

CERTIFIED COPY

IN THE UNITED STATES DISTRICT COURT

WESTERN DISTRICT OF MISSOURI

WESTERN DIVISION

JOHN RENNER, M.D.,	:	
	:	
Plaintiff,	:	
	:	
vs.	:	No. 88-0838-CV-W-9
	:	
KURT DONSBACH,	:	
PETER JOSEPH LISA,	:	
MAUREEN SALAMAN,	:	
CLINTON MILLER,	:	
INTERNATIONAL INSTITUTE OF	:	
NATURAL HEALTH SCIENCES, INC.,	:	
and NATIONAL HEALTH FEDERATION,	:	
	:	
Defendants.	:	
	:	

DEPOSITION OF KURT W. DONSBACH, VOLUME II

JULY 26, 1989

SAN DIEGO, CALIFORNIA

A&S

REPORTED BY: MARC VOLZ
CSR NO. 2863

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I N D E X

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E X H I B I T S

<u>PLAINTIFF'S</u>	<u>DESCRIPTION</u>	<u>IDENTIFIED</u>
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1 The deposition of Kurt Donsbach, defendant herein,
2 taken by plaintiff pursuant to the applicable sections of the
3 Federal Rules of Civil Procedure, on Wednesday, July 26, 1989,
4 before Marc Volz, CSR No. 2863, beginning at the hour of
5 1:20 p.m., at 610 West Ash ,Suite 1006, in the City of San
6 Diego, County of San Diego, State of California.

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1 1 SAN DIEGO, CALIFORNIA, WEDNESDAY, JULY 26, 1989, 1:20 P.M.

2
3 MR. BOTTS: Mr. Dilling has just come into the room and
4 made a statement. I ask that he make that statement on the
5 record.

6 MR. DILLING: Okay. I have appeared here pursuant to an
7 arrangement by agreement with Mr. Botts for the continuation of
8 Dr. Donsbach's testimony and on his deposition and also the
9 record should show that Dr. Donsbach is also present here with
10 me at this moment. As I have related off the record, I talked
11 to Dr. Donsbach earlier this week and also this morning here
12 from San Diego, where I traveled specially from Kansas City to
13 to participate in this continued deposition. Dr. Donsbach
14 indicated that his father in Montana was seriously ill. In
15 fact, perhaps terminally so, but nevertheless, he would appear
16 and participate in the deposition. I then met Dr. Donsbach
17 across the street in the Best Western restaurant and
18 Dr. Donsbach told me as he came in that his father has died this
19 morning since I talked to him. Dr. Donsbach is unable to
20 testify for emotional as well as other reasons and is scheduled
21 to leave this afternoon to fly to Montana for the funeral
22 services and other things connected with the death of his father
23 and, therefore, we'll have to have this deposition continued at
24 another date.

25 MR. BOTTS: Dr. Donsbach, I appreciate your appearance

1 and I want to extend my utmost sympathies to you. Please don't
2 take this wrong. Do you know which hospital your father was in
3 when he passed away?

4 MR. DILLING: I'm not going to have Dr. Donsbach testify
5 on anything.

6 MR. BOTTS: Do you know --

7 MR. DILLING: I don't think it matters.

8 MR. BOTTS: Can you just tell me what city it occurred
9 in?

10 MR. DILLING: What city in Montana is it?

11 THE WITNESS: It was in -- I don't know if he was in
12 Whitefish Memorial Hospital or Kalispell. Whitefish is the
13 hometown, Kalispell is a little larger town a little further
14 away, but has better hospitals and facilities.

15 MR. DILLING: Were you able to get that?

16 THE REPORTER: Yes.

17 MR. DILLING: Thank you.

18 THE WITNESS: If you want a copy of the death notice,
19 I'll send it to you.

20 MR. BOTTS: At this point I have no reason not to trust
21 the statement your attorney has put on the record.

22 THE WITNESS: As I informed Mr. Dilling this morning that
23 my plans were to go through with this and get it behind me. I
24 want to get this thing gone. I have no intention of trying to
25 prolong this.

1 MR. DILLING: That's enough, Kurt. You've said enough.
2 That's our statement.

3 MR. BOTTS: In regards to that, I have about ten minutes
4 of questions and then we can be done with this, if you want to
5 do that, and we can have it behind you.

6 THE WITNESS: If that's what he's talking about, ten
7 minutes, I'd rather get it behind us, Kirk.

8 MR. DILLING: It's all right with me. It's all right
9 with me if you think you can do it.

10 THE WITNESS: If ten minutes means ten minutes, that's
11 fine.

12 MR. DILLING: I remember when my father died I wasn't in
13 shape to do anything.

14 THE WITNESS: I understand, but then it means another
15 day.

16 MR. DILLING: All right. You be the judge.

17 THE WITNESS: Yeah, I thought it was going to be another
18 whole afternoon, that means trying to make the flight
19 arrangements now.

20 MR. BOTTS: I will warn you I am going to ask you some
21 hard questions and if you don't feel up to it, I don't want to
22 put any additional strain on you today. If you really want to
23 get this over with and finished, I can probably do it in ten
24 minutes. But, again, I warn you there are going to be some hard
25 questions and if you don't feel up to it emotionally, I don't

1 want to add to that burden. I would just ask that we schedule
2 this as soon as possible, that we finish it up.

3 THE WITNESS: I just want you to understand I expect to
4 stay within that limit.

5 MR. BOTTS: I will, but they're going to be hard
6 questions.

7 THE WITNESS: That's fine.

8 (Recess)

9 MR. BOTTS: We are back on the record. This is the
10 continuation after adjournment of the deposition of Kurt
11 Donsbach. He has been previously sworn and if there's no
12 objection, I'm willing to stipulate that the original oath
13 continues as long as it's recognized by the witness.

14 MR. DILLING: Certainly.

15

16

KURT W. DONSBACH,

17 defendant herein, being previously sworn, testifies as follows:

18

19 EXAMINATION BY MR. BOTTS:

20 Q. Mr. Donsbach, I hand you now three documents that
21 have been marked deposition exhibit numbers 10, 11, 12 and 13, I
22 guess there are four documents, and ask you if you'll review
23 those quickly and ask whether you've ever seen those documents
24 before, recognizing that they're photocopies.

25 A. No, sir. I'm not familiar with this publication

1 here.

2 Q. You do not know what Freedom magazine is?

3 A. I have no idea, sir.

4 Q. The articles contained in there in these documents
5 purport to be drafts of "The Great Medical Monopoly Wars." I'll
6 draw your attention specifically to Exhibit 10 in what is page
7 26 and through the rest of the article. Do you have any
8 recollection of Freedom magazine publishing "The Great Medical
9 Monopoly Wars"?

10 MR. DILLING: I'm objecting to the question. The witness
11 has said he's never heard of the publication. Obviously
12 wouldn't know anything about it.

13 Answer the question, Kurt.

14 THE WITNESS: No.

15 BY MR. BOTTS:

16 Q. On the very end of that article in Exhibit 10, it
17 states, "The underground network will be the subject of the
18 second in this series of articles exclusive to Freedom. The
19 information in this series is part of an upcoming book entitled
20 'The Nutritional Wars' published by International Institute of
21 Natural Health Sciences 1985 P.J. Lisa." To your knowledge, did
22 International Institute ever publish a book named "The
23 Nutritional Wars"?

24 A. No, sir.

25 Q. You said in your last deposition that you did not

1 recall when Mr. Lisa brought the manuscript for "The Great
2 Medical Monopoly Wars" to you. Have you recalled that date?

3 A. No, I have not.

4 Q. I hand you now what have been marked as Exhibits
5 14, 15 and 16 and I'll ask you to review those documents and
6 whether you're familiar with them.

7 MR. DILLING: Do you want to identify them or not?

8 THE WITNESS: I recognize the documents.

9 BY MR. BOTTS:

10 Q. To the best of your knowledge, are those accurate
11 copies of --

12 A. I have no idea if they're accurate copies, sir.
13 You're giving me a bunch of documents I have nothing to compare
14 them to, but they appear as if they may be.

15 Q. I will direct your attention to No. 14.

16 A. Okay.

17 Q. Would you read into the record the title of that
18 document or just describe it in general for the record.

19 MR. DILLING: Just a moment. I object to having the
20 witness have to read from it. It speaks for itself. It will be
21 attached as an exhibit and we object to any interrogations
22 whatsoever concerning the subject matter of these three
23 different instruments since they have absolutely no relevancy to
24 this action whatsoever.

25 ///

1 BY MR. BOTTS:

2 Q. I direct your attention to the second page of
3 Exhibit 14 and the bottom of that page being a reference to
4 Robert Leff, the second page. The very bottom reference to
5 Robert Leff with an amount of claim of \$25,000. Do you see
6 where I'm directing you?

7 A. Uh-huh.

8 Q. What was that claim for?

9 MR. DILLING: Direct the witness not to answer for
10 reasons already stated unless so ordered by court.

11 BY MR. BOTTS:

12 Q. Was that claim for amounts due from International
13 Institute?

14 MR. DILLING: Same direction.

15 BY MR. BOTTS:

16 Q. I direct your attention now to what is the fourth
17 page of the document, they're not numbered. The very top entry
18 is, quote, IINHS --

19 MR. DILLING: Hold on just a second.

20 MR. BOTTS: -- Inc., end quote.

21 MR. DILLING: I'm trying to find it.

22 MR. BOTTS: The very top entry.

23 MR. DILLING: Is that A-3?

24 MR. BOTTS: They're all A-3. It's Schedule A-3. And
25 amounts of claim of \$1,606.

1 BY MR. BOTTS:

2 Q. What was that claim for?

3 MR. DILLING: Same direction, same reasons.

4 BY MR. BOTTS:

5 Q. How is it that International Institute debts appear
6 on your bankruptcy?

7 MR. DILLING: Same direction, same reasons.

8 BY MR. BOTTS:

9 Q. There is a claim with the National Health
10 Federation, third from the bottom on that same page for \$255.
11 What is that claim for?

12 MR. DILLING: Same direction same reasons.

13 BY BY MR. BOTTS:

14 Q. Mr. Donsbach, do you understand my question?

15 A. Yes, sir.

16 Q. And what is your answer?

17 A. I was directed by counsel.

18 Q. In roughly the center of the next page, there's a
19 claim for Donsbach University for \$450. What is that claim for?

20 MR. DILLING: Same direction same reasons.

21 BY MR. BOTTS:

22 Q. What is your answer?

23 A. Directed by counsel.

24 Q. On the following page there are five references to
25 what are designated IINHS bills.

1 A. What?

2 Q. Right in the center where it describes the claim, I
3 think you may be going too far. The very top entry is KIEV
4 Radio. Is the reference IINHS --

5 MR. DILLING: Is that it there?

6 MR. BOTTS: Yes, that's the page.

7 BY MR. BOTTS:

8 Q. The second entry is Farmers Insurance. Is that the
9 page that you have?

10 MR. DILLING: Yes.

11 BY MR. BOTTS:

12 Q. Is the reference IINHS to the International
13 Institute of Natural Health Sciences?

14 MR. DILLING: Wait. I don't see any reference.

15 MR. BOTTS: The third entry.

16 MR. DILLING: Oh, I see. Sure. Okay.

17 BY MR. BOTTS:

18 Q. Are those initials in reference to the
19 International Institute?

20 A. Obviously.

21 MR. DILLING: He said -- the answer is obviously.

22 BY MR. BOTTS:

23 Q. Beginning at the top, what are those claims for?

24 MR. DILLING: Same direction, same reasons.

25 BY MR. BOTTS:

1 Q. The following page, second entry being Radmar,
2 R-a-d-m-a-r with a claim for IINHS bill-stockholder. Do you see
3 that entry? What is that claim for?

4 MR. DILLING: Same direction same reasons.

5 BY MR. BOTTS:

6 Q. What is your answer?

7 A. As directed by counsel.

8 Q. Was Radmar or Chase B. Corey a stockholder in the
9 International Institute?

10 A. No.

11 MR. DILLING: He says no.

12 BY MR. BOTTS:

13 Q. And I direct your attention to the Xerox
14 Corporation bill also designated as IINHS and ask you what that
15 bill was for.

16 MR. DILLING: Same direction, same reasons.

17 BY MR. BOTTS:

18 Q. What is your answer?

19 A. As directed.

20 Q. If we skip the next page and go to the page that
21 begins at the top, TXD Systems -- are you on that page? The
22 fourth entry, Pak, P-a-k, West also indicates an IINHS bill and
23 ask you what that bill is for.

24 MR. DILLING: Same direction, same reasons.

25 ///

1 BY MR. BOTTS:

2 Q. The next page on the fifth entry to Richlife, what
3 is that claim for?

4 MR. DILLING: Same direction, same reasons.

5 MR. BOTTS: am not pursuing this further, because I'm
6 trying to speed this up, I just want to clarify it. When you
7 make that direction to your client, I'm going to presume that
8 he's going to follow your directions so we don't drag this out.

9 THE WITNESS: That's correct.

10 BY MR. BOTTS:

11 Q. And in the past when I have not asked you and
12 you've been directed you would have answered that way.

13 MR. DILLING: I think that's a reasonable --

14 THE WITNESS: That's correct.

15 MR. DILLING: I think that's a reasonable presumption.

16 MR. BOTTS: I just want to get through this.

17 MR. DILLING: Sure.

18 BY MR. BOTTS:

19 Q. And down at the bottom are two additional bills
20 claimed by IINHS and I ask you what those are for.

21 MR. DILLING: Same direction, same reasons.

22 BY MR. BOTTS:

23 Q. The following page the third bill down is to RCA
24 Communications or by RCA Communications with a claim of in
25 excess of two million dollars. And I'll ask what that claim was

1 for.

2 MR. DILLING: Same direction, same reasons.

3 BY MR. BOTTS:

4 Q. I direct your attention now to what has been marked
5 as deposition Exhibit 15. Are we on the right one? Fifteen is
6 the -- yes.

7 MR. DILLING: I have it here.

8 MR. BOTTS: The witness was looking at the other, 16, so
9 I wanted to make sure.

10 BY MR. BOTTS:

11 Q. Exhibit 15 purporting to be a dissolution of
12 marriage between the witness and Elyse, E-l-y-s-e, Donsbach.
13 The references in this document to "International," are those
14 references to International Institute of Natural Health
15 Sciences, Inc.?

16 MR. DILLING: I don't see what you're referring to.

17 BY MR. BOTTS:

18 Q. I direct your attention to page 23 of that
19 document, line 12. It appears that it is. I'll direct your
20 attention also to page 18 beginning at line 4.

21 MR. DILLING: I think, Mr. Botts, it speaks for itself
22 because on page 18 it's indicates that "International"
23 thereafter is to be interpreted as International Institute of
24 Natural Health Sciences, Inc.

25 MR. BOTTS: That's right. I'm just trying to check that

1 to make it clear for the record.

2 MR. DILLING: I think that's quite clear from the
3 document itself.

4 MR. BOTTS: If you're willing to stipulate that that is
5 the defendant in this action, that's fine with me.

6 MR. DILLING: It's my understanding.

7 BY MR. BOTTS:

8 Q. Going back to page 23 beginning at line 12, it
9 makes reference to employment of Elyse by International. Is
10 Elyse still employed or receiving any compensation as outlined
11 in point 8 of this document from International Institute?

12 MR. DILLING: I will --

13 THE WITNESS: If you want me to answer it --

14 MR. DILLING: Go ahead.

15 THE WITNESS: Absolutely not.

16 BY MR. BOTTS:

17 Q. When did that employment or relationship cease?

18 A. Direct me to the point that you're referring to,
19 please.

20 Q. Page 23 beginning at line 12.

21 A. I don't know the exact time, sir. This whole thing
22 was settled soon after this was entered. There is a later -- I
23 don't know what you call it, Kirk.

24 Q. Agreement?

25 A. Her attorney and my attorney got together and

1 settled all of these long-term commitments.

2 Q. Who was your attorney on that?

3 A. Robert Leff.

4 Q. Do you have a copy of that document?

5 A. I don't know.

6 Q. Would your attorney?

7 A. I would assume.

8 MR. BOTTS: Would counsel be willing to make that
9 document available?

10 MR. DILLING: I don't think it has anything to do with
11 the case.

12 MR. BOTTS: I take that as a no.

13 MR. DILLING: You can find it in the public records if
14 you think it's relevant. Has absolutely nothing to do with
15 their lawsuit.

16 BY MR. BOTTS:

17 Q. Was that document filed publicly?

18 A. I don't know, but I assume it was. Her attorney,
19 which is quite clearly listed on there, would probably have
20 better records than anyone.

21 Q. Is that the same attorney that negotiated the
22 supplemental agreement?

23 A. (Witness nods head.) Mark Minyard.

24 Q. I direct your attention now to Exhibit 16 which
25 purports to be a dissolution of marriage between the witness and

1 Diana Donsbach. I direct your attention specifically to
2 paragraph 6 beginning on page 3, line 2. I'll give you a chance
3 to read through that paragraph on that page.

4 A. Page 6?

5 Q. No, no. Paragraph 6 which begins on page 3.
6 You have had an opportunity to review that?

7 A. Can we discuss this before --

8 Q. Certainly.

9 (Discussion, off the record.)

10 BY MR. BOTTS:

11 Q. You have had an opportunity to discuss that and
12 review that with your attorney now. Is this agreement as
13 specified in paragraph 6 still in effect?

14 MR. DILLING: I want the record to show as prior,
15 previously, strenuous objection to these absolutely collateral
16 and irrelevant matters concerning this lawsuit. And for reasons
17 stated repeatedly and even vehemently at times and this is a
18 non-issue in this matter. However, to save ourselves some time,
19 if the witness wants to answer whether or not he is currently
20 carrying out this obligation on behalf of
21 DRK or whatever that organization was concerning which he
22 testified previously over objection, subject to the objections,
23 I have no objection if he wants to answer the question just to
24 save time if nothing else, then get on with the case.

25 THE WITNESS: May I preface my answer? I'll answer it

1 just so it clarifies in his mind. Whatever relevance this may
2 have, I have no idea either. I would like to preface, we agreed
3 on ten minutes, it's now been 30 minutes. Have you got a lot
4 more of this?

5 MR. BOTTS: No, no, this is pretty much it. A few more
6 questions. We would have gotten through it quicker without
7 objections, but I understand your counsel's interest in that.

8 THE WITNESS: Quickly, as far as that's concerned, the
9 company which at that time I was speaking for, I no longer speak
10 for, they took over that obligation or that arrangement. It
11 isn't an obligation. Whatever it is and to the best of my
12 knowledge, it's being carried out. I haven't heard any
13 negativity about it.

14 BY MR. BOTTS:

15 Q. So if I can make sure I'm clear, you no longer have
16 any interest in Professional Line or DRK?

17 A. That's correct.

18 Q. The reference to Professional Line, I believe you
19 have testified last time that professional products were
20 associated with Dr. K., that corporation or business.

21 A. Dr. D.

22 Q. Dr. D. I'm sorry. Is that right?

23 A. That's right.

24 Q. And this Professional Line in reference in
25 paragraph 6 is that the same.

1 A. Yes.

2 Q. This document associates Professional Line with DRK
3 and your prior testimony associates it with Dr. D.

4 A. And my prior testimony also indicates that
5 DRK no longer exists and was supplemented or supplanted by
6 Dr. D's.

7 Q. When did that happen?

8 A. I don't remember, sir. But obviously subsequent to
9 that.

10 Q. Well, this was filed in November of '87.

11 A. The agreement was drawn before November of '87, I
12 think finally indicated the determination. If I'm not correct.

13 Q. The cover says the termination would be somewhere
14 in '88.

15 A. I don't remember. When that thing fell apart, that
16 created a big schism in that whole thing and that's when I
17 disassociated myself from everything. So it was approximately
18 that time or immediately thereafter.

19 Q. D & F Industries. Have you ever been associated
20 with them? I believe I have the name right. The initials are
21 correct. It may be D & F Corporation, D & F such and such.

22 A. Never.

23 Q. You have never heard of D & F?

24 A. (Witness shakes head.).

25 Q. Richard Marconi. Do you know a Mr. Richard

1 Marconi?

2 A. Sure.

3 Q. How do you know him?

4 A. He was in the industry when I was in the
5 manufacturing business years ago.

6 Q. Is he a graduate from Donsbach University?

7 A. I think possibly.

8 Q. Was he one of the, quote, deals, end quote, of
9 Donsbach University?

10 A. I don't understand the question.

11 MR. DILLING: What?

12 BY MR. BOTTS:

13 Q. In relation to Donsbach University what was a,
14 quote, deal?

15 A. Never heard of it.

16 MR. BOTTS: Mark that.

17 BY MR. BOTTS:

18 Q. I hand you now what's been marked as deposition
19 Exhibit 17. I will give you a chance to look through it.

20 A. I have no idea.

21 Q. You do not recognize that as documents from
22 Donsbach University?

23 A. I recognize that it has to do -- that there was a
24 Linda employed.

25 Q. What was her full name?

1 A. Linda Bunting.

2 Q. Linda Bunting Smith?

3 A. Yeah, I think.

4 Q. I direct your attention to the second page of that
5 Exhibit A, copy of a memo signed with the initial "L." Do you
6 recognize that as Linda Bunting Smith's initial?

7 A. No, I don't. I wouldn't recognize her initial. I
8 have no idea.

9 Q. In the bottom right-hand corner it states, quote,
10 this is a deal, end quote.

11 A. I have no idea.

12 Q. Are you familiar with Jack Culp?

13 A. I recognize the name.

14 Q. Do you recall him as a graduate of Donsbach
15 University?

16 A. I see a letter from myself indicating that he had
17 completed the requirements.

18 Q. Do you have any independent recollection other
19 than --

20 A. I remember that there was some -- he was involved
21 in some legal thing that I don't remember what the -- what it
22 was all about.

23 Q. What was your relationship with the Herbalife
24 Corporation?

25 A. I've had no relationship.

1 Q. Did you assist them in the development of products
2 or the marketing of products?

3 A. No, sir.

4 MR. DILLING: This is all right.

5 BY MR. BOTTS:

6 Q. Were you involved in a lawsuit in 1985 filed by the
7 Richlife, Richlife, Incorporated?

8 MR. DILLING: I will object to the question and direct
9 the witness not to answer on the grounds previously stated.

10 BY MR. BOTTS:

11 Q. What's your answer?

12 A. As objected by counsel.

13 Q. Were you involved in a lawsuit in Orange County,
14 California in 1986 brought by the Omni Bank as plaintiff?

15 MR. DILLING: Same direction, same reasons.

16 BY MR. BOTTS:

17 Q. Your answer?

18 A. As objected per counsel.

19 MR. BOTTS: Just so we make this shorter, are you going
20 to direct him to refuse to answer any questions regarding
21 lawsuits brought against him in the past?

22 MR. DILLING: I have no idea if the lawsuit is relevant
23 to any issue in this matter. That's one thing. So far there
24 hasn't been shown any relevancy. I don't have a crystal ball,
25 sir.

1 MR. BOTTS: It's been impossible to show relevance when
2 he refuses to answer any questions about it and I can't question
3 him about the lawsuit. So I'll just walk through these quickly
4 and get them resolved.

5 BY MR. BOTTS:

6 Q. How about a lawsuit filed in Orange County against
7 you by the Omni Bank in March of '86?

8 MR. DILLING: Same direction, same reasons.

9 BY MR. BOTTS:

10 A. To clarify, the last being in May of '86.

11 MR. BOTTS: Again, I'll presume since he's not answering
12 that he's accepting your direction.

13 MR. DILLING: That's correct, sir. Correct presumption.

14 BY MR. BOTTS:

15 Q. An action brought against you in '85 by
16 Hugh R. McNeil in Orange County, California.

17 MR. DILLING: Was there such a lawsuit? He doesn't
18 recognize the name, he tells me.

19 BY MR. BOTTS:

20 Q. Is that true, you don't recognize the name?

21 A. No.

22 Q. Also in '85 a suit brought by American Minets, is a
23 little confusing. I may have the name a little wrong. American
24 Westbound Offices, something like that.

25 MR. DILLING: Same direction, same reasons.

1 BY MR. BOTTS:

2 Q. Do you recognize that name?

3 MR. DILLING: I'm just directing him not to answer.

4 MR. BOTTS: He appeared as though he was going to answer,
5 that's why I asked.

6 THE WITNESS: As directed.

7 BY MR. BOTTS:

8 Q. A suit brought in '84 by Salvatore Avina in Orange
9 County, California.

10 MR. DILLING: Same direction, same reasons.

11 BY MR. BOTTS:

12 Q. Do you operate any businesses at the present time
13 in San Ysidro, California?

14 MR. DILLING: I'm directing the witness not to answer
15 that question on the basis that it's already been asked on a
16 previous occasion in this deposition of this witness and in
17 depth and over strenuous objection based upon the irrelevancy of
18 the entire line of questioning.

19 MR. BOTTS: We're about done, so you can keep your
20 objections short.

21 BY MR. BOTTS:

22 Q. Is Hal Card currently an employee of you or one of
23 the businesses you own or operate, control?

24 (Witness and attorney conferring.)

25 THE WITNESS: No.

1 BY MR. BOTTS:

2 Q. Hal Card doesn't work for you in any capacity?

3 A. That's correct. He does not work for me in any
4 capacity.

5 Q. Do you know whether or not Hal Card has resigned
6 from National Health Federation?

7 A. Yes.

8 Q. Did he resign or was he terminated?

9 A. To the best of my knowledge, he resigned.

10 Q. Since our last deposition, have you had any
11 communication with Peter Joseph Lisa?

12 A. I received a telephone call from Mr. Lisa.

13 Q. Do you know where Mr. Lisa is located at this time?

14 A. I have absolutely no idea, sir.

15 Q. Maybe I asked that clumsily. Do you know where his
16 residence is or where he may be found?

17 A. No, I do not.

18 Q. Do you know where he's employed?

19 A. Absolutely not.

20 Q. Do you know where he called you from?

21 A. No, I do not.

22 Q. What was the subject of the phone conversation?

23 MR. DILLING: I will object to the question on the basis
24 it has no relevancy in this case whatsoever.

25 ///

1 BY MR. BOTTS:

2 Q. What is your answer?

3 A. As directed.

4 Q. Did the phone conversation relate to this lawsuit
5 in any way?

6 A. Absolutely not.

7 MR. BOTTS: I'm finished with my questions at this time.

8 MR. DILLING: Can we have this off the record?

9 MR. BOTTS: Before we go off the record, we might as well
10 finish this up. In fairness to the record, I would just assume
11 that Mr. Dilling's initial statement be appended to the front of
12 the record just to make sure that we have everything together
13 for this day. I have no objection to your statement being --

14 MR. DILLING: As part of the transcript.

15 MR. BOTTS: Being appended to the front of this
16 transcript.

17 MR. DILLING: Absolutely, I think it should be.

18 MR. BOTTS: I'm making that offer to you.

19 MR. DILLING: The fact that we at Dr. Donsbach's
20 willingness to proceed despite the situation, why, that's all
21 part of the whole picture, yes.

22 MR. BOTTS: I also want it recognized the limitations on
23 my --

24 MR. DILLING: That's fine.

25 MR. BOTTS: -- on my examination of him.

1 MR. BOTTS: I have nothing further for the deposition.

2 Do you want to go off the record for a second to discuss --

3 MR. DILLING: Yes.

4 MR. BOTTS: Off the record.

5 (Whereupon, at 2:00 p.m., the deposition was concluded.)

6

7

--oOo--

8

9

I declare under penalty of perjury that the foregoing is true and correct; that I have read my deposition and have made the necessary corrections, additions or changes to my answers that I deem necessary.

10

11

12

13

Executed on this _____ day of _____, 1989.

14

15

16

17

18

Kurt W. Donsbach

19

20

21

22

23

24

25

1 STATE OF CALIFORNIA,)

2 : ss.

3 COUNTY OF SAN DIEGO.)

4

5

6 I, Marc Volz, a Certified Shorthand Reporter
 7 in the State of California, do hereby certify that the witness
 8 in the foregoing deposition was by me first duly sworn to
 9 testify to the truth, the whole truth, and nothing but the truth
 10 in the foregoing cause; that his deposition was taken before
 11 me at the time and place herein set forth; that his deposition
 12 was reported by me stenographically and later transcribed into
 13 typewriting under my direction, and the foregoing pages contain
 14 a true and correct record of the testimony and proceedings had
 15 at that time.

16 IN WITNESS WHEREOF, I have subscribed my name
 17 this 14th day of August, 1989.

18

19

20

21



22

MARC VOLZ, CSR NO. 2863

23

24

25

These People Have Blown the Whistle on IRS Crimes



Paul J. DesFosses. A 20-year veteran of the IRS. Mr. DesFosses was a senior IRS agent in Idaho. He is currently president of the Coalition.



Larry Hansen. A 14-year veteran of the IRS. Mr. Hansen served as a revenue officer in Utah and California. He is the executive director of the Coalition.



George Hansen. A seven-term U.S. Representative and longtime critic of the IRS. Congressman Hansen is an advisor to the Coalition.



Beverly Leavitt. In her 12-year career with the IRS in Brooklyn, Manhattan, and Hotsville, New York, Mrs. Leavitt received ratings that showed her to be a model employee. She is secretary of the Coalition.



Harry Hagemann. In working with the IRS for more than 25 years in Florida and elsewhere, Mr. Hagemann held such positions as field audit agent and appeals officer.



Richard Brogden. A four-year IRS employee, Mr. Brogden worked with IRS computers as a research analyst at the IRS's secret Fountain Valley, California, Automated Collection Site.

The National Coalition of IRS Whistleblowers was formed earlier this year in order to provide a forum for individuals to come forward with information regarding one of America's most authoritarian and secretive agencies — the Internal Revenue Service.

Since its formation, the Coalition has directed national attention to improper and unconstitutional activities by the IRS and has grown to include members from all sections of the country — people who have a great diversity of experience, both within the IRS itself and in dealing with the IRS as taxpayers.

Shown here are just a few members of the National Coalition of IRS Whistleblowers — an organization dedicated to ending criminal actions by the IRS against American taxpayers and IRS employees.

Their Work is Helping to Make the IRS Accountable for Its Actions

The Coalition wants America's tax agency to stop terrorizing the citizens of this country, and to stop destroying their lives. You can help by sending in documented reports of IRS abuses or crimes to the Coalition at the following address:

National Coalition of IRS Whistleblowers, P.O. Box 7750, New York, New York 10116

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COLLECTION: A NATIONAL NIGHTMARE



Underground Armies of The CIA

J. Edgar Hoover's Last Victim

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10
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10

01

No Sacred Cows

by Thomas G. Whittle

Since it was first published in 1968, FREEDOM News Journal has sought to bring the best of investigative reporting to a broad readership.

We have covered stories that other publications or news media could not or would not pursue.

Corruption in the halls of government and resultant violations of the U.S. Constitution — regardless of the agency involved — have been and remain major points of emphasis.

Whatever the subject, FREEDOM's staff have endeavored to present the stories behind the headlines, with the intention of giving our readers a deeper and broader understanding of current events. We have run stories on specifically how and why modern governments stand at loggerheads with the rights and freedoms of their own citizens; how and why such agencies as the IRS break the law and violate individual rights; how and why government-supported psychiatric "treatments" are destroying people's ability to think, work and live; and, most importantly, what the individual citizen can do about these abuses.

What we print may not be endorsed by vested interests, but we print the truth, and we only print what we can document.

Some of our readers have asked us why we investigate criminal activities of our government. Why dig up dirt on your own government, some wonder. Why not leave it to someone else, others ask.

Our reason is simple. The United States of America was founded as the greatest hope for man's continued freedom. We want it to stay that way.

While we believe that the majority of the employees of the U.S. government are honest, we have seen that individuals within various government agencies for one reason or another have gone off the rails, sometimes taking a portion of their agency with them.

FREEDOM brings such abuses and illegal actions to light. The public, when informed of illegal actions by agencies of their own government, can see the need for change and can demand improvement.

FREEDOM's work as a government watchdog has continued since 1968. A

review of what we have covered through the years would show that we harbor no sacred cows.

With this issue, FREEDOM has expanded and moved to a magazine format. We have increased the number of pages and increased as well the total amount of space available for our investigative articles. While our appearance has changed, you can count on FREEDOM — more than ever — to dig out the hard-to-find news stories.

This issue has some good examples. And you'll see many more in the months ahead as the result of current FREEDOM investigations.

In our work, FREEDOM relies on feedback from you, the reader. Our readers are often a vital source of information. Of the literally thousands of reports of IRS misconduct, for example, which have poured into our offices, some of the most revealing ones have come from our readers.

We thank you all for your letters, your reports, and your many forms of support. We will continue to do our best to bring you the best in investigative reporting. A

FREEDOM NEWS JOURNAL

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Geronimo Pratt

Interview with the last victim of J. Edgar Hoover's COINTELPRO.

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Undercover Armies of the CIA

Part III in a series by intelligence expert L. Fletcher Prouty.

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Special Report

Tax Collection: A National Nightmare

A bold series of advertisements takes the nation's tax agency to task.

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ABOUT THE COVER

Heavily armed IRS agents in Soda Springs, Idaho, arrest the wrong man. This and other true incidents of IRS "terrorism" have been featured in a dramatic national television advertising campaign.

NOTE TO OUR SUBSCRIBERS:

This issue is a combined September/October issue. Subscriptions will be carried forward one month to ensure subscribers receive their full number of issues.

The Pain of Taxation

by Arthur B. Laffer



Arthur B. Laffer

To understand incentives is to perceive the touchstone of motivation.

While varying in degree, intensity and duration, pain of any sort generally does repel, while pleasure attracts. Taxation quite comfortably resides in the domain of pain. Therefore the power to tax is the power to diminish, deter or destroy.

In the grand scheme, taxation can serve two noble purposes, although, unfortunately, it can serve vile purposes as well.

To reduce that which is not wanted and to raise the requisite revenues to provide additional amounts of that which is wanted are the two legitimate functions of taxation. How best to create institutions that allow man to achieve these honorable ends and yet prevent taxation's misuse is the essence of good governance.

It takes both experience and wisdom to recognize the limits to which taxation should be taken. For taxation carried too far is as evil as is excessive selfishness when helping those in need. Balance is comprised of a clear vision as well as an open heart. The most immoral act government can perpetrate on society is to enact policies which have the effect of destroying the production base from whence all beneficence ultimately flows.

The incentive effects of taxation have earned the respect of those who observe.

Sir Robert Peale in 1842 warned parliament not to raise taxes on the great articles of consumption because "you will be defeated in your expectations of revenue." In a more modern setting, President John F. Kennedy echoed Sir Robert Peale's warnings when he stated "reducing taxes is the best way open to us to increase revenues."

"A People of Hustlers"

Unfair and arcane tax codes virtually assure pervasive illegal activities. Such a system makes victims of us all, some truly without malice aforethought, others lured by the most natural of personal desires. Gunnar Myrdal, a noted liberal Swedish economist, referenced what excessive taxation can do to the moral structure of society:

"The Swedish honesty has been a

pride for me and my generation. Now I have the feeling that we are becoming a people of hustlers as a result of bad laws. Of all the deficiencies of our income tax system, for me the most serious is that the laws directly invite us to tax evasion and tax cheating."

The story of Robin Hood should suffice for anyone who might doubt what the power of taxation can do when controlled by either the irresponsible or the evil.

Horror stories abound in any discussion of the IRS's intrusion into our lives.

Taxation is a fearsome weapon in the arsenal of the unscrupulous or a treacherous hazard in the possession of unaware innocents. The dangers associated with taxation are similar to the dangers of nuclear power. The use of each must be meticulously controlled so as to render the enormous benefits of which they both are capable and yet prevent the horrifying destruction inherent in their misuse.

The best tax is one where tax rates are as low as possible so as to provide the least incentives for people to evade, avoid or otherwise not report taxable income.

That tax base is the best which is the broadest so as to permit the least manipulation and evasion.

The ability of Congress to either alter tax rates or to manipulate the tax base should be made both burdensome and time consuming.

The Internal Revenue Service must be precisely controlled so as never again to be allowed to willfully roam, harassing our innocents and destroying our trust in the rule of law. The best functioning system should be made as impervious to manipulation as is humanly possible.

Second American Revolution

President Reagan has begun the second American revolution. He recognizes that "our tax system is, in short, utterly impossible, utterly unjust and completely counterproductive."

While far from perfect, his latest move to defog the tax codes is a major step in the right direction.

continued on page 4

"The Internal Revenue Service must be precisely controlled so as never again to be allowed to willfully roam, harassing our innocents and destroying our trust in the rule of the law."

THE GREAT MEDICAL MONOPOLY WARS

BY P. J. LISA

There is a war going on.

It has been going on for more than three decades. The American Medical Association (AMA) and its allies have been waging a behind-the-scenes campaign against their competitors in the alternative health care field.

One of the most publicized campaigns was the one the AMA waged against the chiropractors from the early 1960s through the mid-1970s. Skirmishes are still ongoing between the AMA and chiropractors around the country. These are currently being fought in the courts.

The AMA's war has also been waged in Congress, where its very affluent and powerful lobby group, the American Medical Political Action Committee (AMPAC), works to push legislation for the AMA or to fight legislation which the AMA is against.

However, not all of the action in this war has been waged in the open. On the contrary, most of it has been fought behind the scenes. The command centers have been private meetings and closed-door sessions between the AMA and its allies both in and out of government.

The AMA's sophisticated and elaborate schemes started to surface when, in the mid-1970s, documents began to be published and to appear in lawsuits filed by chiropractors against the AMA

that detailed AMA plans and actions against the entire chiropractic field.

Probably the most oft-quoted of these documents is a now-infamous memo dated January 4, 1971, written by M. Doyl Taylor, head of the AMA department of investigation, and sent to the AMA board of trustees.

In this memo, the AMA revealed its true motivation in its war against chiropractors:

"Since the AMA board of trustees decision at its meeting on November

2-3, 1963, to establish a Committee on Quackery, your committee has considered its prime mission to be, first, the containment of chiropractic and, ultimately, the elimination of chiropractic."

If this sounds illegal and unjust, it should, because it is

As a matter of fact, the AMA and others were sued for criminal conspiracy in a \$13 million suit filed by the New York state attorney general in 1979, based on this document and several others.

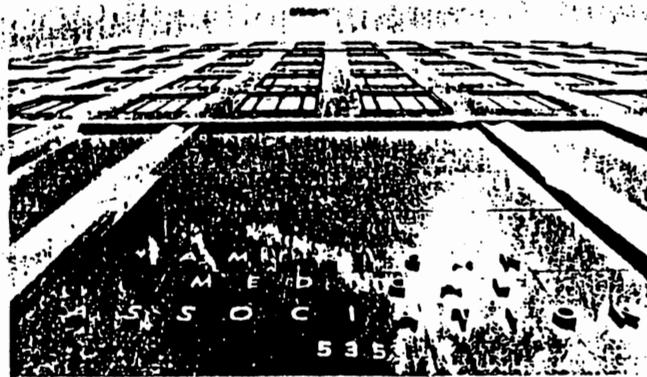
The suit was settled between the AMA and the New York attorney general's office. In the stipulated settlement, which was published in 1981 (Civil Action No. 79 C 1732, July 9, 1981), the state agreed to drop charges because the medical association in New York state conceded that its ethical rules would not disallow a physician from referring patients to chiropractors, and vice versa.

Additionally, the AMA had changed its position in its "Principles of Medical Ethics" in 1980 to state that a physician could, without fear of discipline or sanction by the AMA, choose to refer a patient to a chiropractor.

This settlement also opened the door for chiropractors to have access to hospitals in New York state for the purpose of administering treatment and using diagnostic X-rays at the hospital. Prior to this case, the doors of hospitals were, for the most part, closed to the chiropractors.

Behind-the-Scene Maneuvers

According to one source in the New York state attorney general's office, this



AMA headquarters in Chicago. (© 1983 News Group Chicago, Inc. Photo by Jim Klepisch; printed with permission of The Chicago Sun-Times.)

settlement came about as the result of an AMA maneuver to prevent the broad public issue of information that could have been damaging to the AMA on a grand scale.

The sequence was as follows:

In the state of Illinois, the chiropractors had filed suit against the AMA for restraint of trade in 1976. The suit was in the lower courts in Illinois for years, during which time intensive discovery was conducted.

According to George McAndrews, attorney for the chiropractors, they had assembled over one million documents through discovery. When the New York attorney general filed his criminal conspiracy suit, he also filed a motion with the Illinois court to obtain access to the documents which the chiropractors had already discovered in their case.

The court had put a seal on these documents, and they were still under seal when the New York attorney general filed his motion requesting that the court lift the seal and make the documents available to him.

Had this motion been upheld, the New York attorney general would have been spared the time and expense of going through the same motions to obtain what had already been gathered in the chiropractic case in Illinois.

A source in the New York attorney general's office reported, however, that just as the seal was about to be lifted, the AMA made a dramatic move. Rather than have its dirty laundry aired in public, it chose to settle the case out of court.

Reports from inside sources reveal that the American Medical Association has spent upwards of \$8 million fighting just one case in Illinois — defending itself against monopoly and anti-trust charges. Sources close to the AMA report that it fears more suits will be filed against it based on the suit in Illinois.

Dr. Sid Williams, president of the International Chiropractic Association and founder of Life Chiropractic College in Marietta, Georgia, said in a recent interview at his college that at least five other suits have been filed against the AMA.

Based on documents uncovered through the Freedom of Information Act, and reports from informed sources, there will most likely be more suits filed against the AMA in the future.

History of the Monopoly

To understand what is currently oo-

curing in this war, one must review the past battles and skirmishes in the field of the healing arts.

The AMA Committee on Quackery acted as a "scientific and authoritative" source of information on what "official medicine" considered unsafe or unproven methods of treatment.

Many derogatory terms were employed to describe the enemies — whether real or imagined — of the AMA.

These included such terms as "unscientific cult," "unproven methods," "health fraud," and "quackery," the latter being the most publicized.

When the AMA chose a name for the committee that would investigate and comment on its competition, it chose the title "Committee on Quackery," thus positioning, in the minds of those with whom the committee would come in contact, the alternative health care professions and practitioners as no more credible than snake oil hawkers.

The committee was composed of medical doctors who were touted as authorities on the subject of "quackery."

These men took credit for a U.S. Supreme Court ruling that gave the states the right to refuse to license a chiropractor unless he had the same qualifications as a medical doctor. They were also responsible for excluding chiropractic coverage in Medicare.

They were behind a series of articles directed against chiropractic which appeared in publications put out by the National Council of Senior Citizens. They also paid the bill to reprint these articles.

They were behind a covert move to influence what was supposed to be an "independent government study" on chiropractic. They not only influenced the study, but they also paid for it and knew the outcome of the study before it was published. Then they quoted this "independent study" in their letters, sent copies of it around the country, used it in the news media, and credited this study to sources "outside of medicine."

They also encouraged other groups and associations to make statements against chiropractic. They did this with at least a dozen professional and volunteer organizations.

Then they turned around and quoted these organizations as being "outside of medicine" or "independent sources," when, in fact, these groups were simply the pawns and puppets of the AMA.

For the most part, the members of

THE GREAT MEDICAL MONOPOLY WARS

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"When the AMA chose a name for the committee that would investigate and comment on its competition, it chose the title 'Committee on Quackery,' thus positioning, in the minds of those with whom the committee would come in contact, the alternative health care professions and practitioners as no more credible than snake oil hawkers."

THE GREAT MEDICAL MONOPOLY WARS

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"According to documents recently released under the Freedom of Information Act, some of the activities of CCHI apparently violated the anti-trust and conspiracy laws of the United States."

the Committee on Quackery were publicly known. The men on the committee wrote letters and contacted well-known doctors, asking them to take action in various state legislatures and in the nation's capital. They were not so much covert as they were openly antagonistic to their opposition.

Such was not the case, however, with another group that was created at approximately the same time as the Committee on Quackery.

This was the group known as the Coordinating Conference on Health Information (CCHI).

Secret Organization

CCHI was formed in 1964, one year after the AMA board of trustees formed the Committee on Quackery. The main difference between the two groups was that CCHI was a totally secret, covert organization. It could be compared to the Central Intelligence Agency's Office of Policy Coordination (OPC), which was the most covert of all the CIA's sections. CCHI, like OPC, operated completely out of the public eye.

As has been learned from documents recently released under the Freedom of Information Act, both also operated away from the sometimes watchful eye of government agencies empowered to ensure that other government agencies follow government rules and regulations.

CCHI did not take any credit openly for any of its activities. In the trust sense of the word, it operated as an intelligence planning and operations group.

Throughout its 10-year history, from 1964 to 1974, the group was headed by H. Doyl Taylor, who was also the head of the AMA's department of investigation and the sole layman on the Committee on Quackery.

Organizations and agencies that were represented in CCHI included the American Medical Association (which led the group at its bi-annual meetings); the American Cancer Society (which led the fight against alternative health care modalities and treatments for cancer, preferring such treatments as radiation, surgery and drugs to vitamin therapy and other nutritional approaches); the American Pharmaceutical Association (whose interest in all of this is obvious, considering the fact that it represents the manufacturers of all of the drugs prescribed by medical doctors); the Council of Better Business Bureaus (which kept track of products and service organizations and employed

undercover investigative tactics to obtain information for the AMA's use); the Arthritis Foundation (similar to the American Cancer Society in that it also had a vested interest in fighting alternative health care); the Food and Drug Administration; the U.S. Postal Service; and the Federal Trade Commission.

According to documents recently released under the Freedom of Information Act, some of the activities of CCHI apparently violated the anti-trust and conspiracy laws of the United States.

It was under Taylor's direction that the member organizations and agencies of the U.S. government launched an unprecedented attack on the basic civil and constitutional rights of those practitioners and consumers in the alternative health care fields.

"Operating Procedures"

According to the now-published "Operating Procedures" of CCHI, an effort was made to cover up the involvement of government agencies that were members of CCHI.

The third rule listed in its procedures stated: "Proceedings of the Coordinating Conference on Health Information are for information of members of the conference only and shall not be formally recorded. However, member organizations may provide information at the meetings which can be used for general distribution."

According to various laws and government regulations, any governmental agency that participates in an outside committee must follow strict guidelines in order to be involved in such an activity. Additionally, meetings such as these, between members of the private sector and representatives of the government, are to be treated as a matter of public record.

Contrary to such regulations, CCHI laid the groundwork for covering up governmental involvement in its first meeting in November 1964.

It was reported in the minutes of this meeting that "When reference was made to the group in attendance at the meeting as a 'committee,' Mr. Sweeny said that he and Dr. Dobbs (both members of the Federal Trade Commission) could not participate as members of any committee without very specific and direct authorization of the commission (FTC) — that they could attend meetings but could not be members of a committee. Dr. Milstead (of the FDA) said that this was true also of the staff of the FDA. It was then decided to refer to

the meeting as a Coordinating Conference on Health Information."

More information came to light in the minutes of later meetings which clearly showed that the government's involvement was more than simple "participation" in some meetings.

All three agencies represented in CCHI took part in an attempt to cover up their involvement. The minutes stated: "Changing the name of the Coordinating Conference on Health Information was also considered, particularly with reference to whether 'Conference' accurately described the group and its activities. Mr. Taylor reminded the group that this name had been suggested to overcome the difficulty some members might have in having to clear their membership on a committee, whereas they could attend a conference on their own recognition. It was decided to make no change in the name at present."

Beginnings of the Pepper Bills

In 1982, U.S. Representative Claude Pepper introduced three bills (HR 6049, HR 6050, and HR 6051) directed at the AMA's opposition in the health care field.

Each one of these bills was strangely familiar when CCHI minutes were analyzed.

HR 6049 called for establishing a national clearinghouse for consumer health information received from both public and private sectors.

Prior to the introduction of this bill, the only such depository in the country, or at least the most complete one, was the American Medical Association's department of investigation in Chicago. It contained information on all aspects of the healing arts, most of which was slanted against the AMA's competition.

Both governmental and private sources sought information from these files. Even foreign governments went to the AMA for answers.

Pepper's proposal for a clearinghouse for such information was found to be a topic of discussion throughout the minutes of CCHI meetings.

As a matter of fact, it is clear, after reviewing these minutes, that the most important and frequently discussed problem in the CCHI meetings was how to establish a "clearinghouse" of information from which data could be broadly disseminated to the public.

In one of their earlier meetings, the

continued on page 30

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THE GREAT MEDICAL MONOPOLY WARS

CONTINUED FROM PAGE 29

"CCHI used the news media to create a public mood within the United States so that government prosecution of its opposition would not be questioned or stopped."

representative from the Better Business Bureau, Dr. Irving Ladimer, introduced the "subject of the need for a national clearinghouse of information on unproven methods of disease management."

As the minutes state: "In his opinion, it is essential that there be a central pool in which everyone could send information so that when a problem arose, there would be one place to check for all the information available, and not a dozen separate sources to contact, as at present."

It was further stated by a Dr. Grant from the American Cancer Society that "the federal government should do this type of work, if it were to be done." He also wondered whether the National Medical Library might be interested in preparing an index of materials available on "quacks."

Pepper's bill called for the establishment of such a clearinghouse in the National Medical Library.

Such a system would have instituted a system of censorship of all health information and would have officially labeled as "unscientific" anything with which the medical orthodoxy (the AMA) disagreed.

A review of Pepper's documents revealed a list of books that were recommended reading and a list of those that were not recommended. The latter list included books by Adelle Davis, one of the most widely read authors on the subject of health in the country.

The similarities between Pepper's bill and CCHI's objectives are not just coincidence: these actions were planned 20 years earlier by CCHI. Led by the American Medical Association, these "ideas" found their way into Claude Pepper's hearings and, finally, into recommendations for legislation.

HR 6050 called for increased criminal penalties against "quacks." CCHI was instrumental in carrying out an extensive, protracted propaganda campaign against those whom it labeled "quacks."

CCHI used the news media to create a public mood within the United States so that government prosecution of its opposition would not be questioned or stopped.

During the second national congress on medical quackery in October 1963, Sidney W. Bishop, the deputy postmaster general (and a member of CCHI), laid the groundwork for the Pepper bill which was to be presented more than 20 years later.

He stated, "I am particularly proud of the excellent working arrangement existing between the Food and Drug Administration, the Federal Trade Commission and the Post Office Department to maintain coordination in the exchange of information leading to the establishment of criminal prosecution."

A few years later, at a CCHI meeting, it was recorded that "Considerable progress has been made in the enforcement area by all three federal enforcement agencies. We are particularly encouraged with the improved coordination of enforcement at the federal level and we hope that this can be improved."

CCHI, having the three agencies that would be involved in increasing criminal penalties and enforcement of the laws in this area in its camp, had put quite a bit of attention on the subject.

In the language of HR 6050, there were terms which, interestingly, were also used to describe alternative health care methods throughout the minutes of CCHI meetings. Terms such as "unsafe," "ineffective," and "unproven" are repeated many times. Some of the methods which CCHI labeled as "unsafe," "ineffective" and "unproven" were chiropractic, vitamins, and nutritional supplements.

The Pepper bill which was introduced for the purpose of forming a federal strike force was probably the most insidious of all of the bills, although all three would have infringed upon the constitutional rights of American citizens had they been passed.

In HR 6051, Pepper called for a strike force against quackery. It was to be established within the Department of Justice and would consist of two representatives each from the Justice Department, the FDA, the FTC and the U.S. Postal Service.

All but the Justice Department were members of CCHI, and even then it would be the Justice Department that would prosecute any cases that the other three agencies would present.

The idea that a federal strike force would exist to restrict trade and competition within the health industry is shocking, but it becomes ludicrous when one looks over the minutes of the CCHI meetings and sees that it has been the private sector, the vested interests of the medical monopoly, that directed these same government agencies for more than 23 years, for the sole purpose of eliminating its competition.

The fact that these same government agencies have been in conspiracy and collusion with the private sector is particularly ironic in that one of the members of CCHI, the Federal Trade Commission, is responsible for ensuring that groups like the AMA do not violate the anti-trust laws. Fortunately, the Federal Trade Commission has some integrity as a group and is no longer in sympathy with the medical monopoly or the AMA.

Going Underground

In late 1974, in the last recorded minutes of any CCHI meetings, a memo written by H. Doyl Taylor gave a glimpse of what happened to CCHI.

He wrote that at CCHI's May 1974 meeting, it was decided to compile a list of items for CCHI members, including the goals and objectives of CCHI as well as the operating procedures of the group. The entire document was written as if the group were disbanding and turning over its functions to someone else to carry on. From the operating procedures, we can get an idea of what happened to CCHI, and why it hasn't been seen or heard from in more than 10 years.

The third point under "Meetings" states that "the Proceedings of the CCHI are for information of members of the Conference only and shall not be formally recorded."

After Taylor wrote this memo, CCHI faded away.

There were extenuating circumstances

surrounding its disbanding. A major shakeup at the AMA took place between 1974 and 1975. This was apparently brought about by both internal decisions and external forces that were pressuring the AMA to make certain changes. Sweeping changes were made in its internal structure. Some long-standing committees and even whole departments were disbanded, dismantled and swept away.

This included H. Doyl Taylor and his department of investigation, and the Committee on Quackery.

If such were the case — that these entities were actually disbanded — several questions would be left unanswered.

Where, for example, did all of the files go that the department of investigation gathered and stored for more than three decades?

Some say that they are still there, in the department of medical education. Others say that groups outside the AMA have the files, or at least a large number of them.

Shadows of CCHI

To whom did Taylor turn over CCHI? Where did the files go that were under his care?

Why did he write up the goals, objectives and operating procedures of CCHI 10 years after it was formed?

Did he see the writing on the wall?

Within six months after his August 1974 memo, he and his department were on their way out the AMA's door. Some sources say that he turned over

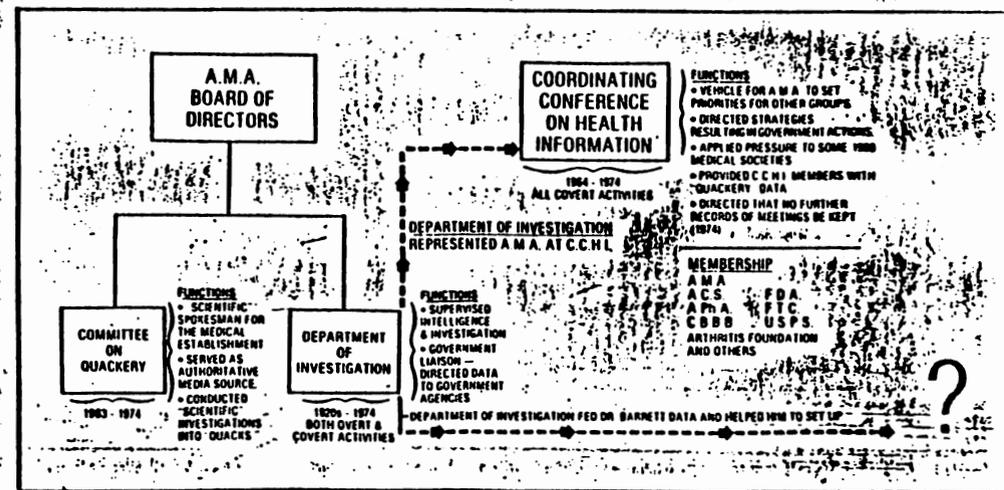
some of his information to people like Dr. Stephen Barrett, psychiatrist, founder of the Lehigh Valley Committee Against Health Fraud in Pennsylvania. Others say he turned it over to another department within the AMA. It has been difficult to determine who actually received the information, and there haven't been many clues.

But a breakthrough was made in early 1985. New and startling information was uncovered during the course of some routine research conducted in Sacramento, California, at the Department of Health in the state capital.

According to documents discovered in Sacramento, an entire underground medical network has been meeting secretly, along with members of the U.S. Postal Service, the FDA, the FTC and others, in an effort to launch attacks against chiropractors, nutritionists, Dr. Kurt Donsbach, Herbalife, the National Health Federation, Dr. Bruce Halstead, Dr. Michael Gerber, Dr. Ray Evers and many others.

The chilling parallels between the underground network and CCHI are so close that this network is now referred to as the "Shadow CCHI." A

The underground network will be the subject of the second in this series of articles exclusive to FREEDOM. The information in this series is part of an upcoming book entitled *The Nutritional Wars*, published by the International Institute of Natural Health Sciences, 1985 P. J. Lisa.



The underground network spawned by the AMA's Department of Investigation — where is it today?



SS officer Paul Dickopf, shown here in his SS track suit, was president of Interpol from 1968 to 1972



Ernst Kallenbrunner was president of Interpol until he was hanged for Nazi atrocities in 1946



Reinhard Heydrich, chief of the Nazi security police, was president of Interpol until his assassination in 1942

There is one organization that never wanted to see this book in print.

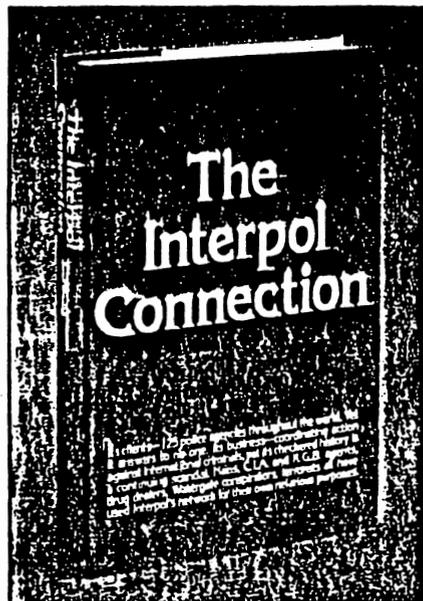
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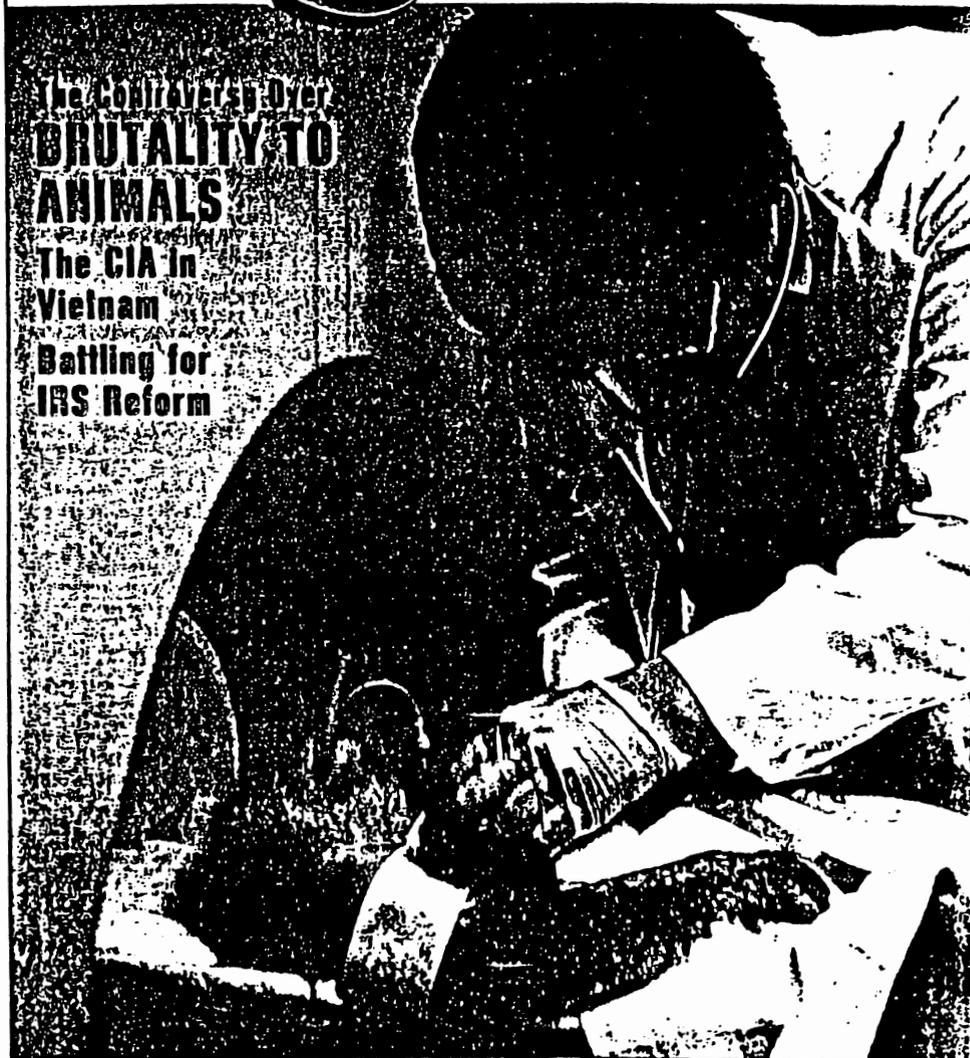
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The Controversy Over
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This monkey is being prepared for tests as part of brain research at a major medical center.

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THE CONTROVERSY OVER Brutality to Animals

Special FREEDOM Report
by C. Lee McCormick

Despite growing criticism, the American Psychological Association (APA) has barred the discussion of its role in what critics have described as "barbaric and heartbreakingly cruel" experiments on animals.

One group, Psychologists for the Ethical Treatment of Animals (PsyETA), was banned from speaking at the August 1985 APA convention in Los Angeles.

The APA could not, however, silence the hundreds of concerned citizens opposed to cruel experimentation who demonstrated in front of the Los Angeles Convention Center's gates, nor could they intimidate the psychologists of PsyETA.

PsyETA was founded by two psychologists who hold Ph.D.s, Emmanuel M. Bernstein of Saranac Lake, New York, and Kenneth J. Shapiro of Lewiston, Maine.

Three years ago, Drs. Bernstein and Shapiro were the only members of PsyETA; today, more than 250 psychologists — all holding Ph.D.s — along with many non-Ph.D. psychologists have joined their ranks in an effort to get the APA to minimize pain and suffering among laboratory animals.

While the APA convention proceeded, PsyETA called its own press conference in Los Angeles to speak out against the APA's almost total disregard for the suffering of animals in behavioral research.

Atrocities Revealed

Revealed to reporters at the PsyETA press conference were some of the painful procedures animals are subjected to by psychology researchers. The documentation of what occurred in a sample year, 1984, included such atrocities as:

- up to 60 seconds of continuous, inescapable electric shock;
- up to 360 shocks in 66 minutes;
- attacks upon puppies resulting in death;
- fighting provoked between females in labor and males;
- up to 47.5 hours of water deprivation; and
- food deprivation to the point of a

continued on page 4



PHOTO BY JEFF ALBERTSON - NEW YORKER

- "The documentation of what occurred: sample year, 1984, included such atrocities as:
- up to 60 seconds of continuous, inescapable electric shock;
 - up to 360 shocks in 66 minutes; (and)
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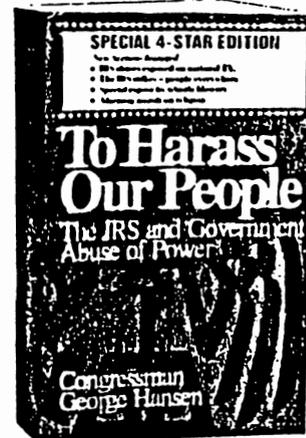
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THE GREAT MEDICAL MONOPOLY WARS

PART II IN A SERIES

by P.J. Lisa

In Part I of this series, the structure and workings of the secret Coordinating Conference on Health Information (CCHI) were described.

Formed in 1964, CCHI's membership included representatives of various U.S. government agencies, including the Food and Drug Administration (FDA), the Federal Trade Commission (FTC), and the then U.S. Post Office Department. However, CCHI was dominated throughout its existence by the American Medical Association (AMA).

As described in Part I, CCHI operated as an intelligence planning and operations group. Its target: the health field competition of the AMA. Chiropractors, nutritionists, vitamin therapists, and others were subsequently found to have been the targets of CCHI disinformation campaigns, legislative efforts, and "dirty tricks."

Throughout its 10-year history, CCHI

was headed by Doyl Taylor, who was also head of the AMA's Department of Investigation and a member of the AMA's Committee on Quackery.

In late 1974, in a move shrouded in secrecy, CCHI disbanded and its functions were apparently turned over to another entity.

In this article, the author begins to trace the underground network that ful-

fills the functions formerly carried out by CCHI.

The drugless and holistic¹ healing arts, as health care systems, today are fighting for their very lives.

Product manufacturers and orthodox medicine have apparently combined in an all-out effort to remove certain products and practitioners — even entire organizations — from the competitive marketplace.

Some of these targeted entities include:

- Herbalife, a company that markets natural diet products and vitamin supplements;
- the National Health Federation — perhaps the most outspoken health advocacy group representing consumers in the United States today;
- Dr. Kurt Donsbach, one of the country's leading nutritional experts and chairman of the board of the National Health Federation;
- General Nutrition Centers, a large, national chain of vitamin and health food stores; and
- Cernitin-America, the manufacturer of a well-known diet popularized by one of its founders, entertainer Dick Gregory.

In the beginning of 1985, Herbalife was enjoying tremendous growth. The first quarter of 1985 was the company's best in five years.

But then the rug seemed to be pulled out from under the company. Herbalife first came under heavy attack by the FDA, followed by a rash of bad press from which it has still not fully recovered.

continued on page 36

¹ holistic — as defined by James C. Whorton, associate professor of biomedical history at the University of Washington, holistic care is "care that treats the whole patient as a complex individual whose health is determined by the interaction of his mind and spirit, as well as work and home environment, with his body."

"Product manufacturers and orthodox medicine have apparently combined in an all-out effort to remove certain products and practitioners — even entire organizations — from the competitive marketplace."

MEDICAL MONOPOLY WARS

"A chilling parallel with CCHI was uncovered when files at the California State Department of Health were made available through the Public Records Act."

Continued from page 35

Dr. Kurt Donsbach's oral chelation¹ products have come under similar attack from the FDA. He has received two seizure notices from the agency, informing him that certain of his products would be taken off the market.

"We are in for the fight of our lives in the health care business," Dr. Donsbach told FREEDOM. "I believe the efforts of the government should be directed at investigating the pharmaceutical houses, which have been shown to be marketing products which have been tested by the FDA and have been proven unsafe and ineffective; yet they have refused to take these products off the market."

From a review of documents obtained under the Freedom of Information Act,

oral chelation — a combination of various vitamins, minerals and amino acids that are meant to act as a preventive measure against arterial plaque and to at the same time improve circulation and cleanse the cardiovascular system.



Kurt Donsbach, Ph.D.

and from other documents made available under the Public Records Act, it appears that there is an organized movement whose purpose is to attack the leaders in the health care system who advocate alternative health care and alternative health care products.

A chilling parallel with CCHI was uncovered when files at the California State Department of Health were made available through the Public Records Act.

In the course of researching files on various health promoters, professionals, products, groups and companies, other documents were made available. These included the then current files on Herbalife, Donsbach University, Dr. Donsbach, General Nutrition Centers, the National Health Federation, Dr. Ernesto Contreras of the Contreras Clinic, an alternative cancer clinic in Baja, Mexico, and others.

In addition to these records, access was also provided to a file kept by the head of the Fraud Division of the Food and Drug Branch of the California State Department of Health.

These documents revealed that a meeting was held in May 1984 between representatives of certain government agencies and a group known as the National Council Against Health Fraud, formerly known as the California Council Against Health Fraud.

Although the notes from the May 1984 meeting were incomplete, there was enough information in them to draw a picture of what had occurred.

The meeting took place in Sacramento, apparently at the California State Department of Health. Present at this meeting were the California Food

and Drug Branch of the State Department of Health (Sacramento, Los Angeles, and San Diego offices), the U.S. Food and Drug Administration (San Francisco and Los Angeles offices), the Board of Medical Quality Assurance², the U.S. Postal Service (from Los Angeles), and the Federal Trade Commission (from San Francisco).

The National Council Against Health Fraud was also in attendance. This group's spokesman, Harold Loeffler, apparently laid the groundwork and charted the direction of the meeting.

According to the available notes, the purpose of the meeting was to discuss various strategies on "fraud investigations," apparently against particular groups or individuals which those at the meeting had decided to pursue.

There are a number of similarities between the group of attendees at the May 24 meeting and the old Coordinating Conference on Health Information.

The involvement of the FDA, the FTC, and the U.S. Postal Service — all former members of CCHI — is one such similarity.

Another similarity is the fact that a stated goal of CCHI was the establishment of a national "clearinghouse" for information related to "quackery" and health fraud. During the May 24 meeting, an investigator from the California Food and Drug Branch, Dan Walsh, called for the "establishing of a central health fraud information network for both federal and state."

Walsh suggested the possibility of "our [Food and Drug Branch] computer hooking up to other computers," such as the computer of the National Council Against Health Fraud.

They could hook other computers into this system, he said, to "provide information that could be utilized by all participating agencies."

Harold Loeffler, representing the National Council Against Health Fraud, was the only individual from outside the government who was present at the meeting.

Loeffler's presentation to the group dealt with the priorities of his own organization and was apparently aimed at getting the government agencies present to align with those priorities. He

¹ Board of Medical Quality Assurance — a California body which receives and may act on complaints on medical doctors, and which can revoke or suspend a doctor's license.

MEDICAL MONOPOLY WARS

"It wasn't too long after the May 24 meeting that Herbalife began having trouble."

Herbalife Targeted

It wasn't too long after the May 24 meeting that Herbalife began having trouble.

The head of the Fraud Unit at the State Department of Health in Sacramento agreed to make his investigative file on Herbalife available, and the documents in this file told an interesting story.

Walsh was the principal party investigating Herbalife, although there were other investigators on the case as well, Walsh said. According to available documents, the inspectors were sent in "to become Herbalife distributors," Herbalife products and advertising flyers had been bought to review claims, and Herbalife's "career book"³ was obtained.

² career book — a detailed book describing the history and organizational structure of Herbalife, containing sales instructional materials, and describing as well the products that a Herbalife distributor might market. The book contained the information a distributor would need to get started in a career with Herbalife.

suggested ways in which they might limit the activities of what he referred to as "bogus health promoters" — for example, by closing down "diploma mills" issuing false degrees.

He went on to talk about others in the health field that he considered "quacks" and directed the government officials to examine "worthless weight loss remedies," as well as health promoters and chiropractors. His objective, he said, was to "counter these types of activities."

Contacted by telephone, Walsh provided information about another meeting, held in Los Angeles in early 1985, attended by representatives of the FDA, FTC, Postal Service, and several other organizations. Walsh himself represented the Food and Drug Branch, Herschel Elkins, attorney general for consumer protection, attended as the chief prosecutor on the Herbalife case, and William Jarvis was there as the representative for the National Council Against Health Fraud.

At this meeting, Walsh said, a task force was formed, with specific assignments given to each of the attending agencies.

From the notes of the May 24 meeting, and from Walsh's comments, this committee was apparently doing the job of the federal strike force which one of the ill-fated Pepper bills⁴, H.R. 6051, was to have put into existence. The establishment of such a strike force had been a consistent goal of CCHI.

The task force described by Walsh, however, has apparently been implemented without the approval of Congress, and without the consent or general knowledge of the public.

The National Council Against Health Fraud is not a government agency. It is a vested interest group of medical doctors and others, and it appears to be the driving force behind the movement to eliminate the alternative health care methods.

It prints position papers and a newsletter, and it is reportedly the main source of information in the news media against alternative health care products in the United States. It is a very well

⁴ Pepper bills — named after Congressman Claude Pepper of Florida. All of the Pepper bills died in committee in the House of Representatives earlier this year. If passed, these bills would have had the effect of drastically cutting back on alternative health care available to American consumers. As detailed in Part I in this series, the Pepper bills closely followed the agenda laid down by CCHI.

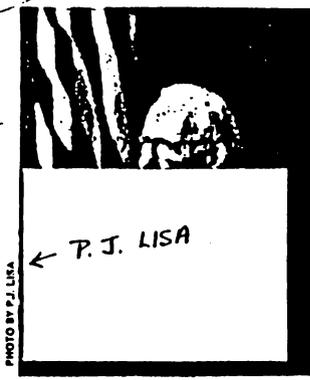


PHOTO BY P. J. LISA

Congressman Claude Pepper

Walsh also conducted an undercover investigation of Herbalife by using a suitable guise to gain the trust of a Herbalife distributor in Sacramento. According to the documents, Walsh reported that the Sacramento distributor was pleased with Herbalife's products and was excited about its success and its potential.

Walsh must have been convincing the distributor was reported as being excited about the possibility of having Walsh buy Herbalife products and possibly become part of the distributor's sales organization in the Sacramento area.

The records showed that Walsh recorded telephone conversations, apparently covertly, with the Sacramento Herbalife distributor over a period of approximately 60 days, stretching into the summer months of 1984.

"It was not much of an undercover investigation," Walsh told FREEDOM. "There wasn't anything significant enough about Herbalife to require that type of undercover investigation," he added.

Walsh did confirm that phone conversations were taped. "As a peace officer," he added, "as long as I am working under the authority of a prosecuting agency, I can record conversations covertly per California Penal Code 630.1."

It was after Walsh started this electronic surveillance that the Food and Drug Branch developed and implemented a branch-wide plan against Herbalife

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MEDICAL MONOPOLY WARS

"Tests have shown that NutraSweet causes lesions in the brains of laboratory animals."

Continued from page 37

which was drawn up by Walsh and approved by the then head of the Food and Drug Branch, Chambers Bryson.

Interestingly, the California State Department of Health's files in Sacramento contained only one complaint about Herbalife in 1981. The complaint had been referred to the department from the U.S. Food and Drug Administration, alleging "nausea and constipation" from a Herbalife product.

In 1982, the Food and Drug Branch again received only one consumer complaint regarding Herbalife. An additional letter, however, was received from the Arthritis Foundation* in San Diego, complaining about a Herbalife product which was advertised as helping arthritis sufferers.

Walsh said he had found, during the course of his investigation, that claims made by Herbalife were "basically innocuous." Claims made by some of the Herbalife distributors had gone too far, he said, but these claims by the distributors had nothing to do with claims made by Herbalife itself.

It was following this letter from the Arthritis Foundation that the Food and Drug Branch launched its statewide investigation into Herbalife.

NutraSweet

While the Food and Drug Branch

* As described in Part I of this series, the Arthritis Foundation was a member of the AMA-dominated Coordinating Conference on Health Information.

quickly launched an investigation into Herbalife on the basis of one complaint, the FDA and the Food and Drug Branch have, curiously, reacted much more slowly to complaints about another product, NutraSweet.

NutraSweet is an artificial sweetener which has recently become popular and is now widely used, both in diet and low-calorie food products across the nation.

Produced by G.D. Searle and Company, NutraSweet has recently been reported as "safe for general consumption" by the AMA.

Since it went on the market, however, NutraSweet has been the subject of a growing number of consumer complaints, ranging from problems of disrupted or altered menstrual cycles to blindness in one eye. Some consumers have alleged that NutraSweet had caused seizures and brain damage.

According to public-interest consumer advocate attorney Jim Turner, the number of complaints against NutraSweet has been more than 2,000. A former associate of Ralph Nader, the Washington-based lawyer is also author of the best-selling book *Chemical Feast*, an exposé on the FDA published in 1972.

Turner has been researching the effects of NutraSweet, also known by its generic name, Aspartame, and has uncovered the following statistics:

- A lawsuit recently filed in federal district court in Washington, D.C., alleges permanent brain damage in a five-year-old boy in Olney, Maryland, as a result of his ingesting NutraSweet;
- Dr. Richard Wurtman, of the Massachusetts Institute of Technology's Nutrition Department, has received 1,000 complaints about NutraSweet



Herbalife's national office in Los Angeles.

directly into his department;

- The FDA has received 900 complaints about NutraSweet;
- Woodrow Monte of Arizona State University has received 200 NutraSweet complaints;
- Aspartame Victims and Friends, a group in Ocala, Florida, has received 450 complaints; and
- The Arizona Consumer Council in Phoenix, Arizona, has received 100 complaints about the effects of NutraSweet.

According to Turner, Senator Howard Metzenbaum of Ohio has recently introduced legislation into Congress proposing that the National Institutes of Health conduct clinical studies on NutraSweet.

Oddly, however, the FDA cleared it for wide distribution in the marketplace, without insisting on the standard warning label which is usually required for products with such a record of complaints.

NutraSweet contains methyl alcohol, also known as wood alcohol. Tests have proven that this substance can cause blindness and other serious side effects.

Tests have also shown that NutraSweet causes lesions in the brains of laboratory animals.

Bill Vaughn, a spokesman for NutraSweet's Searle Laboratories in Skokie, Illinois, was asked about the large number of complaints that have reportedly been received against NutraSweet.

Vaughn claimed knowledge of only 1,500 complaints, and downplayed their significance, saying, "That's not bad, considering there are 100 million people using the product."

Even if NutraSweet is perfectly harmless, such contradictory reactions — an investigation launched into Herbalife on the basis of two complaints, and no investigation at all into NutraSweet in spite of at least 1,500 complaints — raise a number of questions about the game rules on which these federal agencies are operating.

The answer to these questions appears to lie in the nature and source of the movement to eliminate alternative health care methods and products, and this will be probed in further detail in the third part of this series. ▲

Next month: A further exploration of the targeting of the alternative health care field leads to strong evidence that the attack is being funded by vested interests in the pharmaceutical and chemical industries.

Truth in Taxation

IRS Has Destroyed 6th Amendment Right to Counsel

Part II in a Series:
The IRS vs. the Constitution

by William A. Kilpatrick

In all criminal prosecutions, the accused shall enjoy the right to a speedy and public trial, by an impartial jury of the state and district wherein the crime shall have been committed, which district shall have been previously ascertained by law; and to be informed of the nature and cause of the accusation; to be confronted with the witnesses against him; to have compulsory process for obtaining witnesses in his favor; and to have the assistance of counsel for his defence.

*Amendment Six
U.S. Constitution*

That's fairly clear. Under the Sixth Amendment, you are entitled:

1. To a speedy trial. Most districts have held that to mean not more than 90 to 120 days from the date of being charged with an offense to the date of trial.
2. To a public trial. You can't be convicted in a secret "star chamber." Your family and friends, the public, and the press have the right to attend the trial.
3. To be tried by an impartial jury, in a place not far removed from the location of the alleged offense.
4. To be informed of exactly what you are accused of having done. The charge must state clearly and precisely how you supposedly violated the law.
5. To face your accuser. An accusing witness must come forward in open court before his fellow citizens, and no accusations can be made anonymously.
6. To compel witnesses to testify regarding your innocence, regardless of how reluctant or frightened they may be.
7. To the assistance of an attorney. This right has been held to also extend to the right of privilege and confidentiality in communications with the attorney. Even if a client confesses guilt to him, the attorney may not testify

against the client, nor may he disclose any privileged information. Furthermore, if a person cannot afford to hire and pay an attorney, the court must appoint one to represent the person at public expense.

Safeguard

The Sixth Amendment, in other words, safeguards important rights which the individual has when he or she is charged with a criminal offense.

"The Internal Revenue Service (IRS) has put itself in a position where it can pick and choose whichever procedure — civil or criminal — is most advantageous to its purposes."

The protections assured the citizen by the Sixth Amendment are augmented by other provisions of the Bill of Rights which also protect the citizen when charged with a criminal offense.

These provisions are vital guarantees of individual freedom. An individual faced with criminal charges relies on the rights inherent in these amendments.

In civil* matters, the Bill of Rights provides for different specific protections for the individual, as civil and criminal procedures are vastly different.

Pick and Choose

The Internal Revenue Service (IRS)

* civil — "pertaining to the rights of private individuals and to legal proceedings concerning these rights. Used as a general residual category to distinguish a court, proceeding or rule which is not criminal, military or international." *The American Heritage Dictionary of the English Language.*

has put itself in a position where it can pick and choose whichever procedure — civil or criminal — is most advantageous to its purposes.

It is a sad comment on the current state of our judicial system — and a grave threat to our basic constitutional rights — that the IRS is permitted to "flip" from one type of procedure to the other and, if needed, to "flip" back again.

The IRS, in other words, can commence its actions under civil procedure — where the citizen has no Fifth Amendment protection against self-incrimination and no Fourth Amendment guarantee against unwarranted search of his papers and effects.

Once the IRS has obtained all it needs by procedures not permitted in criminal prosecutions but available in civil, it can and does switch back to criminal procedures.

It then avails itself of the awesome powers of the criminal grand jury under the guise of prosecuting the which was coincidentally discovered under the civil procedures. Once it has everything available on the criminal side — regardless of whether an indictment is achieved or a conviction attained — it then flips back and uses the criminal information to collect the civil tax.

This is not an allegation on my part. It was the subject of two cases — *U.S. vs. Sells* and *U.S. vs. Baggott* — heard by and ruled on in the U.S. Supreme Court as recently as the summer of 1983.

Unconstitutional Tactics

Fortunately, the court still holds such tactics to be unconstitutional — whenever the IRS is caught, that is.

Unfortunately, the secrecy requirements of the grand jury prevent the IRS from being caught most of the time.

Any question of the frequency of the IRS's application of this flip-flop procedure was resolved in the case of *U.S. vs. Kilpatrick*, by the testimony of the IRS's own agents as well as the testimony of assistant U.S. attorneys from the Tax Division of the Department of

continued on page 40



SS officer Paul Dickopf, shown here in his SS track suit, was president of Interpol from 1968 to 1972.



Ernst Kaltenbrunner was president of Interpol until he was hanged for Nazi atrocities in 1946.

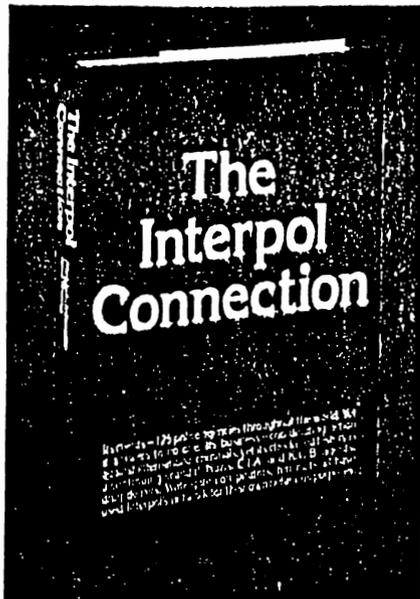


Reinhard Heydrich, chief of the Nazi security police, was president of Interpol until his assassination in 1942.

There is one organization that never wanted to see this book in print.

Interpol.

The *Interpol Connection* exposes the Nazi past of the International Criminal Police Organization. The authors unearthed irrefutable documentation, including photographs taken more than 45 years ago, of Interpol's hidden history. Past presidents of Interpol were shown to include Reinhard Heydrich, chief of Adolph Hitler's dreaded security police, and known as "The Hangman." In fact as late as the 1970s, the men chosen to head Interpol were documented Nazis. Paul Dickopf, Interpol's president from 1968 to 1972, was shown to have been an officer in the deadly SS that terrorized Europe in World War II.



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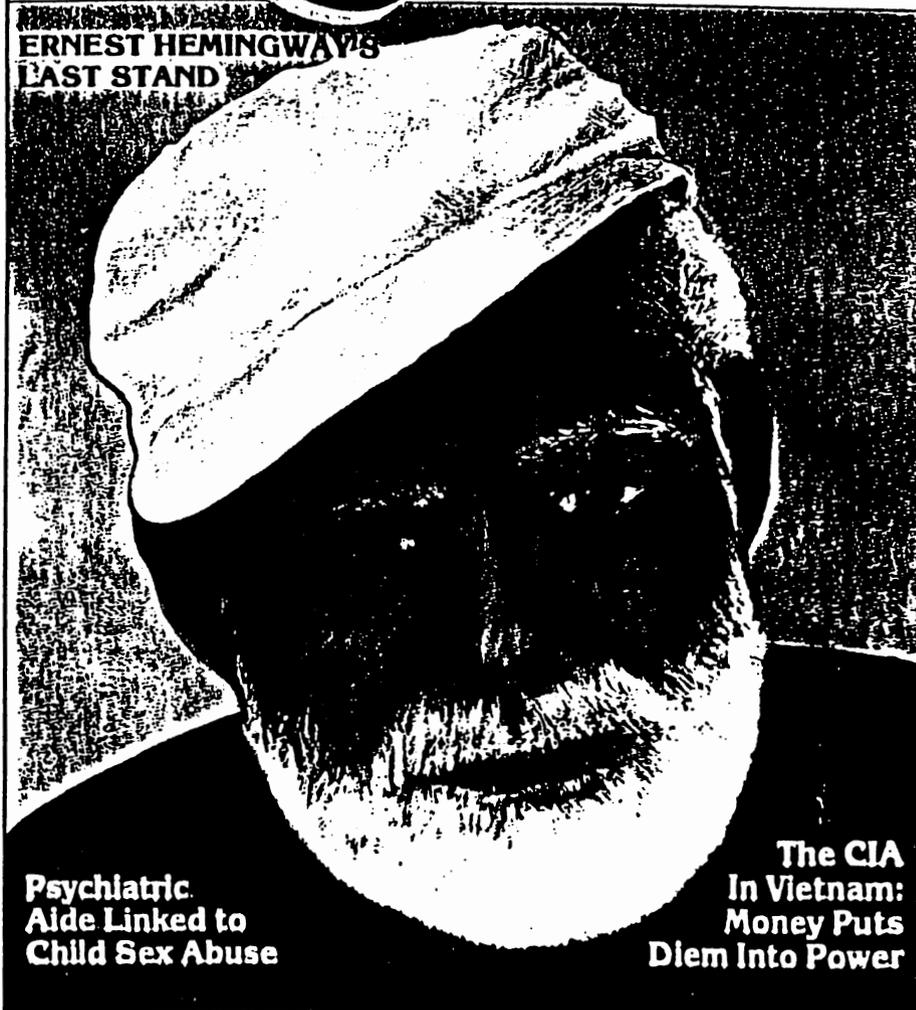
DECEMBER 1985

FREEDOM

VOLUME 18 NUMBER 4

THE INDEPENDENT JOURNAL PUBLISHED BY THE COUNCIL OF SCIENTISTS

ERNEST HEMINGWAY'S LAST STAND



Psychiatric Aide Linked to Child Sex Abuse

The CIA In Vietnam: Money Puts Dilemma Into Power

The CIA had it taken off the shelves, but you can still buy it.

"Should blow the roof off the CIA headquarters building. It reveals more of the CIA's history, its clandestine operations and about cover-up tactics than any previously published book on the subject."



PLEASE
NOTE

This is by L. Fletcher Prouty

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New York Post

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Houston Chronicle

"...ounds in examples of planned and executed official deviousness."

San Francisco Chronicle

"When the book hit the stands, it was an out-of-copy first edition, was ready to start did not want the public to have the information or so they thought."

"... a biting indictment of the CIA's grab for power."
Miami Herald

"... has the cold ring of truth about it. For nine years he served as Pentagon focal point officer — all CIA military activities were channeled through him."

Fort Worth Star Telegram

"The cloak and dagger boys at the CIA are trying to get an advance copy of a book which is highly critical of its 'dirty tricks' department."

"The author, ex-Air Force Col. L. Fletcher Prouty, was the Pentagon support officer for the CIA over a nine-year period. He did everything from supplying them with James Bond weapons to shipping three dozen lobsters to a CIA bigwig. And he has written a book about it, *The Secret Team*."

Jack Anderson/
Syndicated Columnist

ly reported that Prentice-Hall, having begun with was as though the book never existed. Those who very existing copy gathered up and destroyed...

You will not find *The Secret Team* listed in any directory of books published. It is not in any bookstores. It is not in any libraries. But now, for the first time in more than 10 years, you can buy your copy of *The Secret Team*.

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FBI documents show that Hemingway was not seeing ghosts when he said the "feds" were following him.

An aide at UCLA's Neuropsychiatric Institute was arrested on the charge of sexual misconduct with a foster child — but the public never heard about it.

Startled French troops learned that the Vietminh had American machine guns, American trucks, American mortars, and American artillery.

An excerpt from the forthcoming book, *Truth in Taxation* by William A. Kilpatrick.

Part III in a continuing series traces the money that props up the medical monopoly.

It was rarely in Saigon, and it wasn't really military, but it had a virtually unlimited supply of what mattered the most — money.

Part V in a series on the Central Intelligence Agency.

Without

Without

Without

FREEDOM: The Long and Short of It

Nightmare: Women and the Dalton Shield

"Vibes" Reveals Psychiatric Insanity

News in Brief

Classifieds

Letters



About The Cover Ernest Hemingway, the Nobel Prize-winning author. Original artwork for FREEDOM by Cynthia Coleman.

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IRS HAS DESTROYED 5th AMENDMENT RIGHTS

(continued from page 33)

possess all of the records of the hearings that discovered the acts, as well as the court orders damning those acts and dismissing all of the charges against me.

I possess, in fact, the series of orders, signed not only by Judge Winner but also by Judge John Kane — who continued the hearings after Judge Winner's retirement.

The record shows that not only were the charges dismissed because of the violations by the IRS and the Justice Department, but also because my actions did not constitute a crime. The only crimes committed were committed by the prosecutors, the IRS, and their "agents." I was fortunate. I was able to dig through this morass of illegality for several reasons. First, I was innocent. But, more importantly, I had the \$6 million required for legal fees to get to the bottom of the injustice.

I was willing and able to take six years out of my life to uncover the truth. I was morally and lovingly supported by a wonderful wife and family who were willing to absorb the abuse and embarrassment inherent in the IRS's publicity and press releases as it prosecuted its case.

If you are short any of these prerequisites, I suggest you become very concerned right now about what remaining rights you think you have — and concerned about how you will defend yourself when your time comes.

I think now about the quote of a German clergyman, Martin Niemöller, shortly after World War II:

"In Germany, the Nazis came for the Communists, and I didn't speak up because I was not a Communist. Then they came for the Jews and I did not speak up because I was not a Jew. Then they came for the trade unionists and I didn't speak up because I wasn't a trade unionist. Then they came for the Catholics and I was a Protestant so I didn't speak up. Then they came for me. . . . By that time there was no one to speak up for anyone."

If you believe *U.S. vs. Kilpatrick* to be an isolated case, think again. Granted the case was hailed by the IRS as its "flagship" case against "tax shelters," but it was not an isolated case, and the abuses committed by the IRS were not out of the ordinary. Despite the fact that every abuse I've alleged herein is admitted by the IRS, the agency is appealing the deci-

sion. Not by denying the crimes, but by alleging its acts to be all right. High-ranking officials have testified, in effect, that "We do it all the time, in every circuit."

They now plead in their brief for the appeal that there is "nothing wrong" with their actions, and they "prove" their position by pointing out that they commit these acts all the time.

Suddenly, the subjects of precedence and ratification by subsequent acts take on a more ominous meaning.

Ex Post Facto

The IRS's final insult is its flagrant disregard for the law of "ex post facto." Article I, Section 9, Paragraph 3, of the Constitution says, "No . . . ex post facto law shall be passed."

In other words, no American can be held accountable for a crime that was not



William A. Kilpatrick

a crime when it was committed. The government cannot decide at a later date that it doesn't like what you have already legally done, pass a new law, and then charge you with violation of that law.

That, unfortunately, is exactly what the IRS does. Congress passes a law which says one thing, and that is the current law. You file a tax return, based on your attorney's, your accountant's, and your own understanding of that law. The IRS subsequently "legislates" a new law which is a reinterpretation of what Congress meant by that law.

Congress included investments in "coal" on its list of valid deductions, for example. American taxpayers took Congress' word for it and claimed the deduction. The IRS then wrote a new law saying

"coal" doesn't count. An intimidated Congress said nothing. The Tax Court, of course, upheld the IRS. Honest American citizens went to jail for "misinterpreting" the civil tax law and subjecting themselves to criminal perjury by being forced to waive their Fifth Amendment rights.

The law changed — it was changed after their act, it was changed by interpretation, it was an ex post facto law. Americans are in jail for crimes that were not crimes when the acts were committed, for crimes which would still not be crimes had not their Fifth Amendment rights been usurped.

Founding Fathers

It is not only our rights as they relate to taxes that are threatened by the IRS's flagrant disregard for the Bill of Rights. The IRS is endangering every aspect of our lives.

The application of a principle of law in one type of commercial transaction is routinely and traditionally applied to other commercial transactions. If the Fifth Amendment right is not valid in tax law, why should it have stature in rape, robbery, murder or fraud?

For that matter, why should it apply to a traffic ticket?

Today, while we the average citizens sit idle, 50 per cent of our original Bill of Rights is being prostituted. Its only defenders are labeled "crackpots" or "crazies."

I say, thank God for crazies! The reason they are not winning in the courts and in the world of public opinion is because we, the majority, are cavalierly allowing the principle of "ratification by subsequent acts" to be established. When we finally wake up, it may be too late. Since we have failed to "mitigate our damages" as they occurred, we may be prohibited from recovering them.

Stretching and twisting of the law is not a prohibition that gives the IRS much concern — not if it accomplishes the IRS's purpose, not if it collects money.

"Crazy" is not an appropriate description of those who perceive the threat which the IRS poses to our constitutional rights. After all, King George III declared our founding fathers to be crazy tax protesters and sentenced them to jail in exactly the same manner as the IRS is incarcerating our "crazies." ▲

The above is an excerpt from Mr. Kilpatrick's forthcoming book, *Truth in Taxation*, © 1985 William A. Kilpatrick. All rights reserved. Reprinted by permission of the author.

THE GREAT MEDICAL MONOPOLY WARS

PART III IN A SERIES

by P.J. Lisa

Earlier in this series, similarities between the actions and plans of the now-disbanded Coordinating Conference on Health Information (CCHI) and current activities of such groups as the National Council Against Health Fraud, the Lehigh Valley Committee Against Health Fraud, and various federal and state government agencies were outlined.

As described in Parts I and II, CCHI operated as an intelligence planning and operations group whose targets were practitioners and products which the American Medical Association (AMA) and other allied member groups of CCHI wanted to eliminate, in effect restricting competition in the health care field.

Chiropractors, nutritionists, vitamin therapists, naturopaths, and various other practitioners and products were the targets of a well-planned series of misinformation campaigns, legislative pushes, dirty tricks, and other attempts to remove them from the marketplace. These and other activities of CCHI could be said to have been in violation of fair trade, if not in fact constituting a basis for an anti-trust or monopolistic practices lawsuit.

In addition to showing the history,

background and questionable activities of CCHI, the author traced the origins of today's groups which portray themselves as "experts" in the field of "quackery," revealing in the process that these current groups apparently have their roots in the old CCHI.

These groups have a membership base similar to CCHI's, appear to be following the old CCHI agenda, and have a similar operating basis. In this article, the author illustrates more clearly the specific connections that some of these current groups have with the vested interests which stand to profit directly from the eradication and removal from the marketplace of many alternative health modalities and products.

The question of who really stands to benefit from the removal of certain products and treatment methods from the health care market may best be answered by researching the supporting groups in the campaign against "health fraud," and by shedding light on where the profits lie.

The latest in a series of campaigns against "quackery and health fraud" comes in the form of a planned "public awareness campaign" which is being run

as a joint effort of the Pharmaceutical Advertising Council, known by its acronym, PAC, and the U.S. Food and Drug Administration (FDA).

This campaign is being funded by a variety of sources in the pharmaceutical and chemical industries, including the pharmaceutical houses of Hoffman-La Roche, Lederle, and Syntex. These three firms, in fact, were the first to contribute to the campaign kitty — a kitty which was then further fattened by a \$55,000 grant from the FDA.

One of the campaign's original goals was to raise \$160,000 for its out-of-pocket expenses. The cost was low because the majority of the campaign is to be accomplished by means of "volunteers" and free publicity in the form of "public service announcements."

\$15 Million in Advertising

According to documents received through the Freedom of Information Act, the projected cost for the advertising spots for this newest campaign would have been \$1.5 million — rising to a staggering \$15 million if the ad spots were shown during prime time — if the advertising spots had been purchased.

However, according to the program budget section of these documents, the projected costs for advertising were cut to zero since most of the work on the advertising campaign is now being done by volunteers, and due to the fact that the ads will be run as "public service announcements."

Will these advertisements be public service announcements, or will they be used by the pharmaceutical interests to take advantage of free advertising to attack their opposition?

"Not a Whitewash"

In an interview with FREEDOM, Paul Chusid, past president of the Pharmaceutical Advertising Council and originator of the public awareness campaign, denied allegations made by an inside source in the FDA that the PAC was using this campaign to provide information to the public for the purpose of improving the tarnished image of drug and pharmaceutical advertising.

Chusid said the campaign was "absolutely not a whitewash" by the pharmaceutical houses and that the campaign's aim was simply to tell consumers that there are certain products out there to be aware of that are potentially dangerous.

Chusid said that he had come up with the idea of the "quackery" campaign back

(continued on page 36)

MEDICAL MONOPOLY WARS

(continued from page 35)

in 1983. When asked if this was a campaign being paid for by a commercial firm, he said no, the campaign was all "volunteer work."

However, approximately 20 companies are involved in underwriting the campaign, according to Chusid, and two of the three pharmaceutical houses that started the campaign — Lederle and Syntex — are directly connected to Paul Chusid.

As FREEDOM learned, Chusid is president of a company called Grey Medical Advertising, a subsidiary of Grey Advertising, which is one of the largest advertising firms in the world. Two of Chusid's clients, in fact, are Syntex and Lederle.

Although the ads themselves were not slated to begin airing on television and radio until after FREEDOM went to press, it was learned that the ads were about and what their objective was.

FDA "Clearinghouse"

Chusid told FREEDOM that each ad will have a statement regarding where the general public can get more information. He said, "We have an address in Rockville, Maryland, where people can write to get more information on anything of interest on quacks."

He admitted that this was in fact "a clearinghouse of information on quacks and quackery." When asked who was actually handling these inquiries, Chusid said "the FDA."

When asked if this was in fact the "clearinghouse" that Claude Pepper's bills sought, he said, "Yes." He added, "We hope that his [Pepper's] legislation gets implemented."

This Kansas City committee, led by Renner, was largely responsible for the information contained in news media articles on the Herbalife diet [see Part II in this series in FREEDOM's October issue]. Renner himself made several appearances on television and radio shows

Several bills were introduced into the U.S. House of Representatives by Congressman Claude Pepper earlier this year. As described in Part I of this series, the Pepper bills closely followed the lead down by the AMA and by the CCHH. If passed, these bills would have had the effect of drastically cutting back on the amount of alternative health care information available to Americans.

denouncing Herbalife, although his medical degree is in Family Practice, not nutrition and diet.

Renner's Kansas City committee is one link in a vast network that is well financed and well connected to government agencies and the media.

When research was undertaken on this group in Kansas City, Internal Revenue Service records offered some insight into its motivation and intent. Several entities are involved in its funding.

In early 1985, the Kansas City committee received funds from the Civic Health Foundation, a nonprofit group set up in 1980 in Kansas City, Missouri.

The IRS 990 forms filed by the Civic Health Foundation showed that a large portion of its money came from three sources: United Community Services, the Victor E. Speas Foundation, and the Jackson County Medical Society.

"The AMA's income is largely made up of money received from pharmaceutical houses for drug advertisements in AMA journals."

The Civic Health Foundation was originally set up with money from a group known as the Medical Trust Fund, which, until it ceased to exist in 1980, was headed by Allen D. Smith, who now heads the Civic Health Foundation. Smith is also an officer of the Jackson County Medical Society.

The Jackson County Medical Society offices house both the Medical Trust Fund and the Civic Health Foundation.

Renner sits on the board of the Civic Health Foundation, and was a member of this board at the time that the Civic Health Foundation decided to allocate funds to him to start the Kansas City Committee on Health and Nutrition Fraud and Abuse.

The Medical Trust Fund was funded by the Speas Foundation in Kansas City.

According to county and federal records checked in both Kansas City and Independence, Missouri, the Speas Foundation has a net worth in excess of \$12 million. IRS records from 1983 show that the largest percentage of the money re-

ceived by the Speas Foundation is invested in drug, chemical and medical interests. These interests include Eli Lilly; Merck & Co.; Hercules, Inc.; Beta Labs; and American Home Products — all of which are pharmaceutical or chemical companies.

Each of these companies is in some way involved in the PAC/FDA "quackery" campaign. The Speas Foundation received its funding from the Speas Company, a food processing firm in Kansas City which recently sold out to another food processing company. The Speas Company's name was changed to Speaco. FREEDOM contacted a spokesman from the parent firm but he said he "could not give out any information" about the company over the phone.

Drug Ads Linked to FDA "Strike Force"

Bruce Brown, an FDA spokesman, was contacted and asked if this campaign was a prelude to further legislation from Pepper. Brown smiled and said nothing. Referring later to such legislation, however, he said that "we would like to see this happen."

Another FDA source who works with the agency's Fraud Branch — the entity that has investigated, among others, Dr. Kun Donsbach¹ and Herbalife² — said that "this branch came about as a result of Claude Pepper's hearings in May 1984. We came into existence on September 28, 1984, and our job is to go after these quacks."

Asked if this was in fact the "strike force" that Pepper had tried to bring about by legislation, but which he had failed to obtain, the FDA spokesman, who requested his identity be withheld, said "Yes. That's what we refer to ourselves as. But," he added, "the National Health Federation likes to refer to us as SS troops or the secret police."

Indeed, the joint campaign sponsored by the FDA and the PAC appears to be a prelude to further attempts at legislation, and the pharmaceutical houses which are underwriting the campaign would apparently stand to gain the most. According to

¹ As covered in Part II, Dr. Donsbach is a nutritionist and author who is currently under fire from the FDA for his health and vitamin products.

² Herbalife, as described in Part II, is a firm which markets nutrition and vitamin products nationally and which has been attacked by the Food and Drug Branch of the California State Department of Health, and also by the FDA.

³ The National Health Federation — an outspoken consumer health advocacy group.

the source within the FDA's Fraud Branch, the viewpoint within the agency is that "There's over \$10 billion being spent by Americans on quack products when they should be spending that money on valid, ethical drugs and medical services."

Drug Advertising

It is no secret that the AMA has a strong interest in seeing that the pharmaceutical houses prosper.

But in what specific, monetary ways does the AMA benefit from increased revenues in the pharmaceutical industry, and, conversely, how would it suffer if revenues dropped in the same industry?

The answer is simple. The AMA's income is largely made up of money received from pharmaceutical houses for drug advertisements in AMA journals. There are seven of these journals published by the AMA, the largest of which is the *Journal of the American Medical Association (JAMA)*.

According to Frank Campion, who worked in the AMA's department of communications for more than 15 years, the AMA received \$13.6 million dollars from drug advertising in 1967.

This represented 43 per cent of the AMA's total income for that year, according to the figures published by Campion in his recent book, *Health Policy in America*.

In 1968, this figure of \$13.6 million went down by \$1 million, and it went down another million dollars in 1969. By 1974, the AMA was in deep financial trouble, with an anticipated all-time low advertising income of only \$8.3 million for that year.

However, with careful planning in a series of closed-door meetings during the 1974 AMA convention in Portland, Oregon, and during the subsequent 1975 convention in Atlantic City, New Jersey, the AMA effected a turnaround which resulted in the increase of its advertising income to \$20 million by 1980, and to \$23.7 million in 1983.

During the nine-year period from 1974 to 1983, the AMA increased the dollar volume of its pharmaceutical advertising by nearly 200 per cent.

Health Fraud Network
Financed by
Vested Interest Dollars

The funding of smaller groups affiliated with the campaign, such as the Kansas City Committee on Health and Nutrition Fraud and Abuse, is itself a story of vested interests.



The Washington, D.C., headquarters of the AMA.

The Kansas City, Missouri, committee is run by a Dr. John Renner. The doctor's group is apparently not an official chapter of the National Council Against Health Fraud in Loma Linda, California, which is considered to be the "mother group" in the "health fraud" movement. But it is an affiliate, along with several similar groups, such as the Lehigh Valley Committee Against Health Fraud, run by Dr. Stephen Barrett, and the American Council on Science and Health, a New York-based mouthpiece for vested interests.

CCHH Model

It appears that the Kansas City committee is modeling itself after the old CCHH, as well as the California group, the National Council Against Health Fraud, in that it has apparently been holding its own meetings with local, state and federal groups in order to persuade these groups that action should be taken or stepped up against the practitioners, groups, products, and individuals that the Kansas City committee designates as guilty of "health fraud."

A highly placed source in the Kansas City FDA office, who asked that his name not be used, told FREEDOM that "certain members of the FDA and other groups" had recently attended a meeting with Renner's group.

This was confirmed from another source, who was present at this meeting. This same source indicated that representatives from the Civic Health Foundation, the Jackson County Medical Society, the Kansas City Area Hospital Association, the U.S. Department of Health and Human Services, the U.S. Food and Drug Administration, the U.S. Postal

Service, and others were present at the meeting.

This same official confirmed that Herbalife, chelation therapy³, and chiropractic had all been subjects of discussion at this meeting, which took place in March 1983.

Renner himself has spearheaded a media campaign against one of Kansas City's chelation therapists and against a local chiropractor — he was evidently responsible for the chiropractor being forced off the air at a local radio station on which this chiropractor had a talk show. Subsequently, Renner himself became a "health adviser" to the same radio station, and eventually was successful in obtaining his own show at the station. From this position, Renner could then launch his campaign against Herbalife and Dr. Donsbach, which he has done.

This small example is illustrative of how a "local group" can fit into the broader national picture and the overall national campaign.

Perhaps what the Kansas City committee, the Lehigh Valley group, the National Council Against Health Fraud and its many chapters are really doing and the purpose they best serve is better explained in a statement by Paul Chusid, who, as president of Grey Medical Advertising is certainly a power behind this "anti-quackery" campaign. "The mutual goals of our campaign with the FDA," Chusid said, "include establishing a difference between ethical goods and services and 'health fraud goods and services.'"

He added, "The way to achieve this is explained in another of the PAC/FDA goals which is to invoke physicians, pharmacists and the FDA as the authorities for the public to come to in matters to do with what is good or bad for the public."

In light of these stated goals, the obvious next question becomes:

What do the Food and Drug Administration, the Pharmaceutical Advertising Council, and their allied groups consider "good" and "bad" for the American public?

The above questions and others dealing with the national campaign against alternative health products and practitioners will be addressed in Part IV in this series. A

³ chelation therapy — a combination of various vitamins, minerals and amino acids that are meant to act as a preventive measure against arterial plaque and at the same time improve circulation and cleanse the cardiovascular system.

THE GREAT MEDICAL MONOPOLY WARS

13
Kurt Donsbach
7-25-89

PART IV IN A SERIES

by P.J. Lisa

The earlier articles in this series outlined the actions and plans of the American Medical Association (AMA) over a span of 22 years — 1963 to 1985 — against the holistic healing arts.

The series thus far has traced the vested interests of the medical world and its alliance to the pharmaceutical industry, detailing how they work together to eliminate products, services and professionals whose only apparent crime has been to compete with the drug and medical industries.

The targets that have been sought out by the medical establishment have included chiropractors, nutritionists, vitamin therapists, homeopaths, naturopaths, and many others. The AMA and its allies have effectively used the media to encourage the public, as well as government leaders, to accept the idea that these various products, services and professionals should be categorized as "health frauds," "quacks" or "quackery."

The medical establishment and its well-financed network of "moles," who infiltrate alternative health groups and generally upset the balance in the free enterprise marketplace with false information and half-truths, are apparently doing all of this with a specific goal in mind. As outlined in Parts II and III of this series, there is new legislation on the horizon in Washington, D.C., directed toward eliminating

the holistic healing arts altogether.

The current movement is apparently aimed at removing any organized opposition now, so that when it comes time to push through new "Pepper bills",¹ as they have come to be known, there will be no one there to argue against the bills. Alternative health care leaders such as Dr. Kurt Donsbach, Dr. Bruce Halstead, Dr. Michael Gerber, Mildred Miller and many others are currently facing uphill legal battles that will effectively keep them out of any fight they could have directed against new oppressive legislation.

Information uncovered through the Freedom of Information Act, the Public Records Act, highly placed sources and personal interviews points to an underground network of medical doctors and Ph.D.s dedicated to destroying the balance in the free enterprise market. Upon closer inspection, as described in earlier parts of this series, it became apparent that this movement is well-financed by vested interests in the pharmaceutical industry.

¹ Several bills were introduced into the U.S. House of Representatives by Congressman Claude Pepper of Florida. All of these so-called Pepper bills died in committee in early 1985. As described in Parts I and II of this series, the Pepper bills closely followed a program laid down by the AMA. If passed, these bills would have the effect of drastically cutting back the amount of alternative health care information available to Americans.

A number of agencies in the government as well as in the private sector have taken it upon themselves to protect the public from health care practices and services that they have deemed to be harmful. This series has detailed the role being played by the vested interests in destroying the perceived threat to their health care monopoly.

In this, the final part of the series, the question of what the U.S. Postal Service, the Food and Drug Administration (FDA), the Federal Trade Commission (FTC) and the civilian medical network consider to be valid medical practices and ethical services, and what they feel is "bad" for the public, will be addressed.

When, in 1984, the Pharmaceutical Advertising Council (PAC) and the FDA teamed up in their "Joint Campaign Against Quackery," they listed a set of overall goals which included the following: "To define health fraud (without identifying specific brands/companies); To distinguish between ethical goods/services and health fraud goods/services; To blunt effects of health fraud;" and "To invoke physicians/pharmacists and FDA as authoritative reference sources."

The last goal listed provides an impor-

(continued on page 26)

MEDICAL MONOPOLY WARS

(continued from page 25)

tant insight into how medicine and the drug industry would directly benefit from such a campaign. As was detailed in Part III, the medical establishment and the drug industry both stand to gain economically from each other's actions in the marketplace when it comes to attacking the alternative health industry.

The government agencies involved support this alliance. For example, the FDA, in its pamphlets and booklets on "quackery," states at every opportunity something along these lines: "... the agency advises persons who believe they may have (whatever disease or ailment the alternative addresses) to see a properly trained physician for a complete medical history, physical examination, and thorough diagnosis and proven treatment."

The FTC, in its literature on "quackery," states, "If you haven't used the product yet, consult your family doctor and call the local offices of the Better Business Bureau."

The U.S. Postal Service's brochures and public announcements on "health fraud" or "quackery" advise that one needs to know what the "signs of a quack" are. People are cautioned to be "wary of any group" promoting "distrust" of the family physician or the FDA.

Some of the products and services which these agencies have labeled as "bad" for the public, "unscientific," or "not approved by the established medical norms" are quite interesting. These include statements such as, "FDA's view that there is no evidence to support the extravagant claims being made for supplement

tal vitamin E is based on an extensive examination of the current medical literature. . . ."

One source within the FDA's Fraud Unit, who wished to remain unnamed, said, "The FDA sees no real reason for a person in good health who eats well to use a dietary supplement." He pointed out that a well-balanced meal would offset any need to take vitamins.

Included in the PAC/FDA list of products and devices that have been gone after or are slated to be investigated are: Herbalife, Shaklee, Spirulina, a blue-green algae used as a food, and Aloe Vera, a household plant used for a variety of medical remedies, including burns.

One of the tactics used by the FDA to get at some of these products is to treat them as "misbranded drugs" rather than including them in the proper category, which is foods.

One product that was attacked was Kellogg's All-Bran cereal.

The Kellogg Company got together with the National Cancer Institute (NCI) after the NCI had determined that high-fiber diets probably reduce the risk of cancer and other diseases. NCI had the news, but it had no means by which to announce it broadly. Kellogg had the cereal boxes of All-Bran, so they got together and placed the news on the cereal carton: "At Last, Some News About Cancer You Can Live With."

It was learned that in the state of California, the Cancer Advisory Council, a group made up of nine physicians and surgeons, persons representing non-profit cancer research institutes, and three public members, which advises the California State Department of Health in areas to do with cancer prevention, diagnosis, treatment and cure, had complained to the FDA. A letter dated November 20, 1984, from the executive secretary of the council, Donald O. Lyman, M.D., to FDA Commissioner Frank Young, M.D., stated that the council had some concerns about this Kellogg advertising campaign.

What the council found "misleading and objectionable" was the above-quoted statement on the back panel of the All-Bran cereal boxes. The members of the Cancer Advisory Council felt it was misleading "because it implies that there has been little or no 'good' news on the cancer front," as Lyman put it, "when in fact many positive advances have been made in the last 10 years."

There are those who would disagree with Lyman, however. Arlin J. Brown, director of the Arlin J. Brown Informa-

"... the pharmaceutical and chemical industries are paying for studies to be done that are unbalanced in their favor."

tion Center in Fort Belvoir, Virginia, a group which advocates alternative cancer treatments, said, "Despite official claims that the survival rates are increasing for many types of cancer, total cancer deaths continue to rise each year."

Vincent De Vita Jr., M.D., director of the Bethesda, Maryland-based National Cancer Institute, once stated that orthodox treatments for cancer "are not very sophisticated," and that they lower the body's resistance to other diseases. He went so far as to call orthodox approaches "stone-age treatments."

As was outlined earlier in this series, the medical establishment has a network of organizations which act as mouthpieces for the vested interests. Specifically, the pharmaceutical and chemical industries are paying for studies to be done that are unbalanced in their favor. They are paying for a campaign against their competitors, and they pay medicine's way in the business world.

The American Council on Science and Health (ACSH), a New York-based group which originally formed in 1978 under the banner of a "consumer-oriented group," is also an affiliate of the National Council Against Health Fraud (NCAHF). The NCAHF is the main group in the network against alternative health care.

ACSH's 1980 annual report states: "ACSH is supported by grants from public and private foundations, corporations outside the food and chemical industries, associations and institutions, memberships, contributions, and publication sales."

However, a study undertaken by the Center for Science in the Public Interest (a Washington, D.C., consumer rights group) in 1982 revealed that quite a few of the people on ACSH's scientific board of advisors were either working for or had worked in the past for one of the chemical, pharmaceutical, or food processing concerns. Others had received money from these entities in the form of grants or contributions.

Upon inspection of the source of ACSH funding, the group's own 1981 annual report shows funds being received from such luminaries in these above-mentioned

"Vinceni De Vita Jr., M.D., director of the . . . National Cancer Institute, once stated that orthodox treatments for cancer 'are not very sophisticated,' and that they lower the body's resistance to other diseases. He went so far as to call orthodox approaches 'stone-age treatments.'"

industries as Abbott Laboratories Fund, the AMA, CIBA-GEIGY Corporation, Dow Chemical of Canada, Hooker Chemical and Plastics, Eli Lilly & Company, Stauffer Chemical Company, Hoffman-LaRoche, Holly Sugar Company and Smith, Kline Corporation — as well as many others.

Some of the "experts" on ACSH's Scientific Board of Advisors include William Jarvis, Ph.D., head of the National Council Against Health Fraud; Stephen Barrett, head of the Lehigh Valley Committee Against Health Fraud; and Victor Herbert, Veterans Administration hospital employee and a mouthpiece at congressional hearings against alternative medicine.

A sampling of some of ACSH's studies sheds some doubt on its objectivity, considering its ties to vested interest industries.

The executive director of ACSH, Elizabeth Whelan, blames dental cavities on "sticky" sugars, such as those in dried fruits.

A defender of sugar-sweetened soft drinks, Whelan is firmly opposed to taking such things as candy and soda out of school cafeterias, referring to these items as "fun foods," rather than using the more common term, "junk foods."

Donors to ACSH's fund include such manufacturers or interests as Coca-Cola, Holly Sugar, the National Soft Drink Association, and the Pepsico Foundation.

According to a study by the Center for Science in the Public Interest, some of the largest food manufacturers in the country produce products which qualify as "junk foods" because the products either have too little nutritional value, too much sugar, too much salt, too much fat, or too many additives.

Whelan reportedly continues to be "hardline" in maintaining that there is no such thing as a "junk food" and that there is insufficient evidence to confirm that there is any relationship between diet and any disease.

Another report published by ACSH largely exonerated the most controversial

"... serious questions can be raised as to the true motivation of the current 'health fraud' public relations campaign."

herbicide used in the timber industry. Known as "2, 4, 5-T," it contains large amounts of dioxin; dioxin is one of the most deadly chemicals on earth.²

Among the financial supporters of ACSH in the timber industry are Boise Cascade Corporation, Georgia Pacific Corporation, and the International Paper Foundation.

Possibly the most questionable of all the rhetoric from ACSH has been the statements published by the group concerning cancer.

ACSH has consistently stated that cancer is "over-rated" as a threat, except in cases where cancer was caused by cigarette smoking. ACSH has stated that the chemical industry is simply taking a "bum rap" for the publicly perceived role it has had in the increase of cancer.

Both of the reports published by ACSH as of 1982 on cancer have dismissed chemicals as a cause. The chemical houses and petrochemical interests that support ACSH may appreciate these reports, but the American public needs studies that are not biased or paid for by vested interests.

It would appear that this "consumer-oriented" non-profit organization is nothing more than a mouthpiece for the industries it serves, and which pay its way. Such a group can hardly be considered to be objective.

The apparent vested interests may speak louder than the published intentions of the groups involved. They say they are doing this for the "public interest" and to "save lives." While this appears to be very altruistic, in effect what is being done is to create and/or further a monopoly in the health care system.

In light of the documentation presented throughout this series and the information uncovered in the course of research conducted in several states, serious questions can be raised as to the true motivation of the current "health fraud" public relations campaign. Is this campaign simply the latest in a series of attacks on the free enterprise system, or is it a prelude to federal legislation designed to further the medical monopoly — or is it both?

All indications are that it is a move toward federal legislation which would benefit those who are paying for the campaign. There are lesser motivations involved in this campaign as well.

² Dioxin itself has drawn international attention because it was contained in the herbicide known as Agent Orange, widely used in Vietnam.

"The real reason that the traditionalists wanted to rid the medical health care system of... 'quacks' was that they provided too much competition and they threatened to undermine the basic premises of 19th century medicine."

Philosopher/historian Thomas S. Kuhn has observed that a group of scientists, at any give point in history, may tend to suppress fundamental discoveries because they are subversive to the scientists' basic commitments.

Revolutionary discoveries are frequently met with hostility from within the scientific community. This is understandable, because reputations and fortunes are built on particular theories, and, naturally, adherents to these are reluctant to abandon such theories.

When the AMA licensed the homeopaths, hydropaths and others out of existence in the 19th century, it was not because these health practitioners were harmful or destructive. In fact, these professionals were more effective, in many ways, than their traditional counterparts, because they stressed the importance of fresh air, sunshine, cleanliness, and nutrition, rather than the often destructive bleedings, purgings, and blisterings that were then in vogue.

The real reason that the traditionalists wanted to rid the medical health care system of these "quacks" was that they provided too much competition and they threatened to undermine the basic premises of 19th century medicine.

Times have not changed.

When you hear cries of "health fraud" and "quackery," bear in mind that there is a multi-million-dollar campaign in progress to influence you into accepting what the "authorities" and "experts" say is all right and what is not all right for you to have in the way of treatment.

And there is something that you can do about this. You can tell others what you know..And they in turn can tell others.

Tell them that they have a choice, that there is still a free enterprise system. And tell them you won't let the "experts" take that away. ▲

**UNITED STATES BANKRUPTCY COURT FOR THE
CENTRAL DISTRICT OF CALIFORNIA**

14-18

Kurt Donsbach

7-26-89

In re

KURT W. DONSBACH
SS# 516-38-0442

Case No. _____

Debtors* }

SCHEDULES

SCHEDULE A — STATEMENT OF ALL LIABILITIES OF DEBTOR

Schedules A-1, A-2, and A-3 must include all the claims against the petitioner or his property as of the date of the filing of the petition by or against him.

SCHEDULE A-1 — Creditors having priority

1. Nature of claim	2. Name of creditor and complete mailing address including zip code (if unknown, so state)	3. Specify when claim was incurred and the consideration therefor; when claim is contingent, unliquidated, disputed, or subject to setoff, evidenced by a judgment, negotiable instrument, or other writing, or incurred as partner or joint contractor, so indicate; specify name of any partner or joint contractor on any debt	4. Indicate if claim is contingent, unliquidated or disputed	5. Amount of Claim
a. Wages, salaries and commissions, including vacation, severance and sick leave pay owing to workmen, servants, clerks, or traveling or city salesmen on salary or commission basis, whole or part time, whether or not selling exclusively for the debtor not exceeding \$2000 to each, earned within 90 days before filing of petition or cessation of business, if earlier (specify date)				\$ -0-
b. Contributions to employee benefit plans for services rendered within 180 days before filing of petition or cessation of business, if earlier (specify date)				-0-
c. Deposits by individuals, not exceeding \$800 for each purchase, lease, or rental of property or services for personal, family, or household use that were not delivered or provided.				-0-
d. Taxes owing (itemize by type of tax and taxing authority)				
(1) To the United States		1984 and before Federal Income Tax-disputed		120,000.00
(2) To any state		1984 and before State Tax -disputed		Unknown
(3) To any other taxing authority				-0-
Total				\$ 120,000.00

SCHEDULE A-2 — Creditors Holding Security

1. Name of creditor and complete mailing address including zip code (if unknown, so state)	2. Description of security and date when obtained by creditor	3. Specify when claim was incurred and the consideration therefor; when claim is contingent, unliquidated, disputed, subject to setoff, evidenced by a judgment, negotiable instrument, or other writing, or incurred as partner or joint contractor, so indicate; specify name of any partner or joint contractor on any debt	4. Indicate if claim is contingent, unliquidated or disputed	5. Market Value	6. Amount of claim without deduction of value of security
HOME SAVINGS P.O. Box 7075 Pasadena, CA 91109	Property located at 9591 Warburton, Huntington Beach, CA 92646 (1/2 interest held by wife under property agreement)			\$ 160,000	\$ 125,433.00
Total				\$ 160,000.00	\$ 125,433.00

SCHEDULE A-3 — Creditors Having Unsecured Claims Without Priority

Name of creditor (including last known holder of any negotiable instrument) complete mailing address including zip code (if unknown, so state)	Specify when claim was incurred and the consideration therefor: when claim is contingent, unliquidated, disputed, subject to setoff, evidenced by a judgment, negotiable instrument, or other writing, or incurred as partner or joint contractor, so indicate: specify name of any partner or joint contractor on any debt	Amount of Claim
GTE LEASING CORPORATION 11340 W. Olympic Blvd, #310 W. Los Angeles, CA		\$ 45,078.62
FRANCHISE TAX BOARD State of California Sacramento, CA 95857 Collection Section		53,951.37
BANTAM BOOKS INC. c/o 666 Fifth Ave. New York, NY 10103 Attn: Catherine Ricci		1,000.00
GLENDALE ROTARY OFFSET PRINTING CO. c/o MAYNARD J. KLEIN 1541 Ocean Ave., Suite 200 Santa Monica, CA 90401		1,500.00
JOHN M. DESIDERIO 230 Park Ave., Suite 935 New York, NY 10169		Unknown
SHARFMAN, SHANMAN, PORET & SIVIGLIA Attn: MARK R. KOOK 1370 Avenue of the Americas New York, NY 10019		Unknown
COHEN, STOKKE & DAVIS 540 No. Golden Circle Drive, #300 Santa Ana, CA 92705 Attn: Phra A. Blakely		Unknown
COPE AND CLOSE 5230 N. Clark Ave., Suite 22 Lakewood, CA 90712 Attn: H. Brooks Cope		Unknown
LAW OFFICES OF EDWARD B. DJANG, JOHN H. BAKER 910 E. Chapman Ave. Orange, CA 92666-2193		Unknown
ROBERT LEFF 5535 Balboa Blvd., #114 Encino, CA 91316		25,000.
		Total \$700,216.

SCHEDULE A-3 — Creditors Having Unsecured Claims Without Priority

Name of creditor (including last known holder of any negotiable instrument) complete mailing address including zip code (if unknown, so state)	Specify when claim was incurred and the consideration therefor: when claim is contingent, unliquidated, disputed, subject to setoff, evidenced by a judgment, negotiable instrument, or other writing, or incurred as partner or joint contractor, so indicate; specify name of any partner or joint contractor on any debt	Amount of Claim
<p>GEORGE R. HYNICK 6301 Owensmouth Ave., Suite 1010 Woodland Hills, CA 91367</p>		\$ Unknown
<p>ROSS & IVANJACK 12100 Wilshire Blvd., 8th Floor Los Angeles, CA 90025 Attn: Kenneth Miller</p>		Unknown
<p>HOLT, RINEHART & WINSTON 383 Madison Ave. New York, NY 10017</p>		Unknown
<p>PHEBUS, TUMMELSON, BRYAN & KNOX 136 West Main Street P.O. Box 1008 Urbana, IL 61801 Attn: Joseph W. Phebus</p>		Unknown
<p>THOMAS H. TATE PAULSON & NACE 4550 Montgomery Ave. Suite 800-N Bethesda, MD 20814</p>		Unknown
<p>HENSHAW, CULBERTSON & MOELMANN HABAN & FULLER 102 G. Main St. Suite North 305 Urbana, ILL</p>		Unknown
<p>COMMERCIAL SERVICES GROUP, INC. 200 High Rise Drive, Suite 147 Louisville, Kentucky 40213</p> <p>HOUSE OF ADJUSTMENTS, INC. 21241 Ventura Blvd, #195 Woodland Hills, CA 91364</p>		
<p>MAYNARD J. KLEIN 1541 Ocean Ave., Suite 200 Santa Monica, CA 90401</p>		Unknown
<p>CHARLES B. CAREY 16168 Beach Blvd., Suite 201 Huntington Beach, CA 92647</p>		Unknown
		Total \$ 700,216

SCHEDULE A-3 — Creditors Having Unsecured Claims Without Priority

Name of creditor including his or her holder of any registered instrument; complete mailing address including zip code if available; SS state

Specify when claim was incurred and the consideration therefor; when claim is contingent, unsecured, disputed, subject to lien, evidenced by a judgment, negotiable instrument or other writing, or incurred as partner or joint contractor; if secured, specify name of lien, partner or joint contractor or other party

Amount of Claim

INHS, INC. 7422 Mountjoy Huntington Beach, CA 92647	Printing 12-3-84	\$ 1,606.05
IDB COMMUNICATIONS 10509 W. Washington Blvd. Culver City, CA 92032	9-4-84	3,145.00
JOYCE JILLSON 3653 Meadville Dr. Sherman Oaks, CA 91403	Prof. Services 9-13-84	250.00
K-SKY RADIO 2727 Inwood Rd Dallas, TEXAS 75235	Radio Time 10-31-84	3,670.00
KEST RADIO 1231 Market St. San Francisco, CA 94013	Radio Time 12-28-84	5,530.00
K-MAY RADIO 7351 Lincoln Ave. Riverside, CA 92504	8-27-84	200.00
KIEV RADIO 104 North Glendale Ave. Glendale, CA 91206	12-31-84	12,254.9
MCI P.O. Box 85182 Cincinnati, OH 45201	12-2-84	977.4
MARCOM P.O. Box 66507 Scotts Valley, CA 95066	8-31-84	831.2
MCA DIST. P.O. Box 3966 No. Hollywood, CA 91609	8-16-84	2,981.5
NATIONAL HEALTH FEDERATION 212 W. Foothill Blvd. Monrovia, CA 91016	6-30-84	255.0
PACIFIC BELL Van Nuys, CA 91388	8-17-84	688.6
JJ MARSHALL & ASSOCIATES Box 75 Warren, MI 48090	1984	25,800.0
Total		\$ 810,104.6

SCHEDULE A-3 — Creditors Having Unsecured Claims Without Priority

Name of creditor (including last known address of any responsible instrument); complete mailing address including zip code (if unknown so state)

Specify when claim was incurred and the consideration therefor, when claim is contingent, unliquidated, disputed, subject to setoff, evidenced by a judgment, negotiable instrument, or other writing, or incurred as partner or joint contractor, so indicate. Specify name of any partner or joint contractor on any debt

Amount of Claim

AT & T
P.O. Box 510000
San Francisco, CA 94151

Phone
12-18-84

\$ 1,484.82

AIR BORNE
P.O. Box 662
Seattle, WASHINGTON 98111

Freight Charges

3,091.80

ARGONAUT BROADCASTING
1470 Pine St.
San Francisco, CA 94109

10-31-84

855.00

ALICIA AIR
27505 Alameda
Mission Viejo, CA 92691

Freight Charges

222.96

BROADCAST CARTRIDGE SERVICE
15131 Triton Lane, #108
Huntington Beach, CA 92649

9-20-84

52.28

DONSBACH UNIVERSITY
7422 Mountjoy
Huntington Beach, CA 92648

Literature
8-8-84

450.00

FOX BROADCASTING
THE BENSON EAST
OLD YORK RD & TOWNSHIP
LINE RD.
Jenkintown, PA 19046

10-84

3,600.00

FEDERAL EXPRESS
P.O. Box 727 Dept. B
Memphis, TN 38194

Shipping Charges
12-7-84

6,436.94

GENERAL TELEPHONE
P.O. Box 1098
Huntington Beach, CA 92647

Telephone
11-30-84

26,956.11

GOOD NEWS RADIO
P.O. Box 400
Henderson, NEVADA 89015

Radio Time

6,150.00

GLENDALE ROTARY
P.O. Box 696
Glendale, CA 91209

Printing
10-31-84

2,398.40

Total \$ 751,914

SCHEDULE A-3 — Creditors Having Unsecured Claims Without Priority

Name of creditor (including last known holder of any negotiable instrument); complete mailing address including zip code (if unknown so state)

Specify when claim was incurred and the consideration therefor, when claim is contingent, unliquidated, disputed, subject to setoff, evidenced by a judgment, negotiable instrument, or other writing, or incurred as partner or joint contractor. So indicate, specify name of any partner or joint contractor on any debt

Amount of Claim

AT & T P.O. Box 510000 San Francisco, CA 94151	Phone 12-18-84	\$ 1,484.82
AIR BORNE P.O. Box 662 Seattle, WASHINGTON 98111	Freight Charges	3,091.80
ARGONAUT BROADCASTING 1470 Pine St. San Francisco, CA 94109	10-31-84	855.00
ALICIA AIR 27505 Almendra Mission Viejo, CA 92691	Freight Charges	222.96
BROADCAST CARTRIDGE SERVICE 15131 Triton Lane, #108 Huntington Beach, CA 92649	9-20-84	52.28
DONSBACH UNIVERSITY 7422 Mountjoy Huntington Beach, CA 92648	Literature 8-8-84	450.00
FOX BROADCASTING THE BENSO N EAST OLD YORK RD & TOWNSHIP LINE RD. Jenkintown, PA 19046	10-84	3,600.00
FEDERAL EXPRESS P.O. Box 727 Dept. B Memphis, TN 38194	Shipping Charges 12-7-84	6,436.94
GENERAL TELEPHONE P.O. Box 1098 Huntington Beach, CA 92647	Telephone 11-30-84	26,956.11
GOOD NEWS RADIO P.O. Box 400 Henderson, NEVADA 89015	Radio Time	6,150.00
GLENDALE ROTARY P.O. Box 696 Glendale, CA 91209	Printing 10-31-84	2,398.40
Total		\$ 751,914.

SCHEDULE A-3 — Creditors Having Unsecured Claims Without Priority

Name of creditor (including last known holder of any negotiable instrument) complete mailing address including zip code (if unknown, so state)	Specify when claim was incurred and the consideration therefor: when claim is contingent, unliquidated, disputed, subject to audit, evidenced by a judgment, negotiable instrument, or other writing, or incurred as partner or joint contractor, so indicate; specify name of any partner or joint contractor on any debt	Amount of Claim
KIEV RADIO 108 N. Glendale Ave. Glendale, CA	HRN Bill	\$ 16,000.00
FARMERS INS. c/o BERKEY & SKLAR 4730 Woodman Suite 200 Sherman Oaks, CA 91423	IINHS Bill	157.59
ASSOCIATED AIR FREIGHT c/o BROWN & BITTERMAN, INC. 21243 Ventura Blvd. Woodland Hills, CA 91364	IINHS Bill	316.15
CFC LEASING 2950 Baskirk Ave. Walnut Creek, CA 94596	HRG Bill	710.00 (Approx.)
J.A. MAJORS CO. 11511 Tennessee Ave. Los Angeles, CA 90064	IINHS Bill	850.00
CBS EDUCATIONAL & PROFESSIONAL c/o HOUSE OF ADJUSTMENTS 715 Mamaroneck Ave. Mamaroneck, NY 10543	IINHS Bill	1,337.47
MAGNETIC COMMUNICATIONS SYSTEM 14731 Franklin Ave., #C Tustin, CA 92680	IINHS Bill	1,019.00
SIMON & SCHUSTER 1230 Avenue of the Americas New York, NY 10020		25,000.00 (Approx.)
AMERICAN WEB OFFSET P.O. Box 16472 Denver, Colorado 80216		27,889.04 (Approx.)
GRAND NATIONAL BANK c/o FORTINE CORPORATION 14103 Sky-Park South Suite C Irvine, CA 92715		2,655.04 (Approx.)
Total		\$573,686.5

SCHEDULE A-3 — Creditors Having Unsecured Claims Without Priority

Name of creditor (including last known holder of any negotiable instrument) complete mailing address including zip code (if unknown, so state)	Specify when claim was incurred and the consideration therefor: when claim is contingent, unliquidated, disputed, subject to setoff, evidenced by a judgment, negotiable instrument, or other writing, or incurred as partner or joint contractor, so indicate; specify name of any partner or joint contractor on any debt	Amount of Claim
SANWA LEASING CORP. Lock Box 98495 Dept. L Chicago, ILL 60693	Default on lease	\$ 18,668.51
RADMAR c/o CHAS. B. COREY 16168 Beach Blvd., Suite 201 Huntington Beach, CA 92747	IINHS Bill- Stockholder	545.88
BUDD LEASING 3003 North Central Ave. Phoenix, AZ 85012	Bill from HRG-signator	9,000.00 (Approx.)
OMNI BANK 2360 S. Garfield Ave. Monterey Park, CA 91754	HRG Bill-signator	28,221.68 (Approx.)
PACIFICA HOME CARE SUPPLIES-LIDO MEDICAL MART	HRG Bill	109.26
MOORE BUSINESS FORMS c/o RICHARD L. GRANT 970 W. Seventh St., Suite A Santa Ana, CA 92706	HRG Bill	Unknown
GRAND NATIONAL BANK c/o JOHN BAKER OF EDWARD J. THANG 910 Chapman Orange, CA 92666	HRG Bill	8,519.00
XEROX CORPORATION c/o Collection Services P.O. Box C-11903 Santa Ana, CA 92711 Atten: G. Link	IINHS Bill	7,257.00
GTE SPRINT c/o CHAS. CAREY 16468 Beach Blvd., #201 Huntington Beach, CA 92647	HRG Bill	8,522.94 (Approx.)
Total		\$ 80,844.27

SCHEDULE A-3 — Creditors Having Unsecured Claims Without Priority

Name of creditor (including last known holder of any negotiable instrument) complete mailing address including zip code (if unknown, so state)	Specify when claim was incurred and the consideration therefor: when claim is contingent, unliquidated, disputed, subject to setoff, evidenced by a judgment, negotiable instrument, or other writing, or incurred as partner or joint contractor, so indicate; specify name of any partner or joint contractor on any debt	Amount of Claim
SATORI LANDSCAPE 13602 Milton Ave. Westminster, CA 92683	HRG Bill	\$ 586.30
UNITED PARCEL SERVICE c/o VAN-RU CREDIT CORP. 209 E. Alameda Ave., #204 Burbank, CA 91502	HRG Bill	9,273.00
PROFESSIONAL HEALTH PRODUCTS 3501 Breakwater Ave. Hayward, CA 94545	HRG Bill	1,258.17
SERRA LUMBER CO. c/o COMMERCIAL COLLECTIONS 2151 W. 3rd St. Los Angeles, CA 90060	HRG Bill	2,242.95
SPECTRO SCAN 841 W. San Bruno, Suite 10 San Bruno, CA 94066		795.00
KSKY 2727 Inwood Rd. Dallas, TX 75235	HRG-Health Radio Network	3,670.00
SHUSTER FLEXIBLE PACKAGING c/o BRANCHFIELD & SHEPPARD 20720 Ventura Blvd., #310 Woodland Hills, CA 91364	HRG Bill	2,141.93
GOLDENWEST LABS 1060 N. Armando Anaheim, CA 92806 Anaheim, CA	HRG Bill	260,000.00
MILES ELECTRIC 3391 East 19th St. Long Beach, CA 90804	HRG Bill	1,216.07
FEDERAL LEASING CORP. 66 W. Mount Pleasant Livingston, New Jersey 07039	HRG Bill	14,888.67
Total		\$ 387,882.

SCHEDULE A-3 — Creditors Having Unsecured Claims Without Priority

Name of creditor (including last known holder of any negotiable instrument) complete mailing address including zip code (if unknown, so state)	Specify when claim was incurred and the consideration therefor: when claim is contingent, unliquidated, disputed, subject to setoff, evidenced by a judgment, negotiable instrument, or other writing, or incurred as partner or joint contractor, so indicate; specify name of any partner or joint contractor on any debt	Amount of Claim
TDX SYSTEMS 1920 Aline Ave. Vienna, VA	HRG Bill	\$ 1,939.61
STAT PHARMACEUTICALS 1981 Main St. San Diego, CA	HRG Bill	744.41
McLEAN TRUCKING CO. c/o RICHARD GRANT 970 West 17th St., Suite A Santa Ana, CA 92706	HRG Bill	483.00
PAK WEST 3310 S. Fairview Santa Ana, CA 92704	IINHS Bill	712.00
METAGENICS OF CALIF. 23180 Del Lago Laguna Hills, CA 92653	HRG Bill	761.55
AMERICAN BIOLOGICS 111 Ellis St. San Francisco, CA 94102		Unknown
BIBBERO SYSTEMS 1300 N. McDOWELL Rd. Petaluma, CA 94952	HRG Bill	963.91
PALM STATIONERS 1604 So. Harbor Blvd. Fullerton, CA 92632	HRG Bill	586.66
ACCOUNTING SPECIALISTS 6363 Wilshire Blvd., Suite 208 Los Angeles, CA 90048		Unknown
JASON NATURAL PRODUCTS 8468 Warner Drive Culver City, CA 90232	HRG Bill	1,261.89
REAL RADIO COMPANY 127 Glen Summer Road Pasadena, CA 91105	HRG Bill	3,622.00
Total		\$ 91,810.00

SCHEDULE A-3 — Creditors Having Unsecured Claims Without Priority

Name of creditor (including last known holder of any negotiable instrument) complete mailing address including zip code (if unknown, so state)	Specify when claim was incurred and the consideration therefor: when claim is contingent, unliquidated, disputed, subject to setoff, evidenced by a judgment, negotiable instrument, or other writing, or incurred as partner or joint contractor, so indicate; specify name of any partner or joint contractor on any debt	Amount of Claim
THOMAS PINKOWSKI 20072 N. New Britain Lane Huntington Beach, CA 92646	HRG	\$ 4,000.00
MEYER DISTRIBUTORS c/o DUN & BRADSTREET P.O. Box 9214 Van Nuys, CA 91409	HRG Bill	599.63
DOCTORS DATA, INC. P.O. Box 111 W. Chicago, ILL 60185	HRG Bill	962.08
COMPUCON INC. P.O. Box 809006 Dallas, TX 75380	HRG Bill	2,150.00
RICHLIFE c/o COPE & CLOSE 5230 N. Clark Ave., Suite 22 Lakewood, CA 90712 Attn: H. BROOKS COPE		Unknown
JACOB STAKE c/o PHEBUS, TUMMELSON, BRYAN & KNOX 136 West Main Street P.O. Box 1008 Urbana, IL 61801 - Attn: Joseph W. Whebus		Unknown
MITSUI BANK One Newport Place Newport Beach, CA	Co-signature on note for HRG	100,000.00
HARRY McCUNE SOUND SERVICE c/o CHARLES B. CAREY 16168 Beach Blvd., Suite 201 Huntington Beach, CA 92647	World Health Expo Bill	Unknown
HOLT RINEHART File 9232 Los Angeles, CA 90074	IINHS Bill.	1,294.35
TWENTIETH CENTURY PLASTICS c/o CHARLES B. CAREY 16168 Beach Blvd., Suite 201 Huntington Beach, CA 92647	IINHS Bill	864.07
		Total \$497,752.

SCHEDULE A-3 — Creditors Having Unsecured Claims Without Priority

Name of creditor including full name, address and telephone number of any regular office, home, or other office including the place of incorporation or state	Date when claim was incurred and the consideration therefor or the date a contingent obligation became subject to payment or the date of assignment, registration, instrument or other writing or entered as matter of public record or date of sale, name of any partner or joint contractor or any other party	Amount of Claim
NATIONAL PUBLIC RADIO 2025 M. Street N.W. Washington, D.C.	6-30-84	8 4,745.00
PRESS ASSOCIATES 50 Rockefeller Plaza New York, NY 10020	12-1-84	8,801.51
RCA COMMUNICATIONS P.O. Box 18202 Newark, New Jersey 07191		2,058,330.8
REAL RADIO 127 Glen Summer Rd. Pasadena, CA 91105	12-31-84	3,431.13
JOHN TONGISH 426 California Terrace Pasadena, CA 91105	4-24-84	300.00
WIBF RADIO The Benson East Jenkintown, Penn.	11-16-84	5,700.00
WLQV RADIO 15401 West Ten Mile Detroit, Mich. 48237	11-25-84	22,050.00
WYCB RADIO 1340 G. St. NW Washington, DC 20005	6-26-84	5,525.00
XPRS RADIO 1222 S. Glendale Ave. Glendale, CA 91205	10-1-84	5,750.00
MILES ELECTRIC 3391 East 19th St. Long Beach, CA 90804	4-84	1,266.07
K-WAVE 35 Calle De Industrias San Clemente, CA	5-14-84	3,346.00
KFOX RADIO 123 W. Torrance Blvd. Redondo Beach, CA 90277	1984	1,000.00
		Total \$2,930,459.

SCHEDULE A-3 — Creditors Having Unsecured Claims Without Priority

Name of creditor (including last known holder of any negotiable instrument) complete mailing address including zip code (if unknown, so state)	Specify when claim was incurred and the consideration therefor: when claim is contingent, unliquidated, disputed, subject to setoff, evidenced by a judgment, negotiable instrument, or other writing, or incurred as partner or joint contractor, so indicate: specify name of any partner or joint contractor on any debt	Amount of Claim
MR. GARY HARLEM c/o JOSEPH D. LEVORCHICK 27 West Main St. Smithtown, NY 11787		\$ Unknown
CARMEN MARTINEZ 13961 Enterprise Dr. Garden Grove, CA 92640		Unknown
Total		\$2,930.459

ADDENDUM TO INTERLOCUTORY JUDGMENT1
2
3 1. SPOUSAL SUPPORT:

4 1.1 Respondent has a duty to support Petitioner, apart
5 from any division of community property and debts.

6 1.2 For all spousal support, Respondent shall pay to the
7 Petitioner a lump sum equal to Five Hundred Eighty Five
8 Thousand (\$585,000.00) Dollars, payable in one hundred eighty
9 (180) installments of Three Thousand Two Hundred Fifty
10 (\$3,250.00) Dollars per month, for a period of fifteen (15)
11 years, on the first day of each and every month beginning
12 October 1, 1982.

13 1.3 The said one hundred eighty payments are not subject
14 to any conditions, limitations or modifications.

15 1.4 In event of Respondent's death such payments shall be
16 a charge against his estate, under applicable Revenue Rulings,
17 and to be made pursuant to the provisions of Internal Revenue
18 Code §§ 71 and 215.

19 1.5 All payments shall be made to the Petitioner or her
20 estate, as the case may be, shall cease when she, or the
21 estate, has received the total of the payments to be made under
22 the preceding paragraphs.

23 2. CHILD SUPPORT

24 The parties having no children of this marriage, although
25 Petitioner has adult children of a prior marriage, no order is
26 made for child support.

27 3. DIVISION OF REAL PROPERTY:

28 3.1 From the community property of the parties, as agreed

1 upon, by them, in their Marital Settlement Agreement, presented
2 to and approved by this court, subject to all existing liens,
3 encumbrances, reservations and restrictions of record, there is
4 awarded to Petitioner as her sole and separate property, the
5 following real property:

6 3.11 Condominium Unit 404-C located at 8766 Tulare,
7 Huntington Beach, California, which is more particularly
8 described as:

9 (A) a condominium comprising a Subleasehold
10 Estate created by a sublease by and between
11 Signal Landmark, Inc., a corporation, as Lessor,
12 and the Sublessees, described in said sublease, a
13 Memorandum of which is recorded concurrently
14 herewith, and

15 (B) an equitable estate created by an Agreeemnt
16 of Sale and Purchase set forth in Paragaph 6 of
17 the above refered to Sublease, whereby Signal
18 Landmark, Inc, a corporation is the vender and
19 the sublesees are vendees, covering the land
20 described in Exhibit "A" attached hereto and made
21 a part hereof."

22 3.12 Condcminium Unit 410-C located at 8777 Tulare,
23 Huntington Beach, California, which is more particularly
24 described as:

25 (A) a condominium comprising a Subleasehold
26 Estate created by a sublease by and between
27 Signal Landmark, Inc., a corporation, as Lessor,
28 and the Sublessees, described in said sublease, a

1 Memorandum of which is recorded concurrently
2 herewith, and

3 (B) an equitable estate created by an Agreement
4 of Sale and Purchase set forth in Paragraph 6 of
5 the above referred to Sublease, whereby Signal
6 Landmark, Inc, a corporation is the vender and
7 the subleseees are vendees, covering the land
8 described in Exhibit "A" attached hereto and made
9 a part hereof."

10 3.13 Said Exhibit "A" is not further described in this
11 Interlocutory Judgment because of its length, but is recorded
12 and made part of all of the conveyances concerning the
13 Condominium Project known as the Huntington Landmark Adult
14 Community. Said Exhibit describes all of the condominiums, and
15 the common areas, which are part thereof, for recording
16 purposes, as being portions of Lot 2, Tract 8549, as per map
17 recorded in Book 363, page 30 et seq, of Maps, in the office of
18 the County Recorder of Orange County.

19 3.14 As to said condominium units 404-C and 410-C,
20 there will be no adjustment of the rents and profits derived
21 therefrom, from June 2 to October 1, 1982, as there has been a
22 negative cash flow and Respondent will accept the losses to
23 October 1, 1982. Losses after that date shall belong to
24 Petitioner.

25 3.15 Respondent, having represented that all
26 condominium assessments and fees have been paid to October 1,
27 1982, any such expenses remaining unpaid shall be paid by him.

28 3.16 Respondent having also paid the debt service,

1 fees and assessments for the month of October, and received the
2 rents, any loss, which is the "negative" cash flow, from the
3 rents and profits of said condominium units, shall be paid over
4 by the Petitioner to the Respondent, or used by the parties in
5 adjusting the moneys due one from the other for the month of
6 October, 1982.

7 3.17 Said Unit 404-C is taken subject to a first lien
8 held by Sumitoma Bank Loan Cust # 382 172168 # B 0001, having
9 an approximate principal balance as of October 1, 1982, of
10 \$45,629.50, payable at rate of \$734.49 per month.

11 3.18 Unit 410-C is taken subject to a first lien held
12 by So. California Savings & Loan Assn, Loan # 15164424-3,
13 principal amount of \$30,985.99, payable at rate of \$258. per
14 month, and a second lien held by Security Pacific Bank, Loan #
15 0009-101178, principal amount of about \$35,000., payable at
16 rate of \$474.96 per month.

17 3.19 All condominiums, by agreement of the parties,
18 carry a monthly dues and assessments currently at \$81.00 per
19 month, plus a payment on the land lease of \$21. per month.

20 3.2 From the community property of the parties, as agreed
21 upon, by them, in their Marital Settlement Agreement, presented
22 to and approved by this court, there is awarded to Respondent
23 as his sole and separate property, subject to all existing
24 liens, encumbrances, reservations and restrictions of record,
25 the following real property:

26 3.21 Condominium Unit 403-C located at 8766 Tulare,
27 Huntington Beach, California, which is more particularly
28 described as:

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(A) a condominium comprising a Subleasehold Estate created by a sublease by and between Signal Landmark, Inc., a corporation, as Lessor, and the Sublessees, described in said sublease, a Memorandum of which is recorded concurrently herewith, and

(B) an equitable estate created by an Agreeemnt of Sale and Purchase set forth in Paragaph 6 of the above refered to Sublease, whereby Signal Landmark, Inc, a corporation is the vender and the sublesees are vendees, covering the land described in Exhibit "A" attached hereto and made a part hereof."

3.22 Condominium Unit 403-D located at 8766 Tulare, Huntington Beach, California, which is more particularly described as:

(A) a condominium comprising a Subleasehold Estate created by a sublease by and between Signal Landmark, Inc., a corporation, as Lessor, and the Sublessees, described in said sublease, a Memorandum of which is recorded concurrently herewith, and

(B) an equitable estate created by an Agreeemnt of Sale and Purchase set forth in Paragaph 6 of the above refered to Sublease, whereby Signal Landmark, Inc, a corporation is the vender and the sublesees are vendees, covering the land described in Exhibit "A" attached hereto and made

1 a part hereof."

2 3.23 Said Exhibit "A" is not further described in this
3 Interlocutory Judgment because of its length, but is recorded
4 and made part of all of the conveyances concerning the
5 Condominium Project known as the Huntington Landmark Adult
6 Community. Said Exhibit describes all of the condominiums, and
7 the common areas, which are part thereof, for recording
8 purposes, as being portions of Lot 2, Tract 8549, as per map
9 recorded in Book 363, page 30 et seq, of Maps, in the office of
10 the County Recorder of Orange County.

11 3.24 Said Unit 403-C is taken subject to first lien
12 held by So. California Savings & Loan Assn, Loan # 15164474,
13 principal amount of \$28,938.22, payable at rate of \$268. per
14 month.

15 3.25 Said Unit 403-D is taken subject to a first lien
16 held by So. California Savings & Loan Assn, Loan # 15164475,
17 principal amount of \$33,178.30, payable at rate of \$311. per
18 month.

19 3.26 A commercial/industrial building, consisting of
20 both land and improvements, known as 7442 Mountjoy Drive,
21 Huntington Beach, Ca, and more particularly described as:

22 "Parcel 2, in the City of Huntington Beach,
23 County of Orange, State of California, as shown
24 on a parcel map filed in Book 107, page 46 of
25 Parcel Maps, in the Office of the County Recorder
26 of said County."

27 3.27 Said parcel is taken subject to a first lien held
28 by Security Pacific Bank, principal amount of approximately

1 \$186,000, payable at rate of approximately \$2,000. per month,
2 and a second lien held by Thomas Partridge, [a private purchase
3 money loan, originally in the principal amount of approximately
4 \$150,000., payable \$50,000 July 15, 1982, \$50,000 January 15,
5 1982, and the balance payable on July 15, 1983.]

6 3.28 A commercial/industrial building, exclusive of
7 the land on which it sits, known as 7422 Mountjoy Drive,
8 Huntington Beach, Ca, and more particularly described as:

9 Parcel One of Parcel Map filed in Book 107, page
10 46, of Parcel Maps, recorded in Orange County,
11 being a portion of Lot 2 of Tract 8786 as
12 recorded in the Recorder's office of Orange
13 County, CA.

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15 [The underlying real property being owned by
16 DONSBACH UNIVERSITY, a non profit California
17 corporation.]

18 3.29 Said parcel is taken subject to debt due Sumitoma
19 Bank for \$200,000, payable at the rate of approximately \$2,000
20 per month.

21 3.3 The parties having no other real property, either as
22 separate, quasi community or community property, no further
23 division of real property is made.

24 3.4 In connection with the division and transfer of said
25 condominiums Units 404-C and 410-C to the Petitioner, the
26 Respondent, having represented to Petitioner, that all mortgage
27 payments and associations fees and assessments were paid to
28 October 1, 1982, Petitioner shall be responsible, after October

1 1, 1982, for all of such costs and she shall have all of the
2 income tax benefits therefrom.

3 3.5 Respondent shall be entitled to all of the income tax
4 benefits of said condominium for the period from June 2, 1982
5 to October 1, 1982.

6 3.6 Petitioner shall pay the first half of the 1982-83
7 real estate taxes due on December 10, 1982 on the said
8 condominium units being transferred to her, but said taxes
9 shall be prorated 50% to Petitioner and 50% to Respondent and
10 Respondent upon Petitioner's demand shall pay his share of said
11 taxes to her.

12 4. PERSONAL PROPERTY:

13 The parties, by their agreement, as of June 2, 1982, the
14 date of separate, having owned personal property, all located
15 within the State of California, consisting of furniture and
16 furnishings, promissory notes, automobiles, cash, silver
17 bullion, and securities, including as of September 15, 1982, a
18 \$100,000 certificate of deposit which was used to retire a
19 community debt owed to Sumitoma Bank, Huntington Beach, and
20 additionally a certain savings and a certain checking account
21 in the approximate gross sum of \$21,000., also at said Sumitoma
22 Bank, which had been substantially reduced to partially retire
23 a community debt owed to one Thomas Partridge, in connection
24 with the purchase of the building at 7442 Mountjoy, Huntington
25 Beach, California, prior to the Interlocutory Hearing, the
26 court approves the following division of the remaining personal
27 property owned by the parties.

28 5. FURNITURE AND FURNISHINGS; OTHER PERSONAL PROPERTY EXCEPT

1 AUTOMOBILES AND BUSINESS

2 5.1 FURNITURE AND FURNISHINGS:

3 5.11 There is hereby transferred to Petitioner, as her
4 sole and separate property, the following furniture and
5 furnishings:

- 6 1. One B.S. Degree
- 7 2. One Graduation Picture
- 8 3. One Name Plate
- 9 4. One Wall Hanging
- 10 5. One Figurine Lamp & Table
- 11 6. Sleeping Bag (in garage)
- 12 7. Three Foot Lockers with personal clothing and
- 13 keepsakes of Elyse's children Denise and
- 14 Diane (kept in garage)
- 15 8. Small leather case with 166 mm films of
- 16 Elyse's children.
- 17 9. One Glass topped table.
- 18 10. Misc personal clothing and shoes in garage
- 19 11. Any miscellaneous stones purporting to be
- 20 jade in residential garage.
- 21 12. Three (3) oriental prints in Dining Room
- 22 13. One (1) oriental print in "Treating" Room
- 23 14. Gold Leaf curio shelf in Dining Room.
- 24 15. One half of "survival foods" kept in storage
- 25 room.
- 26 16. One set of back issues of Health Express, if
- 27 available.
- 28 17. Full set of books used in college courses

offered by Donsbach University.

18. Painting: "Baby at Play on Beach" in Living Room
19. All personal cook books.
20. All personal record albums used with Hi Fi.
21. All white and gold Christmas Decorations.
22. One Marble Topped coffee table
23. Two Gold Chairs
24. One Bedroom Set (Double Bed, with chest)
25. One White sofa
26. One Crystal Lamp
27. Two whitegold mountings
28. Diamond Ring
29. Wife's mother's bank book
30. Lord's supper on Amber Glass
31. Ocean scene painting by R. Long
32. "Japanese" Needle point by wife
33. Twin bedroom set of R. Long

5.12 There is hereby transferred to Husband, as his sole and separate property, the following furniture and furnishings:

1. One Dining Room Table
2. Six chairs
3. One China cabinet
4. One Refrigerator
5. One Bedroom set
6. One TV & Recorder
7. One Rocking Chair

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8. One Refrigerator
 9. Two Recliners
 10. One TV
 11. Two Misc Lamps
 12. Two small chests
 13. One Desk
 14. One Blue Sofa and Chair
 15. One Marble topped Lamp table.
 16. Misc bed coverings, sheets, towels.
 17. Misc Kitchen appliance, dishes, flatware
 18. Built in cabinets, carpeting, window decor
 19. One small radio **
 20. One "ON" Reception unit **
 21. One Black & White Portable TV **
 22. One half of survival foods.
 23. All red and green Christmas Decorations.
 24. Electric heater Pictures
 25. 17" color TV, in Bedroom
 26. Two crystal lamps in bedroom
 27. Two small lamps (for dresser in bedroom)
 28. Cedar chest
 29. Whitegold drop leaf desk in bedroom
 30. Six drawer chest
 31. Table top chest
 32. Two pictures in bedroom
 33. Massage table.
 34. Diathermy machine and table.
 35. Electric acuscope machine

- 1 36. Dropleaf desk
- 2 37. Game table and four chairs
- 3 38. 12 x 15 carpet
- 4 39. 48" table, six chairs, table, chaise lounge
- 5 on patio.
- 6 40. Office desk and chair
- 7 41. Copy machine.
- 8 42. Fire proof filing cabinet
- 9 43. Two four drawer metal file cabinets
- 10 44. Christmas tree.
- 11 45. Butane stove and fuel.
- 12 46. Butane Lantern
- 13 47. Sleeping Bag
- 14 48. Tablet Punch machine.

15 NOTE: The items marked ** are currently missing, and
16 should they be discovered shall pass to Respondent.

17 5.13 The parties recognize that the following
18 furniture and furnishings is the personal property of
19 Petitioner's mother, Rose Long, and said personal property is
20 awarded to the Petitioner subject to her sole control, for
21 herself, and also for the benefit of her mother:
22

- 23 1. All of mother's dishes.
- 24 2. Miscellaneous pictures painted by Rose Long,
25 or color stitched by Rose Long
- 26 3. Electric Exercycle
- 27 4. One bedroom set (Twin Beds, with chest,
28 night stand)

1 5.2 WHITNEY NOTE:

2 5.21 There is hereby awarded to Petitioner, as her
3 sole and separate property, as of October 1, 1982, the
4 principal amount of \$56,000. [originally in the sum of \$60,000.
5 but \$4,000. of which was paid to Respondent and in turn paid
6 over by him to the said Thomas Partridge to reduce a community
7 obligation] owed by Douglas and Denise Whitney, husband and
8 wife, and the daughter and son in law of the Petitioner, which
9 obligation is evidenced by a promissory note, dated August 19,
10 1982, a copy of which is set forth in the agreement of the
11 parties, as Schedule "E."

12 5.22 Said note is secured by a deed of trust upon a
13 residence owned by the Whitneys, known as 8402 Seal Rock,
14 Huntington Beach, California 92646, which is more particularly
15 described as follows:

16 "Lot 39 of Tract 9621 as shown on a map recorded
17 in Book 404, page 7 to 10, inclusive of
18 Miscellaneous Maps, Records of Orange, County,
19 Califrnia, excepting [mineral rights]

20 Said note is due ten (10) years after date, and bears interest
21 at the annual rate of ten (10%) percent per annum.

22 5.23 There is hereby transferred to Respondent, as his
23 sole and separate property, all of the interest on said note
24 which is to be paid by the Whitneys directly to the Respondent,
25 at the rate of \$466.67 per month as set forth therein,
26 beginning on October 1, 1982, and Respondent is to be solely
27 responsible for the income taxes due thereon.

28 5.24 Under said Marital Settlement Agreement it is the

1 intent of the parties that said \$56,000 obligation of the
2 Whitneys was intended to enable them to purchase and maintain a
3 single family residence, and that the Whitneys have the right
4 to transfer the security of said obligation to another real
5 property residence owned by them, of comparable value, at any
6 time during said 10 year period, without paying off said
7 principal balance, and the Petitioner shall execute any
8 documents required to transfer said security to another
9 comparable real property at the request of the Whitneys.

10 5.3 TODD YANCEY NOTE: There is hereby transferred to
11 Petitioner, as her sole and separate property, all of the
12 principal and interest due to the community upon a certain
13 promissory note from one Todd Yancey, effective as of June 2,
14 1982, including all interest whether due before or after June
15 2, 1982.

16 5.4 SILVER BULLION AND CASH:

17 5.41 The parties having agreed that, as of June 2,
18 1982 Petitioner has possession of the sum of approximately
19 \$72,250. in cash and certain silver bullion in the form of
20 coins and bars, in approximate sum of \$30,000., of said cash
21 and silver bullion:

22 5.42 There is hereby awarded to Petitioner, as her
23 sole and separate property, all of said cash, except the sum of
24 \$5,000., and two thirds, or approximately \$20,000. of said
25 silver bullion; the division to be mutually agreed upon.

26 5.43 Of said cash and silver bullion, there is hereby
27 transferred to Respondent, as his sole and separate property,
28 \$5,000 of said cash, and one third, or approximately \$10,000.

1 of said silver bullion, and Petitioner shall deliver one third
2 of the silver bullion to Respondent, with the understanding
3 that the aforesaid division are very rough estimates.

4 5.44 Respondent, to the extent that he may have had
5 some coins not accounted for by Petitioner, shall deliver one
6 third of said coins to her.

7 5.45 To the extent that Respondent owes money to
8 Petitioner as of October 1, 1982, the \$5,000. which Petitioner
9 is required to pay over to Respondent shall be used to offset
10 and reduce said moneys.

11 5.5 THE BELLINO NOTE:

12 5.51 There is hereby transferred to Petitioner, as her
13 sole and separate property, as of October 1, 1982, a promissory
14 note, for 91,475.36 owed to the community by Mr. and Mrs. E.
15 Bellino, husband and wife, from the sale of real property
16 located on Bay Street, Costa Mesa, California, formerly owned
17 by the community, which obligation is secured by a deed of
18 trust upon the real property sold. Said note is not in default,
19 and Respondent has represented he has no information or reason
20 to suspect that there will be a default. Said note is due in
21 approximately three years, is payable monthly, interest only of
22 \$762.29 per month, and all payments have been made, to the date
23 of this agreement, by the Bellinos.

24 5.52 There is hereby transferred to Petitioner, as
25 her sole and separate property, as of October 1, 1982, all of
26 the interest on said note which is to be paid by the Bellinos
27 directly to the Petitioner .

28 5.53 The principal of said note shall be paid over to

1 Petitioner when the Bellinos pay the principal amount of said
2 note. The Bellinos shall receive notice of this provision.

3 5.54 Petitioner shall have all of the interest thereon
4 on and after October 1, 1982, and shall bear the burden of
5 income taxes thereon.

6 5.55 Respondent shall deliver over to Wife copies of
7 all their joint income tax returns and excrow documents
8 relating to the said Bellino property.

9 5.6 MARGO STOCK:

10 5.61 There is hereby awarded to Respondent , as his
11 sole and separate property, (a) twenty four (24) of the fifty
12 (50) shares of the issued and outstanding common stock of MARGO
13 CORP., a California corporation, and (b) an option to purchase
14 the balance of twenty six (26) shares, which is held by them as
15 community property, upon the understanding that the sole asset
16 of MARGO CORP. is an improved parking lot located at the south
17 west corner of Mountjoy and Gothard, abutting the real property
18 at 7422 Mountjoy, Huntington Beach, CA, and used by Donsbach
19 University, which real property is more particularly described
20 as:

21 "Lot One, Trace 8788, REcords of Orange County,
22 California, as per map recorded in Book 393,
23 pages 31-34 of Misc Maps."

24 Said transfer to Respondent, as his sole and separate property,
25 shall be subject to the assumption by the Respondent, or any
26 successor of the Respondent, to any obligation due to Gordon
27 Mountjoy, the prior owner of said stock, and upon condition
28 that Respondent shall indemnify, defend and hold Petitioner

1 harmless from any obligation on said Mountjoy note and on
2 income tax incurred on said note or the MARGO transaction
3 itself.

4 5.62 Respondent shall deliver over to his attorney
5 ROBERT LEFF, or another mutually agreed upon entity or person,
6 the stock certificate of MARGO upon which Petitioner shall have
7 a security interest as hereinafter set forth, as trustee for
8 wife.

9 5.7 POULSON NOTE: There is hereby awarded to Respondent,
10 as his sole and separate property, as of October 1, 1982, the
11 balance due of a certain promissory note delivered to the
12 community from the sale of the community interest in
13 Nutritional Labs, Inc, a California corporation, which, as of
14 June 2, 1982, had a principal balance of \$12,000, and which is
15 being paid off at the rate of \$2,000. per month by one Louis
16 Poulson.

17 5.8 RICHLIFE CONTRACT: There is hereby awarded to
18 Respondent, as his sole and separate property, the balance due
19 on a certain consultant's agreement being paid to Respondent by
20 the Richlife Co. by reason of the sale by him in 1973 of a
21 certain vitamin and mineral company; said contract expires in
22 1983.

23 5.9 NUTRITION MOTIVATION, INC: There is hereby awarded
24 to Respondent, as his sole and separate property, 100% of the
25 issued and outstanding stock of a California Corporation,
26 known as Nutrition Motivation, Inc. and said corporation having
27 a a negative value, and certain outstanding obligations, the
28 award is subject to Respondent's acceptance of the community

1 responsibility for such debts, and his agreement to hold
2 Petitioner harmless therefrom.

3 5.10 INTERNATIONAL:

4 5.101 There is hereby awarded to Respondent, as
5 his sole and separate property, all of Petitioner shares of
6 International Institute of Natural Health Sciences, Inc.
7 (INTERNATIONAL) formerly known as ATLANTIS HEALTH SPAS, INC,
8 and prior thereto as THERAPY MANAGEMENT, INC. of which the
9 remainder are owned by Respondent, and confirmed to him,
10 subject to the lien of the Petitioner set forth below,
11 including the transfer of all copyrights in existence as of
12 June 2, 1982 management rights of the business affairs of
13 Donsbach University, the Preventive Medicine and Nutrition Care
14 Center, a wholistic nutritional care center (CENTER) operated
15 in conjunction with the University at 7442 Mountjoy,
16 Huntington Beach, the World Health Exposition, and Health
17 Express, a magazine, as divisions of that corporation.

18 5.102 The transfer of said stock also includes the
19 transfer of all contractual, copyrights, and trade mark and
20 trade name rights of INTERNATIONAL in and to said business
21 relationships, subject to all of the debts and obligations due
22 thereunder, including a debt owed to a former shareholder, one
23 Donald M. Petersen, D.C. To the extent that the community may
24 be liable for such debts Respondent by agreement accepts the
25 community responsibility for such debts, and shall hold
26 Petitioner harmless therefrom.

27 5.103 Until Petitioner is paid in full under this
28 agreement, Respondent shall continue to operate INTERNATIONAL

1 in the normal course of its business, and if he transfers any
2 of its present activities to another corporation said
3 corporation shall accept said business activities, subject to
4 the obligations due to Petitioner under the agreement of the
5 parties and the order of this court, and upon condition that
6 said successor corporation, prior to the transfer of such
7 activities, be joined as a party to this action. However,
8 nothing is intended to prevent Respondent from entering into
9 any new and different activities free of the terms of his
10 agreement, and the order of this court thereon.

11 5.104 The court reserves jurisdiction to enforce
12 the provisions of this paragraph.

13 5.11 PENSION PLANS:

14 5.111 There is hereby awarded to Respondent, as
15 his sole and separate property, the entire vested interest of
16 the community in and to a DEFINED BENEFIT PENSION PLAN
17 established under the direction of Financial Kenetics
18 Corporation, which, as of August 13, 1982, had a principal
19 value of \$25,332, but which has been borrowed from the said
20 plan, upon condition that when the Respondent, or his
21 successor, receives the proceeds of said Pension Plan, the
22 Respondent or his successor, but not the Petitioner, shall be
23 responsible for any income taxes due thereon.

24 5.112 There is hereby awarded to Petitioner, as
25 her sole and separate property, the entire I.R.A. savings
26 account at Sumitoma Bank, account No. 382-970-019, with the
27 passbook, which, as of April 14, 1979, contained \$5,061.58, and
28 if available account No. 382-970-123, which purportedly as of

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June 30, 1982, as \$3,632.90, upon condition that if and when the Petitioner, or her successor, receives the proceeds of said I.R.A. Plan(s), the Petitioner, or her successor, but not the Respondent, shall be responsible for any income taxes due thereon.

5.113 There is hereby awarded to Respondent, as his sole and separate property, the entire I.R.A. savings account at Sumitoma Bank, account No. 382-970-135, which, as of October 20, 1980, contained \$3,176.45, upon condition that if and when the Petitioner, or his successor, receives the proceeds of said I.R.A. Plan, the Respondent, or his successor, but not the Petitioner, shall be responsible for any income taxes due thereon, and also in recognition that Respondent paid the community income tax due for calendar year 1981, without offset to the wife for any part thereof.

5.114 In relation to the foregoing paragraphs 5.112 and 5.113, the term "income taxes" shall include tax on tax, and any interest or penalties that are paid with such taxes.

5.12 SAVINGS AND CHECKING ACCOUNTS:

5.121 There is hereby awarded to Respondent, as his sole and separate property, the balance remaining in the above described saving and checking account at the Sumitoma Bank estimated as of the date of this agreement to be in the approximate sum of \$1,000. in the savings account and \$3,000. in the checking account, and the Security Pacific Bank in the sum of \$2,000.

5.122 All checking or savings accounts of

1 INTERNATIONAL, are, however, the subject of the agreement of
2 the parties, and will pass with the transfer of the stock
3 contemplated by this agreement, or the resignation of
4 Respondent from said corporation.

5 5.123 Notwithstanding the foregoing, any new
6 checking or savings accounts now held by the parties as of the
7 date of separation is, as to each of them, his or her separate
8 property, and not the subject of their agreement, or this
9 order, and in connection therewith each party has represented
10 to the other party that no community funds were deposited in
11 the savings and/or checking accounts established by either of
12 them on, or after, June 2, 1982, and that all interest received
13 thereon has been the result of deposits made on, or after, June
14 2, 1982.

15 5.13 DONSBACH FAMILY TRUST:

16 The parties having created a Donsbach Family Trust,
17 which was not funded, as a revocable family trust, and used
18 only to take title to certain real property, now divided and
19 awarded under this Order, the parties are directed to dissolve
20 said trust, and to execute any and other documents necessary to
21 terminate said trust.

22 5.14 OTHER BUSINESS INTERESTS:

23 5.141 The parties represent that they know of no
24 other business interests owned privately by the community,
25 except (a) \$50. being paid to the Respondent for nutritional
26 advice given to a company called SIVAD to formulate a product
27 by SIVAD, (b) two (2) shares in a bankrupt Texas Mining
28 Company, and (c) 60 shares in Silver King Mines, a Nevada

1 Silver Mine, all of which is awarded to Respondent.

2 5.142 Any and all other stock or other securities
3 which have been held by them, either as community, quasi
4 community or separate property, except the stock described in
5 this agreement, has been divided or confirmed to each party, as
6 their interests may have appeared, and no further division or
7 confirmation of such property is made in this order. MCM

8 6. SALE OF STOCK OF ANY PRIVATE HELD CORPORATE BUSINESS:

9 6.1 All of the corporate stock of INTERNATIONAL, MARGO
10 CORP. and NUTRITIONAL MOTIVATION awarded to Respondent
11 hereunder has been issued as legended stock to Respondent, and
12 as a division of community property is exempt from further
13 qualification, and no application is required to be made of the
14 Department of Corporations of the State of California.

15 6.2 All of the corporate stock of INTERNATIONAL and MARGO
16 CORP, which is being pledged to Petitioner as security under
17 this agreement, for the support obligation owed by the
18 Respondent to the Petitioner, and upon which Petitioner shall
19 have a security interest as hereinafter set forth, shall be
20 hereafter held by ROBERT G. LEFF, Esq., (or another mutually
21 agreed upon person or entity), as trustee for the Petitioner,
22 subject to the pledge agreement, attached to the Marital
23 Settlement Agreement.

24 7. RESIGNATION OF WIFE FROM CORPORATIONS WHICH HAVE BEEN
25 OPERATED BY HUSBAND AND WIFE:

26 7.1 The parties having established and operated two
27 non-profit mutual benefit corporations, organized under the
28 laws of the State of California, namely DONSBACH UNIVERSITY

1 (originally known as the California School of Medicine) and THE
2 HERBAL INSTITUTE, as of June 2, 1982, Petitioner under
3 agreement shall resign all positions which she has held as a
4 director and officer of any of said corporations, including the
5 profit corporations, and she shall execute any and all
6 documents acknowledging said resignations as required.

7 7.2 Petitioner shall also releases all of said
8 corporations INTERNATIONAL, MARGO, NUTRITION, DONSBACH
9 UNIVERSITY and the HERBAL INSTITUTE, from any claims of
10 compensation, or expenses except as set forth in the Marital
11 Settlement Agreement, or as hereinafter set forth.

12 8. EMPLOYMENT OF WIFE BY INTERNATIONAL:

13 8.1 Respondent shall cause Petitioner, as a nutritional
14 consultant, and as of October 1, 1982, to be engaged by
15 INTERNATIONAL Petitioner, as an independent nutritional
16 consultant, for a period of not less than fifteen (15) years;
17 the Petitioner to render such services as may be required of
18 her, of a minimum nature, in consideration of the corporation
19 furnishing, maintaining and paying her share of the premiums to
20 cover, for her, all the medical, dental, hospital and accident
21 benefits furnished by INTERNATIONAL, at its sole cost and
22 expense, as may be available to its employees in general, or to
23 its executive employees, as the case may be. Petitioner is to
24 be enrolled in that employee plan which offers the maximum
25 benefits. Moreover whenever Petitioner reports as a consultant
26 she shall receive the sum of \$150. per day for each full day,
27 or any part thereof, of consulting work done by her. To the
28 extent Petitioner incurs expenses as such a consultant, and

1 such expenses are reasonably incurred by Petitioner, Respondent
 2 shall also cause INTERNATIONAL, on submission of written
 3 voucher(s), to reimburse Petitioner.

4 9. SECURITY FOR THE PAYMENT OF SUPPORT OBLIGATION SET FORTH IN
 5 PARAGRAPH 1 ABOVE.

6 9.1 To secure the 180 installment payments described in
 7 paragraph 1 above, Respondent shall execute and deliver to the
 8 Petitioner, the following security instruments:

9 9.11 Recognizing that Donsbach University, and not the
 10 parties owns the underlying real property of the building at
 11 7422 Mountjoy, two Deeds of Trust each covering the separate
 12 property interest of the Respondent, in and to the real
 13 properties and their improvements located at 7422 and 7442
 14 Mountjoy, Huntington Beach, California, described in paragraph
 15 3.26 and 3.28 above, provided that said deeds of trust contain
 16 a subordination clause permitting the Respondent to complete
 17 construction of the proposed high rise building to house the
 18 university on the parking lot between the two existing
 19 buildings.

20 9.11.1 Said subordination clause shall be a
 21 form agreed upon by the parties, substantially in the form of
 22 the agreements which have been attached to the Marial
 23 Settlement Agreement as Exhibits J-1 and J-2, and shall permit
 24 construction of a three story glass and steel building which is
 25 anticipated at this time not to exceed \$3,500,000., at
 26 prevailing interest, costs and payout rates.

27 9.11.2 Taking into consideration the purpose
 28 of the security, Petitioner shall redraw any subordina-

1 tion agreement to meet the reasonable requirements of any
 2 lenders or title companies in connection therewith, otherwise
 3 the assignment of said deeds of trust as security shall be null
 4 and void, it being understood that the deeds of trust are to
 5 furnish security to the Petitioner for the support payments
 6 being undertaken by Respondent, and no more than that, and that
 7 every effort is to be made by Petitioner to assure Respondent
 8 that, when economic conditions change, she will cooperate with
 9 him in permitting the said proposed building to be constructed.

10 9.2 Two deeds of trust each covering the two condominium
 11 units awarded to Respondent, described in paragraphs 3.21 and
 12 3.22 above.

13 9.2.1 A security interest in the stock owned or to
 14 be owned by the husband in INTERNATIONAL and in MARGO, and for
 15 this purpose Respondent shall cause said corporations to
 16 execute corporate resolutions to confirm the fact that said
 17 shares are to be part of the security agreement in favor of the
 18 Petitioner.

19 9.2.2 Respondent shall execute and deliver to
 20 Petitioner a Security Agreement, and an UCC-1 Financing
 21 Statement, in the form attached to the Marital Settlement
 22 Agreement as Exhibit "D", covering his entire stock ownership,
 23 and option rights, in INTERNATIONAL, which, by this agreement,
 24 is to be owned free and clear by him, as his sole and separate
 25 property, and MARGO, which is subject to a prior lien of the
 26 said Gordon Mountjoy.

27 9.2.3 The fact that the Respondent's stock
 28 certificate and option rights in INTERNATIONAL and MARGO shall

1 be held as security for the payment of husband's obligation to
2 Petitioner shall not, however, prevent the Respondent from
3 voting the beneficial interest of all of said stock and from
4 selling all of the stock and/or option rights to a third party
5 for a fair and reasonable consideration, subject to
6 Petitioner's lien.

7 9.2.4 The Respondent shall not be permitted to
8 complete the sale or transfer of his stock and option rights,
9 held as security by the Petitioner, without her prior written
10 consent, which shall not be unreasonably withheld.

11 9.2.5 The tender of equivalent security for said
12 stock and option rights shall require the Petitioner to release
13 her security interest in and to said stock, and such equivalent
14 security shall include negotiable stocks, bonds, and
15 irrevocable letters of credit.

16 9.3 As long as Petitioner holds said stock and option
17 rights as security, Respondent shall not have the right,
18 without her prior written consent, which shall not be
19 unreasonably withheld, to issue any additional shares of stock,
20 borrow more money from INTERNATIONAL or MARGO or take any
21 action which will dilute the value of the issued and
22 outstanding stock of INTERNATIONAL or MARGO or which is being
23 put up as collateral to secure payment of support to the
24 Petitioner.

25 9.4 At any time Respondent desires to sell any one or all
26 of said condominium units, or industrial/commercial properties,
27 Petitioner shall release her security lien and accept
28 equivalent security on other real and/or personal property to

1 be acquired by the Respondent, in lieu of the units or property
2 being released.

3 9.5 If either party refuses to sign off any documentation,
4 then the Clerk of the Orange County Superior Court, on proper
5 motion, shall be authorized to sign for the reluctant spouse.

6 9.6 This court shall retain jurisdiction to resolve any
7 disputes as to the provisions of this paragraph 9, and any of
8 its subdivisions, including all references to security, and the
9 equivalence of security, and to make orders to enforce these
10 provisions on motion of any party to the court, if the problem
11 cannot be mutually resolved.

12 9.7 In the event husband is physically unable to handle
13 the transfer of the stock himself, or if he is deceased, then
14 any such transfer shall require the prior written approval of
15 the Petitioner, in order that the Petitioner will be assured
16 that such transfer will continue to give her sufficient
17 security to protect her security interest.

18 9.8 Under their agreement, unless a separate agreement is
19 requested by and prepared by Respondent, Petitioner assigns and
20 transfers over to Respondent all of her right, title and
21 interest in and to all of the corporate stock to be transferred
22 by her to him under this agreement, subject to the security
23 agreements above described.

24 9.9 The court shall retain jurisdiction to determine the
25 equivalence of security, and to make orders to enforce all of
26 the provisions of this paragraph and the security interests
27 obtained by Petitioner.

28 9.10 In connection with security interests created for the

1 Petitioner in INTERNATIONAL and MARGO, Respondent has
2 represented to Petitioner that:

3 9.10.1 INTERNATIONAL and MARGO are validly existing
4 corporations organized under the laws of the State of
5 California, that have no subsidiaries, no preferred shares, no
6 outstanding options, except the option to acquire additional
7 shares of MARGO from Gordon Mountjoy, or warrants, or
8 otherwise, that the community has been the sole owner of all of
9 the common shares issued to it and outstanding; that there are
10 no agreements to sell shares to anyone else, and that all
11 shares are free and clear, except the shares owned in MARGO,
12 which are subject to the lien of Gordon Mountjoy.

13 9.10.2 The assets of INTERNATIONAL are not
14 encumbered by any loans, except a loan to SUMITOMA BANK for
15 \$200,000.

16 9.10.3 All financial statements of INTERNATIONAL
17 and MARGO, as far as known to him, and by information furnished
18 to him by the corporation's accountants, and shown to
19 Petitioner, are complete and accurate in all respects, that all
20 federal tax returns have been filed and paid, except for the
21 current fiscal year, and that he knows of no pending audits,
22 that the corporations are not subchapter "S" corporations, that
23 they have only commitments made in the ordinary course of
24 business, and that he knows of no pending or threatened
25 litigation or proceeding.

26 9.10.4 INTERNATIONAL has no commitments for the
27 issuance of any its shares under options, warrants, or
28 otherwise.

1 10. INCOME TAX CONSEQUENCES:

2 10.1 Since Respondent has been responsible for the
3 preparation of all personal income tax returns filed for the
4 calendar years prior to 1982, which have been signed by the
5 Petitioner, Respondent shall, in the event of any audits, be
6 responsible for the costs of such audit and the payment of any
7 additional taxes that may be assessed for those years, and, in
8 1982, if a joint return is filed.

9 10.2 Unless the parties mutually elect to file a joint
10 return for the year 1982, or any subsequent year, prior to the
11 actual dissolution of their marriage, all such personal income
12 tax returns shall be separately filed.

13 11. AUTOMOBILES:

14 11.1 Of the automobiles owned by the parties as of June 2,
15 1982, there is hereby awarded to Petitioner, as her sole and
16 separate property, the following automobiles, free and clear of
17 all liens:

18 One 1979 Lincoln

19 11.2 Of the automobiles owned by the parties as of June 2,
20 1982, there is hereby awarded to Respondent, as his sole and
21 separate property, the following automobiles, free and clear of
22 all liens:

23 One 1978 Mark II Continental

24 One 1962 Mercedes

25 11.3 Of the other automobiles used or available to the
26 parties as of June 2, 1982, the following are and continue to
27 be owned and or leased by INTERNATIONAL for the benefit of its
28 employees, including Respondent (Cadillac) namely:

- 1 1981 Cadillac
- 2 One 1980 Datsun (leased)
- 3 One 1980 Chevrolet Citation
- 4 One 1979 Dodge Pick Up

5 11.4 Thus, other vehicles operated by Respondent are not
 6 owned by him, but are leased by, and furnished to him, by
 7 INTERNATIONAL.

8 11.5 Title is to be transferred to each party through the
 9 offices of the Department of Motor Vehicles by each executing
 10 such documents as may be necessary to reflect the disposition
 11 hereinabove set forth.

12 12. LIFE INSURANCE

13 12.1 There is hereby awarded to Respondent, as his sole and
 14 separate property, the ownership of one life insurance policy
 15 in the principal sum of \$5,000.00, more fully described in
 16 Exhibit "I" of the Marital Settlement Agreement, which is part
 17 of a group plan created for INTERNATIONAL and which is made
 18 available to Respondent as an employee of INTERNATIONAL.

19 12.2 Petitioner shall be a beneficiary of said policy as
 20 long as Respondent is indebted to Petitioner as to the entire
 21 value of said policy.

22 12.3 Respondent shall have the right to name contingent
 23 beneficiaries in the event of the death of the Petitioner,
 24 prior to his death and in the event that Respondent has paid to
 25 his wife, or her estate, all of the money required to be paid
 26 as forth herein.

27 12.4 Nothing in the Marital Settlement Agreement or this
 28 Order shall prevent the Petitioner from seeking to insure the

1 life of the Respondent in an amount not exceeding \$500,000., at
2 her expense, on a level term basis until she shall have
3 received all of the payments due her under this agreement, and
4 the Respondent shall fully cooperate with the Petitioner for
5 that purpose, and shall submit to a physical examination at the
6 doctor's office selected by the said insurance company.

7 Petitioner shall select the insurance company. Respondent,
8 apart from any other payment to be made by him to Petitioner,
9 shall pay a sum not to exceed \$480. per year toward the premium
10 for said term life insurance policy.

11 12.5 Nothing in the Marital Settlement Agreement, or in
12 this order, is intended to change the terms, conditions or
13 ownership of a life insurance policy that INTERNATIONAL owns,
14 and upon which it pays the premiums for, on the Respondent's
15 life in the sum of \$750,000.

16 13. ROYALTIES

17 As all royalties that might otherwise be due to Respondent
18 for books, and other materials written by him, as of June 2,
19 1982 are owned by INTERNATIONAL, nothing is intended by this
20 Order, or the Marital Settlement Agreement, to award any
21 copyright interests, or royalties, for books, and other
22 materials written by Respondent subsequent to June 2, 1982, the
23 date of separation.

24 14. COMMUNITY DEBTS

25 14.1 Respondent shall take responsibility for the payment
26 of all community debt extant on June 2, 1981, otherwise
27 described in this agreement, to the extent that such debt must
28 be recognized, in the approximate value of \$800,000., and will

1 indemnify, defend and hold Petitioner harmless therefrom,
2 except as to the condominium units transferred to Petitioner.

3 14.2 Apart from the \$100,000 paid off to Sumitoma Bank,
4 since the separation of the Respondent and Petitioner, as of
5 June 2, 1982, said parties have the following community
6 obligations, apart from the liens on the condominiums described
7 in paragraph 3.13 above.

8 14.21 Note due Sumitoma Bank in the principal sum
9 of \$200,000, secured by the real property at 7422 Mountjoy.

10 14.22 Note due Gordon Mountjoy in the approximate
11 amount of \$350,000. for the 24 shares of MARGO CORP.

12 14.23 Note due Thomas Partridge, for the purchase
13 price of 7442 Mountjoy, secured by said real property, in the
14 approximate amount of \$150,000.

15 14.24 Contingent liability to Xerox Corporation
16 for two copy machines, one having a balance due of \$100,000.,
17 and the other having a balance due of \$45,000., the first
18 payable at the rate of \$1500. per month, the second payable at
19 the rate of \$1000. per month, primary payments of which are
20 being made by INTERNATIONAL.

21 14.25 Balances due for the purchase of the
22 condominium units 403-C and 403 D awarded to Respondent above.

23 14.3 Each party is given statutory notice of, and
24 acknowledges that, under the Civil Code that unless there has
25 been a novation, even though one party accepts the
26 responsibility to pay any community debt in full without
27 contribution from the other party, that the non paying party
28 continues to be responsible for the debt.

1 14.4 In the event any party is called upon to pay a debt
2 which the other party assumes, then the party who has assumed,
3 but not paid, that debt shall repay or reimburse the party so
4 paying the debt forthwith upon demand, together with reasonable
5 attorneys fees and costs incurred thereby.

6 14.5 Notwithstanding any other provision of this contract or
7 law, the party assuming a community obligation shall
8 periodically, but not less than once each year, furnish a
9 statement to the other party as to how much of the community
10 debt assumed has in fact been paid during the year prior to
11 such notice, and how much remains to be paid, this obligation
12 to be enforced by any court having jurisdiction of the parties,
13 and the pending action.

14 14.6 In connection with the real property described
15 herein, the parties have represented that all liens,
16 encumbrances and liabilities against the said real property
17 referred to herein are disclosed, or described herein.

18 15. OTHER PROPERTY

19 All other property in the possession of the parties, or
20 held for their benefit, including jewelry, clothing, personal
21 effects and the like is hereby confirmed to be the separate
22 property of the party having possession.

23 16. FUTURE EARNINGS AND ACQUISITIONS

24 16.1 Any earnings on or after June 2, 1982 (the date of
25 separation) of each of Petitioner and Respondent shall be the
26 sole and separate property of the one so earning the same, and
27 each of the parties shall respectfully grant to the other, all
28 such future earnings as the sole and separate property of the

1 party so earning the same.

2 16.2 Any property, whether real or personal, acquired by
3 either of the parties hereto, after the date of separation
4 shall be the separate property of the one acquiring it, and
5 each of the parties shall waive all property rights in such
6 acquisitions and hereby grants to the other all such
7 acquisitions of property as the separate property of the one
8 acquiring the same from said date.

9 17. COVENANTS AND WARRANTIES CONCERNING OTHER PROPERTY

10 17.1 In light of the warranties of the parties, one to the
11 other, contained in their Marital Settlement Agreement, if it
12 shall hereafter be determined, by a Court of competent
13 jurisdiction, that at the time of separation either of them was
14 possessed of any community property not set forth in this
15 Agreement, or that one of them has made, without the consent of
16 the other, any gift or transfer of community property other
17 than as set forth above, each of them, as set forth in their
18 agreement, shall pay to the other upon demand, a sum equal to
19 one-half (1/2) of the fair market value of such property, real
20 or personal.

21 17.2 The court shall retain jurisdiction of such issue to
22 enforce the provisions of this paragraph.

23 18. TAX LIABILITIES:

24 Each party shall be responsible for his or her own tax
25 liability resulting from the receipt of income or the transfer
26 of property pursuant to the terms of this Agreement, except as
27 set forth herein.

28 19. INDEMNITY:

1 Each party agrees to and hereby shall indemnify and forever
2 hold harmless the other, his or her successors and assigns,
3 from and against any and all costs, debts, expenses (including
4 reasonable attorney's fees and costs), payments and
5 encumbrances caused by or arising out of the breach of any of
6 the provisions of their Marital Settlement Agreement, or this
7 Order. is agreement.

8 20. SEPARATE LIVES:

9 It shall be lawful for either party, at all times
10 hereafter, to live separate and apart from the other, free from
11 his or her marital control, as if the parties were single and
12 unmarried, and free from any control, restraint or
13 interference, directly or indirectly by or from the other.

14 21. FURTHER ASSURANCES: DOCUMENTS:

15 Each of the parties hereto shall upon demand by the other
16 party, make, execute and deliver any and all such further
17 instruments, papers or things as the other of said parties
18 shall require for the purpose of giving full force and effect
19 to their Marital Settlement Agreement, or this Order.

20 22. PAYMENT OF ATTORNEYS FEES FOR DISSOLUTION;

21 The parties having agreed that each shall be responsible
22 for the payment of his or her own attorneys fees and costs
23 attributed to this dissolution proceeding and the drawing of
24 this agreement, no award of such fees is made herein.

25 23. UTILIZATION OF COURT CLERK:

26 In the event either party fails to execute any document in
27 conformity with this agreement, then the Clerk of the Superior
28 Court having jurisdiction of this matter may do so execute upon

1 written application of either party.

2 24. MUTUAL RESTRAINTS

3 Neither party shall annoy, harass, embarrass, or molest the
4 other at any time or at any place of business, nor talk about
5 the other in any derogatory fashion before friends and family.

6 25. WARRANTY AS TO OTHER POSSIBLE DEBTS:

7 25.1 Respondent having warranted in said Marital Settlement
8 Agreement that all other debts that he, or INTERNATIONAL, may
9 have, either secured, or unsecured, are either the
10 corporation's debts, or his debts, alone, and that Petitioner
11 has no responsibility for any other debt and he shall defend,
12 indemnify and hold her harmless from any such debt, which shall
13 include any debt owed by Sumitoma Bank.

14 25.2 Petitioner having warranted that any other debts that
15 she may have incurred and not disclosed herein, or incurred on
16 and after June 2, 1982, are her debts alone, and Respondent has
17 no responsibility for any such debt and she will defend,
18 indemnify and hold him harmless from any such debt.

19 25.3 Under this paragraph the term "Debt" shall include any
20 tax, tax on tax, interest or assessment, or penalty, that may
21 arise from any obligation of Petitioner or Respondent to pay
22 any such taxes, interest or penalties, including any tax
23 obligations, arising from the termination of the Donsbach
24 Family Trust, and the party undertaking to pay any such debt,
25 tax, assessment or penalty shall defend, indemnify and hold the
26 other party harmless.

27 26. EXECUTION OF OTHER DOCUMENTS:

28 26.1 Respondent will cause MARGO and INTERNATIONAL to

1 execute corporate resolutions confirming the division of
2 shares, and the pledge of such shares as security for the
3 Petitioner, under the Security Agreement in the form attached
4 to the Marital Settlement Agreement.

5 26.2 Pursuant to Paragraph 5.8 of the Agreement, Respondent
6 will request and forward a copy of the Richlife Contract,
7 referred to therein, to Petitioner.

8 26.3 Under paragraph 5.9 of the agreement, should there be
9 a sale on or before October 1, 1983 of any shares in
10 NUTRITIONAL MOTIVATION, Respondent shall deliver a copy of the
11 agreement of sale to the Petitioner.

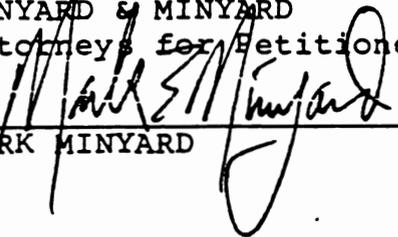
12 26.4 Respondent shall forward to the Wife a copy of the
13 Poulson Note; there being no note due to the community from any
14 corporation called Nutri-Save, Inc.

15 DATED: December 21 1982.

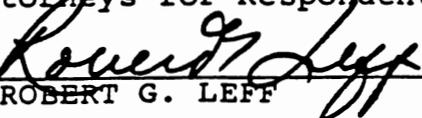
16
17
18 
19 GILBERT N. MUELLER
Judge, Superior Court *he*
ms

20 Approved as to form and content:

21 MINYARD & MINYARD
22 Attorneys for Petitioner

23 By 
24 MARK MINYARD

25 LIPSIG, ROSENFELD* & LEFF
26 *law corporation
27 Attorneys for Respondent

28 By 
ROBERT G. LEFF

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name and address): METCALF & MCKENZIE (714) 964-1638 19126 Magnolia Street, Suite 201 Huntington Beach, CA 92646	TELEPHONE NO.: FOR COURT USE ONLY <div style="text-align: right; font-size: 2em; font-weight: bold;">69</div>
ATTORNEY FOR (Name): Petitioner ATTORNEY BAR# 62123 SUPERIOR COURT OF CALIFORNIA, COUNTY OF ORANGE 700 Civic Center Drive West P.O. Box 838 Santa Ana, CA 92702 BRANCH NAME:	<div style="font-size: 1.5em; font-weight: bold;">NOV 25 1987</div>
MARRIAGE OF PETITIONER: KURT W. DONSBACH RESPONDENT: DIANA B. DONSBACH	
<div style="text-align: center; font-weight: bold;">JUDGMENT</div> <input checked="" type="checkbox"/> Dissolution <input type="checkbox"/> Legal separation <input type="checkbox"/> Nullity <input type="checkbox"/> Status only <input type="checkbox"/> Reserving jurisdiction over termination of marital status Date marital status ends: March 26, 1988	CASE NUMBER <div style="text-align: right; font-size: 1.2em;">D 28 01 58</div>

1. This proceeding was heard as follows: default or uncontested by declaration under Civil Code, § 4511 contested
- a. Date: **NOV 25 1987** Dept.: **10** Rm.:
 b. Judge (name): **JACK K. MANDEL** Temporary judge
 c. Petitioner present in court Attorney present in court (name):
 d. Respondent present in court Attorney present in court (name):
 e. Claimant present in court (name): Attorney present in court (name):
2. The court acquired jurisdiction of the respondent on (date): **9-25-87** **OC B**
 Respondent was served with process Respondent appeared
3. THE COURT ORDERS, GOOD CAUSE APPEARING:
 a. Judgment of dissolution be entered. Marital status is terminated and the parties are restored to the status of unmarried persons.
 (1) on the following date (specify): **March 26, 1988**
 (2) on a date to be determined on noticed motion of either party or on stipulation.
 b. Judgment of legal separation be entered.
 c. Judgment of nullity be entered and the parties are declared to be unmarried persons on the ground of (specify):
4. THE COURT FURTHER ORDERS:
 a. Jurisdiction is reserved to make other and further orders necessary to carry out this judgment.
 b. Wife's former name be restored (specify):
 c. This judgment shall be entered nunc pro tunc as of (date):
 d. Jurisdiction is reserved over all other issues and all present orders remain in effect except as provided below.
 e. Any payment for spousal or family support contained in this judgment shall terminate upon the death of the payee unless otherwise provided.
 f. Other (specify): **See attachment**

16

Kurt Donsbach

7-26-87

5. Number of pages attached: **4** Signature follows last attachment

— NOTICE —

1. Please review your will, insurance policies, retirement benefit plans, and other matters you may want to change in view of the dissolution or annulment of your marriage. Ending your marriage may automatically change a disposition made by your will to your former spouse.
2. A debt or obligation may be assigned to one party as part of the division of property and debts, but if that party does not pay the debt or obligation, the creditor may be able to collect from the other party.
3. If you fail to pay any court-ordered child support, an assignment of your wages will be obtained without further notice to you.

FD182-647.1 (Rev. 85)

PETITION (FAMILY LAW)

70

5. DECLARATION REGARDING COMMUNITY AND QUASI-COMMUNITY ASSETS AND OBLIGATIONS AS PRESENTLY KNOWN

- a. There are no such assets or obligations subject to disposition by the court in this proceeding.
- b. All such assets and obligations have been disposed of by written agreement.
- c. All such assets and obligations are listed in the property declaration to be filed with this petition.
- d. All such assets and obligations are listed below:

Part of Proceeds from sale of real property residence commonly known as 9591 Warburton Dr., Huntington Beach, California

6. Petitioner requests

- a. Dissolution of the marriage based on
 - (1) Irreconcilable differences. CC 4506(1)
 - (2) incurable insanity. CC 4506(2)
- b. Legal separation of the parties based on
 - (1) irreconcilable differences. CC 4506(1)
 - (2) incurable insanity. CC 4506(2)
- c. Nullity of void marriage based on
 - (1) incestuous marriage. CC 4400
 - (2) bigamous marriage. CC 4401
- d. Nullity of voidable marriage based on
 - (1) petitioner's age at time of marriage. CC 4425(a)
 - (2) prior existing marriage. CC 4425(b)
 - (3) unsound mind. CC 4425(c)
 - (4) fraud. CC 4425(d)
 - (5) force. CC 4425(e)
 - (6) physical incapacity. CC 4425(f)

7. Petitioner requests that the court grant the relief or judgment specified in item 6, make injunctive and other orders as may be proper, and that

- a. Child custody be awarded
 - (1) Legal custody
 - (a) Joint to petitioner and respondent
 - (b) Sole to petitioner respondent other (specify):
 - (2) Physical custody
 - (a) Joint to petitioner and respondent
 - (b) Sole to petitioner respondent other (specify):
- b. Child visitation rights be granted (specify): Reasonable to Respondent
- c. Child support be awarded petitioner respondent
- d. Spousal support be awarded petitioner respondent
- e. Property rights be determined.
- f. Attorney's fees and costs be awarded petitioner respondent
- g. Wife's former name be restored (specify):

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on (date): September 23, 1987

Kurt W. Donsbach
 (SIGNATURE OF PETITIONER)

Timothy E. Metcalf
 (SIGNATURE OF ATTORNEY FOR PETITIONER)

TIMOTHY E. METCALF (TYPE OR PRINT NAME OF ATTORNEY)

1 DONSBACH DISSOLUTION
Case No. D 28-01-58
2 JUDGMENT ATTACHMENT 4f

3
4 1. Both parties are awarded joint legal custody of the minor
5 child, namely, KATHLEEN DIANA DONSBACH, born October 23, 1984,
6 with physical custody to Petitioner and right of reasonable
7 visitation to Respondent to include, but not be limited to a
8 standard visitation order as provided in the County of Orange.

9 Additionally, if Petitioner is going out of the State of
10 California for more than a one (1) or two (2) day period,
11 Respondent shall be notified and have the first option to have
12 the child in her physical custody during that period if child
13 is to remain at home.

14 The foregoing custody and visitation arrangements is subject
15 for review after 18 months.

16 2. Respondent shall pay no child support to Petitioner.
17 Each party shall support the minor child when she is in his or
18 her physical custody.

19 The parties state:

20 A. We agree that we are fully informed of our rights
21 under Minimum Child Support Standards Act.

22 B. We make this agreement freely without threat or duress
23 and the needs of our children will be adequately met under this
24 agreement.

25 C. The right to support has not been assigned to any
26 county and no application for public assistance is pending.

27 3. Petitioner shall pay to Respondent as and for her support
28 and maintenance the sum of \$3,000.00 per month, payable on the 1st

1 day of each month commencing October 1, 1987 and continuing until
2 remarriage of Respondent, death of either party, until further order
3 of court or until March 31, 1989 whichever first occurs. The period
4 of time that support shall be paid shall not be extended beyond
5 March 31, 1989 and the Court shall no longer have jurisdiction to
6 award spousal support after March 31, 1989.

7 4. The parties have agreed that the proceeds from the sale
8 of the real property commonly known as 9591 Warburton Drive,
9 Huntington Beach, California shall be divided equally out of escrow.
10 Petitioner has been advised that this division provides Respondent
11 with more equity from the home than she would otherwise be entitled
12 to under current law. However, Petitioner has agreed to this
13 division.

14 Furthermore, if Petitioner advances money to Respondent to
15 purchase a home in any city in California prior to the close of
16 the escrow on the real property commonly known as 9591 Warburton
17 Drive, Huntington Beach, California, then Petitioner will be
18 reimbursed the moneys so advanced from Respondent's share of the
19 proceeds from said escrow.

20 5. Petitioner to assist Respondent as much as possible to set
21 up a small retail store in the Chula Vista, California area.
22 Respondent shall be able to purchase for her store DRK products
23 at a cost not to exceed 35% of retail price if Respondent wants to

24 //

25 //

26 //

27 //

28 //

1 do so.

2 6. Respondent shall become an exclusive distributor for the
3 states of California, Oregon and Washington for the products now
4 referred to as the "Professional Line" of DRK. A list of all
5 accounts within the territorial limits shall be given to
6 Respondent as soon as she has established a location with faci-
7 lities to handle the business. Respondent shall be entitled to
8 purchase all such distributed products from DRK Products at a
9 price not to exceed retail price less 50% less 40%. Petitioner
10 verifies that all inquiries generated by any means within these
11 territorial limits will be promptly turned over to Respondent.
12 Respondent warrants that she will devote adequate time and effort
13 and her best efforts to make said distribution area grow by
14 attending conventions and displaying the products to potential
15 buyers. Petitioner warrants that he will pay 25% of any booth cost
16 and will bear full cost of promotional literature instigation.
17 Respondent shall bear actual cost of any reprinting with her name
18 and address. Respondent warrants that any advertisement or
19 written representation of the product must first be cleared by
20 Petitioner before distribution. Respondent shall call the
21 distribution network, PROFESSIONAL PRODUCTS OF CALIFORNIA.

22 7. Petitioner shall pay for the costs of bookkeeping or
23 C.P.A. services to help Respondent maintain her monthly books and
24 records as well as state and federal tax returns, filing, etc.

25 8. Petitioner shall pay to Respondent the sum of \$30,000.00
26 in exchange for her waiver of any claim or interest in any
27 property, business, land, or otherwise, in which Petitioner or
28 Petitioner and Respondent have any ownership interest in property

1 located in Santa Monica Beach, Baja California, Mexico

2 Petitioner has been advised that the prenuptial agreement
3 signed by the parties prior to marriage makes the aforementioned
4 property his sole and separate property and Respondent, therefore,
5 has no claim to ownership. However, Petitioner has agreed to the
6 foregoing provision for a buy out of Respondent's interest.

7 Petitioner shall pay Respondent \$1,500.00 per month on the
8 1st day of each month commencing April 1, 1989 and continuing
9 for 10 months until the entire sum is paid in full. The principal
10 balance of \$15,000.00 shall not accrue any interest providing all
11 payments are made as set forth above. If any payment
12 is not paid, the entire balance shall become immediately due and
13 payable with interest at the legal rate.

14 9. Petitioner shall be responsible for the payment of all
15 of the debts of the community including any tax liability that may
16 have accrued during the period of the marriage and shall hold
17 Respondent harmless from payment thereon.

18 10. Both parties are restrained from making derogatory
19 remarks at any time about the other in the presents of the minor
20 child.

22 Approved as to form and content:

24 
25 _____
26 DIANA B. DONSBACH, Respondent

27 
28 _____
KURT W. DONSBACH, Petitioner

28 Dated:

NOV 20 1987


JUDGE OF THE SUPERIOR COURT

Linda.

(11.6.83)

75

Jack Culp called. He wants his transcripts sent to ~~the~~ Bridgeport University. ST.

Also, he wants a copy of both his thesis & Dissertion sent to him. He'll be "glad to pay for them."

Honestly, neither Deaver nor myself wants anything to do with him...

Maybe June can contact her

him...

From ST ^{AP} ¹²²² ^{AD} ¹²²²
596-4558

17

Kurt Aousbach

7-24-89

17

Check of Kulp's \$500
Check for the "blog fund"
has been received.

If so - order diploma.
Send transcript.

Get dissert. title

from Dr. Put in
file "per Dr. L."

This is a
deal."

DR. J. W. KULP PC

Chiropractic Clinic

2871 GENESEE STREET
CHESTOWAGA, N. Y. 14225

PHONE: 892-0036

_____ 19 _____

Part,

The requested material
is the 5000⁰⁰ for the

Bldg. Fund. Do it

please to send me a

copy of the transcript.

Thanks, Agnes

Opak

DONSBACH UNIVERSITY SCHOOL OF NUTRITION

78

September 19, 1983

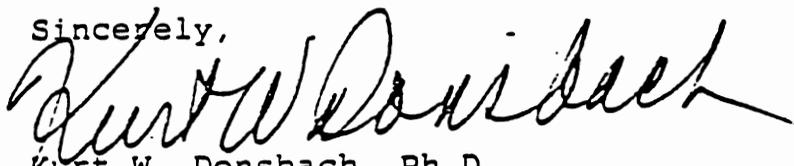
Jack Kulp, D.C.
2871 Genesee Street
Cheektowaga, NY 14225

Dear Dr. Kulp:

Congratulations! I am pleased to inform you that you have completed all of the requirements for your Degree in Nutrition. We are preparing your diploma, and you should receive it within six weeks.

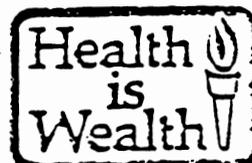
If I can be of any additional assistance up until that time, please do not hesitate to contact me or your Counselor.

Sincerely,



Kurt W. Donsbach, Ph.D.
President

KWD/dw



Read Angles -
This been in
the

John's
shops check
from

D - Make up some
 sort of Oh.D. trans
 for Kulp - be sure
 we note in file
 what exactly we sent
 to this court.

on the trans take off
Resistor & put on Pres.

Dr. says he'll sign it.
 Take it in soonest - I may
 be gone. maybe it's best.

