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9 BEATA PRIORE

10 UNITED STATES DISTRICT COURT
11 CENTRAL DISTRICT OF CALIFORNIA

12	UNITED STATES OF AMERICA)	CASE NO. SA-CR-08-180-DOC
13	Plaintiff,)	MOTION IN LIMINE TO EXCLUDE
14	vs.)	DEFENDNT PRIORE’S PRIOR TRIAL
15	BEATA PRIORE)	TESTIMONY; EXHIBIT
16	Defendant.)	Date: September 17, 2013
17)	Time: 2:00 pm
18)	Place: Courtroom of Judge Carter

19 In the early 2000's, Defendant Priore and her former husband, after obtaining
20 a loan on their residence, invested approximately \$200,000 in a medical instrument
21 business promising a high rate of return. The promoter of that business absconded
22 with the funds, resulting in a loss of its entirety to the Priore’s. Thereafter, the
23 promoter, Richard Patterson, was criminally prosecuted in the United States
24 District Court for the Northern District of New York. Beata Priore was called to
25 testify as a victim witness by the prosecution. She testified in May, 2006. A copy
26 of her testimony, totaling 189 pages, is attached hereto as Exhibit A.

27 In the current trial, the prosecution expects to offer this transcript to
28 purportedly show that the Defendant Priore knows that people lose money in high
yield investments. Defendant Priore seeks to exclude the transcript, for the
following reasons *inter alia*.

1 1. Every investment is different. There is little similarity between the
2 Patterson investment in the prior case and the TSI investment in the instant case.
3 The former involved an investment in a domestic company selling medical
4 instruments. The later involved an investment in an overseas project of a foreign
5 investment company involving real estate.

6 2. Defendant Priore is an accused perpetrator in the instant case, but was a
7 victim in the Patterson case. Most importantly, Defendant Priore's status as a
8 victim did not magically transform her into an expert in the investment field.

9 3. The transcript of Defendant Priore's 2006 testimony includes cross
10 examination and impeachment offered by Defendant Patterson, all of which would
11 not be in issue in the instant case unless Defendant Priore testifies, and even then
12 some of those areas may be inadmissible.

13 4. Even if the prior testimony has marginal relevance, it should be excluded
14 under Rule 403 under the Federal Rules of Evidence, since the probative value is
15 far outweighed by the potential prejudice and confusion to the current trial jury,
16 especially in a multi-defendant trial such as this, where other defendants will be
17 impacted indirectly.

18 Based on the foregoing, it is respectfully urged that the Court exclude the
19 2006 testimony.

20
21 Dated: September 10, 2013

Respectfully submitted,

22 JOEL LEVINE, Esq.
23 A Professional Corporation

24 By s/ _____
25 JOEL LEVINE, Esq.
26 Attorneys for Defendant
27 BEATA PRIORE
28

VOLUME I (EXCERPT)

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF NEW YORK

-----X
UNITED STATES OF AMERICA

vs.

2004-CR-30

RICHARD PATTERSON,

Defendant.

-----X

Transcript of a Non-Jury Trial Excerpt
held on May 1, 2006, at the James Hanley Federal
Building, 100 South Clinton Street, Syracuse,
New York, the HONORABLE NORMAN A. MORDUE, Chief Judge,
Presiding.

A P P E A R A N C E S

For The Government: UNITED STATES ATTORNEY'S OFFICE
P.O. Box 7198
100 South Clinton Street
Syracuse, New York 13261-7198
BY: LISA FLETCHER, AUSA

For Defendant: MARRIS & BARTHOLOMAE
Attorneys at Law
317 Montgomery Street
Syracuse, New York 13202
BY: RICHARD F. MARRIS, ESQ.

1 (Open Court, 1:56 p.m.)

2 THE COURT: Good afternoon, Counsel. Ready to
3 proceed?

4 MS. FLETCHER: Yes, your Honor.

5 THE COURT: Okay, call your first witness.

6 MS. FLETCHER: Your Honor, before I call my
7 first witness I would like to enter into evidence Government
8 Exhibit 1 which is a stipulation by the parties. It's been
9 signed by myself and Mr. Marris. It is a stipulation that in
10 this case all wire communications made via American Online,
11 MSN, Hot Mail, MSN Instant Messaging, and E-Fax were
12 transmitted in interstate commerce in that all AOL wire
13 transmissions were routed through servers in Virginia; all
14 MSN and Hot Mail e-mail wire transmissions, and all MSN
15 Instant Messaging wire transmissions were routed through
16 servers in either the state of California or the state of
17 Washington; and all E-Fax wire transmissions were routed
18 through servers in the state of California.

19 THE COURT: Okay.

20 MS. FLETCHER: And I move that piece of paper
21 into evidence.

22 THE COURT: Any objection?

23 MR. MARRIS: No, your Honor.

24 THE COURT: Received. What exhibit number is
25 that?

Beata Priore - Direct by Ms. Fletcher

23

1 MS. FLETCHER: It's Exhibit 1, your Honor. I
2 do have the trial books if you guys want, I have two. The
3 Government calls Mrs. Beata Priore.

4 THE CLERK: If you could just step up here.
5 If you can please state and spell your full name for the
6 record.

7 THE WITNESS: Beata G. Priore, B-e-a-t-a, G.,
8 P-r-i-o-r-e.

9

10 B E A T A G . P R I O R E , called as a
11 witness and being duly sworn, testifies as follows:

12 THE COURT: Good afternoon.

13 THE WITNESS: Hi, Judge, how are you?

14 THE COURT: I'm well, thank you. Please
15 proceed.

16 MS. FLETCHER: Thank you, your Honor.

17 DIRECT EXAMINATION BY MS. FLETCHER:

18 Q Ms. Priore, where do you live?

19 A I live in Glen Head, New York.

20 Q How long have you lived there?

21 A Twenty-two years.

22 Q You could probably pull the microphone closer
23 rather than having to lunge forward every time you talk.

24 A Thank you, Mrs. Fletcher.

25 Q Are you married?

Beata Priore - Direct by Ms. Fletcher

24

1 A Yes, I am.

2 Q What's your husband's name?

3 A Peter Priore.

4 Q Do you have children?

5 A I have two children.

6 Q And what are their names?

7 A Mark and Anthony.

8 Q What are their last names?

9 A Barberi.

10 Q And are they grown?

11 A Yes, they are.

12 Q How old are they?

13 A 40 and 41.

14 Q Could you please explain to the Court what the
15 Max Foundation is or was supposed to be?

16 A Max Foundation was formed because I saw a need
17 to develop more housings for people that were coming out of
18 recovery, and also a place where they could go and get their
19 life in order without having to go back to the area where the
20 trouble for drug addiction and for alcoholism started. So
21 they go to a recovery place for a year, and after a year,
22 there is no place for these people, including one of my sons,
23 to go to. Every place that I have checked out was a slum.

24 Q Did you actually have an issue with one of
25 your sons in that regard?

Beata Priore - Direct by Ms. Fletcher

25

1 A Yes, I did. I severely interfered with him
2 and his addictions to the point where I was implicated at one
3 time.

4 THE COURT: You were what?

5 THE WITNESS: Implicated.

6 THE COURT: Okay.

7 Q And because of his problems and placement for
8 him regarding his drug treatment, you came up with the idea
9 for Max Foundation?

10 A That's right.

11 THE COURT: Now is the son Mark or Anthony?

12 THE WITNESS: It was Mark.

13 Q And Mark had a drug addiction at one time?

14 A He had an alcoholic and drug addiction both.

15 Q When was that? To the best of your
16 recollection?

17 A Well, I believe that it started when he was a
18 teenager, and it just escalated into his 30s. At one time he
19 had left home and came back and was in really bad shape, and
20 terrorizing the family.

21 Q And where is Mark today?

22 A Mark is a honor student and is about to
23 graduate New York University, New York Tech University.

24 Q Do you recall approximately what year it was
25 that you came up with the idea for the Max Foundation?

Beata Priore - Direct by Ms. Fletcher

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1 A It was in 1999.

2 Q Did you apply for a not-for-profit status?

3 A I applied for not-for-profit status, yet I was
4 given a six-month application probation before we received it
5 so we didn't receive it until 2000 April.

6 Q And what did you do to try to begin to make
7 your idea for the Max Foundation a reality?

8 A We started to raise funds by having
9 fundraisers, and each time it cost us more in the expenses of
10 raising funds than the funds that we had raised. So I've
11 decided to put an ad in the newspaper, in the finance section
12 of The New York Times to look for people who would be able to
13 give funds for projects.

14 Q When did you run that ad?

15 A The ad was ran on March of 2001.

16 Q Did you receive responses as a result of your
17 ad?

18 A Yes. I had 72 people call me that weekend.

19 Q And what was your -- what were the results of
20 those 72 calls?

21 A Oh, Mrs. Fletcher, that was the most horrible
22 response. I was so excited, 72 people called, and out of 72
23 people, I think one I worked with, that was the nicest and
24 all others wanted money from me, and they also wanted
25 applications money and I've never met a bunch of people that

Beata Priore - Direct by Ms. Fletcher

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1 were just pretenders.

2 Q You said there was one that seemed nice?

3 A Yes, he seemed nice and he seemed like he was
4 capable of providing funding.

5 Q And who was that?

6 A That was a gentleman named Nick Marinella.

7 Q Did you ever meet Nick Marinella or did you
8 just speak with him on the phone?

9 A I've met him once.

10 Q Where was he from?

11 A From Jersey, Thorofare, New Jersey.

12 Q And explain briefly your conversations and
13 contact with him in regard to raising funds?

14 THE COURT: Could you spell his last name for
15 me, please. Marinella?

16 THE WITNESS: M-a-r-i-n-a-l-l-a [sic].

17 THE COURT: Okay, thank you.

18 Q And what were your conversations with him in
19 regard to fund-raising?

20 A Well, he was the first one that did not ask me
21 for any money so I thought that was a plus. He said that he
22 had some business in Zurich where the people that he was
23 dealing with were always looking for projects to put some
24 funds against because they're making so much, and they
25 thought that my project was a great project and that he

Beata Priore - Direct by Ms. Fletcher

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1 accepted it.

2 Q How long did you speak with Nick Marinella,
3 for how long a period of time?

4 A It was all together a little over a year.

5 Q And during the course of that year, were any
6 funds ever provided to you?

7 A No.

8 Q What happened?

9 A A month goes by, we are talking, you know, how
10 long will it take, well, he says it's going to take at least
11 another couple of weeks. Couple of weeks go by, wait, it's
12 going to take a little longer, a week or two more. Next
13 week, a week or two more. Next week, I'm going to Zurich
14 now, so everything should be set by the time I finish Zurich,
15 I'll be back. And then next week, you know, when he came
16 back, so it was a month gone so he kept doing that for about
17 seven, eight months. And then he introduced me to an
18 associate of his, a friend of his, and I started talking to
19 her for her health, but at the same time still talking to
20 Nick Marinella.

21 Q This associate of his that he introduced you
22 to, what is her name?

23 A Nancy Saporta.

24 Q Where did Nancy Saporta live?

25 A Nancy Saporta lived in Colorado.

Beata Priore - Direct by Ms. Fletcher

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1 Q And did you speak with her exclusively by
2 phone or did you ever meet her?

3 A I never met her, only by phone. E-mail.

4 Q Nick Marinella introduced you to Nancy Saporta
5 for what original purpose, or stated purpose?

6 A She was not feeling well, she asked me -- she
7 called me after the introduction, he gave her my number, and
8 then she called me and said that she was always tired.

9 Q And what was it about you that was -- why
10 would she call you about fatigue?

11 A Because I'm a clinical nutritionist, state
12 licensed, and I do very good work with offering supplements,
13 and for certain particular problems, and that's what I did, I
14 offered her supplements.

15 Q Nutritional supplements?

16 A Yes.

17 Q Did she buy them from you?

18 A Yes, she did.

19 Q She made purchases of nutritional supplements?

20 A Yes.

21 Q Did she indicate to you that it seemed to be
22 working?

23 A Yes, she did.

24 Q How long a period of time did you talk with
25 Nancy Saporta by phone about her health and nutrition?

Beata Priore - Direct by Ms. Fletcher

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1 A Good five, six months, maybe seven.

2 Q Did there come a time while -- during your
3 relationship, shall I say, with Nancy Saporta that you spoke
4 with her about the financing that you were trying to do with
5 Nick Marinella?

6 A I was so discouraged by Nick Marinella's
7 behavior towards me, and a year has gone by and so I started
8 to view my points about that to Nancy.

9 Q And what did she tell you?

10 A She told me that she has better contacts than
11 Nick Marinella. She told me that she would assist me in my
12 projects, if I didn't tell Nick that she would.

13 Q And what did she tell you about how you could
14 make money through her, or her associates?

15 A She said that -- she asked me if I had any of
16 my own.

17 Q Money?

18 A Money, and I -- we didn't, we were living
19 pretty much in our budget at the time, and still I was paying
20 for my son's college also on top of all of that, so we were
21 coming out pretty much on the wires every month. And I
22 mentioned to her that the only asset that we really have is
23 the es -- the property assets.

24 Q The equity in your home?

25 A The equity, that's right.

Beata Priore - Direct by Ms. Fletcher

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1 Q And was that really your only asset at that
2 time?

3 A Yes.

4 Q What did Nancy talk to you about in regard to
5 your only asset?

6 A Well, she said that we're sitting on a lot of
7 equity and there's no reason to have it stagnant and we
8 should really have it working for us, which is what most of
9 her friends and associates do, and they're using her and her
10 ways to implement income from investing their equities.

11 Q And you said you were pretty much living
12 paycheck to paycheck --

13 A Yes.

14 Q -- at the time and that you were in nutrition?

15 A Yes.

16 Q What does your husband do for a living?

17 A My husband is a courier, self-employed, with
18 his own company, and he starts working at 7 in the morning,
19 delivering emergency packages that need to be there that day
20 or within hours, and he does that all day long.

21 Q Where does he do that?

22 A He does it in the tri areas of the New York
23 City.

24 Q In mentioning investments to you, did Nancy
25 Saporta recommend a specific investor?

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1 does very well with investing in the medical profession. He
2 would invest in medical machinery, or he didn't specifically
3 say what type of medical instruments, but he said that he
4 would be -- she said that he invests in medical systems and
5 that he doubles the money in one month.

6 Q Did she tell you whether she had personally
7 invested with him?

8 A Yes, she did.

9 Q And what did she say?

10 A She told me that she invested with him
11 periodically, last year she made out very well with him, and
12 she had a couple of people that she referred over to him, and
13 they are doing very well as well.

14 Q Did you trust her?

15 A At that time, yes.

16 Q How long -- by that time how long had you been
17 having conversations with Nancy Saporta?

18 A Over seven months.

19 Q Were you interested in investing your money as
20 she had suggested?

21 A We were thinking about it. We haven't done
22 anything about it, we were thinking about it. We had
23 pressing financial needs, and me and my husband talked,
24 talked it over a number of times, and it seemed like a good
25 way to go, at the time.

Beata Priore - Direct by Ms. Fletcher

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1 Q And did you and your husband decide to attempt
2 this?

3 A Yes, we did.

4 Q What did you do?

5 A We went to a mortgage company and at that
6 time, the mortgage companies were calling the house a lot.
7 And even then, still now we're getting mortgage calls all the
8 time. So we decided, well, you know, we are sitting on a lot
9 of equity, and we are on a month-to-month basis and how long
10 can we keep up being a month-to-month basis, forever, you
11 know, so it was something to do, it was time to do something.
12 So we applied for a mortgage.

13 Q How much did you owe on your house at that
14 time?

15 A At that time we owed approximately 138, I
16 thought it was less, but the check that was paid off was
17 138,000, on our house, and then they had to put in other
18 debts that we owed, our charge cards, so we came up to
19 approximately, with the equity, we took out \$396,000.

20 Q That's the amount of the mortgage that you
21 took out?

22 A Yes -- I'm sorry, 399.

23 Q \$399,000?

24 A Yes.

25 Q And was your remaining balance on your first

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1 mortgage then paid off?

2 A Yes.

3 Q And what was your monthly payment prior to
4 taking out the second mortgage?

5 A We paid \$1,016 a month.

6 Q And after taking out the next mortgage, the
7 \$399,000, what did your monthly mortgage go to?

8 A It went to \$2,700 a month.

9 Q And of the mortgage, some went to pay off what
10 you already owed, how much money were you able to get in a
11 form of a check?

12 A We've gotten \$194,000.

13 Q Did you take out this mortgage based upon
14 Nancy Saporta's representations of what Richard Patterson
15 could do for you?

16 MR. MARRIS: Objection, your Honor.

17 THE COURT: Sustained.

18 Q Did you speak with Richard Patterson about the
20 any money?

21 A We have quite a few conversations with him.

22 Q How was your first conversation with Richard
23 Patterson arranged?

24 A Nancy Saporta called me with a three-way
25 conversation and Richard was on the phone.

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1 Q About when did this call occur?

2 A June of 2002.

3 Q Who participated in this first conference
4 call?

5 A Nancy Saporta, Richard Patterson, and myself.

6 Q Was your husband with this first call or no?

7 A Not the first call, no.

8 Q In this first call, did Richard Patterson
9 explain to you who he was?

10 A Yes.

11 Q What did he tell you?

12 A He told me that he had a worldwide ministry, a

14 Q And you said worldwide ministry, did he
15 represent to you that he works as a part of a charitable or
16 religious organization?

17 A Yes.

18 Q Do you recall the name of that organization?

19 A It was Jehovah Jireh Ministry.

20 Q Did Richard Patterson in his call explain to
21 you what he would do if you were to send your money to him
22 for an investment?

23 A Yes, he did.

24 Q What did he tell you?

25 A He told me that once or twice a year, he

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1 groups \$10 million together with various investors, and he's
2 about to group one now, and that this is a perfect timing
3 because I could still get into this group, and that he would
4 double my money in one month, in 30 days, and also because in
5 the conversations with him I had mentioned that I have a
6 nonprofit organization, he said that I will also give your
7 nonprofit organization \$150,000.

8 Q Where was that \$150,000 to come from?

9 A He said that he was making such a high
10 interest with grouping the 10 million together, that there
11 was extra to give.

12 Q That was going to be a donation or a gift?

13 A I don't know what he had thought about it, he
14 said he will give it to the nonprofit. It's beyond -- behind
15 paying back the investment, doubling our money.

16 Q Did you have more than one conversation with
17 Richard Patterson prior to sending him your money?

18 A My husband wasn't going to send anything until
19 he felt comfortable as well because the mortgage, it was in
20 his name.

21 Q And did your husband then also talk to Richard
22 Patterson?

23 A On two occasions before we gave him the money.

24 Q And after you had spoken with Mr. Patterson
25 and your husband had spoken with Mr. Patterson, what was your

Beata Priore - Direct by Ms. Fletcher

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2 A That he was going to --

3 MR. MARRIS: Objection, your Honor.

4 THE COURT: Rephrase your question, please.

5 Q Based upon your conversations with Richard
6 Patterson, what did he tell you that he was going to do with
7 your money?

8 A That he was going to invest it for us in the
9 medical instrument business.

10 Q In this \$10 million pool of investors?

11 A Yes, he was going to group it.

12 Q And what was your understanding about, or what
13 did he tell you the return on your money would be?

14 A He would double my money.

15 Q And he also was going to contribute this other
16 \$150,000?

17 A Yes. After speaking to me and sending off my
18 Max Foundation account notice that I had a Max Foundation, so
19 he said that he will make that also part of the investment
20 payback is to give Max Foundation \$150,000.

21 Q In what period of time were you to get your
22 money back, the proceeds from the investment, and this extra
23 \$150,000?

24 A On the telephone, he told us that he would
25 give it back to us much earlier than 30 days, because it

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1 usually comes in quicker than that, but to be sure, he's
2 going to put 30 days on our letter of commitment, and that
3 most likely will probably be around three weeks and a little
4 longer than three weeks but not necessarily the full 30 days.

5 Q Did you tell Mr. Patterson that you only had
6 \$194,000 to invest?

7 A Yes, I was very upset because he needed 200,
8 and I thought he wouldn't take less to be part of this
9 grouping. But he said that he was getting quite a bit and
10 that there is an extra money that he has, so he will put in
11 the 6,000.

12 Q Mrs. Priore, who is Dan Teehee?

13 A Dan Teehee is part of Nancy Saporta, part of
14 Richard Patterson and Dan Teehee, they presented themselves
15 as a group.

16 Q Have you spoken with Dan Teehee or did you
17 speak with him during the course of these events?

18 A We spoke with him prior to this event where he
19 would say that he is backing up everything that Nancy and
20 Dick do, and that he is a full partner.

21 Q Dick meaning Richard Patterson?

22 A Yes.

23 Q And did you have these conversations with Dan
24 Teehee by telephone?

25 A Yes.

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1 Q And where does he live or where did you call
2 to reach him?

3 A Nancy Saporta brought him on the line first,
4 and introduced me and then I asked him where he was and he
5 told me that he was in Coffeyville, Kansas.

6 THE COURT: One second, how do you spell his
7 name, Dan?

8 MS. FLETCHER: T-e-e-h-e-e.

9 THE COURT: T-e-e-h-e-e?

10 Q At the time of your conversations with Richard
11 Patterson about investing with him, did you already have the
12 mortgage check from your bank?

13 A Can you repeat that, please.

14 Q At the time you talked to Richard Patterson
15 about investing with him, had you already obtained the actual
16 check on your mortgage from the bank?

17 A No.

18 Q How long did it take before you obtained the
19 money from the bank?

20 A It took about two and a half to three weeks.

21 Q During the period of time between speaking to
22 Richard Patterson about investing with him and agreeing to
23 that investment and the time you got the check, did you speak
24 with Richard Patterson or Nancy Saporta during that period of
25 time?

Beata Priore - Direct by Ms. Fletcher

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1 A Quite a few times.

2 Q In what regard?

3 A They were wondering how far we have gotten
4 with the mortgage, they were rushing me because of the bundle
5 being done with the \$10 million and he's ready to go with
6 investing it and I'm holding up the works.

7 Q Did Richard Patterson in fact provide you with
8 a letter of understanding or some type of letter about the
9 investment that you were making with him?

10 A Yes, he did.

11 Q I'd like to show you Government Exhibit 3. Do
12 you recognize that document?

13 A Yes.

14 Q What is that?

15 A This is the letter of commitment that he gave
16 me two days before we received a check from the mortgage
17 company.

18 Q Okay. And do you recognize that to be an
19 exact copy of that letter?

20 A Yes, this is the letter.

21 MS. FLETCHER: Judge, I'm going to move
22 Exhibit 3 into evidence.

23 THE COURT: Any objection?

24 MR. MARRIS: No objection, your Honor.

25 THE COURT: Okay.

Beata Priore - Direct by Ms. Fletcher

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1 MS. FLETCHER: You can put that up. It will
2 come up on your screen, Judge.

3 Q Mrs. Priore, I'm going to ask you to read that
4 letter, please. You don't need to read like the banking
5 numbers but just the main content of the letter.

6 A July 10, 2002, to me and my foundation at my
7 address, "Dear Dr. Priore: This is a letter of understanding
8 between Jehovah Jireh Ministries, a self-supported ministry,
9 JIM [sic], and Max Foundation 2, Incorporated, Max,
10 concerning the terms and conditions of making a
11 loan/investment and the repayment of the loan/investment. It
12 is agreed that Max will loan to JIM [sic] -- JJM the amount
13 of 200,000 via bank wire transfer on or about July 11th,
14 2002."

15 Q You can skip the bank information and go on to
16 Number 2.

17 A "Number 2. Further agreed that JJM will repay
18 the loan principal of 200,000 and will make a contribution to
19 Max for humanitarian purposes on the additional \$350,000 on
20 or about August the 11th, 2002." And then there's my
21 coordinates. "Please feel free to make any changes to this
22 text. Otherwise, if you are in agreement, please sign and
23 return by fax as acknowledged." Signed by Richard Patterson.

24 Q And you received that from him?

25 A I received this from him by fax.

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1 Q Did there come a time that your money came
2 through from the bank?

3 A My money came through on July 11th, and it was
4 a little short.

5 Q And how much was the check for?

6 A It was for 194.

7 Q Had Richard Patterson then given you
8 instructions what to do with the money once you got it?

9 A Yes, he did. He said that it would be better
10 if I deposited it into his account and faxed me a deposit
11 slip.

12 Q Show you Government Exhibit 5. Do you
13 recognize that document?

14 A This is the deposit slip.

15 Q That was faxed to you by Richard Patterson?

16 A That was faxed to me by Richard Patterson.

17 MS. FLETCHER: Judge, I move Exhibit 5 into
18 evidence.

19 THE COURT: Any objection?

20 MR. MARRIS: No objection, your Honor.

21 THE COURT: Received.

22 Q The deposit slip as we see it here, Exhibit 5,
23 indicates that the bank account is in the name of Jehovah
24 Jireh Ministries in Camden, New York, is this correct?

25 A This is the one, yes, and his address, 106 --

Beata Priore - Direct by Ms. Fletcher

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1 1067 Cross Road, Camden, New York.

2 Q Now, the money came through on about
3 July 11th. Did you get a bank check from your bank?

4 A Yes.

5 Q I'm going to show you Government Exhibit 2
6 which is a certified record from Washington Mutual Bank.
7 There's certification on the top and then two exhibits behind
8 it. Do you recognize those two documents behind the first?

9 A Yes, I do.

10 Q What are they?

11 A This is the deposit slip from Washington
12 Mutual, my account there, and my husband's account, and that
13 it was for total of \$194,000.

14 Q And the second document in that exhibit is?

15 A Is our statement, a bank statement, stating
16 that we have withdrawn the \$194,000.

17 MS. FLETCHER: Judge, I'm going to offer this
18 exhibit.

19 THE COURT: That's Exhibit 2, right?

20 MS. FLETCHER: Yes. I'm sorry, I don't know
21 if it's been received.

22 MR. MARRIS: No objection.

23 THE COURT: Received. Exhibit 2, right?

24 MS. FLETCHER: Yes.

25 Q The first page of Exhibit 2 is the

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1 certification from the bank, the second page, pull that up,
2 as we're looking at this, Mrs. Priore, this is the withdrawal
3 of the money from your bank account?

4 A Yes.

5 Q Your signature?

6 A Correct.

7 Q And you -- it shows that you withdrew the
8 money from the bank on July 11th?

9 A Correct.

10 Q And the next page of the exhibit is a copy of
11 your bank statement indicating that cash withdrawal posted on
12 July 12th, 2002, correct?

13 A That's correct.

14 Q And so as a result, did the -- when you
15 withdrew that money, what form did you take it in?

16 A Cashier's check made out to Jehovah Jireh
17 Ministry.

18 Q And what did you do with that bank check?

19 A We deposited it into his bank.

20 Q Into whose bank?

21 A Mr. Richard Patterson.

22 Q What bank was that?

23 A I believe it was Key Bank.

24 Q You live on Long Island?

25 A Yes.

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1 Q Where did you go to deposit the check?

2 A The first Key Bank closest to us was in White
3 Plains.

4 Q Did you drive to White Plains?

5 A Yes, we did.

6 Q Why did you physically drive the check to
7 White Plains?

8 A Because we were late getting it to
9 Mr. Patterson, and he was ready to invest his bundle, and I'm
10 the only one that was holding it back and he was highly upset
11 with that.

12 Q So --

13 A So this way, the -- if I were to wire it from
14 my account to his account, it would have taken days, and it
15 was the weekend so this was Friday, so I was able to direct
16 deposit it into his account.

17 Q Did you do that in White Plains?

18 A Yes, I did.

19 Q I'm going to show you two documents that we've
20 marked Exhibit 34A collectively. Do you recognize those
21 documents?

22 A Yes, I do.

23 Q What are they?

24 A This is a deposit slip that Key Bank has given
25 to me because the deposit slip that Richard has faxed me was

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1 a little bit distorted so they gave me a new one and they
2 printed his account number on the bottom of this, and
3 deposited directly into his bank on the same day.

4 Q And the second page of that document is what,
5 second --

6 A This is the official check, official bank
7 check.

8 Q And to whom is it written to?

9 A Jehovah Jireh Ministry.

10 MS. FLETCHER: Judge, at this time I move
11 Exhibit 34A.

12 THE COURT: Thank you. Any objection?

13 MR. MARRIS: No objection, your Honor.

14 MS. FLETCHER: Ron, could we show that to the
15 Court, please.

16 THE COURT: Mr. Patterson, I notice you
17 haven't indicated -- you're having no problem hearing her?

18 THE DEFENDANT: I can hear her fine.

19 THE COURT: Fine.

20 Q This is the first page of 34A, this is the
22 Plains they helped you fill this out?

23 A The clerk filled it out for me.

24 Q And the next page of that exhibit. And this
25 is your bank check that you got from your Washington Mutual

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1 Bank?

2 A Yes.

3 THE COURT: So is this 34A also?

4 MS. FLETCHER: Yes.

5 Q When you deposited your money into Richard
6 Patterson's Jehovah Jireh Ministries account, had he
7 discussed with you using your money for any purpose other
8 than the investment in the \$10 million investment pool bundle
9 that was going to yield a double of your return?

10 A No. That was the only one that we spoke
11 about.

12 Q Did he -- had he advised you that your money
13 would be used to purchase vehicles?

14 A Absolutely not.

15 Q Had he advised you that it would be used to
16 purchase tractors and other farm equipment?

17 A Absolutely not.

18 Q Had he advised you that your money would be
19 used as part of a nonrefundable deposit on a house he wanted
20 to buy?

21 A Absolutely not.

22 Q Did he advise you that a portion of your money
23 would be used to make personal purchases?

24 A No, he has not.

25 Q Within the month, between July and the

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1 August 11th date when you expected the return on your money,
2 did you have conversations with Richard Patterson or Nancy
3 Saporta?

4 A My husband was getting very nervous by this
5 time, and we were two weeks into waiting after we had given
6 him the money and he needed some reassurance, so I was still
7 continuing talking to Nancy although almost the second day we
8 gave Richard, transferred the check over to him, she became
9 very indifferent, and my husband was getting nervous and was
10 giving me a hard time about it so we had another three-way
11 conversation -- sorry, a four-way conversation with Nancy,
12 Richard, and Dan Teehee and my husband on the phone.

13 Q And what were the nature of those, of that
14 conversation?

15 A They were just assurances that they were doing
16 everything possible to make this happen for us.

17 Q Did there come a time that Richard Patterson
18 called to tell you that he needed additional money?

19 A It was 30 days, he hasn't gotten our money, he
20 hasn't gotten any word of our money except that the money is
21 stuck in California, and it's the weekend, and he has to go
22 and go and release that money and in order for that money,
23 our money to be released and everyone else's money to be
24 released he has to go there and sign for it and he didn't
25 take enough money out of the bank and he left himself in an

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1 emergency where he did not have enough money for the weekend
2 to fly out to California and was asking everybody for an
3 additional 5, \$6,000.

4 Q And when was it that that call came?

5 A That call came about the time that we were
6 expecting to receive the money, so it was about 30 days.

7 Q And did he specifically tell you he needed to
8 go to California to pick up or to somehow facilitate getting
9 your money back or investing of your money or the return on
10 your money?

11 A Yes. He said that he had to go there because
12 something was -- there was a glitch and he has to sign for it
13 in person.

14 Q Did you have \$6,000 to give him?

15 A No, we had no money at all and our mortgage
16 payment was due a month later and we have no money for that
17 either, so we were very much in a state of panic. And so I
18 asked my girlfriend and my son in Oregon, Anthony Barberi, to
19 please if they had any money to send it.

20 Q What was your girlfriend's name or what is
21 your girlfriend's name?

22 A Bonnie Murray, who lives in Sea Cliff,
23 New York, gave me \$3,000 and I wired it out to Dick the same
24 day that she gave it to me.

25 Q What did Anthony do?

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1 A Anthony went directly and wired it out to him,
2 the same day.

3 Q Did Richard Patterson promise that he would
4 pay this money back?

5 A He said that if I found him some money to get
6 him out to California as soon as he came back, he would
7 double it and give it back to the people.

8 Q And did there -- did you send him the
9 particulars on who had provided what money and who needed to
10 be paid back?

11 A Yes, I did. I sent it to him around the time
12 that he's supposed to have already been sending the moneys
13 back to us, and it wasn't -- it was late, so I sent it to him
14 to make sure that it was in front of his face.

15 Q Let me show you Government Exhibit 6. Do you
16 recognize that document?

17 A Yes, I am.

18 Q What is that?

19 A This is the letter that I sent out stating the
20 wire transfer numbers.

21 Q Does that indicate the two, Bonnie and
22 Anthony, and what they --

23 A Yes, this is the document that indicates here
24 that Bonnie owes him and Anthony owes him and when he got it.

25 Q And that, you sent that to Richard Patterson?

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1 A I did.

2 MS. FLETCHER: I'm going to move Exhibit 6
3 into evidence at this time, your Honor.

4 THE COURT: Any objection?

5 MR. MARRIS: No objection, your Honor.

6 THE COURT: Received.

7 Q At the top I want you to read the top
8 paragraph first, please.

9 THE COURT: What's the date on the letter?

10 MS. FLETCHER: The letter is actually undated.

11 THE COURT: When do you say you sent that
12 letter?

13 THE WITNESS: I sent it to him when he was
14 supposed to pay these people back, that Wednesday or Tuesday.

15 Q This would have been in about mid-August?

16 A It would have been in -- he was due to give us
17 our money back on the 11th of August so this was
18 approximately maybe the 11th, 12th, or the 13th, in that area
19 there.

20 Q And here, could you read the first paragraph,
21 please.

22 A "Dick: Here are the particulars. This will
23 also mean a lot to these people, they do trust me I'm glad to
24 say. I am also happy to help. This is enough for you to go
25 to California and back and take care. Nancy said she has

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1 also given you emergency funds before, I thought you'd be all
2 set up."

3 Q Then I don't want you to read account numbers
4 or anything in here, but you indicate that you sent 30 -- or
5 that you borrowed \$3,200 and sent \$2,000 to Richard
6 Patterson?

7 A Yes.

8 Q And that was money that was from Bonnie
9 Murray?

10 A Yes.

11 Q And it says, "Beata kept 1,081." Could you
12 explain that, please?

13 A Richard said that he knew I needed money and I
14 didn't have any more left so he says, why don't you take a
15 thousand of that and just send me five.

16 Q So you sent him 2,000 of Bonnie's money?

17 A 2,000 in Bonnie's money.

18 Q And if we continue down on the page, the next
19 indicates that what was sent by Anthony from Oregon was
20 \$3,000?

21 A Exactly.

22 Q And it says, "We owe money to Anthony Barberi,
23 6,000, is that because Dick promised to double it?

24 A Yes, double it.

25 Q Were these people ever paid back by Dick

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1 Patterson?

2 A No, they were not.

3 MR. MARRIS: Objection.

4 THE COURT: Sustained.

5 Q Did somebody pay these people back that you
6 personally know of?

7 A I paid them back.

8 Q When did you pay them back?

9 A Soon after that the realization happened that
10 he's not going to and Bonnie was highly upset, this was her
11 monthly budget --

12 MR. MARRIS: Objection, your Honor.

13 THE COURT: Disregard the last thing she said.

14 Who is it, Bonnie?

15 Q The question is when did you pay them back.

16 Or let me --

17 A In the months followed, in the months
18 followed, at a later time.

19 Q Following this and in or about mid-August,
20 2002 --

21 THE COURT: Let me clear this up, you yourself
22 paid your son Anthony --

23 THE WITNESS: Yes.

24 THE COURT: -- back 3,000, and Bonnie Murray.

25 THE WITNESS: Yes.

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1 THE COURT: Okay.

2 Q Did Mr. Patterson continue to communicate with
3 you and you with him about the status of your investment and
4 the return of your money?

5 A Yes.

6 Q How long did these communications go on?

7 A Seemed like forever. Months. Months.

8 Q Were you able to make the mortgage payments?

9 A No. We are -- we have been in foreclosure, we
10 are twice bankrupt, we have been on the sale block through
11 foreclosure couple of times.

12 Q What's your current mortgage payment?

13 A My current mortgage payment is \$3,350 a month.
14 That's with all the penalties and late fees that we accrued,
15 we accrued \$131,000 worth of late fees and penalties.

16 Q In the correspondence or the communication
17 between yourself and Richard Patterson in the months
18 following your investment, were some of those communications
19 by e-mail?

20 A Yes.

21 Q Do you recall what e-mail addresses you used
22 at that time?

23 A My e-mail addresses were
24 xxxxxxxxxxxxxxxxxxxxxxxx.com and xxxxxxxxxxxxxxxxxxxxxxxx.com.

25 Q And do you recall what e-mail addresses you

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1 used to communicate to Richard Patterson, what his e-mail
2 addresses were?

3 A Argonlv8@aol.com [sic].

4 Q There's an argon@aol?

5 A Yes.

6 Q Was there another?

7 A The other one was Josh, and that one was

8 @msn.com.

9 Q Are those the addresses as best you recall
10 them?

11 THE COURT: Josh, J-o-s-h? Did you say

12 J-o-s-h?

13 THE WITNESS: Your Honor, I'm not sure, it's

14 J-o-s-h.

15 Q Did you also communicate with Richard
16 Patterson through instant messaging?

17 A Yes, I did.

18 Q What instant messaging service did you
19 subscribe to?

20 A It was Microsoft.

21 Q MSN?

22 A MSN.

23 Q And what's the difference between e-mail and
24 instant messaging?

25 A Instant message is you're writing down what

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1 you're saying as a sentence and then he's sitting by the
2 computer and he's answering me so it's like speaking on the
3 phone but writing on the internet instead, but both parties
4 are present at the same time.

5 Q Do both parties have to have the same instant
6 messaging service in order to communicate?

7 A Yes.

8 Q So you both communicated over MSN instant
9 messaging?

10 A Yes, he asked me to put it onto my computer so
11 he doesn't have to do the phone.

12 Q Did you also communicate with him via E-Fax?

13 A Yes.

14 Q What is an E-Fax?

15 A It's a fax that comes into the computer so
16 when you send the fax we have a fax number that's attached to
17 your e-mail address so it goes to e-mail as an attachment,
18 and then you just open up the attachment.

19 Q During the course of these months of
20 communication after your investment with Mr. Patterson, did
21 he encourage you or continue to encourage you that your money
22 would be coming?

23 A Yes, on a daily basis.

24 Q Some of the communications are charged
25 individually in the indictment and I want to go through with

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1 you some of the e-mail communications and instant messaging
2 communications with Mr. Patterson.

3 Showing you Government Exhibit 4, do you
4 recognize that document?

5 A Yes.

6 Q What is that?

7 A This is the data sheet for Max Foundation and
8 Max Foundation's address and also my address and the bank
9 account for Max Foundation.

10 Q And did you send that to Richard Patterson?

11 A Yes, I did.

12 Q And by what means?

13 A This was faxed over to him as an attachment.

14 Q Using E-Fax?

15 A E-Fax.

16 Q And does it indicate what date you sent that?

17 A March 19, 2002.

18 Q And why did you --

19 A I think this March 19th, 2002 was already on
20 the document when I printed it out and it's not really,
21 should be not his.

22 Q Does the front page have a header that would
23 be associated with the actual E-Faxing?

24 A That's correct.

25 Q And what date does that indicate it was

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1 E-Faxed?

2 A It was E-Faxed July 11, 2002.

3 Q And what was the purpose of sending that
4 information to Mr. Patterson?

5 A This is the information bank account where we
6 were expecting to have our investment returned into.

7 MS. FLETCHER: Judge, I'm going to move
8 Exhibit 4 into evidence at this time.

9 THE COURT: All right.

10 MR. MARRIS: No objection, your Honor.

11 THE COURT: Received, Exhibit 4.

12 Q Next want to show you Government Exhibit 7.
13 Do you recognize that exhibit?

14 A Yes.

15 Q What is that?

16 A This is a dialogue that we were typing back
17 and forth on instant messaging.

18 Q Does that indicate the date that that instant
19 messaging occurred?

20 A This was August 27th.

21 Q Of 2002?

22 A 2002, this was past due to after we did not
23 get our money as was planned.

24 Q And does this instant messaging chat involve
25 you and Patterson talking about the status of your money and

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1 your investment?

2 A Yes.

3 MS. FLETCHER: Judge, I'm going to move
4 Exhibit 7 into evidence.

5 THE COURT: Any objection?

6 MR. MARRIS: No objection, your Honor.

7 THE COURT: Received.

8 Q I'm going to go through it a little bit just
9 excerpts now that it's in evidence. Partway down the first
10 page it says, Richard says, "Yeah, it is, I just spoke with
11 Cal. and he will have an update for me in 30 minutes."

12 What -- do you recall that part of that
13 conversation?

14 A Yes.

15 Q And what is he referring to when he says, "I
16 spoke with Cal.?"

17 A California.

18 Q On the next page partway down after the break,
19 Richard says, "I just got off the phone with California and
20 he will not be able to confirm until about 11 a.m. tomorrow."

21 Dr. P says, "What does that mean?"

22 Richard says, "He said he has the funds
23 available but did not have availability early enough today to
24 get them on the wire."

25 Dr. P says, "Why not? It take a few minutes

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1 to send it out."

2 Richard said, "So it will be about midday
3 before we see any \$\$."

4 Do you remember that conversation?

5 A Yes, I do.

6 Q What is that conversation referring to?

7 A He's referring to my anxiety of insisting on
8 when I'm going to have my money, and he is referring to the
9 fact that he -- the California people who are supposed to
10 send it to him, he has to receive it from them in order for
11 him to pay me. So he's saying that they did a lot of work,
12 refers to the work that they've done but they didn't have
13 time to send it out.

14 Q And he said something about it will be about
15 midday before we see any money signs, did you see any money
16 on August 28th, 2002?

17 A No money.

18 Q Show you Government Exhibit 8. Do you
19 recognize that document?

20 A Yes, I do.

21 Q What is that? I'm sorry, what is that
22 document, Mrs. Priore?

23 A This is a e-mail sent to me on Saturday,
24 August 20 -- 31st, 2002, in the morning.

25 Q From Richard Patterson?

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1 A From -- yes, from his josh@msn.com.

2 Q Do you recall getting this e-mail
3 communication from him in regard to your money?

4 A Yes, I do.

5 MS. FLETCHER: Judge, I'm going to mark -- or
6 ask to move Exhibit 8 into evidence.

7 MR. MARRIS: No objection.

8 THE COURT: Okay, received.

9 Q I'm going to ask you, if you can pull that up,
10 Ron. Just to read the paragraphs at the very top, the reply
11 at the top from Mr. Patterson to you?

12 A The subject is that, "I am on the move," and,
13 "Good morning, Saturday. I just want to touch base with you
14 this morning and give you the details on yesterday's efforts.
15 I was out on the road until late as to the fact that I am
16 working on the West Coast time. Everyone put forth a supreme
17 effort to get the process -- get the money processed and
18 moved. Unfortunately we just plain ran out of time and
19 people (people started to disappear on us by midafternoon
20 because of the holiday). Last minute it became apparent that
21 there was some missing papers regarding the 15 million CD and
22 this is when people started disappearing on us. The other
23 transaction just was too time consuming to complete while we
24 still had wiring time (too many steps). Everyone tried but
25 we will have to complete on Tuesday. We have everyone

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1 involved committed to that end. I am going to take three
2 days off even though there is no money. We are going to
3 disappear in the woods just to have fun the old-fashioned
4 way. Please e-mail me if you need me, I will be checking it
5 throughout the weekend. Dick."

6 Q I'll show you next Government Exhibit 9. Do
7 you recognize that document?

8 A Yes. This is an e-mail, and it came from
9 Richard Patterson, the joshlv8@msn.com address.

10 Q And to you?

11 A To me and Peter.

12 Q And what date?

13 A This is September the 7th, 2002.

14 Q And do you recall getting this correspondence
15 via e-mail from the defendant on that date?

16 A Yes.

17 MS. FLETCHER: Judge, I'm going to move
18 Exhibit 9 into evidence at this time.

19 MR. MARRIS: No objection, your Honor.

20 THE COURT: What was the date of it, September
21 what?

22 MS. FLETCHER: 7th.

23 THE WITNESS: 7th.

24 THE COURT: Received.

25 Q And I'll ask Ron to pull it up and,

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1 Mrs. Priore, read that to us.

2 A "Beata and Peter, good morning and may God
3 richly bless your day and weekend. Friday funds did not
4 arrive as planned. It's okay because it is God's plan that
5 shall be established and he has great and wonderful things in
6 store for us. I do believe that Monday will complete the
7 process of funding that we worked all day Friday to complete.
8 There are three avenues to funds and it appears that two out
9 of three will actually come to fruition on Monday. I will
10 have confirmation on one of those late today and will inform
11 you immediately upon receiving that information. My family
12 and I will be gone all day today but I will remain working on
13 the phone when and as needed. I am sorry that I did not take
14 your call last night, I was exhausted and fell asleep in my
15 chair and my family let me sleep on. Beata, I need the
16 details of the 100 percent trade if it's still available."

17 THE COURT: 1000 percent trade.

18 A Oh, I'm sorry. "1000 percent trade if it's
19 still available. I am also making progress on the off-shore
20 account, it's a little more complicated than I thought. I
21 will have all the details necessary, in hand on Monday.
22 Again, God bless you guys and have a great weekend. Dick."

23 Q What is the 1000 percent trade?

24 A His friend, Dan Teehee and Nancy Saporta was
25 getting into a 1000 percent trade and at that time Dick

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1 didn't know about it.

2 Q Did they talk to you about it?

3 A They talked to me about it so I told Dick
4 about it.

5 Q Next I want to show you Government Exhibit 10.
6 Do you recognize that exhibit?

7 A This exhibit is a messaging, MSN messaging
8 service.

9 Q Is that a transcript of a chat between
10 yourself and Mr. Patterson?

11 A Yes.

12 Q And is there a date associated with that chat?

13 A This is 9/11/02.

14 Q And do you recall that chat and did it occur
15 as it appears on that document?

16 A Yes.

17 MS. FLETCHER: Judge, at this time I move
18 Exhibit 10 into evidence.

19 MR. MARRIS: No objection.

20 THE COURT: Received.

21 Q If we could pull that up, Ron. And if we
22 could read through that, please.

23 A I say, "Peter is asking," that's referring to
24 my husband, "Peter is asking, how many days before he can
25 count on dollars in your expertise, estimation?"

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1 Richard states, "I think we will have moneys
2 tomorrow as we have been notified that the dollars are held
3 up by the feds and are under the 10-day rule and yesterday
4 was the 10th day."

5 Richard again, "We are expecting to hear that
6 the funds have been released today and should arrive in my
7 account tomorrow."

8 Again Richard says, "I will be able to give
9 you an update early this evening."

10 I say, "How about the other transferees that
11 were due? What happened to them?"

12 Richard, "I am trying to complete a letter
13 with a deadline on it right now, will be making a couple of
14 calls following that."

15 Richard again, "They are close as we will,
16 that's the calls that I need to squeeze in."

17 And I said, "Thank you."

18 Q When you say how about the other transferees
19 that were due, or transfers that were due, what does that
20 mean?

21 A Well, a couple days ago he told me that there
22 was three deals on the table and one of them should
23 definitely be coming in on Monday. So I'm referring back to
24 the deals that he was telling me that would suffice because
25 he will give me money out of no matter what deal came in

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1 first. So referring back to the other letters that we just
2 read, and what I was thinking is, so, okay, I need the money
3 now, so where are the other deals you were telling me about
4 that were coming in as well. He said three deals are coming
5 in, one should be coming in by Monday for sure, so what
6 happened to those deals. And that's when he's got to hurry
7 up and squeeze in the time and call them, that's what he's
8 referring to.

9 Q He says, "We are expecting to hear the funds
10 have been released today and should arrive in my account
11 tomorrow." Did you get your money the following day?

12 A No, I didn't.

13 Q What did you do?

14 A Besides panicking all the time, miss -- I
15 lived in a state of panic and depression. What else did I
16 do? The only thing that came into my mind was to plan a
17 trip.

18 Q Did you plan that trip?

19 A Yes, we planned a trip.

20 Q Trip to where?

21 A We planned to the next -- first day my husband
22 had off, we planned to get in a car early in the morning and
23 take a ride to his house.

24 Q To whose house?

25 A To Mr. Richard Patterson's house.

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1 Q Did you do that?

2 A Oh, yes, we did.

3 Q Do you recall what day you did that?

4 A It was Saturday, and it was in the middle of
5 September.

6 Q How did you find him?

7 A His address was on the commitment letter we
8 first received from him.

9 Q Did you tell him you were coming?

10 A Yes -- no, I'm sorry, no, we did not tell him
11 we were coming.

12 Q How did you get from Long Island to Camden,
13 New York?

14 A We drove.

15 Q How long did it take you to get there?

16 A Almost six hours.

17 Q What did you do when you got to the
18 Pattersons' residence?

19 A We arrived at his property with his house, and
20 we pulled into the driveway, and almost died in a state of
21 shock.

22 Q Why?

23 A Because it was a broken-down old shack, and my
24 idea was that this was a very high, sophisticated operation
25 that was told to us and I was shaking to my knees when I saw

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1 the sophisticated operation.

2 Q I show you two photographs, Exhibits 54 and
3 55. Do you recognize what's depicted there?

4 A Yes.

5 Q 54, what is that?

6 A This is the house he lives in with his family.

7 Q Is that where you drove to in September of
8 2002?

9 A Yes, it is.

10 Q And Exhibit 55, what is that?

11 A This is his garage.

12 Q Is that what they looked like when you visited
13 him in September of 2002?

14 A Yep, just about.

15 Q Does it fairly and accurately represent what
16 they look like?

17 A Very accurate. I think the tarp on the house,
18 the top of the house is cut off, it's all blue tarp, and the
19 back of the house is blue tarp, which is not here, but this
20 is about what it looks like.

21 MS. FLETCHER: Judge, I'm going to move those
22 exhibits, 54 and 55, into evidence.

23 THE COURT: Any objection?

24 MR. MARRIS: No objection.

25 THE COURT: Received.

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1 MS. FLETCHER: Can we publish them, please.

2 First 54.

3 Q This is the defendant's house?

4 A This is his house.

5 Q This is where you went to meet with him?

6 A This is it.

7 Q Exhibit 55. And that's the barn or the garage
8 on the property?

9 A Yes.

10 Q In addition to seeing the house and the
11 garage, did you notice anything else outside the house?

12 A There was brand new vehicles.

13 Q How many?

14 A Two.

15 Q And did you notice any other type of
16 equipment?

17 A There was brand new tractors.

18 THE COURT: When you say vehicles, what are
19 you referring to?

20 THE WITNESS: Beautiful Toyota pickup and a
21 Lexus, brand new.

22 Q Are you sure it was a Lexus?

23 A Not sure, but it looked like a Lexus.

24 Q Was it a sport utility vehicle, a wagon, a
25 sedan, what do you recall?

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1 A It was an SUV.

2 Q Do you recall what color it was?

3 THE COURT: So there was a pickup plus a SUV?

4 THE WITNESS: There was, yes, two cars. The
5 one was white or off-white, and the other one was beige,
6 light beige.

7 THE COURT: Which was which, do you recall?

8 THE WITNESS: The pickup was white, and the
9 other one was beige.

10 THE COURT: Take a ten-minute recess at this
11 time, 10 minutes.

12 THE CLERK: Court stands in recess.

13 (Whereupon a recess was taken from 3:11 p.m.
14 to 3:35 p.m.)

15 THE COURT: Okay. Continue.

16 MS. FLETCHER: Thank you, Judge.

17 Q Mrs. Priore, we were -- we left off in Camden,
18 you had arrived at the defendant's house and we looked at the
19 pictures. Could you tell the Court what you did when you got
20 to the house?

21 A I went up to the front door.

22 THE COURT: Again, set the date, what date was
23 this she went, drove to Camden?

24 THE WITNESS: It was Saturday in the latter
25 part of September.

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1 THE COURT: Okay. Go ahead.

2 Q What did you do?

3 A Went up to the front door with my husband and
4 we knocked on the door, I don't remember seeing a bell, so we
5 knocked on the door, it was glass.

6 Q What happened?

7 A Nothing happened. We stood by after we
8 knocked on the door and we stood there for a few minutes and
9 nothing happened. So I thought maybe they were out in the
10 back or something, so I went around the back and see if there
11 was a door I could knock on there, and there was a door, a
12 small deck so I knocked on that.

13 Q Did anyone answer?

14 A Nobody answered. We were knocking on the
15 front door again, and then we just sort of stood in front of
16 his house and talked for a while.

17 Q Did there come a time that somebody finally
18 came out of that house?

19 A Dick comes running out of his house very upset
20 and mad and yelling and screaming that --

21 Q Let me stop you there. How long had you been
22 at the house before Richard Patterson came out?

23 A We were standing there a good 25 minutes.

24 Q And what happened when he came out of the
25 house?

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1 A He was yelling and screaming and telling us to
2 get off his property.

3 Q Had you ever met him in person before?

4 A No.

5 Q Did you tell him who you were when he came
6 out?

7 A After he quieted down a little bit, I was
8 trying to tell him who I was, and who we were.

9 Q Did you tell him?

10 A Yeah, told him that this is Beata and Peter
11 Priore, this is persons that you've been talking to for the
12 last few months and we came up to see you in person.

13 Q And what happened?

14 A He was highly inconvenienced. He said that he
15 had sent us an e-mail earlier this morning saying that he had
16 a lot to do today and that he wouldn't be talking to us for
17 this weekend. It was, I believe it was a long weekend, it
18 was one of those three-day weekends, so he was too busy to
19 see us and that, I mean to talk to us on the phone and he
20 knows that we were talking every day, we were waiting for his
21 word. Because all the e-mails and communication was always
22 like, tomorrow, we'll have an answer for you, next day we
23 have an answer for you, ran out of time on Friday, have an
24 answer for you Monday, so we were talking on a daily basis
25 here, so I just thought that we needed to see him at this

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1 point. We were highly alert and we told him that we came up
2 to see him and that we asked for our money back and we asked
3 him to forget about any investments and just to pay us back
4 the money that he took from us, because I had so many bills
5 piling up. So we were there a good two and a half hours to
6 three hours talking, and the conclusion of the events said
7 that if we would give him a little bit more time, he would
8 just pay us back everything in 30 days.

9 Q Did the e-mails continue?

10 A Yes.

11 Q Let me show you Government Exhibit 11, and I
12 guess before I do that, did you get any money from Richard
13 Patterson the day you went to his house?

14 A No money.

15 Q Here's Government Exhibit 11, do you recognize
16 that document?

17 A This is an e-mail document from Richard to me.

18 Q On what dates?

19 A This is September the 14th, the subject is,
20 "Good news."

21 Q Do you recall getting that e-mail from him on
22 that date?

23 A Yes. But not when he sent it. We got it when
24 we got back from the trip.

25 Q Is this the e-mail that was sent the day that

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1 you went to his house?

2 A This is the e-mail that he sent out early in
3 the morning, but we never got it because we left early in the
4 morning so we got this e-mail when we got home.

5 Q What's the date on this e-mail?

6 A This is 9/14.

7 Q Does that refresh your recollection as to what
8 date you went to his house?

9 A Yes.

10 Q That would have also been on September 14th?

11 A Yes.

12 MS. FLETCHER: Judge, at this time I'm going
13 to offer Exhibit 11 in evidence.

14 MR. MARRIS: No objection, your Honor.

15 THE COURT: Received.

16 MS. FLETCHER: And Ron, if we could put that
17 up, have you read the contents to the Court, please.

18 A "Good morning, Beata and Peter. The good news
19 is that the funds being held by the feds has been released.
20 I was -- it was released too late to make all transfer
21 deadlines necessary to get it to me by close business
22 yesterday. It will be in my account sometime Monday
23 afternoon. I will be out of pocket for a while today as I
24 have to get my roof repaired this a.m. as rain is coming this
25 afternoon and all day tomorrow. I had some serious wind

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1 damage in the last two days and if I don't get it fixed we
2 will have a large shower bath in the dining room. Beata, I
3 still have a lot of work for you and I to do and if it's
4 possible I would like to go over that with you later in the
5 day today. I will get you online as soon as I get done with
6 my roof. We can then make plans and go over things. I'm
7 sorry I have not been very available over last few days but
8 have been on overload. I finally got control and got to bed
9 4:45 this a.m. I will contact you later today, I and Tim are
10 off to the building supply for materials right now. God
11 bless you and all -- all and maintain your faith as we are
12 now almost at the finish line. Dick Patterson."

13 Q I'm going to show you Government Exhibit 12.
14 Do you recognize that document?

15 A This is an e-mail document from Richard from
16 his argonrlaol.com account to xxxxxxxxxxxxxxxxxxxxxxxx on
17 Wednesday, September 25th.

18 Q And do you recall getting that e-mail from him
19 on that date?

20 A Yes.

21 Q And this is again 2002?

22 A Yes.

23 MS. FLETCHER: Judge, at this time I offer
24 Government Exhibit 12.

25 THE COURT: Any objection?

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1 MR. MARRIS: No objection, your Honor.

2 THE COURT: Received.

3 MS. FLETCHER: Ron, if we could put that up,
4 please.

5 I'm going to ask you to read the beginning, I
6 don't want you to -- you don't need to read into the banking
7 information, but just the text.

8 A He's sending me this e-mail because of a
9 commission, "Beata, your response was better yesterday. Stay
10 constant, now is not the time to go negative on me. When you
11 or anyone else does not hear from me it doesn't mean I am
12 ducking. I am focusing [sic] on the solution."

13 THE COURT: Focused, it says focused, doesn't
14 it?

15 THE WITNESS: Oh, yes, thank you. "I am
16 focused on the solution and answering phone calls to update
17 sometimes interrupts the focus. I do not function in any
18 other way. If I am not trusted to get it done, so be it, I
19 will continue and will get it done anyway and then all will
20 get paid and I will move on." And then it's the account.
21 "And I will be in contact as the day goes by. The \$
22 prognosis is very positive despite what it appears. Dick."

23 Q Why was he giving you his account information?

24 A Because I was already starting to think that
25 I'm going to have to contact authorities and I was baiting

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1 him for more information as to who he is and his accounts or
2 anything else I could get.

3 Q So what did you do to --

4 A So I told him that I might have a deal closing
5 and that I will give him some money.

6 Q And that you needed his account information?

7 A Exactly.

8 Q And did there come a time after this that you
9 in fact reported Richard Patterson's activities to the
10 authorities?

11 A Yes, we did.

12 Q Who did you first report your complaint to?

13 A First I called the local FBI office.

14 Q Local meaning in Long Island?

15 A On Long Island, yes.

16 Q Do you recall when you called the FBI in Long
17 Island?

18 A Within -- within a week of this date, or close
19 to it, we were -- I was already putting my notes together and
20 working on anticipated questions.

21 Q So within a week or so of September 5th, 2002
22 you made your first complaint to FBI in Long Island?

23 A Yeah, that sounds right.

24 Q 25th?

25 A Yes.

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1 Q And did you also file a report with the
2 New York State Attorney General's office?

3 A Yes, I did.

4 Q Was that about the same time?

5 A Shortly following.

6 Q Did you speak with an investigator from the
7 Attorney General's office?

8 A Yes, I did.

9 Q Do you happen to recall who that was?

10 A Mr. Buono?

11 THE COURT: Mr. Who?

12 THE WITNESS: Buono.

13 THE COURT: B-o-n-a?

14 MS. FLETCHER: It's actually B-u-o-n-o.

15 THE WITNESS: B-u-o-n-o, sorry.

16 Q Although you had filed complaints with the FBI
17 and the New York State Attorney General, did you continue to
18 correspond with Richard Patterson?

19 A Yes.

20 Q Did you continue to hold out some hope that
21 you might get your money back?

22 A I sure did.

23 Q Did he continue to assure you that he was
24 working on getting your money back?

25 A He did.

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1 Q I show you Government Exhibit 13. Do you
2 recognize that document?

3 A This is an e-mail from joshlv8@msn.com to me
4 on 10/4/2002.

5 Q And do you recall receiving this e-mail

7 A Yes.

8 MS. FLETCHER: Judge, I move Exhibit 13 into
9 evidence at this time.

10 THE COURT: Any objection?

11 MR. MARRIS: No objection, your Honor.

12 THE COURT: Received.

13 Q Ask Ron to publish it. If you could read the
14 text, please.

15 A "Subject: Smile my heart. Beata, I haven't
16 abandoned you nor am I ignoring you. I am buried trying to
17 get both of us funds, very close, hopefully yet today. I
18 will get back to you a little later. Dick."

19 Q Let me show you Government Exhibit 14. Do you
20 recognize that?

21 A This is from Richard Patterson, again from
22 joshlv8@msn.com on October 16th.

23 Q Of 2002?

24 A 2002, "Subject: Obscene and harassing phone
25 calls."

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1 Q Do you recall getting this e-mail from him?

2 A Yes, I do.

3 MS. FLETCHER: At this time, your Honor, move
4 this into evidence.

5 MR. MARRIS: No objection, your Honor.

6 THE COURT: Exhibit 14?

7 MS. FLETCHER: Yes, your Honor.

8 THE COURT: Received.

9 MS. FLETCHER: Ron, if we could publish that.

10 A little lengthy, but can you make your way
11 through that?

12 A I will do my best. From Richard to me,
13 "Beata, I do need to talk with you. I know I have been
14 difficult to communicate with over this last week or so, but
15 it was because I have dedicated almost all my time to find
16 another way to get you paid. I have ignored all projects, my
17 partners, my son, my family. I was told last week that I was
18 going to get a small loan to at least help with the day to
19 day, ease some pain. I was promised all week that it would
20 be there no later than Friday. That didn't happen. I was
21 then told I would have it without hesitation first thing
22 Tuesday. On Tuesday I was called and told they changed their
23 mind. Today I beg with the people that had the \$68 million
24 grabbed by the FBI, that money that I was to pay you back.
25 We are working on a way to get some immediate cash (hopefully

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1 tomorrow). I may know later tonight. We are also working on
2 a quick response to obtain the amount that I was to receive
3 from the original 68 million. This may take a few days. I
4 am doing all that I can to get you your dollars back,
5 (including Anthony's and Bonnie's). This has turned into the
6 worst nightmare for me than all of you guys put together.
7 This brings me to the purpose of this letter.

8 "Number 1. I must say that you personally
9 have been 1000 percent more reasonable and intelligent about
10 where things started [sic] than Anthony and Peter."

11 THE COURT: Where things stand, isn't it?

12 THE WITNESS: Where things stand, thank you.

13 "Than Anthony and Peter (Peter not so bad and I do understand
14 his pain and frustration).

15 "Number 2. Peter called tonight and it is
16 obvious that he is very frustrated. He wants me to call him.
17 I am willing to do if it is all right with you or you can
18 relay to him the information in this letter. It's your call.

19 "Number 3. The real difficult one here is
20 Anthony. I am sending you a copy as forwarded e-mail he sent
21 to me. I am receiving threatening and harassing phone calls
22 from him -- here from him. They will stop immediately or I
23 will call the proper authorities including the law
24 authorities in Oregon. Up to this point I have been willing
25 to do all that I can to get his money. That effort stops

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1 right now and he gets nothing until he backs off. One more
2 call like that is all I will take. I do not have to put up
3 with this. He is in trouble because of himself and I will
4 add to it if it does not stop. I do not blame you for his
5 actions and if you do not want to deal with him that's okay
6 with me. I wanted you to know what is going on because you
7 were the contact -- he is your friend, not mine, so if you
8 don't want to deal with him that's okay, just let me know. I
9 can deal with it, I have the contacts. What he's doing is
10 counterproductive to solving the problem. Bonnie called
11 me" --

12 THE COURT: Can I stop you one second. Now
13 he's talking about Anthony.

14 THE WITNESS: Yes.

15 THE COURT: That's your son.

16 THE WITNESS: Yes.

17 "Number 4. Bonnie called me a couple of
18 times, she is concerned that she won't get her money back. I
19 will call her again with your permission.

20 "Number 5. I am, whether you want to believe
21 it or not, doing everything humanly possible to get your
22 money back to you ASAP. In the end of all of this mess you
23 will have all that you were promised. I will be the loser as
24 the events that caused this whole problem could not have been
25 predicted and were not expected. The ultimate cost to me in

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1 the end will be in excess of 2 million and a lot of serious
2 damaged relationships. But one thing I know, cool heads,
3 strong hearts are the only way to get this solved. In that
4 process I will not be bullied, verbally or otherwise harassed
5 and I will do all that is necessary to put it to an end. I
6 will be online all evening to send me message when you are
7 back. Richard Patterson."

8 Q I'm going to jump ahead in time here a little
9 bit. That was in October of 2002. Did you receive your
10 money back?

11 A No, I did not get any money.

12 Q Did you get any money in November of 2002?

13 A I didn't get any money in November.

14 Q December?

15 A No money in December.

16 Q January of '03?

17 A No money in January '03.

18 Q February 14th, 2003, did you write a letter to
19 the defendant?

20 A Yes, this letter I wrote to him.

21 Q That's Exhibit 15, you recognize that letter?

22 A Yes, I do.

23 Q And is that a letter that you sent to the
24 defendant in February of 2003?

25 A Yes.

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1 Q Do you recognize that as being a copy of the
2 letter that you sent to Richard Patterson?

3 A Yes, it is.

4 MS. FLETCHER: Judge, I'm going to move
5 Exhibit 15 into evidence at this time.

6 MR. MARRIS: No objection, your Honor.

7 THE COURT: Okay. Received.

8 Q Could you read for the Court just the body of
9 the letter.

10 A "Dear Mr. Patterson: As I am sure you are
11 aware, I have someone working for my benefit to recoup the
12 funds that you took from me due to the gross material
13 representation, lies, fraudulent transaction so-called high
14 yield investment program. I will not belabor the points as
15 there is no need to. You will have until Monday,
16 February 17, to be in touch with me to make arrangements for
17 an immediate return of my money, or complaints will be filed
18 against you personally, the Jehovah Jireh Ministry, Nancy
19 Saporta, and Dan Teehee with the following agencies: Number
20 1, the FBI; Number 2, New York State Attorney General; Number
21 3, New York State District Attorney; Number 4, state
22 Securities & Exchange Commission; Number 5, federal
23 Securities & Exchange Commission. Mr. Patterson, the
24 decision is yours. I would think that you would rather
25 return my money and have no further problems than to spend

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1 hundreds of thousands of dollars on legal fees defending your
2 actions and actions of your associates. Sincerely."

3 Q Now in fact, by February 14th, 2003, you had
4 long ago made complaints to the authorities, correct?

5 A I had been four months, five months in the
6 complaint department.

7 Q And those complaints, your complaint is, to
8 your knowledge was being investigated still at this point in
9 time?

10 A Of course.

11 Q The beginning of your letter refers to having
12 someone working on your behalf to recoup the funds. Could
13 you explain to the Court who that was?

14 A One of my associate friends on Long Island,
15 Mr. Ken Lagonia.

16 Q And Kenneth Lagonia is a friend of yours?

17 A Kenneth Lagonia is a friend of mine.

18 Q And what did you enlist him to do on your
19 behalf?

20 A When I told him what was happening and he
21 offered to try to work with Mr. Patterson to recoup my funds,
22 he said I was too frustrated and too involved and I should
23 just step aside and let him do it.

24 Q And did there come a time that you let Kenneth
25 Lagonia take over the correspondence?

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1 A Yes.

2 Q Before that, however, you wrote this
3 February 17th letter?

4 A Yes.

5 Q Did you get a reply from Mr. Patterson to that
6 February 17th letter?

7 A I think so, yes.

8 Q Let me show you Exhibit 16. Do you recognize
9 that document?

10 A This is a document from his e-mail address
11 josh@msn.com, February 17th, 2003.

12 Q Did you receive that letter from Mr. Patterson
13 in reply to your February 17th letter? I'm sorry, thank you.

14 THE COURT: Exhibit 15 was 2/14.

15 Q Having a date problem today, I think. His is
16 February 17th in response to your February 14th letter, is
17 that correct?

18 A That's correct.

19 Q And did he send it to you via E-Fax?

20 A Yes, he sent it to -- actually it was an
21 attachment from his e-mail address, it was attached.

22 Q Do you recall getting this letter from
23 Mr. Patterson on or about February 17th, 2003?

24 A Yes.

25 MS. FLETCHER: Judge, I'm offering at this

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1 time Exhibit 16.

2 THE COURT: Any objection?

3 MR. MARRIS: No objection, your Honor.

4 THE COURT: Received.

5 Q Can you read please the text of the letter to
6 you from Mr. Patterson.

7 A "Dear Dr. Priore: In response to your letter
8 dated February the 14, 2003 regarding repayment arrangements
9 for the funds loaned by yourself to Jehovah Jireh Ministry.
10 I am prepared to make provision with my attorney in the next
11 two to three days, depending on his schedule, to do the
12 following: Number 1. I will place said funds in my attorney
13 escrow account. Number 2. My attorney will contact you or
14 your attorney and make arrangements for repayment and certain
15 proper releases as may be deemed necessary. Today being a
16 holiday I was unable to make the necessary bank arrangements
17 necessary for me to be able to set this up with my attorney.
18 Once I have been able to coordinate with him -- this with
19 him, then all can be done in a very expeditious manner. If
20 you prefer to use your attorney, please advise as to your
21 attorney's coordinates and he will be contacted by my
22 attorney to make arrangements for repayment of the loan. In
23 the event that you do not prefer to use your attorney then
24 please advise and you will be contacted directly. Sincerely,
25 Richard Patterson."

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1 THE COURT: Can I ask you a question, I see
2 sincerely, says Richard G. Patterson, is that correct?

3 THE WITNESS: Yes, that's what it says.

4 THE COURT: And do you see the person in this
5 courtroom who you know as Richard G. Patterson?

6 THE WITNESS: Yes.

7 THE COURT: Point him out.

8 THE WITNESS: (pointing) With the tan suit.

9 THE COURT: Let the record reflect that this
10 witness has accurately identified the defendant.

11 Q Following Ken Lagonia, following this
12 correspondence and Ken Lagonia agreeing to intercede on your
13 behalf, did he begin corresponding with Richard Patterson?

14 A Yes, Ken Lagonia started corresponding on my
15 behalf.

16 Q Were you copied on those correspondences?

17 A Yes, I was, either directly or after.

18 Q Let me show you --

19 THE COURT: How do you spell Ken's last name?

20 THE WITNESS: L-a-g-o-n-a.

21 MS. FLETCHER: I think it's n-i-a.

22 THE WITNESS: N-i-a, thank you.

23 Q Show you Exhibit 17. Do you recognize that
24 document?

25 A This is an e-mail from his AOL account.

2 A From Richard's AOL account, argonrl@, to Ken
3 Lagonia, xxxxxxxxxxxxxxxx.com and to xxxxxxxxxxxxxxxx.com.

4 Q You were copied on this e-mail?

5 A I was.

6 Q And do you recall receiving this e-mail?

7 A I recall.

8 Q And this was dated February 21st of 2003?

9 A Yes.

10 MS. FLETCHER: Judge, at this time I offer
11 Exhibit 17.

12 THE COURT: All right. Any objection?

13 MR. MARRIS: No objection, your Honor.

14 THE COURT: Received.

15 Q Go through the text of the document.

16 A "Dear Kenneth. I have been in the process of
17 completing the transfer of funds to myself today and upon
18 receipt of those funds will immediately arrange for the
19 proper funds to move into my attorney's account. As soon as
20 that has been accomplished you will be contacted by my
21 attorney to make arrangements to bring this action to
22 successful conclusion. I will be in contact with you later
23 today re: progress and status. This is first priority for us
24 as we want this all behind us. Sincerely, Jehovah Jireh
25 Ministry, Richard G. Patterson."

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1 Q Show you now Government Exhibit 18. Do you
2 recognize that exhibit?

3 A This is from Mr. Ken Lagonia,
4 xxxxxxxxxxxxxxxx.com to argonr1@aol.com to Richard Patterson
5 and cc'd to me at xxxxxxxxxxxxxxxx.com.

6 Q On what date?

7 A Says March 4th, 2003.

8 Q Do you recall receiving this e-mail?

9 A Yes.

10 MS. FLETCHER: Judge, at this time I move
11 Exhibit 18 into evidence.

12 THE COURT: Any objection?

13 MR. MARRIS: No objection.

14 THE COURT: Received.

15 Q If you could read the content of that.

16 A "Dear Mr. Patterson, Dr. Priore and her
17 husband Peter have asked me to rely [sic] the following
18 message to you. I quote, this matter must be solved this
19 week or we will move forward with the authorities. I've
20 tried my best to work this out in an amicable manner, but I
21 am afraid that after Friday of this week it will be out of my
22 control. Sincerely, Kenneth Lagonia."

23 Q This was on March 4th, giving a deadline for
24 Friday of this week according to that, correct?

25 A Correct.

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1 Q Let me show you Government Exhibit 19. Do you
2 recognize that letter?

3 A This letter came on March 7th, 2003 from
4 Jehovah Jireh Ministry and I recognize it.

5 Q And it's addressed to Kenneth but regarding
6 Dr. Priore, did you receive a copy of this letter?

7 A Yes.

8 Q And it's from Richard Patterson?

9 A It is.

10 MS. FLETCHER: Judge, at this time I move
11 Exhibit 19 into evidence.

12 MR. MARRIS: No objection, your Honor.

13 THE COURT: Received.

14 Q And if we could publish that. Beginning
15 paragraph indicates that he's aware that today, March 7, 2003
16 is the deadline set and that he will lay out a proposal for a
17 satisfactory resolution to the transaction. I'll have you
18 read what his proposal is.

19 A "First I would like to thank you for your
20 patient values in the attempt to help the Priores. Secondly,
21 I offer my apologies to you for not communicating with you
22 over the last three days. Hopefully it has not put your
23 judgment in question with the Priores. In brief, I was put
24 in an uncomfortable situation as far as my receiving of funds
25 as the process took an unexpected step backwards. I have

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1 been working through that dilemma virtually day and night. I
2 have been successful in getting that problem resolved and at
3 the same time procuring backup to that funding. The final
4 breakthrough came just before 3 a.m. this morning. I have
5 had a commitment letter in hand since the 28th of February.
6 I am very knowledgeable of the transaction that those funds
7 were coming from and did not feel comfortable in submitting
8 it without proper backup. I am not interested in presenting
9 a questionable solution to you and had to work night and day
10 to resolve the issues at hand. I am attaching the funds
11 committed to this letter. (I am now very comfortable that
12 and am secure with backup to the commitment as well as
13 further backup as a separate issue).

14 "My proposal as to the method and timing for
15 getting this resolved is as follows:

16 "Number 1. The funds will be available in my
17 attorney's escrow account on or before March 12.

18 "Number 2. My attorney will have received his
19 retainer at that time as well and he will be immediately in
20 touch with yourself.

21 "Number 3. I recognize that the Priores have
22 experienced loss and extra costs throughout this ordeal. I
23 assume that they are still experiencing financial difficulty.
24 Therefore I will at the same time that funds are deposited
25 with my attorney will advance \$10,000 (to be deducted from

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1 final interest/return as a credit from final settlement)
2 directly to them via banking coordinates as directed by
3 yourself to me.

4 "Number 4. Upon acceptance on both sides
5 regarding such releases that will be submitted and required
6 by my attorney, the principal of 200,000 plus legal interest
7 will be paid over to Dr. Priore/Max Foundation. The balance
8 of the agreed-upon 500,000 (principal, interest, and donation
9 for humanitarian purposes, which must be verified) will be
10 donated to Max Foundation. I am anxious to bring this whole
11 transaction to a satisfactory conclusion as soon as possible.
12 Sincerely, Richard G. Patterson."

13 Q And I want to show you Government Exhibit 20.
14 Do you recognize that exhibit?

15 A This was dated March 7, 2003 from Mr. Kenneth
16 Lagonia, xxxxxxxxxxxxxxxx.com to xxxxxxxxxxxxxxxx.com and cc'd
17 to Richard, argonrl@aol.com.

18 Q And this is the same date as the letter that
19 you just read?

20 A This is the same date the letter was just
21 read, yes.

22 Q This is to you from Kenneth Lagonia?

23 A Yes.

24 Q Do you recall getting this e-mail on that day?

25 A Yes.

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1 MS. FLETCHER: Judge, I'm going to move
2 Exhibit 20 into evidence at this time.

3 THE COURT: Any objection?

4 MR. MARRIS: No, your Honor.

5 THE COURT: Received.

6 Q Pull that up. Let's read the --

7 A "Dear Dr. and" --

8 THE COURT: You want to stop -- after you read
9 this one, I want to see you at side bar for a second.

10 MS. FLETCHER: Okay. Go ahead.

11 A "I received an e-mail and a fax from Richard
12 Patterson with proof of fund -- with a proof of funds
13 document for the funds that are due to you. Mr. Patterson
14 has given me assurance that I am comfortable with that this
15 matter will be corrected next week. Based on the documents I
16 received, I strongly advise that nothing be filed with the
17 authorities and that we allow Mr. Patterson to live up to his
18 word as a man of God and a gentleman. Mr. Patterson is aware
19 that I will be out of town next week and that he is to
20 contact me on my mobile to keep me informed. As always, I
21 will also keep the two of you abreast of how everything is
22 going. Best regards, Ken."

23 MS. FLETCHER: Okay.

24 THE COURT: See you at side bar for a minute.

25 (A discussion was held off the record at side

1 bar.)

2 THE COURT: All right. We're going to recess
3 at this time until tomorrow morning. What time do you want
4 to start, Judi?

5 THE CLERK: 9:00.

6 THE COURT: 9:00 tomorrow?

7 MS. FLETCHER: 9:30?

8 THE COURT: 9:30. All right. 9:30. 9:30.

9 THE CLERK: Court's in recess until 9:30
10 tomorrow.

11 THE COURT: You may step down.

12 THE WITNESS: Thank you very much, your Honor.

13 (Whereupon the witness was excused.)

14 (4:18 p.m.)

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C E R T I F I C A T I O N

I, JODI L. HIBBARD, RPR, CRR, CSR, Official Court Reporter in and for the United States District Court, Northern District of New York, DO HEREBY CERTIFY that I attended the foregoing proceedings, took stenographic notes of the same, and that the foregoing is a true and correct transcript thereof.

JODI L. HIBBARD, RPR, CRR, CSR
Official U.S. Court Reporter

VOLUME II (EXCERPT)

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF NEW YORK

-----X

UNITED STATES OF AMERICA

vs.

2004-CR-30

RICHARD PATTERSON,

Defendant.

-----X

Transcript of a Non-Jury Trial Excerpt

held on May 2, 2006, at the James Hanley Federal
Building, 100 South Clinton Street, Syracuse,
New York, the HONORABLE NORMAN A. MORDUE, Chief Judge,
Presiding.

A P P E A R A N C E S

For The Government: UNITED STATES ATTORNEY'S OFFICE
P.O. Box 7198
100 South Clinton Street
Syracuse, New York 13261-7198
BY: LISA FLETCHER, AUSA

For Defendant: MARRIS & BARTHOLOMAE
Attorneys at Law
317 Montgomery Street
Syracuse, New York 13202
BY: RICHARD F. MARRIS, ESQ.

1 (Open Court, 9:47 a.m.)

2 THE COURT: You may proceed. Yes.

3 MR. MARRIS: Your Honor, before we begin,
4 Richard today is handcuffed and I would ask that the Court
5 would permit him to proceed without the handcuffs. I know
6 there's no jury and that's not an issue but he's shown no
7 indication whatsoever he's --

8 THE COURT: He wasn't handcuffed yesterday?

9 MR. MARRIS: He was not.

10 THE COURT: Why don't you take the handcuffs
11 off, Dean.

12 MR. MARRIS: Thank you.

13 THE COURT: Okay. You may proceed.

14 MS. FLETCHER: Thank you.

15

16 B E A T A G . P R I O R E , recalled as a
17 witness and being previously duly sworn, testifies as
18 follows:

19 CONTINUED DIRECT EXAMINATION BY MS. FLETCHER:

20 Q We left off yesterday having gone through
21 Exhibit 20 which was an e-mail with Kenneth Lagonia. I show
22 you now Government Exhibit 21. Do you recognize that
23 document?

24 A Yes. This was from Kenneth to me cc'd from
25 xxxxxxxxxxxxxxxx.com to argonrl@aol.com which is Richard's

Beata Priore - Direct by Ms. Fletcher

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1 e-mail and then mine.

2 Q And you were cc'd on this e-mail and do you
3 recall receiving this e-mail?

4 A Yes, I do.

5 Q And it's dated what day?

6 A This is March 8th, 2003.

7 MS. FLETCHER: Judge, at this time I offer
8 Exhibit 21 into evidence.

9 THE COURT: Any objection?

10 MR. MARRIS: No objection, your Honor.

11 THE COURT: Received.

12 MS. FLETCHER: Would you pull that up, please.

13 THE COURT: You say it was from Kenneth to
14 Mr. Patterson, it was cc'd to you, is that what you said?

15 THE WITNESS: Yes.

16 THE COURT: Okay.

17 THE CLERK: I just -- it takes a minute to
18 come on.

19 Q Could you read the text of that e-mail for us?

20 A "Dear Mr. Patterson, the Priores have agreed
21 to follow my advice. I don't believe that I have been [sic]
22 able to hold them off anymore if this doesn't materialize. I
23 look forward to your call this week on my cell with any
24 possible [sic] results."

25 Q With positive results?

Beata Priore - Direct by Ms. Fletcher

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1 A With positive results.

2 Q And that's signed by Kenneth Lagonia?

3 A "Sincerely, Kenneth Lagonia."

4 Q And he says, "I don't believe I'll be able to
5 hold them off anymore." Hold you off from what?

6 MR. MARRIS: Objection, your Honor.

7 THE COURT: I think in light of the testimony
8 I've heard, I believe I know what the answer is. I'm going
9 to overrule it, I think it's just cumulative, go ahead.

10 A From going to the authorities and putting in a
11 complaint against him.

12 Q And next I'm going to show you Exhibit 22. Do
13 you recognize that letter?

14 A Yes, I do.

15 Q And who is it from?

16 A This letter was written by Richard Patterson
17 to myself and my husband.

18 Q And on what date, or what is it dated?

19 A This is April the 8th, 2003.

20 Q Do you recall receiving this letter?

21 A Yes, I do.

22 MS. FLETCHER: Judge, I move Exhibit 22 into
23 evidence at this time.

24 MR. MARRIS: No objection, your Honor.

25 THE COURT: Received.

Beata Priore - Direct by Ms. Fletcher

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1 Q If we could pull that up, Ron, and Beata, I'm
2 going to ask you to read the text of that letter.

3 A "Dear Beata and Peter. I will be direct and
4 brief as I am keenly aware of your weariness with the ongoing
5 delays that we all have been experiencing in bringing this
6 mess to a close. I can only ask that you delay your actions
7 a few more days. I truly believe and have knowledge of the
8 fact the transaction that will provide the funds necessary to
9 get you paid will in fact be completed quickly now. I have
10 received word this evening (finally) that all contracts and
11 charges [sic] are now resolved and completed."

12 THE COURT: And changes, I think it says.

13 A "Changes are resolved -- now resolved and
14 completed and signed. The verification of funds was received
15 by the principal this afternoon. I have evidenced this by a
16 copy of a letter from funder to Mr. Lagonia. I could spend
17 much time giving reasons why the delays that we have
18 experienced have happened, that solves nothing. I am truly
19 sorry that so much time has been lost and for the pain that
20 you have suffered. I truly have been doing all that is
21 possible to bring this to a successful conclusion.
22 Sincerely, Richard G. Patterson."

23 THE COURT: For the record, this was on the
24 letterhead of what?

25 THE WITNESS: This is the letterhead of

Beata Priore - Direct by Ms. Fletcher

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1 Jehovah Jireh Ministry.

2 Q And it gives an address there in Camden,
3 New York; you don't need to say the address out loud, but yes
4 or no?

5 A Yes.

6 Q Is that the address that you and your husband
7 looked up and drove to in September?

8 A Yes, this is the address.

9 Q And that's where you found Mr. Patterson's
10 residence, correct?

11 A Correct.

12 Q The photo that we displayed yesterday?

13 A That's exactly right.

14 Q I hand you now Exhibit 24.

15 THE COURT: 24 now?

16 MS. FLETCHER: Yes.

17 THE COURT: You're skipping 23?

18 MS. FLETCHER: Oh, did I skip 23? You're
19 right, let me take that back. I was having a problem with
20 numbers all night at home last night, too. I'll tell you a
21 story later.

22 Q Okay. Exhibit 23, do you recognize that
23 exhibit?

24 A Yes. It's April 27, 2003, it's from Kenneth
25 to Mr. Patterson.

Beata Priore - Direct by Ms. Fletcher

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1 Q Okay. Why don't you take a look at that
2 again. Does it start "Dear Kenneth"?

3 A Yes.

4 Q So it's a letter to Kenneth?

5 A It's to Kenneth from Mr. Patterson.

6 Q On the Jehovah Jireh stationery?

7 A Yes.

8 Q And did you receive a copy of this letter?

9 A Yes, I did, from Kenneth.

10 Q You recognize this as being a letter that you
11 received in April 2003?

12 A Yes.

13 MS. FLETCHER: Judge, I'm going to move
14 Exhibit 23 into evidence at this time.

15 MR. MARRIS: No objection.

16 THE COURT: Received.

17 Q Ron, if you could publish that, please. We're
18 going to have you read the text of this letter, please.

19 A "Dear Kenneth: I am sending this letter to
20 you for you to forward on to the Priores for their
21 consideration. The following is quoted from my last e-mail
22 sent on the 21st. The status as of ten minutes ago is that
23 full funds will be in my account on Wednesday (slight
24 possibility tomorrow but just a chance). Once in the account
25 we have already set as number one priority the Priore file.

Beata Priore - Direct by Ms. Fletcher

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1 I have an associate that I have given a full briefing to
2 regarding this file and he will work directly with me once
3 the funds are in. He already has a working relationship with
4 the attorney that I will be using and he will be involved to
5 the degree that if there is any reason that I have to be out
6 of pocket, he will be able to maintain the continuity of the
7 process. His name is Harrison Stanton and I will introduce
8 him into the stream immediately upon receiving the funds.
9 Again, I am totally committed to resolving this quickly and
10 there is absolutely no speculation on the funds'
11 availability. The first funds that came in last week paid
12 the insurance wrap and the funds have been released for
13 transfer. That process will start tomorrow. All funds
14 transfer requirements as far as the fed is concerned have
15 already been added to and a full history of the funds
16 including the use thereof has also been completed. There has
17 been a very thorough processing of this transaction and we do
18 not expect any hiccups. My comments on the above quote are
19 as follows: First we will follow this same agenda on
20 Tuesday, the 29th of April -- April 29th. We will get this
21 completed this week. As careful as we were, we
22 misrepresented [sic]" --

23 Q Misinterpreted.

24 THE COURT: Misinterpreted.

25 A "Misinterpreted the information that we were

Beata Priore - Direct by Ms. Fletcher

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1 given pertaining to the funds' transfer and I offer the
2 following so that hopefully you will understand that we are
3 committed to resolving the issues between us in the proper
4 way. The information we received was that a 48-hour
5 processing time was required by the insurance company before
6 the funds would be transferred and that this would be
7 completed immediately following the Easter Sunday [sic]" --

8 THE COURT: Easter holidays.

9 A "Holidays. Therefore we anticipate the
10 transfer to occur on either Tuesday or Wednesday. When we
11 had not received the funds by Thursday we made inquiry as to
12 why and only received the answer late on Friday. The
13 principal is Eastern Orthodox Christian and in her country
14 both standard Christian and Eastern Orthodox Christian,
15 Easter observance is followed. Christian observance was
16 April 18th, 20th, and 21st. Orthodox Christian observance is
17 April 24th, Maundy Thursday, parentheses, 25th, Good Friday,
18 26th, a holy day, 27th, Easter, and 28th Easter Monday. The
19 banks are closed on the 25th, 26th, 28th. The 48-hour
20 processing time has been completed and it is understood that
21 the funds will be transferred on Tuesday. Depending on what
22 time those funds are posted to my account on Tuesday or
23 Wednesday, we will move according to the plan already
24 submitted. I apologize for the mistake and ask that you
25 allow an additional three days for processing and ... I will

Beata Priore - Direct by Ms. Fletcher

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1 keep you informed on a daily basis through Mr. Lagonia as we
2 obtain daily reports. Sincerely, Richard Patterson."

3 Q Do you need some water?

4 A Yes, thank you.

5 THE COURT: There's some water up there for
6 her.

7 Q I handed you Exhibit 24 already, do you have
8 that up there?

9 A I have it, thank you.

10 Q What is Exhibit 24?

11 A Okay. This is an e-mail from Ken Lagonia to
12 Richard Patterson on 5/2/03.

13 Q Did you at some point receive a copy of this
14 e-mail, do you recognize it?

15 A Yes.

16 MS. FLETCHER: And at this time, Judge, I move
17 Exhibit 24 into evidence.

18 THE COURT: Any objection?

19 MR. MARRIS: No objection, your Honor.

20 THE COURT: Received.

21 Q And this is again May 2nd of 2003. Let me
22 back you up one second. The last letter that we read, or
23 that you read on April 27th indicated that some type of
24 payment was going to be coming through the week of the 29th.
25 Did that happen?

Beata Priore - Direct by Ms. Fletcher

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1 A No.

2 Q Now this e-mail comes on May 2nd, 2003. Could
3 you read this to the Court, please?

4 A "Dear Mr. Patterson, I am sure you can
5 imagine, the meeting was not the most pleasant. The attorney
6 is getting [sic] to start" --

7 Q Going?

8 A "The attorney is going to start the
9 preparation of the action next week. With the help of God
10 and based on your e-mail, as long as your funds come through
11 as stated, this can be avoided. One surprise I learned today
12 that I believe you should be aware of is that Dr. Priore has
13 instant messages from your daughter. Based on this, their
14 attorney wants to include her in the complaint and the
15 filings with the authorities. Let's try to avoid this as it
16 will not be pleasant. Ken."

17 Q Finally, believe it or not, handing you
18 Government Exhibit 25. Do you recognize that?

19 A Yes.

20 Q And what is it?

21 A It's dated May 2nd, 2003 --

22 THE COURT: What is it? Letter, e-mail, fax?

23 THE WITNESS: It's an e-mail.

24 THE COURT: E-mail, okay. Dated what?

25 THE WITNESS: May 2nd, 2003, from Richard

Beata Priore - Direct by Ms. Fletcher

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1 Patterson, argonrl@aol.com to xxxxxxxxxxxxxxxx.com and that's
2 Kenneth's e-mail.

3 Q Was this at some point forwarded to you, do
4 you recognize it?

5 A This was sent to me later on by Kenneth.

6 Q Do you recognize this e-mail?

7 A Yes.

8 MS. FLETCHER: Judge, at this time I'm going
9 to move Exhibit 25.

10 MR. MARRIS: No objection, your Honor.

11 THE COURT: Received.

12 Q Again, May 2nd, 2003. Can you read the text
13 for the Court, please.

14 A "Dear Kenneth. First thank you, thank you for
15 the heads up on the meeting and I agree God is the provider
16 of our support system and success. I could take great
17 offense at their latest move where my daughter is concerned.
18 But God's principles are high [sic] than that."

19 THE COURT: Higher than that.

20 A "Higher than that. There are no cheap shots
21 where God is concerned. I have had a long phone conference
22 with the Lloyd's representative and principals. They are
23 sending several confirmation letters and are irrevocably
24 [sic] commitment letters.

25 THE COURT: Okay, stop. It says, "and an

Beata Priore - Direct by Ms. Fletcher

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1 irrevocable commitment letter."

2 A Thank you. "To the effect that the 50 million
3 will be in my account on Tuesday. My first commission draw
4 comes off the top and will solve the Prioires' problem. I am
5 totally at ease with this contract. I will be in touch with
6 you over the next few days and will share some of the
7 positive things that are part of this entire episode. I am
8 very thankful for your role in all of this and may God bless
9 you in all that you do. Give me a day or two and I will get
10 back to you and will keep you completely informed as events
11 unfold. God bless, Richard Patterson."

12 Q It says funds will be in account on Tuesday.
13 Did you get paid after this e-mail?

14 A No money, no pay.

15 Q As you sit here in May of 2006, have you been
16 paid anything by Richard Patterson?

17 A Not one cent.

18 MS. FLETCHER: I want to go back to Exhibit 3,
19 Ron, if we could put that up. Exhibit 3 which was the letter
20 of understanding, Mr. Patterson -- let me back up.
21 Mr. Patterson drafted this letter, is that correct?

22 A Yes.

23 Q And it's -- indicates it concerns the terms
24 and conditions for making a loan/investment, correct?

25 A Yes.

Beata Priore - Direct by Ms. Fletcher

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1 Q Did you discuss that terminology with
2 Mr. Patterson?

3 A Yes.

4 Q What did he tell you as to why this says
5 loan/investment?

6 A Because he has to group our money with the
7 rest of the people who are in the bundle for the \$10 million,
8 which is being done inside the Jehovah Jireh Ministry, and he
9 has to have it in order to give it to them to bundle it, and
10 I cannot give it to them myself, so I have to give it to him
11 as a loan investment.

12 Q You, meaning Beata Priore can't give it to
13 this bundle yourself?

14 A Right.

15 Q And so what he told you is that it's a loan
16 investment, it's a loan to him for this investment?

17 A To invest, right.

18 Q And is that the understanding that you had as
19 to what was going to happen with your money?

20 A Right. Reasons for that, he also said that --

21 MR. MARRIS: Objection, your Honor.

22 THE COURT: Sustained. No question.

23 Q Did he further comment on why this was a
24 loan/investment?

25 A Yes.

Beata Priore - Cross by Mr. Marris

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1 Q What else did he say?

2 A He said that he is -- the investment pays off
3 a lot more than what we're getting, and that's where he gets
4 his pay to do his projects.

5 MS. FLETCHER: I have no further questions.

6 THE COURT: Okay. Cross.

7 MR. MARRIS: Thank you, your Honor.

8 CROSS-EXAMINATION BY MR. MARRIS:

9 Q Morning, Mrs. Priore.

10 A Good morning.

11 Q I'm Richard Marris and I'm here on behalf of
12 Richard, as you probably know.

13 A Richard who?

14 Q Richard Marris, and I'm here on behalf of
15 Richard. I want to start out if I can with the Max
16 Foundation. That was a foundation that you created for the
17 purpose of providing care for substance abuse, persons with
18 substance abuse, is that correct?

19 A It was to create almost like a halfway house
20 from recovery before they become independent again, where
21 they get care to social services and where they get care to
22 outpatient clinics and still go back into the working world.

23 Q Okay. And when did you begin to set up the
24 Max Foundation?

25 A In 1999.

1 Q Did anyone participate in the setting up of
2 this foundation with you or were you kind of the sole
3 creator?

4 A I was the sole creator.

5 Q And what exactly when you set it up did you do
6 to create the Max Foundation?

7 A You mean to file for the exempt?

8 Q Yeah, how did you go about it, what steps did
9 you actually take to create the Max Foundation?

10 A Well, first I called up New York State and
11 wanted to know how to go about it. They turned around and
12 sent me the applications and the book forms with instructions
13 and manuals, so I read those and I followed the instructions
14 and filled out the application and sent it in, I filed Max
15 Foundation Corporation with Delaware, and I had been given a
16 six-month period where I was waiting for my approval.

17 Q Approval for what?

18 A For the tax-exempt ID numbers as a public
19 not-profit organization.

20 Q Did you have a lawyer help you with this or
21 did you do all this yourself?

22 A I did it myself.

23 Q So you navigated your way through the
24 paperwork necessary to set up a nonprofit or not-for-profit
25 foundation, a corporation, all of that?

Beata Priore - Cross by Mr. Marris

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1 A Yes.

2 Q And that was in 1999?

3 A Yes.

4 Q And I think you testified earlier -- Let me
5 withdraw that. If you have a halfway house, the halfway
6 house needs an actual house, it's an actual residence where
7 persons who are referred to you or come to you live, correct,
8 and then get jobs and work in the community out of their
9 residence with you?

10 A Well, no, we were going to hire social service
11 people to attend to each individual and their needs, not
12 specifically me because I'm not qualified, I would just be
13 the person that would generate and bring in the funds for it.
14 I was looking for funding for it, but I'm not capable of
15 running such a establishment.

16 Q Well, maybe I didn't ask the question quite
17 the way I should have, Mrs. Priore. What I'm asking you is,
18 a halfway house is an actual residence, it's actually a place
19 where people live, isn't it?

20 A Yes.

21 Q And did you have such a house, such a physical
22 place for people to live while they were battling their
23 addiction problems?

24 A No, we were actually looking through real
25 estates to New York State to begin with, near St.

Beata Priore - Cross by Mr. Marris

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1 Christopher's who puts out about 40 people every six months,
2 so we thought we'd start near them and we were looking for
3 a -- either a hotel to purchase or a large house and then
4 refurbish it, to meet the needs.

5 Q And did you actually do that, did you either
6 buy a hotel or buy a large house so that you could refurbish
7 it?

8 A We never got the fundings for it.

9 Q Okay. And that then at some point led you to
10 this contact with Nick, is it Nick Marinella?

11 A Yes.

12 Q Where in the stream of time then, 1999 is when
13 you set up your corporation, the Max Foundation, correct?

14 A I did a few fundraisers on my own, and it cost
15 us more than we made, so I put in an ad into New York Times
16 March 25th of 2003, and that -- wait, 2001, sorry, 2001, and
17 that's when I got the calls and that's when Nick Marinella
18 was the first one I met.

19 Q Okay. So that was sometime after your ad in
20 The New York Times in March of 2001 that you got 70 or 71
21 calls, one of which was from Nick Marinella?

22 A That's correct.

23 Q If I could back up for just a second, when you
24 said in terms of trying to get the hotel, trying to get the
25 residence, you said we, who is we?

Beata Priore - Cross by Mr. Marris

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1 A Just people I'm talking to, people that are
2 asking to give us help.

3 Q Well, with whom specifically were you working
4 to get the money to build -- or I'm sorry, to buy a house or
5 to buy a hotel for the Max Foundation?

6 A Well, specifically I was talking to -- Nick
7 Marinella is the only person that I was talking to for quite
8 a long time.

9 Q So would it be fair to say that from 1999 when
10 you set up the Max Foundation until March of 2001 when you
11 put the ad in The New York Times, really nothing had happened
12 to advance the cause of the Max Foundation?

13 A No. Just keep it afloat as a foundation, pay
14 the fees that required to keep it afloat.

15 Q Was there some sort of like an annual
16 registration fee or filing fee that you had to pay?

17 A The first three years there was, it was a
18 probation period for Max Foundation, and there's always -- we
19 had to file with the New York State in order to -- for us to
20 have a bank account in New York, and then to keep the bank
21 account afloat, the filing fees, then to keep the yearly
22 corporate taxes and the filings of the corporate taxes on the
23 yearly basis, so it generated some fees that we were -- that
24 I was responsible for. My husband's not a part of it, but he
25 gave me money for it.

Beata Priore - Cross by Mr. Marris

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1 Q For -- to pay the fees and that sort of thing?

2 A Yes.

3 Q Would it be fair to say, Mrs. Priore, that
4 throughout all of these things you were the one that was
5 taking care of this paperwork and making sure the fees were
6 paid and that sort of thing?

7 A Yes.

8 Q You were the sole person that was doing that?

9 A Pretty much.

10 Q Before going on, could I ask you, Mrs. Priore,
11 to tell the Court what your educational background is.

12 A When I first came to this country, I went to
13 high school here. Then, I had two children by first
14 marriage, then I applied for a program that was available to
15 women through a educational system for nuclear medicine and
16 it was a course given by Cornell University.

17 Q Were you actually a student at Cornell
18 University?

19 A It was an annex, yes, it was an annex of
20 Cornell, and I've gotten a degree for nuclear medicine
21 technology.

22 Q What degree is that, is it a bachelor's
23 degree, associate's degree?

24 A No, no, it was a specific degree to be a
25 nuclear medicine technologist, it was offered by the state.

Beata Priore - Cross by Mr. Marris

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1 Why they offered it was through aptitude, and that the
2 hospitals were all looking for technologists, and there
3 wasn't any, and the equipments were being made for these
4 departments and they were nonstaffed, so there was an
5 aptitude course given by Cornell University and one of the
6 ladies that were a neighbor in the development where I lived,
7 she said I should go out for it, I'm smart enough.

8 Q Did you -- and you in fact did take that
9 course?

10 A Yes, I was working in nuclear medicine 14
11 years.

12 Q Let me ask you, was it a correspondence course
13 or did you actually attend classes?

14 A No, I actually attended classes and it was at
15 the Cornell University Hospital.

16 Q And how long did you attend classes at --
17 that's in New York, correct?

18 A Mm-hmm.

19 Q How long did you attend classes there to
20 obtain this certification in nuclear medicine technology?

21 A Two years.

22 Q So it's roughly equivalent to an associate's
23 degree then, a two-year degree?

24 A I guess.

25 Q And continue your educational background then,

Beata Priore - Cross by Mr. Marris

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1 you have a --

2 A So I stayed in nuclear medicine for 14 years.
3 I -- my husband got killed, and I continued to raise my
4 children on my own, and was studying at night metaphysical
5 sciences through a correspondence.

6 Q Through what college or agency or --

7 A University of Metaphysics in Los Angeles, I
8 did that for 11 years at night, and then --

9 Q Was there some degree or certification you
10 received in metaphysical science from this place in
11 Los Angeles?

12 A Yes, there was first two years, you receive a
13 reverend, then --

14 THE COURT: Reverend?

15 THE WITNESS: Reverend, like a reverend ship.

16 THE COURT: Oh, all right.

17 A Then you receive a bachelor degree.

18 Q In what?

19 A In metaphysics, and then you receive a
20 master's degree in metaphysics, and then you can receive a
21 doctorate in metaphysics. I never did the doctoral thesis so
22 I stopped at the master's degree which is a teaching level.

23 Q So you have a master's degree in metaphysics
24 from a correspondence course taken over an 11-year period
25 with an institution in Los Angeles, California?

Beata Priore - Cross by Mr. Marris

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1 A Yes.

2 Q When did you get that master's degree in
3 metaphysics?

4 A I believe it was in the late '80s.

5 Q And what is metaphysics?

6 A It's a study, it's a study of the mind and
7 energy, it's ... a ... more of a positive thinking mind
8 power, universal consciousness.

9 Q Is it like telepathy and transferring energy
10 and levitation and things like that, are those included in
11 your course of study?

12 A Not really.

13 Q Not at all or not really?

14 A It's like we didn't do levitation or bending
15 spoons or anything like that. We just basically kept a
16 positive, optimistic state of mind at all times, and not
17 allow negative thinking.

18 Q Can you like transfer brain waves and
19 communicate that way with other people who are similarly
20 situated as you?

21 A Not really. That's hard work, it's useless
22 hard work.

23 Q Is that beyond the master's degree level?

24 A They frown upon transferring any energy
25 outside of yourself.

Beata Priore - Cross by Mr. Marris

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1 Q The school you attended or the school you
2 corresponded with frowned upon any --

3 A Yeah, we don't hypnotize or send energy or
4 psych someone else out, that doesn't -- that wasn't it.

5 Q But what specific things did you study over
6 the course of this 11 years?

7 A Basically, how to stay -- affirmations of
8 positiveness at all times, we touched a little bit on every
9 single religion of the world, just a little bit, to bring it
10 into a concept that everyone's all equal.

11 Q Did you study witchcraft as part of the study
12 during the 11 years?

13 A No.

14 Q Do you maintain a web site dealing with
15 witchcraft that you operate yourself?

16 A No.

17 Q Have you in the past?

18 A No.

19 Q Okay. So Mrs. Priore, I'm sorry, you have
20 roughly the equivalent of an associate's degree in nuclear
21 medicine, a master's degree in metaphysical science or
22 meta --

23 A University of Metaphysics.

24 Q In Los Angeles, California, is that the extent
25 then of your educational background or is there more?

Beata Priore - Cross by Mr. Marris

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1 A In 1986 I retired from nuclear medicine and I
2 got married the second time, and I started to study at the
3 University of Clinton University for Holistic Medicine and I
4 received a master's degree in iridology, master's degree in
5 herbology and a doctorate degree in naturopathic sciences.

6 Q Okay, let's back up for a second. Where is
7 Clinton University?

8 A It's in -- it was in Georgia at that time.

9 Q Okay. Does it no longer exist or is it
10 somewhere else now?

11 A Well, this was in the early '90s and late '80s
12 so I don't know if it exists anymore or not. Clayton
13 University does have a pharmacy, and when I was in practice
14 with nutritional consultations I would order from their
15 pharmacy, but I haven't done any of nutritional consultations
16 in supplements other than people that come to me. I don't
17 have a steady practice anymore.

18 Q Okay.

19 A If you asked me, I would tell you something.

20 Q You mean if I had a question for you on that
21 topic, you could tell me or advise me?

22 A Yes.

23 Q Okay. I'm not sure, I thought you said
24 Clinton, was it Clinton or Clayton University that you
25 attended, or that you got your degrees from?

Beata Priore - Cross by Mr. Marris

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1 A C-l-a-y-t-o-n.

2 Q Okay. And that's the university that at least
3 was in the '80s in Georgia?

4 A Yes.

5 Q Where in Georgia was it?

6 A I don't know.

7 Q I take it then that this was a correspondence
8 course?

9 A Yeah.

10 Q It was not something you attended directly?

11 A No, it was correspondent.

12 Q Over how many months or years did you
13 correspond with Clayton University in Georgia to obtain your
14 first degree?

15 A It was about three years.

16 Q And the first degree was a bachelor's degree?

17 A No. They had courses segmented for herbology,
18 then they had iridology, which is the study of the eye, then
19 they had segmented courses for cancers and arthritis and
20 inflammation diseases, and then they had -- each course had,
21 when you finished one, you call them up and say, okay, I've
22 finished studying this and then they send you a list of
23 questionnaires, like a test, and then you have to answer all
24 those, and send it back, and then you were ready for the next
25 course.

Beata Priore - Cross by Mr. Marris

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1 Q So you take one course at a time, finish that,
2 then take --

3 A Yeah.

4 Q So you can take as many as you want, just keep
5 going?

6 A Yeah, and it was in your own time, there was
7 no time -- you could jam it up in two months or you could
8 take five years, they didn't care.

9 Q Now iridology was, you said the course you
10 took was regarding study of the eye, you don't mean like eye
11 surgery as an ophthalmologist would do, what do you mean by
12 iridology?

13 THE COURT: How do you spell it?

14 THE WITNESS: I-r-i-d-o-l-o-g-y.

15 THE COURT: Okay.

16 A It's like your eye is a map, and the iris has
17 color and the iris also has color fiber, and also different
18 color fibers, so it's not just all blue, there is let's say
19 for instance, there's milkiness in there, in the blue, and
20 there's milky fibers in the blue, and then there's also
21 shadows of other dark or light areas, and it is mapped so
22 that the top of the iris represents the endocrine glands, the
23 bottom of the iris represents other bodily glands and
24 functions, and then the circumference of the colors represent
25 lymphatic system and bowel movements. And how I got

Beata Priore - Cross by Mr. Marris

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1 interested in that is because I was at a health fair and I
2 stood in line when I was younger to have my eye read, and I
3 had such an incredible knee pain that day, and I'm just
4 walking around, and they said five-minute eye reading, so I
5 said, oh, this is great, I'll go get my eyes read, whatever
6 that meant at the time, I didn't know. And they told me,
7 they looked at my eyes and they told me I had incredible knee
8 pain, and I went like, wow, that was so cool, you know, so I
9 was interested, I was interested how they -- how they did
10 that. I did not let on, I was not limping, they couldn't
11 possibly know otherwise how I had a knee pain. So there had
12 to be something to it. So it was always in the back of my
13 mind that if anybody had that kind of course, I would take
14 it.

15 Q Well, this might seem like a stupid question
16 but can you fix the knee pain by somehow addressing the eye
17 or is it simply a matter of diagnosing various problems with
18 other parts of the body?

19 A Well, she told me that if I would have some --
20 clean out my bowels that my knee pain would disappear, and I
21 did that, and it did.

22 Q You mentioned some other courses of study that
23 you took at Clayton University or you took through Clayton
24 University, you talked about actual diseases, cancer and I
25 don't know if you said heart disease but you talked about

1 some diseases?

2 A Yeah.

3 Q What did the course of study that you took
4 consist of with regard to those diseases, that you talked
5 about?

6 A Well, my conclusion of those diseases as I saw
7 it, the way I understood it is that the body's very polluted
8 and it can't handle such pollution, and it starts breaking
9 down cellular structure, and most of all diseases can be done
10 by cleansing the body, the same way you cleanse a car, you
11 know, you go in there and you clean out everything and you
12 should do bodily cleansings, kidney, liver, all sorts of
13 cleansings.

14 Q Let me ask you, then, Mrs. Priore, what you're
15 saying then is that the diseases that you studied, what you
16 really studied I guess was how those diseases occur in the
17 body as a result of some sort of bodily pollution; is that
18 fair to say that's what you're studying?

19 A Well, it didn't really say how it occurred,
20 but it did say how you can make it, clean it up and do
21 prevention.

22 Q Okay. And the way of addressing cancer, heart
23 disease, problems with the liver is some sort of cleansing?

24 A Some sort of cleansing and also there was
25 listed arrays of chemistry that were missing in certain

Beata Priore - Cross by Mr. Marris

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1 people. Like for instance some people will be lacking in
2 calcium or vitamin Cs or amino acids, you know, so there was
3 signs to be looked for in those things, if they were just
4 lacking in some important elements.

5 Q How would you look for those things, through
6 the eye or how would you tell if someone lacked those things
7 without blood tests or, you know, lab tests, how would you
8 tell?

9 A No, it was through blood tests.

10 Q Okay. So do you actually have some sort of a
11 test done at a lab to determine whether somebody was missing
12 some --

13 A Yeah. You would send that in.

14 Q And you said that the way of addressing the
15 diseases was some sort of bodily cleansing; what did the
16 bodily cleansing consist of?

17 A Some herbal concoctions that would flush out a
18 kidney, or liver or colonics or a monthly regimen of very
19 slow daily intake of herbs.

20 Q And I think after you got at least one of your
21 degrees and maybe all of them from Clayton University, you
22 actually practiced professionally as some sort of -- I don't
23 know what the term to be, some sort of holistic medical
24 person?

25 A Not yet.

Beata Priore - Cross by Mr. Marris

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1 Q Not yet?

2 A No, I went to England in 1994 and -- to the
3 University of Alternative and Complementary Medicine and
4 studied bioengineering and I was granted MD behind my name
5 through that process.

6 Q What do you mean you were granted MD behind
7 your name, what do you mean?

8 A Upon graduating the course.

9 Q So what degree did you receive upon graduating
10 the course at the University of Alternative Medicine in
11 England?

12 A Bioenergetic Engineering and it was given as
13 an MD.

14 Q What does MD stand for?

15 A Medical doctor.

16 Q So you're saying that you received an MD
17 degree, when did you receive that degree from this English
18 University?

19 A '96.

20 Q And how many years did you study there?

21 A Three.

22 Q Were you actually physically present for this
23 course of study?

24 A Yes.

25 Q This was not a recognized medical school but

Beata Priore - Cross by Mr. Marris

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1 it's an alternative institution, correct?

2 A There was three of them on the planet.

3 Q Three of these schools on the planet? Where
4 was this one, where in England was this one?

5 A Worcestershire.

6 Q Where are the other two?

7 A India.

8 Q The other two are in India?

9 A (Witness gesturing affirmatively.)

10 Q Did you ever study at either of the two
11 facilities in India?

12 A No.

13 Q Are they all connected, the three of them, or
14 are they each independent of the others?

15 A They are connected by the same faculty.

16 Q And you received a diploma or some sort of
17 document indicating that you're an MD?

18 A Yeah.

19 Q And were you at that time or have you been
20 since that time a resident of New York State?

21 A Yes.

22 Q Had you ever been licensed by the state of
23 New York as an MD as a medical doctor?

24 A No, I have no interest.

25 Q Are you saying that this degree that you have

Beata Priore - Cross by Mr. Marris

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1 from this English university would qualify you to take the
2 medical exams and if you pass them become a licensed medical
3 doctor in New York State?

4 A If I went back to the medical system, it would
5 give me credits towards the texts of what I have learned, it
6 will just give me credits for it and then I will have to go
7 back again to be an intern and go through a couple of years
8 here and do the Boards. I was not interested in doing that.

9 Q Would you actually have to go back to some
10 sort of accredited medical school in the United States or
11 some other jurisdiction in order to get a medical degree, an
12 MD?

13 A To practice here and to be able to take the
14 insurance, because everything is so insurance minded, so I
15 didn't want to do that, but it did allow me, the state of
16 New York did accept it, and allow me to sit in for the
17 clinical nutritionist degree.

18 Q Okay.

19 A So the England MD certificates that I've
20 gotten was still accepted in New York for the clinical
21 nutritionist degree.

22 Q Okay. Was that the next step then in your
23 educational program from around 1996 when you finished in
24 England at the alternative school, you then went to a degree
25 in clinical nutrition?

Beata Priore - Cross by Mr. Marris

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1 A Yes.

2 Q And where did you receive -- where did you
3 study for and receive that degree?

4 A I just went in for it and took the test, I
5 didn't study, I felt I had enough knowledge to sit in for the
6 test.

7 Q Okay. Is that -- the clinical nutritionist
8 degree, is that a degree from an educational institution?

9 A New York State.

10 Q Okay. So it's like a certification from
11 New York State?

12 A Yes.

13 Q And there's an exam you have to take? I don't
14 know this stuff, there's an exam you have to take?

15 A Yes.

16 Q When did you take that exam?

17 A 19 -- I don't know, 1996, '97, something like
18 that, soon after I got back from England.

19 Q And as a result of taking that exam and
20 passing it, you were certified or licensed in New York State
21 as a clinical nutritionist?

22 A Yes, and I was able to now accept insurance.

23 Q Okay. As a clinical nutritionist?

24 A Yes.

25 Q What letters do you have next to your name

Beata Priore - Cross by Mr. Marris

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1 that stand -- you know, like MSW stands for master of social
2 work, what letters do you have that stands for licensed
3 clinical nutritionist?

4 A N ... I have so many letters there, I think it
5 was CN, for clinical nutrition. I'm no longer practicing any
6 of it.

7 Q Okay. But you did at least for a period of
8 time?

9 A Yes.

10 Q And what is a clinical nutritionist, again,
11 might seem like a stupid question but what does a clinical
12 nutritionist do?

13 A Well, we sit down with a client who wants to
14 adjust their diet or be tested for anything that might be
15 missing in their system, in minerals or vitamins or
16 enhancing, someone who might be tired or someone who is just
17 not feeling well at all, someone who has already diagnosed
18 problems and is now being referred to see a nutritionist.

19 Q And did you actually practice as a clinical
20 nutritionist for a period of time after obtaining your
21 licensure or certification?

22 A Yes.

23 Q For what period of time did you practice in
24 that area?

25 A Oh, I would say about three, four years.

Beata Priore - Cross by Mr. Marris

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1 Q Which would be around 1997 to 2000, that
2 general time?

3 A About 2001, I -- I've -- 2001, I saw little
4 bit in 2000 -- late 2001, and then I didn't.

5 Q You stopped?

6 A Yes.

7 Q Is there a specific reason that you stopped?

8 A It's just I couldn't concentrate, there was
9 too many other things going on.

10 Q You don't have as the result of any of your
11 degrees the ability to prescribe prescription medication as a
12 medical doctor?

13 A Oh, no, I don't believe in drugs.

14 Q But whether you believe in them or not, you
15 don't have the authority given you by the state of New York
16 or any other jurisdiction to prescribe controlled substances,
17 prescription drugs, that sort of thing, correct?

18 A No.

19 Q You do have the ability to refer people or to
20 prescribe to people over-the-counter kinds of things from
21 health food stores, vitamins, that kind of thing that you can
22 buy at a normal store?

23 A Right.

24 Q And would that in fact be part of what you did
25 when you would consult with people if they needed some sort

Beata Priore - Cross by Mr. Marris

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1 of energy boost, you could tell them to take certain
2 substances that you can buy at a health food store, drugstore
3 over the counter?

4 A Basically.

5 Q Now let's go back to Nick Marinella, that was
6 kind of a long sidetrack from Nick but Nick Marinella was
7 someone who responded to your ad in The New York Times around
8 March 2001 or shortly afterward, is that right?

9 A Actually that weekend when my ad was in the
10 paper, he called me that weekend.

11 Q And where did he tell you he was, where was he
12 living at that time?

13 A Thorofare, New Jersey.

14 Q And you had conversations with him about what
15 you were trying to do with the Max Foundation?

16 A Yes.

17 Q I think you indicated that all but one of the
18 70 some responses you got wanted your money instead of
19 offering to finance the Max Foundation?

20 A Yeah.

21 Q What did Nick Marinella offer to do for you?

22 A He said that he wouldn't be taking up front
23 money because he has quite a few deals on the table and these
24 deals could only go through the banking system if there was a
25 project attached to it and he was looking for a project.

Beata Priore - Cross by Mr. Marris

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1 Q So he was looking for a project that he
2 wouldn't take any up front money but he would find a project
3 and what would that do for your Max Foundation?

4 A He would fund it.

5 Q He would fund your foundation?

6 A Yes.

7 Q Did you tell him how much money you needed or
8 did he tell you to what extent he would fund it?

9 A I gave him a business plan.

10 Q And how much money did your business plan say
11 that you needed?

12 A I don't remember.

13 Q Was this a written business plan?

14 A Yes.

15 Q Did you prepare it yourself?

16 A Yes.

17 Q Did you have any help from a lawyer or anybody
18 else in preparing this business plan?

19 A No. I bought a business plan kit.

20 Q And you gave this business plan to Nick
21 Marinella and you don't remember how much money you said you
22 needed; do you have a rough idea how much money you needed to
23 get the Max Foundation going?

24 A I needed at least 5 million to purchase the
25 building and hire a few staff.

Beata Priore - Cross by Mr. Marris

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1 Q Was it your plan to purchase a building near
2 where you live in your home area or somewhere else?

3 A No. It was near Graymoor, St. Christopher's
4 Inn which is about 90 minutes north of New York City, they
5 are the ones that would be putting out about 40 people every
6 six months with no place to go.

7 Q That's like an inpatient rehab place and then
8 you need a halfway house for the people who left there?

9 A Right.

10 Q Were you specifically looking at a building or
11 an institution to buy or had you not gotten to that point?

12 A Well, there was no use looking when there's no
13 money to look with and then you find something and then of
14 course the real estate will try to push you into a contract
15 and you don't even have a down payment to give them, so I
16 didn't look, I figured it's easy enough to find once the
17 funds are in.

18 Q So if a real estate person tried to push you
19 into a contract, you knew you didn't have the money so you
20 wouldn't enter into it?

21 A Right, and you're just wasting everyone's
22 time.

23 Q And Nick Marinella, did he ever give you
24 anything in writing indicating that he would fund the Max
25 Foundation pursuant to the business plan you gave him?

Beata Priore - Cross by Mr. Marris

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1 A I don't think so, it was all telephone.

2 Q Did you ever meet Nick Marinella?

3 A Yes, I did.

4 Q Did you at some point actually go to his house
5 in an attempt to meet him after you'd had some conversations
6 with him?

7 A Yes, we went to his house.

8 Q Who's we?

9 A I had a lady friend who came with me, and he
10 made an appointment with us to come to his house and yet he
11 did not show up, and then he was apologetic and said, okay,
12 you know, I'm going to give you another appointment but I
13 promise to keep it so we went and met him at the -- near
14 the -- a hotel near the airport in New Jersey.

15 Q Who was it that was with you when you met with
16 Nick Marinella in New Jersey?

17 A I went alone this time, and he came with his
18 wife.

19 Q Okay. And the meeting did take place, when
20 did that meeting take place?

21 A It was already the time, the time was when he
22 was already -- I'm already talking to his friend Nancy
23 Saporta.

24 Q Well, I'm looking if you can give us though a
25 specific month and year, doesn't have to be exact but roughly

Beata Priore - Cross by Mr. Marris

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1 when was it that you actually had this actual meeting with
2 Nick and his wife?

3 A I couldn't tell you, it was good weather.

4 Q I think you indicated on your direct
5 examination that you actually either corresponded with or
6 talked over the phone with Nick Marinella for a lengthy
7 period of time, maybe over a year, is that about right?

8 A Yes.

9 Q Would your meeting with him have taken place
10 toward the end of that year or was it in the middle of the
11 year?

12 A It was pretty much towards the end because I
13 was already with dialogue with Nancy Saporta, so that was at
14 the latter part of the year.

15 Q Okay. So if your ad was in The New York Times
16 in March of 2001, it would have been sometime probably in the
17 early three months, first three months of 2002 that you
18 actually met with Nick, correct?

19 A Yeah, something like that.

20 Q And had you corresponded with him by letter or
21 simply by phone throughout that year?

22 A Some e-mails.

23 Q And how frequently did you correspond with him
24 throughout that year period prior to your meeting?

25 A On a weekly basis, or more.

Beata Priore - Cross by Mr. Marris

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1 Q And would it be fair to say that during that
2 year, none of the funding that he had indicated he would
3 provide for you came through at all?

4 A No.

5 Q But you continued to meet with him and
6 correspond with him and e-mail him on a weekly basis even
7 though from March of 2001 to March of 2002, you didn't get a
8 penny for your Max Foundation?

9 A Well, he -- the correspondence with Nick was
10 never like next week, it was more like next month or two
11 months, this is going to take me three months, so it was like
12 that, and then it was like the things that he was doing with
13 it, or he was not doing with it, or just the trip to Zurich
14 or how that was or -- you know, so it was -- he wasn't on the
15 next week or next Monday, like Mr. Patterson, he was more
16 like, well, this is like a six months plan here, and it will
17 take me, I have to do all of these things to get that, so it
18 was a different projection of events.

19 Q When you gave him your business plan, was that
20 March 2001 or more toward the time that you met with him
21 roughly March of 2002?

22 A No, I sent it to his house almost soon after
23 we engaged in conversations.

24 Q So that was very early in the year of
25 communication you had with him, correct?

Beata Priore - Cross by Mr. Marris

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1 A Yes.

2 Q And again, though, I understand that he's
3 talking about plans that take awhile to come to fruition but
4 during that year that you corresponded with him, you didn't
5 get any money for your foundation, did you?

6 A No.

7 Q And then at some point toward the end of that
8 year, maybe in early, early 2002, it was Nick that referred
9 you to or introduced you to Nancy Saporta?

10 A That's correct.

11 Q How did that introduction take place, was it
12 by e-mail, by phone? I'm sorry, how did Nick present Nancy's
13 name to you, did he write to you about her, talk to you on
14 the phone about her or talk to you in person about her when
15 you met him; do you understand my question?

16 A Sort of. I think he just gave her my number
17 and she called me.

18 Q Okay. So Nancy at some point did call you; do
19 you remember roughly when the first call from Nancy came?

20 A No. And I wasn't keeping any of the e-mails
21 at that time, but my family insisted that I better start
22 doing that.

23 Q So you didn't keep any of the e-mails that you
24 sent or received, sent to Nick or received from Nick?

25 A No.

Beata Priore - Cross by Mr. Marris

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1 Q And then at some point around March of 2002,
2 roughly, you started corresponding, e-mail, telephone with
3 Nancy Saporta?

4 A That's correct.

5 Q And Nancy came to you with some sort of a
6 health complaint, didn't she, initially?

7 A She had Epstein-Barr.

8 Q Okay, what is that?

9 A It's a fatigue syndrome.

10 Q And did she consult with you on a professional
11 basis asking for your professional opinion?

12 A That's correct.

13 Q Was this an in-person consultation or was it
14 over the phone?

15 A It was over the phone, I never met her.

16 Q To this day you've still never met her?

17 A No.

18 Q And over the phone then you told her, she told
19 you what her problem was, did you do anything for her
20 problem?

21 A I recommended some herbs and sent them out to
22 her.

23 Q Did you charge her for those herbs?

24 A Of course.

25 Q And she paid you?

Beata Priore - Cross by Mr. Marris

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1 A Yes.

2 Q And at that time then, roughly 2002, were you
3 still practicing as a clinical nutritionist or holistic
4 health person or was this just sort of because she came to
5 you with a problem?

6 A If somebody comes, I will help, but I'm not --
7 I don't have the office going any more.

8 Q You actually did have an office at one point
9 in time?

10 A Oh, yeah.

11 Q Where was that office?

12 A It was in Hicksville, New York.

13 Q So it was separate from your home?

14 A Yes.

15 Q Were you in practice yourself or were you a
16 solo practitioner?

17 A It was a -- it was a office with five
18 different types of holistic health clinicians. There was
19 Dr. Chu, then there was a colonist, there was an
20 acupuncturist, I practiced herbology and nutrition, and there
21 was somebody coming in to -- a medical doctor was coming in.

22 Q Was not there at the time that you were there?

23 A She was just coming in periodically.

24 Q Oh, I'm sorry, okay. All right. So now we're
25 with Nancy and you've told her about some herbs, you've sent

Beata Priore - Cross by Mr. Marris

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1 her some herbs she can take for her problem. Did you
2 continue to correspond with Nancy?

3 A Yes.

4 Q And at some point did the issue of the Max
5 Foundation come up?

6 A I started to complain to her, ask her
7 information about Nick's credibility, and that's how we
8 started to talk about what I was doing with Nick.

9 Q So you didn't -- let me make sure I got this
10 straight, Nick didn't refer you to Nancy so that she could
11 help you fund the Max Foundation?

12 A No.

13 Q Why did he refer you to Nancy?

14 A Because she wasn't feeling well.

15 Q Okay. So it was strictly a health kind of
16 thing that caused him to --

17 A Yeah.

18 Q But who made the first contact with Nancy, did
19 you contact her or did she contact you?

20 A No, she called me, Nick gave me her number and
21 then she called me.

22 Q You said that you began to complain to Nancy
23 about Nick's credibility, you already had a pretty good idea
24 at that point in time Nick's credibility in funding the Max
25 Foundation, didn't you?

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1 A Well, when he gave me an appointment to come
2 down and see him and he wasn't there, but his wife was there
3 and we got him on the phone, he was totally drunk, and that
4 kind of very upset me.

5 Q Pretty good idea you weren't going to get any
6 money for Max Foundation from Nick at that point?

7 A Well, I wanted to know more about him.

8 Q How did you go about learning more about him?

9 A Asking questions from people that know him,
10 his wife, who seemed very distraught, you know, and called
11 Zurich while he was in Zurich to make sure that he was in
12 Zurich telling me the truth that he was there.

13 Q Was he there?

14 A He was there.

15 Q Let's go back to Nancy then. After you helped
16 her with or sent her some herbs to deal with her fatigue and
17 you started talking to her about your concerns that Nick
18 wasn't coming through with any money for the Max Foundation,
19 did you begin to talk to Nancy about helping to fund the Max
20 Foundation?

21 A Well, not at first, I told her what Nick was
22 doing for me, I didn't ask her because I didn't know what her
23 capacity to Nick was, was she secretary or what, so I
24 basically just told her what Nick was doing for me, and then
25 she offered.

Beata Priore - Cross by Mr. Marris

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1 Q What did you tell her Nick was doing for you?

2 A He was looking to raise the funds through his
3 various investors in Zurich to fund my project.

4 Q What was his motivation for doing that; was he
5 going to be cut in on the profits or what was his motivation
6 for putting up money for the Max Foundation?

7 MS. FLETCHER: Objection.

8 THE COURT: If she knows, did he address that
9 with you, why he was seeking to fund your project?

10 THE WITNESS: Well, as I said before, the only
11 thing he told me was that a lot of investors who go into
12 programs of raising funds, they always have to give some
13 towards a project, and I didn't ask him what he was going to
14 get out of it, I mean, he's a big boy, he should know what
15 he's getting out of it.

16 Q Weren't you curious that you give a man a
17 business plan that says you need \$5 million to start your --
18 to fund your foundation and you have somebody that at least
19 represents to you that he's going to do that, didn't that
20 cause you to be a little bit concerned about why somebody
21 would just fund your program for \$5 million without getting
22 something out of it himself?

23 A Not really. There's a lot of people that do
24 project funding.

25 Q Well, you hadn't found any, had you?

Beata Priore - Cross by Mr. Marris

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1 A No, but as I understood it at that time,
2 there's quite a few that does do project funding, you just
3 have to find the right one. I mean after all, I got 72
4 calls, you know, I was just looking for one that didn't ask
5 me for any money.

6 Q Now you're talking to Nancy about it, did
7 Nancy at some point -- let me back up for a second. For how
8 many months did you continue to correspond either by e-mail
9 or telephone with Nancy?

10 A It was a good seven, eight months.

11 Q So it began roughly February, March of 2002
12 and continued probably until August or September of 2002?

13 A Well, it continued all the way up to the point
14 I gave Dick the money, and after that, she just started to be
15 very bitchy and nasty to me, so whatever time that is, that's
16 what it is.

17 Q Well, we know I think already from your
18 testimony and from the exhibits that you sent the money
19 sometime around July 11th of 2002, is that about right?

20 A July 12th.

21 Q And so you would have corresponded with Nancy
22 from roughly February or March to roughly July 12th, 2002 and
23 then she sort of stopped communicating with you?

24 A Well, little -- maybe another three weeks, she
25 just got very appalled at my anxiety level.

Beata Priore - Cross by Mr. Marris

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1 Q And did you during those months that you
2 corresponded with Nancy talk to her about funding the Max
3 Foundation or helping you find funding for the Max
4 Foundation?

5 A Well, she offered.

6 Q She offered. At what point in time between
7 March and July did she offer to help you?

8 A When she saw that I was very disappointed with
9 Nick and his performance.

10 Q When was that in that several-month period?

11 A Maybe March.

12 Q You expressed your dissatisfaction with Nick
13 so then she offered to help you fund the Max Foundation?

14 A Right.

15 Q What did she tell you she could do for you?

16 A She said she had better connections than Nick
17 did and that she learned a lot from Nick and she had
18 progressed into better connections in France and that she had
19 made a lot of money with her connections to her people and
20 herself.

21 THE COURT: Take a brief recess at this time.

22 THE CLERK: Court stands in recess.

23 (Whereupon a recess was taken from 10:59 a.m.
24 to 11:23 a.m.)

25 THE COURT: Okay, Mr. Marris, you're still on

Beata Priore - Cross by Mr. Marris

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1 your cross-examination, sir.

2 MR. MARRIS: Thank you, your Honor.

3 THE COURT: Welcome.

4 Q All set? All right, Ms. Priore, I want to
5 move now, you're in this period of time when you're
6 corresponding with Nancy Saporta from roughly February,
7 March 2002 to July or little after 2002, and you at some
8 point get this mortgage on your house, you take out another
9 mortgage or refinance, correct?

10 A Some point.

11 Q Now that -- the point you do that, is that in
12 connection with some sort of a plan that Nancy has for you to
13 help you finance the Max Foundation?

14 A I don't know what her plans were.

15 Q Okay. But you got -- you actually got your
16 mortgage before you first talked to Richard, is that correct?

17 A No.

18 Q That's not correct?

19 A No.

20 Q You didn't actually go to the bank to apply
21 for your mortgage --

22 A We applied.

23 Q Before you even heard the name of Richard
24 Graham Patterson, correct?

25 A Correct.

Beata Priore - Cross by Mr. Marris

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1 Q And it was during the time when you were
2 communicating with or corresponding with Nancy Saporta,
3 correct?

4 A Yes.

5 Q And so the testimony you gave yesterday and
6 today about the mortgage payments and the financial
7 difficulties which occurred, you had already applied for that
8 mortgage before you ever knew the name Richard Graham
9 Patterson, correct? That's what you said, you got -- you
10 applied for the mortgage before you even knew his name?

11 A Nancy did say that she had someone who did
12 fundings in a group.

13 Q Okay. But listen to what I asked you, please,
14 Mrs. Priore. You actually applied for the mortgage, this
15 mortgage that caused you great financial difficulty before
16 you ever heard the name of Richard -- Richard's name,
17 correct, from Nancy or anybody else, that's correct, isn't
18 it? The answer is yes, isn't it, Ms. Priore?

19 MS. FLETCHER: Objection.

20 THE COURT: Overruled.

21 A It's -- it's vague, it's vague with the
22 current events at that time.

23 Q Let me ask you this then. When you applied
24 for the mortgage, I think you said your husband was making
25 about \$750 per week, is that about right?

Beata Priore - Cross by Mr. Marris

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1 A Possibly, yes, about that, right.

2 Q About that time, in or around June of 2002,
3 May of 2002, that period of time?

4 A Yeah.

5 Q And you weren't really working at that time,
6 bringing in any significant income, were you?

7 A I was bringing in a little bit.

8 Q But you applied for a mortgage and you
9 actually got a \$200,000 mortgage showing an income of \$750
10 per week?

11 A Yeah.

12 Q And the mortgage payment when you refinanced
13 or when you got this mortgage was almost \$3,000 a month,
14 wasn't it?

15 A We applied for it because we already knew
16 about Richard Patterson and his monthly return.

17 Q Well, let's back up for a minute. What I
18 asked you is that you applied for this mortgage, you've
19 already said it was before you had heard the name Richard
20 Patterson?

21 A No, that was a mistake.

22 Q Okay. You applied for that mortgage, \$200,000
23 based upon an income for your husband of \$750 per week,
24 correct?

25 A Yes.

Beata Priore - Cross by Mr. Marris

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1 Q And you got a mortgage that caused you to have
2 a payment of about \$3,000 a month with a \$750 per week
3 income?

4 A Yes, we did.

5 Q What bank gave you that mortgage?

6 A It was Deutsche.

7 Q Your son worked there?

8 A No.

9 Q Your son did not work there?

10 A No.

11 Q At no time did your son work there?

12 A No. I wish.

13 THE COURT: How do you spell that?

14 Q Your brother -- I'm sorry.

15 THE COURT: The bank.

16 THE WITNESS: Deutsche. D-e-u-t-c-h-e.

17 Q Where was that bank located, the branch of
18 that bank located through which you got the mortgage?

19 A I don't know. We went to a mortgage broker.

20 Q Who was the mortgage broker you went to?

21 A WMC Mortgage.

22 Q When did you first go to WMC Mortgage?

23 A Approximately a month before we received the
24 money.

25 Q So early June of 2002, approximately?

Beata Priore - Cross by Mr. Marris

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1 A Yeah.

2 Q I'm sorry, it's not your son, it's your
3 brother who worked for the bank, correct?

4 A No.

5 Q Brother did not work for the bank?

6 A No.

7 Q Do you have a brother who works for any bank?

8 A My brother Robert is the only brother, and he
9 works for Citibank and he is a technical consultant.

10 Q Did he work for Citibank at that time?

11 A No. My brother did not know about my
12 refinancing.

13 Q And you refinanced and you ended up getting
14 \$194,000 instead of the 200,000 that you had asked for?

15 A That's correct.

16 Q Now up to this point in time, roughly June of
17 2002, whatever connections or contacts Nancy Saporta told you
18 she had in terms of financing the Max Foundation had not paid
19 off, correct?

20 A I think this was the first attempt.

21 Q Well, let me ask it again. When you started
22 talking to Nancy sometime around February or March of 2002,
23 and in June you said you went to the mortgage broker, during
24 that period of time, from roughly February or March to June,
25 you hadn't gotten any funding from Nancy for the Max

Beata Priore - Cross by Mr. Marris

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1 Foundation, had you?

2 A No.

3 Q Even though she had told you that she had
4 better contacts than Nick Marinella had, correct?

5 A But Richard Patterson was her better contact.

6 Q Well, you didn't know that at that time, back
7 in early June, but you knew that she had said she had
8 contacts, correct?

9 A Early June I already knew about Mr. Patterson.

10 Q Okay. What other contacts did Nancy say she
11 had if any that could help you fund the Max Foundation?

12 A There was a guy in France that I did not speak
13 to.

14 Q Sometime then around June, early June of 2002,
15 Nancy Saporta gives you Richard's name, is that correct?

16 A She spoke about him, and then she arranged a
17 three-way conversation.

18 Q And this was by phone or was it by e-mail or
19 some sort of computer communication?

20 A This was by phone.

21 Q This was by phone?

22 A Yeah.

23 Q When did that three-way conversation take
24 place?

25 A Not sure. It was before we applied for the

Beata Priore - Cross by Mr. Marris

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1 mortgage because it was the program of one-month return was
2 the deciding factor for us to apply. Otherwise, we wouldn't
3 have, because we wouldn't have been able to afford a larger
4 mortgage than we already had.

5 Q Okay. So it's your testimony here that you
6 did in fact apply for the mortgage after you had had a
7 conversation with Richard Graham Patterson, is that correct?

8 A I believe that Nancy had conversations with
9 him on our behalf.

10 Q Well, let me -- I'm asking you, though,
11 Mrs. Priore, I'm not asking you what conversations Nancy had
12 or on whose behalf, I'm asking you, did you have a
13 conversation with Richard prior to the time that you took out
14 this mortgage?

15 A Prior, no.

16 Q You did not?

17 A No.

18 Q So you in fact took out the mortgage before
19 you ever spoke to Richard, correct?

20 A Right.

21 Q So at that point, all you had at best were
22 whatever Nancy's representations were about Richard, correct?

23 A Correct.

24 Q And then at some point after you take out this
25 mortgage, you have an initial conversation with Richard which

Beata Priore - Cross by Mr. Marris

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1 is part of the three-way conversation among you, Nancy, and
2 Richard, correct?

3 A I don't understand.

4 Q Your first conversation with Richard was this
5 three-way conversation which included you, Nancy, and
6 Richard, wasn't it?

7 A Yes.

8 Q So you've already taken out your mortgage
9 before your first conversation with Richard and then you have
10 this three-way conversation, correct?

11 A Correct.

12 THE COURT: When you say you've taken it out,
13 are you saying she's applied for it or she's got the money in
14 her hand?

15 Q Well, you've taken out the mortgage, you've
16 actually applied for and been approved for the mortgage at
17 least by that time, haven't you, before you even talk to
18 Richard in the three-way conversation?

19 A We were not approved yet.

20 Q Okay. But you had applied for it, you were
21 seeking the mortgage, correct?

22 A Yes.

23 Q And at that point you have not spoken to
24 Richard about any kind of a return or any promise of any
25 payoff, because you haven't talked to him at all yet,

1 correct?

2 A That's correct.

3 Q Okay. You have this three-way conversation
4 with Richard, at what point did you decide, was it during
5 this three-way conversation or after, did you decide that you
6 were going to send money to Richard?

7 A It was after.

8 Q After the three-way conversation?

9 A After.

10 Q It wasn't during that three-way conversation?

11 A No.

12 Q And would it be fair to say from, you're
13 saying, I'm sorry, you're saying that conversation took place
14 sometime in early or mid June of 2002?

15 A Yes.

16 Q And we know from what you said earlier that
17 you actually sent the money July 12th of 2002?

18 A Yes.

19 Q How many conversations did you have with
20 Richard between early June or mid June of 2002 when you first
21 had the three-way conversation, and July 12th of 2002?

22 A Quite a few.

23 Q When I say conversations I mean e-mail or any
24 of the variety of ways you communicated, telephone, E-Fax,
25 e-mail, whatever the method was; quite a few?

Beata Priore - Cross by Mr. Marris

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1 A Yes.

2 Q Now you've said now your brother works for
3 Citibank?

4 A He works for Citibank now.

5 Q Now. At that time in 2002, was he working for
6 Citibank?

7 A I don't think so.

8 Q Was he working for any bank?

9 A I don't know.

10 Q You don't know. Did you know Kenneth Lagonia
11 at that time, June, July of 2002?

12 A No.

13 Q You did not. When did you first hear of or
14 meet Kenneth Lagonia?

15 A I don't know.

16 Q You don't know. How did you meet or become
17 aware of Kenneth Lagonia?

18 A Through a friend.

19 Q What friend?

20 A A friend in the Hamptons.

21 Q What's the name of the friend in the Hamptons?

22 A It was an attorney.

23 Q What's the name?

24 A I forgot.

25 Q Okay. And when did the conversation take

Beata Priore - Cross by Mr. Marris

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1 place with the unnamed attorney in the Hamptons through whom
2 you learned of Kenneth Lagonia?

3 A I don't remember. I don't remember.

4 Q But you know that you never knew of the
5 existence of Kenneth until after June or July of 2002?

6 A That's correct. I mean yeah, that's correct,
7 yeah, I guess, yeah.

8 Q Did you ever meet Kenneth?

9 A Yes.

10 Q When?

11 A Quite a few times at his office.

12 Q Where is his office?

13 A I believe it's in Riverhead, New York.

14 Q Well, you went there, right?

15 A Yes.

16 Q Quite a few times?

17 A Yes.

18 Q Where is it?

19 A I think it's in Riverhead. I'm not sure.

20 Q How many times did you go there?

21 A Maybe four or five.

22 Q Over what period of time did you go there four
23 or five times?

24 A About two months.

25 Q What months were those?

Beata Priore - Cross by Mr. Marris

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1 A Don't remember. It was around the time that
2 he was talking to Mr. Patterson.

3 Q And in what capacity did he -- what was he --
4 what was his job?

5 A He did insurances.

6 Q He was an insurance agent?

7 A I don't know if he's the agent or an insurance
8 investigate -- I don't know exactly what he did, I didn't ask
9 him what he did. He was more asking me how he can help me.

10 Q Well, who made the first contact, Kenneth with
11 you or you with Kenneth?

12 A I made the contact.

13 Q You made the contact. You made the contact
14 based upon the referral of a lawyer friend from the Hamptons
15 whose name you don't know?

16 A I forgot.

17 Q Let's back up to the lawyer for a minute.
18 Male or female?

19 A He was a male.

20 Q How long before June of 2002 had you known
21 this lawyer friend from the Hamptons?

22 A Not that long.

23 Q How long is not that long?

24 A It was a referral, I was looking around to do
25 a civil suit and through those things, these people showed

Beata Priore - Cross by Mr. Marris

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1 up.

2 Q Okay. How long, a month, two months, three
3 months, before June of 2002, did you get the referral to the
4 unnamed lawyer in the Hamptons?

5 A I don't know. I don't know. Really don't
6 know.

7 Q From whom did you get that referral?

8 A I was -- I was looking through the Yellow
9 Pages for certain types of lawyers.

10 Q So it wasn't a referral, it was a call from a
11 Yellow Page ad?

12 A That's correct.

13 Q Was not a referral from somebody?

14 A No.

15 Q And you called this lawyer?

16 A Yes.

17 Q And what kind of a civil suit problem did you
18 have?

19 A With Richard.

20 THE COURT: Richard is?

21 THE WITNESS: Richard Patterson.

22 THE COURT: Okay.

23 Q And I take it you explained that you had this
24 contract and you were supposed to get money and you didn't
25 get money and so this lawyer said, here, go talk to this

Beata Priore - Cross by Mr. Marris

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1 insurance man, is that about it?

2 A He was trying to be helpful.

3 Q Okay, but that's not what I asked you, I think
4 you said that you got Kenneth's name from an unnamed lawyer
5 in the Hamptons who you picked out of the Yellow Pages and
6 this lawyer gave you Kenneth's name, so the lawyer said go
7 see this man who does insurance, his name is Kenneth Lagonia,
8 here's his office; that's the essence of what happened, isn't
9 it?

10 A Not clear about that, exactly, of how it
11 happened. I'm not clear.

12 Q You're not clear?

13 A No.

14 Q Well, however it happened you ended up seeing
15 Kenneth at some point in this office which is somewhere
16 you're not sure of four or five times, right?

17 A Yeah.

18 Q And did you pay him to help you out with this
19 problem?

20 A No.

21 Q You'd never known him before, the referral
22 came from the unnamed lawyer from the Hamptons, correct?

23 A Yes.

24 Q And he's in business as an insurance agent or
25 broker or something to do with insurance for which he has an

Beata Priore - Cross by Mr. Marris

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1 actual office, correct?

2 A Yes.

3 Q And you have no relationship with him or
4 friendship with him, you go there on a referral with this
5 business problem you're having, correct?

6 A Yeah.

7 Q And he tells you, okay, I'll help you out,
8 won't cost you a dime, what do you need me to do?

9 A No, that's not what he said.

10 Q Well, did you pay him any money for his
11 services?

12 A No.

13 Q Did you offer him a share of whatever money he
14 recovered for his services?

15 A He asked for it.

16 Q Did you sign any documents giving him a share
17 of any money he recovered?

18 A No.

19 Q So just out of the goodness of his heart, he
20 decides to help you out even though he doesn't know you and
21 he has no reason to help you because he's not getting any
22 money for it? Did he -- Let me withdraw that.

23 A He felt -- he felt he can --

24 Q I withdraw the question. Did he have any
25 problem with his knees?

Beata Priore - Cross by Mr. Marris

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1 MS. FLETCHER: Objection.

2 THE COURT: Overruled. Any problem with his
3 knees?

4 A I don't know.

5 THE COURT: There you go.

6 Q When you applied for the mortgage, did your
7 husband also apply and sign the necessary application papers
8 for the broker?

9 A It was my husband who applied for the
10 mortgage.

11 Q So he did?

12 A He did.

13 Q Ms. Priore, did -- at your home, at your home,
14 at least your home where you lived in 2002, July of 2002 and
15 the ensuing months, is there a phone in your son's room,
16 phone with a different telephone number from your own?

17 A I don't believe he was living there at the
18 time.

19 Q Okay. What I asked you, though, was whether
20 there was a telephone in his room or what had been his room
21 with a different telephone number from your own.

22 A No.

23 Q So would it be your testimony then that you
24 never used the phone in your son's room or directed Richard
25 to call you at that number with the phone in your son's room

1 rather than your home phone?

2 A No.

3 Q Never did that?

4 A No. I don't think there was a phone in the
5 room.

6 Q Did you ever ask Richard to talk to your
7 husband about what was going on with the money because your
8 husband didn't know the details?

9 A That's not true.

10 Q That's not true so you never asked Richard to
11 talk to your husband for you?

12 A We had quite a bit of three-way conversations
13 right through the time that we received the funds and gave it
14 to Richard and my husband had conversations with Nancy and
15 Richard and Dan Teehee on the phone with all of them all
16 through the whole process. He was more very anxious and
17 wanted to make sure this was the right thing to do.

18 Q I want to go aside from that topic for just a
19 second. You talked about a number of different ways that you
20 communicated via computer with Richard, is that right, like
21 e-mail and E-Fax and I think you described what those are;
22 would you just briefly tell the Court again what those means
23 of communication are, how they work?

24 A E-mail.

25 Q Okay.

Beata Priore - Cross by Mr. Marris

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1 A Messaging, fax, E-Fax, telephone.

2 THE COURT: What is E-Fax versus fax?

3 THE WITNESS: E-Fax goes into your e-mail as
4 an attachment.

5 Q So that doesn't print out like a fax would, it
6 just doesn't come through on a fax machine, it actually comes
7 into your e-mail on your computer?

8 A Yes.

9 Q And then whoever gets it has to retrieve it by
10 going in to check their e-mail or look at their e-mail?

11 A Yes.

12 Q Okay.

13 A And then conference calls, one-on-one calls.

14 Q You said messaging, is that instant messaging?

15 A Yes.

16 Q And instant messaging is basically
17 contemporaneous contact with a person on the other end like a
18 telephone call only you type in messages on the computer, is
19 that right?

20 A Yeah. Yeah.

21 Q So it's like talking on the phone except
22 you're communicating by written word, you type in a message
23 to somebody and then they read it and then they can type one
24 back to you?

25 A Yeah.

Beata Priore - Cross by Mr. Marris

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1 Q So E-Fax comes in as an e-mail, that isn't
2 necessarily the same time as the other person is there, is
3 that right?

4 A Say that again.

5 Q E-Fax you said just shows up in somebody's
6 e-mail?

7 A Right.

8 Q And you can e-mail somebody, too, can't you,
9 you could send them a message to their e-mail address and it
10 shows up there whether they're there or not at the computer
11 at that time?

12 A Oh, yeah.

13 Q And then they can retrieve it later and look
14 at it, right?

15 A I guess, yeah.

16 Q How many times did you meet Richard
17 personally?

18 A Just that one time.

19 Q Which is around September 14th of 2002?

20 A Yes.

21 Q And you had never -- you had never seen him
22 physically before that day, or in fact since that day until
23 yesterday, correct?

24 A That's correct.

25 Q And you had exchanged these e-mails and

Beata Priore - Cross by Mr. Marris

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1 E-Faxes and instant messages but you didn't actually see him
2 sitting at the computer keyboard responding to your messages
3 or receiving your messages ever, did you?

4 A I don't understand.

5 Q Well, when you send a message to somebody, you
6 have an e-mail address, some computer language that is
7 particular to some particular computer, right?

8 A The -- no, I don't understand. I responded to
9 the e-mail addresses that Mr. Patterson has given me. If
10 he -- it's his or not, I don't know, all I know is this is
11 what he gave me.

12 Q Well, that's what I'm asking you, it's what
13 you were given over the computer, correct, or by telephone,
14 isn't that true?

15 A I think he gave it to me over the phone.

16 Q But this particular person right there, you
17 had never met until September 14th so he had never -- you had
18 never actually had a face-to-face communication in which he
19 says here are all my numbers, my E-Fax, my e-mail, my IM,
20 this is how you can reach me; he'd never given you that face
21 to face, had he?

22 A No.

23 Q So when you're communicating with him whether
24 it's by instant messaging or e-mail or however, whatever
25 method is used at that point in time, you don't know, you

Beata Priore - Cross by Mr. Marris

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1 weren't present to see who was on the receiving end of your
2 messages or the sending end on the other -- on the other
3 computer, are you?

4 A Could have been Santa Claus.

5 Q Could have been, couldn't it?

6 A Yeah.

7 Q Could have been Santa Claus that gave you the
8 e-mail address in the first place, couldn't it?

9 A Oh, yeah.

10 Q Ms. Priore, now we're going to around July of
11 2002 and by this time, early July of 2002, you've had a
12 number of communications with somebody that at least you
13 believed to be Richard, correct, whether they're phone or fax
14 or E-Fax or e-mail, a number of communications, correct?

15 A Correct.

16 Q Now you've had no face-to-face contact with
17 him at all at that point in time, correct?

18 A Correct.

19 Q And now at some point you're talking about
20 investing the proceeds from the mortgage which you had
21 already applied for, or sending them to him or loaning them
22 to him or whatever the term is, to Richard, send the money to
23 him, correct?

24 A At some point.

25 Q Okay. You had navigated your way through a

Beata Priore - Cross by Mr. Marris

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1 whole series of documents to set your Max Foundation up as a
2 corporation?

3 A Yes.

4 Q And you had maintained that Max Foundation
5 through the periodic refilings and payments that were
6 necessary; you did all that yourself, didn't you?

7 A Yes.

8 Q And you had gone through countless months of
9 wasted time trying to get money from people who responded to
10 your ad or from Nick Marinella or Nancy Saporta, correct?

11 A No.

12 Q Well, before you sent money to Richard in July
13 of 2002, did you check with the Better Business Bureau? It
14 would be yes or no, did you or didn't you?

15 A No.

16 Q Did you check with the Attorney General's
17 office of the state of New York, you knew whoever you were
18 communicating with said he lived in Camden, did you check
19 with the New York State Attorney General to see if there'd
20 been any complaints about Jehovah Jireh Ministry or any other
21 name under -- with whom you were communicating?

22 A No.

23 Q Did you check with the unnamed lawyer in the
24 Hamptons?

25 A No.

Beata Priore - Cross by Mr. Marris

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1 Q Did you ask whoever it was you were
2 communicating with for a business plan?

3 A No.

4 Q Did you ask for a prospectus, did you ask for
5 any documentation from whoever you were communicating with
6 about how this money was going to double or triple within a
7 period of a month?

8 A No.

9 Q What other deals did you have going on
10 yourself around this time, around the time we talked about,
11 June, July, August, September of 2002 to raise money for Max
12 Foundation?

13 A I was engaged in writing more business plans
14 for other projects.

15 Q Okay. What other projects?

16 A A senior home.

17 Q And a senior home, another stupid question,
18 would be like a nursing home or retirement home for elderly
19 people?

20 A That's correct.

21 Q Now you had managed to raise so much money for
22 your halfway house that you were engaging in plans for other
23 facilities?

24 A No.

25 Q But you just said you were writing other

Beata Priore - Cross by Mr. Marris

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1 business plans, one of which at least was for a senior plan?

2 A Yes, but your question was a double question.

3 Q Among -- what other projects were you working
4 on at the time, around that time period, May, June, July,
5 August, September of 2002, you were communicating with
6 somebody who said he was Richard on the other end of the
7 computer?

8 A I was engaged in writing business plans is
9 all.

10 Q What business plans did you write?

11 A Senior homes.

12 Q Just one or more than one?

13 A Three or four.

14 Q And what did you do with these business plans?

15 A Not much.

16 Q You didn't send them to anybody?

17 A I've sent them out.

18 Q To whom?

19 A Various people that I found in the Times, in
20 the Wall Street Journal.

21 Q And this is all going on at the same time?

22 A No.

23 Q This money from the mortgage, the \$194,000,
24 was basically all the money you and your husband had, wasn't
25 it?

Beata Priore - Cross by Mr. Marris

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1 A Yes.

2 Q And did you tell your husband that you were
3 going to send the money to Richard, or somebody who said he
4 was Richard?

5 A We mutually agreed.

6 Q And your husband agreed to do this?

7 A It was his money.

8 Q But he agreed to do this?

9 A Yes, he did.

10 Q For the purpose of advancing the Max
11 Foundation, not enhancing your lifestyle but benefiting the
12 Max Foundation, correct?

13 A And also to make it easier on him so he
14 wouldn't have to drive for a living, many hours of working,
15 10, 11 hours a day.

16 MR. MARRIS: One second, your Honor, if I
17 could. This section was more organized at one point. Judge,
18 I marked, I don't know whether I'm supposed to use numbers or
19 letters but I have Defense Exhibit B I'd like to show the
20 witness.

21 Ms. Priore, could I ask you if you could
22 identify that, please.

23 A Yes, I can.

24 Q You can identify that?

25 A Yeah.

Beata Priore - Cross by Mr. Marris

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1 Q What is that?

2 A It's a fax.

3 Q A fax to whom?

4 A It's from me to Richard.

5 Q And is there a date on there or is there any
6 way of telling what date that was sent?

7 A No.

8 Q Do you remember sending this?

9 A Well, I wrote so many that I don't remember
10 when.

11 Q Well, the stationery, the paper that was
12 faxed, is that yours, is that your stationery?

13 A Yeah.

14 Q That's familiar to you. Yes, that stationery
15 which is what I'm interested in.

16 A Yeah, it's mine.

17 Q And did you use that stationery in the course
18 of some of your dealings with various people?

19 A I mean just Richard, I made it up that day.

20 Q You made that up that day?

21 A Yeah, with the computer.

22 Q Okay. So this particular heading on the
23 stationery you made up that day?

24 A Yeah.

25 MR. MARRIS: Judge, I would offer Exhibit --

Beata Priore - Cross by Mr. Marris

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1 whatever I said that was. B?

2 MS. FLETCHER: No objection.

3 THE COURT: Received. Defense B. The fax
4 machine didn't leave numbers on as to dates and times and
5 things?

6 THE WITNESS: I don't know. I don't know why
7 it didn't. I didn't -- I didn't mail it to him.

8 Q Well, the part, Ms. Priore, that I'm
9 interested in is the heading like the caption on the
10 stationery, it says Dr. Beata G. Priore, MD, MSCD, ND,
11 correct?

12 A Yeah.

13 Q So what does MD mean?

14 A Medical doctor.

15 Q So you represented yourself as a medical
16 doctor on this particular document that you did send,
17 correct?

18 A Yes.

19 Q And what does MSCD stand for?

20 A That's metaphysical doctor.

21 Q And ND, what is that, other than Notre Dame?

22 A Naturopathic doctor.

23 THE COURT: Natural what?

24 THE WITNESS: Naturopathic.

25 THE COURT: ND, what's the D part stand for?

Beata Priore - Cross by Mr. Marris

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1 THE WITNESS: Doctorate, naturopathic
2 doctorate.

3 Q And you preface that with the title Dr., D-r,
4 the abbreviation for doctor, correct?

5 A Yes.

6 Q So you refer to yourself as doctor and also
7 call yourself an MD in this particular document, don't you?

8 A In this particular document.

9 Q This is the only one you ever sent like that?

10 A Possible.

11 Q It's true, isn't it, throughout many of the
12 documents we've seen that are already in evidence from the
13 prosecution, you call yourself Dr. Priore when you send
14 communications to Richard, correct?

15 A Right.

16 Q So you do represent yourself to others as
17 doctor and as MD, don't you?

18 A Just doctor.

19 Q This MD -- I withdraw that.

20 If I can just have a second, your Honor, I had
21 these all arranged and I mixed them all up. If I can show
22 the witness what's been marked Defense Exhibit E.
23 Ms. Priore, can you identify that?

24 A This is a text messaging.

25 Q Okay. What's a text message as opposed to

Beata Priore - Cross by Mr. Marris

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1 some of the other stuff we were talking about, what is a text
2 message?

3 A It's messaging.

4 THE COURT: What does that mean?

5 THE WITNESS: It's where you sit at the
6 computer and you write and then the other person writes back.

7 THE COURT: So it's just simply a note that
8 you're sending?

9 THE WITNESS: Like talking on the phone,
10 instead of talking on the telephone, you're just e-mailing.

11 Q And does this document indicate who and when,
12 from whom it came and when it originated?

13 A It came from me to Richard.

14 Q Okay. And the date was September 19th, 2002?

15 A Yes.

16 MR. MARRIS: Judge, I offer Exhibit E.

17 THE COURT: Any objection?

18 MS. FLETCHER: No.

19 THE COURT: Received.

20 Q Ms. Priore, maybe there was a better copy of
21 this in all this stuff but can you read the actual text of
22 the message and not the little code stuff?

23 A Sure. "Here is \$1 million program. You leave
24 it as long as you want and there is no time limit, unless the
25 trader pulls out and guarantees a 40 weeks plus 68 percent

Beata Priore - Cross by Mr. Marris

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1 minus the fees. The trader will take applicants for the next
2 10 days. Open attachment, I think the paperwork is similar.
3 Let's give it a go, shall we? European bank, Arizona
4 contact, no other go-between. I have three people, if you
5 have any, please send paper. Love much, Beata."

6 Q And you sent that to Richard in September of
7 2002 which is at least two months after you had sent him the
8 money from the mortgage, correct?

9 A Yes.

10 Q Showing you what's been marked Defense
11 Exhibit D, already have a D? Can you identify that?

12 A This is a e-mail from Richard to me.

13 Q Is there a date?

14 A 9/16.

15 Q Of 2002?

16 A 2002.

17 Q And it comes from an e-mail address or some
18 sort of an address that you know to be the one that you used
19 to correspond with somebody that calls himself Richard and
20 also yours, correct?

21 A This is Richard's e-mail address that I've
22 been corresponding with.

23 Q And it comes to yours?

24 A Yes.

25 Q And you got that at your e-mail address?

Beata Priore - Cross by Mr. Marris

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1 A My e-mail address is not on here.

2 Q But did you get this, do you remember getting
3 this from Richard?

4 A Vaguely. I'm not sure, we had so many, I
5 mean, it just was so many it was hard to remember exactly to
6 remember every one of them.

7 MR. MARRIS: Judge, I would offer Exhibit D.

8 THE COURT: Any objection?

9 MS. FLETCHER: I'm trying to read through it.
10 One second. No objection.

11 THE COURT: Received.

12 MS. FLETCHER: It seems to be incomplete.

13 MR. MARRIS: Judge, I'm not asking this be
14 read, it's been received so --

15 THE COURT: All right. And the purpose of it
16 then is what, if you don't ask it be read?

17 MR. MARRIS: Your Honor, the purpose in
18 offering it is particularly directed to, if you could go down
19 to I think the third paragraph. Actually Judge, if you want,
20 the middle paragraph that begins with, "Beata," if the
21 witness could read that, that's my purpose in offering it.

22 THE COURT: "Beata, you have raised serious
23 questions," that part?

24 MR. MARRIS: Yes.

25 THE COURT: Go ahead.

Beata Priore - Cross by Mr. Marris

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1 A You want me to read it?

2 Q If you would, please.

3 A "Beata, you have raised serious questions as
4 to the kind of person you are. It raises serious questions
5 as to the ability to deal with people with consistency and
6 respect for individuality. When I choose to work with
7 someone in a partnership capacity it must first of all be
8 someone that I can trust. You demonstrated that you don't
9 trust me and have proven that you have the capacity to
10 violate the trust that I thought I only had in you. But by
11 your behavior your betrayal has been manifest. It is very
12 obvious to me that you're only interested in getting your
13 money back as promised. (This is okay because that is right
14 and proper) but that your -- you will use whatever means it
15 takes to that end no matter who you hurt. You will get it.
16 Example. I now question what the real truth is re: Goldberg
17 and previous metals and I do intend to find out your real
18 truth. I did not create this present situation and I am more
19 than shocked and disappointed in this very unfortunate
20 outcome. I thought we had a plan that would get things done
21 and would benefit others. I guess that I was wrong. It
22 doesn't happen when the people doing the doing are not
23 working with full consideration and respect of other -- of
24 the people that they are trying to help, the people they are
25 working with, partners, and all that comes with people."

Beata Priore - Cross by Mr. Marris

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1 Q Thank you. Ms. Priore, you talked earlier
2 about the genesis I guess of your Max Foundation and it had
3 to do with the fact you had a son who was having some
4 substance abuse problems. I think that's what you said?

5 A Yes.

6 Q And you said you got into a little trouble
7 yourself I guess in connection with that?

8 A I was implemented.

9 Q You got into a lot of trouble, didn't you?

10 A Not as much as my son's life was at stake.

11 Q You got charged with a class A felony,
12 criminal sale?

13 A Triple class A.

14 Q Criminal sale of controlled substance, didn't
15 you?

16 A Triple class A.

17 Q You ended up pleading guilty to a felony,
18 didn't you?

19 A I did.

20 Q You ended up being put on five years
21 probation, didn't you?

22 A No.

23 Q You did not. What'd you get, what was your
24 sentence?

25 A Year and a half.

Beata Priore - Cross by Mr. Marris

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1 Q In prison?

2 A No.

3 Q Year and a half probation?

4 A That's right.

5 Q But your sentence was five years probation,
6 you might have been let off early?

7 A No.

8 Q Your sentence was not five years probation?

9 A No.

10 Q Were you convicted in New York State?

11 A Yes.

12 Q It was a New York State felony conviction,
13 wasn't it?

14 A That's right.

15 Q You still have that felony conviction on your
16 record, don't you?

17 A I don't know. I haven't looked.

18 Q And it was for criminal possession of a
19 controlled substance in the fifth degree?

20 A I don't know the degree.

21 Q And it's your testimony that you were not
22 placed on five years probation, which is mandated sentence
23 for a felony but one-and-a-half years probation?

24 A Yeah, I never saw the substance.

25 Q And your license was suspended, too, your

Beata Priore - Cross by Mr. Marris

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1 license as a clinical nutritionist?

2 A No.

3 Q Was not suspended?

4 A No.

5 Q That was never done?

6 A No.

7 MR. MARRIS: Thank you, I have no more

8 questions.

9 THE WITNESS: You're welcome.

10 THE COURT: Redirect?

11 MS. FLETCHER: Yes, your Honor.

12 THE COURT: Did your son go to jail on that

13 matter?

14 THE WITNESS: No.

15 THE COURT: Did your son go to prison?

16 THE WITNESS: No, he got five years.

17 THE COURT: Five years probation?

18 THE WITNESS: Of probation, yes, it was his

19 first.

20 REDIRECT EXAMINATION BY MS. FLETCHER:

21 Q Could you just briefly tell the Court what

22 happened that led to those charges.

23 A I interfered with his addiction and by

24 interfering with his addiction, I tried everything possibly

25 in my ability to alter his addictions. In one sense I told

Beata Priore - Redirect by Ms. Fletcher

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1 him that I was going to have him arrested and thinking that
2 having him arrested will make him stop and think of what he's
3 doing, and when I told him that I was going to have him
4 arrested, he decided to have me arrested instead and had a
5 box of substances I never saw sent to the house and also
6 notified the authorities that a substance box is being sent
7 to my house.

8 Q And did the police come and search your house?

9 A It was the police that delivered the box.

10 Q And you accepted the box?

11 A They were dressed as Fed Ex people and I
12 accepted the box.

13 Q And then you were arrested?

14 A Within three minutes after I signed for the
15 box, about 30 SWAT teams rushed the house.

16 Q Did you know at that time what was in the box?

17 A I've never seen, even through the entire time
18 that I was going back and forth to court, I've never seen it.

19 Q You were represented by an attorney?

20 A Yes.

21 Q And did you learn what was in the box?

22 A No.

23 Q Was it a controlled substance?

24 A So as they said.

25 Q And you took a guilty plea that got you

Beata Priore - Redirect by Ms. Fletcher

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1 probation and you served a year and a half of that probation?

2 A I had a lawyer that kept pumping me for more
3 and more money and scaring -- with scaring tactics and I was
4 just very nervous and I couldn't go there anymore, so I just
5 wanted to just take the plea and go.

6 Q And you served a year and a half on probation
7 and then you were discharged?

8 A It was two years and then the probation people
9 said that I really didn't belong there and they just let me
10 go, and I didn't even have to go, they just told me to call
11 them.

12 Q Now back on the case at hand, if we could pull
13 up the Defendant's Exhibit D, please. Beata, you went,
14 according to your testimony, to Richard Patterson's home
15 unannounced on September 14th?

16 A That's correct.

17 Q And you spoke with Richard G. Patterson, this
18 man who's sitting right here?

19 A That is correct.

20 Q And then you get this e-mail on
21 September 16th, and is cut off on that copy, I don't know if
22 it's cut off on the copy that you have; do you have D in
23 front of you?

24 A Yes.

25 Q Can you see the e-mail account that Richard

1 Patterson used to send this e-mail?

2 A It's joshlv8@msn.

3 Q So the person who sent this e-mail to you used
4 the joshlv8@msn.com?

5 A Yes.

6 Q That you received many of the other e-mails
7 from that address as well?

8 A Yes.

9 Q And this first paragraph, it's dated
10 September 16th which is two days after you went to Richard G.
11 Patterson's home, correct?

12 A Yes.

13 Q And if we read further down in the first
14 paragraph, the person who wrote this to you from this e-mail
15 address says, "I'm not going to go further into further
16 details of how my entire day was turned upside down because
17 you chose to come unannounced," talking about when you went
18 to his home, correct?

19 A Yes.

20 Q And Richard Patterson is the person whose home
21 you went to?

22 A Exactly.

23 Q And he actually says, "This is my home, it's
24 off limits to such activity," correct?

25 A Exactly.

Beata Priore - Redirect by Ms. Fletcher

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1 Q Now further down on the page --

2 THE COURT: Where are you reading that now?

3 MS. FLETCHER: In the first paragraph if you
4 look on the parentheses here, "This is my home. It's off
5 limits to such activity."

6 THE COURT: Also says above, doesn't it, "You
7 have no idea the aftermath of your unauthorized, uninvited
8 surprise visit."

9 MS. FLETCHER: Yes.

10 Q And that's the September 14th visit?

11 A That's right.

12 Q Now on the bottom if we scroll down a little
13 past this larger paragraph. You talked about seeing a
14 tractor and vehicles at Patterson's home, correct?

15 A Yes.

16 Q And he says here, "Just for the record, the
17 tractor belongs to my handicapped son, this is his fifth one
18 and it is his motivation in life. And the car belongs to my
19 daughter and if it was relevant, it wouldn't come to 90K,"
20 correct?

21 A Correct.

22 Q And that refers back to the tractor and the
23 vehicle you saw at Patterson's house?

24 A That's right.

25 Q I think you testified it was at this time that

Beata Priore - Redirect by Ms. Fletcher

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1 you went and you saw who and what you were dealing with that
2 you decided to go to the authorities?

3 A That's right.

4 Q And that you decided to try to get information
5 from Patterson and to do whatever you could to try to get
6 your money back, correct?

7 A That is correct.

8 Q Let's show the other defense exhibit, please,
9 19.

10 THE COURT: This is after the visit?

11 THE WITNESS: After the visit.

12 Q September 19th, 2002 is the date on
13 Defendant's Exhibit E in which you write to him about a
14 million dollar program; what was that about?

15 A I was trying to be like him so that I can get
16 more information out of him and his, you know, people that
17 work with him, and whatever else I can get, I'm making this
18 up as I go along now.

19 Q Try to get information out of him, try to do
20 something to get your money back?

21 A Exactly.

22 Q And to get the chronology straight, you talked
23 to Nick Marinella first?

24 A Right.

25 Q He introduced you by phone to Nancy Saporta?

Beata Priore - Redirect by Ms. Fletcher

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1 A Correct.

2 Q She talked to you --

3 A No, no, no, he gave me the number and she
4 called me.

5 Q Correct. He told you about her, she called
6 you?

7 A Yes.

8 Q She talks to you about Richard Patterson?

9 A Yes.

10 Q She tells you what type of an investor he is
11 and what he can do for you?

12 A Yes.

13 Q Based upon that, you apply for your mortgage?

14 A Yes.

15 Q After applying for your mortgage you talk to
16 Nancy Saporta, Richard Patterson on a conference call?

17 MR. MARRIS: Judge, at this point I have to
18 object to, really the U.S. Attorney is testifying now.

19 THE COURT: Well, I think they're just laying
20 the chronology, I'm going to permit it. There's been all the
21 testimony about it.

22 MR. MARRIS: My problem is simply that I don't
23 know if the witness' chronology would be the same this time
24 but this time she's simply agreeing to what --

25 THE COURT: Try not to lead as pointed.

Beata Priore - Redirect by Ms. Fletcher

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1 Q I forgot where I was now. After talking to
2 Nancy Saporta, okay, we had Saporta, mortgage, talked to
3 Patterson?

4 A Right.

5 Q After talking to Patterson, did you make a
6 decision to trust Nancy and Richard?

7 A Yes.

8 Q And was it after that that the check came in?

9 A Yes.

10 Q And I think you testified on cross-examination
11 that you and your husband decided that this was an okay way
12 to go because the turnaround would be 30 days?

13 A That's right.

14 Q Can you explain to the Court why that 30-day
15 turnaround was important and made this an investment that you
16 were willing to take a chance on?

17 A Because our budget did not call for such a
18 high interest rate and such a high monthly piece and the
19 mortgage payment was tremendous, so we had to have that
20 one-month assurance in order for us to go ahead with it.

21 Q You thought you'd be able to make the next
22 payment because the money would be there as promised?

23 A Yes. It was a perfect plan for Nancy and Dick
24 to offer me, because that's the only plan that could have fit
25 into our lifestyle and budget.

Beata Priore - Redirect by Ms. Fletcher

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1 Q And in regard to Kenneth Lagonia, you
2 testified on cross that he had asked for a share but that
3 didn't get explored further?

4 A No, because he couldn't do anything, he said
5 he will do his best, he said he has the ability to bring,
6 negotiate, he had a good ability to, and I was -- by the time
7 I met him, I was exhausted.

8 Q Okay, but listen to my question.

9 A So --

10 Q He wanted -- he asked you for a share of what
11 you were to bring back?

12 A Right, 20 percent.

13 Q 20 percent. But in the end he was able to
14 recoup nothing?

15 A Nothing.

16 MS. FLETCHER: I have no further questions.

17 THE COURT: Anything further, defense?

18 MR. MARRIS: No, your Honor, thank you.

19 THE COURT: You may step down.

20 THE WITNESS: Thank you. Thank you, your
21 Honor.

22 (Whereupon the witness was excused and the
23 proceedings continued.)

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C E R T I F I C A T I O N

I, JODI L. HIBBARD, RPR, CRR, CSR, Official Court Reporter in and for the United States District Court, Northern District of New York, DO HEREBY CERTIFY that I attended the foregoing proceedings, took stenographic notes of the same, and that the foregoing is a true and correct transcript thereof.

JODI L. HIBBARD, RPR, CRR, CSR
Official U.S. Court Reporter

