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UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA - WESTERN DIVISION  
HONORABLE OTIS D. WRIGHT  
UNITED STATES DISTRICT JUDGE PRESIDING

- - -

Ingenuity 13 LLC, )  
PLAINTIFF, )  
VS. ) NO. CV 12-8333 ODW  
John Doe, et al., )  
DEFENDANT, )  
\_\_\_\_\_)

REPORTER'S TRANSCRIPT OF PROCEEDINGS  
LOS ANGELES, CALIFORNIA  
TUESDAY, APRIL 2, 2013

\_\_\_\_\_  
KATIE E. THIBODEAUX, CSR 9858  
U.S. Official Court Reporter  
312 North Spring Street, #436  
Los Angeles, California 90012

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LOS ANGELES, CALIFORNIA; TUESDAY, APRIL 2, 2013

10:00 A.M.

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THE CLERK: Calling Item No. 1, CR 12-8333, ODW, Ingenuity 13, LLC, versus John Doe, et al.

Counsel, please state your appearances.

MR. PIETZ: Morgan Pietz, P-I-E-T-Z, for the putative John Doe defendant in 12-CV-8333.

MR. RANALLO: And Nicholas Ranallo for the same Doe.

THE COURT: Morning, counsel.

MR. WAXLER: Andrew Waxler and Barry Brodsky, both for Brett Gibbs who is here today.

THE COURT: By the way, thank you for your submittal with respect to your efforts to effect service. Thank you.

MR. BAKER: Phil Baker and Dan Leonard specially appearing for Paul Hansmeier.

MR. LEONARD: Morning, your Honor.

MR. BAKER: And he is present today.

THE COURT: Where?

MR. BAKER: Mr. Hansmeier, will you stand up.

THE COURT: Front row.

1 MR. HALLORAN: Morning your Honor. My name is Tim  
2 Halloran, Thomas Mazzacco on behalf of John Steele who is  
3 also present.

4 THE COURT: Mr. Steele.

5 MR. STEELE: Yes.

6 MS. ROSING: Morning, your Honor. Heather Rosing  
7 with Klinedinst PC with my colleagues Phil Vineyard and  
8 Dave Majchrzak appearing on behalf of Paul Duffy, Angela  
9 Van Den Hemel and Prenda Law, and Mr. Duffy and  
10 Ms. Van Den Hemel are in the audience today.

11 THE COURT: Thank you.

12 Is that it?

13 MR. BAKER: Your Honor?

14 THE COURT: Yes.

15 MR. BAKER: There are other individuals pursuant  
16 to your order here. They are not represented.

17 THE COURT: Mark Lutz?

18 MR. BAKER: Yes, he is present.

19 MR. LUTZ: Yes.

20 THE COURT: Mr. Lutz, welcome, sir. Did Alan --  
21 well, do we have an Alan Cooper? Any Alan Cooper?

22 (No response.)

23 THE COURT: All right. Peter Hansmeier?

24 MR. HANSMEIER: Yes, your Honor.

25 THE COURT: Good morning, sir.

1 MR. HANSMEIER: Morning.

2 THE COURT: Any representatives of any other  
3 representatives of Prenda Law, Livewire Holdings, AF  
4 Holdings other than Mr. Lutz, Ingenuity 13 other than  
5 Mr. Lutz and 6881 Forensics, LLC.

6 MS. ROSING: Mr. Duffy is appearing on behalf of  
7 Prenda Law, your Honor.

8 THE COURT: All right. Here is my interest, and  
9 we can proceed in any way that seems to make sense. I am  
10 pleasantly surprised that we have everyone here.  
11 Otherwise, I was going to be forced to draw reasonable  
12 inferences from the facts as I know them.

13 It should be clear by now that this court's  
14 focus has now shifted dramatically from the area of  
15 protecting intellectual property rights to attorney  
16 misconduct such misconduct which I think brings discredit  
17 to the profession. That is much more of a concern now to  
18 this court than what this litigation initially was about.

19 Mr. Steele -- well, let me do it this way. I  
20 have questions of Mr. Steele. Mr. Steele can choose to  
21 answer those questions or not. The same applies for  
22 Mr. Duffy and Mr. Hansmeier.

23 Now, as the attorneys, how do you all propose  
24 we proceed?

25 MR. BAKER: May I take the podium, your Honor?

1 THE COURT: Well, actually, we don't have one, but  
2 we do have a lecturn and you are free to use it.

3 MR. MAZZUCCO: Thomas Mazzucco on behalf of  
4 Mr. Steele.

5 Your Honor, in light of some of the  
6 information that was in the transcript of March 11th,  
7 2013 in this courtroom and some of the concerns that this  
8 court has mentioned, at this point in time, if Mr. Steele  
9 is called to testify, he is going to exercise his Fifth  
10 Amendment privilege against forced testimony.

11 And we state for two reasons, one, there were  
12 serious allegations made by the court and others of not  
13 just attorney misconduct but the word fraud was used  
14 several times in the transcript.

15 THE COURT: Should have been.

16 MR. MAZZUCCO: The next step is there is also an  
17 issue involving attorney-client privilege. If Mr. Steele  
18 was to testify, that privilege belongs to the client.

19 THE COURT: Which client might that be?

20 MR. MAZZUCCO: That would be several of his  
21 clients. Mr. Halloran is going to handle that part of  
22 the argument, but that is a two pronged argument, your  
23 Honor.

24 THE COURT: Are you talking about AF Holdings,  
25 Ingenuity 13, those clients?

1 MR. MAZZUCCO: Yes.

2 THE COURT: And you think there is a difference  
3 between those clients and Mr. Steele?

4 MR. MAZZUCCO: I think there is, your Honor, yes.

5 THE COURT: From what I know about this case,  
6 there is no difference at all, but that is why I am glad  
7 Mr. Steele is here. Maybe he can clarify some of those  
8 things, but if you say answering those kinds of questions  
9 would incriminate him, I'll take you at your word.

10 MR. MAZZUCCO: No, your Honor. I'm not saying  
11 they are going to incriminate him. I said it is his  
12 Fifth Amendment privilege against forced testimony.  
13 There was language on the record from March 11th where  
14 this court made some accusatory statements about fraud  
15 upon the court, things that were in the transcript.

16 THE COURT: Yes.

17 MR. MAZZUCCO: You leave my client with no  
18 alternative but.

19 THE COURT: To rebut those statements.

20 MR. MAZZUCCO: He can rebut those statements in  
21 the proper venue, your Honor. This is an order to show  
22 cause in front of this court.

23 THE COURT: Let's cut to the chase. I am really  
24 not interested in -- I want to know if some of my  
25 conjecture is accurate. The only way I can find out is

1 to have the principles here and answer those questions.

2 Now, if you say he will not answer those  
3 questions, then I will draw whatever inferences I think  
4 are reasonable from the facts as I know them. This is an  
5 opportunity for him to protect himself, to defend and  
6 protect himself. It is up to him. So you are saying he  
7 doesn't want to answer any questions, fine. I am not  
8 going to go through the charade of asking the questions  
9 and have him assert the Fifth.

10 MR. MAZZUCCO: Your Honor, he is not going to  
11 respond to your questions.

12 THE COURT: All right. Fine.

13 What about Mr. Hansmeier? What is his  
14 position, the same?

15 MR. BAKER: The exact same, your Honor.

16 THE COURT: All right. You may be seated.

17 Mr. Duffy.

18 MS. ROSING: Your Honor, Mr. Duffy and  
19 Ms. Van Den Hemel will also be taking the fifth  
20 amendment. Though, in response to your desire for  
21 additional information, I do have approximately 25  
22 minutes of argument, and I do have some exhibits that are  
23 judicially noticeable.

24 THE COURT: On what? Relevant to what?

25 MS. ROSING: To the seven issues pending before

1 this court.

2 THE COURT: Give me the Cliff Note version. Just  
3 give me a summary, what it is that you would like to --

4 MS. ROSING: Well, your Honor, what I would like  
5 to argue because my clients are entitled to a reasonable  
6 opportunity to be heard, we weren't allowed --

7 THE COURT: Excuse me. They are giving up that  
8 right to be heard. Now, what have you got to say that is  
9 under oath?

10 MS. ROSING: Well, your Honor, my arguments are  
11 legal arguments.

12 THE COURT: I know. I am looking for facts. I  
13 really am. I am not a looking for legal arguments.

14 MS. ROSING: Well, your Honor --

15 THE COURT: Can you tell me, for example, who  
16 directs the litigation here in California? Who makes the  
17 decision as to whether or not cases are dismissed or  
18 settled for how much money? Can you tell me that?

19 MS. ROSING: Your Honor, I can't testify.

20 THE COURT: "Yes" or "no", please. Because we  
21 need to move through this. Can you tell me that?

22 MS. ROSING: I personally cannot tell you that,  
23 your Honor.

24 THE COURT: All right. Do you know whether or not  
25 there is another Alan Cooper other than the one that was

1 here at the last hearing?

2 MS. ROSING: I am not aware of another Alan  
3 Cooper, your Honor.

4 THE COURT: All right. Good.

5 What happens to the settlement money?

6 MS. ROSING: Your Honor, obviously, I represent  
7 Mr. Duffy and Ms. Van Den Hemel. I don't have personal  
8 knowledge of any of this.

9 THE COURT: Why weren't notices of related cases  
10 filed? Who made the decision to hide from the court the  
11 fact that all of these cases were related.

12 MS. ROSING: I do have a judicially noticeable  
13 document on that, your Honor, where the Northern District  
14 declined to relate the cases.

15 THE COURT: That is a different thing. That is  
16 consolidating them.

17 MS. ROSING: It is actually an order declining to  
18 relate them.

19 THE COURT: Same plaintiff, same film, same causes  
20 of action, and they are not related? Excuse me?

21 Okay. Tell me this. Who made the decision  
22 not to disclose to the court the fact that the law firms  
23 have a financial interest in the outcome of this  
24 litigation?

25 MS. ROSING: Your Honor, there is no evidence

1 before this court at all that the law firm or any, well,  
2 certainly, my clients, Paul Duffy or Angela Van Den  
3 Hemel, have any financial interest in the outcome of this  
4 litigation.

5 THE COURT: Excuse me. Did you read Hansmeier's  
6 deposition?

7 MS. ROSING: Yes, I did, your Honor.

8 THE COURT: And then you make the statement you  
9 just made?

10 MS. ROSING: Your Honor, there is no evidence that  
11 Mr. Duffy or Ms. Van Den Hemel who is a W2 paralegal at  
12 Prenda Law --

13 THE COURT: I understand that.

14 MS. ROSING: And I would be happy --

15 THE COURT: Wait a minute. The money goes to  
16 Prenda Law's trust account; right?

17 MS. ROSING: Your Honor, I have no personal  
18 knowledge, and I can't testify. But I do have an  
19 argument I would like to present to your Honor.

20 THE COURT: Relative to what? To anything I just  
21 asked?

22 MS. ROSING: Well, your Honor, it is a legal  
23 argument with some objections and some judicially  
24 noticeable documents.

25 THE COURT: Relative to what?

1 MS. ROSING: Well, the seven issues before the  
2 court, the Alan Cooper issue, the discovery order issue,  
3 the Wagar investigation, the Denton investigation, Form  
4 CV30, the relationships, and March 11, the things that  
5 are noticed in this court's OSC.

6 But, your Honor, we would be happy to submit  
7 this in a brief if that would be more --

8 THE COURT: Good. Do that. Thank you.

9 We are done.

10 (Proceedings concluded.)

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CERTIFICATE

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I hereby certify that pursuant to Section 753, Title 28, United States Code, the foregoing is a true and correct transcript of the stenographically reported proceedings held in the above-entitled matter and that the transcript page format is in conformance with the regulations of the Judicial Conference of the United States.

Date: April 5, 2013

/s/ Katie Thibodeaux, CSR No. 9858, RPR, CRR