the name.

2 Q. The Florida securities commission?

3 A. I think it is called the Securities
4 Investigative Board or something.

5 Q. Okay. Anyone else?

6 A. The New York Attorney General's Office.

7 Q. Anyone else?

8 A. Not that I can recall at this point.

9 Q. And did you get any response from the Florida
10 securities department or division, or whatever it is
11 called?

12 A. Yes.

13 Q. Did they send you records?

14 A. Yes.

15 Q. And what records did they send you?

16 A. They sent records from the First Bank of Miami
17 and records from Hemisphere Bank.

18 Q. All right. Getting back to the Indiana subpoena
19 for a minute, if I understood your testimony, the
20 Arizona securities commission requested that Indiana
21 issue the subpoena which was issued and you may have
22 received records directly from the bank as opposed to
23 having them responded to Indiana and then forwarded to
24 you, is that right?

25 A. I think my answer is that it is hard to tell you

1 So I guess the short answer is some.

2 MR. ROSHKA: I am done, Mr. Held.

3 MR. HELD: Okay. I guess -- all right.

4 MR. PALFAI: I would just like to clarify with
5 Mr. Roshka, if I could for a second.

6 I don't know what is in that file. So I don't
7 want to be attacked for not giving documents when I
8 don't know what they are. I have to at least look at
9 them before I can give you a fully responsive answer to
10 that.

11 MR. ROSHKA: I am done.

12 BY MR. HELD:

13 Q. Let me ask you this: Was there any other
14 jurisdiction to your knowledge that either you or anyone
15 else at the Arizona securities commission requested the
16 issuance of a subpoena for records related to any of the
17 respondents in this case?

18 A. Could you repeat the question.

19 Q. Sure. Did you, to your knowledge, did you or
20 anyone else at the Arizona Corporation Commission
21 request any other jurisdiction to issue a subpoena for
22 records relating to any of the respondents in this case?

23 A. Yes.

24 Q. And to whom was that, to whom was that request
25 made?

1 that exactly without the records being in front of me.

2 Q. Okay. And how about with respect to the Florida
3 securities division or whatever, did they, to your
4 knowledge, did they issue a subpoena?

5 A. Yes.

6 Q. And were the records of First Bank of Miami
7 delivered to you from the Florida securities or directly
8 from the First Bank of Miami?

9 A. Again, I would have to look at my records.

10 Q. What records would you look at to get that
11 answer?

12 A. I would look at the actual records to see who I
13 received it from.

14 Q. Well, would it be on the bank records itself or
15 would it be a cover letter?

16 A. It would be a cover letter. It would be the
17 actual envelope it came in. It would be whatever was
18 provided. I would have to look at, go to that account,
19 that bank.

20 Q. And would those be in the file of correspondence
21 that you have or would they be in a place where you
22 actually kept the bank records?

23 A. Those would be with the bank records.

24 Q. Okay. Because in reviewing the bank records
25 that were produced by the State of Arizona, I couldn't

1 find any cover letters. I might have missed them but I
2 couldn't find any cover letters. So do you know if
3 those would have been copied or those cover letters were
4 extracted from the documents that were sent to us?
5 A. I would not have extracted those letters, so...
6 Q. Okay. You also said that a request was made
7 from the New York Attorney General's Office?
8 A. Yes.
9 Q. And did you get a response from them?
10 A. Yes.
11 Q. And did they send you records?
12 A. Yes.
13 Q. And of what bank were those records, did those
14 records relate to?
15 A. Dredsnor Bank.
16 Q. And whose account was that?
17 A. Resort Holding International, S.A. de C.V.
18 Q. All right. And any other jurisdictions that
19 requests were made for records? I think you have
20 identified Indiana, Florida, New York. You have got
21 some from Pennsylvania. Anybody else?
22 A. Not that I can recall at this point.
23 Q. Okay. I think you have also said that you have
24 identified the National City Bank, First of Miami, Lake
25 City, Hemisphere as coming from these jurisdictions,

1 Dredsnor from New York. What about Compass Bank and
2 Wells Fargo Bank, where did you obtain the records from
3 those banks?
4 A. Actually I think that was a mistake, that those,
5 I don't believe I received records from those banks.
6 Q. I am sorry. You do not think you received
7 records --
8 A. No.
9 Q. -- is that what you said?
10 A. Correct, as it pertains to this matter, no.
11 Q. Okay. Just so I am clear, so the only banks
12 that you reviewed records for relating to this case and
13 the respondents was National City Bank, First of Miami,
14 Lake City Bank, Hemisphere Bank and Dredsnor Bank, not
15 the Compass Bank and Wells Fargo?
16 A. Correct.
17 Q. Okay. You also said you reviewed, if I have got
18 my notes right, you reviewed notes of interviews with
19 investors, right? Do you have a -- isn't that what you
20 said?
21 A. I am sorry. Could you repeat that.
22 Q. I think you also said, in preparing for
23 Exhibit S-30, you reviewed your notes of investor
24 interviews.
25 A. I did not review my notes of investor

1 interviews. I reviewed investor interviews, memos.
2 Q. I see. Those were memos prepared by someone
3 else?
4 A. Correct.
5 Q. Who were those prepared by?
6 A. Most likely Investigator Kirst, but, again,
7 without them in front of me, I can't tell you exactly.
8 Q. Okay. And is there a file that you are privy to
9 that has those memos in it?
10 A. There is a file that I maintain, yes.
11 Q. Okay. We call for production of that file as
12 well.
13 A. I produced that.
14 Q. We already have that file?
15 A. Yes.
16 Q. We have -- you have produced a file to us that
17 has Mr. Kirst's or whoever prepared memos of investor
18 interviews?
19 A. Correct.
20 MR. ROSHKA: Mr. Held, are you referring to the
21 questionnaires?
22 THE WITNESS: No.
23 MR. HELD: I don't know whether that was what
24 she was -- I was about to ask her.
25 BY MR. HELD:

1 Q. Are you referring to a questionnaire that was
2 sent to the leaseholders?
3 A. No.
4 Q. So this is something separate, which was an
5 internal memorandum of notes taken by whoever was
6 interviewing leaseholders on behalf of the Arizona
7 Corporation Commission?
8 A. Memos, yes.
9 Q. I guess we will look again but I am not aware of
10 any such memos.
11 MR. PALFAI: Mr. Held, I think they were
12 produced. I think one thing that may be leading to the
13 confusion is these memos look a little like
14 questionnaires, but they are actually memos.
15 MR. HELD: Were they produced with the
16 questionnaires?
17 MR. PALFAI: They were produced as part of that
18 production, I believe.
19 MR. HELD: Which production? That big
20 production?
21 MR. PALFAI: I believe so.
22 BY MR. HELD:
23 Q. Okay. All right. So what we have is
24 Exhibit 30, going back to Exhibit 30, if I understand
25 your testimony correctly, is a summary prepared by you,

1 is that right?
2 A. Yes.
3 Q. All the information that is contained in
4 Exhibit S-30 taken from bank records of National City
5 Bank, First of Miami, Lake City Bank, Hemisphere Bank,
6 Dredner Bank, memoranda of interviews with investors
7 and sales agents' records, is that right?
8 A. That's what I can remember at this time, yes.
9 Q. Okay. And the sales agents' records were
10 produced in connection with EUOs?
11 A. Some of them, yes.
12 Q. Some were, some of them were produced as a
13 result of subpoenas issued by the State of Arizona?
14 A. I don't believe so.
15 Q. Were they produced voluntarily by the
16 salespeople?
17 A. No, I don't believe so.
18 Q. Were they issued -- were they produced by virtue
19 of subpoenas issued by some other jurisdiction?
20 A. I am not sure whether they were subpoenas or
21 requests. I am not sure of the specifics.
22 Q. Did any of those records from sales agents come
23 from other jurisdictions?
24 MR. PALFAI: Mr. Held, I am going to have to
25 object here because I think you may be talking about

1 different things. Are you talking about the sales
2 agents where the EUOs were conducted?
3 MR. HELD: No.
4 MR. PALFAI: Okay.
5 MR. HELD: Ms. Taplin said that the names of
6 these people came from sales agents' records, and I am
7 asking were any of those sales agents nonArizona
8 residents.
9 THE WITNESS: Yes.
10 BY MR. HELD:
11 Q. And did Arizona issue requests to those people
12 for their records?
13 A. No.
14 Q. Did other jurisdictions, were other
15 jurisdictions requested to request that information from
16 sales agents in their jurisdictions?
17 A. It is hard to really answer how they requested
18 or how they, it came to be.
19 Q. Okay. Have all of the sales -- strike that.
20 How many sales agents are we talking about here?
21 A. Could you be more specific.
22 Q. How many sales agents were there that produced
23 records to you from which you gathered the information
24 which is on Exhibit S-30?
25 A. I can think of at least six off the top of my

1 head.
2 Q. And who are those?
3 A. Roy Higgs, John Tencza, Gregory Groh, Janalee
4 Sneva, Phillip Ohst, and Ruttenberg & Associates.
5 Q. Okay. Other than the records of various banks,
6 the sales agents' records, investor interview memos, was
7 there anything else that you used to verify the
8 information contained on Exhibit S-30?
9 A. That's what I can recall at this point.
10 Q. Okay. Are you being asked to express any
11 opinions about Exhibit S-30?
12 A. I am asked to testify to the fact that I did
13 prepare this. And I am not sure what you mean
14 specifically.
15 Q. Well, I mean are you being asked to testify that
16 Exhibit S-30 is just a compilation of information from a
17 variety of sources from which you have listed or
18 summarized the information regarding leaseholders? Is
19 that right?
20 A. I am being asked to define what this is and how
21 I put it together.
22 Q. Okay. And how would you define it?
23 A. This is a list of individuals that I have
24 identified as Arizona investors.
25 Q. When you say identified, you mean identified

1 based upon all of this information we have been talking
2 about, bank records and investor questionnaires and
3 sales agents' records? You haven't called all these
4 people and verified they were leaseholders, have you?
5 A. What is your question?
6 Q. Have you verified, independently verified --
7 strike that.
8 Now, you know what an audit is, correct?
9 A. Yes.
10 Q. You know what a confirmation request is, don't
11 you?
12 A. Yes.
13 Q. Did you in any way obtain any independent
14 confirmation that the people listed on Exhibit S-30 are
15 in fact or were in fact leaseholders?
16 A. Well, I have traced most of these people to bank
17 information and sales agent information.
18 Q. But that doesn't answer my question. My
19 question is: Have you done any independent verification
20 as you would in an audit to determine whether these
21 people are in fact Arizona residents, leaseholders?
22 A. We have mailed out questionnaires.
23 Q. And how many did you get back?
24 A. I don't recall off the top of my head.
25 Q. How many did you mail out?

1 A. It was over 200. I don't recall the specific
2 amount.
3 Q. And is that information, how many you mailed
4 out, contained in your records somewhere?
5 A. Yes.
6 Q. And do you keep a log or a book or something
7 that has all this information in it?
8 A. I believe I -- are you asking what I produced?
9 Q. No, no. Do you have, do you keep some sort of a
10 logbook or a data sheet or a summary information that
11 you would be able to just look at and see, yes,
12 according to my notes I sent out X number of these and I
13 got Y number back?
14 A. Yes.
15 Q. Okay. I am going to call for production of that
16 document as well, unless you tell me it has already been
17 produced. Has that already been produced?
18 A. Well, it is something I created for Investigator
19 Kirst. I believe he had some notes. I relied on his
20 summaries and I did produce a copy of his notes.
21 Q. Okay. Now, it is true, isn't it, that
22 Exhibit 30 contains -- well, strike that.
23 So you are going to testify that Exhibit 30
24 contains the names of all, that the names on Exhibit 30
25 are all Arizona residents who purchased Universal

1 Leases?
2 A. No.
3 Q. Okay. Then what is it?
4 A. If you will notice on the bottom, it is listing,
5 there is a note there that the listing reflects sales
6 made both within and from the state of Arizona.
7 Q. I see, okay. So it includes people who are not
8 Arizona residents?
9 A. Yes.
10 Q. Back to the questionnaires you sent out. You
11 said you think you sent out over 200. How many did you
12 get back?
13 MR. PALFAI: Asked and answered.
14 MR. HELD: I am sorry?
15 MR. PALFAI: Asked and answered.
16 BY MR. HELD:
17 Q. I didn't hear the answer. How many did you get
18 back?
19 A. I don't remember.
20 Q. Was it less than half?
21 A. I believe so, yes.
22 Q. Okay. How many, I haven't counted them up, but
23 how many names appear on this list, Exhibit 30?
24 A. I don't know. I haven't counted them up, or I
25 have but I don't know.

1 Q. Probably, it is 11 pages, so we are probably
2 talking over a thousand, correct?
3 A. I don't know. I haven't counted them.
4 Q. Okay. Are you going to testify about any
5 conclusions you have reached with respect to Exhibit 30?
6 A. I don't know. I may.
7 Q. And what conclusions have you reached about
8 Exhibit 30?
9 A. Like I testified earlier, that this is a list of
10 identified Arizona investors.
11 Q. Okay. Let's turn over to Exhibit 31. Did you
12 prepare Exhibit 31?
13 A. I was involved in the preparation. Kelly Slazyk
14 put it, actually put it together herself.
15 Q. Did she ever send you a draft of the exhibit?
16 A. Yes.
17 Q. And did you make changes to the draft?
18 A. Yes.
19 Q. Do you still have the original draft?
20 A. I don't know.
21 Q. If you did have it would it be in your records?
22 A. Yes.
23 MR. HELD: Okay. We call for production of the
24 original draft.
25 MR. PALFAI: We haven't established that one

1 exists.
2 MR. HELD: If it exists obviously.
3 MR. PALFAI: You know, if you had done the
4 deposition before, sooner than a week before the
5 hearing, we could have addressed it at least, the
6 production issues.
7 MR. ROSHKA: We still have a week. If you have
8 an objection, you make it.
9 MR. HELD: Are you objecting to it?
10 MR. PALFAI: No.
11 MR. HELD: I beg your pardon?
12 MR. PALFAI: I am not objecting either way. I
13 am not commenting either way. I am just --
14 BY MR. HELD:
15 Q. I would ask that you produce these. Strike
16 that. Where are your records kept?
17 A. In my --
18 MR. PALFAI: Who are you asking?
19 MR. ROSHKA: The witness.
20 MR. HELD: Obviously, unless you are willing to
21 testify, I am asking Ms. Taplin.
22 MR. PALFAI: Oh, okay.
23 THE WITNESS: In my office.
24 BY MR. HELD:
25 Q. Okay. And what is the volume of records

1 regarding this case, absent the actual, not counting the
2 actual bank records?
3 A. I am sorry. What are you asking me?
4 Q. How big is your file on this case, not counting
5 the actual bank records?
6 A. How do you want me to quantify that?
7 Q. Is it more than a boxful?
8 A. Yes.
9 Q. I am sorry?
10 A. Yes.
11 Q. Is it more than two boxes full?
12 A. Probably.
13 Q. Okay. That wouldn't take that long to copy
14 that. We can send a copy service over and have it done.
15 A. I have produced, I have produced most of this.
16 Q. Okay. Well, let's see if we can narrow it
17 further. Other than that which you have already
18 produced, since I don't remember ever seeing any draft
19 of financial statements or any draft of S-31 or
20 correspondence to and from the various banks, subpoenas
21 or anything else that have been issued, how big are
22 those records?
23 MR. PALFAI: Mr. Held, just to correct the
24 record, you were talking about a draft earlier today
25 with Ms. Slazyk. I think you labeled it 31-O.

1 A. I don't know.
2 Q. How many drafts of Exhibit 31 did you receive
3 before the final what is now marked S-31?
4 A. I don't know.
5 Q. Sorry?
6 A. I don't know. I don't recall.
7 Q. Was it more than the one that you have just
8 mentioned?
9 A. I believe there was more than one.
10 Q. Okay. And now what are you going to testify to
11 about Exhibit 31?
12 A. Can you be more specific?
13 Q. Yes. I mean you didn't prepare it, did you?
14 A. I assisted in the preparation.
15 Q. Well, are you saying that you assisted
16 Ms. Slazyk in preparing Exhibit 31 other than what you
17 have just testified to about making suggestions?
18 A. Well, we had ongoing discussions. I
19 communicated with Ms. Slazyk regularly.
20 Q. Okay. And did you have any input into the
21 second, third and fourth pages of Exhibit S-31?
22 A. Yes.
23 Q. And what input did you have?
24 A. Format, how it was set up, the title, the look
25 of it. If I saw something that maybe should have been

1 MR. HELD: That's not what I am talking about
2 here.
3 MR. PALFAI: You are right. You had never seen
4 a draft of 31, S-31. We talked about S-31-O earlier
5 today.
6 MR. HELD: Mr. Palfai, do you have an objection?
7 MR. PALFAI: I am trying to correct the record,
8 Mr. Held.
9 MR. HELD: Fine, do it during your own time.
10 Right now I am asking the questions. If you want to
11 object to something, go ahead and object to it.
12 MR. PALFAI: Objection; misstates prior
13 testimony.
14 BY MR. HELD:
15 Q. All right. Ms. Taplin, I think you testified
16 that Ms. Slazyk sent you a draft, sent you a draft of
17 what is now S-31, correct?
18 A. Yes.
19 Q. And you made changes to it?
20 A. I didn't make changes. We discussed it and I
21 suggested certain changes.
22 Q. Okay. And she made those changes?
23 A. Yes.
24 Q. Do you have a copy of the original Exhibit 31
25 that she sent you?

1 coded a different way, I would discuss that with her.
2 Q. Did you eliminate any information from the
3 original draft that Ms. Slazyk sent to you?
4 A. No.
5 Q. Did you ask her to add any information to the
6 original draft that she sent to you?
7 A. It is hard to remember the specifics of the
8 discussion. I would, mostly it was to clarify or to
9 make something more clear.
10 Q. Did you communicate solely by telephone with
11 Ms. Slazyk or did you have e-mails back and forth?
12 A. Mostly by telephone. There were a few e-mails.
13 Q. Do you still have copies of those e-mails?
14 A. Maybe.
15 Q. Do you have on your computer at the office a
16 folder for Yucatan Resorts or RHI?
17 A. Yes.
18 Q. And in that folder are there contained the
19 various e-mails that you may have had with Ms. Slazyk
20 and anyone else regarding the case?
21 A. Maybe.
22 MR. HELD: We call for production of the printed
23 format of the folder, her personal folder relating to --
24 MR. PALFAI: Excuse me. I didn't --
25 MR. HELD: Mr. Palfai.

1 MR. PALFAI: I didn't understand what you said,
2 Mr. Held.
3 MR. HELD: I said we call for production of the
4 printed format of her computer folder relating to
5 Yucatan to this investigation.
6 MR. PALFAI: Her computer folder, are you asking
7 for the investigative files of Yucatan?
8 MR. HELD: Hers, Ms. Taplin's.
9 I am sorry. Did you respond?
10 THE WITNESS: I am sorry. What was the
11 question?
12 MR. PALFAI: Yes.
13 MR. HELD: There was no question. I called for
14 production of your computer file program, not the
15 program, but the folder for Yucatan that we have just
16 been talking about.
17 MR. PALFAI: To the extent that any of those
18 e-mails are utterly unrelated to the underlying, or the
19 information used to prepare the reports, charts and
20 graphs, or if they are confidential, I would say you are
21 not entitled to those documents. However, I haven't
22 seen them and I would have to review them before I could
23 tell you.
24 BY MR. HELD:
25 Q. Let me ask you a quick question. Go back to

1 Exhibit S-30 for a moment. Was there, in preparing
2 Exhibit S-30, did you have any discretion as to what
3 information to add or subtract from it?
4 A. Yes.
5 Q. And what discretion did you have?
6 A. Well, I prepared this. So I was asked to
7 produce a list of Arizona investors, and that's what I
8 produced.
9 Q. I understand that. And I guess what I am asking
10 is, if it is a compilation and a summary of records from
11 various banks and agents and leaseholders, what
12 discretion could you exercise as to whether to add
13 somebody or take somebody out?
14 A. Well, if I saw evidence that supported the fact
15 that they invested, you know, they were a Universal
16 Leaseholder, I added them on the list if they were sold
17 from the State of Arizona or resided within the State of
18 Arizona.
19 Q. And that information or evidence would have come
20 from records supplied by third parties?
21 A. From banks.
22 Q. Yes.
23 A. From agents.
24 Q. Okay. And is the same true, did you exercise
25 any discretion as to the numbers that are included in

1 Exhibit S-31? I am not asking about categories. I am
2 simply asking about the actual figures.
3 A. I am not really sure what you are asking.
4 Q. All right. Strike that question. Let's go to
5 S-32. I am sorry, back to S-31 for a minute.
6 S-31 is a document that was prepared by
7 Ms. Slazyk from records in Ms. Slazyk's possession,
8 correct?
9 A. At the time they were in her possession.
10 Q. Did you do any independent audit verification as
11 to the information contained in Exhibit S-31?
12 A. I tested these numbers, yes.
13 Q. And how did you test them?
14 A. Eventually she sent all the records down to me
15 or she sent me a scanned copy of the records. So I was
16 able to pull up actual detail and trace it into her data
17 input to make sure I agreed. And then I performed my
18 own test of, you know, queries to see if I agreed with
19 how she categorized and put this report together.
20 Q. Okay. So what you are saying, you tested her
21 information by going to the very records she used to
22 gather and compile the information?
23 A. Yes.
24 Q. Okay. Did you do any independent verification
25 by sending any confirmations or written material to any

1 of the investors, leaseholders, companies who were
2 either payors or payees on any of the checks?
3 A. Yes.
4 Q. What did you do there?
5 A. Well, when we did our questionnaires, some of
6 the investors listed on S-30 are included in this report
7 as well as phone call questionnaires. Some of those
8 people are also included in this report.
9 MR. PALFAI: And just for clarification, when
10 you say the phone call questionnaires, same as the
11 interview memos, correct?
12 THE WITNESS: Correct.
13 MR. PALFAI: The way you are using it?
14 BY MR. HELD:
15 Q. I am not sure I understand what you just said.
16 A. Me or Jamie?
17 Q. No, you.
18 A. I am sorry. Could you reask your question.
19 MR. PALFAI: Can you --
20 BY MR. HELD:
21 Q. I didn't understand what you said. You said --
22 let's deal with the information on S-31. Did you send
23 out any independent verification or information
24 confirmations to any of the companies listed as payees
25 on the list of checks of sources of payments to

1 entities?
2 MR. PALFAI: Objection; vague and ambiguous,
3 compound.
4 BY MR. HELD:
5 Q. Did you understand what I was asking?
6 A. It sounded like you were asking me a couple
7 different things.
8 Q. Let's break it down. If you take a look at
9 page 1 of 2 of Exhibit 31, it is the second page of the
10 exhibit, there is a list of payments to other entities.
11 Do you see where it says that?
12 A. Yes.
13 Q. Okay. Did you write or attempt to verify by
14 confirmation the payments to these companies by sending
15 requests for verifications to any of those companies?
16 A. No.
17 Q. And where it says other sources up above that,
18 did you send any independent verification requests or
19 audit confirmations to any of those people?
20 A. No.
21 Q. And the same question with respect to the next
22 page, did you send any audit confirmations or
23 verification to any of the companies or people listed in
24 other expenditures? I am sorry?
25 A. No.

1 Q. So essentially what you were doing was relying
2 upon the information provided by Ms. Slazyk in verifying
3 or understanding what Exhibit S-31 is?
4 MR. PALFAI: Objection. That is not what she
5 just stated. You are just referring to a page, not the
6 entire exhibit.
7 MR. HELD: Just object and tell me --
8 MR. PALFAI: Mr. Held, you are one to say
9 something like that. Your speaking objections go on for
10 hours.
11 MR. ROSHKA: Wait a minute, Jamie. This morning
12 you told us during Slazyk's deposition that in Arizona
13 there are no speaking objections.
14 MR. PALFAI: That's true.
15 MR. ROSHKA: Were you right or wrong?
16 MR. PALFAI: I was right.
17 MR. ROSHKA: Well, then why don't you follow
18 your own advice.
19 MR. PALFAI: If we all do that, I will be happy
20 to.
21 MR. ROSHKA: Well, it is pretty hard for
22 Mr. Held to object since he is taking the deposition. I
23 think the only objections are coming from you.
24 MR. PALFAI: He has about 450 pages of
25 objections on the transcript so far in this hearing.

1 MR. ROSHKA: Can we agree there are no speaking
2 objections during the deposition?
3 MR. PALFAI: Yes.
4 MR. ROSHKA: Okay.
5 BY MR. HELD:
6 Q. Ms. Taplin, I am just trying to understand what
7 you did. Let's take the first page of Exhibit 31. What
8 you did was rely upon Ms. Slazyk's information to
9 produce what is on S-31, isn't that right?
10 A. I am not sure what you are asking me. I didn't
11 rely on what she produced. We relied on the bank
12 records.
13 Q. That she used to produce S-31?
14 A. Bank records were used to produce S-31.
15 Q. I thought she produced S-31.
16 A. She -- right.
17 Q. Okay. And she used bank records to do it,
18 correct?
19 A. Correct.
20 Q. And what you relied upon was her S-31 and the
21 bank records that she used to produce it?
22 A. Relied on for what?
23 Q. I don't know, whatever you are going to testify
24 as to Exhibit C-31. I have no idea what you are going
25 to testify to.

1 A. I am not sure what you are asking me.
2 Q. What are you going to say about S-31? What are
3 you going to testify as to S-31? You didn't prepare it.
4 A. That actually remains to be seen. I haven't
5 specifically discussed this with Mr. Palfai.
6 Q. Are you going to express any opinions about it,
7 of S-31?
8 A. Possibly, yes.
9 Q. And what opinions would you express?
10 A. I would discuss the source of funds and what
11 came into the account and where that money subsequently
12 was paid.
13 Q. But the fact is you have no personal knowledge
14 of any of that information, do you?
15 A. Personal knowledge meaning what?
16 Q. You physically saw money coming in, saw money
17 leaving? Were your present when money was being paid or
18 delivered? You did not keep the bank records, you did
19 not keep the records of the various companies, isn't
20 that right?
21 A. Could you, that question was kind of all over
22 the place, could you be more specific.
23 Q. Sure. You did not maintain the bank records for
24 these companies, did you?
25 A. No.

1 Q. Okay. And all you are relying upon in anything
2 you may testify as to S-31 are the underlying bank
3 records that Ms. Slazyk used to prepare S-31, isn't that
4 right?
5 A. In addition to other investigative sources.
6 Q. Such as?
7 A. Such as EUO testimony that discusses this, sales
8 agent listings --
9 Q. No, no.
10 A. -- IRA custodians.
11 Q. I am talking about S-31 now -- S-30 -- S-31.
12 A. Yes.
13 Q. And S-31, one of the source documents for S-31
14 was EUO testimony?
15 A. Well, it is in the overall understanding of this
16 program and how it works. There was reliance on all of
17 those, those items.
18 Q. So all of those items are, are items that were
19 referred to you and given to you by third parties,
20 correct?
21 A. Those items being?
22 Q. Whatever you are relying upon.
23 A. I am not sure what you are asking me.
24 Q. Okay. When did you first hear of this
25 investigation? You said in the spring of '03?

1 A. The fall of '03.
2 Q. Fall of '03. So prior to the fall of '03 you
3 never heard of Yucatan, is that right?
4 A. No, I heard about it.
5 Q. And from whom?
6 A. A prior case was involved with Yucatan.
7 Q. So, oh, that went back to December of 2000,
8 didn't it?
9 A. I am sorry?
10 Q. Didn't that go back to the year 2000?
11 A. What?
12 Q. That prior investigation related to Yucatan.
13 A. I wasn't involved in a prior investigation of
14 Yucatan.
15 Q. You said you just heard of Yucatan from a prior
16 investigation.
17 A. Yes, but it wasn't an investigation of Yucatan.
18 Q. What was it an investigation of?
19 A. That was called One Vision Children's
20 Foundation.
21 Q. And when did you hear about that?
22 A. Hear about what?
23 Q. One Vision.
24 A. I don't remember the specific dates of when I
25 was involved.

1 Q. Let's turn over to Exhibit 32, 32a. Did you
2 prepare Exhibit 32a?
3 A. Yes.
4 Q. And you prepared it using what source documents?
5 A. This is a summary of the bank records for this
6 account.
7 Q. And that would be a summary of the National City
8 Bank for Resort Holdings International lease account?
9 A. Yes.
10 Q. Okay. And tell me what page 3 is. The chart,
11 what does that show?
12 A. Page 3?
13 Q. Of Exhibit 32a. It looks like there is --
14 A. The pie chart?
15 Q. The first pie chart, what does that show?
16 A. This is just another way to depict what is shown
17 on page 1 for the sources of funds.
18 Q. Now, page 1, I see, okay. So it is the same
19 thing with the second pie chart?
20 A. The second pie chart is illustrating the use of
21 funds from page 1.
22 Q. And it is true, isn't it, that this account and
23 the information contained on 32a is not limited to
24 Arizona, isn't that right?
25 A. What isn't limited to Arizona?

1 Q. Information contained on S-32a.
2 A. Correct.
3 Q. So this would be anything in this account, the
4 National City Bank, Resort International Holding lease
5 account which ends in 7152?
6 A. Correct.
7 Q. Are you going to express any opinions about
8 Exhibit S-32a?
9 A. Most likely, yes.
10 Q. Isn't it a fact that S-32a, like S-31, is just a
11 summary of what is in that bank account, right, what is
12 in those bank records, right?
13 A. Could you repeat the question?
14 Q. Yes. Exhibit 32a is nothing more than a summary
15 of these bank records, right?
16 A. 32a is a summary of the sources and uses of
17 funds in this account.
18 Q. Okay. Are you going to opine that this exhibit
19 shows anything other than what was in that account with
20 respect to the headings that you have got here?
21 MR. PALFAI: I am going to object; vague and
22 ambiguous.
23 BY MR. HELD:
24 Q. Are you going to opine that Exhibit 32a somehow
25 demonstrates fraud?

1 A. Partially, yes.
2 Q. And what is, what is the basis of that opinion?
3 A. From following the flow of investor funds and my
4 understanding of this program from the review of all the
5 documents that I have looked at in this case.
6 Q. And all of those documents include the
7 investigatory file, correct?
8 A. Yes.
9 Q. And all of those records will include
10 conversations and conferences that you have had with
11 Mr. Palfai and Mr. Kirst, is that right?
12 A. I am not really sure what you are asking me.
13 Q. You said it was, that it is based upon your
14 review of everything in this, relating to this
15 investigation. I am trying to understand what it is you
16 reviewed that gets you to the opinion that it is a
17 fraud.
18 A. I have produced everything I have reviewed.
19 Q. Okay. But you have also had conversations with
20 Staff regarding what they had found, correct?
21 A. Yes.
22 Q. And that goes into your thought process as to
23 whether or not this is a fraud, isn't that right?
24 A. The bank records and the investigative files
25 pretty much speak for themselves.

1 Q. Okay. Now, let's turn to page 32b. Did you
2 prepare 32b?
3 A. Yes.
4 Q. And same with the pie charts?
5 A. Yes.
6 Q. And, again, this has no relationship
7 specifically to Arizona, this is just all funds in that
8 account, right?
9 A. This is an analysis of that account.
10 Q. For the period between April 19th, 2002 through
11 May 20th, 2003?
12 A. Actually that April 19th is a typographical
13 error. The account opened in August of 2002.
14 Q. I see. So there is a mistake in the exhibit, is
15 that what you are saying?
16 A. I am sorry. I copied over the format from the
17 previous report and did not change the beginning date.
18 Q. What previous report?
19 A. 32a.
20 Q. I see. Okay. Let me ask a question. Going
21 through all of this data, did you input it into your
22 system or did you take what somebody else had done as
23 far as input is concerned?
24 A. Could you ask me one question there.
25 Q. In reviewing, in preparing Exhibits 31 and 32, I

1 am sorry, 32a and 32b, did you personally review all of
2 the numbers or did you have someone else help you?
3 A. I had assistants.
4 Q. And who were they?
5 A. Well, for starters, Kelly Slazyk, also three
6 other Division employees as well as three temporary
7 workers.
8 Q. And who were the Division employees?
9 A. Do you want their names?
10 Q. Yes.
11 A. Michelle Leonard, Alma Lopez, and Lashonda Duty.
12 Q. And where did you get the temporary employees
13 from?
14 A. From Kelly Service.
15 Q. Okay. And what did they do, all these other
16 people?
17 A. Who are you talking about specifically?
18 Q. The three Division employees and the three
19 temps, what did they do?
20 A. Data entry.
21 Q. Okay. So you were not personally responsible
22 for the data entry?
23 A. I actually performed quite a bit of data entry
24 myself.
25 Q. Okay. How many of these exhibits did you get

1 assistance by employees and temporaries? We have got
2 32a and 32b. What about 32c?
3 A. Well, I prepared the exhibits. I didn't have
4 help in preparing the exhibits.
5 Q. Okay. You prepared 32c?
6 A. Yes.
7 Q. And 33a?
8 A. Yes.
9 Q. Hold on a second. What about 33b?
10 A. Yes, I prepared that.
11 Q. But dealing back to 32a, b and c for a minute,
12 you had these three Division employees and three temps
13 with 32a, b, and c?
14 A. Yes, I had three Division employees and three
15 temporary helpers.
16 Q. And your summary, which is the first page of
17 each of these exhibits, comes from the information, data
18 entry conducted by these three Division employees and
19 three temporaries and yourself?
20 A. Well, it comes from my review and categorizing
21 that underlying data entry.
22 Q. Have you been asked to express any opinions
23 about Exhibit 32c other than the fact that it is a
24 summary of bank records?
25 A. Did you say 32c?

1 Q. Yes.
2 A. I am sure I will be.
3 Q. Do you know what that question is going to be?
4 A. We have not determined what my questions will
5 be.
6 Q. Okay. So, in other words, as you sit here
7 today, you are not prepared to tell us what opinions you
8 have been asked for or what opinions you have reached
9 regarding these Exhibits 30 through 34h?
10 MR. PALFAI: Objection. I think she has already
11 answered that.
12 BY MR. HELD:
13 Q. Is that accurate?
14 MR. PALFAI: No.
15 THE WITNESS: I am not sure. I am sorry. Could
16 you repeat.
17 BY MR. HELD:
18 Q. Let me ask it again. As you sit here today, you
19 are not prepared to testify as to any opinions which you
20 have been requested to give or what those opinions are
21 with respect to Exhibits 30 through 34h, is that right?
22 A. I have not specifically sat down with Jamie to
23 discuss what my actual testimony will be at this point.
24 So that is hard to say.
25 Q. Okay. So I guess I am trying, what I am really

1 trying to pin down is that, from what I hear you saying,
2 you do not know what opinions Mr. Palfai is going to ask
3 you for yet or what the Staff is going to ask you for
4 yet when you try to testify about Exhibits 30 through
5 34h, is that right?
6 A. Well, they are going to ask me to look at, to
7 discuss all of these exhibits and how I compiled it and
8 what I reviewed.
9 Q. I understand that. But I guess I am asking
10 about opinions, what opinions you have reached about
11 various subject matters regarding these exhibits. You
12 have not gone over that testimony with them yet?
13 A. Not specifically.
14 Q. Okay. Turn to 33a, if you will.
15 MR. PALFAI: Mr. Held, if you don't mind, can we
16 take a five-minute break right now?
17 MR. HELD: Sure.
18 (A recess ensued.)
19 BY MR. HELD:
20 Q. Let's go back and talk for a moment about, I
21 guess I am a little confused as to exactly what it is --
22 let me back up.
23 Why did you prepare Exhibit 30? Why did you
24 prepare Exhibit 30?
25 A. I was asked to prepare a list of Arizona

1 investors.
2 Q. Okay. Did you have any conversations with the
3 Staff of the ACC, of the Arizona Corporation Commission,
4 as to what it is that Exhibit 30 was supposed to prove?
5 A. I don't know the legal part of it, but they
6 wanted a list of Arizona investors.
7 Q. I mean, that's all you were asked to prepare and
8 that's what you did?
9 A. Well, I don't remember the specific
10 conversation.
11 Q. Did you have any conversations with them as to
12 what they expected that Exhibit 30 would prove?
13 A. I don't recall.
14 Q. Were you told why you were being asked to
15 prepare Exhibit 30?
16 A. I think it is partly for restitution purposes.
17 Q. Okay. What about Exhibit 32a, were you told why
18 you were being asked to prepare Exhibit 32a?
19 A. Yes.
20 Q. What were you being -- what were you told?
21 A. I was told that a source and use of funds was
22 wanted for these various bank accounts.
23 Q. Who told you that?
24 A. It was probably Mr. Palfai.
25 Q. Okay. And did he tell you what Exhibit 32a, the

1 source and application and uses of funds was going to be
2 used to prove in this hearing?
3 A. I don't remember that specific discussion, no.
4 Q. Were you asked to help improve anything in
5 particular about Exhibit 32a?
6 A. I don't remember any of those specific
7 conversations up front when I started my report.
8 Q. Okay. And when you say report, was that a
9 single report or was it just a series of charts and
10 graphs?
11 A. I guess I am using the word report as all of
12 Exhibit 32.
13 Q. Okay. Let me ask about 32b. Were you told why
14 you were being asked to prepare Exhibit 32b?
15 A. Yes.
16 Q. And what were you told?
17 A. I was told that a source and use of funds
18 analysis was needed.
19 Q. But were you told why?
20 A. I don't remember the specifics. This is, I mean
21 when the accountants are involved, this is what we do.
22 So I was asked to perform this.
23 Q. Were you told what it was that the Staff
24 expected to prove vis-a-vis these respondents with
25 respect to Exhibit S-32b?

1 A. I don't remember the specific discussion.
2 Q. What about Exhibit 32c, were you told why you
3 were being asked to prepare Exhibit 32c?
4 A. Yes.
5 Q. What were you told?
6 A. That a source and uses of funds analysis was
7 needed.
8 Q. No, I understand that. But I mean were you told
9 why, why it was needed?
10 A. To show the, what happened to the money, where
11 the money came from and what happened to it.
12 Q. Okay. And without a further analysis you don't
13 know as you sit here today whether any of these monies
14 came from Arizona residents, do you?
15 A. Could you repeat that question.
16 Q. Yes. On 32c it talks about National City Bank
17 and World Phantasy Tours, Inc. bank account. As you sit
18 here today, you don't know what, if any, of these funds,
19 how much, if any, of these funds came from Arizona
20 residents, isn't that right?
21 A. I could find that out. Yes, I do know that.
22 Q. You do know it or you could find it out?
23 A. I could find it out, yes.
24 Q. Okay. Let's go to 32 -- let's go to 33a. Did
25 you prepare 33a?

1 A. Yes.
2 Q. Does that have a mistake also, where it says
3 April 19th, 2002 up at the top?
4 A. I am sorry, say again.
5 Q. It says from the period April 19th, 2002 through
6 May 20th, 2003. Is that accurate?
7 A. Yes.
8 Q. And what does this show?
9 A. This is a way to illustrate Exhibit 32a.
10 Q. It illustrates 32a?
11 A. Yes.
12 Q. In other words, this is just a chart or
13 different way to illustrate the same information that is
14 in 32a?
15 A. Basically.
16 Q. Okay. And now let's go to 33b. Let me, let's
17 back up to 33a for a minute.
18 Were you told why you were being asked to
19 prepare 33a?
20 A. Yes.
21 Q. What were you told?
22 A. I was asked to present my report in a different
23 way, in a more visual way.
24 Q. Was that subsequent to preparing 32a?
25 A. Yes. This was prepared after I prepared 32a.

1 Q. And when was 33a prepared?
2 A. I can't recall off the top of my head.
3 Q. Let's go to -- were you told what 33a was being
4 introduced or would be introduced to try to prove?
5 A. I don't recall that specific discussion.
6 Q. All right. Go to 33b. Other than being told to
7 prepare -- strike that. Is 33b just another way of
8 presenting 32b?
9 A. Yes.
10 Q. And were you told what 33b was going to be
11 introduced to try to prove other than what is on the
12 face of it?
13 A. I don't remember that specific conversation.
14 Q. Were you asked to prepare yourself to render any
15 opinions with respect to Exhibit 33b?
16 A. Yes.
17 Q. And what opinion were you being asked to render?
18 A. Well, I was being asked to render an opinion,
19 not a specific opinion, but what my opinion is.
20 Q. And what is your opinion?
21 A. Of what specifically?
22 Q. Of whatever you were asked to opine to.
23 A. Could you be more specific.
24 Q. You just said you were asked what your opinion
25 was. That's what you just said.

1 A. Right.
2 Q. I am asking what that opinion was.
3 A. I was correcting you. The way you phrased the
4 question was a bit misleading.
5 Q. All right. I have no idea what you just said.
6 Were you asked to render any opinions about the
7 information contained in Exhibit 33b?
8 A. Yes.
9 Q. And what opinions were those?
10 A. That, well, in this specific instance, World
11 Phantasy Tours receives the majority of its money from
12 Resort Holdings International.
13 Q. Well, you don't know if that's true, do you?
14 A. I am sorry?
15 Q. In fact, that's not true at all, is it?
16 A. I don't know what you are asking me.
17 Q. Well, this reflects, 33b reflects a single bank
18 account, isn't that correct?
19 A. Yes.
20 Q. Okay. Did you ever look at any World Phantasy
21 Tours bank accounts from Mexico?
22 A. I was not given any.
23 Q. Did you ever look at any?
24 A. I was never provided any.
25 Q. That doesn't answer my question. It is a simple

1 yes/no. Did you ever look at any World Phantasy Tours
2 bank accounts from Mexico?
3 A. None was ever provided to me by the respondents.
4 Q. Ms. Taplin, this will go a lot easier if you
5 just answer my questions. I know you want to tell your
6 story. You will have plenty of time to do that next
7 week.
8 Did you ever review any World Phantasy bank
9 accounts from Mexico?
10 A. And my answer is no documents were ever provided
11 to me.
12 Q. So that the fact is that you never reviewed
13 anything but the First Bank of Miami account ending in
14 3322 with respect to World Phantasy Tours, isn't that
15 correct?
16 A. I analyzed the World Phantasy Tours account at
17 First Bank of Miami.
18 Q. You have no idea if World Phantasy Tours, Inc.
19 ever received any money into which deposited into
20 accounts in Mexico, Panama, Europe or anywhere other
21 than First Bank of Miami, isn't that right?
22 A. First Bank of Miami is the only World Phantasy
23 Tours account that I reviewed.
24 Q. And from that, you deduced that the only money
25 World Phantasy Tours received was from Resort Holdings

1 International?
2 A. If we are talking in respect to 33b, I am only
3 testifying to that account on this exhibit.
4 Q. That same account and no other source of
5 accounts from World Phantasy Tours, right?
6 A. Could you repeat.
7 Q. From your stance today, World Phantasy Tours
8 could have received hundreds of millions of dollars from
9 other sources and you just wouldn't know it, would you?
10 A. This exhibit is discussing the First Bank of
11 Miami account, and that's what this exhibit is
12 reflecting.
13 MR. HELD: Move to strike as nonresponsive.
14 BY MR. HELD:
15 Q. If you would answer my question, we would
16 probably be finished with this really quickly.
17 Isn't it a fact that World Phantasy Tours could
18 have received and deposited millions and millions of
19 dollars in accounts other than the one that, the one
20 account that you looked at?
21 A. I suppose anything is possible.
22 Q. Thank you.
23 Go to 33. Well, I am looking at two 33bs. I
24 have got one that says First Bank of Miami, period
25 August 22nd, 2002 to May 20th, 2003. I have another one

1 that says First Bank of Miami for the period
2 January 1st, 2003 to May 30th, 2003. Do you know why
3 that is?
4 A. The exhibit with the shortened time period, the
5 January through May, was what I prepared last
6 October when I was asked to put a report together with
7 what we had done so far. So at that point in time, the
8 analysis was still ongoing, the input was still ongoing.
9 Q. I see. Okay. Turn to 33c. Were you asked to
10 express any opinions with respect to Exhibit 33c?
11 A. Yes.
12 Q. Is 33c just a different way of presenting the
13 information contained in 32c?
14 A. Yes.
15 Q. Okay. And what opinion were you asked to
16 express with respect to Exhibit 33c?
17 A. I was asked to express my opinion as to how I
18 saw the flow of money through these two accounts.
19 Q. Were you asked, were you told what it was that
20 the Staff was attempting to prove with respect to
21 Exhibit 33c?
22 A. There was a discussion at some point that
23 investor money is used to pay subsequent investor
24 returns.
25 Q. And who told you that?

1 A. Mr. Palfai.
2 Q. And are you going to express an opinion that
3 Exhibit 33c shows that?
4 A. Yes, I am.
5 Q. And how do you get there?
6 A. From exactly what you see. Investor money is
7 virtually completely funding the Resort Holdings
8 International account, which then a portion of that is
9 going to World Phantasy Tours. And from there virtually
10 all money from that World Phantasy Tours account is
11 going back to pay investor returns and investor refunds.
12 Q. Okay. Now, when you say all of the Resort
13 Holdings International is funded virtually all from
14 investor funds, you are talking about just the account
15 you looked at, right?
16 A. Are you talking about 33c?
17 Q. Yes.
18 A. I am talking about these two accounts.
19 Q. Right. So it has nothing to do with other
20 accounts, correct?
21 A. Yes. This exhibit is for these two accounts.
22 Q. So as far as you know, you have no knowledge of
23 monies that would have come through Resort Holdings
24 International that was deposited to accounts other than
25 the National Bank, the National City account ending in

1 7152 and the World Phantasy account ending in 3322,
2 isn't that right?
3 A. Could you repeat that.
4 Q. Sure. You have no knowledge one way or the
5 other of funds received by Resort Holdings International
6 except as they relate to this account which ends in
7 7152?
8 A. No.
9 Q. Now let's go to --
10 A. My answer is no, that that's not the case.
11 Q. Oh. What other information do you have as to
12 receipt of Resort Holdings International funds?
13 A. There --
14 MR. PALFAI: Objection; vague and ambiguous.
15 BY MR. HELD:
16 Q. Go ahead, you can answer.
17 A. There are two other bank accounts in the name of
18 Resort Holdings International that have investor money
19 deposited into them.
20 Q. Okay. In doing your analysis for these
21 exhibits, you did not use any information, is it correct
22 that you did not use any information from Resort
23 Holdings International bank accounts in Mexico?
24 A. That's correct.
25 Q. Okay. And you did not, in doing your analysis,

1 use information with respect to any Resort Holdings
2 International bank accounts in Panama, isn't that right?
3 A. I do have information on a Resort Holdings
4 International account in Panama.
5 Q. I beg your pardon?
6 A. I do have information on a Panama account, yes.
7 Q. Okay. And what information is that?
8 A. It is information that I turned over in my
9 document production.
10 Q. No, no. I mean, what is it?
11 A. It is a Dredsnor Bank of New York.
12 Q. Okay. But you didn't use that information in
13 connection with the preparation of 33c, did you?
14 A. No.
15 Q. So this chart relates solely to the analysis
16 that you did of the two accounts that are referred to in
17 the chart?
18 A. Well, it is based on those bank records. But I
19 incorporate my overall knowledge of the case and the
20 program and how it works.
21 Q. And that knowledge comes from the rest of the
22 investigatory file?
23 A. Right, everything that I reviewed in connection
24 with this case, yes.
25 Q. Now let's turn to S-33d. Tell me what this

1 shows.
2 A. This is showing the evolving patterns of
3 investor funds during this time period of 2000 through
4 2004.
5 Q. Explain the chart to me.
6 A. Well, you start off with a Yucatan Resorts Corp.
7 account in which investor money goes into this account
8 and investor money is paid from that same account. Then
9 you have a Resort Holdings International, Inc. account
10 opened a few years later in which investor money goes
11 into this account. And then you have the World Phantasy
12 Tours account that receives part of that money, and
13 investors are paid back from that World Phantasy Tours
14 account.
15 The next layer you have on this is an account
16 opened in May of '03 of the Hemisphere Bank in which
17 investor money is going into this account.
18 Subsequently, part of that is paid to World Phantasy
19 Tours and then money is going back up to investors.
20 And then that final layer has an account opened
21 at the Dredsnor Bank in New York in which investor funds
22 are going into it. The money is swept daily down to an
23 international, a Panama account from their funds. World
24 Phantasy Tours receives money from this Panama account
25 and then is paid back to investors.

1 Q. I guess I am a little confused. Let's take the
2 first one that says Yucatan Resorts Corp. See that one?
3 It says February and January 2003?
4 A. Yes.
5 Q. Okay. You are saying -- how much of investor
6 funds are paid into that account?
7 A. Approximately \$160 million.
8 Q. And how do I find that? Where do I find that in
9 your charts and graphs?
10 A. I am looking at S-31.
11 Q. Okay. Are you saying that S-31 shows the
12 Yucatan Resorts Corporation account?
13 A. It is the Yucatan Resorts. I am not sure of the
14 ending at this point.
15 Q. So Yucatan Resorts in Exhibit 31, S-31, could be
16 Yucatan Resorts, S.A. or Yucatan Resorts, Inc., isn't
17 that right?
18 A. Well, I would have to look at the account
19 documents. I am just -- just off the top of my head, I
20 don't know.
21 Q. Okay. And according to your little chart and
22 drawing here, the money goes out of the Yucatan Resorts
23 Corp. right back to investors?
24 A. I am sorry. I do have the signature card here
25 for that account, if you want me to answer that previous

1 question.
2 Q. Sure. Go ahead. Answer it.
3 A. I am looking.
4 Q. I am sorry?
5 A. Hold on just one minute. According to the
6 signature card on that account, they are listing Yucatan
7 Resorts. I believe the bank statement said Yucatan
8 Resorts Corp., but I don't have any of those in front of
9 me.
10 Q. And what exhibit are you looking at for the
11 signature card?
12 A. I am looking at S-34d.
13 Q. I am looking at, oh, 34d. I am sorry. Okay. I
14 am a little confused because I am looking at 34d, which
15 is National City Bank account number that ends in 8187.
16 Right, that's Exhibit 34d, right?
17 A. Yes.
18 Q. Where do you see where it says Yucatan Resorts
19 Corp.?
20 A. Well, it is checked off, if you see at the top,
21 business corporation. I believe the bank statement said
22 Yucatan Resorts Corp.
23 Q. Okay. All right. And are you testifying that
24 according to your little chart in Exhibit 33, I am
25 sorry, 33d, that all of the money that was put into

1 Yucatan Resorts Corp. at the National City Bank, account
2 number 8187, ultimately went right back to investors?
3 A. No.
4 Q. Well, that's what your picture shows. So the
5 picture is not right, isn't that correct?
6 A. No, that's not what it shows.
7 Q. The picture does show?
8 A. That's what the dashed line was trying to
9 indicate. This is something that obviously I would have
10 to explain the detailing of it.
11 Q. Is that the same with respect to all the rest of
12 these in 33d?
13 A. Is what the same?
14 Q. Same answer, that, even though the lines in
15 there indicate all the money went back, in fact all of
16 the money didn't go back to investors?
17 MR. PALFAI: Objection. That misstates prior
18 testimony.
19 THE WITNESS: This chart is showing investor
20 funds. This chart is solely for the purpose of charting
21 investor funds. I have other charts that show other
22 disbursements.
23 BY MR. HELD:
24 Q. So you have got investor funds, on each one of
25 these four lines it shows investor funds going into

1 these accounts, correct?
2 A. Yes.
3 Q. But then you have broken lines coming out all
4 ending up back to investors. What is that supposed to
5 depict?
6 A. It is just showing where investors received
7 payments from.
8 Q. I see. You would agree with me, wouldn't you,
9 that according to the Resort Holdings International,
10 Inc. bank account at National City Bank in
11 Indiana -- well, strike that.
12 Let me ask it this way: The line that shows,
13 the second group of lines, April to December, from the
14 second line that shows 2002 through September 2003 from
15 investors to Resort Holdings International, Inc.,
16 National City Bank Indiana? Which exhibit is that?
17 Which account exhibit is that?
18 A. Well, this account was analyzed and represented
19 by S-32a.
20 Q. S-32a. Okay. So we have, according to 32a,
21 well, 32a says Resort Holdings International lease
22 account, right?
23 A. Correct.
24 Q. So it is not a Resort Holdings International,
25 Inc. account; it is a Resort Holdings lease account?

1 A. I would have to look at the bank statement to
2 see how that was reflected.
3 Q. And if I read your prior charts and graphs and
4 all the rest of that stuff right, one hundred and --
5 approximately, investor funds of approximately
6 \$128,993,118 went into that account, right?
7 A. No.
8 Q. Looking at 32a, show me where I am wrong. The
9 amount you just stated was from investors?
10 A. The total that went into that account was
11 \$130,703,929.
12 Q. I am talking about just investors, 128,993,118.
13 A. From investors.
14 Q. Right. And then if you turn to 33a, it shows
15 16 million 100 to World Phantasy Tours, right?
16 A. Which exhibit are you looking at?
17 Q. 33a.
18 A. I don't see that 16 million.
19 Q. I am looking at the old one. I am sorry. It is
20 15 million 300, right?
21 A. Transferred from the Resort Holdings account to
22 World Phantasy Tours.
23 Q. Right, 13 million 300?
24 A. 15 million 300.
25 Q. Okay. And then you have in 33b, as in boy,

1 14,258,949 back to investors, right?
2 A. Okay.
3 Q. Approximately 13 percent, 14 percent of the
4 total amount, is that right?
5 A. I don't have a calculator.
6 Q. Okay. Let's go to Exhibit 34a. Now, you said
7 you were going to testify about 34a. What are you going
8 to testify about 34a?
9 A. That just what it is. This is an affidavit of
10 the custodian of business records from the First Bank of
11 Miami.
12 Q. Okay. 34b, what are you going to testify about
13 that?
14 A. This is a signature card for the Hemisphere
15 National Bank.
16 Q. But this is not subject to a business records
17 affidavit, isn't that right? Isn't that right?
18 A. I believe on this one I may have received a
19 letter from the bank.
20 Q. On 34a, did you receive the 34a from the State
21 of Florida or directly from the bank?
22 A. I don't recall.
23 Q. And do you have the original of this document,
24 34a?
25 A. Of what was sent -- well, it depends what you

1 are calling original.
2 Q. Original, signed, notarized.
3 A. I don't recall.
4 Q. Okay. And what about 33, I am sorry, 34c, what
5 is 34c?
6 A. This is, looks like, account opening
7 documentation for the Yucatan Resorts account at
8 National City Bank of Indiana.
9 Q. And 34d, e, f, am I right in assuming what you
10 are going to testifying, and g, are what they purport to
11 be, which is bank records?
12 A. Yes. These are all account opening documents.
13 MR. HELD: Paul, I do not have, I do not have
14 30.1 and -- wait a minute. Let's turn to 39. I do have
15 39. I don't have 39. Wait a minute. Yes, I do have
16 39a.
17 BY MR. HELD:
18 Q. Did you prepare 39a?
19 A. Yes.
20 Q. And where did you get that information from?
21 A. From the Trust Company of America.
22 Q. And did you get that pursuant to subpoena?
23 A. Yes.
24 Q. Subpoena issued by the State of Arizona
25 Corporation Commission?

1 A. Yes.
2 Q. Where is the Trust Company of America located?
3 A. I don't remember.
4 Q. Is it in California?
5 A. It may be. I don't remember.
6 Q. Was the subpoena issued by the Arizona
7 Corporation Commission, do you know?
8 A. Yes, it was.
9 Q. Do you have a copy of the subpoena?
10 A. I don't have a copy personally, no.
11 Q. Okay. We would like to have a copy of that
12 subpoena.
13 MR. HELD: Paul, I do not have 30.1, or whatever
14 the -- I think the other one was Exhibit 49. So I will
15 have to let you deal with those.
16 MR. ROSHKA: All right.
17 BY MR. HELD:
18 Q. Okay. Other than what you have told us today in
19 answer to my questions, do you have any other opinions
20 that you were asked about and asked to express during
21 this hearing?
22 A. I was asked to express whatever my findings
23 were, not a specific opinion.
24 MR. HELD: Okay. I will pass the witness.
25 MR. ROSHKA: Let me just follow up with that.

1 EXAMINATION
2 BY MR. ROSHKA:
3 Q. When you say what your findings are, what are
4 your findings?
5 A. Can you be more specific.
6 Q. Do you have, do you have a general statement
7 with regard to what these exhibits we have been looking
8 at, what they mean to you?
9 A. Yes.
10 Q. What is that?
11 A. That investors are paid with subsequent investor
12 money.
13 Q. So is it going to be your testimony next week
14 that this is a Ponzi scheme?
15 A. Basically, yes.
16 Q. Okay. Is there any reason, when Mr. Held asked
17 what your opinion was, why you didn't say that?
18 A. The way he was asking was as if I was instructed
19 to opine on a, on something specific. So he never asked
20 me what my opinion was. He asked me --
21 Q. All right. Any other opinions that you are
22 going to give us next week?
23 A. We haven't, we haven't prepared so that's hard
24 to say.
25 Q. When were you originally told you were going to

1 serve as an expert in this case?
2 A. I don't remember the specific conversation,
3 probably when the discussion of a hearing came up.
4 Q. Do you recall approximately what year that was?
5 A. I don't.
6 Q. You say you first became involved in the fall of
7 2003, correct?
8 A. Correct.
9 Q. Did you know you would be an expert at that
10 time?
11 A. I pretty much assumed so, yes.
12 Q. And why did you assume that?
13 A. That's what we do. We are asked to prepare
14 reports and present them.
15 Q. And at the time you first assumed you would be
16 an expert, did you have a sense as to what opinion you
17 were going to be asked to render?
18 A. An opinion in the sense of what my findings were
19 after completing the financial analysis.
20 Q. Were you told they wanted you to express an
21 opinion that this was a Ponzi scheme?
22 A. I was -- it was shared with me that they
23 believed it was, but I was not told to express that
24 opinion.
25 Q. Now, we have looked at a number of exhibits here

1 with Mr. Held. Are there -- and you called them
2 reports.
3 A. Okay.
4 Q. Okay? Is that okay to use that word in talking
5 about these exhibits?
6 A. Uh-huh.
7 Q. Were there other reports that you prepared that
8 did not become exhibits?
9 A. There have been schedules for my own use. I
10 wouldn't necessarily call those reports.
11 Q. And these are documents that you still maintain
12 either electronically or hard copy, is that correct?
13 A. Yes.
14 Q. We will ask that those be produced.
15 Now, you were an auditor at Coopers & Lybrand;
16 is that a fair way of characterizing your job at that
17 time?
18 A. Yes.
19 Q. Based upon what you know about Yucatan Resorts
20 Corporation, could you certify financial statements on
21 that entity?
22 A. Could you be more specific. I don't know what
23 you mean.
24 Q. Well, you conduct an audit. The goal is to have
25 certified financial statements of a business, correct?

1 A. In an audit, correct. I did not perform an
2 audit in this function.
3 Q. No, I didn't ask you that. I asked you, based
4 upon the documents you have reviewed and what you know
5 about Yucatan Resorts Corp., could you issue an audit on
6 that company?
7 A. No. I wasn't given any of those books or
8 records to do so.
9 Q. With regard to Resort Holdings International,
10 could you issue an audit on that company?
11 A. I wasn't given any books and records.
12 Q. So the answer is no?
13 A. I wasn't given any books --
14 Q. Is the answer yes or no? Could you or could you
15 not?
16 A. I was not given any books and records to do so.
17 Q. Ma'am, don't make this any harder than this
18 needs to be. Could you issue an audit to Resort
19 Holdings International, Inc. based upon what you know on
20 the company?
21 A. I was not given records to do so.
22 Q. Are you going to be this way in front of the
23 Hearing Officer or are you just going to answer our
24 questions, yes or no?
25 MR. PALFAI: Objection. That's argumentative.

1 BY MR. ROSHKA:
2 Q. Yes or no?
3 A. I feel I am answering your questions.
4 MR. PALFAI: Objection.
5 BY MR. ROSHKA:
6 Q. Your answer is you cannot --
7 MR. PALFAI: Asked and answered.
8 BY MR. ROSHKA:
9 Q. You cannot issue an audit with regard to Resort
10 Holdings, correct?
11 A. I did not perform an audit.
12 Q. You cannot issue an audit today with regard to
13 Resort Holdings International, Inc., correct?
14 MR. PALFAI: Objection; asked and answered.
15 BY MR. ROSHKA:
16 Q. Correct?
17 A. I did not perform an audit of this company.
18 That was --
19 Q. And therefore you cannot issue an audit,
20 correct?
21 A. I was not given any books and records to do so.
22 Q. You cannot issue an audit on this company,
23 correct?
24 A. I have answered this question.
25 Q. Yes or no?

1 A. I have answered this question.
2 Q. Yes or no?
3 A. I have answered this question.
4 Q. Yes or no?
5 A. I have answered your question.
6 MR. PALFAI: Objection; asked and answered.
7 BY MR. ROSHKA:
8 Q. With regard to Resort Holdings International,
9 S.A., you cannot issue an audit on that company, can
10 you?
11 A. No.
12 Q. With regard to Resort -- to World Phantasy --
13 excuse me. With regard to World Phantasy Tours, you
14 cannot issue an audit on that company either, can you?
15 A. No, I can't.
16 Q. Now, you keep saying you were not given records.
17 In fact, you meant the respondents didn't give you the
18 records. Did you tell Mr. Palfai you needed additional
19 records?
20 A. I am sure I did at some point.
21 Q. Do you know whether Mr. Palfai has ever asked
22 the respondents for any records?
23 A. I don't know.
24 Q. Why did you need additional records from
25 Mr. Palfai?

1 A. It would be nice to have the records, the actual
2 corporate books and records directly from the company
3 rather than subpoena from banks and go through that
4 route.
5 Q. Would you also want additional bank accounts for
6 the company?
7 A. I would want everything I could possibly get.
8 Q. Why would you want everything you could possibly
9 get?
10 A. So I could make an informed decision.
11 Q. Now, you indicate on your resume that part of
12 your job description is testifying as an expert witness
13 on financial and accounting matters in administrative
14 and civil and criminal proceedings?
15 A. Yes.
16 Q. And I believe you told us about the proceedings
17 that you have testified in but you are not certain
18 whether you have ever testified as an expert, is that
19 correct?
20 A. There has always been that assumption that we
21 are. I just don't remember the specific language of
22 expert. There is, it is just we have always been
23 considered experts. I don't know, I think the question
24 was asked where the court directed or something. So I
25 can't recall the specific language around that.

1 Q. Do you understand that in order for your
2 testimony to be accepted as an expert, the trier of fact
3 has to find that you are an expert?
4 A. I do understand that.
5 Q. And to your recollection has any trier of fact
6 ever said okay, you are an expert, go ahead and testify?
7 A. I have been told to go ahead and testify. What
8 I am saying, I don't recall the specific instance of,
9 yes, now you are an expert.
10 Q. All right. And you have only done this five
11 times, correct?
12 A. Testified --
13 MR. PALFAI: Objection; vague and ambiguous.
14 THE WITNESS: I have testified five times.
15 BY MR. ROSHKA:
16 Q. And although it is part of your job description
17 to testify as an expert, you don't recall whether a
18 trier of fact in any of those five instances ever
19 concluded you were an expert, is that correct?
20 A. I just don't remember the specific discussion
21 around it.
22 Q. Exhibit S-33d, which I happen to have in front
23 of me, is called evolving patterns. Were those your
24 words?
25 A. Yes.

1 Q. What does evolving patterns mean?
2 A. The way in which investors were paid their
3 returns changed over time.
4 Q. Could you explain how it changed over time.
5 A. I believe I already testified to that.
6 Q. I must have missed that. Could you tell me how
7 it changed over time. You mean because it went through
8 different bank accounts?
9 A. Initially the investors were paid out of the
10 same account in which their money was deposited.
11 Subsequently, World Phantasy Tours entered the picture
12 and investors were paid via that vehicle. And finally,
13 there was this Dredsner Bank account that was added in
14 which investor money was swept on a daily basis to a
15 Panama account. And from there World Phantasy Tours
16 received money from this Dredsner Bank Panama account to
17 pay investors.
18 Q. And you say it is evolving patterns in the flow
19 of investor funds. But you will agree with me, won't
20 you, that this chart, S-33d, reflects only a small
21 portion of investor funds, correct?
22 A. Well, this isn't, this is -- no, I wouldn't
23 agree. This chart isn't speaking specifically to
24 amounts. It is more to the pattern and how the money
25 flowed.

1 Q. Okay. Well, let me try another question a
2 different way. You will agree with me that
3 Exhibit S-33d does not include the flow of all investor
4 funds during this period of time, correct?
5 A. No, I wouldn't agree with that.
6 Q. Well, take the -- is it a gold line --
7 April 2002 to September, 2003. And I believe you told
8 Mr. Held this related to Exhibit S-32a, is that correct?
9 A. Yes.
10 Q. What percentage of funds that were deposited
11 into the Resorts Holdings International, Inc. account
12 were eventually paid to investors?
13 A. Well, it is kind of twofold. You have payments
14 that were made directly to investors. That was
15 1 percent of it. And then you have 12 percent of these
16 disbursements going over to World Phantasy Tours in
17 which over 99 percent of that money was paid back to
18 investors.
19 Q. All right. So if I understand it, accepting
20 your numbers and your statement just then, at most
21 13 percent was returned to investors, is that correct?
22 A. Approximately.
23 Q. And so when I ask you if, certainly with regard
24 to that account, if that is an accurate representation
25 of all of the investor funds and how they were used, you

1 are not going to disagree that it is not, are you?
2 A. I am not sure what you are asking me.
3 Q. All right. 87 percent of the investor funds did
4 not flow back to investors in that account, is that
5 correct?
6 A. 87 percent went to other places.
7 Q. All right. So this chart is not meant to convey
8 the impression that 100 percent of investor funds made
9 these various colored journeys?
10 A. No.
11 Q. By the way, these charts, particularly the
12 colored ones, are you going to have an audiovisual
13 presentation for us next week when you testify?
14 A. I don't know. We haven't discussed that.
15 Q. When is it you and Mr. Palfai are going to have
16 this meeting when your testimony will be finalized?
17 A. Hopefully this week.
18 Q. Did you discuss with him that perhaps we ought
19 to wait until after your deposition to have that
20 discussion?
21 A. No.
22 MR. ROSHKA: Now, Exhibit S-30.1, Mr. Held
23 indicated he did not have a copy of this.
24 MR. PALFAI: I believe it is, Paul, it was 30.1.
25 MR. ROSHKA: 30.1, yes. Thank you.

1 BY MR. ROSHKA:
2 Q. What is this?
3 MR. PALFAI: Do you have a copy?
4 MR. ROSHKA: Here, take this one. I have extra
5 copies. Do you have copies over there?
6 MR. PALFAI: Yes.
7 MS. HOULE: Yes.
8 THE WITNESS: This is basically an updated
9 version of S-30 with the exception of this time I
10 included amounts paid back to Arizona investors.
11 BY MR. ROSHKA:
12 Q. And when did you prepare this?
13 A. I physically printed this out in the last month
14 or two.
15 Q. And how were you able to determine the amount
16 that had been refunded?
17 A. A combination of bank records, investor
18 questionnaires, investor interviews.
19 Q. But you do not have all of the bank records for
20 these entities, do you?
21 A. For which entities?
22 Q. You say it says in the matter of Yucatan
23 Resorts, Inc. The only bank records that you have are
24 the ones about which you have testified to today, is
25 that correct?

1 A. Right.
2 Q. So how is it you -- do you know whether
3 additional funds had been refunded to these investors
4 from other bank accounts?
5 A. It is very possible.
6 Q. But you don't know, correct?
7 A. I don't know.
8 Q. And this would appear to me, just as
9 Exhibit S-30 appears to me, to be perhaps part of an
10 Excel spreadsheet, is that correct?
11 A. This is actually a report that I printed out of
12 Access.
13 Q. Are there additional columns in this report that
14 have not been captured by Exhibit S-30.1?
15 A. No.
16 Q. I am sorry. Was that a no?
17 A. No.
18 Q. Okay. Thank you.
19 Mr. Held, did you say 49 was the other one you
20 didn't have?
21 MR. HELD: Yes.
22 BY MR. ROSHKA:
23 Q. Exhibit 49a, do you have that in front of you?
24 MR. PALFAI: Paul, that has been withdrawn.
25 MR. ROSHKA: Oh, Exhibit 49 has been withdrawn.

1 Okay. Sorry.
2 MS. HOULE: Just A.
3 BY MR. ROSHKA:
4 Q. How about 49b, do you have 49b in front of you?
5 A. Yes.
6 Q. And can you tell me what 49b is?
7 A. These are documents we received from the
8 Hemisphere Bank account in Florida.
9 Q. What are you going to testify to with regard to
10 Exhibit 49b?
11 A. Probably the fact that the management --
12 actually we haven't discussed this so I would be
13 guessing.
14 Q. The first three pages of 49b, who prepared these
15 pages?
16 A. It appears to be management on behalf of Resort
17 Holdings.
18 Q. Tell me where in the first three pages it says
19 that.
20 A. Well, we received this, you know, with a packet
21 of information that included correspondence back and
22 forth between the bank management and RHI management.
23 For starters you can see in the fax header that it is
24 from Avalon Resorts. And my understanding, based on
25 reviewing all the documents in connection with this

1 account, is that this was part of what was produced from
2 Hemisphere National Bank as part of what RHI presented
3 to them.
4 Q. Have you ever faxed a document that you didn't
5 prepare?
6 A. Probably.
7 Q. How about the fourth page of this exhibit, do
8 you know who prepared this?
9 A. I don't.
10 Q. The fifth page, can you tell me who prepared it?
11 A. I don't know.
12 Q. All right. The other exhibit, 49c, what are you
13 going to tell us about 49c?
14 A. I am not sure yet.
15 Q. Have you seen 49c before this moment?
16 A. Yes, I have.
17 Q. So you don't know what you are going to tell us
18 about 49c?
19 A. No. I have seen it, I just don't know.
20 MR. ROSHKA: Karen, are there any more 49s?
21 MS. HOULE: No.
22 MR. ROSHKA: Thank you. I have also got an
23 Exhibit 50. And Exhibit 50 has been withdrawn?
24 MR. PALFAI: Yes. And if you could, Paul, could
25 you please return that to our office?

1 MR. ROSHKA: Return Exhibit S-50 to your office?
2 MR. PALFAI: Yes.
3 MR. ROSHKA: Why is that?
4 MR. PALFAI: Because we withdrew it and it is
5 not something that we want floating around, or probably
6 your clients for that matter.
7 BY MR. ROSHKA:
8 Q. All right. Ms. Taplin, I want to just go
9 through my --
10 MR. PALFAI: Sorry, Mr. Roshka. Was that a yes?
11 MR. ROSHKA: You know, I think I want to
12 consider that. I am not sure. I may not want to try
13 and use that document. So right now you can take it as
14 a no. Okay?
15 MR. PALFAI: All right. You may want to be
16 careful about that.
17 BY MR. ROSHKA:
18 Q. Ms. Taplin, when you were with Coopers, who was
19 your supervisor?
20 A. Well, that would vary depending on the job I
21 worked for. There wasn't one specific person.
22 Q. Were you inside a group of auditors?
23 A. Right.
24 Q. And did you have a head of that group?
25 A. I suppose the partners, the audit partners would

1 be the head of that.
2 Q. Did you ever receive an employee evaluation?
3 A. Yes.
4 Q. And who provided you with that evaluation?
5 A. Whatever job I was working on, that supervisor,
6 that senior would provide that evaluation.
7 Q. Can you give me the names of the seniors who
8 evaluated you?
9 A. No, I couldn't.
10 Q. Can you give me the name of one senior?
11 A. I don't remember. No, I don't remember.
12 Q. Which companies were you -- you went out on
13 audits, correct?
14 A. Uh-huh.
15 Q. I am sorry, is that a yes?
16 A. Yes.
17 Q. Which companies' audits were you involved with?
18 A. Bank One was my biggest client, Hypercom, a
19 handful of not-for-profits that I don't remember their
20 names. I can't remember.
21 Q. And you don't remember the person in charge of
22 the Bank One audit?
23 A. The Bank One actually, yes. Her name was Julie,
24 Julie Norton.
25 Q. Could you spell that for us.

1 A. N-O-R-T-O-N.
2 Q. Do you know if Ms. Norton is still with Coopers?
3 A. I don't believe she is.
4 Q. Do you know where she is now?
5 A. I don't know.
6 Q. As a CPA, you are required to maintain certain
7 continuing education hours; do I understand that
8 correct?
9 A. Yes.
10 Q. What is that requirement?
11 A. 80 hours every two years.
12 Q. And are you current on those hours?
13 A. Yes.
14 Q. And what have been some of the programs that you
15 have participated in or attended in the last year?
16 A. I think the last one we did was called a
17 Securities and Exchange update. We did one on SAS 90,
18 one of the GAAP or, I am sorry, Generally Accepted
19 Accounting Principles. I don't remember the others
20 specifically.
21 Q. Have you ever attended any continuing education
22 programs on being an expert witness?
23 A. I did attend one that addressed that. It wasn't
24 narrowed to expert testimony. It was about financial
25 analysis and it included forensic testimony.

1 Q. And who provided that course?
2 A. That was the, I believe it was the National,
3 NW3C.
4 Q. And when did you attend that course?
5 A. 2000, 2000.
6 Q. The exhibit that I understand Ms. Slazyk
7 prepared, S-31 -- who was involved in this case first,
8 you or Ms. Slazyk?
9 A. Ms. Slazyk.
10 Q. Why was Ms. Slazyk involved in this case?
11 MR. PALFAI: Objection; calls for speculation.
12 THE WITNESS: Part of her job.
13 BY MR. ROSHKA:
14 Q. Okay. Do you know why the Securities Division
15 went to the National White Collar Crime Center to get
16 accounting help?
17 A. Yes.
18 Q. Why was that?
19 A. The volume of documents was pretty overwhelming
20 for our agency. So we requested assistance from them.
21 Q. And Ms. Slazyk told us this morning that NW3C
22 has advanced funds to the Securities Division. Are you
23 aware of that?
24 A. Yes.
25 Q. What was that for?

1 A. Partly for bank records, partly for paying the
2 temporary employees to perform data entry. Those were
3 the two facets I was involved in so I can comment on
4 those two.
5 Q. The Lawson case, your testimony, do you recall
6 approximately when that was?
7 A. No, I don't.
8 Q. How about the McRae case, do you recall when
9 that testimony was, approximately?
10 A. I don't remember specifically, no.
11 Q. Do you recall whether these two testimonies were
12 before or after you attended that National White Collar
13 Crime seminar that included in part being an expert
14 witness?
15 A. I would have to look at my records. I don't
16 know.
17 Q. When was the last time you testified, most
18 recent time that you testified as an expert?
19 A. I believe it was for Grand Jury. I don't
20 remember the date.
21 Q. Was it this year?
22 A. No.
23 Q. Was it last year?
24 A. No.
25 Q. It was prior, was it before you became assigned

1 to this case?
2 A. Yes.
3 Q. Now, in the fall of 2003, you were assigned to
4 this case. And could you help me understand better what
5 role you had. Were you the only accountant assigned to
6 the case?
7 A. Yes.
8 Q. Had there been an accountant assigned to the
9 case prior to you?
10 A. No.
11 Q. So when this case was filed in May of 2003, no
12 accountant had been assigned to work on it?
13 A. Not that I am aware of.
14 Q. Mr. Held asked you about whether you spoke to
15 groups. And you said you went on occasion to talk about
16 what you do. Are these like luncheon gatherings, things
17 like that?
18 A. Yes, like community groups.
19 Q. This isn't part of some seminar to lawyers or
20 accountants, is it?
21 A. No.
22 Q. How did you get to the Arizona Corporation
23 Commission? What was -- how did you get that job?
24 A. I applied. I interviewed. They hired me.
25 Q. Was there an ad in the paper looking for

1 accountants?
2 A. No. Someone told me about the job.
3 Q. And do you remember who it was that told you
4 about the job?
5 A. Yes.
6 Q. Who was it?
7 A. Alex Schivers.
8 Q. Who was that? What was your relationship with
9 Alex?
10 A. Alex is actually my brother.
11 Q. What does Alex do for a living?
12 A. Alex works for information technology, like IT.
13 Q. Does he do that for the State?
14 A. He does that for the Corporation Commission.
15 Q. How do you spell his last name?
16 A. S-C-H-I-V-E-R-S.
17 Q. That seminar that you attended with regard to
18 expert testimony, do you remember anything about experts
19 being independent?
20 A. I don't remember the specifics of what was
21 mentioned on that.
22 Q. At the Securities Division now are you evaluated
23 as an employee?
24 A. What does that mean?
25 Q. Well, do you have annual or semiannual personnel

1 reviews?
2 A. Not recently, no.
3 Q. Who is your supervisor?
4 A. John Fink.
5 Q. Now, as I understand it, Indiana issued a
6 subpoena to the National City Bank of Indiana, is that
7 correct?
8 A. Yes.
9 Q. How did Indiana know what to ask the National
10 City Bank of Indiana for?
11 A. Well, when Arizona was involved in that
12 discussion, we prepared the Exhibit A for them to attach
13 to their subpoena.
14 Q. And did you do likewise in Florida and New York?
15 A. Yes.
16 Q. You mentioned a couple of times when Mr. Held
17 asked you about certain documents, you said you produced
18 them. Who did you produce them to?
19 A. Are you talking about the document production?
20 Q. Yes.
21 A. Well, I boxed everything up in my office and our
22 chief investigator oversaw the copying of those records.
23 Q. And do you know whether all of your records were
24 actually copied and produced to us?
25 A. My understanding was that they were. I was not

1 physically there.
2 Q. And when you say chief investigator, who are you
3 referring to?
4 A. Ron Clark.
5 Q. Do you know whether your records or the
6 financial records that underlie the analysis here have
7 been produced to any other agencies?
8 MR. PALFAI: I am going to object to that on the
9 grounds of interagency privilege confidentiality;
10 instruct the witness not to answer.
11 BY MR. ROSHKA:
12 Q. Are you going to follow that instruction?
13 A. Could you repeat the question.
14 Q. Sure. My question was whether you are aware,
15 whether you know if your records and the underlying
16 financial bank records that we have been talking about,
17 whether they have been copied and produced to anyone
18 other than Mr. Held.
19 MR. PALFAI: And once again I am going to
20 instruct the witness not to answer that question on
21 privileged and confidentiality grounds.
22 BY MR. ROSHKA:
23 Q. As an expert witness are you going to follow the
24 instruction of Mr. Palfai?
25 A. I am relying on his legal expertise.

1 Q. And in that seminar that you had that you recall
2 a portion of as being an expert, do you recall ever
3 anyone talking about employees of an agency serving as
4 an, quote, expert in one of those agency investigations
5 or proceedings?
6 A. They may have.
7 Q. Has anyone ever told you how unusual that is?
8 A. An employee serving as an expert?
9 Q. For the agency, yes.
10 A. That --
11 MR. PALFAI: Objection; pretty vague and
12 ambiguous.
13 BY MR. ROSHKA:
14 Q. I am sorry. Were you going to say something?
15 A. I was just going to say that discussion, I have
16 had that discussion with my supervisor, yes.
17 Q. And tell me about that discussion. That's with
18 Mr. Fink?
19 A. Yes.
20 Q. And what did Mr. Fink tell you?
21 A. He told me that, although we as forensic
22 accountants are employed by the State, it is still our
23 duty and obligation to be honest and put our, the
24 standards of the, of a CPA before, before the fact that
25 the State pays our paycheck.

1 Q. All right. Did Mr. Fink ever mention to you how
2 unusual it is for an employee of an agency to be serving
3 as an expert?
4 A. No.
5 Q. Was there any discussion about actually
6 retaining an independent expert in this case?
7 A. Not with me.
8 Q. Was there ever a discussion that you are aware
9 of about having someone from the national white collar
10 crime institute serve as an expert in this case?
11 A. Yes.
12 Q. Okay. Tell me about that discussion. Who was
13 it with and what was discussed?
14 A. Well, there was just a general discussion as to
15 Kelly Slazyk's role.
16 Q. And was it about whether Ms. Slazyk should be an
17 expert in this case?
18 A. Not, that discussion wasn't had with me. It was
19 just the fact that she was being considered as an expert
20 witness in this case.
21 Q. And do you know why she was not being used an
22 expert witness?
23 A. My understanding, it is because of her
24 background.
25 Q. By that do you mean that she doesn't have

1 sufficient qualifications to be an expert?
2 A. I am assuming.
3 Q. Was there any discussion about anyone else from
4 the white collar crime institute serving as an expert?
5 A. Not with me.
6 Q. Are you aware of any discussions about going out
7 into the private sector, retaining an accounting firm?
8 A. No.
9 Q. Or a consultant or someone independent to serve
10 as an expert?
11 A. No.
12 Q. Do you know whether the Securities Division has
13 engaged anyone to serve as a consulting expert as
14 opposed to a testifying expert?
15 A. No.
16 Q. Do you know the difference between the two?
17 A. I am not sure.
18 Q. Do you think you are an expert?
19 A. Yes.
20 Q. Why?
21 A. Because I have knowledge and skill above the
22 layperson to explain financial matters and my report and
23 help the judge or jury, whoever, navigate through the
24 financial issues at hand, whatever they are, for that
25 specific instance.

1 Q. Do you think someone independent, someone other
2 than the Securities Division would retain you to testify
3 as an expert?
4 A. I don't know.
5 Q. You mentioned the One Vision Children's
6 Foundation matter. What was your role in that
7 situation?
8 A. I performed a financial analysis of the bank
9 accounts involved.
10 Q. And did you testify at all in that matter?
11 A. No.
12 MR. ROSHKA: Those are all the questions I have
13 this week.
14 MR. PALFAI: Great. I have just a couple
15 follow-up questions, just to clarify a couple matters.
16 Shouldn't take more than a few minutes.
17 But before I do that, I would like to just
18 reiterate the fact that we sent a letter to you,
19 Mr. Roshka, and to Mr. Held requesting that you either
20 destroy or return Exhibits 49 and S-50 that were
21 included in error in our initial exhibit list. You
22 apparently have not complied with that request. And I
23 would like to reiterate here that you either return
24 those exhibits or destroy them. S-49a and S-50, both of
25 those have been requested to be returned or destroyed.

1 MR. ROSHKA: And what was the basis for that
2 again, Mr. Palfai?
3 MR. PALFAI: They were included in error. And
4 obviously there is sensitive information on those
5 exhibits. And we ask that you return or destroy them
6 because they were not intended to be part of our exhibit
7 production. And we just ask you do that as a matter --
8 MR. ROSHKA: Just so I understand, you
9 inadvertently produced a document that bears a label
10 S-50?
11 MR. PALFAI: Yes.
12 MR. ROSHKA: Okay.
13 MR. PALFAI: So we ask that you destroy or
14 return them. You obviously didn't do it the first time.
15 I am just reiterating that request.
16 MR. HELD: We will take it under advisement.
17 MR. PALFAI: Very good.
18 MR. HELD: Go ahead, Mr. Palfai. If you are
19 going to ask questions, go for it.
20 MR. PALFAI: Getting a little late in Texas,
21 Mr. Held?
22 MR. HELD: It is. I have got things to do.
23 MR. PALFAI: I know, Monday Night Football.
24
25

EXAMINATION

1
2 BY MR. PALFAI:
3 Q. Okay. I just have a couple questions.
4 Ms. Taplin, earlier Mr. Held asked you about
5 Exhibit S-30. And specifically he asked you what types
6 of information did you resort to to test the accuracy of
7 that exhibit. And I believe you mentioned bank records.
8 And correct me if I am wrong, I think you may have
9 mentioned interview memos.
10 Was that the entire review process you used in
11 checking on Exhibit S-30? Are there any other resources
12 you resorted to for checking this listing?
13 A. Yes.
14 Q. Could you give us some of the other resources
15 you looked at besides bank records and interview memos
16 to assess the accuracy of this exhibit, if you recall?
17 A. Yes. I looked at bank records, interview memos.
18 In addition I looked at IRA custodial documents. I
19 looked at sales agent listings. And I also looked at, a
20 couple other states provided us with their investor
21 listings in the program, I did look at those.
22 Oh, I am sorry, no, I didn't, not for Arizona,
23 no.
24 Q. Besides the interview memos, did you look at
25 questionnaires? Did they help in any way?

1 questionnaire responses. And in this case also other
2 states had provided us with their investor lists.
3 Q. And did you, in the interview memos, did you
4 rely on that in checking, testing out S-31?
5 A. I did look at interview memos, yes.
6 Q. And were they based on any particular criteria
7 or were they random interviews of a cross section of
8 Universal Leaseholders?
9 A. Well, when I say questionnaire response, one of
10 the exercises that was done was to look at individuals
11 whose money was going partly into this account as well
12 as some of the other accounts. And we made phone calls
13 to individuals to find out, to test whether or not these
14 were Universal Leaseholders.
15 Q. So is it fair to say that you use a number of
16 different methods to test S-31?
17 A. Yes.
18 Q. Just a couple more questions.
19 Earlier it was asked about your opinions. And
20 you mentioned that, based on your expertise and the flow
21 of funds in this account, that you thought this was a
22 Ponzi scheme. The question was asked were there any
23 other opinions going to be rendered by you during this
24 proceeding. And I believe you answered that I guess
25 none had been established, firmly established at this

1 A. I did look at questionnaires. I looked at
2 questionnaires that we mailed to investors. I also, I
3 also actually looked at respondent's Exhibit, I believe
4 it is, R-30, which lists Arizona investors that they
5 contacted, which was helpful.
6 Q. And with respect to the IRA custodial records,
7 how did that help?
8 A. That helped because it was an independent
9 organization that was able to turn over records of
10 account holders that have turned their IRA investment
11 into the Universal Lease program.
12 Q. And they were identified as Arizona people from
13 the IRA custodians?
14 A. Yes.
15 Q. You also, we also touched on earlier this
16 afternoon Exhibit S-31. At one point you mentioned you
17 tested Ms. Slazyk's data entry on S-31. And I believe
18 at the time there were questions asked that you were
19 using bank records to verify the bank records, or
20 something to that effect.
21 Weren't there, in fact, many ways that you
22 checked or tested S-31 other than just a bank, banking,
23 financial information?
24 A. Yes. And I also relied on bank records, in
25 addition, sales agent records, IRA custodial records,

1 point as we are still preparing for this matter. But
2 one thing kind of jumped out at me that I think you left
3 out and I want to ask you about it.
4 You are familiar with the Universal Lease
5 literature, correct?
6 A. Yes.
7 Q. And promotional materials of the Universal
8 Lease?
9 A. Yes.
10 Q. And you are familiar with the flow of funds in
11 this case, at least of the accounts you analyzed, right?
12 A. Yes.
13 Q. You could in fact opine as to how the flow of
14 funds worked vis-a-vis the actual professional material
15 and Universal Lease literature given to investors,
16 couldn't you?
17 A. Yes.
18 MR. ROSHKA: Objection; lacks foundation, calls
19 for speculation.
20 BY MR. PALFAI:
21 Q. And what would your opinion be concerning the
22 Universal Lease literature, how accurate the Universal
23 Lease literature was looking in light of the flow of
24 funds in this case? Could you render an opinion on
25 whether the Universal Lease literature was accurate with

1 respect to the use of funds and also the World Phantasy
2 contracts and how the revenue would be generated?
3 MR. HELD: Objection; no foundation, compound
4 question, calls for speculation, and deals with matters
5 not discussed during our regular direct examination.
6 MR. PALFAI: Well --
7 MR. ROSHKA: Join.
8 MR. PALFAI: -- I think you asked that precise
9 question.
10 MR. ROSHKA: We just made our objection. Have
11 her answer.
12 BY MR. PALFAI:
13 Q. Ms. Taplin, could you render an opinion on
14 whether the Universal Lease literature was consistent
15 with the flow of funds you saw in this program?
16 A. Yes, I could.
17 Q. And was this Universal Lease literature, and in
18 particular the World Phantasy contracts and revenue
19 stream for the interest rate, was that consistent with
20 the flow of funds that you saw?
21 A. I am sorry.
22 MR. HELD: Object; no foundation.
23 THE WITNESS: Could you repeat that.
24 BY MR. PALFAI:
25 Q. In your opinion, was the Universal Lease

1 in Exhibit 31 you got, other states gave you information
2 as to investor lists. What other states gave you
3 information with respect to investor lists?
4 A. Texas and Maryland.
5 Q. And were those pursuant to requests by you?
6 A. Texas, yes; Maryland, I believe, yes.
7 Q. How did you know what states to contact for this
8 information?
9 A. They were states we had a rapport with that --
10 states we had a rapport with concerning this case.
11 Q. Is Arizona a member of NASAA?
12 A. Yes.
13 Q. Did you put out a NASAA alert?
14 A. I did not, no.
15 Q. Did you put an e-mail or communication to NASAA
16 members asking for information about Yucatan or RHI?
17 A. I did not.
18 Q. Do you know if anybody did from the Arizona
19 securities commission?
20 A. I believe one was put out.
21 Q. By whom?
22 A. I don't know.
23 MR. HELD: That's all.
24 MR. ROSHKA: Nothing.
25 MR. PALFAI: Great.

1 literature program and literature surrounding the
2 Universal Lease program consistent with the flow of
3 funds that you saw throughout the years of your
4 analysis?
5 A. No.
6 MR. HELD: Object; no foundation.
7 THE WITNESS: No.
8 BY MR. PALFAI:
9 Q. So they were in fact inconsistent, weren't they?
10 A. Yes. The literature did not discuss some of the
11 specifics as far as where the money was paid out to.
12 Q. How would you characterize your role in
13 preparing, or your role in the Yucatan Resorts report
14 which was labeled S-31, how would you characterize your
15 own role in that exhibit?
16 A. As a supervisory role.
17 MR. PALFAI: I have nothing further.
18 MR. ROSHKA: Joel, anything?
19 MR. HELD: Yes, about one final question. Then
20 we have got to stop because we have something else to
21 do.
22
23 RE-EXAMINATION
24 BY MR. HELD:
25 Q. But you said that in verifying the information

1 MR. ROSHKA: We are done.
2 (The deposition concluded at 4:44 p.m.)
3
4 (Signature not requested)
5
6 MARCIA TAPLIN
7
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1 STATE OF ARIZONA)
) ss.

2 COUNTY OF MARICOPA)

3 BE IT KNOWN that the foregoing deposition was
4 taken by me, COLETTE E. ROSS, Certified Court Reporter
5 No. 50658 for the State of Arizona, and by virtue
6 thereof authorized to administer an oath; that the
7 witness before testifying was duly sworn by me; that the
8 questions propounded by counsel and the answers of the
9 witness thereto were taken down by me in shorthand and
10 thereafter transcribed under my direction; that a review
11 of the transcript by the witness was not requested; that
12 the foregoing pages contain a full, true, and accurate
13 transcript of all proceedings and testimony had, all to
14 the best of my skill and ability.

15 I FURTHER CERTIFY that I am not related to nor
16 employed by any of the parties hereto, and have no
17 interest in the outcome.

18 DATED at Phoenix, Arizona, this day
19 of , 2005.

20
21

22 COLETTE E. ROSS
Certified Court Reporter
Certificate No. 50658

23
24
25

Exhibit B

Asia
 Pacific
 Bangkok
 Beijing
 Hanoi
 Ho Chi Minh City
 Hong Kong
 Jakarta
 Kuala Lumpur
 Manila
 Melbourne
 Shanghai
 Singapore
 Sydney
 Taipei
 Tokyo

Europe &
 Middle East
 Almaty
 Amsterdam
 Antwerp
 Bahrain
 Baku
 Barcelona
 Berlin
 Bologna
 Brussels
 Budapest
 Cairo
 Dusseldorf
 Frankfurt / Main
 Geneva
 Kyiv
 London
 Madrid
 Milan
 Moscow
 Munich
 Paris
 Prague
 Riyadh
 Rome
 St. Petersburg
 Stockholm
 Vienna
 Warsaw
 Zurich

North & South
 America
 Bogota
 Brasilia
 Buenos Aires
 Calgary
 Caracas
 Chicago
 Dallas
 Guadalajara
 Houston
 Juarez
 Mexico City
 Miami
 Monterrey
 New York
 Palo Alto
 Porto Alegre
 Rio de Janeiro
 San Diego
 San Francisco
 Santiago
 Sao Paulo
 Tijuana
 Toronto
 Valencia
 Washington, DC

September 13, 2005

Tel: +1 214 978 3090
 joel.held@bakernet.com

VIA UPS OVERNIGHT DELIVERY AND E-MAIL

Ms. Kelly Slazyk c/o National White Collar Crime Center
 7401 Beaufont Springs Drive
 Suite 300
 Richmond, Virginia 23225

Re: *Yucatan Resorts, S.A., et al., S-03539A-03-0000*

Dear Ms. Slayzek:

As you recall, during your deposition on Monday, September 13, 2005, there were a series of questions by counsel for the Respondents in the above-referenced matter that you testify on issues and produce certain documents related to the pending action. Counsel for the Securities Division of the Arizona Corporation Commission (hereinafter "Securities Divisions"), instructed you, on occasion, not to answer questions and/or to produce the requested documents and information. Though the Securities Division attorney was not your counsel, you complied with his instructions.

As you also may recall, the Parties agreed that the Respondents would provide you, and the Securities Division, with a list of the documents that were discussed and requested during your testimony. Below, please find the list of documents and/or items that Respondents requested. *Please produce the documents no later than Friday, September 16, 2005*, in the form currently maintained (without redaction). If you intend to withhold production, Respondents demand that you bring all requested document with you for your testimony at the Hearing in this matter. This will permit the Administrative Law Judge to issue a ruling on the discoverability of the items, and may obviate the need for you to come back to Arizona and testify at a later date.

Respondents respectfully request that you produce the following items; if you and/or the NW3C are not in possession, custody and/or control of any of the items requested below please respond that you are not in possession of the responsive documents:

1. The signed Arizona Corporation Commission, Division of Securities, or any other Arizona state agency, "case designation form" or "sign on" submitted to the NW3C concerning the Universal Lease or any Respondent in the above-referenced action.

2. As discussed above, on occasion you were instructed not to answer questions or produce documents. The Securities Division counsel indicated that there were inter-agency confidentiality agreements concerning the Universal Lease and/or the Respondents in this

action. As I recall, you testified that you were not aware of any such agreements involving the NW3C. To the extent that you or the NW3C are in possession, custody or control of any inter-agency confidentiality agreements with the State of Arizona, or any other state, which relate to the Universal Lease, the Respondents and/or this action, please produce same.

3. During your testimony you indicated that you maintain a "case file" for this matter. The case file contained (a) a "written chain of custody" that evidence the point of origin from all documents that you received in connection with this action; (b) a "correspondence file" that included correspondence, notes and FedEx forms; and (c) an "activities log." Please produce the case file in its entirety—including, without limitation, the written chain of custody, the correspondence file (with all correspondence, emails, notes and FedEx forms) and the activities log.

4. During your testimony, you indicated that the only exhibit that you prepared, and that you would testify about, was S-31. Further, you testified that there was an "old" version of S-31 and a new or revised version of S-31. Additionally, you indicated that you communicated with Marcia Taplin of the Arizona Securities Division regarding the preparation of the exhibit, and that you provided her with drafts. Please produce any and all drafts of exhibit S-31. Also, please produce all notes related thereto, and all emails or communications with Ms. Taplin or the Securities Division regarding this exhibit or any other matter relating to the Respondents in this case.

5. You testified that you received National City Bank account documents (account number ending 8187) from the Indiana Securities Commission. Please produce all communications with the Indiana Securities Commission concerning this bank account and/or related to this action.

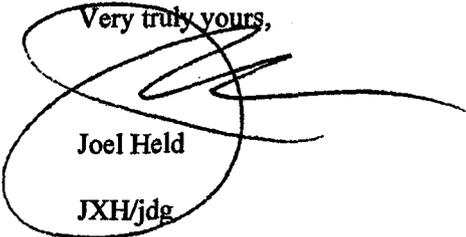
6. You testified that from the National City Bank records you received, you performed data entry and created an Excel spreadsheet. Please produce the Excel spreadsheet you created.

7. You testified that you received Bank of Miami bank records from the Pennsylvania Securities Commission and, further, that you were authorized by the Pennsylvania Securities Commission to produce these records to the Arizona Securities Division for use in this action. Please produce all correspondence, including emails, with the Arizona Securities Division regarding your production of these bank records to the Arizona Securities Division. Please produce all correspondence, including emails, with the Pennsylvania Securities Commission regarding the NW3C's receipt of the Bank of Miami records and/or regarding the NW3C's subsequent production of these records to the Securities Division.

8. You testified that NW3C provided the Securities Division with financial support in the amount of \$50,000. Please produce all documents, including records of communications, between the NW3C and the Arizona Securities Division regarding the referenced financial support.

If you have any questions, or if you would like to discuss this matter further, please do not hesitate to contact me.

Very truly yours,



Joel Held

JXH/jdg

Cc: Jaime Palfai, Esq. (*Via e-mail*)
Paul Roshka, Esq. (*Via e-mail*)
Martin Galbut, Esq. (*Via e-mail*)

DALDMS/540985.1

Exhibit C

COMMISSIONERS
JEFF HATCH-MILLER - Chairman
WILLIAM A. MUNDELL
MARC SPITZER
MIKE GLEASON
KRISTIN K. MAYES

BRIAN C. McNEIL
EXECUTIVE DIRECTOR



MATTHEW J. NEUBERT
DIRECTOR

SECURITIES DIVISION
1300 West Washington, Third Floor
Phoenix, AZ 85007
TELEPHONE: (602) 542-4242
FAX: (602) 544-7470
E-MAIL: securitiesdiv@azcc.gov

ARIZONA CORPORATION COMMISSION

September 16, 2005

Via Facsimile &
First Class Mail

Paul J. Roshka, Jr., Esq.
Roshka Heyman & DeWulf, PLC
One Arizona Center
400 East Van Buren Street
Phoenix, Arizona 85004

Joel Held, Esq.
Baker & McKenzie, LLP
2300 Trammell Crow Center, Suite 2800
2001 Ross Avenue
Dallas, TX 75201

RECEIVED
2005 SEP 16 P 3:04
AZ CORP COMMISSION
DOCUMENT CONTROL

Re: Additional Documents Requested Subsequent to the Deposition of Marcia Taplin in the matter of Yucatan Resorts, et al. (S-03539A-03-0000)

Dear Gentlemen:

I am writing in direct response to your demand for extensive additional discovery just days before the recommencement of this hearing. This demand is groundless, oppressive and untimely.

Over four months ago, the presiding Administrative Law Judge in this matter ordered that the Securities Division produce all investigative documents and records underlying the accountant's exhibits and testimony in this matter. The Division immediately complied with this directive, producing over 14 boxes of documents. A large percentage of this production consisted of your clients' own banking records. All other records underlying the accountant's exhibits and opinions in this matter, including such items as questionnaires, interviews, and memos, were similarly provided.

It is now apparent that, with two days remaining before the hearing in this matter recommences, you want to create a new discovery controversy. Quite frankly, we have no intention in participating in your eleventh hour supplemental discovery expedition.

You are not entitled to the bulk of documents making up your present demand. The production Administrative Law Judge Stern ordered in this matter consisted of documents and financial records underlying the accounting exhibits and testimony submitted by the Division in this case. You already have these documents (and have had them for over four months). If you

September 16, 2005

Page 2

desired an additional production other than the one ordered, you should have secured a production of these additional documents in April, not two business days prior to the resumption of trial on September 19, 2005.

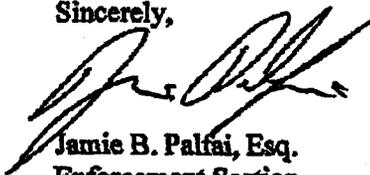
As you are well aware, you had over four months to conduct the depositions that purportedly led to your current supplemental discovery demands. The Division repeatedly urged you to schedule these depositions during the summer, but you continually ignored our invitations. Your delay in scheduling these depositions has now made it virtually impossible for the presiding ALJ to address the merits of your subsequent discovery demands before the recommencement of this hearing. In any event, you are not entitled to these records, the ALJ did not order the production of these records, and only through your own dilatory tactics did this discovery dispute arise at this late hour. Under the circumstances, your supplemental discovery demand is untenable.

Even the substance of your supplemental discovery demand is lacking. Many of the documents you now demand are either already in your possession or are irrelevant, privileged and/or confidential. The Division has no intention of spending the next several days identifying and pointing out the many flaws in your supplemental discovery request; the Division is in fact currently preparing for the resumption of litigation on Monday. In sum, the Division will not be recognizing your production deadline for additional documentation by this Friday.

On a separate matter, your recent correspondence claims that the sole opinion Ms. Taplin offered during her deposition was that the Universal lease program was a type of Ponzi scheme. You apparently missed some of the other opinions she rendered during this time. Without limitation, Ms. Taplin also opined as to the sources and uses of funds, that the program was a fraud, and that various representations made in the offering documents of the Universal lease program were at odds with the actual generation and movement of funds in this matter.

I am looking forward to seeing you both at hearing on Monday. Should you have any comments or questions concerning this response, feel free to contact the undersigned at your convenience.

Sincerely,



Jamie B. Palfai, Esq.
Enforcement Section
Arizona Securities Division

cc: ALJ Marc Stern (hand-delivered)
Docket Control (x13)

Exhibit D

Marcia C. Taplin

1300 W. Washington – 3rd Floor
Phoenix, AZ 85007
(602) 542-4242
mtaplin@azcc.gov

Certifications

CERTIFIED PUBLIC ACCOUNTANT – Arizona
Admitted October 1998

Education

ARIZONA STATE UNIVERSITY, Bachelor of Science, Accounting
Graduated with honors, May 1996

Professional Experience

**ARIZONA CORPORATION COMMISSION
SECURITIES DIVISION**
Phoenix, AZ

Senior Forensic Accountant
January 1998 to Present

Job Description: Responsible for participating as a forensic accountant in the investigation and prosecution of alleged violations of the Arizona Securities Act, and testifying as an expert witness on financial and accounting matters in administrative, civil and criminal proceedings. Responsible for identifying, collecting, analyzing and interpreting financial and accounting data. Prepare reports, financial statements, schedules and charts which apply the relevant information and summarize the findings.

COOPERS & LYBRAND, LLP
Phoenix, AZ

Audit Associate – June 1996 to December 1997
Audit Internship – May 1994 to May 1996

Job Description: Responsible for completing various aspects of annual financial statement examinations, including the review and evaluation of internal controls and procedures and administrative efficiency. Assisted in the preparation of financial statements and reports to management. Worked with engagement team to problem solve and identify key value added comments for client improvement. Researched relevant accounting rules and pronouncements.

Professional Memberships

American Institute of Certified Public Accountants
Arizona Certified Fraud Examiners

Volunteer Experience

Tumbleweed Center for Youth Development – Board of Directors, Finance Committee