

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

BEFORE THE HONORABLE SUSAN ILLSTON, JUDGE

THE UNITED STATES OF AMERICA,  
PLAINTIFF,

VS.

NO. CR-09-0998 SI  
PAGES 1 - 98

ROBERTO HECKSCHER,  
DEFENDANT.

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SAN FRANCISCO, CALIFORNIA  
FRIDAY, MAY 14, 2010

TRANSCRIPT OF PROCEEDINGS

APPEARANCES:

FOR PLAINTIFF:

UNITED STATES ATTORNEY  
450 GOLDEN GATE AVENUE

SAN FRANCISCO, CALIFORNIA 94102

BY: TIMOTHY LUCEY, ASSISTANT UNITED STATES ATTORNEY

FOR DEFENDANT:

SUMMIT DEFENSE

506 BROADWAY1300 CLAY STREET, SUITE 600  
OAKLAND, CALIFORNIA 94612

BY: JAMES T. REILLY, ESQUIRE

REPORTED BY: KATHERINE WYATT, CSR, RPR, RMR

OFFICIAL REPORTER, USDC  
COMPUTERIZED TRANSCRIPTION BY ECLIPSE

1 MAY 14, 2010

2:00 O'CLOCK PM.

2

3

P R O C E E D I N G S

4

**THE COURT:** GOOD AFTERNOON. YOU MAY ALL BE SEATED.

5

**THE CLERK:** CALLING CRIMINAL 09-0998, UNITED STATES

6

VERSUS ROBERTO HECKSCHER.

7

**MR. LUCEY:** GOOD AFTERNOON, YOUR HONOR. TIM LUCEY ON

8

BEHALF OF THE UNITED STATES.

9

**THE COURT:** GOOD AFTERNOON.

10

**MR. REILLY:** GOOD AFTERNOON, YOUR HONOR. JIM REILLY

11

OF SUMMIT DEFENSE APPEARING WITH MR. HECKSCHER, WHO IS IN

12

CUSTODY.

13

**THE COURT:** GOOD AFTERNOON.

14

**THE PROBATION OFFICER:** AND, YOUR HONOR, CHARLIE

15

MABIE, U.S. PROBATION.

16

**THE COURT:** GOOD AFTERNOON.

17

GOOD AFTERNOON, SIR.

18

MR. HECKSCHER, YOU'VE BEEN CONVICTED OF ONE COUNT OF

19

18 U.S.C. 1341, WHICH IS MAIL FRAUD. YOU WERE CONVICTED ON

20

NOVEMBER 3RD OF 2009, BASED ON YOUR WRITTEN PLEA OF GUILTY.

21

I HAVE READ AND REVIEWED THE PRESENTENCE REPORT AND

22

THE SENTENCING RECOMMENDATION AND THE ADDENDUM.

23

I HAVE READ AND REVIEWED HUNDREDS OF LETTERS FROM

24

VICTIMS IN THIS CASE.

25

I'VE READ THE GOVERNMENT'S SENTENCING MEMO, THE

1 DEFENDANT'S SENTENCING MEMO WITH ITS ATTACHED LETTERS, AS WELL,  
2 AND THE PLEA AGREEMENT.

3 IS THAT EVERYTHING?

4 **MR. LUCEY:** YES, YOUR HONOR.

5 **MR. REILLY:** YES, YOUR HONOR.

6 **THE COURT:** OKAY. MR. HECKSCHER, DID YOU HAVE A  
7 CHANCE TO READ THE REPORT THAT WAS PREPARED ABOUT YOU IN THIS  
8 CASE?

9 **THE DEFENDANT:** YES.

10 **THE COURT:** OKAY. ARE THERE ANY -- WELL, FIRST LET  
11 ME SAY THIS. I KNOW THE GOVERNMENT HAS ARGUED THAT BECAUSE  
12 THERE ARE MANY VULNERABLE VICTIMS IN THIS CASE, THE  
13 VICTIM-RELATED ADJUSTMENTS UNDER 3A1.1 (B) (1) SHOULD BE FOUR,  
14 NOT JUST TWO, AS WAS STATED IN THE PRESENTENCE REPORT.

15 THE COURT FINDS THAT MANY OF THE VICTIMS IN THIS CASE  
16 WERE CLIENTS OF THE DEFENDANT WHO FIRST SOUGHT TAX PREPARATION  
17 AND ADVICE AND ONLY LATER INVESTMENT OPTIONS.

18 THEIR ASSETS WERE LIMITED, AND THEY INTENDED TO MAKE  
19 ONLY SECURE INVESTMENTS. THE DEFENDANT'S PERSONAL AND ONGOING  
20 DECEIT PUT THEIR DAILY SAFETY AND SECURITY AT RISK. AND IN MANY  
21 CASES THESE WERE NOT DISCRETIONARY FUNDS, BUT RETIREMENT SAVINGS  
22 WHICH SIMPLY COULD NOT BE REPLACED.

23 AND FOR MANY OF THE VICTIMS THERE WERE MANY AND  
24 REPEATED TRANSACTIONS. SO UNDER THESE CIRCUMSTANCES, I DO THINK  
25 THE EXTRA TWO POINTS APPLY. AND I'M GOING TO ADD FOUR, NOT TWO.

1                   HAVING MADE THAT CHANGE, ARE THERE ANY OTHER  
2 OBJECTIONS TO THE PSR?

3                   **MR. LUCEY:** NO, YOUR HONOR.

4                   **MR. REILLY:** NO, YOUR HONOR.

5                   **THE COURT:** OKAY. I FIND THAT THE APPLICABLE TOTAL  
6 OFFENSE LEVEL IS 40. THE CRIMINAL HISTORY CATEGORY IS ONE. THE  
7 GUIDELINE SENTENCING RANGE WOULD BE 292 TO 365 MONTHS. BUT THE  
8 STATUTORY MAXIMUM IS 240 MONTHS, SO 240 MONTHS IS THE GUIDELINE  
9 SENTENCING RANGE.

10                   THE SUPERVISED RELEASE GUIDELINES ARE TWO TO THREE  
11 YEARS. THE FINE GUIDELINES ARE 25,000 TO \$250,000. RESTITUTION  
12 IS TO BE DETERMINED.

13                   AND THE MANDATORY SPECIAL ASSESSMENT IS \$100.

14                   THE PROBATION OFFICER HAS RECOMMENDED A 240 MONTH  
15 SENTENCE, WHICH IS THE STATUTORY MAXIMUM, AS HAS THE GOVERNMENT.

16                   AND I'LL ASK YOU, MR. REILLY, IN A MOMENT WHAT YOUR  
17 RECOMMENDATION IS.

18                   FIRST LET ME SAY THIS, JUST FOR THOSE WHO ARE  
19 GATHERED HERE. THE PROCESS THAT WE WILL FOLLOW THIS AFTERNOON  
20 IS AS FOLLOWS: I'VE JUST RECITED THE SORT OF MECHANICS OF THE  
21 SENTENCING PROCESS THAT WE GO THROUGH IN THE FEDERAL COURTS.

22                   AT THIS POINT I'M GOING TO ASK THE LAWYERS IF THEY  
23 HAVE ANYTHING THEY WANT TO SAY TO HELP ME DECIDE THE SENTENCING  
24 ISSUES.

25                   ULTIMATELY, I'LL ASK MR. HECKSCHER IF HE WANTS TO SAY

1 ANYTHING BEFORE I SENTENCE HIM. BUT WE ALSO ARE MAKING THE  
2 COURTROOM AVAILABLE THIS AFTERNOON FOR ANY VICTIMS WHO WISH TO  
3 BE HEARD.

4 MR. MABIE, I DON'T KNOW IF YOU'VE HAD AN OPPORTUNITY  
5 TO CHAT WITH THE FOLKS HERE ABOUT HOW THAT PROCESS WILL WORK  
6 THIS AFTERNOON.

7 **THE PROBATION OFFICER:** YOUR HONOR, WE SPENT ABOUT AN  
8 HOUR-AND-A-HALF FIELDING QUESTIONS, MYSELF AND THE U.S.  
9 ATTORNEY, THE DEFENSE ATTORNEY AND A REPRESENTATIVE FROM THE  
10 VICTIMS UNIT, FIELDING QUESTIONS. AND THE FOLKS IN THE FIRST  
11 ROW HERE ARE SOME THAT FEEL INCLINED TO SPEAK.

12 **THE COURT:** OKAY.

13 **THE PROBATION OFFICER:** AND WE WILL SEE IF THEY FEEL  
14 THE SAME AFTER THINGS GO ON.

15 **THE COURT:** ALL RIGHT.

16 **THE PROBATION OFFICER:** WE ASK THAT THEY PLEASE --  
17 THAT THEY HAVE A RIGHT TO BE HEARD, BUT ALSO BE AWARE YOU DON'T  
18 WANT TO CUT INTO OTHER PEOPLE'S TIME OR ABILITY TO BE HEARD, SO  
19 NOT --

20 **THE COURT:** AND I ALSO WANTED EVERYONE TO KNOW THIS,  
21 WHICH IS THAT I'VE RECEIVED JUST LOTS AND LOTS OF INFORMATION  
22 ABOUT THIS CASE AND THE CIRCUMSTANCES THAT MANY OF YOU HAVE  
23 FACED AS A RESULT OF THIS CASE. AND I TALKED WITH MR. MABIE  
24 ABOUT IT AT SOME LENGTH.

25 I ASKED HIM -- AND HE'S GOING TO DO THIS -- TO MAKE

1 SURE THAT THE LETTERS WE'VE RECEIVED ARE PRESERVED AND INCLUDED  
2 WITH THE PROBATION RECORDS; IS THIS CORRECT?

3 **THE PROBATION OFFICER:** YES, YOUR HONOR.

4 **THE COURT:** THAT WILL FOLLOW MR. HECKSCHER.

5 I DID NOT FEEL AND DO NOT FEEL THEY SHOULD BE PUT IN  
6 THE PUBLIC RECORD BECAUSE THAT'S OPEN TO EVERYBODY TO READ. BUT  
7 I FELT IT WAS VERY IMPORTANT THAT WE KEEP THIS RECORD OF WHAT  
8 HAS HAPPENED IN THE CASE.

9 SO THE RECORDS WILL BE THERE. THE LETTERS WILL BE  
10 THERE, BUT THEY WON'T BE IN THE PUBLIC DOCKET FILE. THEY WILL  
11 BE WITH THE PROBATION REPORT THAT FOLLOWS MR. HECKSCHER IN  
12 HIS -- ON HIS JOURNEY. SO WE WILL HAVE THAT.

13 SO I DIDN'T WANT ANYONE TO FEEL THAT BY NOT STANDING  
14 UP AND SPEAKING YOU'RE NOT BEING HEARD. THOSE OF YOU WHO HAVE  
15 WRITTEN IN, THOSE RECORDS ARE WITH US AND WILL STAY WITH US IN  
16 THIS CASE THROUGHOUT.

17 SO HAVING SAID THAT, I HAVE A COUPLE OF COMMENTS TO  
18 LET THE LAWYERS KNOW WHERE I'M PLANNING TO GO ON THIS. AND  
19 THEN, I'LL BE HAPPY TO HEAR FROM YOU.

20 I FIND THAT THIS IS THE WORSE KIND OF FRAUD BECAUSE  
21 THE PEOPLE WHO CAME TO MR. HECKSCHER AND TRUSTED AND RELIED ON  
22 HIM FOR ORDINARY AND SAFE ADVICE WERE CRUELLY DECEIVED IN THIS  
23 CASE.

24 THIS ISN'T JUST INVESTMENT FRAUD. THESE ARE LIFE  
25 SAVINGS AND RETIREMENT INCOME WHICH REALLY CAN'T BE REPLACED.

1 AND THAT MAKES THIS PARTICULARLY DIFFICULT AND CRUEL.

2 AND I KNOW THAT IN MANY OF MR. HECKSCHER'S BEHAVIORS  
3 HE SAYS -- AND I BELIEVE THIS IS PROBABLY TRUE -- THAT HE WAS  
4 TRYING TO RECOOP THE MONIES THAT HE HAD LOST INITIALLY, BUT THAT  
5 RESULTED IN MORE FRAUD AND GAMBLING AND OTHER KINDS OF PROBLEMS,  
6 SO THAT IT JUST COMPOUNDED THE PROBLEM RATHER THAN AMELIORATED  
7 IT.

8 SO IT SEEMS TO THIS COURT THAT UNDER THE SENTENCING  
9 STATUTES, THE SENTENCING FACTOR SET OUT IN 5335A AND THE  
10 GUIDELINES, THE MAXIMUM AVAILABLE SENTENCE IS THE APPROPRIATE  
11 SENTENCE. AND IN THIS CASE THAT'S 240 MONTHS. SO THAT WOULD BE  
12 THE COURT'S INTENTION.

13 I KNOW THE GOVERNMENT HAS REQUESTED THAT RESTITUTION  
14 BE DETERMINED AT A HEARING TO BE SET, I GUESS, 90 DAYS OUT, OR  
15 WITHIN THAT 90 DAYS, AND THAT A SPECIAL MASTER BE APPOINTED  
16 PURSUANT TO 18 U.S.C. 3664 (D) (6).

17 WE CAN DISCUSS THAT LATER. I'LL BE HAPPY TO DO THAT,  
18 AND WE WILL DISCUSS HOW WE DO THAT. BUT THAT IS MY CURRENT  
19 PLAN.

20 SO HAVING SAID ALL OF THAT, MR. REILLY, DID YOU WISH  
21 TO BE HEARD?

22 **MR. REILLY:** THANK YOU, YOUR HONOR, BRIEFLY. AND  
23 THEN, MR. HECKSCHER ALSO WOULD LIKE TO ADDRESS BOTH THE VICTIMS  
24 AND THE COURT.

25 **THE COURT:** ALL RIGHT.

1           **MR. REILLY:** I PROBABLY CAN'T SAY WHAT I FEEL ABOUT  
2 THIS CASE ANY BETTER THAN I DID IN THE SENTENCING MEMORANDUM  
3 WHICH I SUBMITTED TO THE COURT.

4           I WOULD LIKE TO ADDRESS ONE ISSUE, IN PARTICULAR,  
5 THIS MORNING. AND THAT IS THE ISSUE OF THE GAMBLING. THE  
6 IMPRESSION THAT IS CREATED TO A CERTAIN EXTENT IN THE  
7 PRESENTENCE REPORT, I THINK, OVEREMPHASIZES THE EXTENT AND  
8 NATURE OF MR. HECKSCHER'S GAMBLING ACTIVITIES.

9           THERE'S A REFERENCE IN THERE TO THE CENTRAL CREDIT,  
10 LLC REPORT, WHICH ACTUALLY RELATES NOT TO GAMBLING ITSELF, BUT  
11 TO CREDIT INVESTIGATIONS THAT ARE DONE BY GAMING ASSOCIATIONS TO  
12 DETERMINE IF THEY ARE GOING TO ALLOW SOMEONE TO HAVE CREDIT,  
13 INDICATING THAT MR. HECKSCHER HAD CREDIT INVESTIGATIONS DONE IN  
14 ATLANTIC CITY, NEW JERSEY AND CONNECTICUT.

15           AND THE FACT OF THE MATTER IS THAT HE ACTUALLY HAS  
16 NEVER BEEN TO ATLANTIC CITY. HE DID GO TO CONNECTICUT ON ONE  
17 OCCASION ON A BASKIN-ROBBINS TRIP.

18           IT APPEARS THAT WHAT HAPPENED WITH RESPECT TO THE  
19 CASINOS IN ATLANTIC CITY AND PERHAPS SOME OF THOSE IN NEVADA, AS  
20 WELL, IS THAT A PARTICULAR GAMING COMPANY SUCH AS HARRAH'S WHICH  
21 INTENDS TO RUN A PROMOTION AT ONE OF ITS LOCATIONS OTHER THAN IN  
22 NEVADA -- AND HARRAH'S OWNS PROPERTIES ALL OVER THE COUNTRY --  
23 MAKES THE NAMES OF INDIVIDUALS AVAILABLE TO THEIR OTHER  
24 PROPERTIES.

25           THOSE PROPERTIES, THEN, INTENDING TO INVITE CERTAIN



1 PEOPLE TO PARTICIPATE RUN THESE CREDIT CHECKS.

2 AND IT APPEARS THAT THAT'S PROBABLY WHAT HAPPENED IN  
3 THIS CASE, AT LEAST WITH RESPECT TO THE ATLANTIC CITY CREDIT  
4 CHECKS.

5 I PERSONALLY, PRIOR TO THE TIME THAT MR. HECKSCHER  
6 SURRENDERED, REVIEWED ALL OF THE RECORDS RELATING TO BOTH THE  
7 INVESTORS' MONEY IN, THE INVESTORS' MONEY OUT AND THE BANK  
8 RECORDS.

9 AND IT'S FAIRLY STRAIGHTFORWARD CALCULATION MONTH TO  
10 MONTH OF WHAT WENT IN AND WHAT WENT OUT AND KEPT METICULOUS  
11 RECORDS OF WHERE THAT MONEY WENT. AND IT DOES APPEAR THAT A  
12 SIGNIFICANT AMOUNT OF MONEY WAS SPENT ON GAMBLING. AND I DON'T  
13 MEAN TO MINIMIZE THAT IN ANY WAY. BUT IT PROBABLY WASN'T MORE  
14 THAN ABOUT TEN PERCENT OF THE LOSS IN THIS CASE.

15 IT'S NOT A SITUATION WHERE MR. HECKSCHER GAMBLED AWAY  
16 THE BULK OF THE MONEY. MOST OF THE MONEY DID GO BACK TO  
17 INVESTORS IN THE FORM OF EITHER INTEREST PAYMENTS OR REPAYMENT  
18 OF PRINCIPAL.

19 AND THAT WAS PARTICULARLY TRUE IN THE LAST SEVERAL  
20 YEARS OF THIS PROCESS. AS THE AMOUNT OF MONEY THAT HE NEEDED TO  
21 MAKE THOSE PAYMENTS CONTINUED TO INCREASE, HE GENERALLY WAS ABLE  
22 TO OBTAIN ONLY ENOUGH TO MAKE THOSE PAYMENTS TO THOSE OTHER  
23 INDIVIDUALS.

24 AND TO THE EXTENT THAT HE DID WIN OCCASIONALLY IN  
25 GAMBLING, INCLUDING ONE TIME WHEN HE WON A MILLION DOLLAR

1 TOURNAMENT, THAT MONEY WENT BACK INTO THE SAME ACCOUNT WITH THE  
2 INVESTOR MONEY AND WAS USED TO REPAY THE INVESTORS.

3 AND, IN FACT, MR. HECKSCHER ALSO TOOK A SIGNIFICANT  
4 PORTION OF HIS INCOME OTHERWISE, HIS OWN MONEY THAT HE WAS  
5 EARNING FROM HIS TAX KEEPING AND ACCOUNTING BUSINESS, AND USED  
6 THAT TO ALSO REPAY INVESTORS AND TOOK OUT MORTGAGES, SECOND  
7 MORTGAGES ON HIS HOME, HIS PRIMARY HOME AND HIS RENTAL PROPERTY  
8 AND ALSO TOOK OUT LINES OF CREDIT AND CREDIT CARD DEBT,  
9 SOMETHING ON THE ORDER OF \$500,000 FOR THE PURPOSE OF MAKING  
10 THOSE PAYMENTS.

11 TO THE EXTENT -- AND THIS IS NOT TO IN ANY WAY  
12 MINIMIZE OR JUSTIFY THE USE OF THIS MONEY FOR GAMBLING -- BUT TO  
13 THE EXTENT THAT HE DID IT, IT WAS FOR THE PURPOSE OF TRYING TO  
14 RECOOP RATHER THAN SIMPLY SELF-AGGRANDIZEMENT.

15 AND, SECONDLY, UNLIKE MOST OF THESE SITUATIONS WHERE  
16 WE SEE --

17 **THE COURT:** CAN YOU SPEAK RIGHT INTO THAT MIC?

18 **MR. REILLY:** UNLIKE MOST OF THESE SITUATIONS WHERE WE  
19 SEE INDIVIDUALS USING THE MONEY THAT THEY OBTAIN FROM INVESTORS  
20 FOR EXTRAVAGANT LIFESTYLES, BUYING FANCY HOMES, FANCY CARS,  
21 AIRPLANES, BOATS, TAKING EXTENSIVE TRAVELING VACATIONS AND SO  
22 FORTH, IT'S PRETTY CLEAR THAT MR. HECKSCHER NEVER USED ANY OF  
23 THIS MONEY FOR HIS OWN PERSONAL PURPOSES.

24 THEY LIVED IN A MODEST HOME. THEY DROVE MODEST CARS.  
25 THEY NEVER TOOK VACATIONS. HE WORKED SIX OR SEVEN DAYS EVERY

1 WEEK.

2 AND SO TO THE EXTENT THAT MOST OF THESE TYPES OF  
3 SITUATIONS ARE DESIGNED FOR INDIVIDUALS TO GAIN THE BENEFIT OF  
4 THIS MONEY FOR THEMSELVES, MR. HECKSCHER'S SITUATION IS UNUSUAL  
5 IN THAT HE DID NOT DO THAT.

6 I DID PROVIDE TO THE COURT IN THE SENTENCING  
7 MEMORANDUM A FAIRLY COMPLETE SURVEY OF SIMILAR CASES FROM AROUND  
8 THE COUNTRY, FEDERAL CASES, AND BOTH THE LOSS, IN TERMS OF THE  
9 LOSSES, THE NATURE OF THE CASES AND THE SENTENCES THAT WERE  
10 IMPOSED.

11 IT DOES APPEAR THAT OUT OF ALL OF THOSE CASES THERE  
12 WAS ONLY ONE OTHER, THE SCHNEIDER CASE, IN WHICH THAT  
13 CIRCUMSTANCE WAS SOMEWHAT SIMILAR THAT ALL OF THE MONEY WENT  
14 BACK TO THE INVESTORS.

15 AND I WOULD SIMPLY ASK THE COURT TO TAKE THOSE  
16 FACTORS INTO CONSIDERATION IN DETERMINING AN APPROPRIATE  
17 SENTENCE IN THIS CASE, AND TO MAKE IT, INSOFAR AS IT'S  
18 REASONABLY POSSIBLE TO DO SO, FIT WITHIN THE CONTEXT OF SIMILAR  
19 PUNISHMENT FOR SIMILAR CONDUCT.

20 **THE COURT:** ALL RIGHT. THANK YOU.

21 **MR. REILLY:** THANK YOU.

22 **THE COURT:** MR. LUCEY?

23 **MR. LUCEY:** YOUR HONOR, I THINK THE GOVERNMENT'S  
24 ALREADY BEEN AS COMPLETE AS IT COULD BE IN ITS PAPERS. I WOULD  
25 JUST ADD TWO POINTS TO AGAIN CALL THE COURT'S ATTENTION TO.

1           **THE COURT:** OH, MR. LUCEY, THEY CAN'T HEAR YOU. CAN  
2 YOU SPEAK INTO THE MIC?

3           **MR. LUCEY:** YOUR HONOR, AGAIN, THE GOVERNMENT HAS  
4 TRIED TO BE AS COMPLETE AS IT COULD BE IN ITS PAPERS SUBMITTED  
5 EARLIER THIS WEEK. BUT TWO POINTS TO JUST CALL THE COURT'S  
6 ATTENTION TO. ONE, I THINK THE STATUTORY MAXIMUM IS CALLED FOR  
7 FOR, AMONG OTHER REASONS, WHAT CAUGHT THE GOVERNMENT'S  
8 PARTICULAR ATTENTION IN LEADING UP TO THE SENTENCING WAS REALLY  
9 ONE OF THE MOST INSIDIOUS AND REALLY DISHEARTENING THINGS ABOUT  
10 EVALUATING MR. HECKSCHER'S FRAUD WAS THAT EVEN AFTER THE STOCK  
11 MARKET CRASH, EVENTUAL CRISIS HIT 2008, AND REDEMPTION STARTED  
12 FLOWING IN, AND PEOPLE STARTED -- HIS INVESTORS STARTING GETTING  
13 THEIR MONEY BACK AND REPAYMENT OF PRINCIPAL WAS GOING ON, EVEN  
14 THEN GOING INTO 2009, MR. HECKSCHER WAS STILL IDENTIFYING NEW  
15 INVESTORS, STILL TAKING MONEY FROM NEW INVESTORS SIMPLY TO AVOID  
16 DETECTION TO PAY BACK OTHER EXISTING INVESTORS.

17           EVEN AT THE VERY END, LITERALLY WITHIN MONTHS OF  
18 COMING IN TO SEE THE FBI AND FINALLY CONFESSING TO WHAT HE HAD  
19 DONE FOR 30 YEARS, HE WAS STILL TAKING IN NEW INVESTOR MONEY.  
20 AND THAT IS, PERHAPS, THE MOST EGREGIOUS PART IN SOME WAYS OF  
21 HIS CONDUCT.

22           EVEN AT THE VERY END, RIGHT UP TO THE LAST WEEKS AND  
23 MONTHS OF THIS SCHEME HE STILL WAS TAKING IN AND EFFECTING NEW  
24 PEOPLE AND ADDING TO HIS VICTIM ROSTER.

25           SECOND THING I WOULD ADD, YOUR HONOR, IS THAT WHILE I

1 CERTAINLY TAKE EVERYTHING THAT MR. REILLY SAID AT FACE VALUE,  
2 AND I THINK ULTIMATELY IT'S GOING TO BE DIFFICULT FOR THE  
3 GOVERNMENT, DEFENSE, PROBATION AND THIS COURT TO KNOW EXACTLY  
4 HOW MUCH MONEY WAS GAMBLLED OVER THE COURSE OF THIS FRAUD, GIVEN  
5 THE FACT WE'RE TALKING ABOUT A 30-YEAR SPAN FOR WHICH GOOD  
6 DOCUMENTATION MAY NO LONGER EXIST FOR HIS ACTIVITY IN THE 70'S,  
7 80'S AND EVEN INTO THE '90'S, AND THEY WOULD REALLY ONLY HAVE  
8 DOCUMENTATION FOR THE LAST SIX OR SEVEN YEARS OF THE FRAUD.

9 THE GOVERNMENT WOULD NOTE THAT WHILE MR. HECKSCHER --  
10 MR. REILLY IS RIGHT. MR. HECKSCHER DOES NOT APPEAR TO HAVE  
11 SPENT INVESTOR MONEY ON SECOND HOMES OR CARS OR JEWELRY.

12 IN SOME WAYS THAT MAKES THIS CRIME EVEN WORSE,  
13 BECAUSE THERE'S NOTHING LEFT FOR THE GOVERNMENT TO SEIZE.  
14 THERE'S NO FERRARI. THERE IS NO HOME IN LAKE TAHOE OR IN MALIBU  
15 FOR THE GOVERNMENT NOW TO SEIZE AND SELL FOR THE BENEFIT OF THE  
16 VICTIMS.

17 THAT MONEY WAS GAMBLLED AWAY, FRITTERED AWAY AT THE  
18 CASINOS IN LAKE TAHOE AND LAS VEGAS. AND THAT MONEY IS PROBABLY  
19 MOST LIKELY -- MORE LIKELY THAN NOT GONE FOREVER.

20 AND THAT, IN SOME WAYS, MAKES THIS CRIME EVEN WORSE,  
21 THE GOVERNMENT BELIEVES, THAN SOME OF THE OTHER CRIMES AND  
22 DEFENDANTS THAT HAVE BEEN IN FRONT OF THIS COURT AND IN FRONT OF  
23 THE DISTRICT COURTS AROUND THE COUNTRY IN THE LAST 18 MONTHS.

24 SO WITH THAT THE GOVERNMENT WOULD SUBMIT, YOUR HONOR.  
25

1                   **THE COURT:** ALL RIGHT. THANK YOU.

2                   MR. HECKSCHER, DID YOU WANT TO SAY SOMETHING BEFORE I  
3 SENTENCE YOU?

4                   **MR. REILLY:** YOUR HONOR, MR. HECKSCHER WOULD LIKE TO  
5 BOTH ADDRESS THE VICTIMS AND ADDRESS THE COURT, IF HE MAY.

6                   **THE DEFENDANT:** TO THOSE OF YOU I VICTIMIZED: THE  
7 WORDS I AM ABOUT TO DELIVER ARE NOT MEANT TO SOLICIT YOUR  
8 SYMPATHY, NOR ARE THEY MEANT TO MINIMIZE, IN ANY WAY, THE CRIME  
9 I COMMITTED OR THE PAIN I INFLICTED ON YOU.

10                   I ASK FOR 20 MINUTES OF YOUR TIME. AND AS HARD AS IT  
11 MIGHT BE UNDER THE CURRENT CIRCUMSTANCES, I ASK YOU TO TRY TO  
12 KEEP AN OPEN MIND AS YOU LISTEN TO MY WORDS.

13                   I HAVE THREE OBJECTIVES. ONE: TO APOLOGIZE TO YOU.

14                   TWO: TO TRY TO CONVINCING YOU WITH FACTS THAT THE  
15 APOLOGY IS SINCERE AND HEARTFELT.

16                   AND, THREE: TO SHARE SOME THOUGHTS, WHICH, TO  
17 WHATEVER MINUTE DEGREE POSSIBLE, I HOPE RELIEVES JUST A LITTLE  
18 TINY BIT OF THE ANGER AND PAIN THAT I HAVE EXPOSED YOU TO.

19                   EVERY WORD YOU WILL HEAR IS MINE, AND EVERY WORD  
20 COMES FROM MY HEART.

21                   I CANNOT FIND MORE ELOQUENT WORDS, NOR A MORE  
22 EFFECTIVE WAY, TO EXPRESS THE DEEP SORROW AND REGRET THAT I FEEL  
23 EVERY DAY FOR SO GROSSLY ABUSING YOUR TRUST, OTHER THAN TO  
24 SIMPLY AND CLEARLY SAY: I AM TRULY AND SINCERELY SORRY FOR THE  
25 PAIN I HAVE CAUSED YOU.

1 AS MUCH AS WE WOULD BOTH LIKE FOR ME TO GO BACK IN  
2 TIME AND REVERSE ALL THAT I HAVE DONE TO YOU, OBVIOUSLY,  
3 UNFORTUNATELY AND REGRETTABLY, I CANNOT.

4 ALL I CAN DO NOW IS APOLOGIZE, AND IF ALLOWED, TRY TO  
5 MAKE AMENDS.

6 I CAN HONESTLY TELL YOU THAT IT WAS NEVER MY  
7 INTENTION TO CAUSE YOU ANY HARM, FINANCIAL OR OTHERWISE. I  
8 FULLY INTENDED, AND UNTIL THE VERY END TRULY BELIEVED, I COULD  
9 PAY BACK IN FULL ANY AND ALL AMOUNTS I HAD BORROWED FROM YOU.

10 AS I REFLECT BACK IN TIME NOW, IT IS AS INCONCEIVABLE  
11 TO ME, AS IT MUST BE TO YOU, THAT MY STATE OF DENIAL WAS SO  
12 DEEP, THAT IT NEVER ALLOWED ME TO GRASP, FULLY COMPREHEND OR  
13 ACCEPT THE DEPTH OF THE FINANCIAL BLACK HOLE I CONTINUED TO SINK  
14 DEEPER AND DEEPER INTO WITH EACH PASSING DAY.

15 THE BRUTAL, STARK REALIZATION THAT I WOULD NEVER BE  
16 ABLE TO REPAY ALL THAT I HAD BORROWED FROM YOU DID NOT HIT ME OR  
17 SET IN UNTIL THE VERY END.

18 AT THE TIME REALITY SLAPPED ME ACROSS THE FACE WHEN I  
19 COULD NO LONGER AVOID OR DENY WHAT SHOULD HAVE BEEN OBVIOUS  
20 MUCH, MUCH EARLIER.

21 MY DESPAIR, GUILT, SHAME AND FEAR WERE TO SUCH  
22 OVERWHELMING HEIGHTS THAT I WAS ABLE TO CONVINCED MYSELF THAT THE  
23 MOST SENSIBLE AND LOGICAL RESOLUTION FOR ALL WOULD BE FOR ME TO  
24 TAKE AN OVERDOSE OF PRESCRIPTION SLEEPING PILLS AND END MY LIFE.

25 AFTER A LOT OF SOUL SEARCHING, I REALIZE NOW THAT

1 WHAT I BELIEVED TO BE SENSIBLE AND LOGICAL AT THE TIME WAS  
2 ACTUALLY A DESPERATE, ILLOGICAL, IRRATIONAL, COWARDLY AND  
3 COMPLETELY SELFISH ACT ON MY PART.

4 AS FATE WOULD HAVE IT, PARAMEDICS ARRIVED IN TIME TO  
5 SAVE MY LIFE. AS I LAY IN MY HOSPITAL BED, REFUSING TO EAT OR  
6 DRINK, STILL DETERMINED TO DIE, SHEER HORROR SET IN AT THE  
7 THOUGHT OF SURVIVING AND NEVER SEEING MY FAMILY AGAIN DUE TO THE  
8 HELL I HAD JUST PUT THEM THROUGH AND THE SHOCK AND SHAME I WAS  
9 ABOUT TO BESTOW ON THEM AS MY DECADES LONG SECRET WAS ABOUT TO  
10 BE EXPOSED.

11 AMAZINGLY AND THANKFULLY, AFTER WHAT FELT LIKE AN  
12 ETERNITY, THEY ALL APPEARED. AND IT WAS DURING THAT INITIAL  
13 VISIT THAT MY DAUGHTER -- I CAN'T DO IT.

14 IT WAS DURING THAT INITIAL VISIT THAT MY DAUGHTER  
15 BRAVELY SPOKE THE FATEFUL WORDS THAT WOULD CHANGE EVERYTHING FOR  
16 ME, WORDS THAT WOULD GREATLY INFLUENCE THESE WORDS AND MY  
17 DEMEANOR AS I APPEAR BEFORE YOU TODAY.

18 DADDY'S LITTLE GIRL, SITTING AT THE EDGE OF MY  
19 HOSPITAL BED, TEARS STREAMING DOWN HER CHEEKS, WAS ABLE TO  
20 VERBALIZE HER UNCONDITIONAL FORGIVENESS FOR ANYTHING I HAD DONE,  
21 OR ANYTHING I MIGHT DO, WITH THE SOLE EXCEPTION OF MY REMOVING  
22 MYSELF FROM HER LIFE, THEREBY DEPRIVING HER OF HER DAD.

23 HER WORDS AND HER LOVE SNAPPED ME BACK INTO REALITY.  
24 AND IT WAS AT THAT VERY MOMENT, THROUGH THE TEARS AND THE HUGS,  
25 THAT MY MIRACULOUS AND FATEFUL SECOND CHANCE AT LIFE SUDDENLY



1 HAD NEW MEANING AND, JUST AS SUDDENLY, HAD A NEW PURPOSE.

2 I IMMEDIATELY STOPPED FEELING SORRY FOR MYSELF. I  
3 NOT ONLY RESOLVED TO LIVE, BUT RESOLVED TO LIVE HONESTLY AND  
4 HONORABLY BY TAKING FULL AND COMPLETE RESPONSIBILITY FOR MY  
5 CRIME, AS WELL AS ACCEPT ANY AND ALL CONSEQUENCES MY CRIME WOULD  
6 GENERATE.

7 I MADE A COMMITMENT TO MYSELF, TO MY FAMILY AND TO  
8 GOD THAT STARTING THAT VERY INSTANT I WOULD DEVOTE THE REST OF  
9 MY LIFE TO DOING ANYTHING AND EVERYTHING HUMANLY POSSIBLE TO  
10 MITIGATE THE DAMAGE I HAD CAUSED AND TO MINIMIZE THE PAIN I HAD  
11 INFLECTED.

12 AND I PRAYED AND CONTINUE PRAYING DAILY, THAT BY  
13 DOING SO, SOME DAY I WOULD MAKE MY FAMILY AND FRIENDS PROUD OF  
14 ME AGAIN.

15 ALL THOSE THAT ARE ABOUT TO BE SENTENCED ARE AFFORDED  
16 THE OPPORTUNITY TO APOLOGIZE TO THEIR VICTIMS, JUST AS I AM  
17 DOING RIGHT NOW. IT IS UP TO YOU, THE RESPECTIVE VICTIMS, TO  
18 GAUGE THE SINCERITY OF ANY APOLOGY BY THE CORRESPONDING ACTIONS  
19 THAT ARE TAKEN, AS ACTIONS ALWAYS SPEAK LOUDER THAN WORDS.

20 CONSIDERING THE CIRCUMSTANCES, I EXPECT, AND I  
21 UNDERSTAND, THAT SOME OF YOU WILL NOT BELIEVE A SINGLE WORD I  
22 SAY HERE TODAY. YOU WILL DISCOUNT ANY POSITIVE ACTIONS I HAVE  
23 TAKEN. AS MUCH AS I AM TRYING TO CONTROL THEM, YOU WILL ASSUME  
24 ANY EMOTIONS I MAY DISPLAY ARE REHEARSED AND STAGED, AND YOU  
25 WILL NEVER CONSIDER, MUCH LESS ACCEPT, ANY APOLOGY I MAKE.

1 THE OPTIMIST IN ME WANTS TO BELIEVE THAT THERE ARE  
2 OTHERS AMONGST YOU WHO ARE OPEN TO HEARING WHAT I HAVE TO SAY  
3 BEFORE FORMULATING ANY FINAL CONCLUSIONS.

4 TO THOSE OF YOU I ASK AS YOU DETERMINE THE SINCERITY  
5 OF MY APOLOGY AND REMORSE, TO PLEASE CONSIDER THE CHOICES AND  
6 DECISIONS I HAVE MADE, AND THE ACTIONS I HAVE TAKEN, STARTING  
7 THE DAY MY FAMILY STOOD BY ME, AND FROM THE INSTANT MY LITTLE  
8 GIRL SPOKE THOSE HEART WRENCHING AND LIFE-ALTERING WORDS TO ME.

9 A SAMPLING OF THOSE CHOICES, DECISIONS AND ACTIONS  
10 INCLUDE THE FOLLOWING, IN CHRONOLOGICAL ORDER: WHILE STILL IN  
11 THE HOSPITAL, I RETAINED COUNSEL FOR THE SOLE AND SPECIFIC  
12 PURPOSE OF ARRANGING MY VOLUNTARY SURRENDER TO THE PROPER  
13 AUTHORITIES.

14 THE TIME HAD COME TO ADMIT, FULLY DIVULGE AND BRING  
15 TO A CONCLUSION MY DEEP, DARK, NASTY, DECADES OLD SECRET.

16 WITHIN DAYS OF BEING RELEASED FROM THE HOSPITAL, I  
17 VOLUNTARILY TURNED MYSELF IN TO THE FBI AND U.S. ATTORNEY  
18 WITHOUT ANY PREARRANGED DEALS OR CONDITIONS.

19 AT THE INITIAL THREE-HOUR MEETING, I VOLUNTARILY  
20 DIVULGED EVERY DETAIL OF MY CRIME, AND I TRUTHFULLY ANSWERED  
21 EVERY QUESTION THAT WAS ASKED OF ME.

22 AT THAT INITIAL MEETING, I PROVIDED A COMPLETE  
23 CONTACT LIST OF VICTIMS WHICH ENABLED THE AUTHORITIES TO CONTACT  
24 YOU QUICKLY AND EFFICIENTLY.

25 AT THAT INITIAL MEETING, I TURNED OVER DECADES WORTH

1 OF COMPLETE AND ACCURATE FINANCIAL RECORDS THAT CLEARLY DETAILED  
2 EVERY DEPOSIT MADE AND EVERY CHECK WRITTEN OVER THE YEARS.

3 I WENT TO THAT INITIAL MEETING PREPARED TO BE TAKEN  
4 INTO IMMEDIATE CUSTODY, BUT THE AUTHORITIES DETERMINED THAT  
5 SINCE I HAD COME FORWARD VOLUNTARILY AND SINCE I WAS NOT A  
6 FLIGHT RISK, DETENTION WAS PREMATURE.

7 IN THE FOUR LONG MONTHS THAT FOLLOWED BETWEEN MY  
8 VOLUNTARY SURRENDER IN MID-JUNE AND MY ARRAIGNMENT HEARING AT  
9 THE END OF OCTOBER, I MADE MYSELF AVAILABLE TO THE AUTHORITIES  
10 AT ALL TIMES, AND I COOPERATED IN EVERY WAY.

11 FEELING A PRESSING NEED AND A BURNING DESIRE TO  
12 APOLOGIZE TO YOU AT MY FIRST OPPORTUNITY I COMPOSED AN APOLOGY  
13 LETTER THAT, UNFORTUNATELY, WAS NEVER DISTRIBUTED AS I WAS  
14 SUBSEQUENTLY ASKED NOT TO INITIATE CONTACT WITH ANY OF THE  
15 VICTIMS.

16 AT THE ARRAIGNMENT HEARING ON OCTOBER 30TH OF LAST  
17 YEAR, I DECIDED TO PLEAD GUILTY IMMEDIATELY IN ORDER FOR ALL TO  
18 FOREGO THE COST, TIME, EFFORT AND STRESS OF A TRIAL.

19 AT THAT SAME ARRAIGNMENT HEARING, I DECIDED NOT TO  
20 EXPEND ANY FUNDS BY REQUESTING BAIL, WHICH IF GRANTED, WOULD  
21 HAVE ALLOWED ME TO REMAIN FREE UNTIL TODAY. INSTEAD, I WAS  
22 TAKEN INTO IMMEDIATE CUSTODY AND BEGAN TO SERVE THE SENTENCE  
23 THAT WILL BE RENDERED LATER THIS AFTERNOON.

24 ALL OF THOSE CHOICES, DECISIONS AND ACTIONS ENABLED  
25 THE INVESTIGATIVE AND LEGAL PROCESSES TO ADVANCE DRAMATICALLY

1 FASTER AND MORE EFFICIENTLY THAN USUAL, AND I WOULD HOPE ARE A  
2 CLEAR, UNMISTAKABLE INDICATION OF THE SINCERITY OF MY APOLOGY  
3 AND THE DEPTH OF MY RESPONSE.

4 WHILE THAT BRINGS US CURRENT CHRONOLOGICALLY, THAT IS  
5 NOT WHERE MY CHOICES AND ACTIONS STOP.

6 AS I MAKE THIS APOLOGY TO YOU, AND AS I AM READY TO  
7 ACCEPT AND FULFILL WHATEVER SENTENCE IS DEEMED APPROPRIATE AND  
8 JUST, I COMMIT TO EACH AND EVERY ONE OF YOU THAT FOR HOWEVER  
9 MANY PRODUCTIVE DAYS I HAVE LEFT ON THIS EARTH, IF GIVEN THE  
10 OPPORTUNITY, I WILL WORK LONG AND HARD, AS I ALWAYS HAVE AND AS  
11 YOU KNOW I CAN, IN ORDER TO PAY DOWN, AS MUCH AS HUMANLY  
12 POSSIBLE, THE AMOUNT OF RESTITUTION I OWE ALL OF YOU.

13 TO THAT END, I AM OFFERING TO HAVE FIFTY PERCENT OF  
14 ANY TAKE HOME PAY WITHHELD AND APPLIED TOWARDS RESTITUTION,  
15 THEREBY VOLUNTARILY DOUBLING THE CURRENT MAXIMUM 25 PERCENT  
16 WITHHOLDING REQUIREMENT.

17 IN ADDITION, I AM ALSO OFFERING TO HAVE THE  
18 RESTITUTION ORDER LAST THE REST OF MY LIFE, THEREBY NOT  
19 AUTOMATICALLY HAVING IT TERMINATE, AS IS CUSTOMARY, AT THE  
20 CONCLUSION OF MY SOON-TO-BE-DETERMINED PRISON SENTENCE AND THE  
21 SUBSEQUENT THREE-YEAR PERIOD OF SUPERVISED RELEASE.

22 DEPENDING ON A NUMBER OF FACTORS THAT ARE YET TO BE  
23 DETERMINED, BOTH THOSE VOLUNTARY OFFERS COULD HAVE SIGNIFICANT,  
24 POSITIVE FINANCIAL IMPACT ON ANY RESTITUTION REDUCTION.

25 REALISTICALLY, ALL OF US NEED TO ACCEPT THE FACT THAT

1 NO MATTER HOW LONG OR HOW HARD I WORK, I WILL NOT LIVE LONG  
2 ENOUGH TO EVER PAY OFF IN FULL THE TOTAL AMOUNT OF RESTITUTION I  
3 OWE YOU. BUT IF YOU BELIEVE IN THE NOTION THAT SOMETHING IS  
4 BETTER THAN NOTHING, PLEASE BE ASSURED THAT, IF GIVEN THE  
5 OPPORTUNITY, I AM MOTIVATED, DETERMINED AND FULLY COMMITTED TO  
6 MAKE WHATEVER EFFORTS AND SACRIFICES I HAVE WITHIN ME, TO  
7 MAXIMIZE THAT SOMETHING WHILE AT THE SAME TIME REDUCING THE  
8 RESTITUTION BALANCE AS MUCH AS POSSIBLE.

9 AT THIS POINT IN TIME, I WOULD LIKE TO CHANGE  
10 DIRECTIONS WHICH WILL LEAD UP TO A REQUEST I WANT TO MAKE OF  
11 YOU.

12 DURING THESE LAST 12 MONTHS, I HAVE HAD THE  
13 OPPORTUNITY TO WATCH MORE DAYTIME TELEVISION THAN I EVER HAD, OR  
14 EVER WANTED TO.

15 DURING A TELECAST OF AN OPRAH WINFREY SHOW, I PICKED  
16 UP ON A PEARL OF WISDOM WHICH, I BELIEVE, MIGHT BE PERFECTLY  
17 RELEVANT HERE TODAY. I WOULD LIKE TO SHARE IT WITH YOU, HAVE  
18 YOU CONSIDER IT, AND THEN, HOPEFULLY, HAVE YOU FIND IT  
19 COMPELLING ENOUGH TO EMBRACE IT, AND THEN ACT ON IT.

20 ACTRESS AND AUTHOR MCKENZIE PHILLIPS SHARED HOW, AS  
21 HER ABUSIVE FATHER WAS NEARING THE END OF HIS LIFE, SHE MADE THE  
22 DIFFICULT AND AGONIZING DECISION TO FORGIVE HIM FULLY FOR ALL  
23 THE HIDEOUS DEEDS AND ACTS HE HAD INFLICTED ON HER THROUGHOUT  
24 HER LIFETIME.

25 MISS PHILLIPS STRESSED AND EMPHASIZED THAT, AFTER A

1 LIFETIME OF THERAPY AND A LOT OF SOUL SEARCHING, SHE DECIDED TO  
2 FORGIVE HER FATHER, NOT IN ANY WAY FOR HIS SAKE, BUT RATHER SHE  
3 FORGAVE HIM STRICTLY FOR HER BENEFIT AND WELL-BEING.

4 BY HAVING CONFRONTED HER DEMONS, BY HAVING DEALT WITH  
5 HER ANGER AND PAIN, ALL CULMINATING WITH GRANTING HER FATHER  
6 FORGIVENESS, SHE HAD FINALLY ATTAINED A REAL SENSE OF CLOSURE,  
7 AND HAD THEREBY SUBSTANTIALLY INCREASED THE ODDS OF LIVING OUT  
8 THE REST OF HER LIFE MORE COMFORTABLY AND MORE PEACEFULLY.

9 THE DICTIONARY DEFINES "CLOSURE" AS, I QUOTE:

10 "A CONCLUSION TO A TRAUMATIC EVENT OR EXPERIENCE  
11 IN A PERSON'S LIFE," END QUOTE.

12 DECIDING WHEN, OR EVEN IF, ONE IS READY TO EMBRACE,  
13 WORK AT AND ATTAIN CLOSURE IS A PERSONAL AND INDIVIDUAL CHOICE  
14 THAT, FORTUNATELY, EACH AND EVERY ONE OF US HAS COMPLETE CONTROL  
15 OVER.

16 FOR SOME OF YOU, ATTENDING THE ARRAIGNMENT HEARING ON  
17 OCTOBER 30TH, AND/OR ATTENDING TODAY'S SENTENCING HEARING, MIGHT  
18 HELP YOU REACH THAT SENSE OF CLOSURE, ESPECIALLY IF YOU WERE  
19 ABLE TO EXPRESS YOUR FEELINGS ABOUT ME AND VERBALIZE SOME OF  
20 YOUR ANGER AND PAIN.

21 ANOTHER FACTOR THAT MIGHT HELP YOU ATTAIN CLOSURE IS  
22 DISCOVERING ABOUT THE JUSTICE THAT HAS ALREADY TAKEN PLACE AS I,  
23 TOTALLY DUE TO MY ACTIONS, HAVE LOST EVERYTHING I EVER OWNED,  
24 INCLUDING MY HOME AND THE BUSINESSES I NURTURED FOR OVER 30  
25 YEARS.

1           IN ADDITION, WITH THE EXCEPTION OF MY CHILDREN, MY  
2 YOUNGER BROTHER, AND SOME DEAR AND LOYAL FRIENDS, I HAVE ALSO  
3 LOST EVERYTHING I HAVE EVER TREASURED, VALUED OR LOVED,  
4 INCLUDING MY LITTLE SISTER, YOUR TRUST, AND IN SOME CASES ALSO  
5 YOUR FRIENDSHIP, MY INTEGRITY AND MY CREDIBILITY, TREASURED  
6 FRIENDS. AND THE MOST PAINFUL LOSS OF ALL, OF THAT MY SOULMATE,  
7 MY BEST FRIEND, MY WIFE, WHO, LIKE YOU, WAS AN INNOCENT VICTIM  
8 OF MY PONZI SCHEME.

9           FINALLY, CLOSURE MIGHT BE CLOSER AT HAND BY KNOWING  
10 THAT I PERPETRATED THIS CRIME OUT OF INITIAL DESPERATION AND  
11 DURING A 30-YEAR STATE OF SELF-INDUCED DENIAL, WHICH ENDED UP  
12 DESTROYING MY LIFE, BOTH LITERALLY AND FIGURATIVELY. I NEVER  
13 MEANT TO HURT YOU AND I NEVER BENEFITTED FROM THIS CRIME IN ANY  
14 WAY.

15           I LIVE WITH, AND AM TORTURED BY THE KNOWLEDGE THAT I  
16 HAVE SCARRED YOU EMOTIONALLY AND WOUNDED YOU FINANCIALLY, WITH  
17 SOME WOUNDS BEING SUPERFICIAL, SOME LIFE ALTERING, AND  
18 TRAGICALLY, SOME LIFE THREATENING.

19           I ACKNOWLEDGE, AND I FEEL YOUR COLLECTIVE PAIN EVERY  
20 DAY.

21           SO NOW FOR MY REQUEST: ASSUMING YOU HAVE ACCEPTED  
22 THE REALITY THAT I CANNOT REVERSE ALL THAT I HAVE DONE TO YOU,  
23 AND IN ORDER TO MOVE ON AND MAKE THE MOST OF THE REST OF YOUR  
24 LIFE, I RESPECTFULLY, AND WITH THE UTMOST OF HUMILITY, REQUEST  
25 THAT YOU EMBRACE THE CONCEPT, WORK DILIGENTLY THROUGH YOUR PAIN

1 AND ANGER, AND THEN ATTAIN A REAL SENSE OF CLOSURE BY FORGIVING  
2 ME. YOU SHOULD NOT, AND NEED NOT, FORGIVE ME IN ANY WAY FOR MY  
3 BENEFIT, AS I WILL NEVER FORGIVE MYSELF, BUT RATHER FORGIVE ME  
4 STRICTLY AND TOTALLY FOR YOUR SAKE, FOR YOUR BENEFIT, FOR YOUR  
5 SANITY, FOR YOUR PEACE OF MIND, FOR YOUR HEALTH.

6 IF IT HELPS NAVIGATE YOUR JOURNEY TOWARDS EVENTUAL  
7 CLOSURE, FOR THOSE OF YOU WHO WOULD BE RECEPTIVE, AND FOR THOSE  
8 OF YOU WHO MIGHT FIND IT BENEFICIAL, ASSUMING I AM ALLOWED TO, I  
9 WOULD WELCOME THE OPPORTUNITY TO ANSWER ANY QUESTIONS YOU MAY  
10 HAVE AS WELL AS TO APOLOGIZE TO YOU AGAIN, PERSONALLY, IN  
11 WHATEVER MANNER BECOMES MOST FEASIBLE AND PRACTICAL.

12 IN CONCLUSION, REGARDLESS OF WHAT HAPPENS NEXT HERE  
13 TODAY, MY ALL ENCOMPASSING COMMITMENT TO LIVE OUT THE REST OF MY  
14 DAYS BY EXPRESSING MY DEEP, SINCERE SORROW AND REMORSE WITH  
15 WORDS THAT ARE FULLY SUBSTANTIATED BY THE DECISIONS I MAKE AND  
16 THE ACTION I TAKE, WILL CONTINUE FULL SPEED AHEAD, UNINTERRUPTED  
17 AND UNDETERRED.

18 AND AS AN INTEGRAL PART OF THAT COMMITMENT, I AM  
19 WILLING, ABLE AND READY TO REPEAT IN WORDS, AS LOUDLY AND AS  
20 OFTEN AS YOU MAY NEED ME TO: I AM TRULY AND SINCERELY SORRY FOR  
21 THE PAIN I HAVE CAUSED YOU. I AM TRULY AND SINCERELY SORRY FOR  
22 THE PAIN I HAVE CAUSED YOU.

23 YOUR HONOR: I WOULD LIKE TO MENTION AGAIN, THAT THE  
24 WORDS I AM ABOUT TO DELIVER ARE NOT MEANT TO MINIMIZE IN ANY WAY  
25 THE CRIME I COMMITTED OR THE PAIN I INFLICTED ON VICTIMS.



1 I RECITE MY WORDS WITH THE UNDERSTANDING OF WHAT THE  
2 ADVISORY SENTENCING GUIDELINES CALL FOR AS PUNISHMENT FOR MY  
3 CRIME.

4 I ALSO RECITE MY WORDS CLINGING TO THE HOPE THAT YOU  
5 SUBSCRIBE TO THE CONCEPT OF SENTENCING THE INDIVIDUAL AS OPPOSED  
6 TO THE CRIME WHEN CIRCUMSTANCES WARRANT IT.

7 MY OBJECTIVE IS TO TRY TO CONVINCING YOU THAT THIS CASE  
8 DOES WARRANT THAT CONSIDERATION, AND THAT ALL STAKEHOLDERS  
9 STAND TO BENEFIT SHOULD YOU CHOOSE TO EXERCISE THE ULTIMATE  
10 DISCRETION THAT YOU POSSESS IN REGARDS TO THE LENGTH AND TERMS  
11 OF MY SENTENCE.

12 HAVING SAID THAT, AND WITH YOUR PERMISSION, I AM  
13 READY TO ADDRESS THE COURT.

14 YOUR HONOR: BY GROSSLY ABUSING THE TRUST OF MANY,  
15 INCLUDING CLIENTS, FRIENDS AND EVEN FAMILY, I COMMITTED A  
16 TERRIBLE CRIME WHICH INFLICTED FINANCIAL PAIN AND HARDSHIP ON  
17 MANY INNOCENT VICTIMS.

18 MY CRIME STEMMED FROM AN ILLOGICAL, IRRATIONAL AND  
19 DESPERATE ATTEMPT TO RECOVER FINANCIALLY FROM SOME LARGE LOSSES  
20 IN THE COMMODITY MARKETS SOME 30 YEARS AGO.

21 A REASONABLE, BELIEVABLE SCENARIO FALSELY CREATED AND  
22 PERPETUATED BY ME, GENEROUS INTEREST RATES THAT EXCEEDED WHAT  
23 WAS THEN AVAILABLE ON THE OPEN MARKETS, RETURN OF PRINCIPAL  
24 WITHIN 72 HOURS OF DEMAND, COMBINED WITH AN IMPECCABLE  
25 REPUTATION THAT SPANNED DECADES, EXPLAINS WHY, AND HOW, VICTIMS

1 EAGERLY INVESTED THEIR FUNDS WITH ME.

2 UNFORTUNATELY, BUT IN HINDSIGHT PREDICTABLY, AS THE  
3 YEARS WENT BY, THAT COMPETITIVE HIGHER INTEREST THAT I WAS  
4 PAYING TO VICTIMS, COMBINED WITH RETURN OF PRINCIPAL WHENEVER IT  
5 WAS CALLED FOR, BEGAN TO CONSISTENTLY AND PROGRESSIVELY EXCEED  
6 MY DISPOSABLE INCOME, NECESSITATING MORE AND MORE BORROWING IN  
7 ORDER TO STAY AFLOAT.

8 WHILE IN TOTAL DENIAL ALL THROUGH THE YEARS UP UNTIL  
9 REALITY HIT AT THE VERY END, I RECOGNIZE NOW, AFTER THE FACT,  
10 THAT I HAD CREATED A SNOWBALL EFFECT WHICH EVOLVED INTO A  
11 CLASSIC PONZI SCHEME. THE MORE MONEY I BORROWED, THE MORE  
12 INTEREST I HAD TO PAY. THE MORE INTEREST I HAD TO PAY, THE MORE  
13 MONEY I NEEDED TO BORROW IN ORDER TO PAY IT.

14 THE EVENTUAL, TYPICAL PONZI SCHEME OUTCOME: I HAD TO  
15 BORROW FROM A NEW OR CURRENT VICTIM IN ORDER TO PAY A PREVIOUS  
16 VICTIM.

17 THAT IS A SYNOPSIS OF MY CRIME AND ITS EVOLUTION. I  
18 TAKE FULL RESPONSIBILITY FOR IT AND CANNOT OFFER ANY REASONABLE  
19 OR LOGICAL EXPLANATION THAT WOULD ABSOLVE ME FROM BLAME.

20 AS YOU EXERCISE YOUR DISCRETION TO DETERMINE AN  
21 APPROPRIATE SENTENCE, I RESPECTFULLY REQUEST THAT YOU CONSIDER  
22 AND APPLY APPROPRIATE WEIGHT TO ALL FACTORS THAT WERE  
23 REPRESENTED IN MY STATEMENT TO THE VICTIMS, AS WELL AS ALL THE  
24 FOLLOWING FACTORS:

25 FROM THE FIRST DAY THROUGH THE LAST DAY, MY

1 BOOKKEEPING AND TAX PRACTICE NET INCOME AND CASH FLOW ALWAYS  
2 COMFORTABLY EXCEEDED WHAT WAS NEEDED TO FULLY SUPPORT THE MODEST  
3 LIFESTYLE MY FAMILY AND I ALWAYS LIVED. AT NO TIME WERE ANY OF  
4 THE VICTIMS' FUNDS USED TO MAINTAIN OR ENHANCE OUR LIFESTYLE IN  
5 ANY WAY, NOR WERE ANY OF THE VICTIMS' FUNDS EVER USED TO ACQUIRE  
6 OR ACCUMULATE ASSETS OF ANY KIND.

7 FROM THE FIRST DAY THROUGH THE LAST DAY, I DID NOT  
8 SOLICIT OR BORROW ANY MORE FUNDS FROM VICTIMS THAN WHAT WAS  
9 ABSOLUTELY NEEDED IN ORDER TO COVER SEMI-MONTHLY INTEREST AND  
10 PRINCIPAL PAYMENTS. IN FACT, I CONSISTENTLY CONTRIBUTED ALL OF  
11 MY EXCESS INCOME, AS WELL AS USED MY WIFE'S PARENTS'  
12 INHERITANCE, MY PARENTS' INHERITANCE, STOCK PROFITS, GAMBLING  
13 WINS, AND EVERY CREDIT CARD CASH ADVANCE AVAILABLE, TOTALING  
14 HUNDREDS OF THOUSANDS OF DOLLARS, IN ORDER TO MINIMIZE THE  
15 AMOUNT OF FUNDS I NEEDED TO BORROW FROM VICTIMS.

16 I STOPPED SPECULATING IN COMMODITIES DECADES AGO  
17 AFTER SUFFERING LARGE LOSSES THAT STARTED THIS UNFORTUNATE  
18 CHAPTER OF MY LIFE. IN LATER YEARS, MY ONLY MOTIVATION FOR  
19 TRADING STOCKS AND FOR GAMBLING SPORADICALLY WAS TO APPLY ANY  
20 STOCK PROFITS AND ANY GAMBLING WINS TOWARDS INTEREST AND  
21 PRINCIPAL PAYMENTS DUE TO VICTIMS.

22 CONTRARY TO MEDIA INSINUATIONS, THE BULK OF VICTIMS'  
23 FUNDS WERE USED TO COVER PAYMENT OF INTEREST AND PRINCIPAL TO  
24 OTHER VICTIMS. HENCE, THE PONZI SCHEME. THE BULK OF VICTIMS'  
25 FUNDS WERE NOT SPECULATED AWAY ON STOCK TRADES NOR WERE THEY

1 GAMBLED AWAY IN LAS VEGAS CASINOS.

2 CONSISTENT FROM THE FIRST DAY THROUGH THE LAST DAY,  
3 MY DISHONESTY WAS NOT RAMPANT AS IT WAS STRICTLY LIMITED TO TWO  
4 CRUCIAL DETAILS: MY DESCRIPTION OF HOW VICTIMS' FUNDS WOULD BE  
5 USED, AND THE ULTIMATE SAFETY OF EACH VICTIM'S INVESTMENT.

6 AT NO TIME DID I DESCRIBE ANY INVESTMENT TO ANYONE AS  
7 ANYTHING OTHER THAN AN UNSECURED LOAN TO ME. THIS IS EVIDENCED  
8 BY THE IDENTICAL SIGNED PROMISSORY NOTES I PROVIDED TO EACH AND  
9 EVERY VICTIM FROM THE FIRST DAY THROUGH THE LAST DAY.

10 AT NO TIME DID I PREPARE OR PROVIDE ANY DOCUMENTS TO  
11 ANYONE FALSIFYING THE VALUE OF ANY INVESTMENT, OR FALSIFYING ITS  
12 ANNUAL RETURN.

13 UP UNTIL THE VERY END, FOR ALMOST 30 YEARS, I MADE  
14 EVERY INTEREST AND EVERY PRINCIPAL PAYMENT ON A TIMELY BASIS, AT  
15 TIMES EVEN PERSONALLY AND PHYSICALLY DEPOSITING CHECKS INTO  
16 VICTIMS' RESPECTIVE BANK ACCOUNTS.

17 CONTRARY TO RUMORS AND MISCONCEPTIONS, I DID NOT  
18 SOLICIT FUNDS FROM EVERY CLIENT IN MY TAX PRACTICE. IN FACT,  
19 ONLY ABOUT A FOURTH OF THE FINAL VICTIMS WERE CLIENTS,  
20 REPRESENTING ABOUT 20 PERCENT OF MY TAX PRACTICE CLIENTELE.

21 IT IS ALSO A MISCONCEPTION THAT I SOLICITED FUNDS  
22 FROM ALL THOSE I ENCOUNTERED OUTSIDE OF MY TAX PRACTICE. IN  
23 REALITY, THE MAJORITY OF THE PEOPLE I HAD ANY REGULAR CONTACT  
24 WITH HAD NO IDEA ABOUT MY INVOLVEMENT IN THIS VENTURE AND WERE  
25 COMPLETELY SHOCKED WHEN I WAS EXPOSED.

1           FURTHERMORE, MORE THAN HALF OF THE FINAL VICTIMS WERE  
2           ORIGINALLY RECOMMENDED TO ME, NOT SOUGHT OUT OR SOLICITED BY ME.

3           ALL OF THE PRECEDING STATEMENTS CAN BE VERIFIED  
4           THROUGH THE RECORDS I TURNED OVER TO THE AUTHORITIES. THERE ARE  
5           TWO INTANGIBLE FACTORS TO CONSIDER. FROM THE FIRST DAY THROUGH  
6           THE LAST DAY, WHILE NEVER BENEFITING FROM ANY MONETARY GAINS OR  
7           ACQUISITIONS, I ALSO NEVER EXPERIENCED A SINGLE MOMENT OF  
8           PLEASURE OR SATISFACTION PERFORMING ANY FUNCTION RELATED TO THIS  
9           ILL-ADVISED VENTURE.

10           IN FACT, IT IS BLATANTLY OBVIOUS TO ME NOW, IN  
11           HINDSIGHT, THAT THE STRESS OF MY CONTINUAL DECEIT, THE CONSTANT  
12           PRESSURE OF SECURING NEW FUNDS TWICE A MONTH, EVERY MONTH, FOR  
13           DECADES IN ORDER TO MEET MY OBLIGATIONS TO VICTIMS, COMBINED  
14           WITH THE WEAR AND TEAR OF BODY AND MIND FOR HARBORING A HAUNTING  
15           SECRET FOR OVER 10,000 DAYS, WERE IN THE MAIN, CAUSES OF MY  
16           NUMEROUS PREVENTABLE HEALTH PROBLEMS WHICH INCLUDE DIABETES,  
17           SLEEP APNEA, HYPERTENSION, HIATAL HERNIA, DAILY HEADACHES,  
18           SPORADIC SLEEPLESS NIGHTS AND MOOD SWINGS.

19           LASTLY AND MOST IMPORTANTLY, MY BEHAVIOR AS IT  
20           RELATES TO THIS CRIME IS A COMPLETE ABERRATION OF THE WAY I  
21           BEHAVED AND LED EVERY OTHER ASPECT OF MY LIFE FOR ALMOST 56  
22           YEARS. OTHER THAN FOR THIS CRIME, I LED AN EXEMPLARY,  
23           COMPLETELY CRIME-FREE, VIOLENCE-FREE, HONEST, MODEST, SIMPLE,  
24           QUIET LIFE THAT NEVER INCLUDED DRUGS OR ALCOHOL OF ANY KIND.

25           I WAS A LOVING HUSBAND AND NURTURING FATHER OF TWO

1 WONDERFUL, SOCIALLY RESPONSIBLE CHILDREN. I TRIED TO BE A GOOD  
2 BROTHER. I WAS, AND CONTINUE TO BE, A DEVOTED AND LOYAL FRIEND  
3 TO MANY.

4 I WAS A HARD WORKING, TOTALLY COMMITTED BOOKKEEPER  
5 AND TAX PREPARER WHO EXCELLED AND PROSPERED IN A BUSINESS WHOSE  
6 ONLY SELLABLE PRODUCT WAS MY PASSION, MY WORK ETHIC, MY  
7 KNOWLEDGE AND EXPERIENCE, AND MY CUSTOMER SERVICE, AND WHOSE  
8 CLIENTELE GREW BY WORD OF MOUTH AND REFERRALS ONLY.

9 I WAS A WELL-LIKED AND MUCH RESPECTED FRANCHISE  
10 LEADER AND ADVOCATE FOR OVER 30 YEARS, A GOOD EMPLOYER, AN IDEAL  
11 TENANT, AND DURING THESE LAST 196 DAYS, A MODEL INMATE.

12 WITH VERY FEW EXCEPTIONS, THE HUNDREDS, IF NOT  
13 THOUSANDS, OF INDIVIDUALS I HAVE COME IN CONTACT WITH DURING MY  
14 ADULT LIFE, INCLUDING EACH OF THE VICTIMS, IF ASKED PRIOR TO  
15 JUNE OF LAST YEAR, WOULD DESCRIBE ME AND OUR INTERACTIONS IN A  
16 MOST POSITIVE, COMPLIMENTARY, PRODUCTIVE AND RESPECTFUL MANNER.

17 TO ADD CREDENCE TO THE PREVIOUS STATEMENT, DOZENS OF  
18 CHARACTER REFERENCE LETTERS FROM A CROSS-SECTION OF MY LIFE HAVE  
19 BEEN PROVIDED TO THIS COURT, INCLUDING ONE LETTER THAT  
20 GENEROUSLY OFFERS ME A PLACE TO LIVE UPON RELEASE, AND TWO OTHER  
21 GRACIOUS LETTERS THAT OFFER ME IMMEDIATE, COMPELLING, FULL-TIME  
22 EMPLOYMENT.

23 NO ONE, MYSELF INCLUDED, DISPUTES THE FACT THAT I  
24 DESERVE TO BE PUNISHED. I WOULD OFFER FOR CONSIDERATION,  
25 HOWEVER, THAT THE WORST OF THE PUNISHMENT HAS ALREADY BEEN

1 DECEED AND HAS BEEN FULLY IMPLEMENTED.

2 IN ADDITION TO SELF-DESTRUCTING, I AM TORTURED DAILY  
3 BY THE KNOWLEDGE THAT I BETRAYED VALUED CLIENTS, CLOSE FRIENDS  
4 AND EVEN FAMILY. I WILL LIVE EVERY REMAINING DAY OF MY LIFE  
5 FEELING AGONIZING PAIN, HUMILIATION, SHAME AND GUILT FOR THE  
6 MASSIVE CARNAGE I INFLICTED ON VICTIMS, FOR THE SHAME I BESTOWED  
7 ON FAMILY AND FRIENDS, FOR THE LOSS OF HOME, BUSINESS, CAREER,  
8 REPUTATION, VALUES AND PEOPLE I HELD SO DEAR, AND ESPECIALLY FOR  
9 THE LOSS OF THE SOULMATE I DREAMED OF GROWING OLD WITH.

10 THE LENGTH OF THE SENTENCE YOU DECIDE ON TODAY WILL  
11 NOT ALLEVIATE, MITIGATE OR ELIMINATE ANY OF THAT PUNISHMENT.  
12 BUT, THE LENGTH OF THE SENTENCE YOU DECIDE ON TODAY CAN, AND  
13 WILL, HAVE A FINANCIAL IMPACT ON EVERY VICTIM OF MY CRIME, AS  
14 WELL AS ON MY QUEST TO LEAVE A POSITIVE MARK ON VICTIMS AND  
15 SOCIETY DURING MY REMAINING PRODUCTIVE DAYS.

16 I HAVE ACCEPTED THE FACT THAT I HAVE RUINED MY  
17 REPUTATION FOR LIFE AND THAT I WILL NEVER OWN ANYTHING OF VALUE  
18 AGAIN. I AM ALSO AT PEACE WITH SPENDING HOWEVER MANY ADDITIONAL  
19 DAYS YOU DEEM APPROPRIATE IN PRISON, WHERE MY BASIC HUMAN NEEDS  
20 ARE TAKEN CARE OF AND WHERE I HAVE NO FINANCIAL CONCERNS OF ANY  
21 KIND.

22 I CAN SPEND MY DAYS WORKING FOR LESS THAN MINIMUM  
23 WAGE, READING AND WRITING, EATING AND SLEEPING, ALL WHILE  
24 VICTIMS RECEIVE MINIMAL RESTITUTION, AT BEST, AS MY FINANCIAL  
25 OBLIGATION DOES NOT GET REDUCED BY ANY SIGNIFICANT AMOUNT, IF AT

1 ALL.

2 ALTERNATIVELY, I RESPECTFULLY ASK YOU TO PONDER A  
3 SENTENCE THAT, AT SOME POINT IN THE NEAR FORESEEABLE FUTURE,  
4 PERMITS ME TO STRUGGLE IN THE OUTSIDE WORLD, FORCING ME TO RELY  
5 ON THOSE I HAVE NOT ALIENATED FOR SURVIVAL, WHILE AT THE SAME  
6 TIME, GIVING ME THE OPPORTUNITY TO MAKE A SINCERE AND HONEST  
7 EFFORT TO REDUCE, ON A REGULAR AND CONSISTENT BASIS, THE AMOUNT  
8 OF RESTITUTION I OWE TO VICTIMS.

9 AT THE SAME TIME, IT WOULD ALSO ALLOW ME TO PROVE TO  
10 ALL, INCLUDING THIS COURT, THAT I CAN ONCE AGAIN BE A POSITIVE,  
11 PRODUCTIVE, CRIME FREE, SELF-SUPPORTING MEMBER OF OUR SOCIETY,  
12 AS OPPOSED TO A TOTALLY DEPENDENT MEMBER OF SOCIETY WHOSE BASIC  
13 NEEDS ARE MET THROUGH NO EFFORTS OF MY OWN.

14 AS I MENTIONED IN MY STATEMENT TO THE VICTIMS, I AM  
15 OFFERING TO DOUBLE THE REQUIRED MAXIMUM AMOUNT OF RESTITUTION TO  
16 BE WITHHELD FROM ANY NET EARNINGS, AS WELL AS OFFERING TO EXTEND  
17 FROM THREE YEARS TO LIFETIME THE SUPERVISED RELEASE REQUIREMENT  
18 TO HAVE RESTITUTION WITHHELD AT ALL.

19 IN ADDITION, I WOULD COMPLY FULLY WITH PROBATION  
20 TERMS THAT ARE AS RESTRICTIVE AS YOU MIGHT DEEM APPROPRIATE. I  
21 WOULD ALSO EAGERLY PERFORM COMMUNITY SERVICE WORK AND AM WILLING  
22 TO SPEAK PUBLICLY ABOUT MY RELEVANT EXPERIENCES TO ANY RECEPTIVE  
23 INDIVIDUAL OR GROUP THAT MIGHT BENEFIT.

24 YOUR HONOR, DURING MY ENTIRE ADULT LIFE, OTHER THAN  
25 THE TWO SPECIFIC FALSEHOODS IN RELATION TO THE CRIME AT HAND, MY



1 WORD HAS ALWAYS BEEN GOLDEN AND ROCK SOLID. IT IS IN THAT  
2 SPIRIT THAT I COMMIT TO YOU TODAY, ON THE RECORD, THAT I WILL  
3 NEVER AGAIN BORROW MONEY I CAN'T REPAY LEGITIMATELY.

4 I WILL NEVER AGAIN GAMBLE. I WILL NEVER AGAIN TRADE  
5 STOCKS OR SPECULATE IN COMMODITIES. IN FACT, I COMMIT TO NEVER  
6 AGAIN CAUSING ANYONE ANY FINANCIAL HARM, NOR WILL I EVER AGAIN  
7 CAUSE ANYONE ANY PAIN FROM THE COWARDLY AND SELFISH ACT OF  
8 ATTEMPTING TO TAKE MY LIFE.

9 AND WHILE ON THE RECORD, I WOULD LIKE TO PUBLICLY  
10 RECOMMIT TO NEVER AGAIN DEPRIVING MY DAUGHTER, OR MY SON, OF  
11 THEIR FATHER.

12 WHEN COMPARED TO ANY OTHER PONZI SCHEME CASE, OTHER  
13 THAN THE BASIC MECHANICS OF THE CRIME ITSELF, EVERY OTHER  
14 ASPECT OF THIS CASE HAS BEEN UNIQUE, STARTING WITH MY VOLUNTARY  
15 SURRENDER AND COMPLETE COOPERATION, CONTINUING WITH THE COMPLETE  
16 LACK OF PERSONAL GAIN AND THE NUMEROUS OTHER FACTORS ARTICULATED  
17 PREVIOUSLY, AND ENDING WITH THE SINCERITY OF MY REMORSE AND MY  
18 BURNING DESIRE AND COMMITMENT TO MAKE THINGS BETTER FOR THE  
19 VICTIMS.

20 AS YOU ARE ABOUT TO DETERMINE MY FUTURE, I  
21 RESPECTFULLY REQUEST, ONE FINAL TIME, THAT THE SENTENCE YOU ARE  
22 ABOUT TO RENDER TAKES INTO ACCOUNT EVERY UNIQUE ASPECT OF THIS  
23 CASE, AND IDEALLY, SOONER RATHER THAN LATER, PROVIDES ME THE  
24 OPPORTUNITY TO MAKE WHATEVER AMENDS ARE POSSIBLE, FINANCIAL AND  
25 OTHERWISE, TO MY FAMILY, TO MY FRIENDS, TO SOCIETY, AND MOST

1       IMPORTANTLY, TO THE VICTIMS.

2                   I ASK THAT YOU GIVE SPECIAL CONSIDERATION TO THE FACT  
3       THAT I HAVE BEEN OFFERED BOTH HOUSING AND IMMEDIATE FULL-TIME  
4       EMPLOYMENT THAT WOULD ALLOW FOR THE PAYMENT OF RESTITUTION TO  
5       BEGIN WITHOUT ANY DELAYS.

6                   I WANT TO EXPRESS MY DEEP APPRECIATION FOR THE  
7       OPPORTUNITY TO HAVE EVERYTHING I NEEDED AND WANTED TO SAY TO THE  
8       VICTIMS AND TO THIS COURT, INCLUDING THE OPPORTUNITY TO FINALLY  
9       APOLOGIZE TO ALL THOSE I HAVE VICTIMIZED.

10                  I REALIZE MY STATEMENTS WERE DETAILED AND TOOK LONGER  
11       TO DELIVER THAN NORMAL. I THANK YOU FOR YOUR PATIENCE, FOR YOUR  
12       UNDERSTANDING, AND FOR YOUR CONSIDERATION.

13                  I WOULD LIKE TO CLOSE BY, ONCE AGAIN, SAYING THE  
14       WORDS I AM WILLING, ABLE AND READY TO REPEAT AS LOUDLY AND AS  
15       OFTEN AS MAY BE NEEDED: I AM TRULY AND SINCERELY SORRY FOR THE  
16       PAIN I HAVE CAUSED.

17                  **THE COURT:** THANK YOU, SIR.

18                  (THEREUPON, CLAPPING WAS HEARD.)

19                  **UNIDENTIFIED SPEAKER:** GIVE HIM AN OSCAR, YOUR HONOR.

20                  **THE COURT:** AT THIS POINT, MR. LUCEY, HAVE YOU BEEN  
21       INFORMED THAT THERE ARE OTHERS THAT WOULD LIKE TO ADDRESS THE  
22       COURT?

23                  **MR. LUCEY:** YES, YOUR HONOR, A NUMBER OF INDIVIDUALS  
24       WHO HAVE IDENTIFIED THEMSELVES AND RECONFIRM AS VICTIMS OF MR.  
25       HECKSCHER'S SCHEME DO WISH TO ADDRESS THE COURT. THEY ARE ALL

1 ASSEMBLED IN THE FIRST ROW OF THE GALLERY, YOUR HONOR.

2 **THE COURT:** ALL RIGHT.

3 **MR. LUCEY:** AND I BELIEVE, YOUR HONOR, THEY HAVE  
4 ACTUALLY ASKED IF IT WOULD BE POSSIBLE FOR THEM TO ADDRESS --  
5 ESSENTIALLY FACE THE COURT, YOUR HONOR, AS WELL AS THE DEFENDANT  
6 AT THE SAME TIME IN TERMS OF THE LECTURN. THEY WOULD LIKE TO  
7 ADDRESS THE DEFENDANT IN THEIR --

8 **THE COURT:** WELL, I SUGGEST THAT MR. HECKSCHER GO  
9 OVER TO THE TABLE THERE.

10 AND THEY MAY DO SO. BUT I URGE YOU TO SPEAK SLOWLY  
11 AND INTO THE MIC SO THAT THE COURT REPORTER AND ANYONE ELSE CAN  
12 HEAR YOU.

13 AND YOU MAY PROCEED.

14 **MR. LUCEY:** AND --

15 **THE COURT:** AND, AGAIN, WE DO HAVE THE RECORD FILLED  
16 WITH A GREAT DEAL OF INFORMATION ALREADY.

17 **MR. LUCEY:** AND, YOUR HONOR -- I'M SURE THE COURT  
18 WOULD AGREE -- I WOULD ASK EACH VICTIM TO IDENTIFY THEMSELF ON  
19 THE RECORD, AS WELL AS SPELL THEIR NAME FOR THE REPORTER, SO WE  
20 HAVE IT FOR THE RECORD BEFORE THEY BEGIN SPEAKING.

21 **THE COURT:** YES.

22 **MR. LUCEY:** THANK YOU, YOUR HONOR.

23 **MR. BACON:** GOOD AFTERNOON, YOUR HONOR. I AM DANIEL  
24 BACON. I'M AN ATTORNEY FOR RALPH GEISSLER.

25 **THE COURT:** I DON'T KNOW WHY WE NEED ATTORNEYS,

1 FRANKLY. WHY CAN'T WE JUST HAVE THE VICTIMS GIVE THEIR  
2 STATEMENTS?

3 **MR. BACON:** WELL, I JUST SIMPLY WANTED TO SAY THAT ON  
4 BEHALF OF A LOT OF THE VICTIMS, AND MY OWN CLIENT THAT I TALKED  
5 TO, THIS IS AN EXAMPLE OF WHERE THE FEDERAL GUIDELINES ARE NOT  
6 SUFFICIENT.

7 I DO NOT THINK THIS MAN SHOULD HAVE ANY OPPORTUNITY  
8 TO BORROW MONEY OR RETURN TO SOCIETY. THE ONLY DIFFERENCE  
9 BETWEEN THIS MAN AND MR. MADOFF IS A MATTER OF NUMBERS.

10 **THE COURT:** ALL RIGHT. WELL, ONE THING YOU WOULD  
11 UNDERSTAND AS A LAWYER, SIR, IS THAT I'M IMPOSING THE STATUTORY  
12 MAXIMUM PENALTY IN THE CASE. IT HAS NOTHING TO DO WITH THE  
13 GUIDELINES. THIS IS THE CONGRESSIONALLY MANDATED STATUTORY  
14 MAXIMUM THAT I'M GOING TO IMPOSE.

15 SO DO YOU UNDERSTAND THAT?

16 **MR. BACON:** YES.

17 **THE COURT:** OKAY.

18 **MR. BACON:** I'M FINISHED. THANK YOU.

19 **THE COURT:** THANK YOU.

20 ALL RIGHT. ARE THERE OTHER VICTIMS WHO WISH TO BE  
21 HEARD?

22 **MR. GEISSLER:** YOUR HONOR? YOUR HONOR?

23 **THE COURT:** TELL ME YOUR NAME, SIR.

24 **MR. GEISSLER:** MY NAME IS RALPH IRVING GEISSLER,  
25 I-R-V-I-N-G DASH G-E-I-S-S-L-E-R. I MADE UP A VICTIM STATEMENT

1 TELLING ABOUT MYSELF AND HOW I STARTED AND HOW I MET ROBERTO.

2 WHOM IT MAY CONCERN: MY NAME IS RALPH IRVING  
3 GEISSLER.

4 I'M IMMIGRATED TO THE UNITED STATES FROM EUROPE IN  
5 JULY, 1957, AND HAVE -- AFTER SERVING SEVEN YEARS IN THE UNITED  
6 STATES AIR FORCE, I LIVED IN VARIOUS PARTS OF THE COUNTRY AND  
7 FINALLY SETTLED HERE IN SAN FRANCISCO IN 1964.

8 IN THOSE DAYS I WAS YOUNG AND ENERGETIC, EVEN THOUGH  
9 I HAD NO MONEY AND STAYED WITH FRIENDS IN MILL VALLEY COMMUTING  
10 EVERY DAY TO TRY TO FIND WORK.

11 MY FIRST JOB I GOT \$1.85 AN HOUR. AND, FINALLY, IN  
12 1966, I OPENED MY OWN BUSINESS CALLED "INDEPENDENT GRAPHICS,"  
13 CHARGING \$2 AN HOUR. AND IF YOU DIDN'T LIKE MY WORK, YOU DIDN'T  
14 HAVE TO PAY FOR IT.

15 I BOUGHT AN INTERNATIONAL 1961 TRUCK AND DID ANY KIND  
16 OF ARTWORK, BILLBOARDS, SKETCHES, BLUEPRINTS, AND EVEN PAINTED  
17 HOUSES.

18 MY REPUTATION GREW. AND IN LATE 1966, I PAINTED THE  
19 MARQUEE FOR THE UNITED ARTISTS THEATER ON MARKET STREET FOR THE  
20 MOVIE "THE BIBLE," WHICH I GOT \$2,000 FOR.

21 I REALIZED THAT THE IRS TOOK MOST OF MY HARD-EARNED  
22 FUNDS IN TAXES. SO IN 1967, AFTER LEARNING THAT THE BEST WAY TO  
23 KEEP YOUR MONEY WAS TO BUY REAL ESTATE, SO I USED THE \$2,000 TO  
24 BUY MY FIRST PROPERTY, A TWO-UNIT NEW BUILDING AT 5153 DELMAR  
25 STREET IN THE HAIGHT-ASHBURY SECTION OF THE CITY.

1 FROM THEN ON I MANAGED TO BUY EIGHT PROPERTIES BY  
2 1969 AND NEEDED A RELIABLE CPA, TAX ACCOUNTANT AND BOOKKEEPER.  
3 AND THAT IS HOW I GOT INVOLVED WITH HENRY IRVING TAXES AND  
4 BOOKKEEPING SERVICE.

5 HENRY DID ALL MY BOOKS. AND WHEN HE DIED, ROBERTO  
6 HECKSCHER TOOK OVER THE COMPANY AND HANDLED ALL MY BOOKS AND  
7 ACCOUNTING.

8 ROBERTO BECAME VERY CLOSE TO ME, GIVING ME ADVICE IN  
9 FIGHTING THE IRS AND KNOWING ALL MY INTIMATE BUSINESS PURCHASES  
10 AND DEALINGS THAT I MADE.

11 AND IN 2003, SEEING THAT I GO THROUGH A LOT OF MONEY,  
12 HE OFFERED ME MORE INTEREST THAN THE BANKS GAVE ME ON MY BANK  
13 ACCOUNTS. AND SO I INVESTED MY MONEY WITH HIM GETTING SEVEN TO  
14 15 PERCENT INTEREST ON NOTES HE GAVE ME.

15 I THOUGHT HE WAS LOOKING AFTER MY INTEREST. BOY, HOW  
16 WRONG COULD I BE? I GAVE HIM AROUND 2.75 TO \$3.25 MILLION OF MY  
17 HARD-EARNED MONEY.

18 IF YOU DEDUCT WHAT I GOT BACK IN INTEREST I STILL  
19 LOST ABOUT 2.75 MILLION. MAKES ME FEEL SO STUPID THAT I COULD  
20 HAVE TRUSTED SOMEONE SO MUCH TO LET HIM CON ME SO MUCH.

21 ON 16TH OF JUNE, 2009, WHEN I RETURNED FROM THE  
22 COUNTRY, I STOPPED BY HIS OFFICE TO PICK UP MY INTEREST CHECK OF  
23 AROUND \$50,000 AND THE 200,000 HE WAS SUPPOSED TO PAY ME BACK ON  
24 A SHORT-TERM LOAN I GAVE HIM IN APRIL.

25 THAT IS WHEN I SAW THE SIGNS STATING THAT THE STORE

1 WAS CLOSED BECAUSE OF HEALTH PROBLEMS. AND THAT IS WHEN MY  
2 WORRYING REALLY STARTED.

3 I FEEL I COULD KICK MYSELF FOR BEING SO STUPID. HE  
4 PREYED ON MY TRUST AND USED HIS INSIDE KNOWLEDGE OF MY BUSINESS  
5 DEALINGS, PROMISING ME LARGE INTEREST TO STEAL MY MONEY FROM ME.

6 AND NOW I HEAR HE NOT ONLY CONNED ME, BUT ALSO AROUND  
7 300 OF HIS CLIENTS, PLUS HIS OWN FLESH AND BLOOD, HIS SISTER.

8 ROBERTO NOW TO ME RESEMBLES A SNAKE AND EVERYTHING  
9 THAT IS CORRUPT, VILE AND CONTEMPTUOUS IN OUR SOCIETY, HAVING  
10 TAKEN ADVANTAGE OF MOST SACRED THING WE HAVE, AND THAT IS TRUST.

11 IF WE CANNOT TRUST EACH OTHER, WE ARE AND HAVE  
12 NOTHING.

13 JUST MAYBE WHEN HE LOOK IN THE MIRROR AROUND THE WEEK  
14 PREVIOUS TO THE 16TH OF JUNE, 1909 (SIC), AND HE COULDN'T CON  
15 ANYONE ELSE OUT OF THEIR HARD-EARNED HOLDINGS, HE SUDDENLY  
16 REALIZED HOW HIS GREED AND MANIPULATIONS OF EVERYONE CLOSE TO  
17 HIM WHO HE CALLED HIS FRIENDS HAD TURNED HIM INTO A VILE,  
18 PERVERTED, MONEY-HUNGRY THIEF. AND THAT IS WHEN HE DECIDED TO  
19 COMMIT SUICIDE.

20 THROUGH HIS ACTIONS HE HAS DESTROYED THE LIVES OF  
21 HUNDREDS OF HIS ONCE CLOSE FRIENDS AND FAMILY, WHICH IN MANY  
22 CASES CAN NEVER BE REPLACED OR FIXED.

23 MY LIMITED KNOWLEDGE OF THE AMERICAN LEGAL SYSTEM  
24 TELLS ME THAT THE PUNISHMENT FOR CRIMES IS USUALLY BASED ON  
25 PRECEDENCE ON CASES.

1           SINCE HIS CRIMES ARE SO INHUMAN, TAKING ADVANTAGE OF  
2 CLOSE PERSONAL FRIENDSHIPS AND RELATIONSHIPS AND PERSONAL  
3 FAMILY, USING INSIDE INFORMATION ON THESE MANY RELATIONSHIPS OF  
4 KNOWINGLY -- TO KNOWINGLY DECEIVE PEOPLE'S TRUST OUT OF THEIR  
5 HARD-EARNED MONIES OR SAVINGS THAT HE WAS WILLING TO TAKE HIS  
6 OWN LIFE IN RETURN FOR HIS ACTIONS BY COMMITTING SUICIDE, WHICH  
7 HE DIDN'T SUCCEED IN DOING.

8           I WISH TO STATE THAT IN MY OPINION THIS SETS A  
9 PRECEDENT IN SENTENCING. SO I'M ASKING FOR THE DEATH PENALTY  
10 FOR HIS CRIMES.

11           YOU MAY THINK THAT I'M BEING TOO HARSH OR VENGEFUL IN  
12 MY THOUGHTS, BUT THE TRUTH IS THAT I FEEL THAT WITH A PRISON  
13 SENTENCE, THAT WE ALL, THE VICTIMS THAT HE STOLE MONEY FROM,  
14 WILL BE VICTIMIZED TWICE.

15           WE WILL HAVE TO PAY FOR HIS INCARCERATION, THREE  
16 MEALS A DAY, A ROOF OVER HIS HEAD, TELEVISION. AND SO WE HAVE  
17 TO MAKE UP OUR LOSSES, WORK TWICE AS HARD TO BUY FOOD AND  
18 HOUSING AND AMENITIES FOR OURSELVES AND OUR FAMILIES AND MAKE UP  
19 FOR THE DEBTS THAT HE HAS THRUST UPON US BY HIS DECEIT AND  
20 DISHONESTY.

21           ALSO I CANNOT BELIEVE THAT A MAN OF HIS KNOWLEDGE OF  
22 THE FINANCIAL SYSTEM AND THE CONSEQUENCES IF HE IS CAUGHT IN HIS  
23 SCHEME DIDN'T THINK OF A SAFE HARBOR TO STASH AWAY SOME OF THE  
24 MONIES HE STOLE SO THAT WHEN HE IS LET OUT OF JAIL HE CAN STILL  
25 ENJOY THE FRUITS OF HIS PONZI SCHEMES AND LAUGH AT US, THE POOR



1 MANIPULATED SUCKERS TAKEN IN BY WHAT I REALIZE NOW WERE  
2 DECEITFUL, MANIPULATED ACTIONS USING INSIDE INFORMATION HE HAD  
3 ON US BY DOING OUR BOOKS AND TAXES AND KNOWING JUST HOW MUCH  
4 MONEY WE HAD AND MADE AND WHAT HE FELT HE COULD CON OUT OF US  
5 BECAUSE OF THE POSITION OF TRUST THAT WE HAD IN HIM.

6 MAYBE THIS WILL SET AN EXAMPLE TO ALL THOSE BANKERS,  
7 MORTGAGE BROKERS AND INVESTORS, POLITICIANS, TAX ACCOUNTANTS OR  
8 PEOPLE IN TRUSTED POSITIONS THAT HAVE THROUGH THEIR GREED  
9 BANKRUPTED THE WORLD AS WE KNOW IT AND DEVASTATED COUNTLESS  
10 LIVES OF MILLIONS AROUND THE GLOBE.

11 I FEEL THAT NO AMOUNT OF TIME SPENT IN JAIL WILL  
12 BRING BACK THE PAINS AND ANGUISH THAT HE HAS PUT HIS VICTIMS IN,  
13 DEPLETING THEIR FUNDS, THEIR LIVES, FAMILIES AND DREAMS.

14 THE WORLD AS WE KNOW IT HAS BEEN RAVAGED AND  
15 COUNTLESS THOUSANDS OF PEOPLE DESTROYED BY THE ACTIONS AND GREED  
16 OF PEOPLE LIKE ROBERTO HECKSCHER THAT WE HAVE TRUSTED, AND EVEN  
17 NOW STILL TRY TO DECEIVE EVERYONE AS IS SHOWN IN WHAT IS  
18 HAPPENING IN WALL STREET RIGHT NOW.

19 THE JUDICIAL SYSTEM HAS TO BE REMANNED AND  
20 PRECEDENCES MADE TO SET AN EXAMPLE OF THESE HIGH TYCOONS THAT  
21 MISUSE THEIR POSITION OF TRUST ELSEWHERE, AS ROBERTO DID HERE,  
22 TO SHOW THAT EVENTUALLY THEY WILL HAVE TO PAY DEARLY FOR THEIR  
23 DECEIT TO SOCIETY.

24 THIS COURT RIGHT NOW HAS A CHANCE TO SHOW THE WORLD  
25 THAT THESE WOLVES IN SHEEP'S CLOTHING WILL NOT BE TOLERATED

1 ANYMORE AND THAT THEIR THIEVERY AND MISDEEDS WILL BE ANSWERED  
2 WITH THE HARSHEST VERDICT POSSIBLE.

3 AND THAT IS WHY I FEEL THAT THE DEATH PENALTY SHOULD  
4 BE BROUGHT UP.

5 AND WHATEVER THE PENALTY, ROBERTO, MAY YOUR SOUL BURN  
6 IN HELL.

7 THANK YOU.

8 (APPLAUSE.)

9 **THE COURT:** I'M HAPPY TO HAVE THE VICTIMS MAKE THEIR  
10 STATEMENTS, AND I DO APPRECIATE IT, SO COME ON UP. BUT I DO NOT  
11 APPRECIATE AND WILL NOT TOLERATE ANYMORE OUTBURSTS FROM THE  
12 AUDIENCE.

13 SO PLEASE RECOGNIZE THIS IS A COURT, AND YOU HAVE TO  
14 BE RESPECTFUL OF THAT SETTING. SO I'D APPRECIATE YOU NOT DOING  
15 THAT ANYMORE.

16 YES, SIR.

17 **MR. FIELDS:** YOUR HONOR, I THANK YOU FOR THE  
18 OPPORTUNITY TO SPEAK IN FRONT OF YOU TODAY.

19 MY NAME IS BOB FIELDS. AND WE BECAME CLIENTS OF MR.  
20 HECKSCHER'S IN 2007. I'LL NEVER FORGET THE FIRST PIECE OF  
21 CORRESPONDENCE I GOT.

22 "MR. AND MRS. FIELDS: WELCOME TO THIS EXCITING  
23 NEW OPPORTUNITY. REST ASSURED YOUR MONEY IS SAFE WITH  
24 ME."

25 THAT THIEF STOLE \$1,700,000 FROM MY FAMILY AND ME.

1                   AND OUR MONEY WAS OLD MONEY. IT WAS MONEY FROM MY  
2 DAYS OF PLAYING PROFESSIONAL FOOTBALL. IT WAS MONEY THAT MY  
3 WIFE'S GRANDMOTHER, WHO LIVED TO BE A HUNDRED YEARS OLD, HAD  
4 LEFT HER.

5                   IT WAS MONEY THAT MY DAD LEFT ME, A MECHANIC, WORKED  
6 WITH HIS HANDS, A GREASE MONKEY, WAS SO PROUD OF HIS SON WHO WAS  
7 A COLLEGE GRADUATE.

8                   AT HIS PLEA HEARING YOU ASKED HIM THE HIGHEST LEVEL  
9 OF EDUCATION HE HAD OBTAINED.

10                  HE SAID:

11                                 "JUNIOR COLLEGE."

12                  I PLAYED DIVISION ONE COLLEGE FOOTBALL AND GRADUATED  
13 IN FOUR YEARS ON TIME WITH A 335 GPA. SO I NOT ONLY LOST MY  
14 MONEY TO A THIEF, BUT AN UNEDUCATED THIEF.

15                  AND, OH, HE STOLE MONEY THAT MY WIFE'S MOM AND DAD  
16 HAD LEFT TO HER. AND HE DID HER BOOKS. HE KNEW HOW TOUGH LIFE  
17 WAS FOR THEM UNTIL THE DAY THEY ALL DIED.

18                  YOU SEE WE MIGHT BE THE OLDEST CLIENTS OF IRVING  
19 BOOKKEEPING AND TAXES, BUT WE'RE THE ORIGINAL HANK IRVING  
20 BOOKKEEPING AND TAXES. MY FATHER-IN-LAW AND HENRY WERE BEST  
21 FRIENDS, HANK AND BUD. THEY GREW UP TOGETHER, WERE IN THE  
22 MARINE CORPS. TOGETHER, WERE IN EACH OTHER'S WEDDINGS.

23                  WHEN HANK WAS DYING, HE CALLED MY FATHER-IN-LAW, WHO  
24 WASN'T REAL HEP ON THIS GUY, TO SAY HE WOULD BE TURNING OVER HIS  
25 BUSINESS TO HIM. AND HE DID.

1 SO LOOK AT ME, THIEF. WHAT WOULD HENRY IRVING THINK  
2 OF YOU RIGHT NOW? SCREWING OVER TWO OF HIS DEAREST FRIENDS, BUD  
3 AND BETTY LOU EVANS.

4 THAT'S THE EXACT LOOK I THOUGHT I WOULD GET FROM YOU.  
5 BECAUSE, SEE, BUD AND BETTY LOU EVANS DIED. BUD BACK  
6 IN 1998; BETTY LOU IN 2008.

7 AND IF THEY WERE ALIVE THEY WOULD BE APPALLED TO SEE  
8 WHAT HAS HAPPENED TO THEIR FAMILY AND ALL THESE PEOPLE.

9 BECAUSE I HAVE INTERVIEWED PRESIDENTS, CONGRESSMEN.  
10 I'M A BROADCASTER. AND, IN FACT, THE ONLY REASON THIS BECAME  
11 NOTICEABLE ON TV IS BECAUSE I CALLED KGO. BECAUSE THE MORNING  
12 OF JUNE 19 I WAS LEAVING FOR GERMANY TO GO WATCH MY SON PLAY  
13 PROFESSIONAL FOOTBALL, AND WE WERE GOING TO GO TO EUROPE.

14 ON JUNE 15TH MY WIFE HAD CALLED, EMAILED, DID  
15 EVERYTHING SHE COULD TO GET \$50,000 OF OUR MONEY TO BUY HIM A  
16 CONDO, OUR SON, WHO WAS COMING BACK TO GET INTO THE LAC FIRE  
17 DEPARTMENT.

18 NOT ONE WORD.

19 FINALLY, I GET HOME FROM WORK ON JUNE 18TH. THERE'S  
20 A MESSAGE FROM OUR BANKER THAT SAYS:

21 "BOB, YOU BETTER CALL YOUR BOOKKEEPING  
22 ASSOCIATES, REALLY STRANGE MESSAGES."

23 SO I CALLED, AND I GOT THE MESSAGE THAT WE ALL GOT  
24 PUT TOGETHER WITH OUR NEXT BILL:

25 "DUE TO A MEDICAL EMERGENCY, IRVING BOOKKEEPING

1 ASSOCIATES IS CLOSED AND TAXES IS CLOSED UNTIL  
2 FURTHER NOTICE."

3 WELL, I LEAVE A MESSAGE:

4 "I'M ON A JURY THE NEXT MORNING, AND  
5 I'M FLYING OUT OF LAX AT 10:00 A.M. I'M LEAVING MY  
6 HOUSE. IF I DON'T HEAR FROM SOMEBODY, I'M CALLING  
7 THE AUTHORITIES, THE NEWS MEDIA AND HOMELAND  
8 SECURITY."

9 8:30 THAT MORNING HIS ATTORNEY CALLS ME. HE  
10 IDENTIFIES HIMSELF. THIS IS THE CON MAN THAT THIS GUY IS. I  
11 SAID:

12 "WHERE'S MY MONEY?"

13 HE SAYS, QUOTE:

14 "HE'S FILING FOR CHAPTER 11 BANKRUPTCY,"  
15 UNQUOTE.

16 I SAID:

17 "LISTEN, DUDE, YOU CAN'T FILE FOR CHAPTER 11  
18 BANKRUPTCY IF YOU'VE STOLEN ALL MY MONEY. SO WHERE'S  
19 MY MONEY?"

20 QUOTE:

21 "IT'S ALL GONE. EVERY BIT OF IT'S GONE.  
22 MORTGAGES WILL BE PAID FIRST. AND THOSE OF YOU THAT  
23 HAVE PRIMARY NOTES, PROMISSORY NOTES, WILL GET  
24 WHAT'S EVER LEFT," UNQUOTE.

25 WHAT IS THAT SUPPOSED TO MEAN?

1 I THEN WENT ON TO SAY:

2 "I'M NOT REAL HAPPY WITH THAT RESPONSE."

3 HE SAID:

4 "WELL, I'M GOING OVER TO THE OFFICE. IF YOU'RE  
5 IN THE NEWS MEDIA, DO WHAT YOU THINK YOU CAN DO."

6 WELL, THE STORY AIRED THAT NIGHT ON KGO. THIS MAN  
7 COULDN'T TAKE A BUS FROM HERE TO THE EMBARCADERO. AUTHORITIES  
8 ALL KNEW WHO HE WAS.

9 WHEN HE SAYS HE VOLUNTARILY TURNED HIMSELF IN TO THE  
10 FBI, YES, HE DID. BUT THEY ALREADY KNEW WHO HE WAS. AND I'M NOT  
11 PATTING MYSELF ON THE BACK BY ANY STRETCH OF THE IMAGINATION. I  
12 WOULD MUCH RATHER HAVE MY MONEY BACK, HAVE A LIFE BACK AGAIN.

13 YOU SEE, IN HIS ALLEGED SUICIDE NOTE HE WRITES:

14 "GAMBLING CAME INTO MY LIFE."

15 WHAT? IT JUST FELL ON YOUR SHOULDERS? YOU SAID:

16 "I'M GOING TO GAMBLE"?

17 DUDE, I GOT SEVERE PULMONARY EMPHYSEMA, THIRD STAGE.  
18 NO ONE EVER PUT A GUN TO MY HEAD AND SAID:

19 "SMOKE A CIGARETTE."

20 JUST LIKE NO ONE EVER SAID:

21 "SIT DOWN AND PLAY BLACKJACK."

22 YOU'RE GOOD. YOU ARE VERY GOOD. HELL, YOU GOT YOUR  
23 ATTORNEY WORKING PRO BONO FOR YOU.

24 PEOPLE I KNOW THAT ARE IN THE FBI BACK IN DALLAS AND  
25 MILWAUKEE OR PARTS THAT I'VE EVEN BEEN, I TELL THEM ABOUT YOU.

1 I SEND MY STUFF OFF TO THEM TO LOOK AT AND REVIEW.

2 THEY SAY:

3 "THIS GUY IS GOOD."

4 MADE OUR PONZI SCHEME LAST FOR 15 YEARS.

5 ALEX TAN (PHONETIC) WAS FOR TEN. YOURS FOR OVER 20.

6 I DON'T FEEL SORRY FOR YOU. I FEEL SORRY FOR YOUR  
7 KIDS, BECAUSE JUST IMAGINE WHAT TYPE OF JOB THEY ARE EVER GOING  
8 TO GET WITH YOUR NAME, BUBBA. THINK ABOUT IT.

9 THE LEAF DOESN'T FALL FAR FROM THE TREE. I MEAN,  
10 YOU'VE DESTROYED THEIR LIVES. MY KIDS MEAN THE WORLD TO ME. I'D  
11 GIVE MY KIDS MY FRICKING EYES, IF THEY NEEDED THEM.

12 YOUR KIDS BETTER GET USED TO THE BEST JOB THEY WILL  
13 EVER HAVE IS ANSWERING THE QUESTION:

14 "WOULD YOU LIKE FRIES WITH THAT?"

15 AND THEN, YOUR EX-WIFE, SHE HAD NO CLUE OF ANYTHING  
16 THAT WAS GOING ON.

17 WELL, IN MARCH WE NEEDED \$15,000 TO DO OUR KITCHEN.  
18 THIS IS MARCH. WE GOT THE CHECK.

19 BUT NOT ON IRVING BOOKKEEPING TAXES, OKAY? WE GOT IT  
20 ON HIS WIFE'S HEADING. SO SHE KNEW NOTHING ABOUT WHAT WAS GOING  
21 ON.

22 YOU'VE LIED TO HER. YOU'VE LIED TO ALL OF US. SHE'S  
23 GOING TO IMPOSE THE MAXIMUM PENALTY THAT CAN BE IMPOSED ON YOU.  
24 AND I CAN TELL YOU THIS FIRSTHAND, DUDE. I'M GOING TO KNOW WHAT  
25 PRISON YOU'RE IN.

1 I'VE GOT 30 YEARS OF TV NEWS EXPERIENCE. I'VE BEEN IN  
2 SOME OF THE TOUGHEST PLACES IN THE WORLD THAT HAVE PRISONS:  
3 TEXAS, NEW MEXICO.

4 I'D LIKE THEM TO PUT YOU IN COCHRAN, TO TELL YOU THE  
5 TRUTH, OR PELICAN BAY, BECAUSE THAT'S WHAT YOU DESERVE.

6 YOU LIED AND CHEATED EVERY SINGLE ONE OF US. AND YOU  
7 WANT TO KNOW SOMETHING? I NEVER HEARD TODAY, I NEVER READ IT IN  
8 YOUR ALLEGED SUICIDE NOTE, THAT DID YOU EVER SAY:

9 "WHAT I DID WAS WRONG. WRONG."

10 YOU NEVER SAID IT.

11 THANK YOU, YOUR HONOR.

12 **THE COURT:** THANK YOU.

13 (APPLAUSE.)

14 **MS. HEYMANN:** HI. MY NAME KATHY HEYMANN,  
15 H-E-Y-M-A-N-N. THE TWO N'S BEING VERY IMPORTANT TO MY  
16 FATHER-IN-LAW.

17 WE COME THROUGH MONEY WITH ROBERTO THROUGH THE  
18 HEYMANN FAMILY TRUST. I'VE ALREADY GIVEN YOU LETTERS INDICATING  
19 MY GRANDSON'S HAVING BEHAVIORAL DISORDERS WHICH NEED ADDITIONAL  
20 TREATMENT. MY OWN HEALTH PROBLEMS, I WILL NOT BE ABLE TO PAY  
21 COPAYS THAT THE LACK OF OUR INSURANCE IN OUR COUNTRY DOES NOT  
22 ALLOW ME TO RECEIVE THE CARE.

23 WHAT YOU DON'T KNOW IS MY HUSBAND WAS DIAGNOSED WITH  
24 CANCER LAST WEEK, AND HE'LL REQUIRE EXTENSIVE TREATMENT.  
25 DESPITE ALL THE STATE PROGRAMS, HIS SICK LEAVE FROM WORK, THE



1 DISABILITY PROGRAM, THAT WILL COME NOWHERE NEAR ALLOWING US  
2 KEEPING OUR HOUSE.

3 I LISTENED TO ROBERTO'S SPEECH TODAY. I LISTENED WHEN  
4 HE WAS IN COURT. I READ HIS SUICIDE LETTER. AND EVERY TIME  
5 HE'S TRIED TO JUSTIFY HIS ACTIONS BY SAYING HE WANTED TO PAY US  
6 BACK HIS INTEREST. NEVER ONCE IN HIS SPEECH TODAY DID HE SAY HE  
7 STOLE MONEY FROM US. HE SAID HE BORROWED IT.

8 HE INDICATED AND WAS INDICATED BY HIM OR HIS LAWYER  
9 THAT THERE WAS NEVER ANY WRITTEN DOCUMENTATION ON WHERE THE  
10 MONEY WAS GOING.

11 WELL, THERE WAS PLENTY OF VERBAL DOCUMENTATION. MY  
12 84-YEAR-OLD MOTHER ASKED HIM REPEATEDLY WHERE THINGS WERE GOING.  
13 IT WAS GOING TO GO TO PEOPLE HE KNEW AND TRUSTED AND DID BOOKS  
14 FOR. AND ALL OF THEM WERE VERY FINANCIALLY SECURE, AND WE  
15 SHOULD NOT WORRY A BIT HIS MONEY.

16 ON AND ON HE TOLD US LIES. HE TOLD YOU LIES IN HIS  
17 STATEMENT TODAY. HE TOLD YOU MISTRUTHS LIKE HE'S TRYING TO CON  
18 YOU INTO LESS TIME AS HE TRIED TO CON US.

19 WE HAVE BEEN SENTENCED TO FINANCIAL DISGRACE THAT  
20 WILL, INDEED, EFFECT OUR LIVES, OUR LIVELIHOOD AND OUR ABILITY  
21 TO CARRY ON WITH OUR LIVES.

22 UNFORTUNATELY, WE ALWAYS DREAMED AND THOUGHT WE HAD A  
23 NEST EGG. THAT IF ONE OF US LOST OUR JOBS, AS MY HUSBAND HAS  
24 TWICE, THAT WE WOULD BE ABLE TO GET THROUGH.

25 WE SAW THE NEST EGG DECREASE THROUGH THE VERY SERIOUS

1 ILLNESS OF OUR DAUGHTER, WHO HAS NOW RECOVERED AND IS DOING  
2 WELL.

3 BUT I NOW CAN'T RETIRE. I CAN'T HAVE SOMEBODY  
4 PROVIDE ME WITH THREE MEALS A DAY AND HOUSING. I MAY NOT BE  
5 ABLE TO KEEP MY HOUSE.

6 I CERTAINLY CAN'T LIVE THE LIFESTYLE THAT I HAVE  
7 WORKED MANY, MANY YEARS FOR.

8 THIS MAN IS A CRIMINAL OF 30 YEARS. THIS ISN'T A NEW  
9 OR UNUSUAL CIRCUMSTANCE. HE HAS COMMITTED THE CRIME OVER AND  
10 OVER AND OVER FOR MANY, MANY, MANY YEARS, AND DEVASTATED US ALL.

11 IT'S A SHAMEFUL THING. I WOULD BE ASHAMED TO CARRY  
12 YOUR NAME.

13 THANK YOU VERY MUCH.

14 **THE COURT:** THANK YOU.

15 **MR. SEQUERIA:** RICK DEVIN SEQUERIA, S-E-Q-U-E-R-I-A.

16 AND I JUST WANT TO SAY IN OUR CIRCUMSTANCES MY MOM IS A CANCER  
17 SURVIVOR, DEMENTIA EIGHT YEARS OLD. NEEDS THE MONEY THAT WE HAD  
18 COMING IN TO PAY THE BILLS; HAD TO SELL HER HOUSE.

19 AND MY FIVE AND SEVEN-YEAR-OLD'S COLLEGE FUND IS  
20 GONE. AND I PERSONALLY CAN'T HARBOR THE BITTERNESS. I'VE  
21 FORGIVEN ROBERTO.

22 MAYBE PEOPLE DON'T WANT TO HEAR THAT, BUT I CAN'T GO  
23 ON WITH THAT.

24 FIRST THING MY WIFE SAID WHEN I CAME HOME FROM THE  
25 POST OFFICE IS THAT:

1 "WE NEED TO PRAY FOR HIM."

2 SO THAT'S WHAT WE DID. AND WE'RE GOING TO MAKE THIS  
3 THROUGH HOWEVER, BUT I STILL KNOW FOR SURE THAT THERE NEEDS TO  
4 BE CONSEQUENCES.

5 REGARDLESS IF ROBERTO BUILT AN ORPHANAGE OR HOSPITAL  
6 WITH MY MONEY, I DIDN'T HAVE THE CHOICE TO SAY:

7 "YEAH, THAT'S A GOOD IDEA. OR IF YOU ARE GOING  
8 TO GIVE IT AWAY, LET ME GIVE IT AWAY."

9 SO THAT'S WHERE I STAND ON THAT ISSUE. THERE JUST  
10 NEEDS TO BE CONSEQUENCES.

11 YOU COULD BE JUMPING OFF A BUILDING TRYING TO COMMIT  
12 SUICIDE. HALFWAY DOWN YOU COULD PRAY TO GOD:

13 "GOD, PLEASE FORGIVE ME. I DON'T WANT TO KILL  
14 MYSELF."

15 AND GOD WOULD SAY:

16 "I FORGIVE YOU."

17 AND THE NEXT THING THAT WOULD HAPPEN IS (INDICATES BY  
18 CLAPPING HANDS TOGETHER.)

19 SO FORGIVE HIM, BUT THE CONSEQUENCES NEEDS TO BE AS  
20 MUCH AS THE LAW WILL ALLOW.

21 THANK YOU.

22 **THE COURT:** THANK YOU.

23 **MS. FAHNBULLEH:** YOUR HONOR, MY NAME IS EVELYN  
24 FAHNBULLEH.

25 SHOULD I SPELL MY LAST NAME? IT'S F, AS IN FRANK,

1 A-H-N-B-U-L-L-E-H.

2 I WAS INTRODUCED TO THIS PERSON BY MY NEIGHBOR, WHO  
3 IS HERE TODAY. AND I'M VERY, VERY SURPRISED THAT HE'S HERE.  
4 SEVERAL MONTHS AGO, YOUR HONOR, I ASKED YOU TO GIVE THIS GUY 300  
5 YEARS FOR THE 300 INVESTORS. NOTHING HAS CHANGED FOR ME.

6 EVERYTHING HAS GONE DOWNHILL. WHEN I TALK ABOUT  
7 LIVING IN HELL RIGHT HERE ON EARTH, THIS IS WORSE THAN BEING IN  
8 HELL THESE PAST MONTHS. I FEEL LIKE I CAN'T GO ON BECAUSE ALL OF  
9 YOUR HOPE IS GONE.

10 I WAS SAVING FOR SECURITY AGAINST POVERTY, SICKNESS  
11 AND OLD AGE. MY PLANS DID NOT MATERIALIZE.

12 AND AS I DUST OFF MY ALL MY WOUNDS, MY HOPES KEEPS  
13 GETTING INTO MY EYES.

14 MY DAYS ARE BLACK, YOUR HONOR. EVERY DAY I SEEM TO BE  
15 BIDING MY OWN PERSONAL MAZE OF MISFORTUNE. I LIVE FROM ONE  
16 CRISIS TO THE OTHER.

17 FIRST TIME IN MY ADULT LIFE I'M DESTITUTE, PENNILESS,  
18 WITHOUT A CASH RESERVE, EMERGENCY FUND, AND JUST FEEL HOPELESS.  
19 MY SCARS ARE DARK AND GLOOMY BECAUSE THIS SLEAZEBALL I TRUSTED  
20 MISUSED MY TRUST.

21 I'M BROKEN. MY LIFE IS ENDED BY GREED AND HIS  
22 NARCISSISM. I SPENT THE FIRST PERIOD OF MY LIFE IN CONSTANT AND  
23 DESPERATE CONDITION OF A DEVELOPING COUNTRY WHERE THERE IS  
24 ALWAYS AND ONLY THE RECESSION OF THE WORSE KIND, TO HAVE  
25 FINANCIAL SUPERLATIVE FREEDOM RIPPED AWAY, RUN OVER BY THE

1 JUGGERNAUT OF DECEIT AND GREED.

2 I FEEL DEFEATED, HOPELESS AND USELESS. THE THREAD OF  
3 MY LIFE HAS GROWN THIN. THEY ARE TWISTED BY TIMES OF FEAR,  
4 DOUBT, EXHAUSTION, FEAR AND WORRY.

5 HOW WILL THIS CON ARTIST EVER KNOW, SEE THE SOLEMNNESS  
6 IN MY EYES AND SENSE MY INNER PAIN?

7 HOW CAN HE KNOW THE HOPELESSNESS I FEEL WHEN I CRY  
8 THAT I HAVE IN VAIN TO LET GO OF MY OWN FEARS?

9 MY NEIGHBOR INTRODUCED ME TO THIS GUY MANY, MANY  
10 YEARS AGO. HE'S ALWAYS WORRIED ABOUT ME. HE PROBABLY WOULDN'T  
11 LIKE ME TO SAY THIS, BUT HE WROTE A CHECK FOR ME FOR \$1,000 TO  
12 HELP PAY MY RENT.

13 THIS RUTHLESS PSYCHOPATH WHO CAUSED A LIFE OF  
14 DISCOMFORT, HURT, PAIN, SORROW, AND STRIFE MUST NEVER EVER BE  
15 ALLOWED TO ENJOY THE SOUNDS OF LAUGHTER; NEVER HEAR THE WIND  
16 RUSTLING IN TREES AND MUST NEVER HEAR THE BIRDS CHIRPING AS A  
17 FREE MAN EVER AGAIN, YOUR HONOR.

18 YOU TALK ABOUT PAIN, THAT MONEY I NEVER GOT. TWICE I  
19 ASKED FOR MY INTEREST CHECK, AND THAT'S ALL I EVER GOT FROM  
20 \$187,000.

21 AND TO THINK THAT I HAD TO PAY THE TAXES ON THAT  
22 BOGUS INTEREST THAT I WASN'T GETTING EVERY YEAR. THE FIRST TIME  
23 I GOT A CHECK FROM IRS LAST APRIL WHEN I WASN'T EXPECTING IT.  
24 FROM 19 YEARS THIS GUY HAD BEEN CONNING ME. HE GAVE ME INTEREST  
25 THAT I DIDN'T HAVE.

1 NO, YOUR HONOR, I STILL WANT 300 YEARS, THE MAXIMUM  
2 THAT THIS GUY CAN GET, BECAUSE I AM FINISHED. AND I DIDN'T KNOW  
3 HE HADN'T GONE TO COLLEGE. BEING IN JAIL HE MIGHT HAVE A CHANCE  
4 TO FINALLY FINISH COLLEGE THAT HE DIDN'T. MAYBE IF HE HAD GONE  
5 TO COLLEGE HE WOULD HAVE KNOWN THAT YOU CAN'T JUST TAKE, STEAL  
6 FROM OTHER PEOPLE.

7 SO, YOUR HONOR, I LEAVE THIS IN YOUR HANDS.

8 **THE COURT:** THANK YOU.

9 **MS. FAHNBULLEH:** AND I THANK YOU FOR LISTENING.

10 **MR. MCPHERSON:** I'M ROBERT MCPHERSON, AND I GO BY  
11 BILL, AND I DON'T LIKE THE NAME "ROBERT" ANYMORE.

12 ROBERTO, YOU RUINED AN AWFUL LOT OF LIVES. YOU  
13 RUINED. AND I HEARD YOU STANDING UP HERE TELLING HOW NICE  
14 YOU'VE DONE -- DON'T HANG YOUR HEAD. LOOK UP LIKE A MAN.

15 WE SHOULD ALL FEEL SORRY FOR YOU, AND I CAN'T. I  
16 NEVER WILL. THE DAY I FOUND OUT THAT YOU HAD TAKEN ALL OF OUR  
17 MONEY -- WE DIDN'T HAVE A PENNY LEFT. WE STILL DON'T -- WE FOUND  
18 OUT THAT OUR SEPTIC SYSTEM FAILED.

19 MY WIFE AND I LIVE IN RURAL WASHINGTON STATE. WE  
20 DON'T HAVE A SEWER. EVERYBODY NEEDS TO HAVE A SEPTIC SYSTEM. BIG  
21 DEAL. THE COUNTY REQUIRED US TO REPLACE A COMPLETE SYSTEM  
22 PRESSURIZED. WE DIDN'T HAVE THE MONEY.

23 WE HAD TO GO TO THE DEPARTMENT OF AGRICULTURE, THE  
24 RURAL HOME DEVELOPMENT PROGRAM, AND TAKE OUT A LOAN. WE WILL BE  
25 REPAYING THAT LOAN FOR 33 YEARS. WHEN IT'S REPAID, IF I'M STILL

1 ALIVE, I'LL BE 99 YEARS OLD.

2 I SUSPECT STRONGLY THAT YOU'LL BE OUT OF PRISON BY  
3 THEN. I DON'T LIKE TO CALL THEM "CORRECTIONAL INSTITUTIONS"  
4 BECAUSE I THINK THEY REALLY DON'T CORRECT YOU. THEY SHOULD BE A  
5 PENAL COLONY.

6 NANCY AND I DON'T EAT VERY WELL ANYMORE. MY WIFE IS  
7 NANCY MCPHERSON. WE HAVE TWO MEALS A DAY. SOMETIMES OUR DINNER  
8 IS A BAKED POTATO AND SOME VEGETABLES. I DON'T TRUST ANYONE  
9 ANYMORE. I LOOK AT EVERYBODY WITH A SKEPTICAL EYE. I'M WAITING  
10 FOR THEM TO SCREW ME IN THE BACK.

11 OBVIOUSLY, WE WON'T INVEST ANY MONEY IF I WIN THE  
12 LOTTERY, BUT I CAN'T SPEND A DOLLAR. WE'RE REALIZING NOW THAT  
13 WHEN YOU TOOK OUR MONEY AS AN INVESTMENT YOU KNEW DAMN WELL THAT  
14 WE WEREN'T GOING TO GET IT BACK. WE DIDN'T LOAN IT TO YOU. WE  
15 GAVE IT TO YOU IN GOOD FAITH THINKING WE WOULD GET A LITTLE BIT  
16 OF EXTRA MONEY EACH MONTH TO HELP SUPPLEMENT OUR RETIREMENT.

17 AND AS YOU KNOW, WE HAD TO TAKE IT OUT BIT BY BIT.  
18 NOW I SEE WHY YOU WERE ALWAYS SO RELUCTANT. YOU DIDN'T SOUND  
19 NICE. NANCY DIDN'T WANT TO TALK TO YOU ON THE PHONE.

20 OUR FINANCIAL FUTURE IS DIRE. I WAS GOING TO SAY  
21 "PRECARIOUS," BUT I LOOKED IT UP IN THE DICTIONARY AND "DIRE" IS  
22 A BETTER DESCRIPTION. AND I'D LIKE TO SEE YOU SERVE AT LEAST 33  
23 YEARS BECAUSE WE'RE DOING 33 YEARS. AND I KNOW THAT THE JUDGE'S  
24 HANDS ARE TIED BY LAW.

25 YOU'VE TAKEN ALL OF OUR MONEY. EVERYTHING IS:

1                   "WELL, TURN OFF THE LIGHT, DEAR, WHEN YOU'RE NOT  
2                   THERE. LET'S KEEP THE WINDOWS CLOSED."

3                   IT'S COLD IN WASHINGTON. I HOPE THAT DURING YOUR  
4                   TIME THAT YOU'RE INCARCERATED -- WHICH, OF COURSE, WE'RE ALL  
5                   GOING TO PAY FOR THREE MEALS. WE'RE GOING TO HAVE TWO,  
6                   PROBABLY, SOMETIMES THREE -- I HOPE THAT YOU'LL LEARN HOW YOUR  
7                   GREED HAS RUINED LIVES. NOT JUST OURS, EVERYBODY'S HERE.  
8                   PEOPLE HERE DON'T TRUST ANYMORE.

9                   I SEE YOUR FAMILY HERE, AND I FEEL SO SORRY FOR THEM.  
10                  THIS IS THE FIRST TIME MY WIFE AND I HAVE SEEN ROBERTO.

11                  I HOPE THAT YOU'LL LEARN SOME THINGS ABOUT YOUR GREED  
12                  WHILE YOU'RE INCARCERATED. BUT I HOPE THAT YOU'LL HAVE SOME  
13                  EMOTIONAL PAIN, MAYBE SOME PHYSICAL PAIN. I'D LIKE TO SEE YOU  
14                  GET SODOMIZED.

15                  I WASN'T GOING TO SAY THAT.

16                  THANK YOU.

17                  **THE COURT:** THANK YOU.

18                  **MS. COUNTS:** I WISH TO GOD THAT I WAS NOT YOUR  
19                  SISTER.

20                  I'M SORRY. MIRIAM COUNTS, C-O-U-N-T-S.

21                  YOU'RE MY BROTHER, AND I WILL FOREVER LOVE YOU. BUT  
22                  FOR YOU TO STAND UP HERE AND SAY THAT YOU ARE TELLING THE TRUTH  
23                  AND NOTHING BUT THE TRUTH AND YOUR REMORSE AND YOUR REQUEST FOR  
24                  RESTITUTION IS HOGWASH.

25                  I HAVE ASKED YOU FOR THE TRUTH. YOU AND I HAD A



1 SEXUAL RELATIONSHIP AT THE AGE OF TEN-AND-A-HALF FOR ME, AND 12  
2 YEARS OLD FOR YOU. AND I HAVE STOOD IN FRONT OF YOU AND BEGGED  
3 YOU, BEGGED YOU TO TELL THE TRUTH ABOUT WHAT HAD OCCURRED  
4 BETWEEN YOU AND ME IN ORDER FOR THE TRUTH ABOUT OUR DAD TO COME  
5 OUT.

6 HOW DARE YOU SAY YOU LOVE ME AND NOT COME OUT AND  
7 HELP ME WHEN I WAS TRYING TO TELL THE TRUTH ABOUT MY CHILDHOOD  
8 WITH OUR DAD.

9 I HAD YOUR SON IN MY HOUSE FOR TWO YEARS LOVING EACH  
10 ONE OF YOU. AND I SIT OVER HERE, INSTEAD OF OVER THERE WHEN  
11 THIS MAN KNEW THE TRUTH THE WHOLE DARN TIME.

12 I LOVE YOU GUYS, BUT I HAVE NOTHING MORE TO LOSE. I  
13 HAVE LOST YOUR LOVE. I'VE LOST YOUR RESPECT BECAUSE I CHOOSE NO  
14 LONGER TO BE A VICTIM. REMEMBER THAT THERAPY THAT I'VE BEEN  
15 THROUGH? THIS IS WHAT THE BOTTOM RESULT IS.

16 I AM NO LONGER A VICTIM. I LOVE YOU.

17 **MR. IRVING:** MY NAME IS DAN IRVING. I AM THE  
18 GRANDSON OF HENRY IRVING, SENIOR, AND THE SON OF HENRY IRVING,  
19 JUNIOR.

20 I'M JUST GLAD THEY DIDN'T NAME ME HENRY IRVING, III.

21 HENRY IRVING ACCOUNTING WAS ESTABLISHED ON RUDY  
22 STREET IN SAN FRANCISCO FOR ABOUT HALF A CENTURY.

23 MY FATHER HIRED ROBERTO, I BELIEVE, IN 1973. AND  
24 ROBERTO IS AN EXTREMELY INTELLIGENT MAN. I USED TO THINK HE HAD  
25 A SIXTH SENSE WITH NUMBERS.

1 AS A YOUNG -- AS A TEENAGER, HE WORKED AT CANDLESTICK  
2 PARK DOING STATISTICS ON THE BOARD FOR THE SAN FRANCISCO GIANTS,  
3 AND THE PROFESSIONAL STATISTICIAN SAID:

4 "THIS GUY'S STATISTICS WERE BETTER THAN THE  
5 PRO STATS."

6 HE WAS PHENOMENAL WITH NUMBERS. HE BECAME MY MOST  
7 TRUSTED, BEST FRIEND. I SPENT TIME WITH HIM. I REMEMBER JASON  
8 AND JENNI WHEN THEY WERE LITTLE.

9 YOU GUYS HAVE GROWN UP.

10 THE LAST TIME I WAS IN ROBERTO'S HOUSE WAS  
11 VALENTINE'S DAY, 2009. I FEEL LIKE A FOOL. AND I FEEL GUILTY.  
12 AND I'LL EXPLAIN WHY.

13 I INVESTED \$1.5 MILLION OF MY MONEY THAT I EARNED IN  
14 MY CAREER AND MY WIFE'S INHERITANCE. I THINK PEOPLE TRUSTED ME,  
15 MY MOM, MY AUNTS, MY BROTHER, MY FRIENDS. AND BECAUSE I  
16 INVESTED IN ROBERTO THEY THOUGHT THEY COULD INVEST, TOO.

17 AND SO BETWEEN OUR FAMILY AND MY FRIENDS I'M LOOKING  
18 AT FOUR MILLION PLUS, AND I HAVE TO LIVE WITH THAT. AND I HAVE A  
19 GUILT ASSOCIATION AND THE RESPONSIBILITY OF THAT.

20 I FELT THEY INVESTED BECAUSE I INVESTED, AND I  
21 FOOLISHLY WAS WRONG. AND ROBERTO IS A SMART GUY. HE TESTIFIED  
22 HE'D BEEN IN CONGRESS ON BEHALF OF FRANCHISEES' RIGHTS WITH  
23 BASKIN ROBBINS.

24 HIS MIND WAS SHARP. HOW SHARP? I DO NOT AGREE WITH  
25 HIS ATTORNEY'S CALCULATIONS IN REGARDS TO THE NUMBERS AS FAR AS

1 GAMBLING, BECAUSE I WAS INVOLVED WITH ROBERTO IN HIS INITIAL  
2 GAMBLING WITH THE HUNT BROTHERS SILVER COMMODITY YEARS AGO. AND  
3 I GOT BURNED.

4 I SAID:

5 "I'LL NEVER DO THAT AGAIN."

6 HE BECAME A GAMBLER. HE BECAME AN INCREDIBLE GAMBLER.  
7 I THINK HIS ATTORNEY SAID ABOUT TEN PERCENT. TEN PERCENT OF THE  
8 52 MILLION REPRESENTS ABOUT \$5 MILLION.

9 I WAS ROBERTO'S GUEST ON NUMEROUS JAUNTS TO CAESARS  
10 AND TO MGM. AND WE ARE TALKING ABOUT A JEKYLL AND HYDE. YES, HE  
11 LIVED AN EXTREMELY FRUGAL LIFESTYLE. I'VE BEEN TO HIS HOME. I  
12 KNEW HIS WIFE, HIS KIDS.

13 SOMETIMES HE WAS SO TIGHT I COULDN'T BELIEVE IT. BUT  
14 HE LIVED ANOTHER LIFESTYLE THAT YOU NEED TO KNOW ABOUT. AND THAT  
15 WAS IN VEGAS AND IN TAHOE.

16 WHAT WAS THAT LIFESTYLE LIKE? WE SEE IT ON TV. WE  
17 CAN'T EVEN IMAGINE FROM WHAT WE SEE ON TV. I'VE BEEN THERE WITH  
18 HIM. I THOUGHT HE HAD -- I WATCHED HIM GAMBLE. I DON'T GAMBLE.

19 I REALIZED WHEN ANYBODY ELSE WINS IS PART OF WHAT I  
20 LOSE, AND MY STOMACH TURNS UPSIDE-DOWN. BUT I WATCHED HIM  
21 GAMBLE, AND I WATCHED HIM WIN. AND I WATCHED HIM GAMBLING. HE  
22 PLAYED TWO GAMES. HE PLAYED BLACKJACK AND HE PLAYED SLOTS  
23 POKER.

24 NOBODY WINS AT SLOTS. NOBODY WINS AT SLOTS. ROBERTO  
25 WON AT SLOTS. HOW DID HE PLAY POKER? HOW GOOD WAS HE? WELL,

1 IF YOU PLAY SLOTS FAST ENOUGH YOU CAN PUT ONE COIN IN THE SLOT  
2 MACHINE. THAT COIN CAN BE \$20, \$10, \$5 OR \$100. THEN, YOU CAN  
3 MAXIMIZE YOUR BET BY PUTTING FIVE COINS FOR ONE HAND. THAT'S  
4 500 BUCKS.

5 I WATCHED HIM (INDICATING) HAND AFTER HAND AFTER HAND  
6 AFTER HAND, ONE MINUTE. HE PROBABLY PLAYED SIX OR SEVEN HANDS  
7 LIKE CLOCKWORK. I WATCHED HIM WIN IN SLOTS.

8 I WENT OUT TO DINNER WITH THE CEOS OF THE MIRAGE AND  
9 THE MGM AND CAESARS. AND I SAID TO THEM:

10 "HOW IS IT THAT THIS GUY IS WINNING?"

11 AND THEY SAID:

12 "YOU KNOW, WE HAVE STUDIED HIM. WE HAVE TRIED  
13 TO FIGURE HIM OUT. WE HAVE GONE THROUGH EVERY ANGLE  
14 WITH THIS GUY. HE DOESN'T COUNT CARDS. HE DOESN'T  
15 HAVE MAGNETIC THINGS ON HIM. HE'S BEEN  
16 STRIP-SEARCHED."

17 THEY SAID:

18 "BUT WE DO KNOW ONE THING. WE JUST NEED TO KEEP  
19 HIM COMING BACK. IF WE KEEP HIM COMING BACK, WE'RE  
20 GOING TO GET OUR MONEY BACK AND MORE."

21 AND THEY DID. AND HOW DO THEY DO THAT? YOU KNOW, I  
22 FELT LIKE A SHEIK FROM AN OIL COUNTRY IN THE WAY I WAS TREATED  
23 IN THE SIX, 7,000 SQUARE FOOT SUITE THAT WE WOULD STAY IN.

24 IMAGINE A PEEWEE GOLF COURSE WITH NINE HOLES IN IT IN  
25 YOUR LIVING ROOM OR A WALL WITH NINE TV SCREENS ON IT.

1 IMAGINE -- I DON'T GO OUT AND BUY KOBE STEAK OR A \$200 BOTTLE OF  
2 WINE, ALTHOUGH I ENJOY WINE. BUT WHEN EATING WITH HIM -- AND HE  
3 DOESN'T DRINK, AND HE DOESN'T SMOKE. HE DOESN'T CHASE WOMEN.  
4 BUT EATING WITH HIM I COULD HAVE WHATEVER I WANTED, GO TO  
5 WHATEVER SHOW WE WANTED.

6 AND I SAW THE GIFTS THAT THEY LAVISHED UPON HIM. SO  
7 THIS WAS NOT, YOU KNOW, SOMETHING THAT HE JUST DID. THIS WAS A  
8 DIFFERENT WORLD THAT HE LIVED IN BACK AND FORTH, BACK AND FORTH.  
9 AND HE GAMBLED BIG-TIME.

10 I KNOW FROM MY OWN CONTACT WITH HIM WINNINGS OF  
11 THREE, \$4 MILLION. THAT'S JUST MY LIMITED CONTACT WITH HIM AT  
12 THE CASINOS.

13 FOR HIS 40TH BIRTHDAY CAESARS GAVE HIM A LEXUS. IT'S  
14 A NICE GIFT.

15 CHRISTMASTIME HE GETS ALL THESE POINTS AND HE GOES TO  
16 THEIR STORE, AND HE ENDS UP WITH A GIANT SCREEN TV AND, YOU  
17 KNOW, EXERCISE EQUIPMENT AND ELECTRONIC EQUIPMENT AND THIS AND  
18 THAT.

19 HE WON. THEY KEPT HIM COMING BACK. THIS IDEA THAT  
20 MONEY JUST DISAPPEARED AND IS GOING BACK TO US FOR OUR OWN  
21 INTEREST, THE NUMBERS DON'T -- HE WAS GAMBLING BIG-TIME.

22 HE COULD SIT DOWN AT A BLACKJACK TABLE, PLAY THREE,  
23 FOUR, FIVE HANDS AT A TIME. AND I WATCHED THE BETS HE WAS  
24 MAKING, AND I'M LIKE SPINNING. AND I WOULD SAY TO HIM:

25 "HOW DO YOU KNOW WHERE YOU'RE AT? AFTER SITTING

1                   HERE FOR AN HOUR AND GOING BOOM, BOOM, BOOM, BOOM,  
2                   HOW DO YOU KNOW?"

3                   HE KNEW EXACTLY WHERE HE WAS AT. HE COULD TELL YOU  
4 EXACTLY WHERE HE STOOD NUMBER WISE. THAT WAS FOREIGN TO ME. AND  
5 HE WAS RIGHT ON, RIGHT ON THE NUMBERS. HE WAS SMART.

6                   I ASKED HIM MANY TIMES:

7                   "WHERE IS MY MONEY GOING?"

8                   AND I WAS TOLD:

9                   "YOU'RE NOT MAKING" -- I WASN'T TOLD:

10                  "YOU'RE MAKING A PERSONAL LOAN TO ME. YES, I AM  
11 THE MIDDLEMAN. YOU'RE LOANING THE MONEY TO ME, BUT  
12 THE MONEY IS GOING BACK INTO THE CLIENTS OF THE  
13 ACCOUNTING PRACTICE," MY DAD'S CLIENTS.

14                  THAT THEY ARE GETTING MONEY BORROWED FROM HIM, LOANED  
15 TO HIM FOR WORKING CAPITAL LOANS, LEASEHOLD IMPROVEMENT LOANS,  
16 ACCOUNTS RECEIVABLE-TYPE OF LOANS. AND THEN, THAT CULMINATED  
17 INTO HE KNEW HIS CLIENTS SO WELL HE MIGHT LOAN THEM MONEY FOR  
18 THEIR SON'S OR CHILD'S COLLEGE EDUCATION, OR FOR SOME  
19 IMPROVEMENTS THEY ARE DOING TO THEIR HOUSE.

20                  AND I WOULD ALWAYS SAY -- I HAD A LOT OF MONEY  
21 INVESTED, AND I SAID:

22                  "TELL ME HOW MANY OF US ARE THERE?"

23                  I'VE BEEN DOING THIS WITH HIM FOR A LONG TIME. I'VE  
24 KNOWN HIM FOR 30 YEARS.

25                  "WELL, THERE IS ABOUT 16 TO 20 OF YOU."

1                   OKAY. OKAY, THEN 300. THIS WHOLE THING IS  
2 INCOMPREHENSIBLE TO ME, TO WHAT'S HAPPENED TO MY DAD.

3                   YOU KNOW, WHEN THEY SAY IT'S ONLY A PERCENTAGE OF THE  
4 ACCOUNTING BUSINESS THAT THESE LOANS WENT TO, IT'S BECAUSE IF  
5 SOMEBODY WAS IN THAT AND YOU HEARD FROM THEM, THEY TOLD A FRIEND  
6 ABOUT IT OR THEY TOLD ANOTHER FAMILY MEMBER ABOUT IT, AND THEY  
7 INVESTED WITH ROBERTO, LIKE I DID.

8                   HE WAS SHREWD. HE IS AN EXTREMELY INTELLIGENT GUY,  
9 EXTREMELY INTELLIGENT. AND HIS SIXTH SENSE WITH NUMBERS WENT TO  
10 HIS SICK SENSE WITH NUMBERS. AND WE'RE THE VICTIMS OF THAT. I  
11 DON'T HATE HIM. I LOVED HIM AS A FRIEND.

12                   I DON'T WISH HIM TO BURN IN HELL. I HOPE GOD HAS  
13 MERCY ON HIS SOUL.

14                   BUT THIS IS SO PAINFUL FOR ALL OF US. AND MY DAD, HE  
15 WAS CREMATED. IF HE WOULD BE IN THE GROUND HE WOULD BE ROLLING  
16 OVER IN HIS GRAVE.

17                   THANK YOU.

18                   **THE COURT:** THANK YOU.

19                   **MS. COATES:** MY NAME IS GLORIA COATES, C-O-A-T-E-S.

20                   THE VERY FIRST TIME WE MET ROBERTO WAS AT A BASKIN  
21 ROBBINS MEETING, AND THAT WAS 26 YEARS AGO.

22                   HE BUILT UP A TRUST WITH US. WE SOLD OUR STORE IN  
23 2008, AND I ASKED HIM IF HE WOULD DO THE PAPERWORK TO CLOSE OUR  
24 STORE.

25                   HE KNEW WHAT WE WOULD BE MAKING. AND IT IS A LIE THAT

1 HE DID THAT -- THAT HE DID NOT APPROACH PEOPLE, BECAUSE HE  
2 APPROACHED US. AND I TALKED TO MY HUSBAND ABOUT IT. IT WAS  
3 ABOUT TWO MONTHS BEFORE WE DECIDED THAT WE WERE GOING TO PUT  
4 SOME MONEY WITH HIM. THAT'S AT 7 PERCENT.

5 I GOT A CHECK EVERY MONTH JANUARY THROUGH MAY. AND,  
6 IN FACT, THE MAY CHECK CAME ON MAY 30TH. AND I THOUGHT THAT WAS  
7 VERY ODD. MAY 31ST IS THE LAST DAY OF THE MONTH, AND I'M  
8 GETTING AN EARLY CHECK.

9 BUT HE WAS LEAVING TOWN TO GO TO CARMEL WITH HIS  
10 WIFE. SO HE KNEW WHAT WE HAD, AND HE HAS RIPPED US AND PARALYZED  
11 US.

12 **THE COURT:** THANK YOU.

13 **MS. FOX:** GOOD AFTERNOON. MY NAME IS CAROLYNN FOX.

14 AND I WONDER, MR. HECKSCHER, IF YOU EVEN KNOW WHICH  
15 OF YOUR MANY VICTIMS THAT I AM. THIS IS THE FIRST TIME I'VE  
16 ACTUALLY MET YOU.

17 AND IT WAS THE DAY AFTER MY HUSBAND'S 60TH BIRTHDAY  
18 THAT OUR LIFE AS WE PLANNED IT CHANGED FOREVER BY YOUR HAND. IT  
19 WAS SUPPOSED TO BE A BANNER YEAR FOR THE TWO OF US. WE WERE  
20 BOTH REACHING MAJOR AGE MILESTONES, MY HUSBAND TURNING 60 AND ME  
21 55, AND WE WERE LOOKING FORWARD TO CELEBRATING THE 30TH YEAR OF  
22 A MARRIAGE THAT HAD GROWN US TOGETHER AS TWO PEOPLE WHO STILL  
23 CHERISHED AND LOVED EACH OTHER AND THE FUTURE WE ENVISIONED.

24 WE HAD SPENT THREE DECADES RAISING TWO DAUGHTERS,  
25 WELCOMING A GRANDDAUGHTER, CARING FOR AND THEN BURYING OUR



1 PARENTS, AND WORKING VERY HARD TO STAY AHEAD OF WHAT IT COSTS TO  
2 COVER THE PAST AND MOVE THROUGH THE PRESENT AND BUILD FOR THE  
3 FUTURE.

4 I CAN SAY WITH CERTAINTY THAT NOT MUCH CAME EASY, BUT  
5 THERE IS VITALITY AND PERSPECTIVE GAINED IN WORKING HARD FOR THE  
6 NECESSARY THINGS THAT DEFINE WHAT WE HAVE ACCOMPLISHED IN OUR  
7 LIVES BEFORE RETIREMENT AND WHAT WE HOPED TO EXPERIENCE  
8 AFTERWARDS.

9 SIMPLY PUT, WE WERE ANTICIPATING THE FUN OF FINALLY  
10 HAVING A LITTLE MORE. MORE SO THAT WE COULD BE BENEVOLENT  
11 WHENEVER WE WANTED. MORE SO THAT WE COULD WORK ON OUR FAMILY  
12 HOME AND NEVER BE IN FEAR OF BEING FORCED TO SELL IT TO FUND OUR  
13 RETIREMENT. MORE SO THAT WE COULD PROVIDE ASSISTANCE NOW AND  
14 THEN TO ENHANCE THE LIVES OF OUR CHILDREN AND OUR GRANDCHILDREN.

15 AS WITH MANY PEOPLE OUR AGE, THE ADDITIONAL RESOURCES  
16 CAME FROM THE UNEXPECTED PASSING OF MY MOTHER FROM CANCER IN  
17 MARCH OF 2007. MY FATHER HAD DIED OF LUNG CANCER FIVE YEARS  
18 EARLIER, THUS MY BROTHER AND I WERE THE SOLE BENEFICIARIES OF AN  
19 ESTATE TRUST THAT MY PARENTS HAD WISELY SET UP TO MANAGE THEIR  
20 MODEST ASSETS.

21 AS IT TURNED OUT, THE PROCEEDS FROM THE SALE OF MY  
22 PARENTS' HOME WERE MORE THAN WE EXPECTED. WHEN WE SETTLED THE  
23 ESTATE, I REMEMBER FEELING BLESSED TO HAVE RESOURCES TO GROW AND  
24 BELIEVED THAT I HAD BEEN ENTRUSTED WITH FUNDS TO DO GOOD WORKS  
25 WITH, BOTH FOR THE CHURCH WE BELONG TO AND THE SCHOOL I WORK FOR

1 AND LOVE.

2 I MUST CONFESS THAT IT ALSO FELT GOOD TO THINK ABOUT  
3 THE THINGS WE COULD NOW DO FOR OUR FAMILY, THE EXTRAS THAT WERE  
4 HARD TO SAVE FOR AS WE STRUGGLED EACH MONTH TO COVER OUR MIDDLE  
5 CLASS WAY OF LIFE.

6 DALE AND I HAVE BOTH WORKED VERY HARD OVER THE COURSE  
7 OF OUR 32 YEARS TOGETHER, AND I WAS LOOKING FORWARD TO, WITH  
8 CAREFUL PLANNING AND WITHIN REASON, BEING ABLE TO CHOOSE ONE  
9 THING WITHOUT HAVING TO GIVE UP SOMETHING EQUALLY AS IMPORTANT.

10 WE KNEW WE WOULD BOTH STILL NEED TO KEEP WORKING AND  
11 THAT MY "SAVE WHERE YOU CAN SO YOU CAN SPEND WHERE YOU WANT OR  
12 NEED TO" PHILOSOPHY WAS STILL JUST AS IMPORTANT AS IT HAD ALWAYS  
13 BEEN. BUT IT WAS WONDERFUL TO KNOW THAT FROM THEN ON, WE COULD  
14 BREATHE EASIER ABOUT OUR FINANCES AND THAT OUR RETIREMENT YEARS  
15 WOULD BE SECURE.

16 IT WAS IMPORTANT TO ME THAT WE NOT LOSE SIGHT OF OUR  
17 PRIORITIES. THE VERY FIRST CHECK I WROTE FROM MY INHERITANCE  
18 WAS A GIFT OF \$25,000 TO HELP BUILD THE SCIENCE LAB AT THE  
19 SCHOOL WHERE I HAVE WORKED THESE PAST SEVEN YEARS.

20 THE SECOND CHECK WAS FOR A CAR TO REPLACE THE ONE  
21 THAT I HAD BEEN DRIVING FOR 12 YEARS SO THAT WE COULD PUT OUR  
22 YOUNGER DAUGHTER THROUGH COLLEGE, SHE BEING THE FIRST IN OUR  
23 FAMILY TO GRADUATE AND EARN A DEGREE.

24 WE HAD HOPES OF HELPING HER WITH HER MASTERS, JUST AS  
25 WE HAD WANTED TO HELP FUND OUR GRANDDAUGHTER'S EDUCATION.

1                   IN OCTOBER OF 2007, I WAS INTRODUCED TO ROBERTO  
2 HECKSCHER BY MY BEST FRIEND OF 30 YEARS AND HER BROTHER, TWO  
3 ADDITIONAL VICTIMS OF MR. HECKSCHER'S PONZI SCHEME. THEY HAD  
4 INVESTED WITH HECKSCHER FOR 20 YEARS AND TRUSTED HIM AND HAD  
5 NEVER HAD ANY TROUBLE RETRIEVING FUNDS WHEN NECESSARY.

6                   I BELIEVED THEM BOTH TO BE SENSIBLE AND ASTUTE  
7 BUSINESS PEOPLE AND RESPECTED THE LONGEVITY OF THEIR INVESTMENT  
8 RELATIONSHIP WITH HECKSCHER, SO I MUST ADMIT I FELT COMFORTABLE.  
9 I ASKED MANY, MANY QUESTIONS BEFORE I TRANSFERRED THE FIRST  
10 200,000 TO HECKSCHER. BUT I MUST CONFESS IN RETROSPECT I MADE  
11 THAT DECISION BASED MORE ON MY BEST FRIEND'S ASSESSMENT OF HIM  
12 AS AN INVESTMENT PROFESSIONAL I COULD TRUST THAN ON ANY HARD  
13 DOCUMENTATION.

14                   HE PRESENTED HIMSELF AND HIS BUSINESS PLAN AS A SAFE  
15 HARBOR AMIDST THE CRASH AND BURN OF WALL STREET AND COLLAPSING  
16 BANKS AND CORPORATE GREED.

17                   I ACCEPTED PROMISSORY NOTES AND ASSURANCES OF MY  
18 PRINCIPAL INVESTMENT BEING PROTECTED BY A SIZEABLE LIFE  
19 INSURANCE POLICY SHOULD ANYTHING EVER HAPPEN TO MR. HECKSCHER,  
20 AND THAT OUR PARTICIPATION COULD BE LIQUIDATED AND OUR  
21 INVESTMENT RETURNED AT ANY TIME WITH 72 HOURS NOTICE.

22                   IT WAS ABOUT THIS TIME THAT I RECEIVED A LETTER FROM  
23 YOU, AS WELL, EXPRESSING GRATITUDE FOR MY TRUST IN YOU AND FOR  
24 THE FUTURE RELATIONSHIP WE WOULD SHARE OVER THE NEXT FEW YEARS.

25                   THE INITIAL EIGHT PERCENT AND THEN SUBSEQUENT

1 SEVEN PERCENT INTEREST RATE HECKSCHER WAS OFFERING SEEMED LIKE A  
2 PRUDENT FINANCIAL DECISION, BETTER THAN WE HAD BEEN EARNING  
3 BEFORE THE DOWNTURN, BUT NOT OUTRAGEOUS ENOUGH TO MAKE ME  
4 SUSPICIOUS. IT FELT GOOD TO BE INVESTING IN LOCAL BUSINESSES BY  
5 LOANING THEM GROWTH CAPITAL, WHICH, OF COURSE, WERE THE LIES  
6 THAT YOU TOLD ME, VERSUS BEING INVOLVED WITH WALL STREET AND THE  
7 BIG BANKS, WHOSE EXCESSIVE RISK TAKING AND CRIMINAL BUSINESS  
8 PRACTICES WERE BRINGING THE ECONOMY TO ITS KNEES.

9 IT WAS A WAY TO CONTINUE TO EARN HEALTHY INTEREST  
10 INCOME EACH MONTH SO THAT WE COULD ACHIEVE OUR GOALS WHILE  
11 PRESERVING THE PRINCIPAL FOR LONG-TERM GOALS AND RETIREMENT. SO  
12 WE TRANSFERRED AN ADDITIONAL 250,000 IN DECEMBER OF 2007.

13 WHEN MY HUSBAND LOST HIS JOB IN THE FALL OF 2008, WE  
14 DIDN'T HAVE ANY TROUBLE WITHDRAWING 50,000 FROM HECKSCHER TO  
15 COVER OUR LIVING EXPENSES AND THE COST OF HOME IMPROVEMENT  
16 PROJECTS THAT WERE UNDERWAY.

17 WE WONDERED THEN IF MY HUSBAND SHOULD JUST RETIRE  
18 SINCE KITCHEN DESIGNER JOB OFFERINGS WERE NONEXISTENT IN THE  
19 FALTERING ECONOMY FOR A MAN TURNING 60.

20 IN THE SPRING OF 2009, I LEARNED THAT THE INTEREST  
21 RATE ON THE CASH PORTION OF THE REST OF OUR PORTFOLIO HAD  
22 DIMINISHED TO .01 PERCENT. SO WHEN HECKSCHER APPROACHED US  
23 AGAIN IN APRIL FOR AN ADDITIONAL INVESTMENT WE TRANSFERRED OUR  
24 LAST HUNDRED THOUSAND TO HIM, FIGURING THAT THE INTEREST INCOME  
25 ON A TOTAL INVESTMENT OF 500,000 WOULD REPLACE DALE'S INCOME AND

1 ALLOW US TO HAVE HIM RETIRE.

2 I HAVE SINCE LEARNED THAT HE USED OUR MONEY TO REPAY  
3 ANOTHER INVESTOR IN APRIL, STEALING FROM US ONE FINAL TIME AND  
4 FULLY AWARE, I BELIEVE, THAT HIS PONZI SCHEME WAS ABOUT TO CRASH  
5 AND BURN.

6 AT ANY RATE, WE GAVE AN ADDITIONAL AMOUNT OF MONEY TO  
7 THE SCHOOL IN APRIL AND LOOKED FORWARD TO DIVING LATER ON THAT  
8 YEAR AND TO DALE'S 60TH BIRTHDAY IN RETIREMENT, UNTIL  
9 EVERYTHING FELL APART AS HECKSCHER'S SCHEME COLLAPSED.

10 I BELIEVE IT IS IMPORTANT FOR THE COURT TO KNOW THAT  
11 MY HUSBAND AND I HAVE ALWAYS LIVED WITHIN OUR MEANS, ACCORDING  
12 TO THE RULES AND HAVE CLEARLY UNDERSTOOD THAT WE WOULD HAVE TO  
13 WORK HARD TO ACHIEVE FINANCIAL SECURITY AND A LIFE THAT IS GOOD  
14 FOR OUR FAMILY. BUT WE BELIEVED WE COULD DO SO WITHOUT  
15 SACRIFICING OUR INTEGRITY, OUR ETHICS, OR MORAL CHARACTER.

16 ACCOMPLISHING GOALS AT THE EXPENSE OF SOMEONE ELSE'S  
17 WELL-BEING HAS NEVER AND COULD NEVER BE PART OF THE EQUATION,  
18 WHICH IS WHY ROBERTO HECKSCHER'S TOXIC COMBINATION OF  
19 SELF-CENTEREDNESS, GREED AND ARROGANCE WAS SUCH A CRUSHING BLOW.  
20 HIS BOLD LIES PROTECTED HIS PRESENT DIRE CIRCUMSTANCES CREATED  
21 AS A RESULT OF HIS GAMBLING ADDICTION BY DESTROYING OUR FUTURE,  
22 THE WORSE KIND OF FINANCIAL TERRORIST, A COWARD BY ANYONE'S  
23 DEFINITION.

24 DALE AND I HAD SO LITTLE TIME TO ENJOY WHAT OUR LIFE  
25 COULD HAVE BEEN BEFORE IT WAS RIPPED OUT FROM UNDER US AFTER

1 BARELY TWO YEARS, AND THE SENSE OF LOSS AND REGRET IS  
2 DEVASTATING.

3 AS A RESULT OF OUR HALF A MILLION DOLLAR LOSS AT THE  
4 HANDS OF THIS UNSCRUPULOUS MAN WHO HAD NO REGARD FOR US, MY  
5 HUSBAND WAS UNABLE TO RETIRE, AND WAS FORCED TO TAKE A JOB AS A  
6 JANITOR AT OUR CHURCH AND THE SCHOOL WHERE I WORK SO THAT WE  
7 WOULD NOT LOSE OUR HOUSE.

8 OUR CURRENT FINANCIAL ADVISOR ESTIMATES THAT HE WILL  
9 NEED TO KEEP WORKING UNTIL HE IS AT LEAST 70 SO THAT WE CAN  
10 PRESERVE OUR REMAINING ASSETS AND HAVE SOME KIND OF RETIREMENT.

11 INSTEAD OF BEING ABLE TO SHARE OUR GOLDEN YEARS  
12 TOGETHER, WE NOW SHARE ONE DAY A WEEK TOGETHER AS HIS SCHEDULE  
13 IS ONE OF LATE SHIFTS AND WEEKEND WORK. THE GUILT THAT I FEEL  
14 AS I WATCH MY 60-YEAR-OLD HUSBAND TRUDGE INTO THE HOUSE EVERY  
15 NIGHT AT TEN, AND IN PAIN, DEFIES WORDS.

16 WE WERE IN THE MIDST OF MAJOR HOME IMPROVEMENTS BEGUN  
17 JUST BEFORE DALE LOST HIS JOB. WE HAD MADE DOWN PAYMENTS ON  
18 HALF THE COST OF ALL OF THESE PROJECTS, BECAUSE WE HAD DECIDED  
19 TO STAY IN OUR HOUSE.

20 WE STILL, OF COURSE, OWE THE OTHER HALF. AS WE  
21 SUDDENLY NO LONGER HAD ANY INCOME TO LIVE ON OR MAKE PROGRESS  
22 PAYMENTS WITH, WE HAD TO LIQUIDATE THE REST OF OUR ASSETS TO  
23 HONOR OUR OBLIGATIONS HAVING TO SELL IN A DOWN MARKET AT A LOSS,  
24 THUS ADDING INSULT TO INJURY.

25 WE ARE NOW UNABLE TO FUND OUR GRANDMOTHER'S EDUCATION

1 AND ARE HAVING TO RELY ON FINANCIAL AID TO KEEP HER IN THE  
2 SCHOOL THAT SHE LOVES. I WILL NO LONGER BE ABLE TO GIVE TO THE  
3 SCHOOL THAT I ALSO LOVE. WE ARE NO LONGER ABLE TO PURSUE OUR  
4 PASSION OF GOING DIVING. I KNOW THAT'S A SMALL THING, BUT WE HAD  
5 EARNED THE RIGHT TO ENJOY THIS WITH ONE ANOTHER, AND WE WILL NO  
6 LONGER BE ABLE TO GO.

7 WE ARE UNABLE TO CONTINUE OUR PHILANTHROPY AS WE HAD  
8 DREAMED TO DO.

9 I HAVE BEEN UNABLE TO SLEEP THROUGH THE NIGHT FOR THE  
10 11 MONTHS THAT HAVE PASSED SINCE HECKSCHER'S FRAUD CAME APART AT  
11 THE SEAMS. THE LOSS IS MAGNIFICENTLY BEYOND COMPREHENSION, AND  
12 IT IS IRRETRIEVABLE AND IT IS FINAL, AS WE WILL NEVER HAVE  
13 ACCESS TO THAT LEVEL OF RESOURCES EVER AGAIN.

14 TO OTHERS, IT MAY NOT SEEM LIKE A FORTUNE, BUT IT  
15 CERTAINLY WAS TO OUR FAMILY. I HAVE ALWAYS BELIEVED MYSELF TO BE  
16 A PRETTY SAVVY CONSUMER AND THE STRATEGIC PLANNER OF OUR FAMILY,  
17 SO IT IS HARD TO ACCEPT THAT I MADE SUCH A HUGE MISTAKE IN  
18 TRUSTING YOU WHEN SO MUCH WAS AT STAKE.

19 I AM AWAKENED EVERY NIGHT BY THOUGHTS OF HOW BADLY I  
20 HAVE SCREWED EVERYTHING UP. I LIE AWAKE THINKING ABOUT HOW MUCH  
21 WE WILL NOT BE ABLE TO DO AS A RESULT OF MY TRUSTING THIS MAN  
22 WHO PRESENTED HIMSELF AS THE CHAMPION OF THE HARD WORKING,  
23 MIDDLE-CLASS INVESTOR WHILE PERPETRATING THE WORSE KIND OF  
24 BETRAYAL.

25 I LAY AWAKE THINKING ABOUT A LIFE THAT WILL BE

1 PAINTED ON A MUCH SMALLER CANVAS.

2 I HAVE BEEN UNABLE TO SHAKE THE DEPRESSION I LIVE  
3 WITH. EVERY DAY I AM REMINDED IN ONE WAY OR ANOTHER OF WHAT I  
4 CAN NO LONGER DO AND THE REASON WHY.

5 THIS DEVASTATING EVENT HAS BEEN VERY ISOLATING. IT  
6 IS DIFFICULT TO TALK ABOUT THE LEVEL OF LOSS WE HAVE EXPERIENCED  
7 WHEN WE ARE STILL LIVING IN OUR HOUSE AND OTHERS ARE LOSING  
8 THEIRS.

9 AFTER ALL, WE DIDN'T LOSE A LOVED ONE TO AN ILLNESS  
10 OR AN ACCIDENT OR SOME RANDOM ACT OF VIOLENCE, SO THE COUNSEL  
11 HAS BEEN THAT "YOU JUST HAVE TO GET OVER IT AND MOVE ON."

12 I WANT TO SCREAM THAT THERE IS NO GETTING OVER  
13 SOMETHING LIKE THIS. WE CAN ONLY TRY TO FIND A WAY TO LIVE WITH  
14 THIS BETRAYAL THAT IS BEYOND COMPREHENSION. FRIENDS HAVE NO WAY  
15 OF UNDERSTANDING HOW HUMILIATING IT IS TO BE A VICTIM OF THIS  
16 KIND OF FRAUD AND HOW HARD IT IS TO EMOTIONALLY RECOVER WHEN SO  
17 MUCH HAS BEEN STOLEN FROM YOU IN THIS MANNER.

18 AT BERNARD MADOFF'S TRIAL AND SUBSEQUENT SENTENCING,  
19 THE MEDIA AND VARIOUS OTHER FINANCIAL COMMENTATORS ALMOST  
20 SCOFFED AT THE VICTIMS, MAKING REFERENCE TO HAND WRINGING AND  
21 MOCKING THE CHEERS THAT ERUPTED IN THE CLASSROOM -- IN THE  
22 COURTROOM WHEN MADOFF WAS GIVEN THE MAXIMUM SENTENCE OF 150  
23 YEARS, THE BROADCASTERS WONDERING WITH OBVIOUS DISTAIN HOW THESE  
24 INVESTORS COULD NOT HAVE KNOWN WHAT WAS REALLY GOING WITH THEIR  
25 LIFE SAVINGS.



1           IT IS HEARTBREAKING TO ME, ACTUALLY, THAT SOME OF  
2 HECKSCHER'S INVESTORS DID, INDEED, KNOW THAT HE WAS GAMBLING AND  
3 SAW NO DANGER IN SOMEONE WHO HAD ACCESS TO SO MUCH INVESTOR  
4 MONEY BEING TREATED TO THE LIFESTYLE OF A WHALE IN RENO AND LAS  
5 VEGAS. THIS SCENARIO WENT WELL BEYOND RECREATIONAL AND HARMLESS  
6 TO DEVASTATING.

7           I HAVE NOT FOUND OUR GOVERNMENT TO BE SYMPATHETIC OR  
8 RESPONSIVE EITHER. MY HUSBAND WROTE A VERY EMOTIONAL LETTER TO  
9 SENATOR FEINSTEIN EXPLAINING WHAT HAD HAPPENED TO US AND ASKING  
10 WHAT, IF ANYTHING, COULD BE DONE. THE RESPONSE WE GOT IN RETURN  
11 WAS A FORM LETTER.

12           TO QUOTE:

13                   "WE WILL KEEP YOUR VIEWS IN MIND AS THE SENATOR  
14                   AND HER STAFF REVIEW PERTINENT LEGISLATION DURING  
15                   THE 111TH CONGRESS."

16           AT THIS POINT, I DO NOT THINK IT IS LIKELY THAT I  
17 WILL REACH OUT TO SENATOR FEINSTEIN AGAIN ABOUT ANYTHING. THIS  
18 FRAUD HAPPENED ON HER WATCH IN HER CITY, AND IT IS HAPPENING ALL  
19 ACROSS THE COUNTRY. AND YET THE LAWS AND OVERSIGHT AND SEVERE  
20 CONSEQUENCES THAT MIGHT DISCOURAGE THIS TYPE OF CRIME ARE LAX OR  
21 DON'T EXIST.

22           THE FACT THAT HECKSCHER IS BEING CHARGED WITH ONE  
23 COUNT OF MAIL FRAUD WHEN HE HAS DECIMATED THE FINANCIAL FUTURE  
24 OF 300 FAMILIES REALLY DEFIES REASON. I THOUGHT IT WAS VERY  
25 INTERESTING THAT THE DAY AFTER I RECEIVED THIS LETTER FROM

KATHERINE WYATT, OFFICIAL REPORTER, RPR, RMR 925-212-5224

1 SENATOR FEINSTEIN THAT SHE WAS ON THE FRONT PAGE OF THE  
2 NEWSPAPER CONDEMNING ANTHEM BLUE CROSS FOR RAISING THE RATES OF  
3 ITS POLICIES AND ACCUSING THE INSURANCE COMPANY OF GROSS  
4 MISCONDUCT AND GREED.

5 SADLY, WHEN THE NEWS BROKE THAN TENS OF MILLIONS OF  
6 DOLLARS HAD BEEN STOLEN BY HECKSCHER FROM RETIREES AND OTHER  
7 HARD-WORKING PEOPLE RIGHT HERE IN SAN FRANCISCO, FEINSTEIN HAD  
8 NO COMMENT, NO PROMISE TO DO ANYTHING AT ALL.

9 NOT ONE DAY HAS GONE BY THAT I'M NOT CONSUMED WITH  
10 ANGUISH AND REGRET. SO MANY OF MY SENTENCES BEGINNING WITH "IF  
11 ONLY." THIS BETRAYAL OF TRUST HAS ROCKED MY WORLD AND SHAKEN MY  
12 FAITH IN THE GOODNESS OF PEOPLE AS NO OTHER EXPERIENCE EVER HAS.

13 WHAT I HAVE FOUND TO BE THE MOST DIFFICULT THING TO  
14 ACCEPT IS THAT I DO NOT HAVE THE POWER TO CHANGE THE SITUATION  
15 OR ITS OUTCOME. THE RESULTS ARE PERMANENT. THE IMPACT IS  
16 INCALCULABLE, THE CONSEQUENCES CUMULATIVE.

17 EACH DAY HAS FORCED ME TO FACE SOME NEW AND  
18 DEVASTATING DIMENSION OF THIS STAGGERING FINANCIAL LOSS BECAUSE  
19 OF WHAT I AM NO LONGER ABLE TO DO FOR THE PEOPLE I LOVE AND THE  
20 WORK I BELIEVE IN.

21 WHAT IS EVEN HARDER TO ACCEPT IS THAT OUR JUDICIAL  
22 SYSTEM DOES NOT HAVE THE POWER TO PROTECT US FROM PREDATORS LIKE  
23 HECKSCHER NOR THE ABILITY TO MAKE IT RIGHT IN THE AFTERMATH OF  
24 THE FINANCIAL DEVASTATION THEY HAVE CAUSED.

25 WHAT GOOD DOES IT DO MY FAMILY THAT YOU, MR.

1 HECKSCHER, WILL BE IN PRISON FOR A FEW YEARS WHEN WE HAVE BEEN  
2 SENTENCED TO A LIFETIME OF MUCH, MUCH LESS THAN WE DREAMED OF?

3           THERE IS NO RESTITUTION FOR THE VICTIMS OF FINANCIAL  
4 CRIME, AND YET THE GOVERNMENT BAILS OUT THE CRIMINAL PRACTICES  
5 OF BANKS AND CORPORATIONS WITHOUT A SECOND THOUGHT.

6           I FIRMLY BELIEVE THAT HECKSCHER SHOULD BE SENTENCED  
7 TO LIFE IN PRISON, EVEN THOUGH IT WILL MAKE NO DIFFERENCE IN OUR  
8 LIVES, IF ONLY TO DETER OTHERS WHO WOULD THINK ABOUT  
9 PERPETRATING THIS SORT OF EVIL ON HONEST, HARD-WORKING PEOPLE.

10           I'M ASKING YOU, JUDGE ILLSTON, TO CONSIDER A SENTENCE  
11 THAT IS HARSH, A SENTENCE THAT SENDS THE MESSAGE THAT YOU  
12 ACTUALLY UNDERSTAND THAT HECKSCHER HAS BROKEN OUR HEARTS, STOLEN  
13 OUR DREAMS, CREATED OVERWHELMING HARDSHIP AND FOREVER CRUSHED  
14 THE SPIRIT OF MANY OF HIS ELDERLY VICTIMS IN THIS COURTROOM WHO  
15 DON'T HAVE TIME TO RECOVER THEIR QUALITY OF LIFE.

16           I'M ASKING THAT YOU BE RESPONSIVE AND HOLD MR.  
17 HECKSCHER ACCOUNTABLE FOR THE TRAGEDY THAT WILL BE UNFOLDING IN  
18 ONE WAY OR ANOTHER FOR EVERY SINGLE VICTIM IN THIS COURTROOM FOR  
19 DECADES TO COME.

20           PLEASE MAKE OUR LOSS AMOUNT TO SOMETHING.

21           I HAVE ALWAYS BELIEVED IN GOD AND THE TRANSFORMING  
22 POWER OF FORGIVENESS, BUT FOR THE FIRST TIME IN MY LIFE,  
23 BITTERNESS AND ANGER OVER THE HAVOC I HAVE ALLOWED HECKSCHER TO  
24 WRECK IN OUR LIVES HAS PARALYZED ME. I'VE ALWAYS BEEN A  
25 POSITIVE AND RESILIENT PERSON BY NATURE, TRYING TO SEE THE BEST

1 IN EVERYONE AND DELIGHTING IN THE AMAZING LIFE THAT GOD HAS  
2 BLESSED ME WITH. BUT FOR THE FIRST TIME IN MY LIFE IT FEELS  
3 LIKE THE WIND HAS BEEN KNOCKED OUT OF ME AND I WILL NEVER GET MY  
4 BREATH BACK. AND YET, I KNOW I MUST.

5 I DO KNOW THAT WE ALL MUST LET GO OF THE ANGER AND  
6 DISAPPOINTMENT OVER WHAT COULD HAVE BEEN AND PURSUE WHAT CAN BE.  
7 IT'S A CHOICE TO MOVE FORWARD AND ALLOW THIS LOSS TO CHANGE US  
8 FOR THE BETTER, AS I KNOW THAT HATRED AND BITTERNESS, ANGER AND  
9 CYNICISM ARE DESTRUCTIVE, AND IF ALLOWED TO DOMINATE MY LIFE  
10 THEY WILL NOT ALLOW ME TO HEAL AND GET MY JOY BACK.

11 I REFUSE TO ALLOW MR. HECKSCHER TO ROB ME OF THESE  
12 THINGS, AS WELL.

13 I READ SOMEWHERE THAT IT IS NOT WHAT HAPPENS TO US IN  
14 THE DARKNESS OF CATASTROPHIC LOSS THAT MATTERS AS MUCH AS WHAT  
15 HAPPENS IN US. THE DEFINING MOMENT IS NOT THE EXPERIENCE, BUT  
16 INSTEAD THE RESPONSE. SURVIVING THE DEEP UNHAPPINESS AND DESPAIR  
17 THAT I FEEL NOW WILL BE REWARDED WITH GROWTH AND GRACE AND THE  
18 COURAGE TO EMBRACE MY LIFE AGAIN.

19 I HAVE ALWAYS BELIEVED THAT ATTITUDE IS EVERYTHING.  
20 I SUPPOSE THAT I'M IN THE PROCESS OF FINDING OUT IF THAT IS  
21 TRUE. THEN MAYBE I CAN FORGIVE MYSELF FOR TRUSTING YOU.

22 THANK YOU.

23 **MR. OBERMULLER:** MY NAME IS DAN OBERMULLER,  
24 O-B-E-R-M-U-L-L-E-R. I'M A CLIENT OF ROBERTO'S. I WAS AN  
25 INVESTOR OF ROBERTO'S. I WAS HIS LANDLORD. AND I DIDN'T KNOW

1 ANYTHING ABOUT WHAT WENT ON UNTIL I SAW THE NOTE ON THE DOOR.  
2 AND THEN, FIVE MINUTES LATER CHANNEL SEVEN NEWS TRUCK SHOWED UP  
3 AND THAT WAS THE FIRST CLUE THAT I HAD THAT ANYTHING WAS GOING  
4 ON.

5 MY WIFE AND I LOST OUR TOTAL SAVINGS. WE DON'T HAVE  
6 ANYTHING IN THE BANK. IT WAS SOMEWHERE CLOSE TO 320,000 TO  
7 340,000. THAT IS WHAT I WAS GOING TO RETIRE ON, SO NOW I CAN'T  
8 RETIRE.

9 I'M GETTING A DOUBLE HIT BECAUSE OF WHAT HAPPENED TO  
10 ME, BUT I STARTED AN E-MAIL SO EVERYBODY THAT HAD ONE OF THOSE  
11 CAME THROUGH ME ONE WAY IN PERSON OR OVER THE E-MAIL. SO I  
12 HEARD MOST OF EVERYBODY'S STORIES, TOO.

13 AND AT LEAST I CAN WORK. I STILL HAVE A JOB. MY WIFE  
14 STILL HAS A BUSINESS. BUT THERE ARE SOME PEOPLE OUT HERE THAT  
15 DON'T HAVE THAT. SO I CONSIDER MYSELF REALLY LUCKY.

16 ALSO I'M NOT GOING TO ALLOW THIS TO HURT ME. JUST  
17 LIKE THE LAST LADY SAID I CAN'T LET IT RULE MY LIFE. IT RUINED  
18 IT FOR SIX MONTHS, AND I SAID:

19 "THAT IS IT. I'M GOING TO HAVE TO LIVE AND KEEP  
20 GOING."

21 SO I JUST WANTED TO LET YOU KNOW THAT'S WHAT IS  
22 HAPPENING.

23 **MR. LUBISCH:** YOUR HONOR, MY NAME IS MURRAY LUBISCH,  
24 L-U-B-I-S-C-H. AND I WAS A CLIENT/VICTIM OF ROBERTO. I FIRST  
25 MET ROBERTO --

1           **THE COURT:** CAN YOU PULL THE MIC UP TO YOUR MOUTH?

2           **MR. LUBISCH:** I FIRST BECAME ACQUAINTED WITH ROBERTO  
3 IN 1979 WHEN I WAS 29 YEARS OLD, AND I HAD A BUSINESS OF MY OWN.  
4 AND I SOUGHT HIS HELP WITH MY TAXES. AND I'M A BIT OVERWHELMED  
5 BY THE ELOQUENCE AND THE POWERFUL EMOTIONS THAT OTHERS HAVE  
6 SPOKEN HERE TODAY. AND I CAN'T REALLY ADD ANYTHING MORE  
7 POWERFUL THAN THAT, EXCEPT MY HEART GOES OUT TO EVERYBODY THAT  
8 WAS HURT BY ROBERTO.

9           AND MY HEART GOES OUT TO ROBERTO MORE TO HIS CHILDREN  
10 AND TO HIS SISTER. AND I WISH THEM WELL IN THE FUTURE. AND ALSO  
11 TO MY NEIGHBOR, EVELYN. I INTRODUCED EVELYN TO ROBERTO SOME  
12 YEARS AGO, AND NOW I HAVE TO LIVE WITH THAT, WITH MY OWN LOSS.  
13 I HAVE TO LIVE WITH HOW IT'S DEVASTATED MY NEIGHBOR.

14           AND I TAKE A LITTLE BIT OF ENCOURAGEMENT FROM THOSE  
15 WHO TRIED TO REMEMBER, BUT WE DO HAVE THE REST OF OUR LIVES, AND  
16 I JUST HOPE THAT I AND THOSE THAT HAVE BEEN HURT CAN REMEMBER  
17 THAT. WE STILL HAVE SOMETHING, AS DEVASTATED AS WE ARE.

18           AND I THANK YOU.

19           **THE COURT:** THANK YOU.

20           MAY I KNOW HOW MANY MORE OF YOU WANT TO SPEAK?

21           I'M SORRY TO INTERRUPT YOU. I THINK WHAT WE WILL DO  
22 IS TAKE A TEN-MINUTE BREAK. THE COURT REPORTER HAS BEEN AT THIS  
23 FOR QUITE A LONG TIME. AND SHE'S WORKING --

24           **UNIDENTIFIED SPEAKER:** I THINK I'M THE LAST ONE.

25           **THE COURT:** WELL, EVIDENTLY, THERE'S SOMEBODY ELSE

1 BACK THERE, AS WELL, SO WE WILL TAKE A TEN-MINUTE BREAK.

2 (THEREUPON, A RECESS WAS TAKEN.)

3 **THE CLERK:** COME TO ORDER. COURT'S NOW IN SESSION.

4 **THE COURT:** YOU MAY BE SEATED.

5 OKAY.

6 **MS. TURNBULL:** THANK YOU, YOUR HONOR. MY NAME IS  
7 LINDA TURNBULL.

8 **THE COURT:** IS IT ON?

9 **MS. TURNBULL:** YOUR HONOR, I'M HENRY IRVING'S  
10 DAUGHTER. AND I WASN'T GOING TO SPEAK TODAY, BUT AFTER HEARING  
11 EVERYBODY'S STATEMENTS I HAD TO GET UP AND SAY HOW GRIEVED I AM  
12 FOR THE IMPACT THIS HAS HAD ON SO MANY OF MY DAD'S FRIENDS,  
13 FAMILY, AND CLIENTS.

14 MANY OF THE VICTIMS WERE MY DAD'S CLIENTS' PARENTS.  
15 AND THOUGH THE FINANCIAL LOSS HAS BEEN DEVASTATING TO OVER 300  
16 VICTIMS PLUS THEIR FAMILIES, WHICH EASILY ACCOUNTS TO OVER A  
17 THOUSAND PEOPLE, BUT IT'S THE EMOTIONAL TOLL. AND WE'VE HEARD A  
18 LOT OF THE EMOTIONS TODAY. AND I CANNOT FATHOM FOR THE LIFE OF  
19 ME HOW THIS COULD HAVE GONE ON FOR 30 YEARS, AND FOR THE LIFE OF  
20 ME THERE WASN'T A DAY, ROBERTO, THAT YOU COULDN'T COME CLEAN TO  
21 PEOPLE WHOSE MONEY YOU TOOK.

22 AND THEN YOU PREYED UPON MANY OF THESE VICTIMS WHO  
23 WERE ELDERLY AND HAD EVERY BIT OF THEIR LIFE SAVINGS WITH YOU.

24 MY FATHER DIED 23 YEARS AGO, AND HE BROUGHT YOU IN AT  
25 17 YEARS OLD. AND MY FATHER GAVE YOU AMAZING OPPORTUNITIES, AND

1 YOU HAVE DEFAMED MY FATHER AND MY GRANDFATHER'S NAME.

2 AND I CAN FORGIVE YOU, BUT I DO NOT UNDERSTAND HOW  
3 YOU COULDN'T STAND UP HERE TODAY AND SAY THAT YOU'VE WRONGED  
4 EVERYBODY AND WHAT YOU DID WAS WRONG.

5 THANK YOU, YOUR HONOR.

6 **THE COURT:** THANK YOU.

7 YES, SIR.

8 **MR. SAHOURIEH:** YOUR HONOR, MY NAME GEORGE SAHOURIEH,  
9 S-A-H-O-U-R-I-E-H. MY MIDDLE INITIAL IS H, BECAUSE WE'VE GOT  
10 ANOTHER GEORGE HERE, TOO.

11 I STARTED WITH HENRY ABOUT 2005, 2006. MY COUSIN  
12 TOOK ME THERE. I GIVE HIM A HUNDRED THOUSAND. FEW MONTHS GO BY.  
13 MONEY IS COMING IN. I GO TO SEE HIM, GIVE HIM A COUPLE OF  
14 HUNDRED.

15 HE CALLS ME UP. HE GOES:

16 "I GOT A PROMOTION, TEN PERCENT."

17 I GIVE HIM ANOTHER HUNDRED. I CALL MY BROTHER. I  
18 CALL MY BROTHER. MY BROTHER BRINGS IN MORE MONEY.

19 I CALL MY DAUGHTER. MY DAUGHTER TAKES A LOAN ON HER  
20 HOUSE, LINE OF CREDIT. SHE GIVES IT TO HIM.

21 CALL MY COUSINS, CALL A HALF DOZEN OF MY FRIENDS.  
22 THEY GIVE HIM MONEY.

23 BEFORE YOU KNOW IT I'M INTO HIM FOR 1.4. EVERY TIME  
24 I SEE HIM, I TELL HIM:

25 "HEY, ARE WE COOL? I GOT A LOT OF MONEY WITH



1                   YOU."

2                   HE SAID:

3                   "GUARANTEED."

4                   I SAID:

5                   "I'LL RIP YOU APART IF SOMETHING HAPPENS."

6                   AND HE SAID:

7                   "NOTHING IS GOING TO HAPPEN. IT'S GUARANTEED."

8                   I TELL MY WIFE THE FIRST TIME I GIVE HIM THE FIRST  
9 HUNDRED, SHE GOES:

10                   "ROBERTO HECKSCHER. I KNOW HIS WIFE.

11                   SHE SAID 'STAY AWAY FROM HIM.'"

12                   I'M THE BIGGEST IDIOT. AND SHE REMINDS ME EVERY DAY.

13 SHE REMINDS ME I'M THE BIGGEST IDIOT BECAUSE HIS WIFE TOLD

14 HIM -- TOLD HER TO TELL ME TO STAY AWAY. HIS EX-WIFE, EXCUSE  
15 ME.

16                   AND HERE I AM. I HAVE A LINE OF CREDIT ON MY HOUSE.

17 NOTHING COMING IN. I GOT MY MORTGAGE, WHICH I'M OKAY WITH IT.

18 IT'S JUST MY DAUGHTER, MY SON, MY COUSINS, MY FRIENDS, ALL THOSE  
19 PEOPLE I BROUGHT IN FOR HIM.

20                   "NO PROBLEM, GEORGE."

21                   AND I JUST WANT TO TELL HIM: THANK YOU. THANK YOU. I

22 HOPE YOU ROT IN HELL. IT'S TOO EASY. TOO MANY PEOPLE. HELL IS

23 TOO GOOD FOR YOU.

24                   THANK YOU, YOUR HONOR.

25                   **THE COURT:** YOU'RE WELCOME.

1           **MR. SAHOURIEH:** LIFT UP YOUR HEAD.

2           **THE COURT:** I BELIEVE WE'VE HEARD FROM YOU BEFORE.

3           **MR. MCPHERSON:** YES. THAT'S WHY I'M BACK. I WISH TO  
4 APOLOGIZE.

5           I'M ROBERT MCPHERSON. THE LAST COMMENT THAT I MADE I  
6 WISH TO APOLOGIZE. IT WAS ON MY EMOTIONS, AND I'D LIKE TO  
7 APOLOGIZE TO THE COURT.

8           **THE COURT:** THANK YOU. THANK YOU. I APPRECIATE THAT.

9           ALL RIGHT. AT THIS POINT, I THINK WE SHOULD PROCEED.

10           AND BEFORE I DO THIS, MR. LUCEY, LET ME ASK YOU THIS  
11 QUESTION. ONE OF THE THINGS WE NEED TO TALK ABOUT IS THE  
12 RESTITUTION AND THE SPECIAL MASTER. WHAT DID WE NEED TO DO TO  
13 ACCOMPLISH THAT?

14           **MR. LUCEY:** YOUR HONOR, THE GOVERNMENT BELIEVES UNDER  
15 THE STATUTORY AUTHORITY YOU HAVE UNDER 3664 AND 3663 OF TITLE  
16 18, YOU HAVE THE AUTHORITY TO APPOINT A SPECIAL MASTER, WHICH  
17 CAN BE A PRIVATE ATTORNEY OR OTHER SPECIALIST, ACCOUNTING OR TAX  
18 SPECIALIST, OR ALTERNATIVELY YOU CAN ALSO APPOINT A MAGISTRATE  
19 FROM THIS COURT, IF YOU SO CHOOSE, THAT WOULD BE ABLE TO  
20 ESSENTIALLY ASSIST THE COURT AND COUNSEL AND THE PROBATION  
21 DEPARTMENT TO WORK THROUGH THE RESTITUTION ISSUES IN TERMS OF  
22 VICTIM LOSS.

23           I THINK WE HAVE A PRETTY GOOD HANDLE ON LOSS AND ON  
24 HOW MUCH PEOPLE ARE POTENTIALLY OWED FOR RESTITUTION AMOUNT. I  
25 THINK THE REAL ISSUE WOULD BE MAKING ABSOLUTELY SURE WE HAVE

1 TURNED OVER EVERY ROCK AND STONE IN REGARD TO ASSETS.

2 AND THEN, YOU ALSO HAVE THE POWER, YOUR HONOR, TO  
3 DETERMINE HOW RESTITUTION SHOULD BE ALLOCATED AMONGST AND  
4 BETWEEN THE VARIOUS VICTIMS.

5 TITLE 18 OF 3664 PROVIDES THAT YOU CAN -- WELL, YOU  
6 CERTAINLY CAN DO A PRO RATA SHARE AMONG VICTIMS. YOU CAN ALSO  
7 DECIDE TO MAKE VARIOUS VICTIMS BE PAID FIRST, ESSENTIALLY, IF  
8 YOU SO CHOOSE, BASED ON ESSENTIALLY NEED.

9 SO THAT'S REALLY UP TO THE COURT. SO I THINK PART OF  
10 THE MANDATE THIS COURT WOULD DO AND ISSUE TO A SPECIAL MASTER  
11 WOULD BE NOT ONLY TO DETERMINE RESTITUTION AMOUNTS FOR EACH  
12 VICTIM, TO VERIFY THOSE, BUT ALSO, PERHAPS, TO COME WITH A PLAN  
13 OF REPAYMENT.

14 AND ALSO, YOUR HONOR, GIVEN THE NUMBER OF QUESTIONS  
15 THAT HAVE BEEN RECEIVED BY OUR OFFICE AND MR. MABIE'S OFFICE  
16 REGARDING THE TAX IMPLICATIONS OF ALL THIS, BECAUSE PEOPLE HAVE  
17 RAISED ISSUES REGARDING PRIOR TAX RETURNS, AMENDING TAX RETURNS,  
18 2009 FINANCIAL LOSS ACT IN REGARD TO LOSSES FOR PONZI SCHEMES  
19 AND OTHER FRAUDS.

20 AND ALSO PEOPLE WHO HAVE PLACED MONEY WITH MR.  
21 HECKSCHER IN THE CONTEXT OF PENSION MATTERS OR 401K'S OR IRA'S  
22 IN WHICH THERE ARE VARIOUS COMPLICATED TAX ISSUES REGARDING  
23 THAT, I THINK IT WOULD BE HELPFUL TO HAVE SOMEONE WITH A TAX  
24 BACKGROUND TO GIVE SOME SENSE OF THE COUNSEL AND TO THE COURT  
25 WHICH YOU CAN INCLUDE IN YOUR ORDER THAT WOULD GIVE EVERYONE WHO

1 IS ASSEMBLED HERE SOME GUIDANCE. BECAUSE WHILE NORMALLY WE  
2 WOULD SAY:

3 "WELL, YOU KNOW, HIRE AND CHECK WITH A TAX  
4 ATTORNEY OR AN ACCOUNTANT," AS YOU KNOW ALL THESE  
5 FOLKS JUST SIMPLY CAN'T AFFORD THAT.

6 SO I THINK IT WOULD BE VERY HELPFUL TO ALL CONCERNED  
7 IN THIS MATTER TO HAVE SOMEONE WITH A TAX AND ACCOUNTING  
8 BACKGROUND, WHETHER IT WOULD BE WORKING WITH A MAGISTRATE OF  
9 YOUR COURT, OR SIMPLY WORKING ON THEIR OWN TO PREPARE A REPORT.  
10 AND THAT THAT REPORT WOULD INCLUDE FINDINGS OF FACT AND ALSO  
11 RECOMMENDATIONS TO THE COURT AND COUNSEL. AND THEN WE CAN THEN  
12 COMMENT UPON, ADD TO OR MAKE WHATEVER ISSUE WE CAN OF IT IN  
13 ADVANCE OF YOUR RESTITUTION HEARING.

14 **THE COURT:** DO YOU HAVE A RECOMMENDATION AS TO A  
15 PERSON?

16 **MR. LUCEY:** WE HAVE A COUPLE OF PEOPLE IN MIND, YOUR  
17 HONOR. CERTAINLY, I THINK THE FORMER ASSISTANT U. S. ATTORNEY  
18 IN OUR OFFICE, LAUREL BEELER, WHO IS NEW MAGISTRATE IN OAKLAND,  
19 WAS ALWAYS KNOWN AS BEING EXCEPTIONALLY HARD WORKING WHEN SHE  
20 WAS A FEDERAL PROSECUTOR TO THE NTH DEGREE, AS YOU KNOW, AND A  
21 LOT OF EXPERIENCE DEALING WITH COMPLICATED RESTITUTION MATTERS  
22 THAT INVOLVE CRIMINAL AND CIVIL OVERTONES.

23 SHE WAS INVOLVED IN THE ENRON CASE YEARS AGO, FOR  
24 EXAMPLE. BUT I'M NOT SURE THAT EVEN WITH ALL HER BRAIN POWER  
25 SHE HAS THE TAX BACKGROUND TO WORK ON THIS. SO WHAT MR. REILLY

1 AND I AGREED IS WE WILL WORK ON GETTING SOME GOOD NAMES TO YOU.

2 **THE COURT:** ALL RIGHT. THAT WOULD BE MY REQUEST IS  
3 THAT YOU GET ME SOME NAMES AND SUGGESTIONS AND RUN IT BY ONE  
4 ANOTHER. AND ALSO IF YOU COULD PROPOSE TO ME THE KINDS OF TASKS  
5 I SHOULD ASSIGN TO THIS PERSON.

6 **MR. LUCEY:** CERTAINLY.

7 **THE COURT:** SO AS SOON AS I GET THAT I WILL ISSUE  
8 THAT. SHOULD WE SET A RESTITUTION HEARING DATE TODAY?

9 **MR. LUCEY:** I THINK WE SHOULD SET A CONTROL DATE,  
10 CERTAINLY BECAUSE EVERYONE HERE WHO IS ASSEMBLED WANTS TO KNOW  
11 WHEN THE NEXT DATE IS.

12 **THE COURT:** RIGHT.

13 **MR. LUCEY:** AND I ALSO THINK THAT WE COULD SET IT A  
14 FEW WEEKS IN ADVANCE OF THE 90-DAY LIMIT.

15 JUST SO YOU KNOW, YOUR HONOR, I CHECKED THIS OUT  
16 BEFOREHAND. THE CASE LAW PROVIDES THAT THE 90-DAY RULE THAT IS  
17 IN THE STATUTE IS NOT JURISDICTIONAL. SO THAT IF WE ULTIMATELY  
18 HAVE TO GO PAST 90 DAYS, IT'S NOT JURISDICTIONAL OVER THE  
19 DEFENDANT.

20 IT'S REALLY A MATTER OF ASSURING TO THE VICTIMS THAT  
21 WE DO THIS AS QUICKLY AS REASONABLY POSSIBLE. BUT IF FOR SOME  
22 REASON WE GET PAST 90 DAYS YOU DO NOT LOSE JURISDICTION OVER  
23 THIS MATTER. WE CAN STILL MOVE FORWARD AFTER THAT.

24 **THE COURT:** SO WHAT DATE WOULD YOU SUGGEST FOR A  
25 STATUS HEARING?

1           **MR. LUCEY:** WELL, I PROPOSED LOOKING AT MY  
2 CALENDAR -- I DON'T KNOW HOW IT WORKS FOR MR. REILLY AND THE  
3 COURT -- WOULD BE JULY 30TH, FRIDAY JULY 30TH, IF THAT'S  
4 AVAILABLE TO THE COURT.

5           **THE CLERK:** WE ARE HERE. LET ME JUST GO TO JULY REAL  
6 QUICK. I THINK MAYBE --

7           **THE COURT:** WELL, I'M WONDERING IF WE SHOULD  
8 SPECIALLY SET IT.

9           **THE CLERK:** THAT'S WHAT I'M THINKING.

10          **MR. LUCEY:** A DIFFERENT DAY?

11          **THE COURT:** YES.

12          **THE CLERK:** LIKE MAYBE THAT WEEK.

13          **MR. LUCEY:** THAT WEDNESDAY OR THURSDAY, IF YOU'RE NOT  
14 IN A TRIAL?

15          **THE CLERK:** I CAN'T TELL IF WE'RE GOING TO BE.

16          **THE COURT:** WE SO CAN SET IT FOR THURSDAY.

17          **THE CLERK:** OKAY. AND THEN, THE 26TH WE HAVE  
18 SEMANTICS, SO I'M NOT SURE WHICH ONE OF THOSE --

19          **THE COURT:** WE CAN SET IT FOR THURSDAY.

20          **THE CLERK:** THE 29TH IS FINE.

21          **THE COURT:** ALL RIGHT.

22          **MR. REILLY:** THAT'S GOOD FOR ME, TOO, YOUR HONOR.

23          **THE COURT:** OKAY. SO WE WILL SET THIS FOR, SAY,  
24 3:00 O'CLOCK --

25          **MR. LUCEY:** OKAY.

1           **THE COURT:** -- ON THURSDAY, JULY 29, FOR STATUS.

2           **THE PROBATION OFFICER:** FOR THE RECORD, YOUR HONOR,  
3 PROBATION WOULD LIKE TO, FOR THOSE WHO HAVE NOT YET FILLED OUT  
4 THEIR FINANCIAL FORMS, OR HAVE HELD OFF AT THIS TIME TO PLEASE  
5 STAY AFTER COURT TODAY SO I CAN GIVE THEM THE INFORMATION AND  
6 ASK THAT THEY RESPOND BY THE END OF NEXT WEEK TO ME SO THAT I  
7 CAN MAKE COPIES OF EVERYTHING THAT IS RECEIVED, INCLUDING THIS  
8 INFORMATION THAT THE COURT HAS FROM VICTIM STUFF TO ALL THE  
9 PARTIES TO MAKE SURE THAT THE RECORD IS STRAIGHT ON EVERYONE'S  
10 LOSS AND THEIR CLAIMS.

11           **THE COURT:** ALL RIGHT. THANK YOU.

12           **MR. LUCEY:** AND, YOUR HONOR, JUST SO WE'RE CLEAR,  
13 WHAT YOU HAVE IN MIND IS ESSENTIALLY A PROPOSED ORDER FOR YOU TO  
14 REVIEW THAT YOU CAN SIGN --

15           **THE COURT:** YES.

16           **MR. LUCEY:** -- SAYING THE SPECIAL MASTER WILL BE X  
17 PERSON. AND PLEASE HAVE THE FOLLOWING FINDINGS MADE AND  
18 RECOMMENDATIONS MADE --

19           **THE COURT:** YES.

20           **MR. LUCEY:** -- AS TO VARIOUS TOPICS AND ISSUES?

21           **THE COURT:** EXACTLY.

22           **MR. LUCEY:** VERY GOOD.

23           YOUR HONOR, THERE'S ONE OTHER ACTUAL ISSUE I WANTED  
24 TO RAISE WITH THE COURT. AND THIS IS IN OUR SENTENCING MEMO,  
25 AND MR. MABIE IS AWARE OF IT, AS IS MR. REILLY.

1           THERE'S AN ISSUE THAT THERE IS A LIFE INSURANCE  
2 POLICY THAT EXISTS FOR MR. HECKSCHER THAT APPARENTLY IS A TERM  
3 LIFE ONLY, NOT A WHOLE LIFE POLICY. SO THERE'S NO, AS WE  
4 UNDERSTAND, NO ACTUAL CASH VALUE RIGHT NOW. HOWEVER, THAT COULD  
5 IMPACT HOW THE COURT DISTRIBUTES RESTITUTION POTENTIALLY.  
6 BECAUSE, AS YOU KNOW, PART OF THE SCHEME WAS THAT MR. HECKSCHER  
7 WAS PROMISING INDIVIDUALS AS A FORM OF COLLATERAL WHEN THEY WERE  
8 CONCERNED ABOUT THEIR INVESTMENT TO MAKE THEM A BENEFICIARY ON  
9 HIS POLICY.

10           SO WE'RE STILL WORKING ON THE RESEARCH ON THIS, BUT I  
11 WOULD BE INTERESTED FROM THE GOVERNMENT'S POINT OF VIEW, IF THE  
12 COURT HAS ANY EARLY THOUGHTS ON HOW THAT MIGHT ALL BE AVAILABLE  
13 TO THE COURT TO ASSESS RESTITUTION, WHETHER IT BE A MATTER OF  
14 INTERVENING AND SOMEHOW ABROGATING THE CONTRACT, WHICH I DON'T  
15 THINK IS POSSIBLE FOR THE COURT TO ADD ADDITIONAL BENEFICIARIES  
16 TO IT, WHICH I CAN'T IMAGINE IS REALLY POSSIBLE UNDER THE LAW.

17           OR THE COURT INDICATING THAT A PARTICULAR ASSET TO A  
18 CERTAIN VICTIM CLASS, AND THAT THAT CHANGES HOW THE RESTITUTION  
19 SHOULD BE ALLOCATED.

20           **MR. REILLY:** YOUR HONOR, I CAN PROVIDE SOME  
21 INFORMATION ABOUT THE POLICY. IT WAS A POLICY THAT MR. HECKSCHER  
22 TOOK OUT THAT HAD CERTAIN NAMED BENEFICIARIES. THAT POLICY HAS  
23 NOW BEEN TAKEN OVER BY A GROUP OF THOSE BENEFICIARIES, AND THEY  
24 ARE NOW MAKING THE PREMIUM PAYMENTS.

25           MARK WALKER (PHONETIC) HAS TAKEN THE LEAD ON THAT,



1 AND HE IS NOW THE BENEFICIAL OWNER OF THE POLICY.

2 **THE COURT:** WHAT'S THE FACE VALUE?

3 **MR. REILLY:** FOUR MILLION.

4 **THE COURT:** WELL, THEN, IT SEEMS TO ME THAT'S  
5 SOMETHING WE SHOULD STUDY, BECAUSE THE PROBLEM IS THE PAYMENTS  
6 NEED TO BE MADE. BUT THAT'S A SUBSTANTIAL ASSET TO KEEP TRACK  
7 OF.

8 **MR. LUCEY:** CERTAINLY. YES, YOUR HONOR.

9 **THE COURT:** I JUST THINK YOU NEED TO PUT THAT ON THE  
10 AGENDA FOR DECISION MAKING. BUT, ALSO, WE NEED TO BE SURE WE'RE  
11 ON TOP OF WHETHER THE PAYMENTS ARE BEING MADE AND BY WHOM AND  
12 HOW THAT'S ALL GOING TO BE SORTED OUT.

13 **MR. LUCEY:** BUT CERTAINLY THE COURT AGREES THAT  
14 SHOULD BE AN ISSUE WE SHOULD KEEP MINDFUL OF --

15 **THE COURT:** OH, YES.

16 **MR. LUCEY:** -- AND KEEP TRACK OF.

17 **THE COURT:** OH, YES. OH, YES.

18 **MR. LUCEY:** VERY GOOD, YOUR HONOR.

19 **THE PROBATION OFFICER:** YOUR HONOR, THERE WAS A  
20 QUESTION -- I'M SORRY ABOUT THIS -- THAT CAME UP FROM SOME OF  
21 THE VICTIMS THAT ARE IN THE GALLERY ABOUT DUE TO SOME  
22 INFIRMARIES OR OTHER ISSUES THEY HAVE NOT BEEN ABLE TO HEAR  
23 COMPLETELY WHAT'S BEEN SAID TODAY IN TESTIMONY AND BY ALL THE  
24 PARTIES THAT ARE INVOLVED.

25 AND THE QUESTION WAS ASKED BY SOME OF THEM:

1 "WILL THERE BE A TRANSCRIPT OF THE PROCEEDINGS  
2 TODAY THAT WILL BE AVAILABLE TO THE PARTIES?"

3 **MR. LUCEY:** YOUR HONOR, THE GOVERNMENT'S HAPPY TO  
4 WORK WITH THE COURT REPORTER TO OBTAIN A TRANSCRIPT AND POST IT  
5 IN A PDF FORM, AN ELECTRONIC FORM ON THE WEBSITE. WE ALREADY  
6 HAVE A WEB SITE LINK FOR ALL PROCEEDINGS IN THIS MATTER. AND  
7 I'M HAPPY TO PUT A LINK ON THERE TO MAKE A WRITTEN TRANSCRIPT OF  
8 TODAY'S PROCEEDINGS AVAILABLE, IF THE COURT SO ORDERS.

9 **THE COURT:** OKAY. THANK YOU. YOU COULD WORK WITH  
10 MS. WYATT ON DOING THAT AND GETTING THAT DONE.

11 **MR. LUCEY:** CERTAINLY, YOUR HONOR.

12 **THE COURT:** IT'S BEEN A CHALLENGE.

13 **MR. LUCEY:** YES, YOUR HONOR.

14 **THE COURT:** ARE THERE ANY OTHER HOUSEKEEPING MATTERS?

15 **THE PROBATION OFFICER:** NO, THANK YOU, YOUR HONOR.

16 **THE COURT:** ALL RIGHT.

17 **MR. LUCEY:** LET ME JUST CHECK MY NOTES, YOUR HONOR.

18 THE ONLY OTHER ISSUE, YOUR HONOR, IS THAT -- AND I  
19 THINK MR. REILLY AGREES WITH THIS -- IS THAT WE WANT TO BE SURE  
20 AGAIN THAT EVERY SINGLE ASSET HAS BEEN EXAMINED AND LOOKED AT.  
21 AND SO WE WOULD ASK, EVEN THOUGH I KNOW MR. HECKSCHER HAS  
22 ALREADY PRODUCED TO THE GOVERNMENT, TO THE FBI, AND TO THE  
23 PROBATION DEPARTMENT ALL OF HIS RECORDS, BUSINESS RECORDS FROM  
24 HIS FORMER BUSINESS, WE WOULD STILL ASK HIM TO GO THROUGH THE  
25 PROCESS OF GOING THROUGH AND SIGNING ALL THE STANDARD PROBATION

1 DOCUMENTS IN CONNECTION WITH SENTENCING SO THAT WE HAVE EVERY  
2 SINGLE POSSIBLE ITEM TO FOLLOW-UP ON.

3 **THE COURT:** YES.

4 **MR. LUCEY:** YES, YOUR HONOR.

5 **THE COURT:** THAT WILL BE PART OF THE COURT'S ORDER.

6 **MR. LUCEY:** THANK YOU, YOUR HONOR.

7 **THE COURT:** SOMEONE IS RAISING THEIR HAND BACK THERE.

8 **MS. COUNTS:** I WANTED TO MAKE SURE YOU DON'T DO  
9 SENTENCING WITHOUT ADDRESSING THAT HE'S THE SOLE PERSON IN  
10 CHARGE OF THE FAMILY TRUST. AND THAT THE HOUSE IS IN THE  
11 PROCESS OF BEING SOLD RIGHT NOW. AND HE CAN DO WHATEVER HE  
12 WANTS RIGHT NOW WITH OUR FAMILY TRUST AS HE IS THE SOLE PERSON  
13 IN CHARGE.

14 AND AS YOU CAN SEE THERE'S THREE AGAINST ONE RIGHT  
15 NOW. AND I WOULD LIKE TO MAKE SURE FOR EACH ONE OF THE VICTIMS  
16 THAT NOTHING HAPPENS TO THAT ESTATE WHILE HE'S IN CHARGE OF IT  
17 BY BEING THE EXECUTOR.

18 **MR. REILLY:** YOUR HONOR, PART OF OUR AGREEMENT WITH  
19 THE U. S. ATTORNEY'S OFFICE FROM THE VERY BEGINNING OF THIS CASE  
20 WAS THAT EVERYTHING POSSIBLE WOULD BE DONE TO CONSERVE ASSETS.  
21 THERE ARE THREE RESIDENCES INVOLVED.

22 ONE HAS ALREADY BEEN SOLD.

23 PROCEEDS OF THAT SALE, THE NET PROCEEDS, HAVE BEEN  
24 DEPOSITED IN A CLIENT TRUST ACCOUNT AT SUMMIT LAW DEFENSE.

25 THE SECOND IS THE RENTAL PROPERTY THEY OWN.

1 IT HAS A LONG-TERM TENANT IN IT.

2 IT WILL BE PLACED ON THE MARKET AS SOON AS THAT  
3 TENANT'S TENANCY ENDS.

4 THE THIRD ONE IS THE ASSET OF THE TRUST.

5 THAT TRUST WHICH IS OWNED 20 PERCENT EACH BY FIVE  
6 INDIVIDUALS, WHICH INCLUDE MR. HECKSCHER, MS. COUNTS, MR.  
7 HECKSCHER'S BROTHER, WHO IS HERE, AND HIS TWO CHILDREN, WHO ARE  
8 ALSO HERE, ARE EACH 20 PERCENT OWNERS OF THAT.

9 I CAN ASSURE THE COURT THAT ONCE THAT HOUSE IS SOLD  
10 TO THE EXTENT THAT MR. HECKSCHER HAS AN INTEREST IN IT, WHICH  
11 WOULD BE ONE-FIFTH OF THE NET PROCEEDS, THAT MONEY WILL BE  
12 PLACED IN A CLIENT TRUST ACCOUNT, AS WELL.

13 **THE COURT:** AND MR. LUCEY, ARE YOU AWARE OF WHAT MR.  
14 REILLY JUST SAID?

15 **MR. LUCEY:** YES. AND THE GOVERNMENT CONFIRMS ALL  
16 THAT INFORMATION, YOUR HONOR.

17 **THE COURT:** OKAY.

18 **MR. LUCEY:** AND FURTHER, ONCE YOU ACTUALLY ENTER  
19 JUDGMENT TODAY, YOUR HONOR, EVEN THOUGH YOU'RE PUTTING OVER THE  
20 EXACT CALCULATION OF RESTITUTION, ONCE A JUDGMENT IS ACTUALLY IN  
21 PLACE, WE CAN THEN HAVE OUR FLU UNIT FOLLOW UP, THE FINANCIAL  
22 LITIGATION UNIT, TO ASSURE THAT THE MONEY FROM THE ESCROW  
23 ACCOUNT THAT'S ALREADY THERE FLOWS INTO THE COURT.

24 **THE COURT:** OKAY.

25 **MR. LUCEY:** AND ANY FUTURE PROCEEDS OF SALES GOES

1 EITHER TO THE ESCROW ACCOUNT OR DIRECTLY TO THE COURT. AND THE  
2 COURT COULD THEN MAINTAIN CUSTODY OF ALL THOSE FUNDS PENDING THE  
3 RESTITUTION HEARING.

4 **THE COURT:** ALL RIGHT.

5 OKAY. MR. HECKSCHER, PURSUANT TO THE SENTENCING  
6 REFORM ACT OF 1984, IT IS THE JUDGMENT OF THE COURT THAT ROBERTO  
7 HECKSCHER IS HEREBY COMMITTED TO THE CUSTODY OF THE BUREAU OF  
8 PRISONS TO BE IMPRISONED FOR A TERM OF 240 MONTHS.

9 UPON RELEASE FROM IMPRISONMENT, THE DEFENDANT SHALL  
10 BE PLACED ON SUPERVISED RELEASE FOR A TERM OF THREE YEARS.

11 WITHIN 72 HOURS OF RELEASE FROM THE CUSTODY OF THE  
12 BUREAU OF PRISONS, THE DEFENDANT SHALL REPORT IN PERSON TO THE  
13 PROBATION OFFICE IN THE DISTRICT TO WHICH HE'S RELEASED.

14 WHILE ON SUPERVISED RELEASE, THE DEFENDANT SHALL NOT  
15 COMMIT ANOTHER FEDERAL, STATE OR LOCAL CRIME; SHALL COMPLY WITH  
16 THE STANDARD CONDITIONS THAT HAVE BEEN ADOPTED BY THIS COURT;  
17 SHALL REFRAIN ANY UNLAWFUL USE OF A CONTROLLED SUBSTANCE AND  
18 SUBMIT TO A DRUG TEST WITHIN 15 DAYS OF RELEASE ON SUPERVISED  
19 RELEASE AND TWO PERIODIC DRUG TESTS THEREAFTER; AND SHALL COMPLY  
20 WITH THE FOLLOWING ADDITIONAL CONDITIONS:

21 THE DEFENDANT SHALL PAY ANY RESTITUTION AND SPECIAL  
22 ASSESSMENT THAT IS IMPOSED BY THIS JUDGMENT AND THAT REMAINS  
23 UNPAID AT THE COMMENCEMENT OF THE TERMS OF SUPERVISED RELEASE.

24 THE DEFENDANT SHALL PROVIDE THE PROBATION OFFICER  
25 WITH ACCESS TO ANY FINANCIAL INFORMATION, INCLUDING TAX RETURNS,

1 AND SHALL AUTHORIZE THE PROBATION OFFICER TO CONDUCT CREDIT  
2 CHECKS AND TO OBTAIN COPIES OF INCOME TAX RETURNS.

3 THE DEFENDANT SHALL NOT OPEN ANY NEW LINES OF CREDIT  
4 OR INCUR ANY NEW DEBT WITHOUT THE PRIOR PERMISSION OF THE  
5 PROBATION OFFICER.

6 THE DEFENDANT SHALL NOT MAINTAIN A POSITION OF  
7 FIDUCIARY RESPONSIBILITY.

8 THE DEFENDANT SHALL SUBMIT HIS PERSON, RESIDENCE,  
9 OFFICE, VEHICLE OR ANY PROPERTY UNDER HIS CONTROL TO A SEARCH.  
10 SUCH A SEARCH SHALL BE CONDUCTED BY A U.S. PROBATION OFFICER AT  
11 A REASONABLE TIME AND IN A REASONABLE MANNER, BASED UPON  
12 REASONABLE SUSPICION OF CONTRABAND OR EVIDENCE OF A VIOLATION OF  
13 A CONDITION OF RELEASE.

14 FAILURE TO SUBMIT TO SUCH A SEARCH MAY BE GROUNDS FOR  
15 REVOCATION. THE DEFENDANT SHALL WARN ANY RESIDENTS THAT THE  
16 PREMISES WILL BE SUBJECT TO SEARCHES.

17 THE DEFENDANT SHALL NOT ENGAGE IN ANY FORM OF  
18 GAMBLING AND SHALL NOT FREQUENT ANY ESTABLISHMENT WHERE GAMBLING  
19 IS CONDUCTED AS DIRECTED BY THE PROBATION OFFICER. THE  
20 DEFENDANT SHALL HAVE NO CONTACT WITH THE VICTIMS, UNLESS  
21 OTHERWISE DIRECTED BY THE PROBATION OFFICER.

22 THE DEFENDANT SHALL NOT OWN OR POSSESS ANY FIREARMS,  
23 AMMUNITION, DESTRUCTIVE DEVICES OR OTHER DANGEROUS WEAPONS.

24 THE DEFENDANT SHALL COMPLY WITH THE PORTION OF THIS  
25 JUDGMENT THAT REQUIRES THAT NOTICE BE GIVEN TO VICTIMS OF THE

1 OFFENSE.

2 THE DEFENDANT SHALL COOPERATE IN COLLECTION OF DNA AS  
3 DIRECTED BY THE PROBATION OFFICER.

4 IT IS FURTHER ORDERED THAT THE DEFENDANT SHALL PAY TO  
5 THE UNITED STATES A SPECIAL ASSESSMENT OF \$100, WHICH SHALL BE  
6 DUE IMMEDIATELY.

7 WHILE INCARCERATED, PAYMENT OF CRIMINAL MONETARY  
8 PENALTIES IS DUE AT THE RATE OF NOT LESS THAN \$25 PER QUARTER,  
9 AND PAYMENT SHALL BE THROUGH THE BUREAU OF PRISONS' INMATE  
10 FINANCIAL RESPONSIBILITY PROGRAM.

11 CRIMINAL MONETARY PAYMENT SHALL BE MADE TO THE CLERK  
12 OF THE U.S. DISTRICT COURT AT THIS ADDRESS.

13 THE COURT FINDS THAT THE ABILITY -- THE DEFENDANT  
14 DOES NOT HAVE THE ABILITY TO PAY A FINE, AND ORDERS THE FINE  
15 WAIVED IN LIGHT OF THE RESTITUTIONARY OBLIGATION.

16 IT IS FURTHER ORDERED THAT THE DEFENDANT SHALL PAY  
17 RESTITUTION TO THE VICTIMS IN THIS MATTER, IN AN AMOUNT TO BE  
18 DETERMINED, WHICH SHALL BE DUE IMMEDIATELY. WHILE INCARCERATED  
19 PAYMENT OF RESTITUTION IS DUE DURING IMPRISONMENT AT A RATE OF  
20 NOT LESS THAN \$25 PER QUARTER, AND PAYMENT IS THROUGH THE BOP  
21 INMATE FINANCIAL RESPONSIBILITY PROGRAM.

22 RESTITUTION PAYMENTS SHALL BE MADE TO THE CLERK OF  
23 THE U.S. DISTRICT COURT AT THIS ADDRESS, AND TO BE PAID BY THE  
24 FIFTH DAY OF EACH MONTH.

25 AND WE WILL HAVE A -- EITHER A RESTITUTION HEARING OR

1 A STATUS CONFERENCE CONCERNING THE RESTITUTION HEARING ON  
2 THURSDAY, JULY 29TH AT 3:00 O'CLOCK IN THE AFTERNOON.

3 AND THE COURT WILL ORDER THAT A SPECIAL MASTER BE  
4 APPOINTED TO MARSHAL THE ASSETS, TO EVALUATE THE RESTITUTIONARY  
5 ASSETS AVAILABLE, TO EVALUATE THE CLAIMS OF THE VICTIMS, TO  
6 EVALUATE AND SUGGEST A PLAN OF ALLOCATION OF ANY ASSETS WHICH  
7 ARE RECOVERED.

8 THAT SPECIAL MASTER WILL ALSO BE DIRECTED TO CONSIDER  
9 THE ISSUE OF THE INSURANCE POLICY AND DETERMINE WHETHER AND TO  
10 WHAT EXTENT IT CAN BE -- IT CAN BE AN AUGMENTATION TO THE  
11 RESTITUTIONARY ESTATE.

12 AND THE SPECIAL MASTER, TOGETHER WITH THE U.S.  
13 ATTORNEY AND DEFENSE COUNSEL, SHALL MAKE SURE THAT THE ASSETS  
14 THAT ARE CURRENTLY IN TRUST ACCOUNT SHALL BE PROPERLY FORWARDED  
15 TO THE -- WHATEVER DEPOSITORY, EITHER ACCOUNT OR INSTITUTION IS  
16 DESIGNATED BY THE FINANCIAL OFFICES IN THE DISTRICT COURT.

17 **MR. LUCEY:** YES, YOUR HONOR.

18 **THE COURT:** IS THERE ANYTHING ELSE?

19 **MR. LUCEY:** THE ONLY THING I WOULD SUGGEST, YOUR  
20 HONOR, JUST AS A TECHNICAL MATTER, IF YOU CAN ACTUALLY MAKE THE  
21 FURTHER RESTITUTION HEARING DATE A PART OF THE JUDGMENT, SO IT  
22 ACTUALLY READS INSIDE THE JUDGMENT AND CONVICTION ORDER THAT THE  
23 RESTITUTION IS TO BE DEFERRED TO A DATE CERTAIN OF JULY 29.

24 **THE COURT:** ALL RIGHT. THE COURT ORDERS THAT THE  
25 RESTITUTION BE DEFERRED UNTIL JULY 29TH, 2010.



1           **MR. LUCEY:**   THANK YOU, YOUR HONOR.

2           **THE COURT:**   ALL RIGHT.

3           MR. HECKSCHER, GOOD LUCK TO YOU, SIR.

4           DO YOU HAVE ANY REQUESTS CONCERNING THE INSTITUTION  
5 TO WHICH MR. HERKSCHER IS ASSIGNED?

6           **MR. REILLY:**   YOUR HONOR, IT DOES APPEAR TO ME THAT  
7 BASED ON HIS STATUS AND THE LENGTH OF THE SENTENCE THAT HE IS  
8 TECHNICALLY ELIGIBLE FOR A LOW SECURITY FACILITY.

9           I WOULD ASK THE COURT TO CONSIDER RECOMMENDING THAT  
10 HE BE ASSIGNED TO LOMPOC.

11          **THE COURT:**   WELL, AS THE COURT TRADITIONALLY DOES  
12 WHEN REQUESTED, I WILL RECOMMEND THAT THE DEFENDANT BE ASSIGNED  
13 TO AN INSTITUTION WHICH IS AS CLOSE TO HIS FAMILY AS POSSIBLE.  
14 IT'S ENTIRELY UP TO THE BUREAU OF PRISONS.

15          I DON'T HAVE ANY CONTROL OVER THAT, BUT THAT WOULD BE  
16 THE RECOMMENDATION OF THE COURT.

17          **MR. REILLY:**   HIS FAMILY WOULD BE ALL IN CALIFORNIA,  
18 SO I OBVIOUSLY WOULD REQUEST --

19          **THE COURT:**   SO IT WOULD BE --

20          **MR. REILLY:**   -- THAT A CALIFORNIA PRISON WOULD BE HIS  
21 PREFERENCE.

22          **THE COURT:**   ALL RIGHT.

23          THAT REQUEST WILL BE GRANTED.

24          **MR. REILLY:**   THANK YOU, YOUR HONOR.

25          **MR. LUCEY:**   THANK YOU, YOUR HONOR.

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**THE COURT:** THIS HEARING IS ADJOURNED.

(THEREUPON, THIS HEARING WAS CONCLUDED.)

CERTIFICATE OF REPORTER

I, KATHERINE WYATT, THE UNDERSIGNED, HEREBY CERTIFY THAT THE FOREGOING PROCEEDINGS WERE REPORTED BY ME, A CERTIFIED SHORTHAND REPORTER, AND WERE THEREAFTER TRANSCRIBED BY ME INTO TYPEWRITING; THAT THE FOREGOING IS A FULL, COMPLETE AND TRUE RECORD OF SAID PROCEEDINGS.

I FURTHER CERTIFY THAT I AM NOT OF COUNSEL OR ATTORNEY FOR EITHER OR ANY OF THE PARTIES IN THE FOREGOING PROCEEDINGS AND CAPTION NAMED, OR IN ANY WAY INTERESTED IN THE OUTCOME OF THE CAUSE NAMED IN SAID CAPTION.

THE FEE CHARGED AND THE PAGE FORMAT FOR THE TRANSCRIPT CONFORM TO THE REGULATIONS OF THE JUDICIAL CONFERENCE.

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND THIS 8TH DAY OF SEPTEMBER, 2010.

\_\_\_\_\_

S/S/ KATHERINE WYATT