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1 A. I PAGED MR. GARCIA VIA SKY-PAGER. HE CALLED ME BACK AND I
2 NOTIFIED HIM.

3 Q. NOW, WHAT WAS MR. GARCIA'S RESPONSE WHEN YOU ADVISED HIM
4 THERE WAS NO MONEY AVAILABLE?

5 A. HE WASN'T HAPPY. AND AT THE TIME I TOLD HIM WHAT WAS THE
6 BEST THING TO DO IS BASICALLY TRY AND GET WHATEVER YOU CAN OUT
7 OF IT, SO YOU DON'T TAKE A TOTAL LOSS. SO HE SAID WELL, AT
8 LEAST CAN I -- CAN THEY START PAYING ME A SALARY. SO WITH
9 THAT, I WENT TO CUSTOM WHEELS AND THEY PAID A WEEK'S SALARY TO
10 HIM. I CALLED HIM BACK AND LET HIM KNOW I HAD THAT MONEY IN MY
11 POSSESSION.

12 Q. HOW MUCH WAS A WEEK'S SALARY, DO YOU REMEMBER?

13 A. \$500.

14 Q. WERE TAXES INCLUDED OR WAS THAT AN ADDITIONAL PAYMENT?

15 A. THAT WAS AFTER TAXES, \$500.

16 Q. HOW MUCH MONEY DID YOU ACTUALLY RECEIVE, DO YOU REMEMBER?

17 A. \$678.

18 Q. AND WHEN YOU TOOK THE MONEY, WHAT DID YOU DO WITH IT?

19 A. AFTER I GOT THE MONEY, I THEN CALLED MR. GRACIA AND HE
20 THEN INSTRUCTED ME FOR MY PAYMENT OF SERVICE TO GO TO HIGH
21 REALTY.

22 Q. WHAT WAS IT THAT YOU NEEDED -- DID YOU GIVE THE \$500 OR SO
23 TO MR. GARCIA, AS YOU CALL HIM?

24 A. ACTUALLY THE \$500, HE TOLD ME TO HOLD ON TO BECAUSE IT WAS
25 NOT WHAT HE WAS ANTICIPATING. HE WAS EXPECTING A LARGER

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1 AMOUNT, AND HE TOLD ME HE WOULD GET THE MONEY FROM ME WHEN HE
2 COULD.

3 Q. IN THE CONVERSATION DID YOU DISCUSS YOUR FEE?

4 A. YES.

5 Q. HOW MUCH WAS YOUR FEE? HOW MUCH DID YOU ASK FOR FOR YOUR
6 FEE?

7 A. \$500.

8 Q. AND THE \$500 THAT YOU HAD ALREADY RECEIVED, WHAT DID YOU
9 END UP DOING WITH THAT?

10 A. HE NEVER CAME TO TOWN TO PICK IT UP FROM ME.

11 Q. HOW MUCH LATER WAS IT THAT YOU WERE PAID YOUR FEE?

12 A. ACTUALLY THE FOLLOWING DAY.

13 Q. AND WHAT DID YOU DO TO GET YOUR FEE?

14 A. I WAS INSTRUCTED BY MR. GARCIA TO GO TO HIGH REALTY AND
15 MEET WITH A VIRGINIA TO RECEIVE PAYMENT.

16 Q. DID YOU DO THAT?

17 A. YES, I DID.

18 Q. DID YOU MEET WITH A WOMAN BY THE NAME OF VIRGINIA TO GET
19 YOUR FEE?

A. YES, I DID.

21 Q. DO YOU SEE VIRGINIA IN THIS COURTROOM?

22 A. YES, I DO.

23 Q. COULD YOU IDENTIFY HER FOR THE RECORD?

24 A. TAN SUIT.

25 MR. MOYE: MAY THE RECORD REFLECT THE WITNESS HAS

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1 IDENTIFIED THE DEFENDANT VIRGINIA HIGH?

2 THE COURT: ALL RIGHT.

3 BY MR. MOYE:

4 Q. AT THAT TIME WHEN YOU WERE AT HIGH REALTY WITH VIRGINIA
5 HIGH, DID YOU TALK ABOUT ANY OTHER BUSINESS VENTURES WITH HER?

6 A. YES. AFTER I RECEIVED PAYMENT THERE WAS A QUESTION ASKED
7 EXACTLY HOW WAS ELECTRONIC TAXES FILED, WHICH WAS A SERVICE I
8 OFFERED AT MY TAX COMPANY. AND MRS. HIGH TOOK AN INTEREST IN
9 POSSIBLY VENTURING INTO THAT.

10 Q. DID SHE INDICATE TO YOU WHY SHE WAS INTERESTED?

11 A. FOR THE FAST RETURNS ON THE TAXES.

12 Q. CAN YOU TELL US JUST A LITTLE OF WHAT -- ABOUT THIS, WERE
13 YOU INVOLVED IN FILING TAXES ELECTRONICALLY?

14 A. YES, I WAS.

15 Q. WHEN YOU DID THAT, IF THERE WAS A REFUND DUE AND OWING,
16 WHAT WAS THE TURN AROUND TIME ON THE REFUND?

17 A. THREE DAYS.

18 Q. NOW, WAS THERE ANY KIND OF COMPENSATION PAID TO YOU BY THE
19 INTERNAL REVENUE SERVICE FOR FILING TAXES THIS WAY?

20 A. NOT BY THE INTERNAL REVENUE, BUT BY THE INDIVIDUALS FILING
21 THE RETURN.

22 Q. AND WHAT WAS THAT COMPENSATION?

23 A. AN AVERAGE BETWEEN 35 AND \$55.

24 Q. NOW, IN ORDER TO GET THIS, WAS THAT PAYMENT JUST FOR THE
25 PURPOSE OF FILING THE TAXES OR WAS THAT FOR ADVANCE PAYMENT ON

1 THE REFUND?

2 A. THAT WAS ADVANCE PAYMENT ON THE REFUND.

3 Q. WHEN YOU TALKED TO MRS. HIGH ABOUT THIS, DID SHE INDICATE
4 AN INTEREST IN BECOMING INVOLVED IN THIS BUSINESS?

5 A. YES, SHE DID.

6 Q. NOW, IN ORDER TO BE INVOLVED IN THIS BUSINESS WAS IT
7 NECESSARY TO HAVE ANY AMOUNT OF MONEY TO BE ABLE TO MAKE THESE
8 ADVANCE REFUND PAYMENTS?

9 A. YES, IT WOULD BE.

10 Q. DID YOU DISCUSS WITH MRS. HIGH WHETHER OR NOT SHE HAD ANY
11 MONEY TO BE ABLE TO MAKE THESE ADVANCE REFUND PAYMENTS?

12 A. WHEN I TALKED TO HER, WHAT WE TALKED ABOUT WAS BANKS THAT
13 NORMALLY DID IT. AND MRS. HIGH MADE IT QUITE CLEAR IT WOULD
14 HAVE BEEN A SERVICE SHE WOULD HAVE BEEN ABLE TO OFFER.

15 Q. DID SHE TELL YOU WHETHER SHE HAD THE FINANCIAL RESOURCES
16 TO BE INVOLVED?

17 A. YES, SHE DID.

18 Q. WHAT DID SHE SAY SHE HAD?

19 A. SHE DIDN'T GIVE HER DOLLAR FIGURE.

20 MR. MOYE: I AM REFERRING TO PAGE 31, MR. ABBOTT.

21 BY MR. MOYE:

22 Q. MR. MOSES, I ASK YOU, SIR, IF YOU RECALL TESTIFYING BEFORE
23 THE GRAND JURY ON JULY 8, 1992?

24 A. YES, I DO.

25 Q. DO YOU RECALL TESTIFYING ABOUT THIS PARTICULAR

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1 CONVERSATION WITH MRS. HIGH?

2 A. YES, I DO.

3 Q. DO YOU RECALL BEING ASKED THE QUESTION, TELL US ABOUT THAT
4 DISCUSSION?

5 A. WITH MRS. HIGH?

6 Q. DO YOU RECALL GIVING THE ANSWER, SHE WANTED TO FIND OUT
7 THE PROCESS THAT IT TAKES TO DO ELECTRONIC FILING. AFTER I
8 TOLD HER ABOUT THE PROCESS SHE THOUGHT IT COULD BE LUCRATIVE,
9 EACH BANK GETS ABOUT \$35 PER CHECK THAT IS CUT. SHE THEN MADE
10 THE STATEMENT SHE COULD DO IT, SHE GOT ABOUT 275,000 SHE COULD
11 WORK FROM AND WE WOULD CUT THE CHECKS; IS THAT WHAT YOU TOLD
12 THE GRAND JURY?

13 A. YES.

14 Q. IS THAT AN ACCURATE STATEMENT OF WHAT OCCURRED IN THAT
15 CONVERSATION?

16 A. YES, IT IS.

17 MR. MOYE: THANK YOU, MR. MOSES. I HAVE NO FURTHER
18 QUESTIONS OF MR. MOSES ON DIRECT EXAMINATION.

19 THE COURT: MR. MORRISON?

20 MR. MORRISON: JUST A FEW QUESTIONS.

21 CROSS-EXAMINATION

22 BY MR. MORRISON:

23 Q. MR. MOSES, MY NAME IS BILL MORRISON AND I REPRESENT GEORGE
24 HIGH.

25 MR. MOYE JUST SHOWED YOU YOUR GRAND JURY TESTIMONY

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1 CONCERNING SOMETHING YOU SAID VIRGINIA HIGH SAID.

2 A. YES.

3 Q. WHEN HE ASKED YOU THE QUESTION THE FIRST TIME, YOU SAID
4 SHE DIDN'T GIVE ME A DOLLAR FIGURE?

5 A. I RECALL THAT.

6 Q. WHEN HE SHOWED YOU YOUR GRAND JURY TESTIMONY, YOU NOW
7 RECALL SHE DID GIVE YOU A DOLLAR FIGURE?

8 A. I RECALL THAT.

9 Q. DID YOU JUST FORGET BETWEEN THE TIME YOU TESTIFIED IN
10 FRONT OF THE GRAND JURY?

11 A. IT WAS ALMOST A YEAR AND A HALF, TWO YEARS AGO.

12 Q. AND THE ACTUAL CONVERSATION WAS HOW LONG BEFORE THAT?

13 A. SOME MONTHS BEFORE THAT. A FEW MONTHS BEFORE THAT.

14 Q. A FEW MONTHS BEFORE YOUR GRAND JURY TESTIMONY?

15 A. YES.

16 Q. I WANT TO TALK TO YOU ABOUT THE MEETING THAT YOU
17 ORIGINALLY HAD WHERE MR. TAYLOR DISCUSSED WITH YOU SETTING UP
18 THIS BUSINESS. TELL ME EXACTLY WHEN THAT MEETING OCCURRED?

19 A. I DON'T KNOW THE EXACT DATE.

20 Q. DO YOU KNOW A YEAR?

21 A. '91.

22 Q. IT OCCURRED IN 1991?

23 A. IT OCCURRED IN '90.

24 Q. '90 OR '91?

25 A. '90.

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1 CONTRACT SHOULD HAVE BEEN WRITTEN BASED ON MY EDUCATION. THAT
2 IS ALL.

3 Q. DID MR. TAYLOR AND MR. GARCIA, WERE THEY THE ONES WHO
4 INSTRUCTED YOU TO FORMULATE THE OWNERSHIP DOCUMENTS AND TO
5 EXCLUDE MR. GARCIA'S NAME FROM THOSE DOCUMENTS?

6 A. THAT IS CORRECT.

7 Q. SO AS NOT TO SHOW HIM AS OWNER OF THE ASSETS?

8 A. THAT IS RIGHT.

9 Q. THAT WAS THE WAY YOU WERE GOING TO HIDE HIS DRUG MONEY; IS
10 THAT CORRECT?

11 A. THAT IS RIGHT.

12 MR. MORRISON: THANK YOU.

13 THE COURT: MR. ABBOTT? MR. ROSEN -- WAIT A MINUTE,
14 MR. ABBOTT IS GETTING UP. HOLD IT A MINUTE. HE IS A LITTLE
15 SLOW THIS MORNING.

16 CROSS-EXAMINATION

17 BY MR. ABBOTT:

18 Q. MR. MOSES, THE CONVERSATION THAT YOU HAVE TALKED ABOUT
19 BETWEEN YOU AND MRS. HIGH, AM I TO UNDERSTAND YOU MET MRS. HIGH
20 ON ONE OCCASION?

21 A. THAT IS CORRECT.

22 Q. THAT WAS AT HER OFFICE?

23 A. THAT IS CORRECT.

24 Q. AND THIS CONVERSATION WITH RESPECT TO ELECTRONIC FILING,
25 AM I TO UNDERSTAND THIS WAS SIMPLY A KIND OF CONVERSATION

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1 BECAUSE THE SUBJECT MATTER INTERESTED BOTH OF YOU IN TERMS OF
2 HOW IT WORKED?

3 A. THAT IS CORRECT.

4 Q. THE CONVERSATION WAS NOT RELATED TO MR. GRACIA, WAS IT?

5 A. NO. THE CONVERSATION WAS RELATED TO MRS. HIGH.

6 Q. IT WAS JUST AN INTELLECTUAL DISCOURSE THAT YOU AND SHE
7 WERE HAVING IN TERMS OF BOTH OF YOUR INTERESTS IN ELECTRONIC
8 FILING; IS THAT CORRECT?

9 A. THAT IS CORRECT.

10 Q. ELECTRONIC FILING IS SOMETHING APPROVED BY THE INTERNAL
11 REVENUE SERVICE, IS IT NOT?

12 A. YES, IT IS.

13 Q. AND PEOPLE, PARTICULARLY LOAN COMPANIES, CAN MAKE MONEY
14 FROM THE ELECTRONIC FILING, CAN THEY NOT?

15 A. YES, THEY CAN.

16 Q. NOW, IN YOUR DIRECT TESTIMONY OF MR. MOYE, YOU SAID SHE
17 DID NOT GIVE YOU A DOLLAR FIGURE, BUT NOW YOU SAID YOU RECALL
18 ACTUALLY THERE WAS A DOLLAR FIGURE; IS THAT RIGHT?

19 A. THAT IS CORRECT.

20 Q. YOU ARE SURE ABOUT IT?

21 A. THAT IS CORRECT, I AM SURE.

22 Q. DO YOU KNOW THE SIZE OF THE HIGH REALTY BUSINESS?

23 A. THE SIZE OF IT?

24 Q. YES.

25 A. NOT AS FAR AS SQUARE FOOTAGE.

1 Q. WERE YOU AWARE THAT THE BUSINESS ITSELF EMPLOYED ABOUT THE
2 35 REAL ESTATE AGENTS?

3 A. NO, I WASN'T.

4 Q. DO YOU HAVE ANY IDEA WHAT THE DOLLAR VOLUME THEY DO IS?

5 A. NO IDEA AT ALL.

6 Q. WERE YOU AWARE THAT MRS. HIGH MANAGED A CASCADE ROAD HOUSE
7 FOR MR. GRACIA, DID YOU KNOW THAT?

8 A. NO, I DIDN'T.

9 Q. DID YOU KNOW THAT SHE PAID THE UTILITIES AND EVEN HAD THE
10 GRASS MOWED?

11 A. NO, I DIDN'T.

12 Q. SO I TAKE IT WHATEVER ARRANGEMENTS HAD BEEN MADE BETWEEN
13 MR. GRACIA AND HIGH REALTY WOULD BE A MATTER YOU WOULD NOT BE
14 PRIVY TO?

15 A. REPEAT THE QUESTION.

16 Q. WHATEVER ARRANGEMENTS MR. GRACIA HAD MADE WITH HIGH REALTY
17 SO THAT HIS PROPERTY ON CASCADE COULD BE MANAGED, THOSE WOULD
18 BE ARRANGEMENTS YOU WERE NOT PRESENT AT AND DID NOT KNOW ABOUT?

19 A. NO.

20 Q. NOW, I BELIEVE ON YOUR DIRECT EXAMINATION YOU SAID YOU
21 WERE INSTRUCTED TO GO TO HIGH REALTY IN ORDER TO GET YOUR FEE
22 OF \$500; IS THAT CORRECT?

23 A. THAT IS CORRECT.

24 Q. NOW, DID I UNDERSTAND THAT YOU BELIEVED THAT MR. GRACIA
25 INDICATED YOU SHOULD GO GET YOUR PAYMENT FROM VIRGINIA HIGH OR

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1 THAT WHEN YOU WENT TO HIGH REALTY, YOU HAPPENED TO MEET WITH
2 VIRGINIA HIGH, WHICH ONE?

3 A. HE TOLD ME TO GO COLLECT MY FEES FROM VIRGINIA.

4 Q. LET ME REFER YOU AGAIN TO YOUR GRAND JURY TESTIMONY THAT
5 OCCURRED EARLIER, IF I MAY. PAGE 29 AND 30. LET ME ASK YOU IF
6 YOU REMEMBER BEING ASKED THIS QUESTION IN THE GRAND JURY AND
7 GIVING THIS ANSWER.

8 QUESTION: YOU INDICATED THAT MR. GRACIA'S ACCOUNT
9 WAS HANDLED THROUGH HIGH REALTY?

10 ANSWER: THAT IS CORRECT.

11 DOES THAT SOUND RIGHT?

12 A. HIS ACCOUNT?

13 Q. QUESTION: YOU INDICATED THAT MR. GRACIA'S ACCOUNT WAS
14 HANDLED THROUGH HIGH REALTY?

15 ANSWER: THAT IS CORRECT.

16 WAS THE QUESTION PUT TO YOU BY ALLEN MOYE AND THE
17 ANSWER YOU GAVE, DOES THAT SOUND CORRECT TO YOU?

18 A. IS THERE A QUESTION BEFORE THAT? WHAT ACCOUNT ARE YOU
19 TALKING ABOUT?

20 MR. ABBOTT: MAY I APPROACH THE WITNESS, YOUR HONOR?

21 THE COURT: ALL RIGHT.

22 BY MR. ABBOTT:

23 Q. LET ME SHOW IT TO YOU AND ASK YOU TO LOOK AT THE BOTTOM OF
24 PAGE 29 AND THE TOP OF PAGE 30. LOOK AT IT AND READ IT TO
25 YOURSELF, AND LOOK UP AT ME WHEN YOU ARE DONE.

1 A. OKAY.

2 Q. NOW, WAS THE QUESTION AND ANSWER AS I POSED IT TO YOU
3 EXACTLY WHAT APPEARS?

4 A. YES. HE HAD AN ACCOUNT.

5 Q. DO YOU KNOW WHAT ACCOUNT THAT IS REFERRING TO?

6 A. I DON'T KNOW WHAT ACCOUNT IT IS. I ASSUME HE HAD AN
7 ACCOUNT IF I WAS GOING IN TO GET A PAYMENT.

8 Q. SO HE MUST HAVE HAD SOME MONEY ON DEPOSIT THERE; IS THAT
9 CORRECT? THAT'S WHAT YOU WERE ASSUMING?

10 A. RIGHT.

11 Q. I TAKE IT YOU WERE NOT AWARE THAT IN FACT MRS. HIGH
12 MANAGED THE PROPERTY AT CASCADE REALTY FOR HIM AND WOULD HAVE
13 REQUIRED MONEY TO DO THAT, BUT YOU DID NOT KNOW THAT; ISN'T
14 THAT TRUE?

15 A. THAT'S RIGHT.

16 Q. ISN'T IT TRUE ALSO, IF YOU READ THE TOP OF PAGE 30, THAT
17 WHAT YOU TOLD THE GRAND JURY WAS AFTER TALKING WITH ALEX FROM
18 FLORIDA, I TOLD HIM WHAT HE WANTS ME TO DO TAKES TIME, I WOULD
19 HAVE TO TAKE TIME AWAY. AND HE SAID WELL, YOU CAN GO GET
20 PAYMENT FROM HIGH REALTY. ISN'T THAT WHAT YOU SAID IN THE
21 GRAND JURY?

22 A. VIRGINIA AT HIGH REALTY.

23 Q. YOU DIDN'T SAY VIRGINIA AT HIGH REALTY, DID YOU, YOU SAID
24 HIGH REALTY?

25 A. I SAID HIGH REALTY.

1 Q. ISN'T IT TRUE THE FIRST TIME YOU MET VIRGINIA HIGH WAS
2 WHEN YOU WENT TO HIGH REALTY?

3 A. YEAH, THAT WAS THE FIRST TIME I MET HER.

4 Q. ARE YOU AWARE THAT MR. GRACIA'S INITIAL CONNECTION WITH
5 HIGH REALTY WAS WITH GEORGE HIGH AND NOT VIRGINIA HIGH?

6 A. NO. HE TOLD ME TO SEE VIRGINIA HIGH.

7 Q. FOR HIS PAYMENT?

8 A. FOR PAYMENT.

9 MR. ABBOTT: THANK YOU.

10 THE COURT: MR. ROSEN, YOU CAN GO NOW.

11 CROSS-EXAMINATION

12 BY MR. ROSEN:

13 Q. MY NAME IS STEVEN ROSEN, AND I REPRESENT ALEX GRACIA.

14 I WANT TO FIRST PICK UP WHERE MR. ABBOTT WAS. I
15 BELIEVE YOUR TESTIMONY ON DIRECT EXAMINATION WAS THAT YOU
16 RECEIVED FUNDS TO BE PAID TO ALEX GRACIA, \$500?

17 A. RIGHT.

18 Q. AND THEN YOU CALLED ALEX GRACIA OR YOU BEEPED HIM AND HE
19 CALLED YOU BACK?

20 A. THAT IS CORRECT.

21 Q. AND YOU ARE TELLING US THAT DURING THAT CONVERSATION YOU
22 TOLD GRACIA THAT HE OWED YOU \$500?

23 A. THAT IS CORRECT.

24 Q. AND YOU HAD \$500 THAT HAD BEEN GIVEN TO YOU BY CUSTOM
25 WHEELS. HE OWED YOU \$500. SO YOUR TESTIMONY IS RATHER THAN

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1 SIMPLY SAY TAKE THE \$500 THAT YOU GOT FROM CUSTOM WHEELS, HE
2 SENT YOU OVER TO HIGH REALTY TO COLLECT THE MONEY; IS THAT YOUR
3 TESTIMONY?

4 A. THAT IS CORRECT.

5 Q. I THINK YOU FURTHER TESTIFIED THAT WHEN YOU ASKED HIM
6 ABOUT THE \$500, HE JUST SAID WELL, HOLD ONTO IT?

7 A. THAT IS CORRECT.

8 Q. THAT'S YOUR TESTIMONY?

9 A. YES, IT IS.

10 Q. I BELIEVE DURING MR. MORRISON'S QUESTIONING YOU STATED
11 THAT IT WAS -- THAT WHEN YOU ATTENDED THIS MEETING, THAT IT WAS
12 THE CLIENTS' WHO MADE -- WHO SUGGESTED OR TOLD YOU WHAT THEY
13 WANTED TO DO, AND THT YOU LISTENED TO WHAT THEY SAID AND YOU
14 WERE THERE TO JUST DO WHAT THEY SAID; IS THAT CORRECT?

15 A. THAT IS CORRECT.

16 Q. I DRAW YOUR ATTENTION TO YOUR GRAND JURY TESTIMONY, PAGE
17 25. I'M GOING TO PICK UP AT LINE 12. THIS IS YOUR ANSWER.

18 QUESTION IS TELL US ABOUT WHAT OCCURRED.

19 THERE WAS A MEETING SET. WE MET. WE SAT DOWN. AT
20 THAT MEETING -- PARDON ME -- AND AT THAT TIME, AS OF MY
21 RECOMMENDATION, I STATED WE NEEDED TWO DIFFERENT CONTRACTS.
22 ONE WITH ALEX ON IT AND ONE WITH HIM NOT ON IT TO PROTECT, OF
23 COURSE, FROM ANY INVESTIGATION AND TO PROTECT THE COMPANY IN
24 THE EVENT SOMETHING HAPPENED.

25 DO YOU REMEMBER SAYING THAT TO THE GRAND JURY?