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BEFORE THE ARIZONA CORPORATIC

IN THE MATTER OF	)	
	)	
RICHARD BRADFORD (CRD #2706290)	)	DOCKET NO.
and CINDY BRADFORD (a.k.a. Cindy	)	S-20605A-08-0377
White), husband and wife,	)	
	)	
Respondents.	)	EVIDENTIARY HEARING
	)	
	)	
	)	

10 At: Phoenix, Arizona  
 11 Date: July 7, 2009  
 12 Filed: **JUL 16 2009**

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Arizona Corporation Commission  
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By: Gary W. Hill, RPR  
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## 1 INDEX TO EXAMINATIONS

## 2 WITNESSES

3 SECURITIES DIVISION'S CASE PAGE

## 4 RONALD BARAN

	Direct Examination by Mr. Huynh	23
5	Cross-Examination by Ms. White	62
	Examination by ALJ Stern	70
6	Redirect Examination by Mr. Huynh	76

## 7 JOHN FINK

	Direct Examination by Mr. Huynh	77
8	Cross-Examination by Ms. White	95
	Examination by ALJ Stern	108

9

## CYNTHIA LEE WHITE

10	Direct Examination by Mr. Huynh	116
----	---------------------------------	-----

11

RESPONDENT'S CASE

12

## CYNTHIA LEE WHITE

13	Direct Testimony	133
----	------------------	-----

## 14 VIVIAN HARPER

	Direct Examination by Ms. White	145
15	Cross-Examination by Mr. Huynh	152

## 16 KAREN MANDARINO

	Direct Examination by Ms. White	154
17	Cross-Examination by Mr. Huynh	159

18

## 19 INDEX TO EXHIBITS

## 20 STATE'S EXHIBITS

21	<u>No.</u>	<u>Description</u>	<u>Identified</u>	<u>Admitted</u>
22	S-1	Order to Cease and Desist, Order for Restitution and for Administrative Penalties dated October 8, 2008, Decision Number 70545	17	18
23				
24	S-2	Consent Decree of Dissolution of Marriage filed March 3, 2008	27	18
25				

<u>No.</u>	<u>Description</u>	<u>Identified</u>	<u>Admitted</u>
1			
2	S-3 Affidavits of Custodian of Records		
3	from the Assistant Director of		
	Compliance at Scottrade, Inc.	--	18
4	S-4 Email from Michele Gilkey dated		
5	April 11, 2008 and Scottrade Options		
6	Application & Agreement dated March	45	18
	8, 2006		
7	S-5 Letter from Michele Gilkey, Prevent-		
8	ative Compliance for Scottrade,		
9	dated April 23, 2008, to Ron Baran,		
	Copies of checks, and Account		
	History	53	18
10	S-6 Examination Under Oath of Richard		
11	William Bradford dated August 26,		
	2008	48	49
12	S-7a Wells Fargo Declaration for Records		
13	of Regularly Conducted Business		
14	Activity plus copy of Legal Name		
	Change Request and Consumer Account		
	Application for Cynthia L. Bradford,		
	a/k/a Cynthia L. White	29	35
15	S-7b Consumer Account Application for		
16	Richard W. Bradford	29	35
17	S-7c Wells Fargo Account Application		
18	Information for Cynthia L. O'Dowd,		
	Plus Legal Name Change Request	29	35
19	S-8 Letter from Logan Law Firm PLC		
20	dated April 21, 2008; Affidavit of		
21	Custodian of Records from Gary D.		
22	Willis; Operating Agreement of		
23	Fishing Partners-Salmon, LLC;		
24	Articles of Amendment of Fishing		
25	Partners-Salmon, LLC; and, Articles		
	of Organization of Fishing Partners-		
	Salmon, LLC	40	44
	S-9 Financial Summary of John Fink,		
	Forensic Accountant	81	18
	S-10 Investor Restitution List	115	115

1 RESPONDENT'S EXHIBITS

2

3	<u>No.</u>	<u>Description</u>	<u>Identified</u>	<u>Admitted</u>
4	R-1	Notice of opportunity of hearing	--	22
5	R-2	Transcript before Mark E. Stern dated September 4, 2008	--	22
6	R-3	(Not utilized)	--	--
7				
8	R-4	(Not utilized)	--	--
9				
10	R-5	Order to Cease and Desist, Docket 70544, dated October 8, 2008	--	22
11	R-6	Office of Attorney General, Arizona Corporation Commission State of 12 Arizona v. Bradford, Case No. TJ08-012844/012843, Judgment balance 13 \$1,415,386.01, dated January 8, 2009	--	22
14	R-7	(Not utilized)	--	--
15	R-8	(Not utilized)	--	--
16	R-9	Laws, Article 44-2031, Article 25-318	--	22
17	R-10	Consent for Decree of Dissolution of Marriage	--	22
18				
19	R-11	Purchase Contract, Buyer Baracuda Group, LLC, Seller John and Jeanie Owens; Check from Richard Bradford 20 for Earnest Money for 3963 N. Pinnacle Hills, Mesa, AZ 85207; Magnus Title 21 Amendment to Escrow Instructions	57	22
22	R-12	(Not utilized)	--	--
23	R-13	(Not utilized)	--	--
24	R-14	Photo of House	22	22
25				

1 BE IT REMEMBERED that the above-entitled and  
2 numbered matter came on regularly to be heard before the  
3 Arizona Corporation Commission, in Hearing Room 1 of said  
4 Commission, 1200 West Washington Street, Phoenix, Arizona,  
5 commencing at 9:32 a.m., on the 7th, of July, 2009.

6

7

8 BEFORE: MARC E. STERN, Administrative Law Judge

9

10 APPEARANCES:

11

12 For the Securities Division:

13 ARIZONA CORPORATION COMMISSION  
14 Securities Division  
15 By: Mr. Phong (Paul) Huynh  
16 1300 West Washington Street  
17 Phoenix, Arizona 85007

16

17 For the Respondent:

18 CINDY L. WHITE, Pro Se

19

20 Also Present:

21 Mr. Ronald Baran, Special Investigator  
22 Mr. John Fink, Senior Forensic Accountant  
23 Ms. Veronica L. Sandoval, Legal Assistant  
24 Ms. Karen Mandarino

24

25

GARY W. HILL, RPR  
Certified Reporter  
Certificate No. 50812

1 ALJ STERN: We're on the record in the matter of  
2 Richard Bradford and Cindy Bradford, also known as Cindy  
3 White, husband and wife, Respondents, Docket No. S-20605A-  
4 08-0377.

5 My name is Marc Stern. I'll preside over this  
6 proceeding this morning.

7 At this time, let's take appearances. On behalf  
8 of the Division?

9 MR. HUYNH: I'm Paul Huynh, Judge.

10 ALJ STERN: Okay. And on behalf of Ms. White?

11 MS. WHITE: I'm Cindy White.

12 ALJ STERN: All right. You're representing  
13 yourself; right, Ms. White?

14 MS. WHITE: That's correct.

15 ALJ STERN: All right. Ms. White, this  
16 situation is somewhat unusual in that in this instance,  
17 you signed a consent agreement that was made part of  
18 what's known as a consent order that the Commission  
19 approved, I believe, on October 8th of 2008. They also  
20 entered a default order against your ex-husband.

21 You're divorced, right?

22 MS. WHITE: Yes.

23 ALJ STERN: Okay. Then subsequently, you sent a  
24 letter in to the Commission, and you wanted them to  
25 reconsider your consent order; and you said you wanted a

1 hearing.

2 And subsequently, the Division was instructed, I  
3 guess by the Commissioners, to schedule a procedural  
4 conference of some sort or see if they could have one to  
5 discuss this matter. We had a procedural conference back  
6 in April on whether the decision could be reconsidered in  
7 any manner. Apparently, you and the Division still  
8 haven't resolved the matter; is that correct?

9 MS. WHITE: That's correct.

10 ALJ STERN: The issue here is a little bit  
11 different than a matter in the utilities area that the  
12 Commission has jurisdiction over because there there's a  
13 provision in the statutes that allows the Commission to  
14 amend or modify decisions. There's nothing directly  
15 statutorily speaking to that issue in the area of the  
16 Securities Act. However, that doesn't mean the Commission  
17 can't issue another decision with respect to this matter.

18 Now, Ms. White, since you're representing  
19 yourself, in the past -- and I've had cases like this --  
20 what I do is have the pro se party sworn in. I assume  
21 you're going to testify in the proceeding?

22 MS. WHITE: Yes.

23 ALJ STERN: Okay. So it won't matter one way or  
24 the other whether we swear you in now or when you come up  
25 front. So I'm going to ask the court reporter to swear

1 you in. That way everything you say will be under oath,  
2 and we'll see where we go with that. Okay?

3 MS. WHITE: Yes.

4 ALJ STERN: You want swear her in.

5 (Cynthia White was sworn to tell the truth and  
6 nothing by the truth by the certified court reporter.)

7 ALJ STERN: Thank you, Ms. White.

8 Ms. White, if I understand, it's your position  
9 at this time that you wish the Commission to reconsider  
10 the decision issued with respect to yourself in Decision  
11 70544; is that correct?

12 MS. WHITE: That's correct.

13 ALJ STERN: And do you wish to withdraw your  
14 consent that you apparently signed and was made a part of  
15 that agreement when it was approved? It was made a part  
16 of the decision.

17 MS. WHITE: That's correct, yes.

18 ALJ STERN: Okay. What is the Division's  
19 position on this, Mr. Huynh?

20 MR. HUYNH: Judge, I guess that was one of the  
21 questions that I wanted to establish as a housekeeping  
22 matter is regarding the underlying, you know, violations  
23 and the amount of jurisdictional evidence that you would  
24 like the Division to present in regards to this matter  
25 here today.

1           It's the Division's position that we are looking  
2 to hold the marital community liable for the restitution,  
3 full amount of restitution and the administrative penalty  
4 that occurred during the time frame of the marriage, and I  
5 have not been given any other direction by my supervisor  
6 or through bankruptcy and collections that any amount less  
7 than what was ordered in Mr. Bradford's default order is  
8 what we're going forward with today.

9           ALJ STERN: Does the fact that, you know, at the  
10 time the Division originally brought this proceeding -- it  
11 seems to me it was in October 2008; is that correct? Or  
12 that's when the decision was issued. When was the notice  
13 issued, originally? Do you recall? Was it July 2008?

14           MR. HUYNH: I believe late July 2008, Judge.

15           ALJ STERN: And the actual order in the case was  
16 October 2008, correct?

17           MR. HUYNH: Correct.

18           ALJ STERN: But then we go back to, in fact they  
19 were divorced in March of 2008; isn't that correct?

20           MR. HUYNH: Correct.

21           ALJ STERN: The decree of dissolution of  
22 marriage was entered by the Superior Court down the street  
23 here?

24           MR. HUYNH: I believe so, Judge.

25           ALJ STERN: Okay.

1 MR. HUYNH: Or in Mesa.

2 ALJ STERN: I think -- I'm not sure which one.

3 What effect does the fact that the Superior  
4 Court decree that their marriage was dissolved, property  
5 was distributed, debts were assumed --

6 MR. HUYNH: Judge, I can probably relay this  
7 more in a post-hearing brief; but from a general  
8 perspective, I believe the Division's position is the  
9 obligations and liabilities that were incurred by  
10 Mr. Bradford on behalf or during the existence of the  
11 marital community, from the time frame of March 2006 to  
12 November of 2007, occurred while they were still married,  
13 and there was a marital community.

14 The fact that they subsequently get divorced,  
15 then there is a dissolution decree which allocates  
16 liability between the spouses is not binding on the State  
17 as a third-party creditor that was not party to that  
18 proceeding.

19 ALJ STERN: Don't we have to get the Superior  
20 Court to reopen that earlier matter before we can go and  
21 put an order on subsequent to the divorce decree which  
22 adjudicated their property rights?

23 MR. HUYNH: I believe the position of the  
24 Division --

25 ALJ STERN: Do you have any cases that support

1 that?

2 MR. HUYNH: Yes, Judge. And I believe, mainly  
3 one of the cases -- I can look up the cite for you; I  
4 don't have it off the top of my head. But under Community  
5 Guardian Bank it allows collections under case law to  
6 still attach to the property of the spouses after they  
7 separate if the liability --

8 ALJ STERN: Separate or divorce?

9 MR. HUYNH: -- is a community liability. Or  
10 divorced. The issue is more of a collection matter in  
11 terms of what are Ms. White's rights after the fact of  
12 divorce. She can go back into the community or the  
13 marital courts and require either indemnification or  
14 contribution from Mr. Bradford if she pays more than her  
15 fair share of her portion of the community liability. But  
16 again, being that under 2031(c) that we are required to  
17 attach her and join her in the proceeding before us and  
18 the Commission to get a binding order against the  
19 community, we have done that or we attempt to do that.

20 The collection aspect of it, I think, is where  
21 there are potential arguments and potential claims that  
22 she might have from a separate perspective against her  
23 former husband for indemnification or contribution.

24 ALJ STERN: Okay. How many witnesses does the  
25 Division have in this proceeding?

1 MR. HUYNH: Judge, we anticipate three total  
2 witnesses, two being State's witnesses, and one being Miss  
3 White. As such, I, you know, I'm not quite sure how to  
4 best ask or apprise this, but if maybe the Court can  
5 apprise her of potentially her testimonial rights ahead of  
6 time that we will be calling her as part of our case in  
7 chief, too, for some preliminary or some general questions  
8 that we wanted to establish.

9 ALJ STERN: Well, the thing is, aside from the  
10 fact that there already is a default order, Mr. White was  
11 found liable. The only question is whether the marital  
12 community benefited. It isn't a question of establishing  
13 any responsibility on her part in violating the Securities  
14 Act. It's just merely as a side to the restitution/  
15 administrative penalty portion of the proceeding whether  
16 the marital community is liable in order to attach  
17 anything here, right?

18 MR. HUYNH: I guess that's where, since we've  
19 never been in this situation, Judge, we wanted to confirm.  
20 From the perspective of not being able to waive subject  
21 matter jurisdiction, the State was just going to present  
22 preliminary background information regarding the  
23 underlying securities violations of Mr. Bradford.

24 ALJ STERN: Well, I think we don't need the  
25 underlying securities violations. We already have a

1 default order. The Commission found Mr. Bradford violated  
2 the Securities Act by default.

3 MR. HUYNH: Okay.

4 ALJ STERN: The allegations were there. There  
5 were findings in the previous decision. I think that's  
6 70545, right? That's his case.

7 MR. HUYNH: Yes.

8 ALJ STERN: And the fact of the matter may be,  
9 they're both found in violation of the Act on October 8th,  
10 the same time.

11 MR. HUYNH: Okay.

12 ALJ STERN: So her liability, if any, springs  
13 from the order against Mr. Bradford. So I don't think we  
14 have to deal with the underlying securities violations.

15 I think really what I want to see -- and again I  
16 think I will require the Division to brief this issue  
17 because, as far as I'm concerned, the Commission is going  
18 to want to know since we're in all this new water that  
19 we've been going on since this Act changed several years  
20 ago, and now the Commission is attempting to do the work  
21 of the Attorney General in the collection procedure rather  
22 than have them pursue the matter in a Court of Domestic  
23 Relations, which seems to be better suited, and that is  
24 where the jurisdiction over the community property really  
25 lies rather than with the Corporation Commission.

1           We're making a one-sided shot effort at spouses,  
2 whether they be male or female, if their spouse during the  
3 course of marriage violates the Securities Act and there's  
4 a benefit to the marital community, holding the community  
5 liable in order to seek restitution and administrative  
6 penalty.

7           So with that, what do you have in the way, I  
8 guess I'm going to say, of evidence that the marital  
9 community was the one that benefited, or how do you  
10 attempt to go about showing that?

11           We already have a judgment against Mr. Bradford.  
12 Mrs. White or Ms. White was joined as his ex-spouse in the  
13 proceeding because of the marital community issue. So  
14 where do you go with that?

15           MR. HUYNH: Judge, I still will have my  
16 investigator to just lay certain foundational background  
17 information to make it clear regarding the relationship of  
18 the parties and the time frame that we're speaking of. I  
19 will have a senior accountant to establish transactions.

20           Again, from the position of the Division, there  
21 are two aspects that I can touch on, which is the intent  
22 to benefit the marital community can create an obligation  
23 on the community itself. In addition to showing the  
24 actual intent of the parties or the spouses to benefit the  
25 community, which we believe is enough to establish

1 obligational liability under the statutes under the case  
2 law, I will provide you evidence of actual benefit which  
3 will conclusively state and show an intent to benefit, an  
4 actual benefit to the community, too.

5 To the extent of the benefit, though, we are not  
6 going to show the actual specific penny/dollar amount of  
7 benefit as we believe that the case is, and the case law  
8 will support that we just have to show an intent to  
9 benefit or some actual benefit, and a "but for" causation  
10 that they or the community be liable for the full amount  
11 of restitution and/or administrative penalty.

12 ALJ STERN: Okay. You want to call a witness in  
13 this?

14 MR. HUYNH: Sure.

15 ALJ STERN: And let me ask you this. This is --  
16 we are in somewhat different ground. Ms. White asked the  
17 Commission to reconsider. The Commission apparently was  
18 willing to take it upon themselves to look into this  
19 matter a little bit more. I'm here to hear what else  
20 there is on it. We've heard Ms. White say she wishes to  
21 withdraw her consent, which essentially, if the Commission  
22 would agree to that in open meeting, then there's a  
23 possibility they can issue a new decision which may or may  
24 not find the community liable, just based on the facts as  
25 you allege the Division has evidence of benefit or intent

1 to benefit the marital community, therefore the community  
2 should be liable.

3 Do you understand that, Ms. White?

4 MS. WHITE: Uh-huh.

5 ALJ STERN: And Mr. Huynh also alluded to the  
6 fact that, you know, you understand that when you testify,  
7 you're under oath and also that you do subject,  
8 conceivably subject yourself to liability in some way,  
9 shape or form.

10 I'm not here to be your attorney today. I'm  
11 just here to listen to whatever evidence the Division  
12 presents and whatever evidence you present that may change  
13 the Commission's, may or may not change the Commission's  
14 opinion in a subsequent decision. It may just be leave  
15 the case as it is. I don't know.

16 Yes, sir?

17 MR. HUYNH: One more brief thing, Judge. The  
18 parties spoke briefly before you arrived; and to expedite  
19 the process, there are a couple exhibits from both sides  
20 that we've agreed to stipulate to. So I would like to  
21 enter that in.

22 ALJ STERN: Okay. Ms. White, do you have extra  
23 copies of your exhibits?

24 MS. WHITE: Yes.

25 ALJ STERN: I know I have my copies. Mr. Huynh

1 probably has a copy. You have to give an original copy,  
2 you know, whatever copies of originals or whatever to the  
3 court reporter that will be marked. Do you have yours?

4 MS. WHITE: For everything?

5 ALJ STERN: Whatever ones --

6 MS. WHITE: What I'm going to present today?

7 ALJ STERN: Yes.

8 MS. WHITE: Yes, I do.

9 ALJ STERN: Okay. That's fine. How many  
10 witnesses might you have today, Ms. White?

11 MS. WHITE: I have just one. It's Karen  
12 Mandarino. She kind of was -- she's a dear friend, but  
13 also got defrauded by Mr. Bradford.

14 ALJ STERN: Okay.

15 MS. WHITE: And she knows me, kind of understood  
16 my lifestyle and --

17 ALJ STERN: All right. We'll hear all about it  
18 in a while.

19 MS. WHITE: Okay.

20 ALJ STERN: What exhibits do you have that are  
21 ready to be stipulated?

22 MR. HUYNH: Judge, the parties stipulated to  
23 S-1.

24 ALJ STERN: Wait a minute. Okay. That's S-1  
25 being the Commission's decision with respect to

1 Mr. Bradford, right?

2 MR. HUYNH: Correct.

3 ALJ STERN: Okay.

4 MR. HUYNH: S-2.

5 ALJ STERN: Okay.

6 MR. HUYNH: S-3.

7 ALJ STERN: Okay.

8 MR. HUYNH: S-4, S-5.

9 ALJ STERN: Okay.

10 MR. HUYNH: And she stipulated to S-9, also.

11 ALJ STERN: All right.

12 MR. HUYNH: And then for Ms. White's, we --

13 ALJ STERN: Just a minute, just a minute.

14 MR. HUYNH: I'm sorry.

15 ALJ STERN: Ms. White, you heard Mr. Huynh here

16 for those six exhibits by stipulation. Just a minute. Do

17 you agree to those six exhibits?

18 MS. WHITE: Yes.

19 ALJ STERN: Exhibits S-1, S-2, S-3, S-4, S-5 and

20 S-9 are admitted.

21 Okay. With respect to Ms. White's exhibits, and

22 there are about 14 of them. Which ones -- you don't have

23 a list of your 14 exhibits? Oh, yes, you do.

24 MS. WHITE: Yes.

25 ALJ STERN: Oh, yes, you do. Or maybe you don't

1 because you have 13 numbered, and I think there's 14 of  
2 them.

3 MS. WHITE: I'm close.

4 ALJ STERN: Correct? Yes. Okay. What do you  
5 agree with?

6 MR. HUYNH: Judge, the State will stipulate to  
7 R-1.

8 ALJ STERN: R-1.

9 MR. HUYNH: R-2.

10 ALJ STERN: Wait a minute. Okay.

11 MR. HUYNH: R-5, R-6.

12 ALJ STERN: Wait a minute. Okay.

13 MR. HUYNH: R-9.

14 ALJ STERN: Go ahead.

15 MR. HUYNH: R-10, R-11, and R-14.

16 ALJ STERN: R-11 and R-14. That's not on my  
17 list, but let's see what it is. That's a picture of a  
18 trailer?

19 MS. WHITE: Yeah.

20 ALJ STERN: Is that what you're --

21 MR. HUYNH: There should be two pictures on  
22 R-14, Judge.

23 ALJ STERN: Well, I only have one picture. I  
24 have a picture of a trailer or a patio home or something.  
25 Is there another picture?

1 MR. HUYNH: Yes, Judge.

2 ALJ STERN: What's the second one? What am I  
3 missing?

4 MS. WHITE: I'll give it to you.

5 ALJ STERN: Two pictures.

6 MS. WHITE: May I approach?

7 ALJ STERN: Sure, come on up here. You must  
8 have been watching some legal show or something with this  
9 "May I approach" stuff.

10 MS. WHITE: I'm doing the best I can.

11 ALJ STERN: I think I got a picture of this  
12 house, but it's under another exhibit number. Wait a  
13 second. I know I saw it somewhere. Oh, yeah, it's  
14 under -- it's under my Exhibit R-11.

15 MS. WHITE: That may be.

16 ALJ STERN: R-14 can be that trailer place, if  
17 you want. It's okay with me.

18 MS. WHITE: No, we should leave it under the  
19 R-11, if you don't mind.

20 ALJ STERN: Leave it as R-11?

21 MS. WHITE: Please.

22 ALJ STERN: Okay. So you've already agreed to  
23 R-11, and it's just a picture of the house that's  
24 apparently in your book is in R-14.

25 MR. HUYNH: Okay. All right. I'll make the

1 adjustment.

2 ALJ STERN: So that's R-11. Then for R-14, all  
3 that's there is a picture, one photo. I'll call it a  
4 trailer. I don't know.

5 MS. WHITE: It's a trailer.

6 ALJ STERN: A trailer?

7 MS. WHITE: Yes.

8 ALJ STERN: Okay. So with that, is there  
9 anything else?

10 MS. WHITE: If I brought some more things as far  
11 as financials of --

12 ALJ STERN: Well, you'll have to let Mr. Huynh  
13 examine them, and if you have some copies --

14 MS. WHITE: Okay.

15 ALJ STERN: Is this going into like current  
16 financial matters?

17 MS. WHITE: No, the whole point of this today,  
18 per your request at the last meeting, is this is all based  
19 on if I benefited financially from --

20 ALJ STERN: Well, it's not so much you.

21 MS. WHITE: The community.

22 ALJ STERN: The marital community, that big  
23 happy globe in the sky.

24 MS. WHITE: Right.

25 ALJ STERN: Whether the marital community

1 benefited from your relationship with Mr. Bradford during  
2 the period you were married and during that period of time  
3 from around March 2006, apparently, when a lot of these  
4 transactions were occurring until around November of 2007  
5 when apparently the Mesa Police Department got involved,  
6 from what I remember of our past discussions.

7 So that's sort of what we're talking about. So  
8 if you have something about that, if you have some copies  
9 or you need to make copies or something, or Mr. Huynh has  
10 copies, then we can probably proceed. It shouldn't be too  
11 much of a problem. They're not reflected in your exhibit  
12 list of what's in the book, right? In the volume?

13 MS. WHITE: Correct.

14 ALJ STERN: Okay. We can probably deal with  
15 this. Shouldn't work too badly.

16 Okay. Just a couple seconds here so I can make  
17 a note.

18 And you did say 14 is admitted, right?  
19 Stipulated to?

20 MR. HUYNH: Yes, Judge.

21 ALJ STERN: And you have no objection?

22 MR. HUYNH: No.

23 ALJ STERN: Okay, Exhibits R-1, 2, 5, 6, 9, 10,  
24 11 and 14 are admitted by stipulation.

25 Okay. Who do you want to have on the stand

1 first?

2 MR. HUYNH: Judge, the Division calls Ronald  
3 Baran.

4 ALJ STERN: Come forward and get sworn in here.

5

6 RONALD BARAN,  
7 called as a witness herein, having been first duly sworn  
8 by the Certified Reporter to speak the truth and nothing  
9 but the truth, was examined and testified as follows:

10

11 DIRECT EXAMINATION

12

13 BY MR. HUYNH:

14 Q. Good morning, Mr. Baran. Could you state your  
15 full name for the record?

16 A. It's Ronald Baran.

17 Q. What is your current occupation?

18 A. I'm a special investigator for the Securities  
19 Division of the Arizona Corporation Commission.

20 Q. And how long have you worked there?

21 A. A little over three years.

22 Q. What are your general duties and functions in  
23 that position?

24 A. We investigate violations of the Securities Act  
25 and the Investment Management Act.

1 Q. How long have you been in law enforcement,  
2 Mr. Baran?

3 A. A little over 35 years.

4 Q. Can you give me a little bit of a background of  
5 your employment or an overview, I'm sorry?

6 A. I started off in May of 1974 in Lake County,  
7 Indiana. I was on the Sheriff's Department there for a  
8 little over 11 years. Came out here to Mesa, Arizona.  
9 Hired on as a police officer. Stayed in police work from  
10 1985 until I retired from there in 2006, and then started  
11 at the Division in 2006 until current.

12 Q. Now, at the Division and in your position, are  
13 you also the custodian of the evidence?

14 A. Yes.

15 Q. What does that mean, in general?

16 A. I maintain files and records that you obtain  
17 through either the subpoena process or that people have  
18 submitted.

19 Q. And at some point in time, did you get assigned  
20 to an investigation regarding Richard Bradford and Fishing  
21 Partners-Salmon, LLC?

22 A. Yes.

23 Q. And as part of that investigation, did you  
24 receive documents from witnesses and various parties?

25 A. Yes.

1 Q. And what is your policy and procedure when  
2 obtaining such documents?

3 A. We label them individually with what's known as  
4 a Bates number, and then we maintain a document inventory  
5 by those numbers.

6 Q. And did you follow those policies and procedures  
7 in this instance here regarding all the documents received  
8 in this investigation?

9 A. Yes.

10 Q. And did you maintain a document inventory to  
11 keep track of the documents you received?

12 A. Yes.

13 Q. And did the documents ever leave the Department  
14 or the office?

15 A. Not to my knowledge.

16 Q. Ron, or Mr. Baran, if you could, can you give me  
17 a little bit of background regarding the Fishing  
18 Partners-Salmon, LLC investigation and how that relates to  
19 a Scottrade account?

20 A. The members of the LLC formed this limited  
21 liability company, Fishing Partners-Salmon, to invest in a  
22 hedge fund or develop a hedge fund for investments, and  
23 Richard Bradford opened a Scottrade account to conduct  
24 transactions on behalf of the LLC.

25 Q. Okay.

1 ALJ STERN: Is Mr. Bradford the managing member?  
2 Or was he just one of the members?

3 THE WITNESS: He was the managing member.

4 ALJ STERN: Of Fishing Partners-Salmon, LLC?

5 THE WITNESS: Yes.

6 ALJ STERN: And that's the one, I think it's  
7 described in the decision involving him, 70545.

8 THE WITNESS: Yes, it is.

9 ALJ STERN: Okay. Go ahead.

10 BY MR. HUYNH:

11 Q. Mr. Baran, was Mr. Bradford an Arizona resident  
12 through the entire relevant time frame?

13 A. Yes.

14 Q. And when I state relevant time frame, just to  
15 make sure for the record, what time frame are we generally  
16 speaking of?

17 A. March of 2006 to November of 2007.

18 Q. And either pursuant to the default order that  
19 was stipulated to, S-1, or as part of your knowledge in  
20 the investigation, did Mr. Bradford solicit individuals  
21 from within or from Arizona?

22 A. Yes, he did.

23 Q. How many investors are we talking about in  
24 regards to these investment opportunities?

25 A. Six, I believe.

1 Q. And were the securities registered?

2 A. No, they were not.

3 Q. Was Mr. Bradford registered as either a  
4 salesman, dealer, investment adviser or investment adviser  
5 representative during the relevant time frame?

6 A. No, he wasn't.

7 Q. As part of your investigation in the matter, did  
8 you perform some background investigation into  
9 Mr. Bradford?

10 A. I did.

11 Q. And did you determine the marital status of  
12 Mr. Bradford?

13 A. I did.

14 Q. And I would like to point you to State's Exhibit  
15 S-2. Do you recognize this exhibit?

16 A. Yes.

17 Q. Can you briefly describe or state what the title  
18 of that exhibit is?

19 A. It's a Consent Decree of Dissolution of  
20 Marriage.

21 Q. And who are the parties to that consent decree  
22 of dissolution?

23 A. Richard William Bradford and Cynthia L.  
24 Bradford.

25 Q. And as part of this exhibit, does it state when

1 the parties were married? I believe it's Subsection C.

2 A. Yes. Parties were married in Las Vegas, Nevada,  
3 on February 14, 2003.

4 Q. And based on this decree, what date were the  
5 parties divorced?

6 A. This says February 21, 2008.

7 ALJ STERN: Look at the front page.

8 THE WITNESS: This was stamped as filed on March  
9 3 of 2008.

10 BY MR. HUYNH:

11 Q. Okay. And on Pages 6 and 7 of that document, is  
12 that decree signed by the parties?

13 A. Yes, it is.

14 Q. And is that decree also notarized by a notary?

15 A. Yes.

16 Q. Mr. Baran, as part of your investigation, did  
17 you also send out subpoenas to any financial banking  
18 institutions regarding the investigation?

19 A. Yes, I did.

20 Q. Which ones did you send subpoenas out to?

21 A. To the Wells Fargo Bank, and I believe I sent  
22 one to the Scottrade -- pardon me, not a subpoena. I just  
23 obtained records from them, and also, I believe Chase  
24 Bank.

25 Q. And did you receive documents from them?

1 A. Yes.

2 Q. If you could, flip to S-7.

3 A. All right.

4 Q. Do you recognize Exhibits S-7a, 7b, and 7c?

5 A. Yes.

6 Q. And could you briefly describe in general what  
7 those documents are?

8 A. They're account information and signatory cards  
9 for three different accounts.

10 Q. And did the documents come with any type of  
11 certification from the bank?

12 A. Yes. The custodian of records signed an  
13 affidavit as representing a true and accurate copy.

14 Q. And in general, all the documents therein  
15 described as 7a, b and c, were those all a part of that or  
16 covered by that custodial affidavit?

17 A. Yes.

18 Q. And is that affidavit notarized by the bank's  
19 custodian of record -- or signed? I'm sorry.

20 A. Yes.

21 Q. And the documents that you received in regards  
22 to that response, did you Bates label those documents?

23 A. Yes, I did.

24 MR. HUYNH: Judge, at this time the State would  
25 move to admit Exhibits S-7a, 7b and 7c.

1 ALJ STERN: Ms. Bradford -- Ms. White, do you  
2 have any questions or any objections to the admission of  
3 these records obtained by the Division pursuant to  
4 subpoena with respect to -- I guess these are all Wells  
5 Fargo documents?

6 MR. HUYNH: Yes.

7 THE WITNESS: Yes.

8 ALJ STERN: Okay.

9 MS. WHITE: No, I don't.

10 ALJ STERN: You don't have any objections?

11 MS. WHITE: No.

12 ALJ STERN: I'm just looking for some dates on  
13 these.

14 MS. WHITE: Does that mean -- I can have  
15 questions though, right?

16 ALJ STERN: Well, you want to maybe perhaps ask  
17 a couple questions before you don't object?

18 MS. WHITE: Thank you.

19 ALJ STERN: So do you want to withhold your "no  
20 objection" comment for a minute?

21 MS. WHITE: Yes, sir.

22 ALJ STERN: Do you have a couple questions you  
23 want to ask the witness?

24 MS. WHITE: Yes, I do.

25 ALJ STERN: Sure. Go ahead.

1 MS. WHITE: So your job was to investigate  
2 where, also, Mr. Bradford was living at the time?

3 ALJ STERN: Wait, we're talking about the bank  
4 records.

5 MS. WHITE: About specifically this? You guys  
6 are making this rough on me.

7 ALJ STERN: We're just talking about these  
8 records right here.

9 MS. WHITE: Was it part of your job to only find  
10 out what was being deposited into those accounts by what  
11 checks?

12 THE WITNESS: No.

13 MS. WHITE: So you don't know how that money got  
14 exactly into his account? You just subpoenaed the  
15 accounts to find out how much was in them?

16 THE WITNESS: If you're asking what information  
17 I sought from the bank, it's in the Exhibit A of the  
18 subpoena to the bank, and it's listed down. I can read it  
19 to you, if you would like.

20 MS. WHITE: Okay, go ahead, please.

21 THE WITNESS: It says from the period of March  
22 1, 2006, to the present, the subpoena was issued on the  
23 5th day of May, 2008. Number 1, Bank statements for any  
24 and all accounts, whether open or closed, in the name of  
25 or under the signatory power of: (a) Richard William

1 Bradford, lists his date of birth; (b) Cynthia Bradford  
2 White," with her DOB; (c) an account number; and (d) an  
3 account number.

4 Number 2, Signature card for the above accounts.

5 Number 3, Documents supporting all deposits to  
6 and withdrawals from the above accounts.

7 Number 4, Documents supporting all loan accounts  
8 in the name of the above-named persons or entities  
9 including, but not limited to, loan applications, signed  
10 loan agreements, financial statements submitted,  
11 employment verifications, a description of any collateral  
12 given, and an analysis of activity in the loan accounts.

13 Number 5, Documentation supporting any and all  
14 safe deposit boxes rented by the above persons or entities  
15 including, but not limited to, original contract and entry  
16 tickets.

17 Number 6, All correspondence with the persons or  
18 entities named above.

19 And Number 7, Any and all documents pertaining  
20 to the above accounts including, but not limited to, such  
21 things as copies of cashier's checks and wire transfer  
22 offsets.

23 MS. WHITE: With the documents that I reviewed,  
24 from those accounts, it's stating a substantial amount of  
25 money. But what my question is, was it your position to

1 know exactly what money got deposited and from where?

2 MR. HUYNH: Judge, I'm going to object. I  
3 believe we would just hear if the State did not  
4 sufficiently lay enough foundation. I believe with  
5 Mr. Baran's answer that it has. I would move to have  
6 Exhibits S-7a 7b and 7c moved into evidence.

7 ALJ STERN: Mr. Huynh, I'm going to let her ask  
8 a couple questions if she has a specific question about  
9 these documents. With respect to whether it has anything  
10 to do with monies moving here and there and everywhere,  
11 they're not questions related to the documents, per se.

12 Here again, Ms. White, we're in the situation  
13 here where there is a default order against your  
14 ex-husband, which already finds that he violated the  
15 Securities Act. He did not present any evidence. He  
16 didn't request a hearing.

17 The Commission adopted the Division's default  
18 order finding that he did violate the Securities Act by  
19 certain transactions; and questions about what monies went  
20 into what accounts really aren't so much relevant at this  
21 point. It's after the fact.

22 So I'm going to say I'll support an objection by  
23 Mr. Huynh to your line of questions. I won't necessarily  
24 admit them, these documents just yet. But do you have any  
25 other questions concerning this Exhibit S-7 of the

1 Division, which I have a couple questions about now.

2 MS. WHITE: I guess that I'm probably going to  
3 have more questions on 9. I guess that's when I need to  
4 present that.

5 ALJ STERN: Okay. Mr. Baran, my only questions  
6 really specifically date to, I guess you served this  
7 subpoena on the Wells Fargo Bank, correct?

8 THE WITNESS: Yes.

9 ALJ STERN: And you were asking for information  
10 about Mr. Bradford and Mrs. Bradford, now Ms. White; and I  
11 believe it's only two accounts, correct?

12 THE WITNESS: Yes.

13 ALJ STERN: And all I see here, okay -- correct  
14 me if I'm wrong. And I'm not really -- like I say, I'm  
15 not really concerned with the amounts of money, et cetera,  
16 in these accounts, per se, right now. But I see a Legal  
17 Name Change Request is under 7a.

18 THE WITNESS: Yes.

19 ALJ STERN: And that's dated April 18th, after  
20 their divorce, correct? I guess this is when -- do you  
21 know, this is when Ms. White went to change her name from  
22 Bradford to White on this account; is that correct.

23 THE WITNESS: Right. 7a pertains to Ms. White's  
24 savings account.

25 ALJ STERN: Okay.

1 THE WITNESS: 7b is for Richard Bradford's  
2 account, and 7c is Cindy White's checking account.

3 ALJ STERN: All right. Just a minute. Now, was  
4 Mr. Bradford on either of Ms. White's accounts, 7a or 7c,  
5 or are those separate accounts?

6 THE WITNESS: No, they were separate accounts.

7 ALJ STERN: And Mr. Bradford had his separate  
8 account?

9 THE WITNESS: Yes, that's 7b.

10 ALJ STERN: Okay. But we're not dealing with  
11 any analysis of any of these accounts at all? It's just  
12 strictly showing the separate accounts, correct?

13 MR. HUYNH: And signatory power, Judge. I did  
14 have a couple additional questions. I was just -- so that  
15 we had laid enough foundation to proceed on, that's all.

16 ALJ STERN: Okay. I don't see any reason not to  
17 admit them. I'll admit them at this time. Exhibit S-7 is  
18 admitted, and I guess that includes 7a, 7b and 7c.

19 Okay, go ahead, Mr. Huynh. Do you have more  
20 questions of the witness?

21 MR. HUYNH: Yes, Judge. Thanks.

22 BY MR. HUYNH:

23 Q. Mr. Baran, can you, part of 7a, flip to  
24 ACC000523?

25 A. Yes.

1 Q. And can you briefly describe that document and  
2 who it's for and what accounts are cited there?

3 A. Okay. It is an Individual Customer Legal Name  
4 Change Request to the Wells Fargo Bank, dated April 18,  
5 2008, and the account number, I believe, is --

6 Q. Just the last four digits.

7 A. Okay, 6873. The ECN number -- pardon me, it's  
8 7303 is the account number.

9 ALJ STERN: Wait, point me where you're -- oh, I  
10 see. It's over on the right. Okay. Go ahead.

11 THE WITNESS: Right.

12 BY MR. HUYNH:

13 Q. And the individual that is the owner of that  
14 account?

15 A. It says changing from Cynthia L. Bradford to  
16 Cynthia L. White.

17 Q. And if you could flip to ACC000530.

18 A. Okay.

19 Q. Again, can you briefly describe that document  
20 and the customer name that that document is for?

21 A. It is a Consumer Account Application to a Wells  
22 Fargo Bank savings account for the sole owner Cynthia  
23 Bradford.

24 Q. And I believe on the top right-hand corner of  
25 that document there is a date. Can you confirm the date

1 of that action?

2 A. 9-5-2007.

3 Q. And on that account application, does it list a  
4 city and state of residence of Ms. Bradford?

5 A. Yes.

6 Q. What is that city and state?

7 A. Gilbert, Arizona.

8 Q. And on that time frame, does it also list on  
9 that document how long Ms. Bradford had been at that  
10 address?

11 A. Yes.

12 Q. What is that time frame?

13 A. 11 years, 8 months.

14 ALJ STERN: Just point that out. I'm just  
15 looking to see where it -- oh, I see. Okay. Go ahead.

16 BY MR. HUYNH:

17 Q. And so Ms. Bradford was a resident of Arizona  
18 during the relevant time frame, it appears?

19 A. Yes.

20 Q. Mr. Baran, if you could please flip to State's  
21 7c, ACC000684.

22 A. Yes.

23 Q. Can you describe to the Court what that document  
24 is and the name that it's for?

25 A. That is an Account Application Information for a

1 Wells Fargo Bank checking account.

2 Q. And who is the individual that that is for?

3 A. It's listed as sole owner, Cynthia L. O'Dowd.

4 Q. Okay. And on that next page there, what is that  
5 document?

6 A. That is a Legal Name Change Request for a Wells  
7 Fargo Bank account.

8 Q. And can you confirm again the name change?

9 A. It says Cynthia L. Bradford to Cynthia L. White.

10 Q. Okay. I'm sorry, flipping back to the first  
11 page, 684, at the very bottom of that, what is the last  
12 four digits of the account number that that document is  
13 for? Above the signature.

14 A. It's appears to be 3998.

15 Q. I know it's not quite clear, maybe due to the  
16 redaction.

17 A. Could be 5998.

18 Q. Yeah.

19 A. It's -- the black mark that's before that is  
20 drifted over into that first digit.

21 Q. Flip into the next page there, going back to  
22 685, ACC000685.

23 A. Yeah, that distinctly says 5998.

24 Q. Okay. Mr. Baran, if you could, please flip to  
25 State's Exhibit 7b, and can you describe that document and

1 the name of the customer on that account?

2 A. That is a Consumer Account Application for a  
3 Wells Fargo checking account in the name, sole owner of  
4 Richard W. Bradford.

5 Q. Okay. And at the very bottom above the  
6 signature line, what are the last four digits of that  
7 account number?

8 A. 3986.

9 Q. Ron, or Mr. Baran, as part of your  
10 investigation, was there anything to suggest that Cindy  
11 White and Richard Bradford were not residents of Arizona  
12 at any point during the relevant time frame?

13 A. No.

14 Q. So as far as you know, they were residents  
15 throughout the entire relevant time frame?

16 A. Yes.

17 Q. Mr. Baran, as part of the investigation, did you  
18 also conduct interviews with actual and potential  
19 witnesses and investors in this case?

20 A. I did.

21 Q. And did you also review documents that were  
22 obtained from those individuals, either as part of a  
23 subpoena request or the investigation?

24 A. Yes.

25 Q. Okay. I would like you to take a look at

1 State's Exhibit S-8.

2 A. All right.

3 Q. Could you briefly describe the document or S-8  
4 and generally what it consists of?

5 A. S-8 is a group of documents that were submitted  
6 in reference to a subpoena that had been issued to  
7 Mr. Logan of Logan Law Firm in Phoenix, and it is for the  
8 organizational papers, operating agreement of Fishing  
9 Partners-Salmon.

10 Q. And were there any relevant affidavits by any of  
11 the individual custodians of that account or those  
12 documents?

13 A. Yes, here's an affidavit attached from the  
14 custodian of records signed by a Gary D. Willis, and it's  
15 notarized.

16 Q. Mr. Baran, if you could, flipping to S-8, ACC  
17 000812, you briefly touched on the operating agreement.  
18 Could you give a brief overview of the number of investors  
19 in the Fishing Partners-Salmon, LLC?

20 A. Yes, there's Mr. Bradford and then an entity and  
21 four listed individuals.

22 Q. And at some point in time subsequent to that,  
23 was there also an additional investor added or who  
24 invested with Mr. Bradford?

25 A. Yes.

1 Q. And how many of those investors were Arizona  
2 residents, if you recall?

3 A. Two.

4 Q. And how were the other -- where were the other  
5 investors located?

6 A. In the State of Washington.

7 Q. And looking at this document, what is the role  
8 of Mr. Bradford as listed under that Roman Numeral III,  
9 Subsection A?

10 A. That would be manager.

11 Q. Okay. If you would, please flip to ACC000817.

12 A. All right.

13 Q. And looking at the section that talks about  
14 management of the company, can you briefly read Subsection  
15 A-1 for the record?

16 A. Okay. "The management and control of the  
17 business affairs of the Company shall be vested in a  
18 manager or managers (referred to as either 'Manager,'  
19 'Manager(s)' or 'Managers' hereafter). Richard Bradford  
20 is hereby designated as the Company's initial Manager. If  
21 there is more than one Manager in the future, all  
22 decisions with respect to the management and control of  
23 the Company shall require approval of a majority of the  
24 Manager(s) and shall then be binding on the Company and  
25 each Member, subject to any requirements herein for

1 certain decisions to be submitted to a vote of the  
2 Members."

3 Q. And Mr. Baran, can you now flip to ACC000821.

4 A. All right.

5 Q. If you could read to me Subsection K. What's  
6 the title to that subsection and briefly that paragraph?

7 A. Compensation of Managers. "The manager shall be  
8 paid reasonable compensation for managing the affairs of  
9 the Company pursuant to one or more management agreements  
10 or other similar arrangements between the Company and the  
11 Manager, which agreement shall be subject to the unanimous  
12 approval of all Members. Until and unless modified by  
13 action of at least three Members representing 60 percent  
14 of the Members, Manager shall be paid a one-time  
15 management fee on the effective date of this Agreement of  
16 (i) two percent of the capital paid into the Company, and  
17 (ii) 20 percent of the profits available for distribution  
18 to the Members at the end of each calendar quarter,  
19 whether or not a distribution to Members is made at that  
20 time, payable on the 10th day of the first month following  
21 the end of each calendar quarter."

22 Q. Okay. Mr. Baran, as part of your investigation  
23 and your interviews with any witnesses and/or investors,  
24 in layman's terms, could you describe what that paragraph  
25 meant?

1 A. It means that to join the investment or the  
2 company, you would pay two percent of that directly to the  
3 manager, and then at the end of each quarter, if a profit  
4 is made, then 20 percent of that profit would go to the  
5 manager.

6 Q. Okay. And based on your investigation, either  
7 review of the documents or investigations or  
8 communications with investors, were any of the investors  
9 or did any of the investors pay that two percent fee?

10 A. Yes.

11 Q. Okay. And so was it the intent of this document  
12 that if there were profits made, you said, that  
13 Mr. Bradford would share in those profits?

14 A. Yes.

15 ALJ STERN: Did you find all of the investors  
16 paid their two percent fee? Or just some of the  
17 investors? There's only five of them, I guess.

18 THE WITNESS: I don't really know.

19 ALJ STERN: Okay. But somebody did pay --

20 THE WITNESS: Yes.

21 ALJ STERN: Okay. Again, we're back to the  
22 decision that's already done, but --

23 BY MR. HUYNH:

24 Q. Mr. Baran, when was this LLC created, if you  
25 recall?

1 A. I thought it was in March of 2006.

2 ALJ STERN: Could it be May 1st, according to  
3 the first page of the agreement, or not?

4 MR. HUYNH: The operating agreement though was  
5 executed though on what date? I think there's a  
6 difference there, Judge, in terms of the LLC and the  
7 operating agreement.

8 THE WITNESS: Yeah, the effective date of the  
9 operating agreement that I have here is May 1, 2006; but I  
10 believe that the Fishing Partners-Salmon, LLC, was  
11 actually signed as an LLC in March of 2006.

12 BY MR. HUYNH:

13 Q. And Mr. Baran, just to confirm, at this time of  
14 this operating agreement, were the parties, Mr. Bradford  
15 and Ms. White, married?

16 A. Yes.

17 MR. HUYNH: Judge, State would move to enter  
18 Exhibit S-8 in evidence.

19 ALJ STERN: Any objections, ma'am?

20 MS. WHITE: No.

21 ALJ STERN: Okay. Exhibit S-8 is admitted into  
22 evidence.

23 BY MR. HUYNH:

24 Q. Mr. Barron, you briefly touched on Scottrade.  
25 Can you explain in regards to the relevancy of Scottrade

1 with the Fishing Partners-Salmon, LLC?

2 A. Scottrade would be the brokerage firm that  
3 handled the actual stock transactions for the LLC, or on  
4 behalf of the LLC, as directed by the manager.

5 Q. Okay. And if you could, flip to Exhibit S-4.  
6 Could you briefly describe the contents of S-4 to the  
7 Court?

8 A. Those are documents that were sent to me by  
9 e-mail by Michele Gilkey who is the compliance officer of  
10 Scottrade.

11 Q. And if you could, could you go briefly through  
12 some of those documents and just give a brief title to the  
13 documents and who was the executor of those documents?

14 A. Who is the -- pardon me?

15 Q. Executor or signer of those documents?

16 A. You have an Options Application and Agreement on  
17 behalf of Fishing Partners-Salmon, LLC, care of Richard  
18 W. Bradford, and that would be signed by a Richard  
19 Bradford on the 8th day of March, 2006.

20 You have a Checkwriting Application from  
21 Scottrade with an assigned account number, and the primary  
22 shareholder's name, Richard W. Bradford; and an Account  
23 Registration under Fishing Partners-Salmon, LLC, with a  
24 Checkwriting Signature Card in the name of Richard W.  
25 Bradford and signed by Richard Bradford.

1 I have a Limited Liability Company Certification  
2 to Scottrade, listing the name of the limited liability  
3 company as Fishing Partners-Salmon, LLC, state of  
4 organization is Arizona, Manager Managed LLC, signed by  
5 manager or printed name Richard W. Bradford, and then down  
6 at the bottom it is signed as manager or designated  
7 member's signature on the 8th day of March, 2006.

8 You have Form SS-4 which is an Application for  
9 Employer Identification Number. The legal name of the  
10 entity listed is Fishing Partners-Salmon, LLC. The  
11 executor or administrator, trustee or "care of" name is  
12 care of Richard W. Bradford. And that document is signed  
13 by Richard Bradford on the 7th of March, 2006.

14 Then you have a Scottrade Guaranty Agreement  
15 dated the 8th of March, 2006, made by Richard Bradford as  
16 a managing partner of Fishing Partners-Salmon, LLC, signed  
17 by Richard Bradford on the 8th of March, 2006.

18 And then there's a Brokerage Account Application  
19 in Scottrade, and the applicant's name is Fishing  
20 Partners-Salmon, LLC, care of Richard W. Bradford, and  
21 signed by the authorized person or applicant is R. W.  
22 Bradford, with marginal provisions, also signed by him.

23 And then the Articles of Organization were  
24 attached, and that was stamped at the Arizona Corporation  
25 Commission on March 7, 2006, showing the name of the

1 limited liability company as Fishing Partners-Salmon, LLC,  
2 care of Richard Bradford, statutory agent listed as Ronald  
3 Logan, and it is signed by Ronald Logan.

4 Q. And just to be certain here, Mr. Baran, could  
5 you give the last four digits of that Scottrade account  
6 number that all those documents relate to?

7 A. Yeah, the -- let's see, the Checkwriting  
8 Application, the last four digits on the account number is  
9 2871. And then, let's see, 2871 is also on the Limited  
10 Liability Company Certification. And 2871 is on the  
11 Application for the Employer Identification Number. 2871  
12 is on the Guaranty Agreement, and 2871 is also on the  
13 Brokerage Account Application. And on the Articles of  
14 Organizations submitted to Scottrade is also listed the  
15 last four digits of 2871. There's also a "-24" on those.  
16 But the actual account is 2871. The hyphen is a  
17 bookkeeping addition for different forms.

18 Q. Thank you. Mr. Baran, as part of your  
19 investigations and either interviews or review of  
20 documents from the investors, where did the investors  
21 deposit their investment monies into, if you recall?

22 A. I recall that at least one investor deposited  
23 his funds directly to the Scottrade account. I believe  
24 others did not.

25 Q. Okay. Do you know ultimately if payments were

1 made either to Scottrade or to Mr. Bradford where the  
2 monies ended up? If you don't recall, that's fine.

3 A. No, I couldn't tell you.

4 Q. Okay. Not a problem.

5 Mr. Baran, if you could, flip to S-6.

6 A. Okay.

7 Q. Could you briefly describe what this exhibit is?

8 A. It's the transcript of the examination under  
9 oath of Richard William Bradford.

10 Q. And on the last page of that exhibit, is there  
11 anything of note on that page?

12 A. It is a certification by the court reporter that  
13 this is an accurate transcript of the examination under  
14 oath, and that that particular court reporter certified  
15 that she's not employed by any of the parties and has no  
16 interest in the outcome.

17 Q. Okay. Mr. Baran, do you know when this  
18 examination under oath took place?

19 A. Yes, I do. It occurred on August 26 of 2008.

20 Q. And were you present at that examination?

21 A. Yes, I was.

22 Q. All right. And did you have an opportunity to  
23 observe and listen to Mr. Bradford at that examination?

24 A. Yes, I did.

25 MR. HUYNH: Judge, State would move to admit

1 Exhibit S-6 into evidence.

2 ALJ STERN: Any objections, Ms. White?

3 MS. WHITE: No.

4 ALJ STERN: No? Exhibit S-6 is admitted into  
5 evidence.

6 BY MR. HUYNH:

7 Q. Mr. Baran, I would like to point out just a  
8 couple brief sections of this examination. If you could  
9 flip to Page 76 of that examination.

10 A. Okay.

11 Q. Could you read into the record briefly Page 76,  
12 Line 11 through Page 77, Line 11?

13 ALJ STERN: Page 76, what?

14 MR. HUYNH: Line 11, to Page 77, Line 11, I  
15 believe.

16 THE WITNESS: It starts with a question: "Okay.  
17 Let's look at check number 1020. It's made out to IndyMac  
18 Bank. And the memo for that is rent, October, and it's  
19 got an account number there. And it looks like it's,  
20 again, signed by yourself -- correct?

21 "Answer: Uh-huh.

22 "Question: -- in the amount of \$7,269. What  
23 rent and what house is that payment going towards?

24 "Answer: That's the house on Pinnacle Peak.

25 "Question: Who currently owns that house right

1 now?

2 "Answer: I don't.

3 "Question: What is the actual address at that  
4 house, if you recall?

5 "Answer: 39 something. 3914 or something.

6 "Question: When did you live in that house?  
7 From what time frame?

8 "Answer: For maybe a month.

9 "Question: Who did you live in that house with?

10 "Answer: Cindy.

11 "Question: Cindy Bradford, your wife?

12 "Answer: Uh-huh.

13 "Question: Okay. And what happened after that  
14 month was over?

15 "Answer: Couldn't get a mortgage so the deal  
16 blew up and we moved."

17 That's Line 11.

18 BY MR. HUYNH:

19 Q. Thank you. And if you could, Mr. Baran, can you  
20 flip to Page 78 and read Lines 4 through 18?

21 A. Okay. Line 4, "Question: Then on check number  
22 1017, that's made out to an individual by the name of John  
23 Owens. Who is that individual?

24 "Answer: That's the guy that owns the house.

25 "Question: And the memo here says rent until

1 close. And that was the rent you paid to John Owens for  
2 that Pinnacle Peak house?

3 "Answer: Yes.

4 "Question: And at that time was Cindy living  
5 with you in that house?

6 "Answer: Yes.

7 "Question: On check number 1016 made out to  
8 Cindy Bradford in the amount of \$6,000, the memo here  
9 states for tax planning. Do you know what tax planning  
10 Cindy did in regards to this Fishing Partners account?

11 "Answer: No, I don't know."

12 BY MR. HUYNH:

13 Q. Okay. Thank you. And could you briefly flip to  
14 Page 84 of that examination under oath.

15 A. Okay.

16 Q. And on Page 84, Mr. Baran, can you read Lines 18  
17 to Page 85, Line 7, roughly?

18 A. Okay. Line 18 starts with, "Question: Let's  
19 take a look at check number 1021. It's made out to  
20 Bellamore Interiors in the amount of \$2,000 --

21 ALJ STERN: Wait, what page are you on again?  
22 I'm sorry.

23 THE WITNESS: 84.

24 ALJ STERN: 84, what line?

25 THE WITNESS: Line Number 18.

1 ALJ STERN: Okay, go ahead.

2 THE WITNESS: "Bellamore Interiors in the amount  
3 of \$2,000, signed by you, and the memo states interior  
4 office; is that correct?"

5 "Answer: Correct.

6 "Question: Where was that interior office  
7 located?"

8 "Answer: The house on Pinnacle Hill (sic).

9 "Question: Which was your personal residence  
10 between you and Cindy; is that correct?"

11 "Answer: Correct.

12 "Question: And that's not the business office  
13 of Fishing Partners-Salmon, is it? And that's your  
14 personal office; is that correct?"

15 "Answer: Right."

16 BY MR. HUYNH:

17 Q. Thank you. Finally, can you flip to Page 86 of  
18 that examination, Line Number 7 through 20?

19 A. Line Number 7?

20 Q. Yes.

21 A. "Question: Okay. Now we saw copies of certain  
22 checks that you made out to Cindy Bradford. On some of  
23 the checks that you made out directly to yourself, where  
24 did you cash those checks?"

25 "Answer: Probably put them in my checkbook at

1 Wells Fargo.

2 "Question: Wells Fargo. That's your personal  
3 account?

4 "Answer: Yes.

5 "Question: And while they were in your personal  
6 account, did you ever transfer any of the monies  
7 electronically online to Cindy Bradford for her benefit?

8 "Answer: Yes."

9 BY MR. HUYNH:

10 Q. Thank you. Going back real briefly, Mr. Baran,  
11 when you spoke to the investors in the Fishing Partners-  
12 Salmon investigation, did any of the investors express to  
13 you whether any of the money received or given to  
14 Mr. Bradford was for gift, devise or descent?

15 A. No. In fact, they stated that it was not for  
16 those purposes. It was only for the purpose of  
17 investment.

18 Q. Mr. Baran, can you flip to Exhibit S-5.

19 A. S-5? I'm in S-5.

20 Q. Can you briefly describe what S-5 consists of or  
21 comprises of?

22 A. These are copies of checks drawn on the account  
23 with the last four digits 2871, entitled Fishing  
24 Partners-Salmon from Scottrade.

25 Q. Okay. And if you could, can you flip to, let's

1 start with Check Number 1040. I believe that is  
2 ACC000241.

3 A. Okay.

4 Q. And I guess briefly the checks here that are  
5 written, just to confirm, what account are they written  
6 out of and in general who are they paid to?

7 A. These checks in general are issued mostly to  
8 Richard Bradford, drawn on the Fishing Partners-Salmon,  
9 LLC account, listing Richard W. Bradford, Manager, made  
10 payable or pay to the order of Richard Bradford.

11 Q. Okay. And looking at -- sorry. Let's go to  
12 check 1005.

13 ALJ STERN: The actual check number 1005?

14 MR. HUYNH: Yes.

15 ALJ STERN: Do you know what Bates -- oh, okay,  
16 I found it.

17 BY MR. HUYNH:

18 Q. Who was that check made out to?

19 A. It's made pay to the order of Cindy Bradford.

20 Q. And what date is that check made out?

21 A. The date is listed as 8-1-07.

22 Q. And again, at that time frame, were Mr. Bradford  
23 and Ms. White married still?

24 A. Yes.

25 Q. And who appears to be the signatory on that

1 account, if you know?

2 A. The signer on the account is Richard Bradford.

3 Q. And if you would, flip to Check Number 1013,

4 ACC000228.

5 A. All right.

6 Q. Again, who is the check made out to?

7 A. It's made pay to the order of Cindy Bradford.

8 Q. And what date is that made out?

9 A. 9-5-07.

10 Q. What is the amount of that check?

11 A. \$11,000.

12 Q. If we could, flip to Check Number 1016,

13 ACC000225.

14 A. 225? Okay.

15 Q. Again, who is that check made out to?

16 A. Pay to the order of Cindy Bradford.

17 Q. And what is the date and amount of that check?

18 A. The date is 9-23-07, and the amount is \$6,000.

19 Q. Could you flip to Check Number 1025, ACC000216?

20 A. All right.

21 Q. Again, who is the -- who is that check made out

22 to?

23 A. Made pay to the order of Cynthia Bradford.

24 Q. And what is the date and amount that that was

25 made out?

1 A. It appears to be 11-20 of '07, and the amount is  
2 \$1,800.

3 Q. And finally, if you could flip to Check Number  
4 1020, ACC000221.

5 A. Okay.

6 Q. And can you explain who was that check made out  
7 to?

8 A. IndyMac Bank.

9 Q. And what is the date and amount of that check?

10 A. 10-30-07.

11 Q. And what is the amount that that is made out?

12 A. \$7,269.

13 Q. And is there a notation or a memo on that check?

14 A. There is. It reflects as rent October, account  
15 number, and then it's 1006837510.

16 Q. Thank you. Mr. Baran, if you could, I would  
17 like to reference Respondent's Exhibit R-11. Do you have  
18 that in front of you?

19 ALJ STERN: Just a minute. Before you go there,  
20 do you want to -- is S-5 admitted? I don't think it is.  
21 Do you want to move to admit it?

22 MR. HUYNH: Sorry, Judge, I thought S-5 was one  
23 of the stipulated exhibits.

24 ALJ STERN: It was. You're okay. Go ahead.  
25 Where are we going now?

1 MR. HUYNH: Respondent's Exhibit R-11.

2 THE WITNESS: I don't believe I have that one up  
3 here.

4 MR. HUYNH: Judge, may I approach the witness?

5 ALJ STERN: Sure. I can give you my entire  
6 booklet.

7 BY MR. HUYNH:

8 Q. Mr. Baran, as part of your investigation, were  
9 you able to figure out that \$7,269 check that was made out  
10 to IndyMac Bank, what that went towards?

11 A. That was a --

12 Q. And if it helps, if you could look at the last  
13 page of R-11.

14 A. Okay. It says that the buyer agrees to pay the  
15 following: First mortgage payment due on the 15th; typed  
16 out it says \$7,262.68, and then handwritten is a different  
17 number on the right.

18 Q. And just to give a little context there, what  
19 house or what are some of those documents that are  
20 contained in R-11 there?

21 A. Some of the documents include a residential  
22 resale real estate purchase contract, and the seller is  
23 listed down as John and Jeanie Owens, for the premises of  
24 3963 North Pinnacle Hills in Mesa, Maricopa County,  
25 Arizona.

1 Q. And who is the purchaser or offered purchaser of  
2 that contract?

3 A. It's listed in the name Barracuda Group, LLC.

4 Q. And based on your investigation, Mr. Baran, do  
5 you know who or where Baracuda Group, LLC, is  
6 incorporated?

7 A. It's incorporated in Maricopa County, Arizona.

8 Q. I believe as part of Exhibit R-12 near the back,  
9 are there any documents regarding the Baracuda Group, LLC?

10 A. Yes, there are.

11 Q. What document is listed there?

12 A. It says this document is subject to a public  
13 record, and it appears to be a New Entity filing --

14 ALJ STERN: What page are we looking at here?

15 THE WITNESS: There's no page listed. Looks  
16 like this, Your Honor.

17 ALJ STERN: How many pages back from the front?  
18 We're still in 11, right?

19 THE WITNESS: Yes -- we're in actually 12.

20 MS. WHITE: 12.

21 THE WITNESS: And we're about that far from the  
22 back before you get to 13, maybe an eighth of an inch.

23 ALJ STERN: Does it say Residential Lease or  
24 not? I have a black line at the top.

25 THE WITNESS: No, I think it's -- I think it's

1 the corporation filing records for the company, LLC, for  
2 the Barracuda Group company.

3 ALJ STERN: I'm just looking.

4 THE WITNESS: It's an expedited form, so it's  
5 just a little different.

6 ALJ STERN: Oh, okay. All right. We're now in  
7 R-12, right?

8 THE WITNESS: We're in R-12, yes, sir.

9 ALJ STERN: Okay. Go ahead.

10 THE WITNESS: It starts, State of Arizona  
11 Articles of Organization for the Barracuda Group, LLC.

12 BY MR. HUYNH:

13 Q. And who are the members of Barracuda Group, LLC?

14 A. Richard W. Bradford.

15 Q. And when was that LLC incorporated?

16 A. This was stamped as March 2, 2006.

17 Q. And going back to now Respondent's Exhibit  
18 R-11 --

19 ALJ STERN: Wait a minute.

20 THE WITNESS: Okay, there's another stamp on  
21 there as well, January of 2005, on the same page, but that  
22 one looks like it might have expired. There's an "EXP"  
23 next to the stamp.

24 ALJ STERN: Wait a second, just give me a  
25 minute.

1 THE WITNESS: All right.

2 ALJ STERN: And you're referring to which  
3 document now? The Articles of Organization?

4 THE WITNESS: Right, for the Barracuda Group.

5 ALJ STERN: And up at the top it says January 7,  
6 2005, right?

7 THE WITNESS: Yes. And there's an "EXP" next to  
8 that, and then it's stamped again at the bottom, March 2,  
9 2005 -- or 2006. It's very blurry.

10 ALJ STERN: Okay. Go ahead.

11 BY MR. HUYNH:

12 Q. And that was an expedited filing, Mr. Baran; is  
13 that correct?

14 A. Yes.

15 Q. And going back now to Respondent's Exhibit R-11,  
16 the purchase agreement.

17 A. All right.

18 Q. When did the Barracuda Group enter into that  
19 purchase contract?

20 ALJ STERN: I'm not an expert on real estate  
21 transactions in Arizona, but the back of, the top of  
22 Page 2 of that nice color printout -- see Page 2?

23 THE WITNESS: Yes.

24 ALJ STERN: Page 2 only has a little bit on it,  
25 there up at the top.

1 THE WITNESS: Oh, okay. Under contract, 9-26 of  
2 2007.

3 BY MR. HUYNH:

4 Q. And were the parties, Richard Bradford and Cindy  
5 White, still married at that time?

6 A. Yes.

7 MR. HUYNH: Judge, I have no further questions  
8 for Mr. Baran.

9 ALJ STERN: All right. Why don't we take a  
10 break here and we'll come back.

11 Do you have some questions for the witness,  
12 ma'am?

13 MS. WHITE: Yes.

14 ALJ STERN: We'll take about ten minutes, and  
15 come back around 20 after or so.

16 (Recessed from 11:10 a.m. to 11:25 a.m.)

17 ALJ STERN: Returning to the record, Let's go.  
18 You have some questions for this witness?

19 MS. WHITE: Yes, I do.

20 ALJ STERN: Okay. Please speak into the  
21 microphone.

22 MS. WHITE: Sorry, this is all new to me. I'm  
23 going to do the best I can. Forgive me. I did try to get  
24 ahold of over fifty-seven lawyers, but I was unable to  
25 successfully get one.

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CROSS-EXAMINATION

BY MS. WHITE:

Q. I guess, let's just go ahead and stay with the S-5 where we're currently at where we've established that I was married to Mr. Bradford during the duration of --

ALJ STERN: I'm going to interrupt you just for a minute. It's real hard for somebody who doesn't know how to ask questions to ask questions.

MS. WHITE: Right.

ALJ STERN: And what you're doing is testifying.

MS. WHITE: Okay.

ALJ STERN: So just try and remember when you make a statement to put a question mark at the end of the statement, and then maybe we can move along just a little bit. If you want to try and see how you do, we can move along. Go ahead.

BY MS. WHITE:

Q. Okay. On S-5, I was hoping that you would go to Check Number 1014. And who is that check made out to?

ALJ STERN: Wait, wait, wait.

MS. WHITE: You said S-5.

ALJ STERN: S-5, and down at the bottom are little numbers.

MS. WHITE: I was just saying check number.

1 ALJ STERN: That's okay. But I mean, unless I  
2 happen to be on it, I can't find -- it's much easier to  
3 find it if you refer to that.

4 MS. WHITE: At the bottom?

5 ALJ STERN: Yes, that's a Bates number, they  
6 call it.

7 MS. WHITE: It's 000227.

8 ALJ STERN: Okay, Check Number 1014 you're  
9 asking him about?

10 MS. WHITE: Correct.

11 ALJ STERN: Okay.

12 BY MS. WHITE:

13 Q. Who is that made out to, Ron?

14 A. It's made pay to the order of Vivian Harper.

15 Q. And do you know what the relationship with  
16 Vivian Harper is to Mr. Bradford?

17 A. I would be drawing a conclusion, but it appears  
18 to me to be a girl friend, live-in girl friend,  
19 live-together girl friend.

20 Q. So at the time on 9-10 of '07, are you aware  
21 that he was living in the residence with her at her home  
22 at 9357 West Kiowa in Mesa?

23 A. I don't know.

24 Q. Did you subpoena Mr. Bradford at that address at  
25 a later time?

1 A. Yes, I did.

2 Q. So he was living there at that time?

3 ALJ STERN: Wait, you're forming -- you're  
4 drawing a -- you're assuming something. We don't have any  
5 facts to back it up. So you could make a statement about  
6 it when you testify.

7 MS. WHITE: Okay. Then --

8 ALJ STERN: That's where he subpoenaed him  
9 though apparently.

10 MS. WHITE: Correct.

11 ALJ STERN: Is that where you subpoenaed  
12 Mr. Bradford for the EUO?

13 THE WITNESS: Yes.

14 ALJ STERN: What's the address? Somewhere in  
15 Mesa?

16 THE WITNESS: Yes.

17 ALJ STERN: What was the address?

18 MS. WHITE: 9357 West Kiowa.

19 THE WITNESS: That's sounds about right, yes.

20 BY MS. WHITE:

21 Q. And then we can go to 0230.

22 A. All right.

23 Q. A that's Check Number 1010?

24 A. Yeah.

25 Q. Written on 8-23. Who was that made to?

1 A. That's made pay to the order of Vivian Harper.

2 Q. And I guess we already know what the  
3 relationship was to her.

4 Do you have any account of why this possibly  
5 would have been, this check would have been written to her  
6 for such a large amount?

7 A. No.

8 Q. Were you aware that -- I'm not sure I'm going to  
9 say this or not.

10 Were you aware that Vivian Harper gave  
11 Mr. Bradford an \$18,000 credit line on an American Express  
12 account --

13 A. No.

14 Q. -- to where these checks could possibly have  
15 been used for that?

16 ALJ STERN: Wait, wait, wait, you've got to  
17 speak into that microphone, and you're not speaking very  
18 loudly.

19 MR. HUYNH: Again, Your Honor, object to  
20 foundation on that question there.

21 ALJ STERN: I'll overrule you. But see, you're  
22 going into things that we don't have any knowledge of.  
23 There's no evidence of it, and I think from what I  
24 understand from Mr. Baran, I'm not sure if he investigated  
25 any relationships. I'll ask him.

1 Mr. Baran, did you in the course of your  
2 investigation investigate any other relationships,  
3 personal or business, that Mr. Bradford may have been  
4 involved in at the time you were doing your investigation  
5 into these matters?

6 THE WITNESS: Only to the effect of if they were  
7 listed as members of LLCs or other documents that show  
8 like joint accounts and what-not.

9 ALJ STERN: So as far as investigating who or  
10 what Ms. Harper was, you weren't investigating her  
11 actively as part of the investigation of Mr. Bradford's  
12 activities?

13 THE WITNESS: No, I didn't.

14 ALJ STERN: Okay. Go ahead with more of your  
15 questions.

16 BY MS. WHITE:

17 Q. On Section -- we need to move to Section 6.

18 ALJ STERN: Which one? S-6?

19 MS. WHITE: S-6, Page 87.

20 ALJ STERN: Just a minute. Page 87 of the  
21 examination under oath?

22 MS. WHITE: Correct.

23 ALJ STERN: Okay.

24 BY MS. WHITE:

25 Q. On Line 21 and 22, I believe that was asked by

1 Mr. Baran that does Vivian Harper have any role in the  
2 Barracuda Group? So there were -- and then on the next  
3 page, on 88, Line 21 --

4 ALJ STERN: Wait, why don't you, if you want to,  
5 sort of do what Mr. Huynh did. Why don't you ask  
6 Mr. Baran to please read the bottom of Page 87, the  
7 question and answer, starting with Line 21 and how far you  
8 want him to read to.

9 BY MS. WHITE:

10 Q. Okay. Mr. Baran, on Page 87, Line 21 through  
11 25, could you please read that?

12 A. Yes, it says, Line 21, is, "Question: Does  
13 Vivian Harper have any role in Barracuda Group?

14 "Answer: No.

15 "Question: Why is she listed as an agent on  
16 your Scottrade account in the name of Barracuda Group?

17 "Answer: So she could make deposits and stuff."

18 Q. Could you continue to read down to Line 10,  
19 please?

20 A. To line 10? "Question: Okay.

21 "Answer: The account has like a hundred dollars  
22 in it or something.

23 "Question: Okay. Did you ever raise any money  
24 from Vivian to do trades?

25 "Answer: No.

1 "Question: Was Vivian ever paid a salary or  
2 anything like that in helping Fishing Partners-Salmon or  
3 Barracuda Group?

4 "Answer: I don't remember. I don't think so."

5 BY MS. WHITE:

6 Q. Excuse me, Page 79, Ron, could you please read  
7 Line 10 through 25, please.

8 A. Line 10, Page 79, "Question: So in the time  
9 frame that we've just briefly looked at here, there's a  
10 multitude of checks, even in the last quarter there in  
11 October and November, but yet you're only allowed to get  
12 paid per quarter, correct?

13 "Answer: I think so.

14 "Question: Okay. Now, there's a payment here  
15 on check number 1014 on 9-10-07 to Vivian Harper in the  
16 amount of \$10,000."

17 ALJ STERN: What's the check number on that?  
18 Did you reference that or not? Not in your testimony --  
19 okay. Go ahead.

20 THE WITNESS: "What was that payment for?"

21 "Answer: I don't know."

22 You said to line 20?

23 BY MS. WHITE:

24 Q. 25, please.

25 A. "Question: Was that a repayment of the \$20,000

1 that Vivian loaned you?

2 "Answer: It might be. I don't remember.

3 "Question: Now, the house that you're staying  
4 at that you stayed with Vivian Harper currently, how much  
5 rent are you paying her?"

6 BY MS. WHITE:

7 Q. You can continue on the next page, 80, 1 through  
8 10.

9 A. "Answer: \$400 a month.

10 "Question: Let's go to check number 1026. This  
11 is dated it looks like May 9th, 2006, made out to Richard  
12 Bradford. That's you, correct?

13 "Answer: Uh-huh.

14 "Question: And the memo to that is May 4th  
15 comiss; is that correct?

16 "Answer: Uh-huh.

17 And Line 10, "Question: And it's in the amount  
18 of \$52,225.27, correct?"

19 BY MS. WHITE:

20 Q. Do you know within this section if all of the  
21 checks were deposited into the Wells Fargo account? Or  
22 could possibly many of them been cashed or, you know, into  
23 other bank accounts?

24 A. We obtained the records from the Scottrade  
25 account. Showed us what checks were issued, what deposits

1 were made, what trades were made. We requested bank  
2 account information, and we were given bank account  
3 information for the time period that we requested it, as I  
4 stated.

5 Q. So could it have been also the checks and the  
6 incomes that I had made could have very well been  
7 deposited within the bank account as well; is that true?

8 A. Are you asking me if the check that was issued  
9 to you on the Fishing Partners Scottrade account made  
10 payable to you, you deposited subsequently into one of the  
11 Wells Fargo accounts?

12 Q. No. I'm actually asking all the checks that  
13 Mr. Bradford wrote, were they sometimes cashed, or were  
14 they all deposited right into his Wells Fargo account?

15 A. I didn't do the forensic examination on the bank  
16 account records, so I would have to say I don't know for  
17 sure.

18 MS. WHITE: I have no further questions. Thank  
19 you.

20 ALJ STERN: I have a couple questions for you.

21

22 EXAMINATION

23

24 BY ALJ STERN:

25 Q. All right. Mr. Baran, you said that apparently

1 from your investigation and from looking at Respondent's  
2 exhibit, I think it's R-5 or something, or maybe it's  
3 R-11, that apparently around September of 2007,  
4 Mr. Bradford and Ms. White were in the process of  
5 purchasing the house that's depicted in -- it's in the  
6 front of my Exhibit R-11 that I believe is admitted; is  
7 that correct?

8 A. Yes.

9 Q. And that purchase -- but the purchase was being  
10 effectuated by Barracuda Group, LLC; is that correct?

11 A. Yes.

12 Q. Mr. Bradford was the manager of Barracuda, LLC?

13 A. Yes.

14 Q. Were there any members listed in the  
15 organizational papers of Barracuda, LLC, which showed  
16 Ms. White or Mrs. Bradford was a member of Barracuda, LLC?

17 A. No.

18 Q. Did her signature show up anywhere on the  
19 purchase of that residence, in the purchase agreement?

20 A. Let me look. I don't -- I don't see that. I  
21 see a check made out, signed by her to the title company  
22 though, attached to the purchase contract.

23 Q. That \$10,000 check; is that the one?

24 A. Yes.

25 Q. Okay. That's Magnus Title. Is Magnus Title the

1 title company that was handling this residential purchase,  
2 do you know?

3 A. I believe that it is because it referenced the  
4 escrow number on the following page. The page is not  
5 marked in this exhibit, but the page, the actual page  
6 following that copy of the check --

7 Q. Yes, sir.

8 A. -- listed the escrow number.

9 MS. WHITE: May I make a comment?

10 ALJ STERN: Just a minute, ma'am. You'll have a  
11 chance.

12 THE WITNESS: And you can see on the purchase  
13 contract itself it says earnest money to be applied to the  
14 purchase price was \$10,000.

15 BY ALJ STERN:

16 Q. Right. But the escrow number is 02-02020153 and  
17 then it has -745-SS.

18 Now, on the check you refer to, it's made out to  
19 Magnus Title, and it said -- there's a notation, 02019029.  
20 It just doesn't seem to go together. Plus the check was  
21 dated September 24th. This amendment to escrow  
22 instructions is dated November 20, 2007. I don't know.

23 This house that's referred to here, 3963 North  
24 Pinnacle Hills in Mesa, Arizona, is that the property that  
25 was referred to previously where the rental checks were

1 paid, I think you testified to?

2 A. Yes, the \$7,000 check.

3 Q. And that was where Mr. Bradford and  
4 Mrs. Bradford at the time were residing? That was their  
5 residence?

6 A. That's the home that they were trying to  
7 purchase together, yes.

8 Q. Okay. Did you find any evidence of any funds  
9 being used to pay -- excuse me. Back up a little bit.

10 Before they lived at 3963 North Pinnacle Hills  
11 in Mesa, that they were renting apparently in anticipation  
12 of buying, did they reside together at another residence?

13 A. Yes.

14 Q. Where was that?

15 A. 751 North Port, Gilbert.

16 Q. Was that a home they owned, or did they rent  
17 that?

18 A. I believe they rented that.

19 Q. And in the course of your investigation, did you  
20 find funds from the investors in the Fishing Partners-  
21 Salmon, LLC, did you find any funds that were expended on  
22 personal living expenses such as utilities, rents,  
23 groceries, things such as that?

24 A. I know that personal expenses were used from  
25 that account, but specifically, I don't know which ones

1 because I didn't do the forensic accounting on it.

2 Q. Okay. I think the Division is going to present  
3 testimony with respect to that, so we'll hear it shortly.

4 With respect to this Ms. Harper, Mr. Bradford  
5 testified that he was -- did he borrow \$20,000 from her;  
6 is that correct?

7 A. That was his statement.

8 Q. He represented that during his EUO?

9 A. Yes.

10 Q. But he then -- she didn't have any checkwriting  
11 authority for Fishing Partners-Salmon. He was the only  
12 signer on that account, correct?

13 A. I thought that she was listed as a signer on  
14 Fishing Partners-Salmon through Scottrade.

15 Q. I thought she was -- oh, she was on the account  
16 of Fishing Partners; is that correct? Or no?

17 A. Just hold on a minute. She's listed on one of  
18 the papers.

19 MR. HUYNH: Judge, it might help refresh  
20 Mr. Baran's recollection if we were to provide him the  
21 account opening documents on, I believe, S-4, if you  
22 wanted to take a look at that.

23 ALJ STERN: Okay.

24 THE WITNESS: On the Checkwriting Application,  
25 it lists only as Richard Bradford.

1 BY ALJ STERN:

2 Q. Okay. So the \$20,000, the two checks for  
3 \$10,000 to Ms. Harper were written by Mr. Bradford and  
4 signed by him?

5 A. Yes.

6 Q. And at all times during the course of this  
7 particular transaction which Mr. Bradford was found to  
8 have violated the Act from March of 2006 to November of  
9 2007, the relevant time frame here, it's the Division's  
10 position, I believe, that Ms. White and Mr. Bradford were  
11 married at that time and not divorced until March of 2008,  
12 correct?

13 A. That's correct.

14 Q. Did the Division find -- well, correct me if I'm  
15 wrong. If I asked you, was Mr. Bradford exceeding the  
16 percentages allowed in the operating agreement of Fishing  
17 Partners, LLC, or is that anything you have anything to do  
18 with?

19 A. I'm aware that he did because that LLC did not  
20 make a profit; and due to that, he would not be entitled  
21 to the 20 percent compensation --

22 Q. The Commission?

23 A. The Commission on the agreement. So --

24 Q. All right.

25 A. And then also in that agreement, he would only

1 be paid once a quarter, and we had much more frequency in  
2 payments to him. So both ways, that would be in  
3 violation.

4 Q. But you didn't follow particularly as part of  
5 your investigation where the Fishing Partners checks went  
6 to? Even if they were made out to him, you didn't check  
7 his personal account or hers?

8 A. Other than obtaining the bank records, no, I  
9 didn't.

10 ALJ STERN: Okay. I don't have any other  
11 questions.

12 Any redirect?

13 MR. HUYNH: Just very briefly, Judge.

14

15 REDIRECT EXAMINATION

16

17 BY MR. HUYNH:

18 Q. Mr. Baran, so the two checks that were written  
19 to Ms. Harper, was that during the time frame Mr. Bradford  
20 and Ms. White were married?

21 A. Yes, they were in September.

22 Q. And if any payments were made to repay back  
23 Ms. Harper, they were made by Mr. Bradford; is that  
24 correct?

25 A. Yes.

1 MR. HUYNH: No further questions, Judge.

2 ALJ STERN: Okay. You're excused. Thank you.  
3 Your next witness is Mr. Fink, correct?

4 MR. HUYNH: Yes, Judge.

5 ALJ STERN: He won't be very long, will he, or  
6 will he? How much direct do you have for him?

7 MR. HUYNH: I would estimate half an hour,  
8 roughly, Judge.

9 ALJ STERN: I think I can handle that. Let's  
10 go. We'll see how much cross he's subject to.

11

12

13

JOHN FINK,

14 called as a witness herein, having been first duly sworn  
15 by the Certified Reporter to speak the truth and nothing  
16 but the truth, was examined and testified as follows:

17

18

DIRECT EXAMINATION

19

20 BY MR. HUYNH:

21 Q. Can you state your full name for the record?

22 A. Yes, my name is John Fink.

23 Q. Mr. Fink, where are you currently employed?

24 A. I'm employed by the Securities Division of the  
25 Arizona Corporation Commission.

1 Q. And how long have you been employed there?

2 A. For 30 years.

3 Q. And what is your current position and title?

4 A. I am Chief Accountant of Enforcement.

5 Q. And what responsibilities do you have in  
6 connection with that title?

7 A. Well, I participate in investigations of  
8 potential violations of the State securities laws, and my  
9 primary responsibility there is to review and analyze a  
10 variety of financial and business documents, including  
11 financial, corporate financial records and bank records,  
12 to assist in establishing the financial condition of  
13 entities and individuals under investigation.

14 I prepare reports summarizing my findings of  
15 those investigations, and I testify as an expert witness  
16 at administrative, civil and criminal proceedings. In  
17 addition, I supervise the activities of the other  
18 certified public accountants in the Enforcement Section.

19 Q. And you briefly alluded to it, but could you  
20 give me a little bit of background of your education and  
21 any professional licenses you hold?

22 A. Yes, I have a Bachelor of Arts degree in  
23 accounting from Loyola College in Baltimore, Maryland, and  
24 I am licensed as a certified public accountant here in the  
25 State of Arizona, and have been so licensed for almost 34

1 years.

2 Q. And I know you briefly mentioned it, also, but  
3 have you recently testified in any cases as an accounting  
4 expert?

5 A. Yes. A few years ago I testified extensively in  
6 the criminal trial of William Crotts and Thomas Grabinsky,  
7 the two former senior executives with the Baptist  
8 Foundation of Arizona, and earlier this year I testified  
9 at a criminal proceeding in Yavapai County Superior Court  
10 involving Stephen Cottrell and Joseph, Travis and Tyson  
11 Hiland.

12 MR. HUYNH: Your Honor, at this time I would ask  
13 the Court to recognize Mr. Fink as an accountant expert.

14 ALJ STERN: Okay. Any objections?

15 MS. WHITE: No.

16 ALJ STERN: Okay. No objection is noted.

17 Mr. Fink, you're, I guess, an expert. In fact, you  
18 mentioned some names I recall previously. I was up in  
19 Prescott. Okay. Go ahead.

20 BY MR. HUYNH:

21 Q. Mr. Fink, during the course of your employment  
22 with the Securities Division, did you participate in an  
23 investigation regarding Richard Bradford and Fishing  
24 Partners-Salmon, LLC?

25 A. Yes, I did.

1 Q. What was the nature of your participation with  
2 respect to that?

3 A. I reviewed the -- primarily I reviewed the  
4 financial records pertaining to the Scottrade account of  
5 Fishing Partners-Salmon, LLC, and also the records  
6 pertaining to the personal bank accounts of Richard  
7 Bradford and Cindy Bradford at Wells Fargo Bank.

8 Q. Okay. And do you know how those documents were  
9 obtained?

10 A. Yes. The documents from Scottrade were obtained  
11 from a letter requesting the documents, and the documents  
12 from Wells Fargo were obtained via subpoena.

13 Q. And regarding the bank documents that you  
14 reviewed, what persons or entities were they for?

15 A. There was one account for Richard Bradford, and  
16 there were two accounts for Cindy Bradford, but one  
17 checking and one savings. The savings account was only  
18 opened for the last few months of the period covered in my  
19 analysis, March of '06 through November of '07, and it had  
20 minimal activity. It only consisted of transfers to and  
21 from the checking account.

22 Q. And just to confirm here, what is the time frame  
23 that your analysis covers?

24 A. My analysis covers the period March 2006 to  
25 November 2007.

1 Q. Now, as part of that analysis, did you generate  
2 a report in regards to your analysis of those accounts?

3 A. Yes, I did.

4 Q. And if I could have you look at Exhibit S-9.

5 A. Okay.

6 Q. And do you recognize that exhibit?

7 A. Yes, I do.

8 Q. What is that exhibit?

9 A. This is an exhibit that I prepared based upon my  
10 review of the financial information in this case. The  
11 exhibit consists of five pages, four separate documents.

12 My purpose in preparing this was to analyze the  
13 flow of investor funds through the Scottrade account of  
14 Fishing Partners-Salmon, and then to determine what the  
15 source of deposits were that went into the personal bank  
16 accounts of Richard Bradford and Cindy Bradford.

17 So the first page is a summary of receipts and  
18 disbursements for the Scottrade account ending in 2871 for  
19 Fishing Partners-Salmon. I've summarized the receipts and  
20 disbursements.

21 Next is a summary of the receipts into the  
22 Richard Bradford Wells Fargo Bank account ending in 3986.

23 The third item is a summary of the receipts into  
24 the Wells Fargo Bank account 5998 of Cindy Bradford.

25 And lastly, the fourth item contained in this

1 exhibit is an itemized listing of deposits into Cindy  
2 Bradford's account at Wells Fargo Bank that were received  
3 from Richard Bradford and Fishing Partners-Salmon.

4 Q. And as part of your analysis and report, did you  
5 also review nonfinancial information and documentation?

6 A. Yes, I did.

7 Q. And what do those generally consist of?

8 A. Generally, I recall reviewing the memos that  
9 were generated by Mr. Baran in this case, and also the  
10 examination under oath of Richard Bradford.

11 Q. And looking at your first page of your Exhibit  
12 S-9, can you describe to us in terms of the investor  
13 amounts, how were you able to establish that amount?

14 A. I was able to establish the amount based upon  
15 the documentation provided by Scottrade. I reviewed the  
16 statements and the actual receipts and disbursements  
17 copies that they provided, along with documentation that  
18 Mr. Baran had obtained through his investor interviews,  
19 and I was able to determine that there were a total of six  
20 investors, and that all investor funds were deposited into  
21 this account, and the total received from investors  
22 amounted to \$1,298,416 as shown here; and the amounts  
23 received from investors represented one hundred percent of  
24 the amounts deposited into this account. There were no  
25 other sources of funds.

1 ALJ STERN: That's in the Wells Fargo account;  
2 is that correct? Or are we talking Fishing --

3 THE WITNESS: On the first page of Exhibit S-9  
4 is my analysis of the Scottrade account for Fishing  
5 Partners.

6 ALJ STERN: I see, okay.

7 THE WITNESS: Then we'll subsequently discuss  
8 the deposits into Richard and Cindy Bradford's personal  
9 accounts.

10 ALJ STERN: Okay.

11 BY MR. HUYNH:

12 Q. Now, Mr. Fink, moving down your report on that  
13 first page, could you elaborate and explain to the Court  
14 the different disbursements and the categorizations you  
15 have listed there?

16 A. Yes, these -- we received copies of all of the  
17 disbursements, disbursement checks issued drawn on this  
18 account, and the totals here are totals of all of the  
19 individual checks that were issued to each of the people  
20 or line items shown.

21 So the first disbursement line item that I show  
22 is payments to Richard Bradford, and they totaled  
23 \$174,525. The next line item is one payment to an  
24 investor, Allen Powell, in the amount of \$70,000. Next  
25 there were, I believe, four checks issued to Cindy

1 Bradford drawn on the Fishing Partners-Salmon account at  
2 Scottrade and they totaled \$21,200. There were checks to  
3 Vivian Harper totaling \$20,000. There were two payments  
4 related to the rental of the house on Pinnacle Hills  
5 totaling \$9,384, and there was a check for \$2,000 payable  
6 to Bellamore Interior Design, apparently for a home  
7 office.

8 The total of those disbursements that were made  
9 by check was \$297,109. These were the only disbursements  
10 made out of this account.

11 Other than that, the securities trading activity  
12 that was conducted in this account resulted in a net loss  
13 of \$1,001,243 over the time frame of March '06 when the  
14 account was opened through November of '07, and the  
15 account balance as of November 30, 2007, was \$64. And  
16 that was the last month in which trades occurred.

17 Q. And during this entire time frame, based on the  
18 information that you're aware of, were Mr. Bradford and  
19 Ms. White still married?

20 A. Yes. As I note on the bottom of the first page  
21 of Exhibit S-9, the only authorized signer on that account  
22 was Richard Bradford.

23 Q. And if you could, let's go to Page 2 of your  
24 report, and if you could walk us through that report.

25 A. Yes. Page 2 is a summary of the amounts

1 deposited into Richard Bradford's personal bank account at  
2 Wells Fargo Bank with account number ending in 3986, and  
3 my purpose in the time period covered for both Richard and  
4 Cindy Bradford's personal account analysis was to make the  
5 period as comparable as possible to that covered for the  
6 Fishing Partners-Salmon account.

7 So this period covered is February 21, 2006,  
8 through November 21, 2007, because those were the  
9 beginning and ending dates on the relevant bank  
10 statements.

11 So as shown here on the second page of Exhibit  
12 S-9, the net receipts, the net deposits into  
13 Mr. Bradford's personal account during this time frame  
14 were \$234,652, and in terms of the specific line items,  
15 Mr. Bradford received a total from Fishing  
16 Partners-Salmon, LLC, of \$174,525, and if you refer back  
17 to Page 1 of Exhibit S-9, you'll see that that amount is  
18 also shown as a disbursement to Richard Bradford from  
19 Fishing Partners-Salmon. So the amounts coincide.

20 The next item I show as a receipt into, deposit  
21 into Mr. Bradford's personal account are entry fees from  
22 investors. I believe these were payments from three  
23 investors totaling \$15,000. I believe the check notations  
24 indicated that a two percent fee was paid to join, to be  
25 able to join the fund.

1           So in effect, the total amount received in terms  
2 of money from investors would be the total of those two,  
3 \$189,525. And in terms of percentages, those two items  
4 represent over 80 percent of the deposits into  
5 Mr. Bradford's personal account.

6           The next item I show as a receipt into  
7 Mr. Bradford's account is money transferred from his  
8 personal account at Scottrade in the total of \$16,473.  
9 Next is monthly payments --

10           ALJ STERN: Is that the account -- that's a  
11 separate account? That was his personal account?

12           THE WITNESS: Yes, there was a personal account  
13 maintained at Scottrade that I believe was opened in  
14 perhaps 2002, and there was minimal activity during this  
15 time frame, the relevant time frame.

16           ALJ STERN: Okay. Go ahead.

17           THE WITNESS: Yes, the next is monthly payments  
18 that Mr. Bradford received from the U. S. Government of  
19 approximately \$13,834. There is \$6,000 received from  
20 Cynthia Bradford, and there is other and unknown; and then  
21 the subtotal being \$236,852 less cash withheld of \$2,200,  
22 leaves net deposits into Mr. Bradford's account during  
23 this time frame of \$234,652.

24           I also point out that my note there at the  
25 bottom of the exhibit states that the authorized signer on

1 this account was Richard Bradford. He was the only  
2 authorized signer.

3 ALJ STERN: Mrs. Bradford gave him \$6,000 that  
4 went into this account?

5 THE WITNESS: Yes.

6 BY MR. HUYNH:

7 Q. And Mr. Fink, if we could just move along to  
8 Page 3, and if you could briefly describe to us that  
9 analysis there.

10 A. Yes, Page 3 of Exhibit S-9 is my analysis of  
11 the, my summary of the deposits made into Cindy Bradford's  
12 personal account at Wells Fargo Bank with an account  
13 number ending in 5998. This covers the period February  
14 27, 2006, through November 28, 2007.

15 And the net deposits into the account as shown  
16 on the last line is \$76,570. The only authorized signer  
17 on this account was Cindy Bradford, and in terms of the  
18 individual components, who the money was received from,  
19 the first line item is money received from Richard  
20 Bradford in the amount of \$34,820. The next is checks  
21 from Fishing Partners-Salmon, LLC, in the amount of  
22 \$21,200; and again, if you will refer back to the first  
23 page of Exhibit S-9, you'll see disbursements to Cindy  
24 Bradford totaling \$21,200. So they also coincide.

25 There were cash deposits of \$6,000. There were

1 funds received -- I believe they represent payroll from  
2 First USA Realty Professionals, of approximately \$7,554,  
3 and White House/Black Market, Inc., of \$3,348. Unknown of  
4 \$5,736, giving a subtotal of \$78,658, less cash withheld,  
5 leaves net deposits of \$76,570. And so in looking at the  
6 percentages here, you'll see that into this particular  
7 bank account amounts received from either Mr. Bradford or  
8 Fishing Partners-Salmon amounted to \$56,020, which  
9 represented over 70 percent of the total deposits into  
10 this account.

11 Q. And Mr. Fink, did you have any documentation or  
12 information that confirmed for you whether or not these  
13 were sole and separate accounts of either of the parties  
14 other than the fact that there were individual signatories  
15 on the account?

16 A. No, all I saw was that they were in the names as  
17 shown, either Richard Bradford or Cindy Bradford, and I  
18 noted who the signers were on the accounts; but that's the  
19 extent of my knowledge in that regard.

20 Q. And for both the individual accounts of Cindy  
21 Bradford and Richard Bradford, that encompasses the entire  
22 duration that they were married, or that covers in a  
23 relevant time frame that they were married, correct?

24 A. The relevant time frame that I analyzed, March  
25 of 2006 through November 2007, Richard and Cindy Bradford

1 were married during that entire time frame, yes.

2 Q. So would it be fair to say based on the analysis  
3 and the payments made by Richard Bradford and/or the  
4 Fishing Partners-Salmon that the monies were commingled  
5 between the different parties?

6 A. Well, certainly there was money transferred  
7 among all three accounts.

8 Q. Okay.

9 A. Although, again, with regard to Fishing  
10 Partners, the only source of funds there was investor  
11 money. Out of that, payments were made to both Richard  
12 Bradford and Cindy Bradford, among others.

13 Q. Mr. Fink, could you walk us through briefly  
14 Pages 4 and 5 of that exhibit before you?

15 A. Yes, Pages 4 and 5 of Exhibit S-9 represent an  
16 itemized listing that I prepared of specific amounts  
17 deposited into Cindy Bradford's personal account at Wells  
18 Fargo Bank, again the account number ending in 5998. The  
19 first page itemizes the amounts that she received from  
20 Richard Bradford's personal account at Wells Fargo, the  
21 account ending in 3986. This first page shows that  
22 payments were received by her, both in the form of checks  
23 where the check number is shown and also in the form of  
24 online transfers from his personal account to her personal  
25 account. And the total of those items was \$34,820, which

1 again, if you'll refer to the prior page, this is the  
2 amount shown as receipts into her personal bank account,  
3 amounts received from Richard Bradford.

4 The time frame, the first receipt that I show  
5 that she received from Richard Bradford was December 4 of  
6 '06, and the last one was an online transfer, November 16  
7 of '07.

8 The second page of this last item, the very last  
9 page of Exhibit S-9 itemizes the amounts that Cindy  
10 Bradford received from Fishing Partners-Salmon. Again,  
11 there are four checks that were issued by Fishing  
12 Partners-Salmon, all signed by Richard Bradford, and the  
13 four checks total \$21,200; and that amount agrees with the  
14 amounts shown on the analysis, the summary of Cindy  
15 Bradford's Wells Fargo bank account deposits.

16 Q. Going back to Page 4 of your analysis, Mr. Fink,  
17 there's a column that says Memo. Could you explain a  
18 little bit about what that entails or what that means?

19 A. Yes, if a check memo entry was made on the  
20 checks themselves, I included that in this analysis. So,  
21 for instance, the very first item, the check deposited on  
22 12-4-06, Richard Bradford check number 1964 in the amount  
23 of \$550. It had a memo, Allowance.

24 Check deposited on 3-28-07, check 1993 in the  
25 amount of \$1,200, contained the notation April Allowance.

1 6-19 of '07, online transfer of \$200 contained the  
2 notation Groceries; and with the online transfers, that  
3 would be shown on both the disbursement from Richard  
4 Bradford's account and the deposit shown on Cindy  
5 Bradford's account.

6 Again, going down the list, the other items that  
7 contained memo entries there, deposit August 3 of '07,  
8 \$950, the memo said Bills. There's another one below that  
9 for \$1,000 that said Bills. Two, August 10 and August 13  
10 of '07, that contained the memo Grace. And then finally  
11 going down to November 14 of '07, there's an online  
12 transfer from Richard Bradford to Cindy Bradford's  
13 personal bank account in the amount of \$500, and the  
14 notation is Pay my credit cards.

15 Going over to the next page, the last page of  
16 Exhibit S-9, again, this is the payments from Fishing  
17 Partners-Salmon, the Scottrade account ending in 2871, and  
18 the four checks again total \$21,200. The check dated  
19 September 24 of '07, check number 1016 is in the amount of  
20 \$6,000, and it contained the memo Tax Planning; and  
21 finally, the check dated 11-20 of '07, check number 1025  
22 in the amount of \$1,800, contained the memo entry  
23 Accounting.

24 Q. Mr. Fink, in your role in this investigation,  
25 were you asked to categorize each of the disbursements

1 that occurred for the Wells Fargo account for Richard  
2 Bradford?

3 A. No, I was not.

4 Q. However, in reviewing the actual statements, did  
5 you review actual disbursement activities for those  
6 accounts?

7 A. Yes, I did. I reviewed the debit card activity  
8 that is shown on the statements themselves, in addition to  
9 a number of check disbursements that we obtained pursuant  
10 to subpoena.

11 Q. And do you have any general observations on how  
12 Richard Bradford's personal account was utilized?

13 A. Yes, I would say in large part it was utilized  
14 as a personal account typically is. It was used to pay  
15 items such as house rental, payments for groceries,  
16 various other expenses. Money was transferred -- there  
17 were a number of cash withdrawals; and in addition, there  
18 was money transferred to his wife's personal bank account,  
19 again of \$34,820. And I also noted that there were --  
20 there was a significant number of debit items related to  
21 PokerStars, and so I researched that and saw that that  
22 pertained to online poker tournaments that one could be  
23 involved in.

24 Q. And just to confirm, those personal expenses and  
25 uses by Mr. Bradford, they occurred throughout the time

1 period we're speaking about here of March 2006 to at least  
2 November of 2007?

3 A. Yes, the time period that I analyzed was March  
4 of '06 through November of '07. So when I'm discussing  
5 the type of expenditures out of his account, yes, they  
6 were all during that relevant time period.

7 Q. Mr. Fink, were you asked to categorize each of  
8 the disbursement transactions that occurred in the Wells  
9 Fargo accounts for Ms. White?

10 A. No, I was not asked to do a detailed analysis of  
11 those personal accounts.

12 Q. However, in reviewing the actual statements, did  
13 you review the actual disbursement activities in  
14 Ms. White's account?

15 A. Yes, I did. Again, there was a significant  
16 amount of debit card activity which is itemized directly  
17 on the statement; and in addition to that, I believe there  
18 were some disbursement items, some check copies that were  
19 obtained also pursuant to subpoena.

20 Q. And do you have any general observations of how  
21 Ms. White's personal account was utilized, any notable  
22 examples?

23 A. Again, as with Mr. Bradford's account, it was in  
24 large part utilized as one would expect a personal account  
25 to be used for. There were payments for house rental,

1 just as Mr. Bradford also made out of his account. There  
2 were payments for auto insurance, groceries, restaurants,  
3 a number of retail establishments, auto fuel. So it was  
4 used again as one would typically use a personal bank  
5 account.

6 Q. Finally, as part of the documents that you  
7 reviewed, Mr. Fink, did you also review a restitution list  
8 in this case created by the Division?

9 A. Yes, I did.

10 MR. HUYNH: Judge, may I approach?

11 ALJ STERN: Sure.

12 MR. HUYNH: I'm not looking to enter this into  
13 evidence. Just to refresh Mr. Fink's recollection.

14 ALJ STERN: Do you want to put it into evidence?

15 MR. HUYNH: No, I don't.

16 BY MR. HUYNH:

17 Q. Mr. Fink, would reviewing the restitution list  
18 help you or the Court in determining what the final  
19 restitution amount is?

20 A. I know the amount, but I could certainly look at  
21 it.

22 Q. All right. What is the restitution amount,  
23 Mr. Fink?

24 A. There were total receipts from investors as  
25 shown on my analysis of the Scottrade account for Fishing

1 Partners-Salmon of \$1,298,416. There was one repayment to  
2 an investor, Allen Powell, in the amount of \$70,000. So  
3 the net amount of restitution due to investors is  
4 \$1,228,416.

5 MR. HUYNH: That's all the questions I have for  
6 this witness, Judge.

7 ALJ STERN: Okay. Do you have any questions for  
8 Mr. Fink?

9 MS. WHITE: Yes, I do.

10 ALJ STERN: Okay.

11

12 CROSS-EXAMINATION

13

14 BY MS. WHITE:

15 Q. I guess we can stay with S-9 where you have gone  
16 over the Scottrade account and the disbursements for the  
17 different people with different amounts.

18 But the question is, as far as on Richard  
19 Bradford's account -- it's Page 2 -- where it shows that  
20 Fishing Partners-Salmon deposited \$174,000 to a total of  
21 \$234,652. I made a substantial amount of income, and I  
22 don't see that you show that my income was added into  
23 that. Did you find an income for me of \$32,000?

24 A. Deposited into Mr. Bradford's account?

25 Q. I gave Mr. Bradford all my money because we had

1 Barracuda Group together which he told me he was  
2 depositing into.

3 A. Did it occur during the time frame I analyzed,  
4 February '06 through November '07?

5 Q. Yes, it did. It was submitted with the book.  
6 Let me give you a copy. It's my income.

7 MR. HUYNH: What exhibit is that?

8 MS. WHITE: It's in my Exhibit 12. Can I show  
9 this to him?

10 MR. HUYNH: I guess my objection would be to  
11 foundation, relevancy. It looks like a tax return of  
12 Ms. White, Judge, and I'm not quite sure the foundation or  
13 the relevancy to that.

14 If she wants to ask Mr. Fink whether or not he  
15 observed that deposit in those accounts during that time  
16 frame, I'll accept that, but --

17 ALJ STERN: Ma'am, which years are you referring  
18 to? And you're talking about your Exhibit R-12?

19 MS. WHITE: Correct.

20 ALJ STERN: What page are you referring to?

21 MS. WHITE: Well, that's my tax return of 2006.  
22 I'm not sure what page it is.

23 ALJ STERN: So are you asking him if he noticed  
24 any deposits into Mr. Bradford's personal account with  
25 Wells Fargo? I think it was Wells Fargo, right?

1 MS. WHITE: Yes.

2 ALJ STERN: Of how much money from you in 2006?

3 MS. WHITE: \$31,038.

4 ALJ STERN: You gave that money to him, is what  
5 you're saying.

6 MS. WHITE: Yes.

7 ALJ STERN: Did you see any evidence of \$31,000  
8 coming from Ms. White in 2006?

9 THE WITNESS: No, I didn't. I analyzed and  
10 accounted for all of the deposits during the relevant time  
11 frame; and as my Exhibit S-9, Page 2 shows, I only saw, I  
12 believe it was one payment from Cindy Bradford in the  
13 amount of \$6,000. But I reviewed detailed information for  
14 the deposits, and there was no such amount.

15 ALJ STERN: Right. Are you saying that in 2007  
16 you gave him \$10,340, ma'am?

17 MS. WHITE: In 2007?

18 ALJ STERN: Yes.

19 MS. WHITE: My income was a total of \$10,000.  
20 In 2006, \$31,000. But in 2005, I gave Mr. Bradford  
21 \$83,000.

22 ALJ STERN: See, now wait a minute. See, you're  
23 talking about 2005.

24 MS. WHITE: That's right.

25 ALJ STERN: And remember, the period -- correct

1 me if I'm wrong, get the years wrong.

2 MS. WHITE: I understand what they're talking  
3 about.

4 ALJ STERN: 2006 and 2007. You started 2006  
5 with the Fishing Partners, right?

6 THE WITNESS: Right, my purpose was to analyze  
7 the time period during which the investor funds were  
8 received and ultimately utilized. So it was March of '06  
9 through November of '07.

10 ALJ STERN: Okay. Now this other money you're  
11 referencing, Ms. White, how much was it?

12 MS. WHITE: It was a total of \$124,000 from 2005  
13 to 2007. But understand -- and clearly, my situation  
14 under this, I deposited this money in order to start the  
15 Fishing Partners. So he --

16 MR. HUYNH: Judge, I --

17 ALJ STERN: But that was in 2005. I understand  
18 what you're saying. I understand that. But the complaint  
19 here against your ex-husband and the relevant period of  
20 time that this case involves --

21 MS. WHITE: Uh-huh.

22 ALJ STERN: You may have been an early, we'll  
23 call you an investor in Fishing Partners in 2005, but it's  
24 not involved in the period of time in which Mr. Bradford  
25 was found to have solicited and sold membership interests

1 in Fishing Partners-Salmon to these other investors, which  
2 the relevant period of time -- keep in mind again -- March  
3 2006 to the end of November 2007. So they're not looking  
4 at you and saying, oh, you're an investor, you're supposed  
5 to get restitution as part of this. You know, it's not  
6 part of the claim, okay?

7 MS. WHITE: Right.

8 ALJ STERN: They didn't include you in that.

9 MS. WHITE: I know.

10 ALJ STERN: And it's not -- perhaps it's  
11 relevant, and perhaps, you know, I don't even know where  
12 it would fall in relationship to the fact of your  
13 dissolution of marriage, you know.

14 MS. WHITE: Well, they're saying that, you know,  
15 he gave me this certain amount of money. But I'm saying,  
16 I gave him my income, that certain amount of money as  
17 well.

18 ALJ STERN: I see. Well, when you get on the  
19 stand, you can spell out how much you gave him and what  
20 the money was coming back to you.

21 MS. WHITE: Okay.

22 ALJ STERN: However it comes out.

23 MS. WHITE: Okay.

24 ALJ STERN: Do you have any other questions?

25 MS. WHITE: I do have another question.

1 BY MS. WHITE:

2 Q. When, the original subpoena came out, it stated  
3 that they were looking solely for marital community based  
4 on 44-2031(C), the liability, assuming assets. So I  
5 worked with Mr. Huynh and signed a consent, thinking that  
6 we were going to be able to resolve this matter by me  
7 submitting a 26-page document, a Statement of Personal  
8 Financial Condition.

9 Once I submitted that to Mr. Huynh, he said that  
10 it went to --

11 MR. HUYNH: Judge, I'm going to object. Is  
12 there a question or is she testifying again?

13 ALJ STERN: Yeah.

14 BY MS. WHITE:

15 Q. Well, my question is, did you receive this and  
16 analyze this 26-page document that I submitted with a  
17 consent to Mr. Huynh in order to see that there were no  
18 community assets left? That's my question.

19 MR. HUYNH: Again, I will object to relevancy.  
20 I don't think it's Mr. Fink's role here to take on a  
21 collection hat on whether or not there are collectible  
22 assets.

23 ALJ STERN: I'm going to overrule your  
24 objection. The question is if he's aware of it or if he  
25 ever saw the document. He may or may not have. I don't

1 know. But Mr. Fink can answer the question. She asked  
2 him if he ever saw this, whatever number of page document  
3 that she apparently gave to you with a consent agreement.

4 THE WITNESS: Yes, I did see the document.

5 ALJ STERN: Did you do any analysis? Was it  
6 able to be related to your investigation of Mr. Bradford?

7 THE WITNESS: I viewed it as completely  
8 separate. I saw what it contained, but it didn't assist  
9 me in further fleshing out any of the work that I had  
10 done. So what her current assets were at the time of the  
11 financial statement wasn't relevant --

12 ALJ STERN: Excuse me, is that what that  
13 statement was? It was a current valuation of assets as  
14 of, let's say, March, April, July -- I don't know -- of  
15 2008, because the consent agreement was in -- excuse me,  
16 it was probably after July of 2008. The consent  
17 agreement -- the order was in October of 2008. So it  
18 predated that, but it was sometime in 2008, if you recall.

19 THE WITNESS: It's been quite some time since I  
20 have seen it, and so I don't recall the specifics of it.

21 ALJ STERN: There's your answer.

22 BY MS. WHITE:

23 Q. I guess the only other question I had is,  
24 understanding that you're looking at the liquid and we're  
25 looking at the actual community assets that were not left,

1 because there was nothing left, who was the one that was  
2 supposed to analyze this for the submission for consent?  
3 Would it be you, or -- I mean somebody had to have gone  
4 over this, I think. It said it would go to analysis, and  
5 they would make their determination hopefully that would  
6 answer the question of if there was any assets left from  
7 the community.

8 A. Again, I would have reviewed it when it came in,  
9 but it has been quite some time since I've looked at it;  
10 and in terms of what it contained and what assets it  
11 showed, I just simply don't recall.

12 ALJ STERN: Well, Mr. Fink, is that a document  
13 for you as a certified public accountant in reviewing the  
14 cash flow that you traced in this situation, or was that a  
15 document to be analyzed primarily by the Attorney  
16 General's collection unit?

17 THE WITNESS: I believe the document is to be  
18 used to assist in collection efforts.

19 ALJ STERN: So you didn't particularly use it  
20 for the period of time you were looking at what  
21 transpired. It's an asset listing so that the Attorney  
22 General has a little bit better idea of what they're going  
23 to pursue in the way of collection for restitution?

24 THE WITNESS: I believe it lists assets and  
25 liabilities, and so yes, it really wasn't pertinent to the

1 analysis I did. It would be pertinent for any collection  
2 efforts.

3 ALJ STERN: Okay. Any other questions?

4 MS. WHITE: Yes.

5 BY MS. WHITE:

6 Q. Did you review my income or just mainly the  
7 total income of what was done through the Fishing  
8 Partners?

9 A. With regard to your income?

10 Q. My income, that I brought into the income.

11 ALJ STERN: During what period of time?

12 MS. WHITE: During the 2006 to 2007.

13 THE WITNESS: Well, I reviewed the bank accounts  
14 that I saw investor monies ultimately being transferred to  
15 as it pertains to Richard Bradford and you. So again, I  
16 started with the Scottrade account of Fishing Partners,  
17 saw where those funds were disbursed, and then went to  
18 those accounts to see what, if any, other sources of funds  
19 there were into those accounts. I wanted to account for  
20 the monies received from investors to see how they were  
21 utilized.

22 I saw that some went to Richard Bradford's  
23 account at Wells Fargo. I saw that some went to your  
24 account directly, and also money was expended from his  
25 account to yours. And so I accounted for that. I didn't

1 attempt to locate any other accounts that you may or may  
2 not have had.

3 BY MS. WHITE:

4 Q. I'm saying that my own income could have covered  
5 more than enough for our monthly bills on my own.

6 A. I don't know that.

7 ALJ STERN: Any other questions?

8 MS. WHITE: Yeah.

9 BY MS. WHITE:

10 Q. You had mentioned that a lot of the debit cards  
11 were for PokerStars, and that's online poker gambling; is  
12 that correct?

13 A. That's what I understand, yes.

14 Q. And can you give a number of how much that would  
15 be?

16 A. I didn't calculate any totals on the  
17 disbursement side. I just saw that the amounts maybe  
18 ranged from \$75 maybe up to \$300 at a time, and they were  
19 numerous.

20 Q. Sometimes daily?

21 A. Yes.

22 Q. So that could have been some substantial  
23 amount that could have been used rather than gambling as  
24 well?

25 A. Well, I don't think it's substantial in terms of

1 the total of approximately \$235,000. But I just don't  
2 have an amount as to what the total might be.

3 Q. Were you aware of any of the bills or any of  
4 these checks written to Las Vegas? Because I was sure  
5 that he had gone there as well.

6 A. Checks written? I can't say I saw that. I did  
7 see -- I did see some debit card entries, at least for  
8 what appeared to be one period of time, one visit to Las  
9 Vegas. I don't know what others may have taken place.

10 Q. So we are sticking to the 2006, 2007 window of  
11 time. So that's really tough on me, because I didn't, you  
12 know, submit the \$125,000 to this information.

13 Did you ever find a large withdrawal on November  
14 26 of 2007 from his bank account? That's when he actually  
15 went missing that day. I do have a copy stating that he  
16 was in Las Vegas.

17 A. You said on November 26th?

18 Q. Roughly around November 26, Mr. Bradford went  
19 missing, and I have a card stating that he was in, a copy  
20 of a card saying that he was in Vegas at that time.

21 A. In reviewing the bank statement for his personal  
22 account ending in 3986, I saw that he made an ATM  
23 withdrawal on November 26, 2007, of \$200 in Mesa. On  
24 November 28, he made a \$200 withdrawal in Mesa from an  
25 ATM, and also on November 28, there was an ATM withdrawal

1 in Quartzite, Arizona, for \$162. Those are the only  
2 withdrawals in that week time frame out of his personal  
3 account.

4 Q. Okay. Let's go back to Number 9 again, I  
5 apologize, and the last page. There was a check written  
6 to me for \$10,000. And I did deposit it into my account,  
7 but it was an earnest money check that went to Magnus  
8 Title for the house, the purchase of this house, check  
9 number 173. So that went from me to the home that was  
10 just basically a con that he had wanted to purchase a  
11 home.

12 So can you verify that this Magnus Title check  
13 or the \$10,000 from my bank account, Check 173, went  
14 there? Basically, that went up in smoke, that \$10,000.

15 ALJ STERN: Wait, wait, wait. Which? The one  
16 that was dated somewhere in November of 2007, is that the  
17 \$10,000 check to Magnus that is part of the Division's  
18 exhibit, I think, or is that part of yours?

19 MR. HUYNH: Yeah, I'm not quite sure what we're  
20 on, Judge. What exhibit are you referring to?

21 MS. WHITE: We're on his exhibit, but he's  
22 stating on the last page on 9 that there was a check  
23 number 1013 for \$11,000.

24 MR. HUYNH: Okay.

25 MS. WHITE: And if you go to the Respondent's

1 book, Number 11, that check --

2 ALJ STERN: Just a minute. Okay. In  
3 Respondent's Exhibit 11, check number 173, Cynthia  
4 Bradford's check payable to Magnus Title for \$10,000, and  
5 you're linking -- that's dated September 24, 2007. You're  
6 relating that to the September 6, 2007, check that you  
7 received from Fishing Partners for \$11,000.

8 MS. WHITE: Correct.

9 ALJ STERN: So you got a thousand more, but you  
10 only write a check for \$10,000.

11 MS. WHITE: \$10,000 because it was written to  
12 the owners of the property because it was earnest money,  
13 and he had no intentions of buying this property because  
14 it was --

15 ALJ STERN: So the \$10,000, you lost? They got  
16 it.

17 MS. WHITE: It went up in smoke. So that  
18 shouldn't be a part of --

19 ALJ STERN: Okay. I think I understand your  
20 point. At the time, I guess, circumstances weren't  
21 entirely clear what was known to you about what  
22 Mr. Bradford was doing, perhaps.

23 Do you have any other questions for the  
24 accountant, the expert? You know what you're talking  
25 about here, right?

1 THE WITNESS: Yes, sir.

2 MS. WHITE: I think I'm done. Thank you.

3

4

EXAMINATION

5

6 BY ALJ STERN:

7 Q. Mr. Fink, you know, you mentioned in -- I think  
8 perhaps it was mentioned by the investigator, but you  
9 might have an idea. There was this other investor,  
10 somebody named Powell.

11 A. Yes, Allen Powell.

12 Q. Allen Powell. How much did he invest, do you  
13 know?

14 A. Well, I believe on that restitution list, it's  
15 listed as, it should be Ashley Enterprises.

16 Q. Okay.

17 A. He invested \$250,000. I believe his was the  
18 first funds that were deposited to the account. And then  
19 in August of '07, he received a \$70,000 partial  
20 liquidation, and Mr. Bradford was only able to pay that  
21 money to him out of the Fishing Partner's account after  
22 another investor had just invested \$250,000 five days  
23 prior.

24 Q. I see, that would be Mr. Willis, huh?

25 A. Yes, so Mr. Willis' money came in August 15, I

1 believe \$250,000. Five days later, Mr. Powell receives  
2 the first and only payment any investor got, and that was  
3 \$70,000. So his net is \$180,000.

4 Q. So he was repaid in somewhere, August?

5 A. I believe August 20 of '07.

6 Q. August 20 of '07. I just want to add this to  
7 your exhibit list just so I have it. So it would be  
8 Exhibit S-something?

9 MR. HUYNH: 10.

10 ALJ STERN: Do you have a copy to give the court  
11 reporter and one for the Respondent?

12 MR. HUYNH: We will, Judge, and I will just  
13 redact certain pertinent sensitive information of the  
14 individuals, if that's okay?

15 ALJ STERN: Oh, it has their addresses on here,  
16 doesn't it, and their phone numbers.

17 MR. HUYNH: I will provide the Court with a  
18 redacted version of that.

19 ALJ STERN: All right. We'll come back after  
20 lunch, and we'll get a redacted version. I just want the  
21 amounts. I just couldn't quite figure out how that  
22 worked, but now I understand.

23 BY ALJ STERN:

24 Q. Yes, Mr. Fink, your analysis of the relevant  
25 time frame here where Mr. Bradford went back into the

1 hedge fund business, I don't know whether you quite  
2 understood it, but apparently Ms. White may have provided  
3 him with some initial funding which really wasn't part of  
4 this investigation; is that correct to say? You know, the  
5 \$42,000, she was referring to something -- she gave him a  
6 substantial sum of cash. Apparently there's a copy of a  
7 check here to Mr. Bradford, and she was talking earlier;  
8 and she's going to get to testify here, but she gave him  
9 \$42,000, I think, on or about somewhere in May of 2005.  
10 That wouldn't be relevant to what the Division --

11 A. No, and when Ms. White was asking the question  
12 earlier, she had -- I heard her say at first it was  
13 related to the Barracuda Group, and then she said it was  
14 Fishing Partners. So again, the Fishing Partner's account  
15 wasn't opened at Scottrade until March 8 of 2006, so this  
16 would have been almost a year prior to that.

17 Q. Okay. And Barracuda, I don't think -- I'm not  
18 sure when it was formed by Mr. Bradford. That's in one of  
19 the -- somewhere.

20 ALJ STERN: Do you have an exhibit? I know it's  
21 somewhere in here.

22 MR. HUYNH: I believe it's part of Respondent's  
23 Exhibit 12, Judge, somewhere near the back.

24 ALJ STERN: The house purchase is going on in  
25 2007, and I know somewhere in one of these somewhat

1 questionable pages we have it. Because I remember seeing,  
2 I think it's somewhere back around your Exhibit 8, to be  
3 honest with you. Maybe that's just -- that may be just  
4 the Salmon Fishing Partners, the Fishing Partners group.

5 MR. HUYNH: Judge, in terms of the Baracuda  
6 Group, LLC, I think the Articles of Organization, I  
7 believe they were --

8 ALJ STERN: Where are you looking?

9 MR. HUYNH: Somewhat near the back of  
10 Respondent's Exhibit 12.

11 ALJ STERN: Okay. Articles of Organization,  
12 appears to be January of 2005.

13 MS. WHITE: March 2005.

14 ALJ STERN: Well, there's some different stamps  
15 on this. The organization was formed sometime -- there's  
16 a letter from the Commission to Barracuda Group regarding  
17 the effective date for the LLC, and it's dated September  
18 28, 2005. So it may be that monies were given to Baracuda  
19 Group, LLC, but it's not directly at least related to  
20 Salmon -- or Fishing Partners-Salmon, LLC, which wasn't in  
21 existence at the time.

22 MR. HUYNH: Correct, Judge.

23 ALJ STERN: At least as I can see it.

24 MS. WHITE: Did you get a copy of this check I  
25 wrote him for \$2,000?

1 ALJ STERN: Excuse me?

2 MS. WHITE: Do you have the copy of the check --

3 ALJ STERN: The Bank of America check?

4 MS. WHITE: Yes.

5 ALJ STERN: Yes, it's in your exhibit here  
6 somewhere. I saw it a couple times. It's dated May of  
7 2005.

8 I'll tell you what, the court reporter needs a  
9 break, and so do I. So we can take a break here. I don't  
10 have any more questions for Mr. Fink, I don't believe.

11 Do you have any redirect for him?

12 MR. HUYNH: No, Judge.

13 ALJ STERN: Took about an hour, a little longer  
14 than we thought.

15 MR. HUYNH: Mine was 25 minutes.

16 BY ALJ STERN:

17 Q. Mr. Fink, in your analysis of this situation, is  
18 it your opinion that the funds were over that period of  
19 time we're dealing with here, again from March of 2006  
20 when Mr. Bradford began to solicit investors, to November  
21 of 2007, that there was a commingling of the funds in this  
22 relationship between Mr. Bradford and Ms. White? Was the  
23 marital estate commingled? I mean was there any separate  
24 property that you saw in any of your analysis?

25 A. I'm thinking through it. Again, my purpose

1 initially was to determine what money was received from  
2 investors and how that money was utilized; and in large  
3 part, I saw that over a million dollars was lost by  
4 Mr. Bradford in his securities trading activity within the  
5 Fishing Partners-Salmon account at Scottrade. So that  
6 left approximately \$300,000 of investor money that hadn't  
7 been lost; and out of that money, \$70,000 went to Allen  
8 Powell which takes it down to \$227,000; and the bulk of  
9 that was paid out to Richard Bradford and a smaller amount  
10 to Cindy Bradford.

11 So again, when the money went over to  
12 Mr. Bradford, he was paying expenses out of his bank  
13 account. He was transferring money to Cindy Bradford.  
14 She was paying expenses out of her personal account. So  
15 they were both paying expenses, and ultimately, you can  
16 trace the investor money to both of them.

17 ALJ STERN: Okay. I don't have any other  
18 questions of you. We'll take a recess. Come back at  
19 2:15, and you can present your case then.

20 MS. WHITE: Thank you.

21 ALJ STERN: All right. We're in recess.

22 (Recessed at 1:00 p.m. and reconvened at 2:20  
23 p.m.)

24 ALJ STERN: Back on the record. Are you ready?  
25 You have that exhibit or something?

1 MR. HUYNH: Yes, Judge, we will provide that to  
2 you here or after we get it officially marked as S-10.

3 And Judge, while that's being done, I just  
4 wanted to reiterate and confirm that I do anticipate and  
5 would like to call Ms. Bradford as part of my case in  
6 chief for a handful of questions. Then she can still  
7 under oath start into her narrative of her side of the  
8 story.

9 ALJ STERN: Well, I can't advise her whether to  
10 testify or not. She's not under subpoena, is she?

11 MR. HUYNH: We did. Yes, she is under  
12 administrative subpoena.

13 ALJ STERN: Oh, okay. You would be able to  
14 cross-examine her anyhow. I don't know why you have to  
15 take her out of order.

16 MR. HUYNH: Part of that reason being, Judge,  
17 that I just wanted to touch on certain specific questions,  
18 and then she can go on with her narrative. I was just  
19 trying to keep it focused and streamlined as far as our  
20 side of it.

21 ALJ STERN: Okay. This is the court reporter's  
22 copy.

23 Do we have some more S-10s, or do we only have  
24 the one? And does she have a copy?

25 VERONICA: Yes.

1 ALJ STERN: Could I have that? Because I gave  
2 that one to him.

3 I'm going to mark as S-10, it's just a list of  
4 the investors. Do you have a copy of that, ma'am?

5 MS. WHITE: Yes.

6 ALJ STERN: Do you have any objections to it  
7 being admitted into evidence?

8 MS. WHITE: No.

9 ALJ STERN: Okay. That Exhibit S-10, the list  
10 of one, two, three, four, five, six, I guess it's six  
11 investors, but I guess the one gentleman invested twice;  
12 is that correct?

13 MR. HUYNH: Yes, Judge.

14 ALJ STERN: Mr. Willis.

15 Okay. Do you want this unredacted version back  
16 that you originally provided?

17 MR. HUYNH: Yes, if I could, Judge.

18 ALJ STERN: That would be nice. I scribbled on  
19 it. Okay. Exhibit S-10 is admitted into evidence. And  
20 with that, we'll proceed.

21 Ms. White, do you want to come forward and be  
22 sworn in?

23 MS. WHITE: Sure.

24 ALJ STERN: You may want to refer to your  
25 exhibits. You can bring them up with you, if you want.

1 Actually, you've been sworn in, so you don't have to be  
2 sworn in again.

3 Now, Mr. Huynh wants to ask you some questions  
4 as if you're his witness on what we call direct  
5 examination. I don't know whether you have any objections  
6 to that. You're under subpoena. You requested a hearing  
7 and he would be able to cross-examine you anyhow. So I  
8 think the end result will end up being about the same. So  
9 do you have any problems with that?

10 MS. WHITE: No.

11 ALJ STERN: Okay. Go ahead, Mr. Huynh.

12

13 CYNTHIA LEE WHITE  
14 called as a witness herein, having been previously duly  
15 sworn by the Certified Reporter to speak the truth and  
16 nothing but the truth, was examined and testified as  
17 follows:

18

19 DIRECT EXAMINATION

20

21 BY MR. HUYNH:

22 Q. Could you give your full name for the record.

23 A. Cynthia Lee White.

24 Q. And have you had any prior names over the last  
25 five years?

1 A. Cynthia Lee Bradford and Cynthia Lee O'Dowd.

2 Q. And Ms. White, how long have you been a resident  
3 of Arizona?

4 A. 45 years.

5 Q. And were you a resident of Arizona between the  
6 time frame of March 2006 and March of 2008?

7 A. Yes.

8 Q. All right. And during the time frame of 2006 to  
9 2008, did you have ever move out of the State of Arizona?

10 A. No.

11 Q. Was Richard a resident of Arizona between the  
12 time frame of 2006 and 2008?

13 A. I'm sorry, repeat that.

14 Q. Was Richard also a resident of Arizona between  
15 the time frame of 2006 and 2008?

16 A. Richard Bradford? Yes.

17 Q. Can you give me a little bit of background in  
18 terms of your educational or work experience regarding  
19 accounting, if any?

20 A. I'm in sales, so it's quite a bit.

21 Q. Do you have any accounting degrees or  
22 experience?

23 A. No, I don't.

24 Q. Do you have any tax planning degrees or  
25 experience?

1 A. No, I don't.

2 Q. Do you hold any tax planning or accounting  
3 certificates?

4 A. No.

5 Q. When you and Richard were married, did you ever  
6 execute a prenuptial agreement?

7 A. No.

8 Q. Do you have any document that specifically  
9 distinguishes what property is separately yours and what  
10 property is separately Richard's?

11 ALJ STERN: I think you're asking her for a  
12 legal conclusion that she probably doesn't have the  
13 background to answer your question correctly. So I'm  
14 going to --

15 MR. HUYNH: If I could rephrase it then, Judge.

16 ALJ STERN: Okay.

17 BY MR. HUYNH:

18 Q. Do you have any documentation or any type of  
19 legal document or exhibit that specifically distinguishes  
20 out separate property of yourself and separate property of  
21 Richard's?

22 A. Yes.

23 Q. What document is that?

24 A. It's the property of the home that I purchased  
25 in 2001.

1 Q. And what happened to that home?

2 A. It was getting ready to go into foreclosure, so  
3 under the financial situation, I went ahead and sold it.

4 Q. And did you make a profit on that sale?

5 A. About \$76,000.

6 Q. And where did the proceeds of that sale --

7 ALJ STERN: Excuse me, what year did you sell  
8 it?

9 THE WITNESS: 2005.

10 ALJ STERN: Go ahead.

11 BY MR. HUYNH:

12 Q. And what happened to the proceeds of that sale?

13 A. I wrote a check for \$42,000 to Mr. Bradford in  
14 May of 2005. The balance of that went to purchase a car  
15 for myself.

16 Q. And you and Richard were married at the time?

17 A. I was married at that time, yes.

18 Q. To Richard?

19 A. Yes.

20 ALJ STERN: Wait a minute. The check for  
21 \$42,000, part of it was to buy a car?

22 THE WITNESS: No.

23 ALJ STERN: I don't understand this. 2005 you  
24 sold your house.

25 THE WITNESS: Correct. It was under the name of

1 Cindy O'Dowd at that time.

2 ALJ STERN: That was separate property?

3 THE WITNESS: Correct.

4 ALJ STERN: That was just in your name?

5 THE WITNESS: Correct.

6 ALJ STERN: Okay. So you took the \$36,000 and  
7 you put it together with another \$6,000, right?

8 THE WITNESS: Excuse me, I made a total of  
9 \$76,000 profit on that house.

10 ALJ STERN: Oh, you made \$76,000?

11 THE WITNESS: Correct.

12 ALJ STERN: Oh, okay. All right. So this is in  
13 2005?

14 THE WITNESS: Correct.

15 ALJ STERN: Then what did you do?

16 THE WITNESS: I wrote a check to Mr. Bradford on  
17 May 31st of 2005 for \$42,000.

18 ALJ STERN: Why \$42,000?

19 THE WITNESS: Because we were starting the  
20 Baracuda Group, LLC, to moving forward to starting a fund.  
21 The other \$10,000 I kept for myself --

22 ALJ STERN: Wait a minute, wait a minute, wait a  
23 minute.

24 THE WITNESS: Sorry.

25 ALJ STERN: \$76,000 profit. You wrote a check

1 to him for \$42,000. That leaves you another \$34,000.

2 THE WITNESS: Right.

3 ALJ STERN: Then what happens?

4 THE WITNESS: With the \$34,000?

5 ALJ STERN: Yes.

6 THE WITNESS: I bought myself a 2001 Mustang for  
7 \$10,000. I paid back taxes, and put the rest away for  
8 paying bills.

9 ALJ STERN: Go ahead, Mr. Huynh.

10 BY MR. HUYNH:

11 Q. And just to be certain here, the \$42,000 that  
12 you gave to Mr. Bradford, that was when you guys were both  
13 married still, correct?

14 A. Correct.

15 Q. Okay. And that went back into your marital  
16 community, you and Richard, to be used for the Barracuda  
17 Group, correct?

18 A. Correct.

19 Q. And the intent was that whatever monies that  
20 would be generated would go back to the two of you,  
21 correct?

22 A. Correct.

23 Q. If there were any that were generated?

24 A. Retirement, et cetera.

25 Q. Okay. Now, during the time frame of roughly

1 2006, of March 2006 to November of 2007, did Richard  
2 Bradford have any other jobs besides working for the  
3 Fishing Partners-Salmon, LLC?

4 A. 2006 to 2007?

5 Q. Yes.

6 A. In 2006 he made \$3,000 at Allied Mortgage.

7 Q. Okay. But his main job, quote, unquote, was  
8 Fishing Partners-Salmon, LLC?

9 A. That's correct.

10 Q. And from the beginning of that Fishing  
11 Partners-Salmon, LLC, it was intended to be set up for him  
12 to earn a profit or a salary, correct?

13 A. Correct.

14 Q. And the monies earned from that would come back  
15 to pay for either joint bills or personal expenses of you  
16 and/or Richard, correct?

17 A. We were looking at it for long-term retirement.  
18 My income was going to be more for paying the bills. So  
19 we didn't really look at it for being paying the bills  
20 right now. We were looking at it very long-term.

21 Q. Okay. But the intent then of this LLC was to  
22 benefit both of you long-term, correct?

23 A. The LLC that was under Richard Bradford's name?

24 Q. Yes.

25 A. For Fishing Partners-Salmon, you mean?

1 Q. Yes.

2 A. The Barracuda Group was probably a stronger, you  
3 know, portion, but I have really little or absolutely  
4 nothing to do with Fishing Partners-Salmon.

5 Q. Do you know -- during the time frame of March  
6 2006 to November of 2007, Richard did pay for certain  
7 common expenses shared by both you and Richard, right?

8 A. Well, again, my income was quite substantial.  
9 So I felt -- I gave him money to pay our bills. I didn't  
10 know he was taking money out of Fishing Partners, because  
11 I was making more than enough money to pay our bills.

12 Q. I guess answer my question first. Monies during  
13 the time frame of March 2006 to November of 2007, either  
14 directly by Richard or to you, at least some did go to pay  
15 some common expenses for both of you, right? Like  
16 electricity, cable, rent, so forth?

17 A. Again, I was not aware that we were being  
18 paid -- my bills were being paid by Fishing Partners-  
19 Salmon. I was giving my income to Mr. Bradford, writing  
20 the checks to him so he could pay the bills. So to my  
21 knowledge, he was telling me it was coming out of the  
22 Barracuda Group to pay the bills.

23 ALJ STERN: Wait a minute. What was Barracuda  
24 Group doing during this time? Were you Barracuda Group?

25 THE WITNESS: I thought that we opened the

1 Barracuda Group together. Understand, everything about  
2 Mr. Bradford, as I know today, is a lie. So going back,  
3 yes, I thought I had a Barracuda Group which was our  
4 company, our LLC. That's where I put the \$42,000 in and  
5 that he was making money on, and we had Calais stock, a  
6 lot of the things I had given to you that was making  
7 money. So in my mind, that's where the money was coming  
8 from when things were not going so well.

9 ALJ STERN: But look, the \$42,000 you said you  
10 gave him in May of 2005 was supposed to go to Barracuda  
11 Group?

12 THE WITNESS: Correct.

13 ALJ STERN: What was Barracuda Group doing?  
14 What was it supposed to be doing?

15 THE WITNESS: Scottrade, stock trading.

16 ALJ STERN: Just trading in stock?

17 THE WITNESS: Yes.

18 ALJ STERN: But he was supposed to be doing  
19 that, right?

20 THE WITNESS correct.

21 ALJ STERN: What were you doing? How were you  
22 making all this money to give him money to pay all the  
23 bills?

24 THE WITNESS: Well, I made \$32,000 -- I was in  
25 the software business. I had sold software. I sold real

1 estate. I, you know, like I said, I made \$83,000 in 2005.  
2 I made \$32,000 in 2006.

3 MR. HUYNH: Again, Judge, I'm going to object to  
4 some of those answers that have not been established by  
5 any foundation.

6 ALJ STERN: You put her on the stand to answer  
7 some questions. I'm just asking her a few more. I'm  
8 trying to figure out what was going on because she said  
9 she gave her husband money.

10 MR. HUYNH: And I'm fine with her answering the  
11 questions that are asked; but when we get into a  
12 narrative, I guess I would like to hold off on -- when she  
13 goes into her narrative and/or provide us some foundation  
14 for that --

15 ALJ STERN: Keep in mind, Mr. Huynh, this is an  
16 administrative proceeding, and keep in mind the fact that  
17 she's inexperienced and she's going to say things that  
18 you're not necessarily asking her, but she's going to  
19 respond in the way she's going to respond. So you're  
20 going to have to tolerate it.

21 So in any event, I have another question for  
22 you. You made \$83,000 in 2005 selling software or  
23 something --

24 THE WITNESS: No, that was in addition to the  
25 jobs I had and the profit that I made on my home.

1 ALJ STERN: Oh, so the \$76,000 on the home --

2 THE WITNESS: Uh-huh.

3 ALJ STERN: -- plus whatever jobs you had, you  
4 made \$83,000, right?

5 THE WITNESS: Correct.

6 ALJ STERN: But you did say that you took the  
7 \$2,000 and put it into the Barracuda Group; it was  
8 supposed to make money in the stock market, and took  
9 \$10,000 and bought a car and put some other money towards  
10 bills.

11 THE WITNESS: Correct.

12 ALJ STERN: And in the meantime made some other  
13 money. Now in 2006, were you working also?

14 THE WITNESS: Yes.

15 ALJ STERN: Who were you working for then?

16 THE WITNESS: I was selling real estate.

17 ALJ STERN: How much did you make in 2006?

18 THE WITNESS: About \$31,038.

19 ALJ STERN: In 2006?

20 THE WITNESS: Correct.

21 ALJ STERN: Was your husband working in 2006  
22 other than for Fishing Partners?

23 THE WITNESS: That's what he was doing -- he  
24 said he was working with T. Boone Pickens in the Marlin  
25 Fund, but he wasn't doing that.

1 ALJ STERN: I mean did you file joint income tax  
2 returns or anything?

3 THE WITNESS: I did not file joint income tax  
4 returns with Mr. Bradford in 2006 or 2007, absolutely not.

5 ALJ STERN: So you didn't know what he was  
6 doing?

7 THE WITNESS: He was doing something very  
8 fraudulent, so no, I did not. Once I found that out --

9 ALJ STERN: Well, okay. Go ahead, Mr. Huynh,  
10 ask some questions.

11 BY MR. HUYNH:

12 Q. So going back, you stated you gave Mr. Bradford  
13 certain monies to pay certain bills; is that correct?

14 A. Correct.

15 Q. Okay. And some of the payments that you  
16 received were from Fishing Partners-Salmon; is that  
17 correct?

18 A. What was the question again?

19 Q. Some payments or checks that you received were  
20 from, were written on Fishing Partners-Salmon?

21 A. Well, yeah, uh-huh.

22 Q. And those checks that were from Fishing  
23 Partners-Salmon, they went off to pay for personal  
24 expenses and bills; is that correct?

25 A. There was one situation where the \$10,000 for

1 earnest money went to the title company, so that didn't go  
2 anywhere, as we talked about before.

3 Q. The account that you had at Wells Fargo Bank,  
4 and I believe that is the account ending in 5998 --

5 A. Uh-huh.

6 Q. -- that's an account that you had signatory and  
7 signing power on, correct?

8 A. Correct.

9 Q. And that's where a total of at least \$21,200 in  
10 Fishing Partners-Salmon checks came into, right?

11 A. Which is the one I told you that the \$10,000  
12 went into earnest money for the house.

13 Q. And \$10,000 went to earnest money for the house?

14 A. Correct.

15 Q. And the other bulk of it went to pay for other  
16 bills and regular expenses, correct?

17 A. Yes.

18 Q. And this entire time you and Richard are still  
19 married, correct?

20 A. Correct.

21 Q. And give me the general time frame of when you  
22 guys still resided in the same residences, starting from  
23 '06 to '08, if you recall?

24 A. Mr. Bradford was only really coming home on  
25 weekends between 2006 and 2007, so he was maybe with me

1 ten percent of the time.

2 Q. But he did live with you for '06 and '07,  
3 correct?

4 A. Not --

5 ALJ STERN: On weekends.

6 Q. Well, on weekends. What address was that at?

7 A. 751 North Port Drive.

8 ALJ STERN: 751 North what?

9 THE WITNESS: North Port Drive, Gilbert.

10 ALJ STERN: Gilbert, okay. So you were in  
11 Gilbert at that North Port Drive address. Is that an  
12 apartment or a house?

13 THE WITNESS: That was a condominium. We paid  
14 \$950 a month.

15 ALJ STERN: And then you were there in 2006.  
16 When did you move to the house that you were purportedly  
17 going to purchase in Mesa? Was that in November or  
18 October of 2007?

19 THE WITNESS: Right middle of October.

20 ALJ STERN: So you were in the condo for most  
21 of -- for all of 2006 and most of 2007?

22 THE WITNESS: 2005, yeah.

23 ALJ STERN: 2005, also?

24 THE WITNESS: Uh-huh.

25 ALJ STERN: Okay. Go ahead, Mr. Huynh.

1 BY MR. HUYNH:

2 Q. And the \$950 per month rent for that Port Drive  
3 that both you and Richard shared, did both of you pay  
4 rents on that house, do you know?

5 A. Well, again, I gave my income to Mr. Bradford.  
6 Our total bills, roughly, were about \$2,000 a month.

7 Q. Let's go talk about the Pinnacle Peak house.

8 ALJ STERN: It's not Pinnacle Peak, I don't  
9 think.

10 THE WITNESS: Pinnacle Hills.

11 BY MR. HUYNH:

12 Q. Sorry, the Pinnacle Hills house. So is it your  
13 testimony that out of the \$11,000 that you received from  
14 the Fishing Partners-Salmon account, you used \$10,000 of  
15 that to put down as a down payment for that house?

16 A. Correct.

17 Q. And that house was to be for both you and  
18 Richard to live in, correct?

19 A. Correct.

20 Q. And in fact, you guys actually moved into it for  
21 a certain amount of time, correct?

22 A. Well, I was there. Richard really wasn't.

23 ALJ STERN: This is when he was traveling with  
24 Mr. Pickens or something?

25 THE WITNESS: He told the investors and myself

1 he was traveling to Texas when ultimately he was living  
2 with Vivian Harper at 93 West Kiowa. So he was really  
3 living two lives, and I found that out on November 26 of  
4 '07 when I first spoke to Vivian Harper.

5 ALJ STERN: Uh-huh. Okay. Go ahead, Mr. Huynh.

6 BY MR. HUYNH:

7 Q. And in addition to living in that house, you  
8 also bought furniture for that house, correct?

9 A. Actually, Karen Mandarino that is currently here  
10 right now purchased the house that Mr. Bradford signed on  
11 it, but he never paid her back. So she bought the  
12 furniture. She still has the furniture and is still  
13 paying on the furniture. So that was just another  
14 fraudulent thing that Mr. Bradford --

15 ALJ STERN: Wait, you said that she bought the  
16 house?

17 THE WITNESS: She bought the furniture for the  
18 house.

19 ALJ STERN: Oh, okay.

20 BY MR. HUYNH:

21 Q. There was a check made to --

22 ALJ STERN: Excuse me, let's just indicate for  
23 the record, so everybody knows what everybody is talking  
24 about if they ever read the transcript, Ms. White gestured  
25 to a lady who has been with her all day here in the

1 hearing room who is sitting at the table. Spell her name  
2 for us.

3 THE WITNESS: Karen Mandarino, K-a-r-e-n,  
4 Mandarino, M-a-n-d-a-r-i-n-o.

5 ALJ STERN: Okay, go ahead.

6 BY MR. HUYNH:

7 Q. Ms. White, at least a down payment from Fishing  
8 Partners-Salmon was written to Bellamore Interiors; is  
9 that correct?

10 A. Yes, there was one.

11 Q. And that was for a down payment for the  
12 furniture we just discussed, right?

13 A. Yes.

14 Q. Ms. White, isn't it true that in Mr. Bradford's  
15 Wells Fargo account ending in 3986 there were multiple  
16 transactions that were directly into your 5998 Wells Fargo  
17 account?

18 A. Yes, there was.

19 Q. Okay. Did you have access to that bank account  
20 and password, by chance?

21 A. I had absolutely no access to any funds that  
22 Mr. Bradford had at any time.

23 Q. But monies were transferred directly to you to  
24 be spent, correct?

25 A. Correct.

1 Q. And you guys were still married this entire  
2 duration of time, correct?

3 A. He wasn't living with me, but we were married,  
4 yes.

5 MR. HUYNH: I have no further questions, Judge.

6 ALJ STERN: Okay. Ms. White, do you have some  
7 things you want to put into the record here as to your  
8 issues with the Division's allegations against your  
9 husband which, as I said, that order is out there. Your  
10 order, you indicated on the record, you wish to withdraw  
11 your consent to the consent order against you, and you're  
12 now contesting the liability of the marital estate as  
13 such, of the community as such during the time in question.

14 What do you want to tell us about that? I mean,  
15 it's your time. I can ask you some questions, but I  
16 thought you might want to provide us with some narrative.

17

18 CYNTHIA LEE WHITE,  
19 called as a witness on her own behalf, having been  
20 previously sworn by the Certified Court Reporter to speak  
21 the truth and nothing but the truth, stated as follows:

22

23 DIRECT TESTIMONY

24

25 MS. WHITE: Well, I, you know, currently right

1 now I'm just asking again to request to be removed from  
2 Decision 70544, and you know, for the Securities Division  
3 and the Corporation to review all documents that I  
4 submitted, and please take into consideration all  
5 circumstances and information to release me from these  
6 documents of any judgments of Richard Bradford's unlawful  
7 actions.

8 ALJ STERN: So you're essentially seeking to get  
9 out from under liability as his ex-spouse? You happened  
10 to be married to him at the time he did a number of these  
11 things with these investors, right?

12 MS. WHITE: Yes.

13 ALJ STERN: And so somehow, some way he was  
14 living two different lives during 2006 and 2007?

15 MS. WHITE: That's correct. He was telling all  
16 of us he was flying and working on a huge hedge fund when  
17 ultimately he was living with another woman -- she's here  
18 today, Vivian Harper -- in Mesa.

19 ALJ STERN: Oh, I see. Okay.

20 MS. WHITE: And so that leads me to question, to  
21 believe there was two incomes being taken care of from him  
22 through the Fishing Partners-Salmon.

23 ALJ STERN: And so, we'll note for the record  
24 Miss Harper is also present here today.

25 Where is Mr. Bradford today, do you have any

1 idea?

2 MS. HARPER: He's baby-sitting.

3 ALJ STERN: Baby-sitting.

4 MS. HARPER: He's taking care of a two-year-old.

5 ALJ STERN: Miss Harper made that comment.

6 MS. WHITE: If I might add, the question about  
7 the law we had discussed before, and the law is very gray.  
8 This whole thing started, in my thought process, is that I  
9 was added based on finding community assets.

10 ALJ STERN: Well, the law is such, ma'am, that  
11 in order -- under the Securities Act, it's just, it's a  
12 section of the law that in order for the Commission to  
13 make a decision regarding restitution and administrative  
14 penalties, there's a provision there that in the event the  
15 Commission finds that the parties are married at the time  
16 the violation of the Securities Act occurred, the  
17 Commission has to make a determination whether the marital  
18 community should be held liable.

19 MS. WHITE: Right.

20 ALJ STERN: And in this case, initially you  
21 signed a consent agreement acknowledging that you agreed  
22 with that proposition. The Commission issued what's  
23 called a consent order which found you jointly and  
24 severally liable also with your husband for his violations  
25 of the Securities Act.

1 Subsequently, I guess, if I understand things  
2 correctly, you wrote a letter and said, "I don't agree  
3 with that; I didn't understand what I signed."

4 MS. WHITE: Right.

5 ALJ STERN: "However, now I want to contest that  
6 issue."

7 MS. WHITE: Uh-huh.

8 ALJ STERN: And the Commission said, okay, come  
9 back and contest the issue. So your evidence at this  
10 point in time -- and you don't deny it and the record is  
11 clear -- you were still married.

12 MS. WHITE: Uh-huh.

13 ALJ STERN: Although not quite living together  
14 very often. And you were -- according to you, you were  
15 giving Mr. Bradford, I guess, in 2005 and 2006 a fair  
16 amount of money.

17 MS. WHITE: (Nods head.)

18 ALJ STERN: And by the same token, in 2006, from  
19 December 2006 to November 2007, according to the  
20 Division's accountant, \$34,820 came to your checking  
21 account from the Fishing Partners account, and -- excuse  
22 me, came from Mr. Bradford's account.

23 MS. WHITE: Uh-huh.

24 ALJ STERN: And Fishing Partners transferred to  
25 you, that account transferred to you \$21,200, of which we

1 understand \$10,000 was placed towards a down payment on a  
2 home which you were under the impression that you and  
3 Mr. Bradford were buying together. And that's a fair sum  
4 of money.

5 And in this instance, under the law, the way it  
6 is, you agreed that the community was liable. That's how  
7 the initial decision came out.

8 Now, there is evidently no order, other than the  
9 order of dissolution from the Court, which, if I recall in  
10 your exhibits somewhere, or maybe it's in the Division's,  
11 but I think it's yours. Is it yours, Mr. Huynh?

12 MR. HUYNH: Yes, Judge, I believe, S-2 is a copy  
13 of it. I believe it's also contained in Ms. White's.

14 ALJ STERN: There were some dealings with your  
15 property settlement at that point where it refers to debts  
16 incurred by husband alone to specifically include Baracuda  
17 Group, LLC, and Fishing Partners-Salmon, LLC, that he was  
18 supposed to pay and assume sole responsibility for them.  
19 I understand that.

20 But the Division's position here is that the  
21 Commission can order the community to be held responsible  
22 for this, and that then you have to go back to the Court  
23 of Domestic Relations to get that Court to take action  
24 against your ex-husband.

25 Isn't that the position of the Division,

1 Mr. Huynh?

2 MR. HUYNH: Yes, Judge.

3 ALJ STERN: So that's where we're at, and that's  
4 why we're trying to see the way clear. The way this works  
5 is it doesn't, per se, assess which part of whose dollars  
6 from the community pay restitution or pay the  
7 administrative penalty. It's just the law is not specific  
8 in that regard. And then the people from the Attorney  
9 General's office seek to recover, from whatever the  
10 community was during 2006 and 2007 that was collected by  
11 Fishing Partners-Salmon, those monies that were invested.

12 So I don't know what you're doing particularly  
13 now or what your ex-husband is doing. But that's what the  
14 issue is presently.

15 And the Commission is going to have to wrestle  
16 with this. I don't know what other additional testimony  
17 you have to offer because I think the dates are pretty  
18 clear here, and the accounting testimony.

19 I know you say you gave him all your money in  
20 2007, pretty much.

21 MS. WHITE: Yeah.

22 ALJ STERN: Now, you apparently had some sort of  
23 a separation in November 2007, correct?

24 MS. WHITE: He was telling me he was going to  
25 Texas and living with another woman, period. I mean,

1 explain -- I didn't think that he -- I mean how else can I  
2 say it? I mean --

3 ALJ STERN: Well, see, that's --

4 MS. WHITE: I know it's irrelevant, obviously,  
5 but I'm saying -- everybody is saying he gave me all this  
6 money. I'm saying I gave him money, and how in the world  
7 can you determine, you know -- he did the fraudulent  
8 securities fraud. I knew nothing about it. I signed  
9 nothing. I got it done from the divorce decree. You  
10 know, in the jurisdiction of 44-2031(c), it says the  
11 Commission may join the spouse. It doesn't say shall join  
12 the spouse.

13 And back in the open meeting on the 7th, I  
14 thought it was all done. They pretty much said that they  
15 knew I was a victim of fraud and that they all agreed, and  
16 I was kind of shocked to see that we were here again.

17 ALJ STERN: They did all, I think, sign that  
18 order. I don't know. I think perhaps you misunderstood  
19 what was transpiring. At the time -- what we have now  
20 though essentially is a situation where the Commission is  
21 going to have to consider this. And you're telling me you  
22 gave him money, approximately -- I don't know how many  
23 thousands of dollars in 2007. You're giving him money;  
24 he's giving it right back to you?

25 MS. WHITE: Right, that's how I feel about it.

1 ALJ STERN: You said you made about \$36,000; was  
2 that in 2007 or 2006?

3 MS. WHITE: It was a total of about \$125,000 I  
4 gave him between 2005 and 2007.

5 ALJ STERN: Well, okay. But we're talking -- I  
6 know you gave him a substantial sum of money in 2005. But  
7 again, I sort of have to keep away from that area because  
8 this case is a little bit different in that it only deals  
9 with the violations of the Securities Act after he started  
10 offering interest in what are termed securities to private  
11 investors to invest in; and he took their money, promised  
12 them a profit, and didn't pay them back. So that's in  
13 2006 and 2007.

14 So perhaps you were giving him money -- is what  
15 you're saying, he's giving you your own money back?

16 MS. WHITE: That's my belief.

17 ALJ STERN: Because in 2007, he gave you about  
18 \$35,000 from his checking account; but the thing is, I  
19 think his checking account, if I listened to the testimony  
20 of Mr. -- if I listened to Mr. Fink's testimony correctly,  
21 he said all of the money that was coming to Mr. Bradford  
22 in his checking account that he analyzed came out of  
23 Fishing Partners. Your money doesn't show up. Where did  
24 it go?

25 MS. WHITE: (Shakes head.)

1 ALJ STERN: I don't know. Do you have anything  
2 else you want to tell us?

3 MS. WHITE: Well, I -- it's been a long year. I  
4 know now looking back that Mr. Bradford had a very bad  
5 gambling problem. He knew how to hide money. He knew how  
6 to lie, and he knew how to con; and I think that he has a  
7 way to move money around like you wouldn't believe. I  
8 think some of the investors believe that he did wire money  
9 offshore, and I just find that I feel that with the low  
10 amount of lifestyle that I lived, that even, you know, we  
11 maybe, maybe might have spent twenty-four to thirty  
12 thousand a year, maybe, that I, you know, my income more  
13 than exceeded that amount of money and what we were  
14 spending in a year's time, year and a half, whatever it  
15 was, a year. And on top of that, he was living with  
16 another woman and paying her bills and giving her money,  
17 too. So I mean how do you draw the line of where did the  
18 money really go?

19 ALJ STERN: The money you say you gave to him,  
20 did you give it to him in cash, in check? How did you  
21 transfer funds to him?

22 MS. WHITE: Well, he -- you know, I wrote a lot  
23 of bills my own self that were, you know -- one of those I  
24 cashed a \$6,000 check and gave it -- it was part of the  
25 deposit. I wrote him checks. I mean none of that is in

1 that detail, so I did -- you know, we've got to go to  
2 Superior Court -- I guess I'm going to have to subpoena  
3 all that, but I did the best I could under the  
4 circumstances now.

5 ALJ STERN: Well, when he gave you a check from  
6 Fishing Partners -- I think it was from Fishing Partners,  
7 wasn't it?

8 MS. WHITE: Yeah.

9 ALJ STERN: And you said you didn't do any work  
10 for them.

11 MS. WHITE: No.

12 ALJ STERN: Didn't you say, Richard, or  
13 Mr. Bradford, you know, what's this for? How can you give  
14 me this check?

15 MS. WHITE: Because, I gave him money. He put  
16 it in the Barracuda Group. What he was telling me was he  
17 was transferring money and moving money from Barracuda to  
18 here to there. So, you know, it was one lie after the  
19 other. I just assumed -- I trusted him and I believed in  
20 him, that he told me that the money I gave him, we were  
21 using for bills. I never dreamed in a million years he  
22 was stealing it.

23 ALJ STERN: Okay. Anything else? No?

24 MS. WHITE: No. I can't think of anything else.  
25 I just at this point would like to have an opportunity, if

1 we can't resolve this -- signing the consent form, it was  
2 my belief I was working with the Commission, and I  
3 submitted all my documentation stating the assets, that  
4 there wasn't any.

5 ALJ STERN: Okay. You remind me of something.  
6 In November of 2007, I think I remember you were at one of  
7 these conferences we had that you said you turned  
8 Mr. Bradford in to the police or something?

9 MS. WHITE: Yes. I called -- as a matter of  
10 fact, that's how I found out about Vivian. I woke up. He  
11 left on Monday morning and told me he was going to wire  
12 the money for the house and wire the money to the  
13 investors, and he never came back.

14 ALJ STERN: This was November 26th?

15 MS. WHITE: 26th.

16 ALJ STERN: Of 2007?

17 MS. WHITE: The next morning, I started making  
18 phone calls and got ahold of Vivian, and I said, "Do you  
19 know Richard?" She said, "Yeah." I go, "How do you know  
20 him?" She said, "I'm his girl friend." I said, "I'm his  
21 wife." She said, "He has been living here for the last  
22 year and a half." "What do you mean?"

23 So we realized at that point there was no  
24 T. Boone Pickens. There was no money. I had to leave the  
25 house in three days.

1 ALJ STERN: You moved out of that house, this  
2 house in the picture?

3 MS. WHITE: And I moved into the trailer because  
4 I had nowhere to live, no money, no place to go. And  
5 Mr. Bradford continues to reside with Vivian. So --

6 ALJ STERN: Okay.

7 MS. WHITE: I was financially devastated and  
8 emotionally.

9 ALJ STERN: Okay. I don't think I have any  
10 other questions for you right now.

11 Did you want the lady who is with you to testify  
12 or anything?

13 MS. WHITE: I would like to -- I have Vivian  
14 here as a witness, and also Karen.

15 ALJ STERN: I don't know if you want anybody  
16 else to testify for you. It's your case. You have to  
17 make that decision.

18 MS. WHITE: Yes, I do.

19 ALJ STERN: Okay. Who do you want next?

20 MS. WHITE: I'll do Vivian.

21 ALJ STERN: Okay.

22 ALJ STERN: Miss Harper, do you want to come  
23 forward?

24 Okay, you're Vivian Harper?

25 MS. HARPER: Yeah.

1 ALJ STERN: I think this is an interesting  
2 proceeding today, huh?

3 MS. HARPER: Yes, it is.

4 ALJ STERN: Are you still Harper or Bradford?

5 MS. HARPER: I'm Harper. Have been since 1978.

6 ALJ STERN: And you know the Respondent in this  
7 proceeding here, Ms. White?

8 MS. HARPER: Yes, somewhat.

9 ALJ STERN: Are you here voluntarily?

10 MS. HARPER: No.

11 ALJ STERN: You're under subpoena?

12 MS. HARPER: Yes, sir.

13 ALJ STERN: Okay. Did you want to ask her some  
14 questions?

15 MS. WHITE: Yes, I do.

16 ALJ STERN: Okay.

17

18 VIVIAN HARPER,  
19 called as a witness herein, having been first duly sworn  
20 by the Certified Reporter to speak the truth and nothing  
21 but the truth, was examined and testified as follows:

22

23 DIRECT EXAMINATION

24 BY MS. WHITE:

25 Q. I just wanted to know, first of all, how long

1 have you known Mr. Bradford?

2 A. I've known Richard since October of 2001.

3 Q. Did you start a business with Mr. Bradford?

4 A. I thought so, but no.

5 Q. What was the name of that company you thought --

6 A. Barracuda Group. But I didn't put any money in  
7 it.

8 Q. Did Mr. Bradford tell you at one point that he  
9 had \$42,000 that he deposited into Barracuda Group?

10 A. No. The only thing I knew was in there was a  
11 little bit of Calais stock which was almost worthless and  
12 some Smart Technology. He was hoping the gold mine would  
13 do well, but it didn't.

14 Q. Were you aware that Mr. Bradford and I were  
15 married?

16 A. I was under the understanding you were separated  
17 and you had gotten divorced.

18 Q. Where did Mr. Bradford tell you that he was  
19 traveling when he left you?

20 A. He was going to Palm Springs, San Francisco,  
21 Wyoming, Oklahoma, Washington.

22 Q. What was he saying he was doing for a living?

23 A. He said he was running a fund.

24 Q. What was the name of the fund?

25 A. Fishing Partners.

1 Q. Did he ever speak to you about T. Boone Pickens?

2 A. He didn't have to. I already knew who T. Boone  
3 Pickens was.

4 Q. But did he tell you he had a Marlin Fund with  
5 him or working with him --

6 A. No.

7 Q. -- or traveling with him?

8 A. No, never. Because I knew T. Boone Pickens was  
9 in China doing environmental work, and I wouldn't have  
10 believed him.

11 Q. Did you ever travel to Washington with  
12 Mr. Bradford?

13 A. Twice. I paid the bills.

14 Q. Did Mr. Bradford pay for the bills?

15 A. No. I went to Wyoming with him twice, and I  
16 paid for that, too. He told me he put all the money back  
17 in the fund. The only money he gave me was to pay off his  
18 credit card.

19 Q. So he did live with you for quite a bit of time.  
20 How long would you say that he did live with you?

21 A. He was with me on and off about a year and a  
22 half.

23 Q. What time frame?

24 A. I don't know the exact dates, but sometime in  
25 '06 till present. When he got ill and disappeared, as you

1 say, I wasn't really paying a whole lot of attention. My  
2 mother was dying.

3 Q. So he did live with you, what would you say,  
4 almost every day from 2006 to 2007?

5 A. Not everyday because he did travel a lot.

6 Q. Did you open an American Express card with  
7 Mr. Bradford under the Barracuda Group?

8 A. Yes, I did, under my own --

9 Q. Did he help you pay those bills?

10 A. Those were his bills. He used the card.

11 Q. So he did pay for the bills, the Fishing  
12 Partners and American Express card?

13 A. He paid the American Express bill because he was  
14 the only one that used it.

15 Q. How did he pay for that bill?

16 A. He paid -- he would give me lump sums, and I  
17 would pay it off.

18 Q. Did he give it to you by check or cash?

19 A. Check. The ones that you were talking about.

20 Q. Fishing Partners?

21 A. Yes.

22 Q. So that \$20,000 check that he gave you was for  
23 the American Express card for the Barracuda Group?

24 A. Uh-huh. Because he mainly used it to travel  
25 with, I thought, till I found out he bought you dishes and

1 your Thanksgiving dinner on it.

2 Q. Actually that was her. Let's just stick to the  
3 questions, please.

4 Did Mr. Bradford drive a Honda 2000S  
5 convertible?

6 A. Yes, he did.

7 Q. Did he pay the payments on that?

8 A. No, he did not.

9 Q. How did he drive that vehicle?

10 A. I paid for it.

11 Q. So you bought that for him, and he said that it  
12 was a vehicle for business?

13 A. No, he just wanted the car, and he didn't have a  
14 car.

15 Q. Did he pay for the insurance on that?

16 A. No, he did not.

17 Q. You paid for it as well?

18 A. Uh-huh.

19 Q. Did Mr. Bradford give you money at any time for  
20 electricity or monthly bills?

21 A. No, ma'am.

22 Q. So he just lived there for free, never gave you  
23 any money?

24 A. He was supposedly getting back on his feet.

25 Q. Did he ever pay for the T-Mobile bill that you

1 guys had together?

2 A. No. It was actually a Sprint bill, but no.

3 Q. You paid for that as well?

4 A. Yes. Still do.

5 Q. So he never, for the whole time that he lived  
6 with you for a year, helped you pay for your mortgage?

7 A. (Shakes head.) I made sufficient money to pay.  
8 It was my house. It was my responsibility.

9 Q. Did you think -- did you feel like that you were  
10 living with him as husband and wife?

11 A. Excuse me?

12 Q. Did you feel like that you were living with him  
13 as husband and wife?

14 ALJ STERN: Excuse --

15 THE WITNESS: No, ma'am.

16 ALJ STERN: Excuse me.

17 MS. WHITE: Sorry.

18 BY MS. WHITE:

19 Q. Did you have plans to marry?

20 A. No, ma'am.

21 Q. What did Mr. Bradford exactly tell you that he  
22 did for income?

23 A. As you said, ran a hedge fund.

24 Q. Did he say he was making money?

25 A. Yes, he did. But I don't know what to believe

1 because he was delusional for quite a bit of the time.  
2 His psychiatrist tells me he doesn't really know what he  
3 did for a year and a half, two years; and I have talked to  
4 them extensively. And he is severely medicated anymore.

5 Q. Did he ever approach your father? Is your  
6 father's name Paul?

7 A. Yes. He never asked my father for any kind of  
8 money at all. I wouldn't allow that.

9 Q. Do you remember on November 27 of 2007, the day  
10 that we first spoke?

11 A. Uh-huh. I remember it exactly.

12 Q. And do you recall that I became homeless that  
13 day?

14 A. I didn't realize that, but you have told me  
15 several times that fact.

16 Q. Did Mr. Bradford continue to live with you at  
17 that time then?

18 A. After he got out of the mental institution, yes.

19 Q. Did all the correspondence from Fishing  
20 Partners-Salmon go to your house?

21 A. I don't believe so.

22 Q. Did all the correspondence from Barracuda Group  
23 go to your house?

24 A. No, ma'am. I don't know that there was any.

25 MS. WHITE: No further questions.

1 ALJ STERN: Okay. Mr. Huynh, do you have any  
2 questions?

3 MR. HUYNH: Just a couple, Judge.  
4

5 CROSS-EXAMINATION  
6

7 BY MR. HUYNH:

8 Q. Hi, Miss Harper. A couple quick questions  
9 regarding -- you said there was a credit card that  
10 Mr. Bradford had.

11 A. An American Express card.

12 Q. Okay. And that American Express card was used  
13 for personal purchases for Mr. Bradford?

14 A. I didn't know that; but after I did  
15 investigation after I found out what was going on, I got  
16 as much information as I could, and yes, it was.

17 Q. Could you give some general examples of some of  
18 those personal uses?

19 A. The ones I could get were Costco, several  
20 hundred dollars worth of food, a GameStation. It was very  
21 vague. Household items was the last purchases, and, you  
22 know, it was a little hard to get it down in detail, but I  
23 did get as much as I could, at least recent buys at the  
24 end.

25 Q. And just to be certain here, what was that

1 general time frame that that card was in use for all those  
2 personal uses?

3 A. '06, '07.

4 Q. And is it your testimony that the payments from  
5 the Fishing Partners-Salmon checks to you went to pay off  
6 those personal expenses of Mr. Bradford?

7 A. Yes, sir. And he even left me with \$13,000 on  
8 it when it was all said and done, so --

9 ALJ STERN: He left you with \$13,000 on it?

10 THE WITNESS: Uh-huh.

11 ALJ STERN: He doesn't live with you now, does  
12 he?

13 THE WITNESS: Yes.

14 ALJ STERN: Okay.

15 MR HUYNH: No further questions, Judge.

16 ALJ STERN: I don't think I have any questions  
17 either. You're excused, ma'am.

18 THE WITNESS: Thank you.

19 ALJ STERN: Do you have any other witnesses?

20 MS. WHITE: I'm going to call Karen just real  
21 briefly, if you don't mind, Karen Mandarino.

22 ALJ STERN: Okay. Thank you, Miss Harper.

23 (Next page, please)

24

25

1 KAREN MANDARINO,  
2 called as a witness herein, having been first duly sworn  
3 by the Certified Reporter to speak the truth and nothing  
4 but the truth, was examined and testified as follows:

5

6 DIRECT EXAMINATION

7

8 BY MS. WHITE:

9 Q. Karen, how long have you known Richard Bradford?

10 A. Since approximately 2003, 2004.

11 Q. What would you say the relationship was that you  
12 had with him and I?

13 A. You and Richard were friends with my husband and  
14 me.

15 Q. Did you attend our wedding?

16 A. Yes.

17 Q. During my marriage with Richard, what would you  
18 say our standard of living was?

19 A. I would say that your standard of living was  
20 that you lived from paycheck to paycheck.

21 Q. Do you ever recall me complaining often of  
22 things that I needed financially that he was not giving to  
23 me?

24 A. Yes.

25 Q. What type of entertainment do you remember that

1 we did when we would go --

2 A. Nothing really, other than family visiting. You  
3 came to our house on the weekends that he was home. You  
4 came and visited, and he expounded on all of his dealings  
5 with T. Boone Pickens and all the money that he was making  
6 with T. Boone Pickens.

7 Q. Do you ever remember me spending large amounts  
8 of money on anything?

9 A. No.

10 Q. Do you remember at one point me saying how  
11 desperately I needed reading glasses and underwear, that  
12 type of thing?

13 A. There was a period in early 2007 that you did  
14 one evening when we were out state that you didn't know  
15 what you were going to do. You didn't have any -- your  
16 paycheck wasn't for another couple of weeks and that  
17 Richard was ignoring you, your plea for some kind of  
18 assistance for other things that you needed, like paying  
19 the electric bill and eyeglasses.

20 Q. Did you sign an agreement with Mr. Bradford when  
21 we moved into the Pinnacle house for him to give you an  
22 okay to go buy furniture?

23 A. When you moved into the house on Pinnacle Hills,  
24 I was under the impression that you had purchased that  
25 home. He had said that he had purchased that home, and

1 that now -- he said now we're going to be furnishing this  
2 home. You are -- since my business is interior design,  
3 that I was going to be the designated designer, and that  
4 he had X amount of dollars to spend for furnishing this  
5 home that he had just purchased. And I had a signed  
6 contract with him for services rendered, plus that he  
7 would pay for any items purchased for the home.

8 Q. What budget did he give you, Karen?

9 A. He gave me a \$55,000 budget.

10 Q. So you went ahead and purchased -- what did the  
11 total amount of furniture end up being? He said he was  
12 going to pay you. What was the total amount?

13 A. The total amount came to about \$54,000.

14 Q. What happened to the furniture?

15 A. Well, I had gotten a call from you hysterical on  
16 the phone that Richard had left. He didn't really buy the  
17 house, and you didn't know what you were going to do. So  
18 I said, well, I'll call you back -- I'll be over as soon  
19 as I can.

20 And at that point, the furniture had just been  
21 delivered November 11th. And so it didn't really hit me  
22 till about, oh, a half hour or so later, that, oh, my God,  
23 he has -- all that furniture is there and it's not paid  
24 for.

25 So I go over to the house, and there were

1 several people there, your family members helping you  
2 pack. You were hysterical. The police were on their way.  
3 And so I had to go to my office and start calling all of  
4 the vendors that I had received the merchandise from and  
5 see if they would take the merchandise back. I was able  
6 to return approximately \$4,000 worth of merchandise. They  
7 took it back, gratefully so. But Robb & Stuckey, where  
8 the majority of the actual case pieces were purchased and  
9 bedding, they would not take the furniture back because it  
10 was two days past their return policy.

11 So I had called Mr. Bradford, and he did not  
12 return my calls. I had to start liquidating that  
13 furniture. So I have over the past year and a half, I  
14 have \$9,786 in expenses of trying to return the furniture.  
15 I have sold -- the furniture amounted to, including tax,  
16 was \$53,000. I have sold all but four pieces in the  
17 amount of \$16,520. So I have an outstanding balance of  
18 \$33,917.30, plus the \$9,000 that it has cost me to sell  
19 that furniture with ads in the paper, the LA Times,  
20 Beverly Hills paper, Arizona Republic, time sitting in the  
21 house at open houses on the weekends, ten hours every  
22 weekend for five weekends, and the interest that is  
23 incurred on my charge card for this outstanding balance.

24 The reason that I didn't -- oh, he did pay me  
25 \$2,000, and he said it was for the office. There was

1 office furniture involved. But it was for -- I had -- to  
2 put that house together, I put in, what was it, a little  
3 over \$3,000 worth of hourly time into that home to furnish  
4 that home. So the \$2,000 went towards my time.

5 He hasn't even paid for -- so he's still  
6 outstanding over \$1,000 on my time for the original  
7 installation and selection of the furniture for the home.

8 Q. Karen, at that time who else do you think that  
9 he fraudulently wrote checks to on that home?

10 A. Oh, the home owners.

11 Q. For how much?

12 A. \$10,000.

13 Q. It bounced?

14 A. Yes. And in fact, I was talking with the real  
15 estate lady at one of the open houses, and she said that  
16 he had given them that \$10,000 check, and she had -- what  
17 did she do? She checked the funds on it, but he asked her  
18 not to cash that check for a couple of days, and so they  
19 said, well, okay, we won't. So if they would have cashed  
20 the check when the funds were available, they would have  
21 gotten their money; but they waited, and he had cleaned  
22 out the money. There was no money.

23 MS. WHITE: I don't have any other questions,  
24 Karen.

25 ALJ STERN: Thank you. Mr. Huynh, any

1 questions?

2 MR. HUYNH: Briefly, Judge.

3

4 CROSS-EXAMINATION

5

6 BY MR. HUYNH:

7 Q. Ms. Mandarino, is that how you pronounce it?

8 A. Yes.

9 Q. During the time frame of 2006 and 2007,

10 Mr. Bradford and Ms. White were still married, correct?

11 A. Yes.

12 Q. And you stated that they often or sometimes came  
13 to your house whenever Richard was not traveling, correct?

14 A. Yes.

15 Q. And when they came over and spent time with you,  
16 that was still as husband and wife and as a couple,  
17 correct?

18 A. Yes, yes.

19 Q. And that was in the 2006, 2007 time frame,  
20 correct?

21 A. Yes.

22 Q. And your earlier statement was sometime in '07  
23 Miss White made statements that she was living paycheck to  
24 paycheck, correct?

25 A. Uh-huh.

1 Q. Yet you don't have any insight in terms of how  
2 much actual money she made for 2006, 2007, do you?

3 A. No. I never asked her her income.

4 Q. You don't have any insight in terms of how much  
5 money that she received from Richard specifically, do you?

6 A. No. Well, she never said she received any money  
7 from Richard.

8 Q. But you don't have any insight nor documentation  
9 to show how much money was given to her from Richard,  
10 correct?

11 A. No. I was just going on what Richard was  
12 telling us.

13 Q. And you don't have any insight in terms of how  
14 much money from the Fishing Partners-Salmon account was  
15 provided to her, correct?

16 A. I don't know if there was any. That was never  
17 discussed, so I have no information on that.

18 Q. Okay. And though she was living paycheck to  
19 paycheck, you stated that Richard told you he purchased  
20 that house in November of 2007, correct?

21 A. Uh-huh. Well --

22 Q. Did that seem strange to you?

23 A. Well, it would, but there was an incident that  
24 happened. Let me try to figure out the month.

25 Well, when they were coming over, he was

1 expounding on how well he was doing in the investments  
2 that he was doing with T. Boone Pickens, and he was never  
3 home because he was traveling to California, and he was  
4 naming all of these people who I cannot remember now, who  
5 were billionaires that he was in their home, and he was  
6 getting -- they were investing on his expertise that he  
7 was telling them.

8 He was in Oklahoma. He told us he was in -- and  
9 then of course, there was always a story that went with  
10 them why he wasn't home at Christmas because the plane  
11 was -- oh, and he was flying around in T. Boone Pickens'  
12 private airplane with his secretary, and he would see at  
13 least five or six investors every state that he, you know,  
14 every time they went out flying. They would fly from city  
15 to city.

16 He was -- and so it sounded all glorious because  
17 we had invested with him before. Stock, we bought stock  
18 through his recommendation, and we had profited from it.  
19 So we had no -- and we had known that he previously had a  
20 hedge fund, and that he worked for a big investment firm  
21 in New York. Well, that's what he told us anyway. And so  
22 he knew the ins and outs of investing and making money.  
23 And so he was making these fantastic profits, percentages  
24 before purchasing the house.

25 Q. And Mr. Bradford stated that he was traveling

1 often, not that they were separated, Ms. White and  
2 Mr. Bradford, correct?

3 A. Yeah.

4 Q. And the payments made to you were to benefit and  
5 furnish that Pinnacle Hills house, correct?

6 A. Well, he only paid me \$2,000, but per our  
7 agreement, he was supposed to pay me for everything, yes.

8 Q. Okay. For that house that they would live in or  
9 did live in for some time, correct?

10 A. Yes.

11 Q. No further questions, Judge.

12 ALJ STERN: I guess I'm in the same boat as  
13 Mr. Huynh. Didn't you think it was highly unusual when  
14 your friend couldn't afford anything and two weeks later  
15 her husband is buying a home that's over a million  
16 dollars?

17 THE WITNESS: Oh, I forgot to get to my point.  
18 Well, he said he had a quota to make about the amount of  
19 the investment, like \$25,000,000 or something like that,  
20 and so he attained that with the money that he was  
21 bringing in from the other investments and how he had  
22 negotiated that money on the stock market with the trading  
23 that he made these astronomical or above-average profits  
24 for his investors.

25 And so we had a celebratory drink at a

1 restaurant that he made it and he was on his way, and how  
2 he would be able to afford anything Cindy would want.

3 ALJ STERN: Okay. Who bought the drinks?

4 THE WITNESS: He did actually.

5 ALJ STERN: Okay. Anything else?

6 MS. WHITE: Yeah, I just feel like I presented a  
7 lot of evidence, you know --

8 ALJ STERN: Wait, wait, wait.

9 MS. WHITE: -- with her? No, I'm sorry. I'm  
10 tired. Sorry, it's been a long year.

11 ALJ STERN: Okay. Thank you, Mr. Huynh.

12 Okay, thank you, ma'am. You're excused.

13 Any closing comments, but I do want to remind  
14 you, Mr. Huynh, I would appreciate a brief being filed by  
15 the Division on the issue of the, specifically, you know,  
16 I have been getting this into a little bit more now,  
17 community property and the marital community and the  
18 results post-dissolution of an administrative proceeding  
19 particularly, because I am not aware of any, but then  
20 maybe you are, that go back on the, you know, the Court of  
21 Domestic Relations and rely on them to do whatever they  
22 do. I just would like to see something. I'm sure the  
23 Commission will.

24 MR. HUYNH: Yes, Judge, I do plan on filing a  
25 post-hearing brief for you.

1 ALJ STERN: Okay. Thank you.

2 Ma'am, do you have anything you want to say in  
3 closing?

4 MS. WHITE: Yes, I was just hoping that this can  
5 all be resolved; and if not, I would like to have an  
6 opportunity to appeal to the Superior Court. You know, I  
7 think we've all proven here that Mr. Bradford took a lot  
8 of money from a lot of people, myself, Karen Mandarino,  
9 investors, wrote bad checks and was living two lives with  
10 two different women, and I'm hoping you will go and  
11 prosecute the one that is the criminal.

12 ALJ STERN: Okay. Anything, Mr. Huynh?

13 MR. HUYNH: No, Judge.

14 ALJ STERN: Thank you. That concludes today's  
15 proceeding, and I'll take the matter under advisement and  
16 we'll try to see what the Commission will say.

17 MR. HUYNH: Your Honor, one question I forgot,  
18 post-hearing brief deadlines?

19 ALJ STERN: Do you have any date in mind? Today  
20 is July 7th. How is September 7th? I don't know what day  
21 that is. That should give you plenty of time.

22 MR. HUYNH: Can we do 45 days, Judge?

23 ALJ STERN: About 45 days you would like from  
24 today?

25 MR. HUYNH: Yes.

1 ALJ STERN: How about August 31st?

2 MR. HUYNH: Okay.

3 MS. WHITE: Are we coming back, Mr. Stern?

4 ALJ STERN: No. That's it. We're off the  
5 record.

6 (The proceedings concluded at 3:35 p.m.)

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1 STATE OF ARIZONA )  
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I, GARY W. HILL, R.P.R., Certified Reporter  
 No. 50812, for the State of Arizona, do hereby certify  
 that the foregoing printed pages constitute a full, true  
 and accurate transcript of the proceedings had in the  
 foregoing matter, all done to the best of my skill and  
 ability.

WITNESS my hand this 14th day of July, 2009.

  
 \_\_\_\_\_  
 Gary W. Hill, R.P.R.  
 Certified Reporter, No. 50812