

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION - SANTA ANA

UNITED STUDIOS OF SELF DEFENSE,) CASE NO: 8:18-CV-01048-DOC-DFM
INC,)
) CIVIL
Plaintiff,)
) Santa Ana, California
vs.)
) Thursday, October 31, 2019
KRISTOPHER RINEHART, ET AL,)
) (2:22 p.m. to 3:40 p.m.)
Defendants.)

BENCH TRIAL / DAY 3
(VOLUME IV, PAGES 1 THROUGH 65)

BEFORE THE HONORABLE DAVID O. CARTER,
UNITED STATES DISTRICT JUDGE

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1 Santa Ana, California; Thursday, October 31, 2019; 2:22 p.m.

2 (Call to Order)

3 THE COURT: All right, thank you. We're on the
4 record. And, Counsel, this would -- all parties are present;
5 the witness is present; Counsel are present.

6 And this would be, actually, a cross-examination on
7 the record. But it's really re-re direct in some ways, because
8 you initially called him -- Counsel for cross-examine.

9 So, Counsel?

10 MR. BERLINER: Understand.

11 CROSS EXAMINATION

12 BY MR. BERLINER:

13 Q Dr. Rinehart, you and I are going to talk very --

14 THE COURT: Too fast. Slow down.

15 Q We are going to talk very slow.

16 The Beverly Hills franchise agreement, in addition to the
17 money that was contemplated to be exchanged between the
18 parties, there were also mutual obligations contained in the
19 agreement itself, correct?

20 A There are obligations in the franchise agreements for both
21 parties, yes.

22 Q Okay.

23 A Is that what you're asking?

24 Q Yes.

25 A Okay.

1 Q In addition to the monetary obligations?

2 A Other than the 750 a month?

3 Q And the \$1 transfer fee or the promissory note?

4 Let me give you an example.

5 A Okay.

6 Q USSD promised, as part of the Beverly Hills franchise
7 agreement, for an exclusive territory, correct?

8 A Yes, sir.

9 Q And that was towards the benefit of LASSD, correct?

10 A Yes, sir.

11 Q That's just one example of what I'm talking about --
12 mutual obligations.

13 A Yes, sir.

14 Q Okay, when Mr. Martin conveyed to you the comments that
15 Mr. Mattera had made to him, did Mr. Martin say to you that Mr.
16 Mattera wanted you to settle, or did Mr. Martin convey to you
17 that Mr. Mattera wanted you to pay?

18 A In the course of our discussions, he said that Mr.
19 Mattera -- when he cited him -- said that you have to settle
20 and they can make the girl go away.

21 In our conversations, not just that one, there were other
22 ones, where he said, you know, "Charlie says you have to pay."

23 Q So is it fair to say that, in some instances, Mr. Martin
24 conveyed to you a message for Mr. Mattera that he wanted you to
25 pay and, in others, he wanted you to settle?

1 A Yes.

2 Q When you were presented with the Beverly Hills franchise
3 agreements, were you given one agreement or two?

4 A I only remember being given one agreement.

5 Q Okay.

6 MR. BERLINER: One moment, your Honor.

7 BY MR. BERLINER:

8 Q The only other franchise agreement that you've ever dealt
9 with Mr. Mattera about is the Redondo Beach agreement, right?

10 A In his motion discussing with it, yes.

11 Q Understood.

12 MR. BERLINER: I'm going to read from the
13 deponent's -- excuse me -- the witness; May 1, 2019 deposition
14 transcript, starting at page 97, line 17; ending at page 98,
15 line 6.

16 "QUESTION: Now, at some point in time, way out, you
17 did -- you, personally, I think, signed some documents related
18 to the Beverly Hills studio?"

19 "ANSWER: Correct."

20 "QUESTION: Okay, related to a franchise?"

21 "ANSWER: Correct."

22 "QUESTION: In Beverly Hills?"

23 "ANSWER: Correct."

24 "QUESTION: And it is Mr. Mattera's practice -- is it
25 your understanding that you signed two copies of the Beverly

1 Hills agreements?"

2 "ANSWER: I think so."

3 "QUESTION: Okay, so one copy stayed with USSD and
4 one copy went with you?"

5 "ANSWER: I believe so."

6 **BY MR. BERLINER:**

7 Q Dr. Rinehart, I'm going to put up, on the ELMO, Exhibit
8 653. And I just want to focus -- you've seen this document
9 before? It's the South Bay Studios of Self Defense, LLC,
10 operating agreement, but it's the one that Mr. Murakami located
11 yesterday evening or this morning?

12 A Yes.

13 Q And if you see -- there's a section here that says,
14 "Sublicense of United States Studio of Self Defense license and
15 service agreement for Redondo Beach."

16 Do you see that?

17 A Yes.

18 Q Okay, and you signed this agreement, correct?

19 A I did.

20 Q Okay, however, in deposition, you testified that there was
21 no written sublicense agreement between SB Ninja LLC and SBSSD,
22 correct?

23 A There is no formal sublicense agreement.

24 Q So the document I just showed you, on the ELMO, is not a
25 sublicense agreement?

1 A It's an operating agreement.

2 Q Understood. And it references -- well, it says --

3 **MR. BERLINER:** Sorry, David.

4 **BY MR. BERLINER:**

5 Q So it says that each of you, Mr. Murakami -- excuse me --
6 SB Ninja LLC and you, Dr. Rinehart, for your capital
7 contributions, you're submitting 75,000 in cash -- or however --
8 - and Mr. Murakami is giving a sublicense of the Redondo Beach
9 license agreement, correct?

10 A Yes.

11 Q So your testimony is this: This is not the license
12 agreement between SBSSD and SB Ninja?

13 A That's not what I'm saying.

14 Q There's no written license agreement between SB Ninja LLC
15 and SBSSD, correct?

16 A Correct. There is no formal, other than this document,
17 that indicates that there is no other document that is a
18 sublicense agreement.

19 Q So this is the only document, Exhibit 653, that you're
20 aware of, written, that discusses any type of license
21 arrangement between SB Ninja LLC and SBSSD?

22 A I believe that's correct.

23 Q Okay, when you -- I want to pivot to the signing of the
24 addendum, to the Redondo Beach franchise agreement.

25 When you executed the addendum, what did Mr. Mattera tell

1 you he was going to do with it?

2 A I don't know if he told me he was going to do anything
3 with it.

4 But since it was for compliance with the State, he either
5 told me, or I assumed, that there was going to be utilized for
6 some form of compliance.

7 Q Okay, but he also told you that the document didn't mean
8 anything, correct?

9 A I believe he meant it didn't mean anything to me. But,
10 yes, that's essentially what he said.

11 Q Okay, and it would have no purpose or effect between the
12 two of you?

13 A Correct.

14 Q All right. But you were not a franchisee at the time you
15 signed this document, correct?

16 A I had no relationship at all at that time.

17 **MR. BERLINER:** Your Honor, if I may, I'd just like to
18 read some deposition testimony, as I think it will be more
19 expeditious.

20 **THE COURT:** I don't know what it is, Counsel.

21 **MR. BERLINER:** It's of Dr. Rinehart regarding this
22 topic.

23 **THE COURT:** Well, not unless it's contradictory.

24 **MR. BERLINER:** Understood.

25 //

1 **BY MR. BERLINER:**

2 Q And you knew -- okay, so, Dr. Rinehart, you knew, when you
3 signed the addendum, that Mr. Mattera was going to send it to
4 the State, correct?

5 A I suspected that it would have something to do with the
6 State. It's for compliance.

7 Q All right.

8 A Either said it or I assumed it.

9 **MR. BERLINER:** Okay, so I'm going to read page 104
10 to -- I mean, 104, line 6, to 22.

11 "QUESTION: So when you signed the addendum, did
12 Charlie tell you what he was going to do with it?"

13 "ANSWER: I was told he was going to do like he
14 needed it for compliance with the State.

15 "He did not tell me what he was -- like,
16 specifically, what he was going to do with it. I assumed it
17 was going to go into a collection of documents that would be
18 reviewed."

19 "QUESTION: By the State?"

20 "ANSWER: Yeah."

21 "QUESTION: Be clear. You signed the addendum,
22 correct?"

23 "ANSWER: Yes."

24 "QUESTION: You were not a franchisee when you signed
25 this agreement, correct?"

1 "ANSWER: No."

2 "QUESTION: You knew Charlie was going to send it to
3 the State, correct?"

4 "ANSWER: Yes."

5 **BY MR. BERLINER:**

6 Q Okay, and you signed the addendum as a favor to Mr.
7 Mattera, correct?

8 A Yes.

9 Q So under your theory, Mr. Mattera was going to take a
10 document that he had you sign as a favor, that would have no
11 meaning or purpose, and you knew that he was going to take this
12 document and hand it to someone with the State for compliance
13 purposes; is that a correct summation?

14 A I think part of what you said is correct; but some of it
15 is incorrect.

16 Will you say it again so I can take the pieces out that I
17 think are correct and correct the ones that I think are not
18 accurate?

19 Q I'll shorten this up. You executed a document for a
20 person -- Mr. Mattera -- knowing that he was going to give the
21 document to someone with the State of California, correct?

22 A I suspected as much. I either assumed or he told me, yes.

23 Q Okay, and at the time you signed the document, your theory
24 is the document didn't have any meaning or purpose between you
25 and Mr. Mattera, correct?

1 A Other than its -- other than it was an acknowledgement of
2 the line change that we talked about. But it --

3 **THE COURT:** Slow down.

4 **THE WITNESS:** I'm sorry.

5 **BY MR. BERLINER:**

6 Q Okay.

7 A Other than the line change that we discussed earlier, I
8 didn't think it was going to have any effect on my agreements
9 or relationship between each other.

10 So, for me, it would not have any effect.

11 Q Isn't it true, Dr. Rinehart, that, under your theory --
12 which Mr. Mattera disagrees with.

13 But, under your theory, you were essentially a participant
14 in a fraud to submit fraudulent documents to the State for
15 compliance purposes? Isn't that really what you're saying that
16 you were a part of --

17 A No.

18 Q -- by your theory?

19 A No, that's not what I'm saying, for probably the fourth
20 time that we've covered this subject.

21 I still stand by the fact that I acknowledge that it says
22 what it says. As the person signing it, I'm acknowledging that
23 he's making this change to this document.

24 He can send that to the State, and if the State says,
25 "Hey, did Mr. Mattera provide you with documentation that this

1 line has been changed from this to this?" my answer would be,
2 "Yes."

3 Q Okay, but the Court pointed out that the document you
4 signed was an addendum to the franchise agreement of United
5 Studios of Self Defense required by the State of California.

6 At the time you signed it, you -- your contention is that
7 you were -- you had no franchise agreement between any of your
8 businesses or entities and USSD, correct?

9 A Yes, that is correct.

10 Q And you were not a franchisee when you signed it,
11 according to your theory, correct?

12 A That is correct.

13 Q So that statement, that you were a franchisee on the
14 addendum was false when you signed the document, correct?

15 A No. My understanding is just as an operator, any of us
16 that were there, I was signing something that says this says
17 this.

18 **MR. BERLINER:** David, can you put up the page --
19 Exhibit 1-30?

20 Just blow up the signature block on the bottom-right,
21 David.

22 **BY MR. BERLINER:**

23 Q So, just to be clear, Dr. Rinehart, when you executed this
24 document, you were not a franchisee, correct?

25 A That is correct.

1 Q And you knew this document was going to the State,
2 correct?

3 A I suspected it probably would be provided.

4 Q Okay, and, under your theory, the entire document had no
5 meaning, correct?

6 A Other than it was an acknowledgement.

7 Q And you don't feel that, under your theory, you were then
8 participating in creating kind of a fraudulent record of
9 compliance documents to send to whatever State compliance --

10 A No.

11 Q -- that Mr. Mattera was talking about?

12 A No, I took it as, he had to tell everyone, and they had to
13 acknowledge that there was some change in some agreement that
14 we may or may not be dealing with at a later point in time.

15 **THE COURT:** So let me understand, then.

16 You signed a document that you hadn't read or
17 understood. And Mr. Mattera represents to you that this will
18 help him in some way with some compliance with the State of
19 California?

20 **THE WITNESS:** I did read this document. I did not
21 read the franchise document.

22 **THE COURT:** So what did you think the help would be,
23 then, with the State of California, by signing this document?

24 **THE WITNESS:** That he was -- that he had to tell
25 everybody that was involved in the system that there's a change

1 to the franchise he's trying to put out.

2 **MR. BERLINER:** I have nothing further, your Honor.

3 **THE COURT:** Anymore questions, Counsel, on redirect,
4 so we complete the record?

5 **MR. DECARLO:** I just need to move some documents into
6 evidence, your Honor.

7 **THE COURT:** Then may the doctor step down?

8 **MR. DECARLO:** Yes, your Honor.

9 **THE COURT:** You may go, sir.

10 **MR. BERLINER:** We have a similar question about the
11 interrogatories. I think you accepted them yesterday. I just
12 didn't have enough copies.

13 **THE COURT:** I have. And I'll be pretty liberal with
14 that.

15 **MR. BERLINER:** Okay.

16 **THE COURT:** I'll also do the following. And that
17 is -- I've had a chance to look at 654 during the recess again.
18 And it seems to only involve communication between attorneys,
19 with no reference to Charles Mattera. So I'm not certain of
20 the value of credibility.

21 So let me take this under submission for a while.
22 I'm not sure I'm going to actually receive 654.

23 It also came before -- or substantially before the
24 time frame of February 6th, when the deposition was taken.

25 And I'll take that under submission and make a ruling

1 when we come back.

2 All right, now, for the record -- so hold this off to
3 the side, we'll think about it.

4 What exhibits, Counsel?

5 **MS. SHIN:** 461 --

6 **THE COURT:** Okay.

7 **MS. SHIN:** And would you like a description of each
8 one as I --

9 **THE COURT:** It would be very helpful.

10 **MS. SHIN:** Okay, 461 --

11 **THE COURT:** But could you help me by telling me what
12 552-12 is?

13 **MS. SHIN:** Yes, your Honor.

14 **THE COURT:** I'm just kidding you, Counsel. But that
15 gives you an example of what I'm dealing with.

16 **MS. SHIN:** Okay.

17 **THE COURT:** So I don't know what 461 is. So please
18 describe it.

19 **MS. SHIN:** Okay, 461 is an audio, titled "KR011225."

20 **THE COURT:** Just a moment.

21 In whose -- in what part of the trial would that have
22 come in?

23 **MS. SHIN:** Mr. Mattera's cross.

24 **THE COURT:** Oh, clear back with Mr. Mattera's cross.
25 All right, just a moment.

1 I've got very good notes, believe it or not. So let
2 me look at the cross.

3 It's KR0011225; is that correct?

4 **MS. SHIN:** Yes, your Honor.

5 **THE COURT:** It's received.

6 **(Exhibit Number 461 was received in evidence)**

7 **MS. SHIN:** Next is Exhibit 501, which is --

8 **THE COURT:** When did it come in?

9 **MS. SHIN:** In Mr. Mattera's cross.

10 **THE COURT:** Well, Counsel, I have 510.

11 **MS. SHIN:** 501 is the Defendant's version of the
12 addendum to the so-called Redondo Beach franchise agreement.

13 **THE COURT:** Deb, you have that marked?

14 **THE CLERK:** (Indisc.).

15 **THE COURT:** I'm sorry, Deb, I didn't hear. I
16 apologize.

17 **THE CLERK:** (Indisc.) identified, 10/29/19.

18 **THE COURT:** Oh, identified. So it's marked for --
19 Was this on Tuesday, Deb? I just have Monday,
20 Tuesday -- okay, Tuesday. Thank you.

21 What is it, once again?

22 **MS. SHIN:** 501.

23 **THE COURT:** Uh-huh.

24 **MS. SHIN:** And it is an addendum to the so-called
25 Redondo Beach franchise agreement.

1 It's just the one page. So Plaintiff has this
2 version in their Exhibit 1, as the last page.

3 **THE COURT:** Oh.

4 **MS. SHIN:** And Defendants use just that single page
5 as Exhibit 501.

6 **THE COURT:** But you've given a different it a
7 different marking?

8 **MS. SHIN:** Yes.

9 **THE COURT:** That's -- okay. All right, so then I'm
10 going to receive it, Counsel.

11 But you'll have to be careful because 501 also has a
12 different marking on it. It's Exhibit 1 as well, okay?

13 All right.

14 **(Exhibit Number 501 was received in evidence)**

15 **MS. SHIN:** Next is Exhibit 525.

16 **THE COURT:** When did that come in, Counsel? Or when
17 was it marked?

18 **MS. SHIN:** Mr. Mattera's cross on 10/29.

19 It is the final judgment on permanent injunction and
20 ancillary relief.

21 **THE COURT:** Thank you. That's received.

22 **(Exhibit Number 525 was received in evidence)**

23 **MS. SHIN:** Next is Exhibit 551. And that --

24 **THE COURT:** Just a moment.

25 **MS. SHIN:** Okay.

1 **THE COURT:** Is that also on cross?

2 That was on cross of Josh George, on October 30th.

3 **THE COURT:** Just a moment.

4 551?

5 **MS. SHIN:** Yes, your Honor.

6 **THE COURT:** There should be an e-mail, Charles
7 Mattera, on his -- there's a concern about fines. And Charles
8 Mattera wanted to shut down, allegedly, for the testimony
9 that -- or surrounding the e-mail, USSD.

10 **MS. SHIN:** Yes, your Honor.

11 **THE COURT:** All right, that's received.

12 **(Exhibit 551 was received in evidence)**

13 **MS. SHIN:** Next is 561; which is an audio that was
14 played, Mr. Mattera's cross, on October 30th.

15 **THE COURT:** Are we jumping back to Mattera's cross?

16 **MS. SHIN:** Yes, your Honor.

17 **THE COURT:** Did you give that marking on the record?

18 I have -- I just have notes about the --

19 **MS. SHIN:** The audio --

20 **THE COURT:** -- tape itself.

21 **MS. SHIN:** Yes. The audio recording is KR011188.

22 **THE COURT:** All right, thank you.

23 Received.

24 **(Exhibit Number 561 was received in evidence)**

25 **MS. SHIN:** Next is Exhibit 575.

1 **THE COURT:** And when did that come in?

2 **MS. SHIN:** The same, your Honor; Mr. Mattera's
3 cross --

4 **THE COURT:** Just a moment.

5 **MS. SHIN:** -- on October 29th. It is also an audio.

6 **MR. BERLINER:** Your Honor --

7 **THE COURT:** Yes.

8 **MR. BERLINER:** I don't have that marked.

9 **THE COURT:** I don't either.

10 **MR. BERLINER:** It's a full raw tape.

11 **THE COURT:** Yeah. I'm going to -- I'm a little
12 cautious of this now. You two are going to have a meet-and-
13 confer and get together with Debbie. We'll see what's missing
14 here.

15 I seem to be jumping back and forth. Perhaps the
16 easiest way to do this is as follows:

17 I'll take the witnesses sequentially, when Charles
18 Mattera was called.

19 Exhibit 52, specifically, page 12, was an exhibit
20 which was received by the Court.

21 Exhibit 37, which is the Redondo Beach licensing
22 agreement, was received by the Court.

23 Remember, I'm taking these sequentially.

24 Exhibit 2 was received by the Court.

25 Exhibit 1 was received by the Court, specifically,

1 you referred to pages 7 and 28 of Exhibit 1.

2 Exhibit 1, you refer back to Sections 4.1, 4.2.1,
3 4.5.1, and 6.2.8, 6.2.7, 6.2.6.

4 And that was received. In fact, the entire document
5 had previously been received.

6 You went back then to the qualified instructor
7 sections on 6.2.6 and 6.2.4, concerning the approved products.

8 You went then to -- back to Exhibit 3, which I
9 received; Exhibit 4, which I received; Exhibit 5, which I
10 received; Exhibit 6, which I received.

11 I could describe these each to you if you would like.

12 Exhibit 7, of course, is another e-mail, which I
13 received.

14 Exhibit 8, which I received; Exhibit 9, which I
15 received; Exhibit 10, which I received.

16 These are the e-mails, March 10th, April 6th, and May
17 1st of 2018, respectively.

18 Exhibit 38 was once again alluded to. I previously
19 received that.

20 You referred to page -- Exhibit 633, which I
21 received, page 6. You talked specifically about Section 12.

22 I received 634.

23 The Exhibit 638 is a license agreement, which expired
24 in 2029. I don't have that received.

25 Deb, you have that 638 received?

1 **THE CLERK:** Let me go look.

2 **THE COURT:** Thanks a lot.

3 **MR. BERLINER:** 638, on the exhibit list are --

4 **THE COURT:** We'll take care of it with Deb now.

5 **THE CLERK:** I do not.

6 **THE COURT:** Okay, Counsel. That has not been
7 received -- 638.

8 License agreement expires license in 2029. And it
9 surrounded the testimony concerning no discussion ever with --
10 yeah.

11 What do you have 638 as, Counsel?

12 **MS. SHIN:** USSD's further responses to Defendant's
13 interrogatories, which --

14 **THE COURT:** Interrogatories? They're requesting its
15 receipt?

16 Are you requesting its receipt?

17 **MR. BERLINER:** I'm sorry, your Honor. We have a -- I
18 apologize. I've lost you.

19 **THE COURT:** Well, see, that's what you're doing to
20 me, though, flipping back and forth. So now it's my turn.

21 **MR. BERLINER:** I understand, your Honor.

22 **THE COURT:** Isn't this fun?

23 **MR. BERLINER:** No.

24 **THE COURT:** So that's what I'm going to do to you.

25 I'm going to go through my notes sequentially. You're going to

1 take my direction.

2 Because I'm not going to sit here and listen to
3 Exhibit 531 and then I have to search my memory bank.

4 638; is this to be received or not?

5 **MS. SHIN:** No, your Honor.

6 **THE COURT:** Okay, Counsel?

7 You read this interrogatory. It concerned the
8 license agreement and the testimony concerning --

9 **MR. BERLINER:** Yeah. That's fine. Sorry. Yes.

10 **THE COURT:** And your answer?

11 **MR. BERLINER:** Yes, your Honor, it's received?

12 **THE COURT:** No, I'm not sure yet.

13 What's the purpose?

14 You read it concerning the cross-examination --
15 strike that.

16 **MR. BERLINER:** Oh, no. We don't need it received.

17 **THE COURT:** All right. Well, it was referred to,
18 because both Debbie and I have it -- I have it in my notes.

19 Then you started your cross-examination. You
20 referred to 506, which I received.

21 503, that's a May 19, 2019. You looked at
22 specifically page 11, lines 24. This involves Alga (phonetic).

23 I don't have 503 received, Deb, do you?

24 **THE CLERK:** No, I do not have 506 received as well.

25 **THE COURT:** You don't have 506 either?

1 **THE CLERK:** No.

2 **THE COURT:** All right.

3 So 506, Counsel? This was on cross.

4 **MS. SHIN:** Yes. Yes, your Honor.

5 **THE COURT:** You want it received?

6 **MS. SHIN:** Yes.

7 **THE COURT:** Counsel?

8 **MR. BERLINER:** 506 is fine.

9 **MS. SHIN:** And the 503 you had just --

10 **THE COURT:** Received.

11 **(Exhibit Number 506 was received in evidence)**

12 **MS. SHIN:** -- mentioned, your Honor.

13 **THE COURT:** And 503 you're requesting?

14 **MS. SHIN:** Yes, your Honor.

15 **THE COURT:** All right, that's received also. I'm
16 sorry. I did receive it. On the next page, you refer back to
17 503. I have it checked off as received.

18 You refer to page 3, lines 8 through 17.

19 Exhibit 521?

20 **MR. BERLINER:** Yes.

21 **MS. SHIN:** Yes.

22 **THE COURT:** Received.

23 **(Exhibit Number 521 was received in evidence)**

24 **THE COURT:** Clip. Now, I took the clips as you gave
25 them to me. You didn't -- I took Clip 573, Clip 575, Clip 573

1 you went back to again.

2 You went to Clip 510, which I think is what you
3 previously requested. You then went to Exhibit 507.

4 Then you went to Exhibit 461, which I've already
5 received.

6 So are you requesting Clip 573?

7 **MS. SHIN:** Yes, your Honor.

8 **THE COURT:** It's received.

9 **(Exhibit Number 573 was received in evidence)**

10 **THE COURT:** Are you requesting Clip 575?

11 **MS. SHIN:** Yes, your Honor.

12 **THE COURT:** That's received.

13 **(Exhibit Number 575 was received in evidence)**

14 **THE COURT:** Are you requesting 573?

15 **MS. SHIN:** Yes, your Honor.

16 **THE COURT:** That's received.

17 And I did have five -- I think -- is it 510 or 501?
18 I could have transposed those numbers. There's another clip --
19 well, I'm sorry.

20 It's Exhibit 510. They should contain three
21 signatures; one of Janice Gruenberg (phonetic), one of Moscow
22 (phonetic), and the other one of Alejandro Corrales (phonetic).

23 **MS. SHIN:** Yes, your Honor.

24 **THE COURT:** Is that 510 or 501?

25 **MS. SHIN:** 510.

1 **THE COURT:** That's received.

2 **(Exhibit Number 510 was received in evidence)**

3 **THE COURT:** Then you went to 507.

4 **MS. SHIN:** The Court did not receive it, your Honor.

5 **THE COURT:** All right, and what is 507?

6 **MS. SHIN:** It is United Studios of Self Defense, Inc.
7 and Charles Mattera and United Studios Billing Inc's initial
8 Rule 26 disclosures.

9 **THE COURT:** No. I didn't view that as being relevant
10 pursuant to Rule 26 disclosure.

11 I received 461 previously; then Exhibit 53.

12 Deb, you have that as received?

13 **THE CLERK:** (Indisc.).

14 **THE COURT:** Do you?

15 **THE CLERK:** (Indisc.).

16 **THE COURT:** Yeah. They're exhibit numbers.

17 **THE CLERK:** (Indisc.).

18 **THE COURT:** Yes.

19 And then Exhibit 53?

20 Okay, you have it marked, Deb?

21 **THE CLERK:** (Indisc.).

22 **THE COURT:** Okay, there's also an Exhibit 54, Deb.

23 That could have come during the evening hours.

24 **THE CLERK:** I think it did.

25 **THE COURT:** Yeah, Exhibit 53, Counsel?

1 **MR. BERLINER:** They are the Alza (phonetic) RFAs.
2 And 54 are the Alza-Rinehart texts.

3 **THE COURT:** Those were pages 1 and 2.
4 Are you seeking their receipt?

5 **MR. BERLINER:** Yes.

6 **THE COURT:** All right, each are received; 53 and 54.

7 **(Exhibits Numbers 53 and 54 were received in evidence)**

8 **THE COURT:** Then you went back to Exhibit 573. And
9 this is the tape concerning "my 'effing' lawyer," and now
10 trying to bury it.

11 **MS. SHIN:** Yes, your Honor.

12 **THE COURT:** All right, received.

13 **(Exhibit Number 573 was received in evidence)**

14 **THE COURT:** Exhibit 521?

15 **THE CLERK:** What was the last one?

16 **THE COURT:** Pardon me?

17 **THE CLERK:** What one did you just receive?

18 **THE COURT:** 573.

19 **THE CLERK:** All right.

20 **THE COURT:** Now 521?

21 **MS. SHIN:** Yes, your Honor.

22 **THE COURT:** Received.

23 **(Exhibit Number 521 was received in evidence)**

24 **THE COURT:** Everyone have that marked as received,
25 Deb.

1 Then I think these were during the evening hours,
2 Deb. So I apologize.

3 Then 573, once again, was played. And I had already
4 received that.

5 Then I've got ECF22. I didn't get an exhibit number
6 for that. But what it is, is an e-mail exchange, dated
7 February 1, 2019.

8 **MR. BERLINER:** Correct, your Honor. That -- you did
9 not allow that to be admitted.

10 **THE COURT:** Okay, thank you.

11 And we went back to 521, which I should have
12 previously received.

13 Then we went to 513 and 514.

14 Deb, do you have those as marked or received?

15 **THE CLERK:** (Indisc.).

16 **THE COURT:** Okay, that came during the evening hours,
17 that's why.

18 What are they, Counsel?

19 **MS. SHIN:** 513 is the SCAR report, a police report.

20 And 514 is a receipt for work performed by Jessica G.

21 **THE COURT:** That should be the payment record of
22 \$200, allegedly?

23 **MS. SHIN:** Yes, your Honor.

24 **THE COURT:** All right. 514 is received. I'm going
25 to receive the police report as well, as part of this record --

1 513 -- because of the fraud decision I made -- or ruling.

2 (Exhibits Numbers 513 and 514 were received in evidence)

3 THE COURT: 517, documents.

4 MS. SHIN: Yes, your Honor. It was an e-mail from
5 Kat Hargraves (phonetic) to Jessica Gruenberg for work
6 performed.

7 THE COURT: I have that as received, Deb.

8 THE CLERK: I don't even have it.

9 THE COURT: All right, 517 is received.

10 (Exhibit Number 517 was received in evidence)

11 THE COURT: 518 is the text message from Alga.
12 Reference in this is about the condoms, *et cetera*.

13 MS. SHIN: Yes, your Honor.

14 THE COURT: That's received.

15 (Exhibit Number 518 was received in evidence)

16 THE COURT: 510 is a sworn affidavit by the three
17 people. I think that was previously received.

18 Remember, I'm taking these chronologically.

19 Then you went back to Exhibit 1, which I previously
20 received.

21 Then you went to Exhibit 533, page 30.

22 And then you switched, and said this is what page 29
23 would look like. So I've got two different notes; 30 and 29.

24 You started talking about 30, then you immediately
25 flipped back to 29, which the last part of the franchise

1 agreement.

2 **MS. SHIN:** We move to omit 533, which is the United
3 Studios of Self Defense franchise agreement, dated September 5,
4 2014.

5 **THE COURT:** You didn't want that received?

6 **MS. SHIN:** Yes, your Honor.

7 **THE COURT:** It's received in my notes previously. It
8 should be on the record.

9 640 is the e-mail obtained. This is between Charles
10 Mattera and Matt Mattera.

11 **MS. SHIN:** Yes, your Honor.

12 **THE COURT:** That was already received as 640.

13 Then you went back to Exhibit 37, which I previously
14 received. It's the Redondo Beach license agreement of 2011.

15 Then you went to Exhibit 529, which suggests a check
16 for \$25,000 *et al.* And I previously received that.

17 Then you went to Exhibit 645. This is the witnesses
18 personally certifying the contents of the DBO and the notary
19 with the signature.

20 I had already received that.

21 Then there's Exhibit 526, a Superior Court injunction
22 issued in 1996.

23 I don't have that as being received in my notes.

24 **MS. SHIN:** We also move it, your Honor.

25 //

1 **THE COURT:** Then it's received.

2 **(Exhibit Number 526 was received in evidence)**

3 **THE COURT:** 645, page 7 -- you also -- which is the
4 cover page. It's Snell & Wilmer and Susan Greenberg, who is
5 the attorney.

6 And page 12, you talked about pages 146 and 147 and
7 page 148.

8 Received.

9 **(Exhibit Number 645 was received in evidence)**

10 **THE COURT:** 599. This is the complaint, page 5, line
11 18. Now, that's a matter simply for judicial notice of the
12 Court.

13 That's received, Counsel.

14 **(Exhibit Number 599 was received in evidence)**

15 **MS. SHIN:** Thank you, your Honor.

16 **THE COURT:** I've already read it.

17 Then you went back to Exhibit 1, which was previously
18 received.

19 Then you went to Exhibit 37, page 3, which I had
20 previously received in total.

21 Then you went back to Exhibit 1, which I received;
22 back to page -- Exhibit 37, page 4, the student manual, which I
23 received.

24 Then you went to Exhibit 553. And I have that as
25 previously received also.

1 **MS. SHIN:** Yes, your Honor.

2 Now that ended Monday's session. That was late at
3 night. And we started Tuesday. We're still on cross.

4 Exhibit 566 was received by the Court; Exhibit 552,
5 pages 12 -- then you jumped back to page 10, then you went
6 forward to page 15.

7 I had received 552.

8 633, which is your Torrance license agreement; I had
9 received.

10 634, and you also referred to Exhibit 38, which were
11 some handwritten notes.

12 I had received 634, and I also eventually received
13 Exhibit 38.

14 Then you referred to Exhibit 606 and 645; franchise
15 disclosure documents of June 1, 2015. I had received each of
16 those documents.

17 Then you referred to page 329 and 645. Then you
18 jumped to Exhibit 561, which I had received. Then you went to
19 530, which I received. Then you went to 531, which I had
20 received.

21 Then you went back to 598, which I had received.

22 And then there was an Exhibit 645. But I don't have
23 that checked in my notes. I could have just missed that.

24 Those are the billing company -- was using money for short-term
25 credit flow.

1 **MS. SHIN:** Your Honor, which exhibit?

2 **THE COURT:** 645.

3 And this is a good lesson for next litigation. So
4 when you tell the Court it's Exhibit 38, don't expect we have a
5 photographic memory, okay?

6 **THE CLERK:** I have it as received.

7 **THE COURT:** I have it as received too.

8 **MR. BERLINER:** I have it as received.

9 **THE COURT:** All right, received.

10 All right, redirect started. And Exhibit 38 had
11 previously been received; if not, I re-received it. Then you
12 went to 552-12.

13 I don't have that as received, do you, Deb?

14 **THE CLERK:** I do.

15 **THE COURT:** I received it previously. I'm doing that
16 chronologically. Then we went to 37. You referred
17 specifically to Page 37-3. I have that as received. Then you
18 went back to Exhibit 1 which was previously received. And then
19 you went to Exhibit 525.

20 Deb, do you have 525?

21 **THE CLERK:** I do.

22 **THE COURT:** Do you have it received?

23 **THE CLERK:** Yes.

24 **THE COURT:** I didn't check it in my notes. Thank
25 you.

1 Then you went to Exhibit 56 which I have as received.
2 Went back to Exhibit 1 which I had as received. You went back
3 to Exhibit 593, the email, which I had as received and that
4 concluded the testimony.

5 What am I missing from either party that you think
6 you marked?

7 **MR. DECARLO:** So, your Honor, there is a series of
8 documents we'd ask the Court to take judicial notice of. It's
9 of the type which --

10 **THE COURT:** No, just -- have I done this before? Is
11 this the first time that this is coming up?

12 **MR. DECARLO:** Yes.

13 **THE COURT:** Okay. So I have incurred these. I'm
14 only asking now about items that you believe -- that you have
15 marked that you believed I either took into evidence or somehow
16 in the late evening hours or early morning, we just forgot to
17 make that motion of the Court and I'm giving you an opportunity
18 to get those into evidence.

19 **MR. BERLINER:** I have a couple, your Honor.

20 **THE COURT:** Okay, please.

21 **MR. BERLINER:** Exhibit --

22 **THE COURT:** Are you sure that these were referred to
23 and marked?

24 **MR. BERLINER:** Yes.

25 **THE COURT:** Okay. What are they?

1 **MR. BERLINER:** Exhibit 3. It would have been the
2 first day.

3 **THE COURT:** Hold on.

4 **MR. BERLINER:** I'm not going to -- I'm going to go
5 in --

6 **THE COURT:** No, just a moment. Counsel, I already
7 stated, if you were listening, that I had received that
8 document. Wake up.

9 **THE CLERK:** I don't have it as received.

10 **THE COURT:** I do. I have it received right in my
11 notes, Deb.

12 **THE CLERK:** What day?

13 **THE COURT:** Sitting right there, the first day.

14 **THE CLERK:** Oh, first day. Okay.

15 **THE COURT:** Okay. Direct examination.

16 **MR. BERLINER:** Can I confer with counsel for a minute
17 to save the Court's time?

18 **THE COURT:** This should be the Redondo Beach
19 franchise, Exhibit 3; is that correct?

20 **MR. HARDEMAN:** That would be the Beverly Hills
21 agreement, your Honor.

22 **THE COURT:** I've got it marked off in my notes as
23 received, Counsel.

24 **MR. BERLINER:** Your Honor --

25 **THE COURT:** It came the very first day. It came

1 right after Exhibit Number 2. Then you went to Exhibit 1.
2 Then you went back to Exhibit 1 and went through those with
3 each of the 4.2, 4. sections and then you jumped right to
4 Exhibit 3.

5 (Counsel confer)

6 THE COURT: And so if not, Counsel, I'll receive it
7 again but I have it marked as received.

8 MR. BERLINER: And today was 63 and 64 with
9 Mr. Martin?

10 THE COURT: Today. Okay, let me turn to that and I
11 appreciate that.

12 And Mr. Martin, is that correct?

13 MR. BERLINER: Yes.

14 THE COURT: Okay, thank you. I appreciate that.
15 Jeff Hanley (phonetic) testified today. Let's just go through
16 today right from the beginning. Jeff Hanley, first witness,
17 you referred to Exhibit 635, Page 9. I don't have that as
18 received. Do you, Deb? I may have received it later.

19 THE CLERK: Yeah, I do -- yes, I do.

20 THE COURT: Do you have it received?

21 THE CLERK: Uh-huh.

22 THE COURT: Okay. Then you went to 637. I have that
23 received, Deb. Do you?

24 THE CLERK: Yes, I do.

25 THE COURT: Then you went to 636 and I have that

1 received.

2 **THE CLERK:** Uh-huh.

3 **THE COURT:** Then we went to cross examination and
4 cross -- Exhibit 60 was referred to which I have received.
5 Then there was redirect and recross without any exhibits.

6 Any disagreement?

7 **MR. BERLINER:** No.

8 **MS. SHIN:** No, your Honor.

9 **THE COURT:** Then we went to Matt Mattura. There was
10 -- he was extremely distraught. He got partway through the
11 direct examination and when he was asked about why he left the
12 company in reference to his father, he was breaking down and we
13 took a recess. Then you recalled him. So I have no exhibits
14 that you referred to in that brief period of time when he was
15 distraught.

16 Then we went to Martin -- or Tyler Martin and I have
17 Exhibit -- I don't have any exhibits on direct examination.
18 Cross examination, I have Exhibit 62 which I received. Exhibit
19 63, Deb, was that received?

20 **THE CLERK:** No, your Honor.

21 **THE COURT:** No, I have that one marked but not
22 received. We -- Deb, 62 was received.

23 **THE CLERK:** Okay.

24 **THE COURT:** Okay.

25 **MR. BERLINER:** And --

1 **THE COURT:** We received of -- 63?

2 **MR. BERLINER:** We'd like it received.

3 **THE COURT:** Received.

4 **(Exhibit Number 63 was received in evidence)**

5 **THE COURT:** And then Exhibit 64, I think you might
6 have neglected to ask but --

7 **MR. BERLINER:** We'd like it received.

8 **(Exhibit Number 64 was received in evidence)**

9 **THE COURT:** Then we went to Glen Bartlett (phonetic).
10 I don't have any exhibits concerning Mr. Bartlett.

11 **MS. SHIN:** That was a reading of the transcript or
12 depo. Yes.

13 **THE COURT:** And then we went back to Matt Mattura who
14 then retook the witness stand. And you referred to Exhibit
15 640, specifically 2 and Page 1. I'd received that document
16 according to my notes. You then went back to 636 which I
17 received. You then went to 635 which I received. Then you
18 went to 533 which I received.

19 On cross examination, you went back to Exhibit 65
20 which I had received. I have Exhibit 16. This is the Rinehart
21 to Matt email. I don't have that as received, Exhibit 16.

22 **MR. BERLINER:** That was ours. Could we receive it?

23 **THE COURT:** Received.

24 **(Exhibit Number 16 was received in evidence)**

25 **THE COURT:** Then Exhibit 15, I don't have that

1 received either.

2 **MR. BERLINER:** We'd like it received.

3 **THE COURT:** Received.

4 **(Exhibit Number 15 was received in evidence)**

5 **THE COURT:** Then that concludes the testimony of
6 Mr. Mattura -- or Matt Mattura.

7 Any other exhibits there? All right.

8 Then we're at Brent Murakami. You referred to
9 Exhibit 653.

10 Deb, I think I'd received that previously but maybe
11 not. I have it marked but not received.

12 **MR. BERLINER:** I believe that was the operating
13 agreement.

14 **THE COURT:** This is the operating agreement of August
15 5th, 2011.

16 **THE CLERK:** Your Honor, it was not received.

17 **MR. BERLINER:** Receive.

18 **THE COURT:** Received.

19 **(Exhibit Number 653 was received in evidence)**

20 **THE COURT:** Exhibit 652, this is the South Bay Studio
21 operating agreement of July 1st, 2011.

22 **MR. BERLINER:** Receive.

23 **THE COURT:** It'll be received.

24 **(Exhibit Number 652 was received in evidence)**

25 **THE COURT:** Then you went back to 653 which I have

1 now received. Then you went to Exhibit 37 which was previously
2 received. Then you went -- you stayed with Exhibit 37.
3 Specifically, you went to Page 4. Then you went to 553 which
4 was the student manual. I don't have that as received.

5 Deb, do you?

6 **THE CLERK:** 553?

7 **THE COURT:** 553.

8 **THE CLERK:** Yes, I did -- I do.

9 **THE COURT:** Okay, thank you. I do that
10 chronologically. So, Deb, I could have received it at another
11 time.

12 552-12, that's the 9/7/2018.

13 Deb, do you have that as received?

14 **THE CLERK:** I do, your Honor.

15 **THE COURT:** All right. Then Exhibit 580, this is the
16 video. That was not offered. It was marked but -- do you have
17 that as received, Deb?

18 **THE CLERK:** I do not, your Honor.

19 **THE COURT:** I don't either.

20 **MR. BERLINER:** What is 580?

21 **THE COURT:** It was Mr. Hardeman.

22 **MR. BERLINER:** Oh, it was -- oh, literally
23 Mr. Hardeman.

24 **MS. SHIN:** We ask to have it admitted.

25 //

1 **THE COURT:** Received.

2 **(Exhibit Number 580 was received in evidence)**

3 **THE COURT:** Do you have Exhibit 38 which I believe I
4 previously received? Deb, 38?

5 **THE CLERK:** Yes, your Honor.

6 **THE COURT:** Okay. And then Exhibit 33, Facebook
7 page, Redondo Beach -- I don't have that as received.

8 Deb, do you?

9 **THE CLERK:** I do not.

10 **THE COURT:** All right. Counsel, this is our Facebook
11 page.

12 **MR. BERLINER:** That's fine. We want it.

13 **THE COURT:** Received.

14 **(Exhibit Number 33 was received in evidence)**

15 **THE COURT:** Exhibit 38, that was previously received.
16 On cross examination, 653 which I had previously received.

17 533, Deb, I want to make sure that was received.

18 **THE CLERK:** Yes, your Honor.

19 **THE COURT:** Okay. I want to make your records are
20 correct.

21 Back to Exhibit 37 which was received. Back to
22 Exhibit 531.

23 Deb, do you have that as received?

24 **THE CLERK:** Yes, I do.

25 **THE COURT:** Okay. Back to 654.

1 **MR. SPEAKER:** That's the one we have under
2 submission.

3 **THE COURT:** That's the one we have under submission.
4 I'm going to continue to take that under submission, Counsel.
5 I'm not sure because of the date and time of that, that that is
6 relevant to the prior rulings I've made.

7 And then back to 653 which I already received.

8 Now, that concludes today. Any disagreements about
9 the record concerning today?

10 **MR. BERLINER:** No.

11 **MS. SHIN:** No, your Honor.

12 **THE COURT:** All right. Then we'll go back -- I'm
13 sorry, Counsel?

14 Then we'll go back and we'll work off of my notes and
15 trust me, they're not perfect. So -- okay. We will then go
16 back to Kristopher Rinehart who was called and you referred to
17 Exhibit 37 which I'd previously received. You discussed
18 Exhibit 39 which I'd received. It's a profit and loss
19 statement.

20 Deb, do you have that?

21 **THE CLERK:** I do, your Honor.

22 **THE COURT:** How about Exhibit 40? I have that as
23 received also. It's a general ledger, 2011 to --

24 **THE CLERK:** Yes.

25 **THE COURT:** Good. That's received. Then you went

1 back to Exhibit 40 again, 7A and Pages 51. I'm sorry, checks
2 also.

3 Deb, I have those as received.

4 **THE CLERK:** Yes, your Honor.

5 **THE COURT:** I have Exhibit 1 again which was what I
6 call the "push-away franchise -- alleged franchise agreement"
7 which was referred to which I received. Exhibit 3 went to
8 Pages 28, 7 and 29. I have that as, of course, received.
9 Exhibit 5, the Beverly Hills agreement drafted by Mattura on
10 June -- in June 2015.

11 I have that as received, Deb. Do you have 5?

12 **THE CLERK:** I do, your Honor.

13 **THE COURT:** All right. Exhibit 11, the email between
14 Rinehart and Mattura. Do you have that as received, Deb?

15 **THE CLERK:** Yes, I do.

16 **THE COURT:** I have that as received also. Exhibit
17 12, another email, I don't have that as received, Deb?

18 **THE CLERK:** I do.

19 **THE COURT:** Do you?

20 **THE CLERK:** Uh-huh.

21 **THE COURT:** Good. Okay, received. I'm sorry, Deb.
22 If I just would have turned the page, I received it on the next
23 page. My apologies.

24 Back to Exhibit 1, I received that as well.

25 And then, Deb, Exhibit 13, 14 and 15, again, I all

1 have as received.

2 **THE CLERK:** You're right, yes, sir.

3 **THE COURT:** Then I went to Exhibit 22, the Rinehart
4 video which I have as received. Then back to Exhibit 24, Deb,
5 and 23. There's 750-dollar checks. I have both of them
6 received. Okay. Do you?

7 **THE CLERK:** 24 and --

8 **THE COURT:** Yeah, 24 and 23.

9 **THE CLERK:** I do.

10 **THE COURT:** And then 25, Deb, should be received,
11 another --

12 **THE CLERK:** I do.

13 **THE COURT:** Good. 27 should be received.

14 **THE CLERK:** I do not have that received.

15 **THE COURT:** All right. That's another SB SSC -- or
16 SSD -- I'm sorry -- check to USSD for \$750.

17 **MR. SPEAKER:** We'd like that received.

18 **THE COURT:** Received.

19 **(Exhibit Number 27 was received in evidence)**

20 **THE COURT:** Exhibit 33, the photo on the Facebook
21 page.

22 Deb, do you have 33 received?

23 **THE CLERK:** I do.

24 **THE COURT:** Okay. 32, Deb, do you have that
25 received?

1 **THE CLERK:** I do.

2 **THE COURT:** And 31 is the personal Facebook page. I
3 have that received.

4 **THE CLERK:** I do.

5 **THE COURT:** 58 is the tournament planning for March
6 14th, 2019. I have that as received. Deb, do you?

7 **THE CLERK:** Yes, your Honor.

8 **THE COURT:** 59, do you have received? It's the email
9 of 9/30/2019?

10 **THE CLERK:** I do.

11 **THE COURT:** Excellent. I have Exhibit 60, Deb, but I
12 don't have that marked in my notes. I missed that. Do you
13 have it?

14 **THE CLERK:** It's received.

15 **THE COURT:** It's received, thank you.

16 **MR. HARDEMAN:** What is Exhibit 60?

17 **THE COURT:** 60 is the email. Tyler Martin is on it,
18 Matt Mattura, Jeff Hanley and David Clinton.

19 **MR. HARDEMAN:** Oh.

20 **THE COURT:** And this is --

21 **MR. SPEAKER:** I have -- they just handed me this as
22 exhibit to --

23 **THE COURT:** No.

24 **MR. SPEAKER:** -- laboratories.

25 **THE COURT:** No. They did? Well, they can get that

1 squared away. Counsel, we have two Exhibit 60s, the
2 interrogatories with a yellow mark on it which is incorrect.
3 Exhibit 60 is the email.

4 That concludes the testimony. Any disagreement with
5 the Court's notes and Debbie's? Counsel? Counsel? Counsel?

6 (Counsel confer)

7 THE COURT: Counsel? Counsel?

8 MR. SPEAKER: Yes, your Honor.

9 THE COURT: Get together.

10 (Counsel confer)

11 THE COURT: Counsel, come on.

12 MR. BERLINER: Yes, your Honor. I think the problem
13 is that we wanted to move the interrogatory responses in and I
14 only had one copy. So I don't think they were ever given an
15 exhibit number.

16 THE COURT: We'll get to that in just a moment. I'm
17 going through my notes now. Okay. So we'll come back to 60.
18 Well, 60 is received but 60 is not.

19 MR. SPEAKER: I don't have a 61.

20 THE CLERK: They missed a number.

21 THE COURT: Oh, they did?

22 THE CLERK: 61, yes.

23 THE COURT: 61? Which is 61?

24 THE CLERK: They never --

25 MR. SPEAKER: I'm sorry. I was shh-ing him. I

1 apologize.

2 **THE CLERK:** They skipped from 60 to 62 in numbering.

3 **THE COURT:** Oh, that's why. You skipped from 60 to
4 62. So you're missing a Number 61.

5 **MS. SHIN:** That's also in my notes.

6 **THE COURT:** Yeah.

7 **MR. BERLINER:** So the -- why don't we do 61Ba and 61B
8 for the interrogatory responses because I didn't discuss them
9 on the record. So there won't be a lot -- we're just going to
10 cite to the responses. Does that make sense, your Honor?

11 **THE COURT:** No.

12 **MR. BERLINER:** Okay. How would you like me to fix
13 this glitch?

14 **THE COURT:** Well, are these -- is this something that
15 you referred to during the trial or are you asking me to take
16 judicial notice of it?

17 **MR. BERLINER:** During my case, I asked if we could
18 have them into evidence. You said yes.

19 **THE COURT:** And I said yes but --

20 **MR. BERLINER:** I didn't have copies available.

21 **THE COURT:** You didn't have a number at the time?

22 **MR. BERLINER:** Yes.

23 **THE COURT:** So you want that as 61A and 61B?

24 **MR. BERLINER:** Yes.

25 //

1 **THE COURT:** Received.

2 **(Exhibits Numbers 61A and 61B were received in evidence)**

3 **THE COURT:** So, Deb, we're going to have two
4 interrogatory responses, 61A and 61B and that will fill in the
5 number.

6 **THE CLERK:** Okay.

7 **THE COURT:** Okay. All right, then we went on to the
8 next witness. And the next witness was Brent Murakami and he
9 was only on the stand for 24 minutes. So I don't have any --
10 initially anyway, I don't have any exhibits that were referred
11 to. Counsel?

12 All right. Then Josh George testified and you
13 referred on cross examination to Exhibit 551 which I received.
14 Then you referred to Exhibit 645 and you got into a
15 disagreement over different pages, et cetera, and Page 326.
16 And I simply admitted the entire document.

17 **THE CLERK:** Yes, your Honor.

18 **THE COURT:** Okay, all right. Then Exhibit 35 and 36,
19 when Peter Rybolt, I believe, was testifying -- Debbie, did I
20 receive those?

21 **THE CLERK:** 35 and 36?

22 **THE COURT:** Yes.

23 **THE CLERK:** I don't have them.

24 **MR. HARDEMAN:** I believe they were received on Josh
25 Larson's --

1 **THE COURT:** Previously and he referred to them; is
2 that correct?

3 **MR. HARDEMAN:** Yes.

4 **THE COURT:** Deb -- so, Deb, look down at 35 and 36.
5 You may not even have them marked. It may have been at night.

6 **THE CLERK:** I don't.

7 **THE COURT:** Okay. And, Counsel, I had received those
8 under Josh Larson, the next witness.

9 So 35 and 36, Deb, were marked. They're K&I
10 International records with estimated amounts on them. So 35
11 and 36 have been received.

12 **THE CLERK:** Okay.

13 **THE COURT:** And it goes into a lost profits and
14 profits analysis. And Josh Larson, Exhibit 35 and 36, I
15 received. And then we turn to Jack Turner and Exhibit 2 is
16 referred to.

17 Do you have Exhibit 2 received, Deb? I know you do.

18 **THE CLERK:** I do.

19 **THE COURT:** Yeah. Received. Then you went to
20 Exhibit 21 once again which is the Facebook post of Kristopher
21 Rinehart.

22 Do you have that received, Deb?

23 **THE CLERK:** I do.

24 **THE COURT:** Okay. And then, Counsel, we went right
25 back into today's date, Thursday, and we've already been over

1 that date. Now, you check with Deb and you check with her
2 records because these are just my handwritten notes. And I'm
3 trying to watch you and take notes at the same time and watch
4 the screen. So they may not be absolutely accurate.

5 All right. Now, here's my order. You're going to
6 reconvene and --

7 Deb, work with me on this. We have a pretty full
8 calendar on the 12th, correct?

9 **THE CLERK:** Correct.

10 **THE COURT:** In the morning.

11 **THE CLERK:** Yes.

12 **THE COURT:** But we have one sentencing in the
13 afternoon?

14 **THE CLERK:** Yes.

15 **THE COURT:** All right. Counsel, you're ordered back
16 to this court at 1:00 o'clock on November 12th. In the
17 meantime, you can supplement your findings of fact and your
18 conclusions of law but you won't have a prepared record unless
19 you're approaching Debbie because she can't turn it around that
20 quick unless it's expedited, et cetera, and she's got the
21 *Monguls* (phonetic) case she's working on and some others.

22 The one thing I would appreciate though is you have
23 duplicate exhibits in many cases which I've allowed you to do
24 because I didn't want you to go back to your offices and give
25 me an exhibit list that you had synthesized. Most Courts do.

1 I just didn't want you to do the work but, therefore, you can
2 have the same piece of evidence referred to but two exhibit
3 numbers.

4 Make sure that you supplement your findings of facts
5 and conclusions of law if you're referring to one of those
6 exhibits so I can quickly look at it because one of you may
7 make the plight, Judge, look at Exhibit 1, and it's really also
8 something else. I look at Exhibit 1 but I don't see the point
9 you're trying to make. So just be sure. Just be sure. Okay?

10 When would you like to have those to the Court? In
11 other words, I'm not going to make up my mind until I hear your
12 final arguments but it's going to give me a very prepared final
13 argument, quite frankly, because you're going to have a chance
14 to supplement your findings of fact and your conclusions of law
15 because no trial ever ends up where we started. So it's a nice
16 courtesy.

17 **MR. SPEAKER:** So if -- your Honor and Counsel, if
18 we're hearing -- if we're doing the closing argument on the
19 12th --

20 **THE COURT:** You are doing the closing argument on the
21 12th at 1:00 o'clock.

22 **MR. SPEAKER:** -- can we submit the findings of fact
23 on the 7th which is the Thursday before?

24 **THE COURT:** Certainly. You can have even more time
25 if you'd like. If you want Friday, that's fine.

1 **MR. SPEAKER:** I would love Friday.

2 **THE COURT:** And Counsel?

3 **MR. SPEAKER:** Friday? That's fine.

4 **THE COURT:** Take the time that you need. So how
5 about by 4:00 o'clock on Friday. Would that be November 8th?

6 **MR. SPEAKER:** Yes.

7 **MR. SPEAKER:** Yes.

8 **THE COURT:** Okay. Now, also you have -- for the
9 first time, you brought a motion for terminal sanctions. There
10 was no formal motion in front of the Court until you brought
11 that to me although you had argued to pierce before. If you're
12 bringing that motion, which you've now done on the record, and
13 you want to supplement, you're more than welcome to supplement
14 and you're more than welcome to not respond but simultaneous
15 filing by November 8th.

16 **MR. SPEAKER:** May I inquire of something, your Honor?
17 And you actually anticipated my question which is, the record
18 before the -- we came -- we weren't trying a motion for
19 terminating sanctions. My case wasn't that he moved for it
20 after my closing.

21 **THE COURT:** Obviously, because there wasn't a motion
22 in front of the Court.

23 **MR. SPEAKER:** Okay.

24 **THE COURT:** You see what happened is Judge McCormick
25 never got that far. He only made findings of the lack of,

1 let's say, diligence. This record got developed much further
2 once we got into the tape and then some of the emails,
3 et cetera, which is what Judge McCormick didn't have. So I had
4 adopted his initial ruling but now much more is in front of the
5 Court and I've also had the pleasure of listening to all of the
6 witnesses in the matter and Judge McCormick wasn't able to
7 conduct that complete examination.

8 So Counsel has orally argued now for termination.
9 That's not the motion he brought to me to begin with. We've
10 searched the record and we've never seen that motion until oral
11 argument. If you're going to bring that, then I want a
12 simultaneous filing by you on November 8th or it can be as late
13 as November 11th as far as I'm -- strike that -- 12th. It can
14 actually be in the morning.

15 **MR. SPEAKER:** For the terminating sanction papers?

16 **THE COURT:** Sure. Because I'm not going to make a
17 fly-by-night ruling either way. I'm going to take all that
18 under consideration and I want to make certain that these are
19 laid out in document form so I'm not having to flip back and
20 forth between dates. I think that's a very fair way for each
21 of you to respond to that motion.

22 **MR. BERLINER:** One question, your Honor. Am I --
23 part of my opposition to the terminating sanctions will be
24 evidence that was not submitted during the trial such as
25 declarations from counsel, communications between counsel and

1 police departments, things of that nature because I didn't
2 develop a factual opposition during the trial. So will I be
3 able to submit declarations and exhibits of that nature?

4 **THE COURT:** Permitting sanctions, absolutely.

5 **MR. BERLINER:** Okay. That's --

6 **THE COURT:** Absolutely.

7 **MR. BERLINER:** -- I just wanted to make that I was
8 okay to do that.

9 **THE COURT:** The trial are on factual issues. A
10 terminating sanction motion is much broader in a sense. You
11 have the right to respond with declarations and perhaps the
12 better way of doing that would be sequentially. In other
13 words, a much fairer position for all parties might be that if
14 you're bringing a motion for terminating sanctions, much of
15 this you've already written in the motion to pierce.

16 You're able now to go back and supplement that if you
17 could submit that by, let's say, the 7th instead and if you
18 could respond to me by the 12th in the morning, then I probably
19 will be able then to listen to your arguments and go back in
20 chambers and start deciding issues pretty quickly.

21 Would that be acceptable if that was by the 7th for
22 terminating sanctions?

23 **MR. BERLINER:** Yes, your Honor.

24 **THE COURT:** And could you respond by the 12th?

25 **MR. BERLINER:** We can anticipate much of the

1 arguments and we can start working on it now, yes.

2 **THE COURT:** I think you can, too.

3 **MR. BERLINER:** I agree, the 12th.

4 **THE COURT:** Well, then by the 12th. And that way,
5 you can argue both but I'd like to hear the factual issues
6 surrounding the case first and then I'd like to hear the
7 terminating issues and some of that may wind in, Counsel, to
8 some of the issues you're bringing up in argument. So I want
9 to provide you enough time by starting on -- at 1:00 o'clock so
10 that if there's not enough time, we can come back on the
11 following day, the 13th, because we've got other matters
12 starting. So I want to give each enough time.

13 **MR. DECARLO:** What time are the papers due for the
14 Defendants on the 7th, sir? That night at 5:00 --

15 **THE COURT:** Well, by the -- by 4:00 o'clock, again,
16 Counsel.

17 **MR. BERLINER:** Your Honor, the closing argument is on
18 the 12th.

19 **THE COURT:** 1:00 o'clock, yes.

20 **MR. BERLINER:** Yes. And you said we might spill
21 over?

22 **THE COURT:** I just don't know. It's up to you. Now
23 we're going to negotiate time. If you each take an hour and a
24 half, we're not going to spill over but remember, I'm not a
25 complete -- I'm not too worried about the hourglass deal. I've

1 given you each another hour even in this case. How long would
2 you like for your closing argument?

3 **MR. DECARLO:** I think probably, your Honor, an hour
4 to an hour and a half.

5 **THE COURT:** About an hour and a half?

6 **MR. DECARLO:** I don't know if I'll need that long.

7 **THE COURT:** An hour and a half fair for you?

8 **MR. BERLINER:** Yes.

9 **THE COURT:** Okay. So that makes three hours and if
10 we start at 1:00 o'clock and we finish before midnight, we
11 ought to be fine, right? Okay. So we'll get it done that day
12 and so if you have another obligation on the 13th, plan on
13 keeping it.

14 Now, if either one of you are in another court, I
15 take pretty good care of my counsel here. I'll call that judge
16 personally. I was over at Superior court for a lot of years
17 and, you know, I saw how hard counsel were running between
18 courts and, you know, you're trying to get to South court or
19 North court and the judges are angry because you're not here.
20 So if there's a judge you need me to call on the 13th, Debbie
21 can place the call and just say you're engaged with our
22 apologies and you'll be there the next day. Okay? Okay.

23 Well, any further questions, Counsel?

24 **MR. DECARLO:** Just to address the -- some moving in
25 some documents based on judicial notice, your Honor.

1 **THE COURT:** Okay. Now, what are those documents?

2 **MR. DECARLO:** So it was the certified copies of DBO
3 filings.

4 **THE COURT:** And I need an exhibit number again.

5 **MR. DECARLO:** Sure. Exhibits -- there's 641.

6 **THE COURT:** Okay, 641 will be judicially noticed.
7 You're representing that these are DBO filings, probably 1996?

8 **MR. DECARLO:** 2012.

9 **THE COURT:** 2012. Thank you.

10 **MR. DECARLO:** We -- 640 --

11 **THE COURT:** No, no, just a minute.

12 **MR. DECARLO:** Oh, I'm sorry.

13 **THE COURT:** 641, DBO, 2012, received.

14 **MR. DECARLO:** Your Honor, may I be heard?

15 **THE COURT:** Certainly.

16 **MR. DECARLO:** Those are over 2,000 pages of documents
17 and --

18 **THE COURT:** Well, Counsel, just -- what's the essence
19 of this?

20 **MR. DECARLO:** The essence of it is --

21 **THE COURT:** Two thousand pages, that's just volume.

22 **MR. DECARLO:** We're not going to -- no, we're not
23 going to cite to 2,000 pages. We're just going to note -- the
24 sole purpose of this is to illustrate that the Beverly Hills --
25 the -- that there's no notification to the State of the change

1 in the terms of the agreements and I believe we're just going
2 to cite to a handful of pages.

3 **THE COURT:** Which pages?

4 **MR. DECARLO:** Oh, I'm sorry, your Honor. I didn't
5 write them down.

6 **THE COURT:** Okay. Well, he's not going to submit
7 2,000 pages.

8 **MR. DECARLO:** And that's my problem, is it's just --

9 **THE COURT:** You want 2,000 pages?

10 **MR. DECARLO:** No.

11 **THE COURT:** Okay. Well, why don't you step over and
12 look at those pages for a moment?

13 **MR. DECARLO:** I will, your Honor, thank you.

14 **THE COURT:** In fact, you could both probably
15 stipulate to it but --

16 **MR. BERLINER:** May I make a proposal?

17 **THE COURT:** Oh, no, just do that quietly.

18 **(Counsel confer)**

19 **MR. BERLINER:** Your Honor, these are the DBO records.

20 **THE COURT:** This is simple. I'm going to receive all
21 2,000 pages. You'll refer to the respective pages you think
22 are important. End of discussion. This is silly.

23 So 641 is submitted in total, the DBO of 2012 and you
24 can refer to those respective pages you each think are
25 important but those are the only pages I'm going to consider.

1 You'll have to specifically reference them.

2 **MR. BERLINER:** May we request that the Defendants
3 give us notice in -- within a week of what pages? Because I
4 won't know how to rebut anything in the paper filings unless I
5 know what they are.

6 **THE COURT:** They'll give you notice by the 8th.

7 **MR. BERLINER:** Okay, fair enough, your Honor.

8 **MR. DECARLO:** May I identify the exhibits, your
9 Honor?

10 **THE COURT:** Yes.

11 **MR. DECARLO:** It's Exhibits 641, 642 --

12 **THE COURT:** What's -- that would also be DBO?

13 **MR. DECARLO:** These are all DBO.

14 **THE COURT:** Of 2012?

15 **MR. DECARLO:** They're just different years. So
16 it's --

17 **THE COURT:** What year?

18 **MR. DECARLO:** 641 is 2012. 642 is 2013.

19 **THE COURT:** Received.

20 **(Exhibits Numbers 641 and 642 were received in evidence)**

21 **MR. DECARLO:** 644 is --

22 **MS. SHIN:** No, 643 is another 2013.

23 **MR. DECARLO:** I'm sorry. 643 is another 2013.

24 **THE COURT:** 643 is another DBO of 2013.

25 **MR. DECARLO:** 644 is a 2014.

1 **THE COURT:** 2014.

2 **MR. DECARLO:** 6 --

3 **THE COURT:** 641, 642, 643, 644 are received.

4 **(Exhibits Numbers 643 and 644 were received in evidence)**

5 **MR. DECARLO:** 645 already in. 646 --

6 **THE COURT:** Just a moment. And just for my record,
7 once again, DBO of what year?

8 **MR. DECARLO:** 645, DBO 2015.

9 **THE COURT:** Thank you. And that was previously
10 received?

11 **MR. DECARLO:** Yes.

12 **THE COURT:** Next.

13 **MR. DECARLO:** 646, DBO 2016.

14 **THE COURT:** Okay.

15 **MR. DECARLO:** And 647, DBO 2018.

16 **THE COURT:** What happened to 2017?

17 **MS. SHIN:** There was no application filing by USSD.

18 **THE COURT:** So 647 is received as well.

19 **(Exhibit Number 647 was received in evidence)**

20 **MR. DECARLO:** And then 648 is the certified permanent
21 injunction from 1996. Your Honor already has 526 but this is
22 the version from the DBO that's part of the certification.

23 **THE COURT:** So that is synonymous with what, 526?

24 **MR. DECARLO:** And 525.

25 **THE COURT:** Well, just a moment. So 525 and 526 are

1 really 648?

2 **MR. DECARLO:** And 648 is the certified copy of it.

3 **THE COURT:** That's a certified copy and I've received
4 525 and 526 which were non-certified portions?

5 **MS. SHIN:** Yes, your Honor.

6 **THE COURT:** Okay, thank you. Well, that will
7 complete the record then.

8 Anything else?

9 **MR. BERLINER:** Not from us, your Honor.
10 One moment, Mr. Hardeman. Did you sort out your
11 issue?

12 **THE CLERK:** Are you receiving 646?

13 **THE COURT:** 646 was received also. Deb, so 641, 642,
14 643, 644, 645, 646, 647, 648 are received. 525 and 526 were
15 previously received.

16 **(Exhibits Numbers 645, 646 and 648 were received in**
17 **evidence)**

18 **MS. SHIN:** We also had 56.

19 **THE COURT:** Oh, no, Deb -- you can work with Deb if
20 you'd like to from now on on this record and make certain her
21 exhibits are correct.

22 So, Debbie, if you want to capture them, they're
23 yours, okay?

24 **MR. BERLINER:** All right. Thank you, your Honor.

25 **THE COURT:** Thank you very much. Now, you have a

1 nice week and we'll see you on the 12th for all counsel.

2 **MR. BERLINER:** Thank you, your Honor.

3 **THE COURT:** Oh, just a moment, Counsel. Let's go
4 over these. These, Debbie has identified as not received.
5 Exhibit 26, is that correct, Deb?

6 **THE CLERK:** Yes, your Honor.

7 **THE COURT:** I thought I received that. Counsel, pull
8 out Exhibit 26.

9 Thanks, Deb.

10 **MR. BERLINER:** We would like it in.

11 **THE COURT:** Well, what is it?

12 **MR. BERLINER:** It's a check from Los Angeles Studios
13 of Self Defense to --

14 **THE COURT:** I'm certain I've received that. It's
15 received.

16 **(Exhibit Number 26 was received in evidence)**

17 **MR. BERLINER:** Okay, thank you.

18 **THE COURT:** Exhibit 34?

19 **MR. BERLINER:** I questioned Dr. Rinehart about this.
20 It's a Facebook post from the Redondo Beach studio. It's a
21 picture. They painted over the logo.

22 **THE COURT:** It's received. And this is the person
23 standing in front -- Counsel, is this the person standing in
24 front and there's a stage behind him, this blue?

25 **MR. BERLINER:** No, this is the picture -- same wall

1 but it says, "Be happy and smile." It's the same wall.

2 Deb, I'm sorry. I don't know why I'm --

3 **THE COURT:** Deb, do you have that marked?

4 **THE CLERK:** I had it marked, yes.

5 **THE COURT:** It's the same wall?

6 **MR. BERLINER:** It's the same wall but it --

7 **THE COURT:** You questioned Rinehart about that?

8 **MR. BERLINER:** I believe I did. If you don't have
9 anything on it, it's not important.

10 **THE COURT:** No, no, it's no problem. You've got one
11 of somebody standing in front --

12 **MR. BERLINER:** Yes.

13 **THE COURT:** -- of a stage and then you've got another
14 photo that you showed which was the original -- well, have a
15 seat, Counsel. We'll --

16 **MR. BERLINER:** To be honest with you, your Honor,
17 it's not important. It's just we're --

18 **THE COURT:** Well, if it's marked, that means that you
19 referred to it and I actually marked it. I see no concern
20 about receiving it, quite frankly. It's the same wall.

21 **MR. BERLINER:** Then we'll have it received.

22 **THE COURT:** Counsel?

23 **MR. DECARLO:** Sorry, I got distracted.

24 **MS. SHIN:** We have no problem.

25 //

1 **THE COURT:** Okay, 34 is received, Deb.

2 **(Exhibit Number 34 was received in evidence)**

3 **MR. DECARLO:** Of the wall?

4 **MS. SHIN:** Yeah.

5 **THE COURT:** Yes, it's the wall. 507?

6 **MS. SHIN:** 507 is the initial disclosures that you
7 are not --

8 **THE COURT:** Yeah, I'm not.

9 **MS. SHIN:** Yes.

10 **THE COURT:** Deb, those are not received. And 638?

11 **MS. SHIN:** 638, Defendants have not used 638.

12 **THE COURT:** What is 638?

13 **MS. SHIN:** It is USSB's further responses to
14 Defendants' Interrogatories Set 2.

15 **THE COURT:** Yeah, you may have these in your notes
16 but Deb marked them. So you've referred to them someplace.

17 **MR. DECARLO:** I know what happened, your Honor. They
18 -- this was the interrogatory responses by Mr. Mattura where he
19 said he didn't know who Alexander Corales (phonetic) was.

20 **THE COURT:** Oh.

21 **MR. DECARLO:** But the thing is, everybody knew what
22 he was talking about.

23 **THE COURT:** And then you asked that -- then you asked
24 the deposition come in and --

25 **MR. DECARLO:** And everyone knew what we were talking

1 about and somebody identified it but no one ever showed
2 Mr. Mattura because he knew what the response said. Does that
3 make sense?

4 **THE COURT:** No.

5 **MS. SHIN:** No, that is incorrect, your Honor. That
6 is a different -- that's set -- that's a different
7 interrogatory response.

8 **MR. DECARLO:** I'm sorry.

9 **THE COURT:** I just don't know what 638 is. If you
10 can figure it out, I'd be appreciative. If it's an
11 interrogatory, Counsel, I'm probably going to receive it if it
12 was referred to and Debbie has it marked. If it's depositional
13 testimony, frankly, that shouldn't be marked. Depositions
14 shouldn't come in. Interrogatories should.

15 **MS. SHIN:** We don't need 638, your Honor.

16 **THE COURT:** Well, Deb, that should then take care of
17 your list.

18 **THE CLERK:** Yes.

19 **THE COURT:** Okay. Counsel, thank you very much.

20 Oh, would you be kind enough to get all of your stuff
21 picked up this evening and taken out?

22 **(Proceeding adjourned; audio ended at 3:40 p.m.)**

23

24

25

CERTIFICATION

I certify that the foregoing is a correct transcript from the electronic sound recording of the proceedings in the above-entitled matter.



Signed

November 4, 2019

Dated

TONI HUDSON, TRANSCRIBER