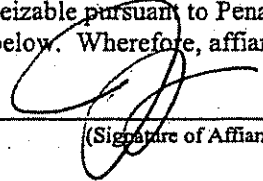


SW No. 54935

STATE OF CALIFORNIA - COUNTY OF LOS ANGELES
SEARCH WARRANT AND AFFIDAVIT
(AFFIDAVIT)

JODIE HOPE, swears under oath that the facts expressed by him/her in this Search Warrant and Affidavit and the attached and incorporated Statement of Probable Cause, are true and that based thereon he/she has probable cause to believe and does believe that the property and/or person described below is lawfully seizable pursuant to Penal Code Section 1524, as indicated below, and is now located at the locations set forth below. Wherefore, affiant requests that this Search Warrant be issued.


(Signature of Affiant)

NIGHT SEARCH REQUESTED: YES [] NO [X]

(SEARCH WARRANT)

THE PEOPLE OF THE STATE OF CALIFORNIA TO ANY SHERIFF, POLICEMAN OR PEACE OFFICER IN THE COUNTY OF LOS ANGELES: proof by affidavit having been made before me by JODIE HOPE
(Name of Affiant)

that there is probable cause to believe that the property described herein may be found at the locations set forth herein and that it is lawfully seizable pursuant to Penal Code Section 1524 as indicated by "x"(s) in that it

- Was stolen or embezzled
- Was used as the means of committing a felony
- Is possessed by a person with the intent to use it as means of committing a public offense or is possessed by another to whom he or she may have delivered it for the purpose of concealing it or preventing its discovery
- Tends to show that a felony has been committed or that a particular person has committed a felony
- Tends to show that sexual exploitation of a child, in violation of P.C. Section 311.3, has occurred or is occurring
- There is a warrant for the person's arrest

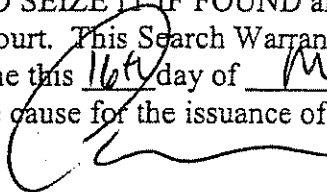
YOU ARE THEREFORE COMMANDED TO SEARCH:

SEE ATTACHED: LOCATIONS TO BE SEARCHED

FOR THE FOLLOWING PROPERTY:

SEE ATTACHED: PROPERTIES TO BE SEIZED

AND TO SEIZE IT IF FOUND and bring it forthwith before me, or this court, at the courthouse of this court. This Search Warrant and incorporated Affidavit was sworn to and subscribed before me this 16th day of MARCH, 2007, at 9:25 A.M./P.M. Wherefore, I find probable cause for the issuance of this Search Warrant and do issue it.


(Signature of Magistrate)

NIGHT SEARCH APPROVED: YES [] NO [X]

Judge of the Superior Court of the State of California in the County of Los Angeles. Dia

LOCATIONS TO BE SEARCHED:

LOCATION #1

The offices of Walker Advertising, Legal Rights Defenders, Los Defensores, Inc., Alivio Legal, and 800 The Law2 located at:

1010 S. Cabrillo
San Pedro, CA 90731

The business can be described as a three story brick building with a black wrought iron fence. At the entrance of the building are four business signs which read as follows:

Walker Advertising

Los Defensores
800-636-3636

Alivio Legal
800-454-5454

800 The Law2
www.800thelaw2

The search of the premises shall include all offices and rooms within the domain of the buildings. The search shall extend into the desks, cabinets, safes, briefcases, trash receptacles and other storage locations within the buildings. The search shall extend to any mail boxes, garages, basements or other storage areas assigned to the business or residence. The search shall include any computer-based storage media contained within the offices or residence.

The search of the premises shall specifically authorize officers conducting the search to detain and require the production of identification of any persons reasonably believed by the officers to be employees, agents, cappers, solicitors or administrators employed within the office suites or residence.

The search of the premises shall also specifically authorize officers conducting the search to answer the phones and converse with callers who appear to be responding to advertisements or solicitations by employees and agents of the businesses.

The search of the premises shall extend to photographing and/or video taping of the premises and items within the premises in addition to identifying and photographing all

persons who are present at the search warrant location during the period that searching officers are present.

VEHICLES TO BE SEARCHED:

As discussed in the Statement of Probable Cause, investigators learned through surveillance that POTTER takes business documents to and from her residence and office. Investigators also learned that POTTER does not drive the same vehicle each time. The California Department of Motor Vehicles was searched and several vehicles were identified as being registered to POTTER which is detailed below:

The search of a 2003, BMW, California license plate 5EMV472, VIN number WBAGN63413DR17301, registered to Mary Lou POTTER.

The search of a 2005, PORSCHE, California license plate 5MKF227, VIN number WPOCA29925S755850, registered to Mary Lou POTTER.

The search of a 2006, BMW, California license plate 5SNS592, VIN number 5UXFA13556LY25204, registered to Mary Lou POTTER.

The search of a 2006, Mercedes, California license plate 5SNV962, VIN number WDBNG70J66A475611, registered to Mary Lou POTTER.

The search of a newer model black BMW, X5 with paper plates, "Crevier," which Mary Lou POTTER was seen driving.

The search of a newer model silver BMW with paper plates, "Crevier," which Mary Lou POTTER was seen driving or ANY vehicle which POTTER is in possession of at the time of the search.

PERSON(S) TO BE SEARCHED:

The search of the person of Mary Lou POTTER, California driver's license number N0386214, who can be described as 5'10", 195 lbs, brown eyes and blond hair. The search shall include any purse, briefcase and any other type of satchel in her immediate possession.

PROPERTIES TO BE SEIZED:

From 1/1/99 to the present, documentation pertaining to the individuals and associated companies identified in Attachment A and for any of the following:

1. Evidence of association, affiliation or professional connection between Walker Advertising, Alivio Legal, 800 The Law2, The Legal Rights Defenders, Los

Defensores and Opcion Medica including, but not limited to personnel records, rolodex cards, business cards, letterhead, stationary, correspondence, internal memoranda, financial records and contracts.

2. Any and all documentation relating to any relationship between Walker Advertising/The Legal Rights Defenders/Los Defensores/Opcion Medica/800 The Law2/Alivio Legal and health care providers, including, but not limited to telephone records, business cards, payment records, ledgers, bank records, financial records, client lists, canceled checks, capping books, logs, notebooks, diaries, address books, appointment calendars, letters, interoffice memoranda, messages and any documents which indicate payments having been made either to or from a "capper" and to or from a health care provider.
3. Any and all documentation relating to Walker Advertising/The Legal Rights Defenders/Los Defensores/Opcion Medica/800 The Law2/Alivio Legal and lawyers, law firms and other legal providers, including, but not limited to telephone records, business cards, payment records, ledgers, bank records, financial records, client lists, canceled checks, capping books, logs, notebooks, diaries, address books, appointment books, letters, interoffice memoranda, messages, journals and any documents which indicate payments having been made either to or from a capper and to or from a lawyer, law firm or legal provider.
4. Evidence of telephonic solicitations, including, but not limited to telephone records, including telephone bills, receipts of payments, installation orders, service orders, personnel and payroll records, lists of names and phone numbers, instructions and

training manuals for employees and forms used to collect information obtained through telephonic solicitations.

5. Ledgers, journals, business cards, diaries, appointment books, calendars, notebooks, notes and other documents concerning claims or injuries related to worker's compensation or disability insurance, including checkbooks, canceled checks, correspondence, receipts, contracts, manuals and instructional guides on worker's compensation insurance, and evidence of payments to any person for the referral of individuals to legal and health care providers.
6. Documents tending to show the source of names and phone numbers of persons to be solicited by phone (a.k.a. lead source materials), including, but not limited to lists compiled from the Employment Development Department.
7. Evidence of the purchase of advertising, including, but not limited to receipts, canceled checks, samples of advertising, payments to newspapers, television stations, advertising agencies, radio stations, graphic artists, correspondence relating to advertising, business cards relating to advertising, telephone messages and contracts.
8. All personnel and pay records from the period of 1/1/99 to the present identifying current and former employees.
9. Any and all banking related documents, including, but not limited to statements, canceled checks, check ledgers, signature cards, copies of account applications, account holder information, related bank and financial records and information for the period of 1/1/99 to present.
10. All internal correspondence, including directories and policy statements.

11. Utility bills, rent receipts, lease agreements, contracts, checks, correspondence, business or personnel records, or other articles of personal property tending to establish the identity of the person or persons in control of the premises to be searched and the ownership of the business or businesses.
12. Any manuals or instructional materials relating to worker's compensation laws, rules or methods for making claims, including, but not limited to notebooks, state issued guidelines, legislation, correspondence, inter-office memoranda and brochures.
13. Electronic storage devices capable of storing electronic data, including, but not limited to fax machines, computers and computer systems, personal computers, any handheld data storage devices such as personal digital assistants (PDAs), any digital cameras and memory devices used with digital cameras. Computer hardware (including peripherals and cables), software, and data, including, but not limited to central processing units (CPUs), internal or external hard disk drives, floppy disk drives, tape drives, removable media drives, optical/CD-ROM drives, servers, workstations, floppy disks, magnetic tapes, cassette tapes, removable storage media (such as Bernoulli Media), and/or optical/CD-ROM disks or cartridges, or other items that store data, found together or separately from one another. Such systems also commonly include electronic cables linking computer systems to other systems or phone lines.
14. Documentation or other material describing the operation of any computer systems, computer hardware, software, and/or computer peripherals found at the premises, including instructions on how to access disks, files, or other material stored within the

same, including but not limited to computer manuals, printouts, passwords, file name lists, "readme" and/or "help files."

15. Investigating officers are authorized, at their discretion and when practical, to seize an "image" of the computer's hard drive and other electronic media storage devices/media at the search location. Investigating officers and those agents acting under the direction of the investigating officers are authorized to access all "imaged" computer data to determine if the data contains "property," "records," and "information" as described in the paragraph above. If in the Forensic Expert's or Investigating Officer's opinion, it is impractical to image computers and/or other electronic storage devices/media at the search location, the Court authorizes the seizure of all electronic data-processing and storage devices, computers and computer systems, including central processing units; internal and peripheral storage devices such as a fixed disk, external hard drives, floppy disk drives and diskettes, cables, documents, data drives and tapes, CD-ROM drives and diskettes, optical storage devices, other memory storage devices, all peripheral input/output devices such as keyboards, printers, video display monitors, optical readers, drives, and relay communication devices such as modems, together with backup media, system documentation, software and instructional manuals.
16. That forensic experts employed by the State of California, Department of Insurance, or other California Law Enforcement Agency, be given access to the evidence including the computer system(s) diskettes. The forensic specialist may then make "an image" of the computer hard drive and diskettes for forensic analysis. The Court authorizes the Investigating Officer or other designated Peace Officer to return seized

computers and other electronic data storage devices/media to their owner following acquisition without further Court Order or review.

LOCATION #2

The residence of Mary Lou POTTER located at:

1049 W. 16th Street
Upland, CA 91784

The residence can be described as a two story white stucco building with an orange tile roof. There is a circular driveway in front with gates at each side of the residence. The numbers "1049" are affixed to the front of the house near the walkway. The residence has a three car garage.

The search of the premises shall include all offices and rooms within the domain of the buildings. The search shall extend into the desks, cabinets, safes, briefcases, trash receptacles and other storage locations within the buildings. The search shall extend to any mail boxes, garages, basements or other storage areas assigned to the business or residence. The search shall include any computer-based storage media contained within the offices or residence.

The search of the premises shall specifically authorize officers conducting the search to detain and require the production of identification of any persons reasonably believed by the officers to be employees, agents, cappers, solicitors or administrators employed within the office suites or residence.

The search of the premises shall also specifically authorize officers conducting the search to answer the phones and converse with callers who appear to be responding to advertisements or solicitations by employees and agents of the businesses.

The search of the premises shall extend to photographing and/or video taping of the premises and items within the premises in addition to identifying and photographing all persons who are present at the search warrant location during the period that searching officers are present.

FOR THE FOLLOWING PROPERTY:

From 1/1/99 to the present, documentation pertaining to the individuals and associated companies identified in Attachment A and for any of the following:

1. Evidence of association, affiliation or professional connection between Walker Advertising, Alivio Legal, 800 The Law2, The Legal Rights Defenders, Los

Defensores and Opcion Medica, including, but not limited to personnel records, rolodex cards, business cards, letterhead, stationary, correspondence, internal memoranda, financial records and contracts.

2. Any and all documentation relating to any relationship between Walker Advertising/The Legal Rights Defenders/Los Defensores/Opcion Medica/800 The Law2/Alivio Legal and health care providers, including, but not limited to telephone records, business cards, payment records, ledgers, bank records, financial records, client lists, canceled checks, capping books, logs, notebooks, diaries, address books, appointment calendars, letters, interoffice memoranda, messages and any documents which indicate payments having been made either to or from a "capper" and to or from a health care provider.
3. Any and all documentation relating to Walker Advertising/The Legal Rights Defenders/Los Defensores/Opcion Medica/800 The Law2/Alivio Legal and lawyers, law firms and other legal providers, including, but not limited to telephone records, business cards, payment records, ledgers, bank records, financial records, client lists, canceled checks, capping books, logs, notebooks, diaries, address books, appointment books, letters, interoffice memoranda, messages, journals and any documents which indicate payments having been made either to or from a capper and to or from a lawyer, law firm or legal provider.
4. Evidence of telephonic solicitations, including but not limited to telephone records, including telephone bills, receipts of payments, installation orders, service orders, personnel and payroll records, lists of names and phone numbers, instructions and

training manuals for employees and forms used to collect information obtained through telephonic solicitations.

5. Ledgers, journals, business cards, diaries, appointment books, calendars, notebooks, notes and other documents concerning claims or injuries related to worker's compensation or disability insurance, including checkbooks, canceled checks, correspondence, receipts, contracts, manuals and instructional guides on worker's compensation insurance, and evidence of payments to any person for the referral of individuals to legal and health care providers.
6. Documents tending to show the source of names and phone numbers of persons to be solicited by phone (a.k.a. lead source materials), including, but not limited to lists compiled from the Employment Development Department.
7. Evidence of the purchase of advertising, including, but not limited to receipts, canceled checks, samples of advertising, payments to newspapers, television stations, advertising agencies, radio stations, graphic artists, correspondence relating to advertising, business cards relating to advertising, telephone messages and contracts.
8. All personnel and pay records from the period of 1/1/99 to the present identifying current and former employees.
9. Any and all banking related documents, including, but not limited to statements, canceled checks, check ledgers, signature cards, copies of account applications, account holder information, related bank and financial records and information for the period of 1/1/99 to present.
10. All internal correspondence, including directories and policy statements.

11. Utility bills, rent receipts, lease agreements, contracts, checks, correspondence, business or personnel records, or other articles of personal property tending to establish the identity of the person or persons in control of the premises to be searched and the ownership of the business or businesses.
12. Any manuals or instructional materials relating to worker's compensation laws, rules or methods for making claims, including, but not limited to notebooks, state issued guidelines, legislation, correspondence, inter-office memoranda and brochures.
13. Electronic storage devices capable of storing electronic data, including, but not limited to fax machines, computers and computer systems, personal computers, any handheld data storage devices such as personal digital assistants (PDAs), any digital cameras and memory devices used with digital cameras. Computer hardware (including peripherals and cables), software, and data, including, but not limited to central processing units (CPUs), internal or external hard disk drives, floppy disk drives, tape drives, removable media drives, optical/CD-ROM drives, servers, workstations, floppy disks, magnetic tapes, cassette tapes, removable storage media (such as Bernoulli Media), and/or optical/ CD-ROM disks or cartridges, or other items that store data, found together or separately from one another. Such systems also commonly include electronic cables linking computer systems to other systems or phone lines.
14. Documentation or other material describing the operation of any computer systems, computer hardware, software, and/or computer peripherals found at the premises, including instructions on how to access disks, files, or other material stored within the

same, including but not limited to computer manuals, printouts, passwords, file name lists, "readme" and/or "help files."

15. Investigating officers are authorized, at their discretion and when practical, to seize an "image" of the computer's hard drive and other electronic media storage devices/media at the search location. Investigating officers and those agents acting under the direction of the investigating officers are authorized to access all "imaged" computer data to determine if the data contains "property," "records," and "information" as described in the paragraph above. If in the Forensic Expert's or Investigating Officer's opinion, it is impractical to image computers and/or other electronic storage devices/media at the search location, the Court authorizes the seizure of all electronic data-processing and storage devices, computers and computer systems, including central processing units, internal and peripheral storage devices such as a fixed disk, external hard drives, floppy disk drives and diskettes, cable, documents, data drives and tapes, CD-ROM drives and diskettes, optical storage devices, other memory storage devices, all peripheral input/output devices such as keyboards, printers, video display monitors, optical readers, drives, and relay communication devices such as modems, together with backup media, system documentation, software and instructional manuals.
16. That forensic experts employed by the State of California, Department of Insurance, or other California Law Enforcement Agency, be given access to the evidence including the computer system(s), diskettes. The forensic specialist may then make "an image" of the computer hard drive and diskettes for forensic analysis. The Court authorizes the Investigating Officer or other designated Peace Officer to return seized

computers and other electronic data storage devices/media to their owner following acquisition without further Court Order or review.

ATTACHMENT A

(IN ALPHA ORDER)

Advanced Family Medical	Law Offices of Eli Galam
Altieri, John	Law Offices of Riley & Reiner
Bachrach, Donald	Luckenbacher, Gary
Bacino, Birger Greg	Maldonado, Michael
Bartlett, Jeffrey Scott	Medlaw Investments
Bartlett, Rebekah	Newman, Allen
Beerman, David	Nichols, Tony
Berlin, Alex	Ocean West Management
Berlin, Diana	O'Leno & O'Leno
Brown, Peter	O'Leno, Robert
Burton, Richard	Osser, Jeff
Centurion Practice Affiliates	Pacific Family
Cobos, Sidney	Perko, Jack
Delta Management	Polan, Mark
DMG	Polanco, Mario
Doctor's Medical Group	Polon, Mark
Dorian, Saro	Premier Equity Partners
Dormie Management	Premier Medical Management Systems
Double Tap Management	RAN Management
Drew, James A.	Rhamani, Peymon
DWF Enterprises	Riley, Raymond
Fish, David Wayne	Rodich, Gary
Galam, A. Eli	Rodriguez, Jose
Global Practice Affiliates	ROPT Inland Empire
Groscost, Bradley Dean	ROXY Management
Groscost, Yolanda	Sky Harbor
Hernandez, Leo	Skyline Management
Hindin, Barry	Slater, Robert
Hitzke, Daniel	Sobol Management
Iglow & Bachrach	Spencer, Barry
Iglow, Robert	Tammy, Inc.
Jacobs, Robin	Teitell, Jamey
Law Offices of Ainbinder & Hitzke	WCPI
Law Offices of Allen B. Newman	

STATEMENT OF PROBABLE CAUSE

The Affiant, Jodie Hope, a Peace Officer, who, on oath, makes complaint and deposes the information, contained within this Search Warrant and Affidavit and the attached and incorporated Statement of Probable Cause:

AFFIANT QUALIFICATIONS

Your Affiant, JODIE HOPE, is a peace officer currently employed as a Criminal Investigator for the State of California, Department of Insurance, Fraud Division. I have been employed in this capacity since March 2001. My primary duty has been to investigate and assist in the prosecution of various forms of insurance fraud. Prior to my employment with the Fraud Division, I was employed as an Insurance Investigator for the State of California, Department of Insurance, Investigations Division since 1998. My duties included a variety of investigations involving violations of the California Insurance Code as well as criminal investigations involving insurance fraud.

I have obtained a Bachelor of Science Degree in Criminal Justice from the California State University of Sacramento. I have attended a 360-hour Specialized Basic Investigator Academy, and hold a Specialized Advanced Certificate from California's P.O.S.T. I have attended numerous certified courses specifically relating to law enforcement subjects. I have also received over 100 hours of training from the Department of Insurance Basic Investigator Course and have attended several fraud seminars in California. This training included courses sponsored by the California District Attorney's Association relating to different aspects of insurance fraud, including, but not limited to billing fraud by chiropractors. In the past five years, I have managed, assisted, or participated in no less than fifty-five (55) undercover investigations involving insurance fraud.

OVERVIEW OF WORKERS' COMPENSATION FRAUD

This section is an overview of the workers' compensation system and how fraud is perpetrated within it. The assertions concerning how the system operates are based on what I've learned from training, seminars, written materials, meetings and discussions with persons familiar with workers' compensation fraud.

I have learned that California's workers' compensation system was designed to avoid the expenses and uncertainties of litigation by ensuring all workers be compensated for work related injuries, regardless of fault. Under the system, all employers in the state must carry workers' compensation insurance, and employees are guaranteed that if they are injured as a result of employment, their medical expenses and any resultant disability will be paid for by the insurance. However, this has opened the system up as a "golden goose" for unscrupulous medical and legal providers. The law mandates free treatment to the injured worker. Unscrupulous medical providers will treat the patient for extended periods of time when not medically necessary because they know compensation is ensured. Unscrupulous medical providers will sometimes engage in illegal billing practices that include, but are not limited to

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billing for services not rendered as well as "upcoding" which is billing an insurance company for a more expensive procedure than actually provided.

Virtually all authorities agree that the most serious fraud perpetrated on the workers' compensation system is committed by "medical-legal mills" and the medical providers and attorneys who serve them. The fraudulent activities of these medical-legal mills are fed by cappers and unlawful referral services that generate extraordinary volumes of "claimants" for the mill. Oftentimes the claimant is disgruntled, laid-off, soon to be laid-off, or has been fired. These claimants are often not in need of medical treatment and are coached to allege they sustained job-related injuries which may never have occurred.

Unscrupulous medical providers will often pay attorneys to ensure claimants are directed to them for treatment. The medical providers will then "kickback" monies or some form of benefit to the attorneys.

In a symbiotic relationship, the unscrupulous medical professionals conspire with the legal professionals to defraud insurers by unethical and fraudulent health care billing practices. Dishonest attorneys purposely funnel patients to corrupt doctors or knowingly represent accident victims filing false or padded insurance claims.

Third-party middlemen recruiters, called street level cappers, enlist insurance fraud perpetrators and befriend legitimate accident victims for the benefit of medical mills, through promises of big money payoffs. These claimants include those who exaggerate or fake an injury, oftentimes claiming soft-tissue sprains and strains that are hard to disprove and do not appear on x-rays. These patients will commonly fake slip-and-fall accidents and/or other injuries. Street level cappers generally do their soliciting at unemployment offices, factories which are laying off workers, and other locations where one can find recently unemployed individuals.

The more sophisticated "capping" activity involves the use of referral hotlines and referral services that, in turn, rely on massive advertising and phone banks to solicit claimants. They generally describe themselves as marketing or advertising services. However, they rarely, if ever, limit themselves to advertising. They often screen, encourage, process and distribute referrals to their clients. As advertised to the public, the referral service provides referrals for attorneys. But in some cases, the company will illegally allow medical providers or the cappers who work on their behalf, to pay for advertising. The referral service and the medical providers conspire with attorneys who allow their names to be utilized on the contracts with the legal referral service but ensure the claimants are directed to the medical providers who paid for the advertising. To hide this illegal transaction, the non-attorneys will make payments to the referral service with cashier's checks drawn on bank accounts that were opened under the name of a shell "management" company. The management company is either owned or operated by the medical providers or non-attorney.

Capping and the buying and selling of patient referrals is prohibited by Business and Professions Code Section 6152 (dealing with capping of legal cases generally), Business and Professions Code Section 650 (prohibiting health care referrals for compensation), Labor Code Section 3215 (dealing with workers' compensation referrals by or to persons such as attorneys and physicians)

and Insurance Code section 750 (prohibiting referral fees by attorneys and others negotiating claims with narrow explicit exceptions).

In a typical workers' compensation case that is processed by a "medical-legal mill," the claimant is often oriented about the worker's compensation system by a capper or by an intake worker for the clinic. The claimant is encouraged to describe injuries or other illnesses, particularly stress. The person is told that if they claim a work related injury, they will receive more money than they would from unemployment or disability. The person is told that the more injury complaints they have, the more money they will make.

The purpose is not so much to build a large case for the worker rather it is to synthesize a supposed basis for performing multiple "medical-legal evaluations," which generate billings in the multiple thousands of dollars. Under Labor Code Section 4620, if a worker's claim is contested, the worker is entitled to secure an expert comprehensive medical-legal evaluation to assist in "proving or disproving" a contested claim. The resulting written evaluation is used in lieu of oral expert testimony in workers' compensation hearings. Under Labor Code Section 4621-4624, the employer's insurance carrier must pay the cost of these evaluations and related tests, whether or not the underlying claim is sustained.

After taking the "patient's medical history," the intake worker next completes requisite forms and schedules multiple doctors' appointments for the patient. The patient sees multiple specialists for brief examinations. After all the tests, evaluations and examinations are complete, a course of treatment may be set up which typically consists of hot packs and massage for muscle strain and individual or group therapy for stress. The treatment is often performed by unlicensed and inadequately trained personnel and with poor medical apparatus.

Because the workers' compensation system commonly uses the written medical-legal report as a substitute for court expert testimony, the law requires that the report must be detailed and the examination backing up the report must be extremely thorough. Under Labor Code Section 4623, a bill for an initial comprehensive evaluation must specifically itemize the review of patient records, compile the patient's medical history, perform the medical examination, and prepare a written report.

Typically, after months of treatment, the clinic will declare the patient to be "permanent and stationary," that is, not expected to get any better or worse. When treatment ends, the patient is either released to go back to their job or released with limitations, and the legal representative collects a percentage of the permanent disability award.

Because a workers' compensation legal provider is generally entitled to only a small percentage of the claimant's final disability award, the medical providers often "kickback" monies to the legal provider handling the case.

Cappers, as well as medical and legal providers, generally keep records known as "capping books," which detail who was referred, who referred them, how much they were paid, and whether or not the claim was ultimately paid by the insurance company. The records are often kept in small notebooks, address books or date books and computers.

This investigation details the activities of multiple suspects which numerous enforcement agencies have been investigating for a period of over a decade. These suspects have created an organized criminal network that resulted in an illegal enterprise disguised as a medical management company. In reality, the company was a group of businessmen that were involved in various illegal activities for the purpose of stealing from the already weakened workers' compensation system. These businessmen conspired with attorneys, doctors and the attorney referral service to carry out their criminal schemes.

One of the illegal schemes, the one identified in this investigation, is commonly described as a "capping scheme" where payments to an attorney referral service were made by the unscrupulous medical company. In an attempt to disguise where the payment came from, cashier's checks were drawn on bank accounts that had been opened under "shell" companies. The "shell" company was in name only and performed no real services. It is believed attorneys were incorporated into the scheme in order to utilize their names on the contracts with the attorney referral service.

PRIOR INVESTIGATIONS INVOLVING SUSPECTS

1992 LOS DEFENSORES INVESTIGATION

On 10/19/06 and subsequently, I have spoken with Rick Plein in regards to his 1992 investigation into Los Defensores and suspect Mary Lou Potter (hereinafter referred to as **POTTER**). Plein was working as an Investigator for the California Department of Insurance, Fraud Division, in the Los Angeles Regional Office when he was assigned the case. Plein is currently the Bureau Chief and has been with the Fraud Division for almost fifteen (15) years. Prior to working for the Fraud Division, Plein was an Investigator for the California Alcohol Beverage Control. Plein has a Bachelor's of Art degree in Criminal Justice.

Plein explained the investigation included several doctors and attorneys who were involved in an alleged illegal "capping" scheme to purchase advertising through Walker Advertising. According to Plein, Walker Advertising was an attorney referral and advertising firm that provides client referral services to lawyers and doctors through the use of three subsidiary companies: The Legal Rights Defenders, Opcion Medica, and Los Defensores. Los Defensores is specifically a lawyer referral service. Potter was an account executive with Walker Advertising.

According to Plein, he learned of **POTTER**'s affiliation with Walker Advertising when ABC Prime Time approached the Fraud Division with an exposé they were interested in doing. The exposé was aired on national television in 1993. In the broadcast, **POTTER** explained an illegal capping scheme in which doctors pay for attorney's advertising with Walker Advertising. Transcripts from the news report were obtained. Within the transcripts, **POTTER** educates the listener on how to have doctors pay for the advertising with Walker Advertising and on behalf of an attorney. She explains that the doctors can do business with Walker Advertising, but they are going to need an attorney and the attorney takes all the calls and then sends the claimants to the doctor for treatment. **POTTER** goes on to explain that the doctors can subsidize the cost of

advertising for the attorney and ensure they receive a steady flow of new patients. **POTTER** instructs the listener to use "management companies" to make payments to Walker Advertising as it is illegal for doctors to purchase such advertising.

The purpose of creating this management company would be to hide this illegal business arrangement. The attorneys would retain the referrals as clients and then send them to the medical providers who had paid for the advertising. **POTTER** not only explained the scheme but admitted to orchestrating meetings where she introduced doctors to attorneys. According to Plein, **POTTER** stated she would introduce the individuals but didn't want to know what business arrangement they came to. It seems **POTTER** was in the middle of the conspiracy and was educating suspects on the scheme.

Several search warrants were served on **POTTER**, in the County of Los Angeles. According to Plein, evidence seized in the December 1992 search warrants indicates **POTTER**'s clients were Walker's largest accounts and **POTTER** provided the largest volume of business for Walker Advertising. Plein said the evidence showed management companies paying for attorney advertising. It was learned that medical providers were the owners of these management companies.

By reviewing the evidence seized in the search warrants on Walker Advertising, Plein learned that Walker Advertising maintains copies of contracts with their clients, copies of payments made on said contracts as well as logs of calls received and made relating to each contract. Within the evidence seized during the search warrants were cashier's checks drawn on bank accounts that were in the name of management companies.

In 1995, Maynard Garber, Aaron Bauman, Jane Bauman and Stanley Bauman, who were clients of Walker Advertising, pleaded guilty to charges which consisted of mail fraud and tax evasion.

POTTER was never arrested in the investigation. **POTTER** is the center of the criminal investigation at hand which will be discussed in more detail later.

For the purpose of this warrant, Walker Advertising and its subsidiary companies, The Legal Rights Defenders, Opcion Medica and Los Defensores will be referred to unilaterally as **LOS DEFENSORES**.

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DAVID WAYNE FISH'S PRIOR CONVICTION

David Wayne FISH (hereinafter referred to as FISH) is at the center of the criminal investigation at hand which will be discussed in more detail later.

In June 1994, Fraud Division investigator Denise Sheldon was assigned to investigate activities of Future Health Care Center (hereinafter referred to as FHCC). According to Sheldon's Declaration In Support Of Arrest Warrant, the Statement of Domestic Stock Corporation was filed on October 21, 1991 with the California Secretary of State and indicated FISH was the Chief Executive Officer and Director.

FHCC was a multi-specialty medical clinic that dealt with industrial injuries as well as personal injury cases. According to Fraud Division Investigator Sheldon's report, it led her to findings that FISH was involved in illegal payments for patient referrals.

FISH was arrested and eventually pleaded guilty to 17 counts of illegal payments for patient referrals, in violation of California Insurance Code, Section 750; two counts of illegal payments for workers compensation referrals in violation of California Labor Code, Section 3215; one count of false statements to obtain worker's compensation benefits in violation of California Insurance Code, Section 1871.4 (a)(2); and two counts of perjury in violation of California Penal Code, Section 118. All of the crimes arose out of FISH's involvement in the management and operation of FHCC.

1999 SACRAMENTO INVESTIGATION

On or about January of 1999, Fraud Division investigator Susan Crouch was assigned to investigate the activities of Baldini and DePaoli Chiropractic (hereinafter referred to as B&D Chiropractic) in Sacramento County. The owners of B&D Chiropractic were Todd Baldini and Martin DePaoli who were both licensed chiropractors.

A job opportunity for a receptionist at Baldini and DePaoli was located via the Internet. In an undercover capacity, I (Jodie Hope-Marsac) went to the office of Baldini & DePaoli Chiropractic and interviewed for the position. I was hired and worked in an undercover capacity as a receptionist at 6310-A Fair Oaks Boulevard, in Carmichael, California. I was employed on a full-time basis and was employed for approximately sixty (60) days, from November 2002 to January 2003.

While working for Baldini & DePaoli Chiropractic, I gained a large amount of intelligence in the day-to-day operations of the office. I was trained by various employees, including Kathy Thomas, of Baldini and DePaoli. I answered incoming calls to the facility, filed and entered data into the computer, made appointments for patients, and performed various other clerical activities.

Many calls were received from the law offices of Ainbinder & Blatt, located at 3728 Atlantic Avenue, Long Beach, California. The person representing the Ainbinder & Blatt law firm would

call to notify me of a new patient. The caller would tell me to call the patient and make their first appointment with Baldini & DePaoli Chiropractic. I was given the new patient's name and phone number. I, in turn, would call the prospective patient, notify them that I had been contacted by the law offices of Ainbinder & Blatt, and set an appointment for their first exam.

When the new patient came in, I was assigned to have them fill out a New Patient Questionnaire. I was instructed to document the source of the new patient, specifically who referred the patient to Baldini & DePaoli Chiropractic. I was told that when the law offices of Ainbinder & Blatt referred a new client, I was to identify "Daniel Hitzke" (hereinafter referred to as Hitzke) as the source of the referral in the computer database. On a few occasions, the patients informed me that they had called an 800 number and had been referred to the law offices of Ainbinder & Blatt. They had seen a commercial on television for the 800 number.

While working undercover, I learned that the injured party called the advertised "1-800-A-LAWYER" number and the call would ring at the law offices of Ainbinder & Blatt in Long Beach. Ainbinder & Blatt would sign the caller on as a new client. On one occasion I called the number, 1-800-A-LAWYER, and Malia, an employee of Ainbinder & Blatt answered the phone. I had spoken to Malia many times before as she was often the individual who contacted me with the new patient information. Malia told me that she answered the 1-800-A-LAWYER number at the location of Ainbinder & Blatt law offices. I called the 1-800-A-LAWYER number during the scope of my duties while working undercover at Baldini & DePaoli Chiropractic.

During my undercover time at Baldini & DePaoli Chiropractic, I also learned of an individual named Jeffrey BARTLETT (hereinafter referred to as BARTLETT). BARTLETT made a few visits to the Carmichael office to meet with Baldini, DePaoli and Thomas. On most occasions when I saw BARTLETT, he was accompanied by Hitzke. I was introduced to both Hitzke and BARTLETT by the staff at Baldini and DePaoli Chiropractic. Dr. Mark Davies, an employee of Baldini & DePaoli Chiropractic, told me about meetings he attended in which BARTLETT would educate the doctors at Baldini and DePaoli Chiropractic on how to write effective worker's compensation reports. During my time as an undercover operative, I was led to believe, on several occasions, that BARTLETT and Hitzke were partners.

On 11/19/02, while working undercover, I was trained on how to use the computer and to track patients that were referred by attorneys. Cory Boyd, an employee, told me that Baldini and DePaoli gave the attorneys "paid advertising" in return for patients. Hitzke was one of the attorney names that showed up quite frequently as an attorney who referred patients to the office.

On 11/26/02, while working undercover, I spoke with Malia, receptionist at Ainbinder and Blatt. Malia told me Ainbinder and Blatt was referring a new client to Baldini and DePaoli. The new patient was Gus Peterson. Malia instructed me to set an appointment for him and call her back for confirmation of the set appointment. When Peterson came in for his appointment, he told me that he found Ainbinder and Blatt through an 800 number.

On 12/04/02, while working undercover, I spoke with Hitzke via telephone. He called to set an appointment for Shawfee Purvis, a new patient. Purvis came in for the appointment and told me she found Hitzke through a television advertisement.

On 12/10/02, while working undercover, I met with Cori Boyd, an employee of Baldini and DePaoli, for a working lunch. Boyd wanted to explain to me how things worked in the office. During our training lunch, Boyd told me that the only attorney that she knew of that was receiving paid advertisement was Hitzke, however, she was not sure if he was still receiving this or not.

On 12/14/02, while working undercover, I spoke with Baldini & DePaoli employee Courtney Daniels via telephone. While on the phone, Daniels told me it was illegal to pay attorneys for referring people for treatment. I told Daniels that I had heard Baldini and DePaoli pay for advertising for Hitzke. Daniels said she thought Hitzke did get a "little kickback." She went on to say Hitzke and BARTLETT are not very ethical and are "very shady." She said they have sent patients to Baldini and DePaoli who did not appear as injured as they claimed to be. Daniels said Hitzke and BARTLETT approached Baldini and DePaoli to refer patients back and forth and that was how they began doing business together.

During the investigation, I reviewed corporation documents for Dormie Management which identified BARTLETT as the President. Dormie Management is incorporated out of the state of Nevada.

In 2002, two undercover operatives (sworn peace officers from the California Department of Insurance, Fraud Division) were sent into two of the three Baldini & DePaoli Chiropractic offices for treatment. A comparison of the bills received by the insurance companies against the undercover operatives report of treatment received showed obvious over billing for medical services not rendered by both Baldini and DePaoli. With this information, search warrant #03SW0040 was served on January 15, 2003 on various locations in Sacramento County. Subsequent to this search warrant, additional search warrants were served in June of 2003 and September of 2003.

Review of evidence seized from the January 15, 2003 and subsequent search warrants, it was discovered that B&D Chiropractic was involved in illegal fee splitting (capping) which involved BARTLETT, Michael Ainbinder (hereinafter referred to as Ainbinder) and Hitzke. Both Ainbinder and Hitzke are licensed attorneys and work for The Law Offices of Ainbinder and Hitzke (formerly Law Offices of Ainbinder & Blatt).

Additional analysis of evidence seized in the multiple search warrants revealed that BARTLETT and Ainbinder were owners of a publicized attorney referral service, 1-800-A-LAWYER. It was shown that B&D Chiropractic was involved in an illegal scheme to pay for patient referrals from 1-800-A-LAWYER. The scheme involved B&D Chiropractic paying 37.5% of the total amount billed on all patients that had been referred to them from 1-800-A-LAWYER. B&D Chiropractic would make the check payable to one of BARTLETT's "management companies," Dormie Management.

Please see Attachment #1 for a flowchart demonstrating this illegal business arrangement.

Armed with this evidence, the California Department of Insurance, Fraud Division, served additional search warrants on multiple locations in the states of California and Nevada on 6/18/03. The locations included the Law Offices of Ainbinder & Blatt as well as the residences of Hitzke, Ainbinder and **BARTLETT**.

Items seized during the warrants include a box of contracts between Premier Medical Management Systems, Inc. (hereafter referred to as **PREMIER**) and various doctors and chiropractors. The contracts were found at the residence of Rebekah and Jeff **BARTLETT**. The contracts purport **PREMIER** as being a billing and management company which would retain 50% of all billings by the doctor. Additionally, **PREMIER** had contracts with chiropractors in which **PREMIER** would retain 80% of all billings leaving the chiropractor with only 20% of all his or her billings.

Additionally, a stock certificate was found at the residence of **BARTLETT**. The certificate shows **BARTLETT** as one third owner of The Law Offices of Raymond Riley and was dated May of 2003.

Also seized in the 2003 Fraud Division search warrants were what appeared to be capping books. These books were found at the residence of **BARTLETT** and contained claimant names, as well as the status of their claims. I recognized some of the claimants' names as being patients who had been treated at B & D Chiropractic and referred by the Law Offices of Ainbinder & Blatt.

During the course of this investigation, records checks of both the California and Nevada State Bar showed **BARTLETT** was not a licensed attorney. Record checks of both the California and Nevada Medical Board showed **BARTLETT** was not a licensed physician.

Carbon copies of cashier's checks (dated October 2002 to April 2003) were seized from **BARTLETT**'s residence. The checks were written off bank accounts from **BARTLETT**'s management companies, Dormie and Double Tap, and made payable to "LRD," "LD" and "Walker Advertising."

On 8/2/04, arrest warrant no. 04F07002, was issued for Baldini, DePaoli and **BARTLETT**. On 2/2/06, under court case no. BA290347, arrest warrants were issued for Hitzke and Ainbinder.

BARTLETT was charged with nine counts of violating California Insurance Code, Section 750 (process/present/negotiate claims with rebate or comp), and one count of violating California Penal Code, Section 182(a)(1) (conspiracy/two or more persons conspire to commit).

After Hitzke's arrest, Hitzke and Los Angeles deputy District Attorney Albert MacKenzie came to an agreement that Hitzke would work as a cooperating confidential informant and meet with suspect doctors and attorneys believed to be committing insurance fraud in cooperation with Fraud Division investigators out of the Commerce Regional Office.

JEFFREY BARTLETT'S BAR COMPLAINT

Evidence seized in the 2003 Fraud Division search warrants, included documents detailing complaints lodged against **BARTLETT** with the Nevada State Bar. They were found at the residence of **BARTLETT** and are detailed as follows:

On 3/16/99, Robert and Pam Nelson were injured in a motorcycle accident. They were transported to UMC Hospital Trauma Unit and treated. On 3/17/99, the Nelsons were contacted by David **FISH** who told them he had obtained their phone number from Rosemary Pizame who works for the hospital. **FISH** told the Nelsons he was an investigator and wanted to discuss possible legal action pertaining to the accident. Later **BARTLETT** showed up at the Nelsons' residence with legal papers for them to sign. **BARTLETT** said he was working for attorney Jose Pallares.

The Nelsons filed a complaint with the State Bar of Nevada against **BARTLETT** for soliciting them.

Within the documents obtained during the 2003 Fraud Division search warrants, was a copy of a signed Affidavit of **BARTLETT**. The Affidavit states that on 3/17/99, **BARTLETT** received a telephone referral from David **FISH**. **BARTLETT** stated **FISH** gave **BARTLETT** the Nelsons' contact information. **BARTLETT** admitted he contacted the Nelsons but that it was consensual.

From the information obtained, it is clear that not only do **BARTLETT** and **FISH** have a relationship but they also have a history of obtaining claimants illegally.

CURRENT INVESTIGATION-COMMERCE REGIONAL

On July 13, 2004, the California Department of Insurance, Commerce Regional Office of the Fraud Division opened an investigation into the activities of **PREMIER**. It was believed **PREMIER** was involved in an illegal capping scheme to obtain referrals from the attorney referral service **LOS DEFENSORES**. Additionally, it was believed **BARTLETT** created "shell" management companies to funnel the payments to the attorney referral service.

SUSPECTS INVOLVED

Beginning in July of 2004 and subsequently, Fraud Division investigators learned that **PREMIER** had five locations. From marketing materials distributed by **PREMIER** as well as numerous witness statements **PREMIER**'s facilities were in Los Angeles, Long Beach, Ontario, Riverside and Panorama City.

Fraud Division investigators learned that **FISH**, **DREW**, **BACINO**, **HURT**, **BARTLETT** and **NICHOLS** ran the Los Angeles **PREMIER** location at 3330 Wilshire Boulevard in Los Angeles. (described in detail in Exhibit 1)

Fraud Division investigators learned that Bradley Dean GROSCOST (hereinafter referred to as **D. GROSCOST**) and Yolanda GROSCOST (hereinafter referred to as **Y. GROSCOST**) ran the Long Beach location of PREMIER located at 3391 Long Beach Boulevard in Long Beach. (described in detail in Exhibit 1)

Fraud Division investigators learned that Mario POLANCO (hereinafter referred to as **POLANCO**) ran the Ontario and Riverside location of PREMIER located at 1810 Elma Court in Ontario and 4150 E. Lathem #A, in Riverside. (described in detail in Exhibit 1)

Fraud Division investigators learned that Raymond RILEY (hereinafter referred to as **RILEY**) was involved as an "owner." (described in detail in Exhibit 1)

Fraud Division investigators learned that Sidney COBOS (hereinafter referred to as **COBOS**) and Saro DORIAN (hereinafter referred to as **DORIAN**) ran the Panorama City location of PREMIER located at 14526 Roscoe Blvd., #200 in Panorama City. (described in detail in Exhibit 1)

REBEKAH BARTLETT (hereinafter referred to as **R. BARTLETT**) was the Controller for PREMIER according to witness statements, and is believed to be a key figure in the operations of the company. (described in detail in Exhibit 1).

For the purpose of this warrant, PREMIER will be referred to as both the entity PREMIER as well as the officers of the corporation and individuals who were owners and operators of PREMIER which include **FISH, BACINO, NICHOLS, HURT, DREW, BARTLETT, D. GROSCOST, Y. GROSCOST, COBOS, DORIAN, POLANCO, RILEY** and **R. BARTLETT**.

PREMIER purported itself to be a "medical management company." However, PREMIER marketing materials were obtained from a previous employee, Victoria Baron-Williamson, show PREMIER had five locations, all offering medical treatment to people injured in accidents or while on the job.

Witness statements as well as corporate documents show **JEFFREY BARTLETT** is the owner of the management companies, Dormie and Double Tap. (described in detail in Exhibit 1)

Additionally, **JEFFREY BARTLETT** is **R. BARTLETT**'s brother and **DREW**'s brother-in-law. This was learned from a statement by **R. BARTLETT**'s to Fraud Division Investigator Susan Crouch.

A. ELI GALAM is a licensed attorney who is associated with The Law Offices of A. Eli Galam. (described in detail in Exhibit 1)

MARY LOU POTTER was an account executive with Walker Advertising. (described in detail in Exhibit 1) Walker Advertising is an attorney referral and advertising firm that provides referral services to lawyers through the use of four subsidiary companies: The Legal Rights

Defenders, Alivio Legal, 800 The Law2 and Los Defensores. Los Defensores is specifically a lawyer referral service.

(For the purpose of this warrant, Walker Advertising and its subsidiary companies, The Legal Rights Defenders, Alivio Legal, 800 The Law2 and Los Defensores will be referred to unilaterally as LOS DEFENSORES.)

DETAILS OF THE INVESTIGATION

As previously mentioned, in the 2003 Fraud Division search warrants, copies of cashier's checks were seized from BARTLETT's residences in Marina Del Rey, California and Las Vegas, Nevada. The cashier's checks were written off bank accounts from BARTLETT's management companies, Double Tap and Dormie. The information from the checks is as follows:

<u>BANK</u>	<u>DATE</u>	<u>PAYEE</u>	<u>ACCOUNT NO.</u>	<u>AMOUNT</u>
Wells Fargo	10/3/02	Walker Advertising	4861-505295	\$100,000
Wells Fargo	11/1/02	Los Defensores	4861-505295	\$ 53,800
Wells Fargo	3/13/03	LRD	4861-505345	\$ 8,800
Wells Fargo	3/13/03	LD	4861-505295	\$ 20,000
Wells Fargo	3/19/03	LRD	4861-505295	\$ 42,000
Wells Fargo	3/19/03	LD	4861-505295	\$ 30,000
Wells Fargo	3/27/03	LD	4861-505295	\$ 22,000
Wells Fargo	3/27/03	LRD	4861-505295	\$ 22,000
Wells Fargo	4/9/03	LRD	4861-505345	\$ 8,800
Wells Fargo	4/9/03	LD	4861-505295	\$ 35,000
Wells Fargo	4/16/03	LRD	4861-505295	\$ 48,000
Wells Fargo	4/16/03	LD	4861-505295	\$ 30,000

Marketing materials and contracts from Walker Advertising subsidiaries, the LRD and LOS DEFENSORES were obtained by Fraud Division investigators on 5/16/06 during an undercover operation on an unrelated case (06CW011627). The materials show that "LRD" is an acronym utilized by the company. LRD is written and used in the Walker Advertising contracts.

On 10/19/06 and subsequently, Bureau Chief Rick Plein informed me that Walker Advertising was using the acronym LRD as far back as 1992 when he was conducting his investigation.

On 5/7/06, during undercover operations on an unrelated case (06CW011627) Fraud Division investigators learned that "LRD" is commonly used in reference to LOS DEFENSORES and its associated companies.

On 9/26/03, Fraud Division investigators served a search warrant (#03SW0591) on the banks associated with BARTLETT. Within the bank documents was a cancelled check written from BARTLETT's Double Tap Management account. The information from the check is as follows:

<u>BANK</u>	<u>DATE</u>	<u>PAYEE</u>	<u>ACCOUNT NO.</u>	<u>AMOUNT</u>
Wells Fargo	10/3/02	Walker Advertising	4861-505295	\$100,000

It appears **BARTLETT** was paying **LOS DEFENSORES** for advertising with cashier's checks written off his bank accounts opened under the names of his management companies, Dormie and Double Tap.

In 2006, cooperating informant Hitzke told Fraud Division investigators that **BARTLETT** had told Hitzke that **FISH** had paid **BARTLETT** \$25,000 for a "management fee" when in reality it was for the payment of patient referrals.

On 1/25/05, Fraud Division investigators served a search warrant (no. 4157) on bank accounts associated with **PREMIER**. Over \$3,438,045.13 in payments were identified as being paid from the **PREMIER** accounts to **BARTLETT**'s management company, Dormie Management, from January of 2000 to November of 2003.

On 8/12/05, Fraud Division investigator Larry Pagenkopp interviewed Carol Schaffer. Schaffer is a former employee of **PREMIER** and worked there beginning in 2003 and terminating when the clinic closed in 2004. According to Schaffer, while she worked for **PREMIER**, **BARTLETT** and **FISH** were subscribers of the telephone number "Los Defensores." Schaffer believes the number went directly to attorneys who directed claimants to **PREMIER** for treatment.

It appears **PREMIER** funneled payments for advertising with **LOS DEFENSORES** through **BARTLETT**'s management companies, Dormie and Double Tap. As discussed, evidence from the search warrant served on **PREMIER**'s bank accounts shows over \$3 million in monies going from **PREMIER** to **BARTLETT**'s management companies. As discussed, evidence seized during a search warrant at **BARTLETT**'s residences included cashiers' checks totaling \$420,400 in monies going from **BARTLETT**'s management companies to **LOS DEFENSORES**. I believe **LOS DEFENSORES** sent clients to an unknown law firm who, in turn, sent the clients directly to **PREMIER** for treatment.

Please see Attachment #2 for a flowchart demonstrating this illegal business arrangement.

On 8/11/04, Fraud Division investigators interviewed Carr, a former **PREMIER** employee. Carr stated **PREMIER** would "ensure" there would always be more new patients requiring medical services. Carr said applicant attorneys would refer patients to **PREMIER** and that attorneys would receive kickback monies in the form of "advertisement fees."

In 2006, while debriefing confidential informant Hitzke on an unrelated case, (06CW011627) I learned that Hitzke had previously met **POTTER** while in the company of **BARTLETT**. Although Hitzke could not recall the exact year this occurred, he stated it occurred while **BARTLETT** was working at **PREMIER**. **BARTLETT** and Hitzke were dining at Morton's restaurant and **BARTLETT** told Hitzke that he was paying for advertising on behalf of **PREMIER** and that he was meeting with a representative from **LOS DEFENSORES**.

BARTLETT showed Hitzke the check which was made out for approximately \$25,000. It was written on an account in the name of attorney "Eli Galam." Shortly after, **POTTER** showed up and **BARTLETT** introduced the informant to **POTTER**. **BARTLETT** then gave **POTTER** the check that was for "advertising."

On 5/16/06, informant Hitzke met with **POTTER** during an undercover operation on an unrelated case (06CW011627). The informant told **POTTER** that he had met her previously while in the company of **BARTLETT** at Morton's restaurant. **POTTER** responded by acknowledging the meeting.

Although it appears **POTTER** accepted monies from **BARTLETT** for advertising for the attorney referral service **LOS DEFENSORES**, it should be noted, **BARTLETT** is not a licensed attorney.

Francis D'Ambrosio (hereinafter referred to as D'Ambrosio) is a medical doctor and from numerous interviews it has been learned that he worked for **PREMIER**. On 2/23/06, during a Fraud Division undercover operation on an unrelated case (06CW011627), D'Ambrosio told confidential informant Hitzke that **FISH** paid over \$3 million in monies to attorney **GALAM** for an advertising scheme involving **LOS DEFENSORES**.

On 1/25/05, Fraud Division investigators served a search warrant (no. 4157) on bank accounts associated with **PREMIER**. Over \$782,045 in payments were identified as being paid from the **PREMIER** accounts to **GALAM** and the Law Offices of Galam from August of 2000 to February of 2003.

Based upon witness statements and evidence already discussed, I believe **PREMIER** paid **GALAM** and possibly other attorneys to obtain advertising with **LOS DEFENSORES**. In return, **GALAM** funneled patients to **PREMIER** for treatment. I believe **PREMIER** paid for advertising with **LOS DEFENSORES** through **BARTLETT**'s management companies, Dormie and Double Tap. I believe **PREMIER** was involved in numerous illegal activities involving attorneys including soliciting attorneys as well as working hand in hand with attorneys by "buying and selling" patients.

On 6/13/03, **PREMIER** filed suit against **COBOS** and **DORIAN**, Los Angeles Superior Court case #LC065313. I reviewed a Declaration which was filed with the court and signed by **FISH** on 7/31/03. Within the Declaration, **FISH** referenced a "Memorandum of Understanding." The memo was signed by **COBOS**, **DREW**, **BACINO** and **DORIAN**. The memo states the Saro Group will not solicit any attorneys from the specific list from **PREMIER** which include Barry Spencer, O'Leno & O'Leno, Bob Slater, Gary Rodich, Alex or Diana Berlin, Mark Polan, Gary Luckenbacher, Peymon Rhamani, Leo Hernandez, Jeff Osser, Iglow & Bachrach, Robin Jacob, Jamey Teitell and Will Johnson. It further states that additional attorney names will be given to **SARO** by March 24. The memo goes on to say any cases **PREMIER** refers to **SARO** in the (San Fernando) Valley area will be met with a referral that **PREMIER** can use in Long Beach or Ontario.

Please see Attachment #3 to see a copy of this Memorandum of Understanding.

Additionally, part of PREMIER's allegations was that COBOS and DORIAN were stealing "referral sources." PREMIER's Fifth Cause of Action claims COBOS and DORIAN were convincing PREMIER's referral sources to redirect their referrals to SARO.

On 8/18/03, Conrad Carr, a former employee of PREMIER, was given a Statement Under Oath. The statement was taken by attorney Bruce Roth from State Compensation Insurance Fraud. Under oath, Carr stated PREMIER was involved in numerous illegal activities. Part of Carr's testimony included PREMIER was giving Laker's tickets to applicant attorneys, specifically John Altieri, Peter Brown and Rich Burton.

On 9/25/04, Fraud Division investigators interviewed Sam Kovacevich. Kovacevich was a long time friend of HURT. According to Kovacevich, HURT confided in him and told him that PREMIER targeted the Hispanic community and that they "bought and sold" patients to attorneys.

On 1/25/05, Fraud Division investigators served a search warrant (SW No. 4157) on bank accounts associated with PREMIER. The warrant covered the timeframe beginning from the year 2000 to 1/25/05. Monies were identified as going from the PREMIER accounts to individuals believed to be attorneys. Those individuals were identified as David Mark Beerman, Jack Perko, Law Offices of Allen B. Newman, Jose Rodriguez, Daniel Hitzke, Barry Hindin, Eli GALAM, Raymond RILEY and Michael Maldonado.

On 3/8/05, Fraud Division investigators interviewed Victoria Baron-Williamson who was a marketer for PREMIER from approximately 2001 or 2002 until August of 2004. Baron-Williamson stated GALAM was one of the attorneys that sent PREMIER patient referrals and that FISH had told her she did not need to market to him. Baron-Williamson stated that FISH would often provide her with a list of names of patients to refer to attorneys. She is not sure how FISH got the names, except that they came from a man named "Luis." According to Baron-Williamson, PREMIER worked with several attorneys including, but not limited to, John Altieri, Barry Hinden, Barry Spencer, Oleno & Oleno, Luckenbacher, and Jamey Teitell.

ILLEGAL REFERRAL FEE CONCLUSION

It is my opinion that from on or about January 1, 1999 (when PREMIER was incorporated) to the present, PREMIER was involved in paying illegal referrals fees to attorneys in the form of paid advertisements with attorney referral services, specifically LOS DEFENSORES.

The suspects involved have a history of illegal activities relating to patient acquisition.

In 1992, POTTER was involved in the same scheme where doctors were paying for attorneys' advertising with LOS DEFENSORES. The payments for advertising were made through shell "management companies." Although POTTER was never arrested, it is believed she was the center of this scheme.

In 1994, **FISH** was arrested and pleaded guilty to his activities involving illegal patient acquisition which pertained to his involvement in a medical management company. **FISH** was arrested and eventually pleaded guilty to 17 counts of illegal payments for patient referrals, in violation of California Insurance Code, Section 750; two counts of illegal payments for workers compensation referrals in violation of California Labor Code, Section 3215; one count of false statements to obtain worker's compensation benefits in violation of California Insurance Code, Section 1871.4 (a)(2); and two counts of perjury in violation of California Penal Code, Section 118.

In 1999, **BARTLETT** was arrested in the Sacramento investigation which involved kickbacks in the form of paid advertising for an attorney referral 800 number. **BARTLETT** also has a history of soliciting patients illegally.

From October of 2002 to April of 2003, it appears **BARTLETT** funneled payments to the attorney referral service, **LOS DEFENSORES**, on behalf of **PREMIER**. Cashier's checks were drawn on the accounts of **BARTLETT**'s management companies to pay for advertising with **LOS DEFENSORES**. Monies were identified as going from **PREMIER** to **BARTLETT**'s management companies. Witness testimony from Daniel Hitzke identifies **BARTLETT** claiming he received compensation from **PREMIER** for patient referrals. Additionally Hitzke stated he was present when **BARTLETT** was paying **POTTER** for advertising on behalf of **PREMIER** while **BARTLETT** was working at **PREMIER**.

Witness testimony (D'Ambrosio, Schaffer, Hitzke) identifies **FISH** and **BARTLETT** as being subscribers to **LOS DEFENSORES** through the use of co-conspiring attorneys. These witnesses state the co-conspiring attorneys received kickbacks in the form of paid advertising and in return, **PREMIER** was ensured the claimant was directed to **PREMIER** for treatment. **GALAM** is one of the attorneys believed to be involved in the conspiracy. **PREMIER**'s bank accounts show \$782,045 in monies going to **GALAM**.

This is in violation of Penal Code Section 182(a)(1)/Insurance Code Section 750, Conspiracy to commit the crime of illegal referral fees as well as a violation of the Labor Code 3215. Insurance Code Section 750 prohibits any person, acting individually or through his or her employees or agents, to engage in the practice of processing, presenting, or negotiating claims, including claims under policies of insurance, and who offers, delivers, receives or accepts any rebate, refund, commission or otherwise as compensation or inducement to or from any person for the referral or procurement of claimants, cases, patients or customers.

On 3/29/06, Postal Inspector Shari Delaney provided Fraud Division investigators with information obtained from postal checks on the location believed to be occupied by **LOS DEFENSORES** as well as the associated companies and owners. Mail for Walker Advertising, Inc. and **LOS DEFENSORES** was identified as being delivered to the address at 1010 S. Cabrillo, San Pedro, California for the past five (5) years or more.

During my investigation, I reviewed the Statement of Domestic Stock Corporation filed with the California Secretary of State which identifies Mary Ann Walker is the sole owner of Walker Advertising, Legal Rights Defenders and **LOS DEFENSORES**. Records with the California

Secretary of State show that a Certificate of Status was filed for both Los Defensores, Inc. and Legal Rights Defenders on 9/11/03 and identified the companies' principal address as 1010 So. Cabrillo, San Pedro, California.

On 12/19/06, I drove to the location known to be the business address for Walker Advertising which is 1010 S. Cabrillo in San Pedro, California. I entered the building and spoke with a female receptionist who told me the only business located in the three story building is Walker Advertising.

On 1/31/07, I called the telephone number associated with Walker Advertising (310-519-4050) and LOS DEFENSORES. The individual who answered the phone identified the company as "Walker Advertising." I asked the female if the company LOS DEFENSORES was also housed in the same location. She confirmed this and identified the location as 1010 S. Cabrillo in San Pedro, California.

On 3/29/06, Postal Inspector Shari Delaney provided Fraud Division investigators with information obtained from postal checks on the location believed to be the residence of POTTER. Mail for POTTER was identified as being delivered to the address at 1049 W. 16th Street in Upland, California. No forwarding address was on file for POTTER.

On 11/2/06, I did a check on property owned by POTTER and located a listing at 1040 W. 16th Street in Upland, California. I checked the California Department of Motor Vehicles for POTTER and found she identifies her address as 1049 West 16th Street in Upland, California.

On 11/6/06, Fraud Division investigators conducted early morning surveillance at POTTER's residence located at 1049 W. 16th Street in Upland, California. I saw POTTER exiting the garage in a black BMW with paper plates. Fraud Division investigators (Hope, S. Hamilton, J. Flores, H. Garcia, J. Barbo) followed POTTER as she drove to 1010 S. Cabrillo in San Pedro, California, which is known to be the business address for LOS DEFENSORES. When POTTER exited her vehicle, Fraud Division Investigator Seth Hamilton and I observed POTTER gather several files and documents from her vehicle and with those documents entered the building.

On 11/15/06, Fraud Division investigators conducted early morning surveillance at POTTER's residence located at 1049 W. 16th Street in Upland, California. I saw POTTER exiting her garage in a silver Mercedes that was registered to her. Prior to exiting the garage, I saw POTTER taking documents and a box from a black BMW and loading them into her Mercedes. POTTER was followed and investigators (Hope, H. Garcia, S. Hamilton, J. Barbo, T. Alaniz, L. Pagenkopp, A. Gregg, M. Anderson, K. Yee) observed POTTER throughout the day. It appeared POTTER was conducting business and meeting with several individuals. An early morning stop showed POTTER entering a law office. During the day's surveillance, I personally went to POTTER's Mercedes and viewed the contents of her car. Several documents were strewn about the Mercedes including marketing materials for LOS DEFENSORES. Another document I viewed had the acronym LRD listed on it multiple times.

On 12/20/06, I conducted early morning surveillance at POTTER's residence. The purpose of the surveillance was to determine if POTTER was still living at 1049 W. 16th Street in Upland, California. I viewed POTTER exit the garage in a Mercedes registered to her.

On 1/31/07, I conducted early morning surveillance at POTTER's residence. The purpose of the surveillance was to determine if POTTER was still living at 1049 W. 16th Street in Upland, California. I viewed POTTER exit the garage in a silver BMW with paper plates which stated "CREVIER."

From undercover operations involving POTTER on an unrelated case (06CW011627), I learned that POTTER's position with Walker Advertising requires her to drive frequently to meet with clients.

I request the search of LOS DEFENSORES, as well as the search of POTTER's person, vehicles and residence, as it is clear POTTER takes documents to and from her place of business.

I believe the service of this warrant should allow investigators to seize the contracts that LOS DEFENSORES maintains for their clients, methods of payment on said contracts, call logs, telephone bills and records, and any other documents which will show the completion of this fraud scheme.

As the scheme involves the utilization of "management companies," I am requesting Fraud Division investigators be allowed to seize documentation that pertains to any and all companies that were formed by the suspects associated with PREMIER (described in more detail in Exhibit 1). As there is reason to believe GALAM may have been a co-conspirator in the scheme, I request that Fraud Division investigators be allowed to seize documentation that pertains to GALAM and the Law Offices of A. Eli Galam, as it pertains to the marketing and advertising contracts.

I request any documentation that pertains to the already mentioned suspect attorneys believed to be working with PREMIER. It is believed these attorneys may hold the contract with LOS DEFENSORES but that PREMIER would be making payment on said contract, possibly through the name of a shell management company such as Dormie or Double Tap Management.

I request that banking information, including but not limited to signature cards, account statements, deposit slips, checks, account applications and account numbers for LOS DEFENSORES be seized; as it is believed LOS DEFENSORES accepted monies for payments on attorney contracts from shell management companies that were owned by medical providers and possibly the medical providers themselves.

According to Rick Plein, during his 1992 investigation he learned that LOS DEFENSORES kept client's accounts and payments history on computer databases located at the business. Additionally, in 2006, intelligence obtained in an unrelated case, (06CW011627) Fraud Division investigators learned that LOS DEFENSORES maintains data on clients and the calls pertaining to each contract on computer databases.

I have spoken with Jerry Niehaus, a Peace Officer and Criminal Investigator with the California Department of Insurance Fraud Division. He informed me that he has been a Peace Officer in the State of California for over 30 years and is also a member of the Enforcement Branch's Computer Forensics Team. He informed me that in connection with his employment he uses computer systems, as well as conducts computer-related investigations. He has been assigned to the Computer Forensic Team since March, 2001. He has received over 165 hours of California P.O.S.T. approved training on computer-related crimes, computer evidence analysis methodology, applicable state and federal laws, and the seizure and examination of computers from the California State Department of Justice, the National Consortium for Justice Information and Statistics (SEARCH) and California Department of Insurance's Computer Forensic Team.

Niehaus has personally conducted or assisted in over 50 computer forensic investigations that have involved the searching of computer hard drives, removable hard drives, floppy disks and other storage media. His investigations have resulted in the location of computer evidence related to the alleged crimes.

Niehaus told me that to search for the previously mentioned evidence in a computer, it will be necessary to search for and seize the following: electronic data processing and storage devices, computers and computer systems, including personal computers, internal and peripheral storage devices such as internal or external hard disk drives, floppy disk drives and diskettes, tape drives and magnetic data tapes, optical storage devices or other memory storage devices, digital cameras and memory devices used with digital cameras, hand held data storage devices, such as personal data organizers (PDAs), computer software, to include floppy discs, drive units, magnetic tapes, laser discs, CDs and any other feature which stores data, any related data stored within such units, as well as any related operating logs, software, and instruction and operating manuals used to operate the above listed items.

Niehaus told me that in order to facilitate the search, it would be best to make image copies of any computers found at the business locations. These images could later be searched at a computer forensics lab by properly trained examiners. Due to the complex and continually evolving nature of computers and computer hardware, it may become necessary to seize and remove computers and take them to another location for imaging. For instance, acquiring an image of a laptop hard drive can be a time-consuming process, and if attempted without the proper research, could result in alteration of data on the hard drive. Additionally, removable storage media, such as floppy disks and compact disks, are frequently found in large quantities. It is usually best to handle the acquisition (bit for bit copy) and examination of such media off-site at a forensic lab. Niehaus told me that once the suspect's computer data is acquired the examination required to determine the existence and preservation of evidence could take several weeks.

Niehaus told me that due to the nature of digital information storage, it is necessary to search every bit, byte, sector and cluster of a hard disk drive or other magnetic or optical storage media for information of evidentiary value. A computer operator may alter file names or file extensions. As an example, on a Windows based operating system, text files may be disguised as picture

files or picture files may be disguised as text files, through a simple change of the three character extension (i.e.: ".txt", ".doc", ".jpg", ".gif", etc).

Niehaus told me that the Department of Insurance uses the on-site assistance and/or lab assistance of civilian investigators from the Department of Insurance, Investigations Division. In addition, if in the course of serving the search warrant it becomes apparent that the executing investigators and/or the above named civilian investigators are unfamiliar with the technical aspects of the computer and/or operating system, Niehaus told me that he would have to call in other civilian computer specialists familiar with those technical aspects.

Many computers are password protected; therefore I request assistance of employees of LOS DEFENSORES or the owners of said computers to assist in providing passwords so that CDI investigators may access data necessary in the service of this warrant.

SEALING ORDER REQUEST

This investigation is ongoing and I ask that the Court recognize the need and importance to issue non-disclosure orders on this search warrant. Additionally, to protect the identity of our confidential informant, I believe it is necessary to seal the information contained in this warrant. It is my professional opinion that the Court should granted a non-disclosure order for the duration of the criminal investigation, for it would be sufficient time to gather relevant evidence for submission to the Los Angeles District Attorney's office.

If any of the information within the requested sealed portion of the Affidavit and Statement of Probable Cause is made public, it will reveal or tend to reveal the identity of our confidential informant, impair further investigations and endanger the life of the informant.

It is important to point out that PREMIER is well aware the Fraud Division has initiated a criminal investigation, but PREMIER is not privy to the extent and magnitude of evidence discovered in this investigation. PREMIER has several ongoing civil litigations with various insurance companies, where \$70 million in liens are being disputed. In this litigation, PREMIER has issued an October 14, 2004 motion stating, "Premier Medical Management Systems, Inc. ("Premier") and its principals are currently under criminal investigation by the Department of Insurance and the Los Angeles District Attorney's Office." Premier does not know we have contacted and secured critical witness statements from various doctors and civilian informants. We do know from the investigation that Private Investigator Allen Lipkin has attempted to contact similar witnesses. Lipkin is hired by Premier to probe and discover any and all information pertaining to this current investigation. It is imperative all legal means viable to law enforcement be used to obtain and secure evidence, such as witness statements, and to maintain the integrity of those statements without any undue influence or tampering from external parties.

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I request that the Affidavit and Statement of Probable Cause portion of the search warrant be ordered sealed by the magistrate in order to implement the privilege under Evidence Code sections 1040 - 1042 and to protect the identity of our confidential informant or official information, pursuant to the Supreme Court decision in People v. Hobbs (1994) 7 Cal. 4th 948.

I state, without prejudice, should I uncover additional evidence and ancillary probable cause, I will be seeking additional search warrants to further this investigation.

ASSISTANCE OF NON-SWORN PERSONNEL

I also request permission to utilize the assistance of non-sworn Fraud Division personnel in carrying out the duties necessary to seize the requested evidence due to the multitude of documents to be searched and collected.

EXHIBIT 1

This exhibit details the multiple PREMIER "players" and the numerous companies and shell corporations associated with this group in order to show not only the large scale conspiracy, but also to demonstrate the effort made on the part of the players to hide their real relationships and illegal business dealings as well as funnel their monies and attempt to insulate themselves. Investigators are led to believe the very purpose of the entity, known by most as PREMIER, was to open doors, not to treat injured workers, but to rob the workers' compensation system in the most serious form, as a medical-legal mill. PREMIER was not a medical management company, but instead a sophisticated and organized criminal enterprise.

It is necessary to identify the numerous suspects and their corresponding companies not only to show the conspiracy but because I am requesting that evidence containing the names of these suspects and/or companies be seized if found at the search locations.

PREMIER MEDICAL MANAGEMENT SYSTEMS, INC.

On 10/26/06, I reviewed the Articles of Incorporation of Premier Medical Management Systems, Inc. filed with the Secretary of State on August 28, 1998. The Articles stated Premier Medical Management Systems, Inc. is a general corporation with one class of stock, one million shares issued, and an estimated gross revenue during its first year of operation or less than one million dollars. Its Designated Agent for Service of Process is A. Eli GALAM, 7730 University Avenue, La Mesa, California 91941. The Article is signed by David Wayne FISH.

On 10/26/06, I reviewed the Statement of Domestic Stock Corporation for Premier Medical Management Systems, Inc. filed with the Secretary of State on April 19, 1999, under document #2118798. The Statement indicates Tony NICHOLS is the Chief Executive Officer, Secretary, Chief Financial Officer and sole Director. The corporation is located at 3330 Wilshire Boulevard, Los Angeles. Tony NICHOLS listed his address as 1244 11th Street, Unit J, Santa Monica. Designated Agent for Process Service is A. Eli GALAM, 7730 University Avenue, La Mesa, California.

On 10/26/06, I reviewed a REVISED Statement of Domestic Stock Corporation for Premier Medical Management Systems, Inc. filed with the Secretary of State on June 18, 2003. The Statement indicates David Wayne FISH is the Chief Executive Officer and Director/Officer, and listed the address of 11333 Carmel Creek Road, San Diego. The Secretary and Director/Officer is James DREW with a listed address of 3629 Spring Shower Drive, Las Vegas, Nevada. The Chief Financial Officer and Director/Officer is Birger BACINO, with a listed address of P.O. Box 3881, Rancho Santa Fe. Designated Agent for Process Service is Dean GROSCOST, with a listed address of 3391 Long Beach Blvd., Long Beach. The corporation's address is listed as 3330 Wilshire Boulevard, Los Angeles.

The main address and the "hub" of PREMIER was located at 3330 Wilshire Boulevard in Los Angeles. The other four locations included 1810 Elma Court in Ontario, 14526 Roscoe Road in Panarama City, 4150 E. Latham in Riverside and 3391 Long Beach Boulevard in Long Beach.

DMG/DELTA MANAGEMENT GROUP

PREMIER also used the names DMG and Delta Management Group. On 10/26/06, I reviewed the Fictitious Business Application from San Bernardino County on DMG/Delta Management Group, filed April 16, 2002, under document #C2118798. The Application indicates the business address of 3330 Wilshire Blvd., Los Angeles, California, 90010. The Application also indicates the owners as Premier Medical Management Systems, Inc. The Application states the contact name is David FISH.

On 6/9/03, in a sworn deposition (Idahirma Yero v. CIGA) FISH stated that in 2002 Delta Management Group became the dba (doing business as) for PREMIER. According to FISH, the name change occurred for "marketing purposes."

DOCTOR'S MEDICAL GROUP

On 3/8/05, I interviewed former PREMIER employee Victoria Baron-Williamson. During the interview, it was discovered PREMIER also used the name Doctor's Medical Group, Inc. along with the acronym "DMG." Baron-Williamson was the Marketer for PREMIER and showed investigators the marketing materials that she was given to distribute to doctors and attorneys. The documents identified PREMIER's five locations (Los Angeles, Ontario, San Fernando Valley, Riverside and Long Beach). Instead of using the name PREMIER, the locations were identified as Doctor's Medical Group, Inc. along with the acronym "DMG."

During my investigation, I conducted a search of the California and Nevada Secretary of State, as well as the states' fictitious business name filings and found no filings for Doctor's Medical Group.

TONY NICHOLS

NICHOLS is a suspect and was part owner of PREMIER. His association is as follows:

On 10/26/06, I reviewed the Statement of Domestic Stock Corporation for Premier Medical Management Systems, Inc. filed with the Secretary of State on April 19, 1999, which states Tony NICHOLS is the Chief Executive Officer, Secretary, Chief Financial Officer and sole Director. The corporation is located at 3330 Wilshire Boulevard, Los Angeles.

I conducted a search of the Nevada Secretary of State for Tony NICHOLS and found other corporations for NICHOLS. One of them was RAN Management. On 10/26/06, I reviewed the Articles of Incorporation of RAN Management and Investments filed with

the Nevada Secretary of State on November 8, 1999, under document number CA7808-99. The application indicates a business address of 3629 Spring Shower Drive Las Vegas Nevada, 89147. This statement indicates that Jeffrey BARTLETT is the registered agent for Service of Process. Tony NICHOLS is the sole member on the board of directors/trustees carrying the title of President, Secretary, Treasurer and Director. Rebekah BARTLETT is the Notary Public for the documents.

On 1/25/05, Fraud Division investigators served search warrant #4157 on the bank accounts associated with PREMIER. According to the records, PREMIER paid over \$869,564 in monies to NICHOLS and his companies from 4/5/00 to 11/3/03.

On 3/8/05, I interviewed Susan McMains who was a former employee with PREMIER. According to McMains, FISH hired her and she helped open PREMIER. McMains said NICHOLS helped FISH open it and was part owner, but got "scared and got out." McMains said NICHOLS felt uncomfortable with some of FISH's business practices.

DAVID WAYNE FISH

FISH is a suspect and was part owner of PREMIER. His association is as follows:

On 10/26/06, I reviewed a REVISED Statement of Domestic Stock Corporation for Premier Medical Management Systems, Inc. filed with the Secretary of State on June 18, 2003. The Statement indicates FISH is the Chief Executive Officer and Director/Officer.

Fraud Division investigators discovered FISH was associated with other companies. On 10/26/06, I reviewed the Articles of Incorporation of DWF Enterprises, Inc. filed with the California Secretary of State on September 11, 2002, under document #2291419. The Statement indicates FISH is the Chief Executive Officer, Secretary, Chief Financial Officer, sole Director, and Designated Agent for Service of Process. The corporation is located at 3330 Wilshire Blvd., Los Angeles, California 90010. Fish listed his address as 3629 Spring Shower Dr., Las Vegas, Nevada 89117 (BARTLETT's former address).

On 10/26/06, I reviewed the Articles of Incorporation of Premier Equity Partners, Inc., filed with the Secretary of State of California on March 12, 2004 under corporation #1900823 and statement of officers file #0127608. The application indicates the business address of 3330 Wilshire Blvd, Los Angeles, CA 90010. The application shows FISH as the Registered Agent and President. FISH listed his address at this same location 3330 Wilshire Blvd, Los Angeles, CA 90010. BARTLETT is identified as Secretary and Chief Financial Officer.

On 10/26/06, I reviewed the Articles of Incorporation of Global Practice Affiliates, Inc., filed with the Secretary of State on March 18, 2004 under corporation number 2291300. The statement indicates that FISH is the Registered Agent and President for Service of Process. The corporation is located at 3330 Wilshire Blvd., Los Angeles, California 90010. FISH listed his address as 3629 Spring Shower Drive Las Vegas, Nevada 89117 (BARTLETT's residence address).

On 10/26/06, I reviewed the Articles of Incorporation of Sky Harbor Collections, Inc., filed with the Nevada Secretary of State on November 8, 1999. The Statement indicates David W. FISH is the Chief Executive Officer, Secretary, Chief Financial Officer, sole Director, and Designated Agent for Service of Process. BARTLETT is identified as the Resident Agent. The corporation is located at 3330 Wilshire Blvd., Los Angeles, California 90010. Fish listed his address as 3629 Spring Shower Dr., Las Vegas, Nevada 89117.

Within court documents dated 11/10/04 and filed with the Los Angeles Superior Court (POLANCO v. PREMIER, #BC332917), FISH is identified as one of the owners of PREMIER and owned an interest in Skyline Management and shared profits of Skyline.

Additionally, within court documents dated 11/10/04 and filed with the Los Angeles Superior Court (GROSCOST v. PREMIER, #BC325245), FISH is identified as one of the owners of PREMIER and owned an interest in Skyline Management and shared profits of Skyline.

On 6/9/03, according to FISH's statement in a sworn deposition (Idahirma Yero v. CIGA), the owners of Skyline Management are FISH, BACINO, D. GROSCOST and POLANCO. According to FISH, the Long Beach location was operated by Skyline.

On 1/25/05, Fraud Division investigators served a warrant on the bank accounts associated with PREMIER. Over \$505,510 in monies were identified as going to FISH from 2/29/00 to 7/8/02. Over \$926,938 in monies were identified as going to DWF Enterprises, Inc. from 8/26/03 to 11/7/03. Over \$2,727,191 in monies were identified as going to Global Practice Affiliates, Inc. from 11/7/02 to 11/13/03. Over \$2,019,148 in monies were identified as going to Sky Harbor Collections, Inc. from 1/16/01 to 10/8/02. Over \$583,712 in monies were identified as going to Skyline Management from 2/20/02 to 9/15/03.

JAMES A. DREW

DREW is a suspect and was part owner of PREMIER. His association is as follows:

On 10/26/06, I reviewed a REVISED Statement of Domestic Stock Corporation for Premier Medical Management Systems, Inc. filed with the Secretary of State on June 18, 2003. The Statement indicates the Secretary and Director/Officer is James DREW; with a listed address of 3629 Spring Shower Drive, Las Vegas, Nevada.

FISH was sworn and deposed in a civil suit (CIGA v. PREMIER) on 6/9/03, 1/22/04 and 1/29/04. During the deposition, FISH identified DREW was one of the owners of PREMIER.

On 10/26/06, I reviewed the Articles of Incorporation of Dormie Management, Inc. filed with the Nevada Secretary of State on November 8, 1999, under document number

C27833-99. The statement indicates James DREW is the Director and Sara Bartlett is the Registered Agent. The annual list of officers filed on November 7, 2001 notes James DREW is both President and Treasurer. The business address is listed as 3629 Spring Shower Drive, Las Vegas, NV 89147.

On 10/26/06, I reviewed the Articles of Incorporation of Double Tap Management and Collections filed with the Nevada Secretary of State on January 2, 2001, under document number C66-2001. The statement indicates James DREW is the Registered Agent. This statement also notes James DREW is Secretary. The business address is listed as 3629 Spring Shower Drive, Las Vegas, NV 89147. (BARTLETT's former residence)

According to the California Department of Motor Vehicles, James DREW reported his residence address as 3629 Spring Shower Drive in Las Vegas as of 5/11/01. This address is known to be the address or former address of BARTLETT. Additionally, through interviews Fraud Division investigators learned that DREW is the brother in law of BARTLETT.

On 1/25/05, Fraud Division investigators served a warrant on the bank accounts associated with PREMIER. Over \$30,806 in monies were identified as going to DREW from 3/21/00 to 7/11/03. Over \$3,438,045 in monies were identified as going to Dormie Management, Inc. from 1/12/00 to 11/14/03.

JEFFREY SCOTT BARTLETT

BARTLETT is a suspect and was part owner of PREMIER. His association is as follows:

FISH was sworn and deposed in a civil suit (CIGA v. PREMIER) on 6/9/03, 1/22/04 and 1/29/04. During the deposition, FISH identified BARTLETT as the individual who "ran" the collections department of PREMIER. FISH stated that DREW was BARTLETT's supervisor at PREMIER. Later in the deposition, FISH stated BARTLETT was DREW's representative at PREMIER.

On 3/24/05, Fraud Division investigators interviewed former PREMIER employee, Lourdes Rivas. Rivas identified BARTLETT as one of the owners of PREMIER.

On 8/25/06, Fraud Division investigators interviewed Dr. Patrick Parihjan who worked for PREMIER. According to Dr. Parihjan, BARTLETT was one of the PREMIER owners.

Within court documents filed on 5/4/05 with the Los Angeles Superior Court (POLANCO v. PREMIER, #BC332917), BARTLETT is identified as one of the owners of PREMIER and owned interest in Skyline Management and shared profits of Skyline.

Within court documents dated 11/10/04 and filed with the Los Angeles Superior Court (GROSCOST v. PREMIER, #BC325245), BARTLETT is one of the owners of PREMIER and owned interest in Skyline Management and shared profits of Skyline.

On 10/26/06, I reviewed the Articles of Incorporation of Dormie Management, Inc. filed with the Nevada Secretary of State on November 8, 1999, under document number C27833-99. The annual list of officers filed on November 7, 2001 notes Jeffrey BARTLETT is both the Secretary and Director. The business address is listed as 3629 Spring Shower Drive, Las Vegas, NV 89147.

According to the Statement of Domestic Stock Corporation filed 3/12/04 with the California Secretary of State for Premier Equity Partners, FISH was the Chief Executive Officer, Chief Financial Officer and Director. JEFFREY BARTLETT was the Secretary and Director.

During this investigation, EDD records were obtained for Premier Equity Partners. It was discovered the company resides at 3330 Wilshire Blvd. in Los Angeles. FISH is listed as the President, BARTLETT as the Secretary. Taxes were reported for employees for the first quarter of 2000 up until the first quarter of 2003 and again for the second quarter for 2004.

On 10/26/06, I reviewed the Articles of Incorporation of Double Tap Management and Collections filed with the Nevada Secretary of State on January 2, 2001, under document number C66-2001. The statement indicates Jeffrey BARTLETT is the Director and James DREW is the Registered Agent. This statement also notes Jeffrey BARTLETT is President, James DREW is Secretary and Diane Bartlett is Treasurer. The business address is listed as 3629 Spring Shower Drive, Las Vegas, NV 89147.

Additionally, in the 2004 Sacramento arrest of BARTLETT, BARTLETT was located at the offices of PREMIER when arrested.

On 1/25/05, Fraud Division investigators served a warrant on the bank accounts associated with PREMIER. Over \$583,712 in monies were identified as going to Skyline Management from 2/20/02 to 9/15/03. Over \$3,438,045 in monies were identified as going to Dormie Management, Inc. from 1/12/00 to 11/14/03.

DANIEL HURT

HURT is a suspect and was part owner of PREMIER. His association is as follows:

According to a 6/9/03 deposition of FISH (Idahirma Yero v. CIGA), BACINO purchased HURT's shares in PREMIER in or about January 2002; FISH also noted that HURT was a previous owner of PREMIER.

On 8/11/04, Fraud Division investigators interviewed Carr. Carr stated HURT was a previous owner of PREMIER but sold his shares and "got out cause he got scared."

On 9/25/04, Fraud Division investigators interviewed Sam Kovacevich. Kovacevich was a long time friend of Dan HURT. According to Kovacevich, HURT confided in him and told him about the activities of PREMIER. HURT claimed to be one of the owners of PREMIER but that he sold a portion of his shares to BACINO. According to Kovacevich, HURT continued to collect monies on a monthly basis from PREMIER.

On 1/20/05, Fraud Division investigators interviewed Omar Dario Jovell. Jovell was an employee of PREMIER and identified HURT as an owner of PREMIER but said that he left after several months.

Fraud Division investigators found other companies HURT was associated with. On 10/26/06, I reviewed the Articles of Incorporation of Medlaw Investments, LTD. filed with the Nevada Secretary of State on November 8, 1999 under document number C27836-1999. The statement indicates Jeffrey BARTLETT is the Registered Agent and Director for service of process. This statement also notes that Daniel M. HURT is acting as President, Secretary and Treasurer of Medlaw Investments, LTD. The corporation listed its business at 3629 Spring Shower Drive Las Vegas, NV 89147. (BARTLETT's former residence)

On 10/26/06, I reviewed the Articles of Incorporation of Ocean West Management, Inc. filed with the Secretary of State of Nevada on November 8, 1999. The Articles stated Ocean West Management, Inc. is a general corporation authorized to issue 1000 shares with a par value of \$1.00 and 19,000 without par value. Its designated Resident Agent for Service of Process is Jeff BARTLETT, 3629 Spring Shower Drive, Las Vegas, Nevada. The Article lists Daniel M. HURT as a Director/Trustee. Daniel M. HURT listed his address as 346 Black Stone River, Las Vegas, Nevada, 89148. The Article is signed by Jeff BARTLETT.

On 1/25/05, Fraud Division investigators served a warrant on the bank accounts associated with PREMIER. Over \$7,155 in monies were identified as going to HURT from 1/1/00 to 1/7/02. Over \$370,327 in monies were identified as going to Medlaw Investments from 5/18/00 to 2/1/02.

BIRGER GREG BACINO

BACINO is a suspect and was part owner of PREMIER. His association is as follows:

On 6/9/03, according to FISH's statement in a sworn deposition (Idahirma Yero v. CIGA), BACINO purchased HURT's shares in PREMIER in or about January 2002.

On 10/26/06, I reviewed a REVISED Statement of Domestic Stock Corporation for Premier Medical Management Systems, Inc. filed with the Secretary of State on June 18, 2003. The Chief Financial Officer and Director/Officer is Birger BACINO, with a listed address of P.O. Box 3881, Rancho Santa Fe, California.

Fraud Division investigators found **BACINO** was associated with other companies. Within court documents filed on 5/4/05 with the Los Angeles Superior Court (**POLANCO v. PREMIER**, #BC332917), **BACINO** is one of the owners of **PREMIER** and owned interest in Skyline Management and shared profits of Skyline.

Within court documents dated 11/10/04 and filed with the Los Angeles Superior Court (**GROSCOST v. PREMIER**, #BC325245), **BACINO** is one of the owners of **PREMIER** and owned interest in Skyline Management and shared profits of Skyline.

On 6/9/03, according to **FISH**'s statement in a sworn deposition (**Idahirma Yero v. CIGA**), the owners of Skyline Management were **FISH**, **BACINO**, **D. GROSCOST** and **POLANCO**. The Long Beach location of **PREMIER** was operated by Skyline.

On 10/26/06, I reviewed the Articles of Incorporation of Centurion Practice Affiliates, Inc. filed with the California Secretary of State, on December 31, 2002, under corporation number 2292588 and statement of Officers number 0367366. The statement indicates that Birger Greg **BACINO** is the Chief Executive Officer, Secretary, Chief Financial Officer and agent for Service of Process. The corporation's mailing address is located at 13924 Panay Way, Suite 317, Marina Del Rey, CA 90292 (**BARTLETT**'s residence in California).

On 1/25/05, Fraud Division investigators served a warrant on the bank accounts associated with **PREMIER**. Over \$1,126,127 in monies were identified as going to **BACINO** from 3/7/02 to 11/10/03. Over \$583,712 in monies were identified as going to Skyline Management from 2/20/02 to 9/15/03. Over \$2,727,191 in monies were identified as going to Centurion Practice Affiliates from 10/23/02 to 11/13/03.

Additionally, it was learned **BACINO** is a licensed attorney in the state of California. On 10/26/06, I reviewed the Articles of Incorporation of Birger Greg Bacino, A Professional Corporation, filed with the California Secretary of State on April 2, 2004, under corporation number 1900624 and Statement of Officers file number 0173539. The statement indicates Birger Greg **BACINO** is the Chief Executive, the President, the Registered Agent and the sole Director for agent of service. The corporation's registered mailing address is 600 W. Broadway, Suite 1200, San Diego, CA 92101.

On 10/26/06, I reviewed the Articles of Incorporation for Tammy, Inc. filed with the California Secretary State on 5/6/04 under the corporation number 1921019. The statement indicates that Birger Greg **BACINO** is both the Registered Agent and President for service of process. The Corporation is utilizing a mailing address of PO Box 3881, Rancho Santa Fe, CA 92067, while also using a registered office of 14385 Via Baroda, San Diego, California.

REBEKAH BARTLETT

R. BARTLETT is a suspect and a key figure in the operations of **PREMIER**. Her association is as follows:

On 6/9/03, in a sworn deposition (Idahirma Yero v. CIGA), FISH stated R. BARTLETT had the ability to hire and fire PREMIER employees as well as check signing ability; she also did all the banking for PREMIER. Additionally, when the attorney for PREMIER, Raymond RILEY, was questioned as to whether he also represented R. BARTLETT, RILEY confirmed that he did as "she's in management."

During the Fraud Division 2003 Sacramento search warrants, R. BARTLETT was interviewed by investigator Susan Crouch. R. BARTLETT lied and stated she did not work for PREMIER, but that she was the President of her own company, ROXY Management. During the 2003 Sacramento search warrants, several PREMIER paychecks were seized at the residence of R. BARTLETT with the payee as R. BARTLETT.

On 10/26/06, I reviewed Nevada Articles of Incorporation for ROXY Management that was filed on 8/2/02. R. BARTLETT is listed as President. Jeff BARTLETT is listed as Secretary.

On 1/25/05, Fraud Division investigators served a warrant on the bank accounts associated with PREMIER. Over \$5,739 in monies were identified as going to R. BARTLETT from 9/24/00 to 12/23/02. Over \$54,516.44 in monies were identified as going to Roxy Management from 11/13/00 to 10/24/03.

During the service of the 6/18/03 search warrant, R. BARTLETT told Fraud Division investigators that she was the sister of Jeff BARTLETT and the sister-in-law of James DREW.

SARO DORIAN

DORIAN is a suspect and was part owner of PREMIER. His association is as follows:

On 6/13/03, PREMIER filed suit against DORIAN (PREMIER v. DORIAN, et. al., #LC065313). From the lawsuit, Fraud Division investigators learned that DORIAN began running the valley location for PREMIER, doing business as Pacific Family Clinic, in early 1999 and left in December of 2001. The Valley location was 14526 Roscoe Blvd., #200, Panorama City in California.

On 10/26/06, I reviewed the Articles of Incorporation associated with Pacific Family Clinic filed on 11/9/98 with the California Secretary of State. These documents show DORIAN to be the owner of Pacific Family Clinic.

On 10/26/06, I reviewed the Articles of Incorporation from the California Secretary of State for Dorian Chiropractic. DORIAN is identified as the President and Secretary as of 1/16/97.

On 1/25/05, Fraud Division investigators served a search warrant (#4157) on PREMIER bank accounts. It was discovered DORIAN received monies in his name on 8/24/00 in the amount of \$3,551. Over \$1,515,312 in monies were identified as going from the PREMIER accounts to Pacific Family Clinic from 1/9/01 to 11/19/03.

SIDNEY COBOS

COBOS is a suspect and was part owner of PREMIER. His association is as follows:

On 6/13/03, PREMIER filed suit against COBOS (PREMIER v. COBOS, et. al., #LC065313). Information gleaned from the case indicates COBOS started running the valley location for PREMIER in mid 2001.

According to the Statement of Domestic Stock Corporation filed with the Nevada Secretary of State for Sobol Management, SIDNEY COBOS was the President, Secretary, Treasurer and Director as of 8/2/01. It should be duly noted, JEFFREY BARTLETT was the Resident Agent. On 4/13/04, DAVID FISH became Secretary and GREG BACINO became Treasurer.

On 6/9/03, in a sworn statement (Idahirma Yero v. CIGA), FISH stated in or about March of 2002, Sobol Management consisted of three owners: FISH, BACINO and COBOS. FISH stated the custodian of records for the Panarama City location was COBOS.

On 3/8/05, Fraud Division investigators interviewed Victoria Baron-Williamson who was a PREMIER employee. According to Baron-Williamson, COBOS ran the Panarama City location.

On 1/25/05, Fraud Division investigators served a search warrant (#4157) on PREMIER bank accounts. Over \$64,030 in monies were identified as going from the PREMIER accounts to COBOS from 8/9/01 until 6/26/02. According to the information gleaned from the court proceedings, COBOS continued running the location after 6/26/02. Over \$2,163,335 in monies were identified as going from the PREMIER accounts to Sobol Management from 5/14/02 to 9/9/03.

BRADLEY DEAN GROSCOST

GROSCOST is a suspect and was part owner of PREMIER. His association is as follows:

On 6/9/03, according to FISH's statement in a sworn deposition (Idahirma Yero v. CIGA), the owners of Skyline Management were FISH, BACINO, D. GROSCOST and POLANCO. The Long Beach location was operated under the name Skyline Management. FISH stated D. GROSCOST was the custodian of records.

On 10/26/06, I reviewed the Articles of Incorporation for Skyline Management. D. GROSCOST is listed as the Incorporator on 1/9/02.

On 11/8/05, I interviewed Mario POLANCO. According to POLANCO, the Long Beach location was run by D. GROSCOST and had been in operation for three years prior to POLANCO's involvement. POLANCO stated D. GROSCOST did all the hiring and firing and that it "was his baby." Many, if not all of the doctors, physical therapists and employees were from the other PREMIER locations and they would simply be rotated from one PREMIER location to another.

On 11/30/05, GROSCOST filed suit against PREMIER. Information gleaned from the case indicates D. GROSCOST formed Advanced Family Medical Clinic of Long Beach. In January 2002, D. GROSCOST became 50% owner of Skyline Management Group of Long Beach. The ownership of Skyline was between GROSCOST and PREMIER, each with 50% ownership. GROSCOST was to contribute to the clinic, including the lease, the lease improvements, the equipment and the existing business and services. PREMIER was to contribute the additional capital necessary to expand the business and services. On 1/9/02, GROSCOST signed Articles of Incorporation for Skyline Management Group of Long Beach Inc. as the sole Incorporator.

According to the Articles of Organization filed with the California Secretary of State for Advanced Family Medical of Long Beach, LLC, D. GROSCOST was the Organizer as of 5/3/99. On 3/27/01, YOLANDA GROSCOST and D. GROSCOST were listed as Managers. On the documents filed with the Secretary of State on 8/23/01, the business address for Advanced Medical is listed as 3391 Long Beach Boulevard in Long Beach which is the same address as the PREMIER Long Beach location.

On 1/25/05, Fraud Division investigators served a search warrant (#4157) on PREMIER bank accounts. Over \$400 in monies were identified as going from the PREMIER accounts to D. GROSCOST on 8/21/01. Over \$ 4,398 in monies were identified as going to Advanced Family Medical on 11/8/00. Over \$583,712 in monies were identified as going to Skyline Management from 2/20/02 to 9/15/03.

YOLANDA GROSCOST

Y. GROSCOST is a suspect and was part owner of PREMIER. Her association is as follows:

According to the Statement of Domestic Stock Corporation filed with the California Secretary of State for Advanced Family Medical of Long Beach, DEAN GROSCOST was the Organizer as of 5/3/99. On 3/27/01, YOLANDA GROSCOST and Dean GROSCOST were listed as Managers.

Through interviews, Fraud Division investigators learned that D. GROSCOST and Y. GROSCOST are husband and wife.

FISH was sworn and deposed in a civil suit (CIGA v. PREMIER) on 6/9/03, 1/22/04 and 1/29/04. During the deposition, FISH stated Y. GROSCOST was a PREMIER "employee."

On 1/25/05, Fraud Division investigators served a search warrant (#4157) on PREMIER bank accounts. It was discovered that Y. GROSCOST received over \$38,492 in monies from PREMIER from 12/2/00 to 11/13/03. Over \$4,398 in monies were identified as going to Advanced Family Medical on 11/8/00.

MARIO POLANCO

POLANCO is a suspect and was part owner of PREMIER. His association is as follows:

On 6/9/03, according to FISH's statement in a sworn deposition (Idahirma Yero v. CIGA, #0406036), PREMIER contracted with ROPT and the primary shareholder of ROPT was Mario POLANCO. Additionally, POLANCO was the leaseholder for the Riverside and Ontario PREMIER locations.

On 5/4/05, POLANCO filed suit against PREMIER, Raymond RILEY, Doctor's Medical Group of Las Vegas, Inc., Skyline Management Systems, Inc., David FISH and Greg BACINO (POLANCO v. PREMIER, #BC332917). According to the suit, in February of 2003, POLANCO invested in Skyline Management and contracted with FISH and BACINO. At that time, Skyline Management was providing chiropractic and rehabilitation services to the PREMIER patients at the Long Beach location. According to the suit, from February of 2003 until July of 2003, POLANCO received dividends from Skyline Management which included all ancillary services, including pharmaceuticals, interpretation services, surgical services and durable medical goods.

According to the suit, in May or June of 2003, FISH and BACINO demanded POLANCO sell his shares in Skyline Management to RILEY. POLANCO was told they needed RILEY as part of their business because of the amount of time RILEY would be investing as a lawyer representing Skyline Management and other PREMIER related entities. FISH told POLANCO they wanted RILEY to be part of the business to offset legal fees being incurred by the PREMIER related entities. After July 2003, Skyline Management ceased making financial distributions to POLANCO.

On 11/8/05, I interviewed POLANCO. According to POLANCO, the Long Beach location was run by D. GROSCOST and had been in operation for three years prior to POLANCO's involvement. POLANCO stated D. GROSCOST did all the hiring and firing and that it "was his baby." POLANCO stated that many, if not all, of the doctors, physical therapists and employees were from the other PREMIER locations, they would simply rotate from one PREMIER location to another. POLANCO stated he invested in Skyline Management in February of 2003. According to POLANCO, prior to his ownership in Skyline Management, he was running the Ontario and Riverside sites under the name ROPT.

On 1/25/05, Fraud Division investigators served a search warrant (#4157) on PREMIER bank accounts. Over \$690 in monies were identified as going from the PREMIER accounts to POLANCO from 7/15/02 to 2/26/03. Over \$583,712 in monies were identified as going from the PREMIER accounts to Skyline Management from 2/20/02 to 9/15/03. Over \$331,620 in monies were identified as going to ROPT Inland from 11/7/01 to 10/20/03.

RAYMOND RILEY

RILEY is a suspect and was part owner of PREMIER. His association is as follows:

During the 2003 Sacramento search warrants, a Certificate of Stock was found at the residence of BARTLETT. The certificate identifies BARTLETT as the owner of 333.33 shares of the Law Offices of Raymond L. Riley, Inc. The certificate was issued on May 7, 2003. It should be duly noted, BARTLETT is not a licensed attorney.

On 5/4/05, POLANCO filed suit against PREMIER, Raymond RILEY, Doctor's Medical Group of Las Vegas, Inc., Skyline Management Systems, Inc., David FISH and Greg BACINO (POLANCO v. PREMIER, #BC332917). According to the suit, in February of 2003, POLANCO invested in Skyline Management and contracted with FISH and BACINO. From February of 2003 until July of 2003, POLANCO received dividends from Skyline Management. According to the suit, in May or June of 2003, FISH and BACINO demanded POLANCO sell his shares in Skyline Management to RILEY. POLANCO was told they needed RILEY as part of their business because of the amount of time RILEY would be investing as a lawyer representing Skyline Management and other PREMIER related entities. FISH told POLANCO they wanted RILEY to be part of the business to offset legal fees being incurred by the PREMIER related entities. After July 2003, Skyline Management ceased making distributions to POLANCO.

On 10/26/06, I reviewed California Secretary of State records which show Raymond RILEY as Registered Agent for Service of Process for Skyline Management.

On 11/8/05, I interviewed POLANCO who told me that he owned 13% of Skyline but that in August of 2003, RILEY "took over" his shares effectively forcing POLANCO out. POLANCO filed suit against RILEY and it was settled October 14, 2005. POLANCO would not disclose how much money he received in the settlement.

On 11/30/05, GROSCOST filed suit against PREMIER (GROSCOST v. PREMIER, #BC325245). According to the documents filed with the court, PREMIER is accused of paying "legal fees" to RILEY out of the Skyline Management funds.

On 1/25/05, Fraud Division investigators served a search warrant (#4157) on PREMIER bank accounts. It was discovered RILEY received over \$300,000 in monies from PREMIER on 5/21/03. Over \$610,869 in monies were identified as going from the

PREMIER accounts to Riley & Reiner. Over \$583,712 in monies were identified going to Skyline Management from 2/20/02 to 9/15/03.

ALI ELIAHO GALAM (a.k.a ELI GALAM)

GALAM is a suspect. His association with **PREMIER** is detailed in the Statement of Probable Cause.

A search of the California State BAR shows **GALAM** is a licensed attorney with the California State Bar, number 123778.

On 1/25/05, investigators served a search warrant (#4157) on **PREMIER** bank accounts. Over \$782,045 in monies were identified as going from the **PREMIER** accounts to **GALAM** and the Law Offices of Galam from 8/8/00 to 2/4/03.

Additionally, over \$202,147 in monies were identified as going from the **PREMIER** accounts to W.C.P.I. from 1/11/00 to 1/9/01. A search with the California Secretary of State shows **GALAM** as the Registered Agent for the corporation, W.C.P.I.

MARY LOU POTTER

As discussed in the Statement of Probable Cause, the Fraud Division investigated **POTTER** in 1992 for activities while employed as an account executive with Walker Advertising.

On 5/16/06, in an unrelated case (06CW011627), **POTTER** identified herself as an account executive with Walker Advertising. Walker Advertising is an attorney referral and advertising firm that provides referral services to lawyers through the use of five subsidiary companies: The Legal Rights Defenders, Opcion Medica, Alivio Legal, 800 The Law2, and Los Defensores. In this unrelated case, **POTTER** sold advertising on behalf of **LOS DEFENSORES**.

On 11/6/06, Fraud Division investigators followed **POTTER** from her residence located at 1049 W. 16th Street in Upland, California to 1010 S. Cabrillo in San Pedro, California. The business has four signs which identify the businesses located inside which are Walker Advertising, Los Defensores, Alivio Legal and 800 The Law2.

WALKER ADVERTISING

On 4/26/89, Walker Advertising became incorporated with the California Secretary of State. Mary Ann Walker is identified as the President and the business is located at 1010 S. Cabrillo in San Pedro, California.

On 10/5/84, **LOS DEFENSORES** became incorporated with the California Secretary of State. Mary Ann Walker is identified as the President and the business is located at 1010 S. Cabrillo in San Pedro, California.

On 3/25/86, Legal Rights Defenders became incorporated with the California Secretary of State. Mary Ann Walker is identified as the President and the business is located at 1010 S. Cabrillo in San Pedro, California.

On 8/20/91 Opcion Medica, Inc. became incorporated with the California Secretary of State. Mary Ann Walker is identified as the President and the business is located at 1725 S. Gaffey in San Pedro, California.

On 3/25/86, Legal Rights Defenders became incorporated with the California Secretary of State. Mary Ann Walker is identified as the President and the business is located at 1010 S. Cabrillo in San Pedro, California.

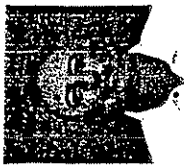
On 8/20/91 Opcion Medica, Inc. became incorporated with the California Secretary of State. Mary Ann Walker is identified as the President and the business is located at 1725 S. Gaffey in San Pedro, California.

Attachment 1

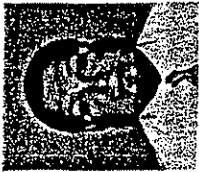
AINBINDER & BLATT
LONG BEACH, CA



DANA LINDAU
BLATT

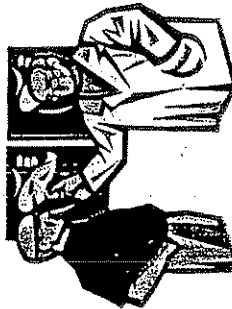


MICHAEL DAVID
AINBINDER



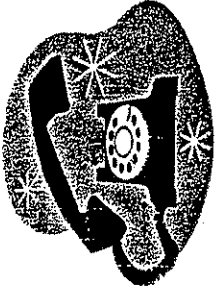
DANIEL LEE
HITZKE

DANIEL HITZKE IS AN ATTORNEY
WITH AINBINDER & BLATT. HE
REFERS CALLERS WITH INSURANCE
TO BALDINI & DEPAOLI
CHIROPRACTIC FOR TREATMENT



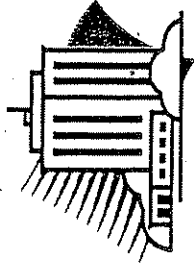
CONSUMER
BECOMES PATIENT

1-800-A-LAWYER FOR
REPRESENTATION

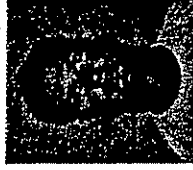


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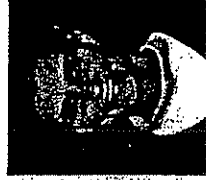
DORMIE MANAGEMENT
JEFF BARTLETT PAYS
FOR
1-800-A-LAWYER TO
OPERATE



DORMIE
MANAGEMENT, INC.
5080 DANUBE AVENUE
LAS VEGAS, NEVADA



JAMES
ALSTON DREW



SARA
DREW
BARTLETT

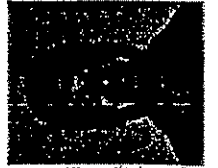


JEFFREY
SCOTT
BARTLETT

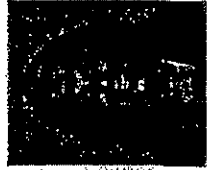
BALDINI & DEPAOLI CHIROPRACTIC



TODD DANIEL
BALDINI



R. MARTY
DEPAOLI



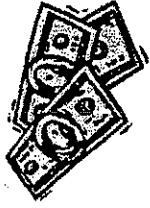
KATHY DIANE
THOMAS



BALDINI & DEPAOLI PAY DORMIE
MANAGEMENT-
JEFF BARTLETT 37.5% OF INSURANCE
COLLECTIONS FOR REFERRALS

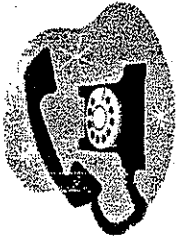
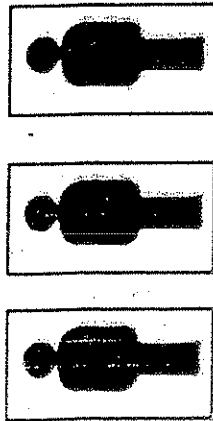
Attachment 2

CONSUMER CALLS
1-800-THE-LAW2, LOS DEFENSORES TO
OBTAIN LAWYER



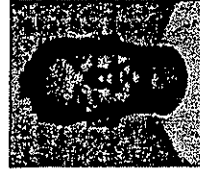
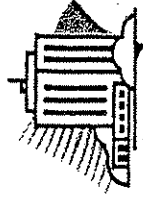
DORMIE & DOUBLE
MANAGEMENT-
JEFF BARTLETT PAYS FOR
ADVERTISING WITH 1-800-
THE-LAW2, LOS DEFENSORES

UNKNOWN LAW FIRM



1-800-THE-LAW2 LOS DEFENSORES

DORMIE & DOUBLE
TAP MANAGEMENT,
INC.



JAMES ALSTON
DREW



JEFFREY SCOTT
BARLETT



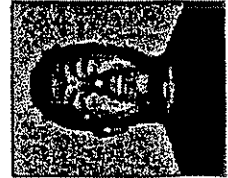
PREMIER PAYS DORMIE & DOUBLE
TAP MANAGEMENT FOR
REFERRAL ADVERTISING

ATTORNEY REFERS CLIENT
TO PREMIER FOR
TREATMENT

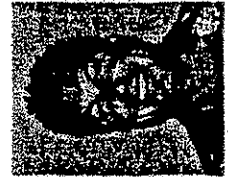


CONSUMER
BECOMES PATIENT

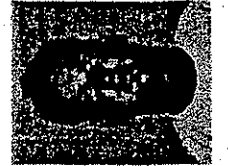
PREMIER



Bigler Greg
Bacino



David Wayne
Fish



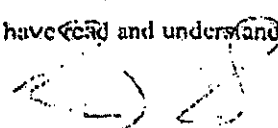
JAMES ALSTON
DREW

Attachment 3

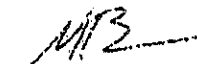
Memorandum of Understanding

1. August 1, 2003, is the day that the Saro Group, et. al, will take over the Valley office in Panorama City;
2. Saro Group will open in LA in direct competition of Premier Group effective immediately. However, Saro Group will NOT solicit any attorneys from the specific list below from the Premier Group until August 1, 2003. The rest of attorneys in the world are free game;
3. Premier Group will go on Sobol Management. Sobol Management is the AR in addition to JR (Chiropractic and Sobol Physical Therapy and all Valley related doctor numbers that are currently under Premier Control. For example, Dr. D' has LA and Valley doctor number, 38 and 211 respectively. Sidney would get 25% of Premier share of doctor 211 but not 38. The breakdown is 75% Premier Group and 25% Sidney Cobos;
4. Any and all AR at any and all Premier Facilities and Premier Providers that are controlled by Saro, namely JA and AG, is to be owned by Saro as a percentage of Premier at or around 8% and will be adjusted quarterly. It will never go over 8%;
5. Sidney will bring check book to LA clinic and will now require two signatures on all checks;
6. All existing cases at all Premier Facilities will remain until treatment completed. If greater than 5% of JA or AG leave, then liquidated damages of \$2500.00 per patient including the 5% and this is in addition to any and all monies received and Saro Group walks away from any and all AR on those patients;
7. If parking does not turn profit for Saro Group, then we will address compensation through meds in 90 days;
8. Saro Group will maintain adequate staff to accommodate all existing patients;
9. Any cases Premier refers to Saro Group in Valley area will be met with a referral that Premier can use in Long Beach or Ontario;
10. SPECIFIC LIST. The list of attorneys that are hands off are: Barry Spencer, Oleno & Oleno, Bob Slater, Gary Rodich, Alex or Diana Berlin, Mark Polon, Gary Luckenhacher, Peymon Rhamani Leo, Hernandez, Jeff Osser, Iglow & Backarat, Robin Jacob, Jaime Teitell, and Will Johnson. Any additional names will be give to Saro by March 24, 2003.

I have read and understand everything.


Sidney Cobos


Lyns Drew


Greg Bucino


David Fish


Saro Dorian

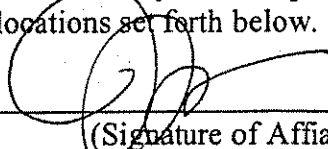
EMBA A

SW No. 56881

STATE OF CALIFORNIA - COUNTY OF LOS ANGELES
SEARCH WARRANT AND AFFIDAVIT
(AFFIDAVIT)

JODIE HOPE, swears under oath that the facts expressed by him/her in this Search Warrant
(Name of Affiant)

and Affidavit and the attached and incorporated Statement of Probable Cause, are true and that based thereon he/she has probable cause to believe and does believe that the property and/or person described below is lawfully seizable pursuant to Penal Code Section 1524, as indicated below, and is now located at the locations set forth below. Wherefore, affiant requests that this Search Warrant be issued.


(Signature of Affiant), NIGHT SEARCH REQUESTED: YES [] NO [X]

(SEARCH WARRANT)

THE PEOPLE OF THE STATE OF CALIFORNIA TO ANY SHERIFF, POLICEMAN OR PEACE OFFICER IN THE COUNTY OF LOS ANGELES: proof by affidavit having been made before me by

JODIE HOPE
(Name of Affiant)

that there is probable cause to believe that the property described herein may be found at the locations set forth herein and that it is lawfully seizable pursuant to Penal Code Section 1524 as indicated by "x"(s) in that it

- Was stolen or embezzled
- Was used as the means of committing a felony
Is possessed by a person with the intent to use it as means of committing a public offense or is possessed by another to whom he or she may have delivered it for the purpose of concealing it or preventing its discovery
- Tends to show that a felony has been committed or that a particular person has committed a felony
- Tends to show that sexual exploitation of a child, in violation of P.C. Section 311.3, has occurred or is occurring
- There is a warrant for the person's arrest

YOU ARE THEREFORE COMMANDED TO SEARCH:

SEE ATTACHED: LOCATIONS TO BE SEARCHED
SEE ATTACHED: AFFIDAVIT SEALING ORDER REQUESTED

FOR THE FOLLOWING PROPERTY:

SEE ATTACHED: PROPERTIES TO BE SEIZED

AND TO SEIZE IT IF FOUND and bring it forthwith before me, or this court, at the courthouse of this court. This Search Warrant and incorporated Affidavit was sworn to and subscribed before me this 20th day of Sept., 2007, at 9:20 A.M./P.M. Wherefore, I find probable cause for the issuance of this Search Warrant and do issue it.


(Signature of Magistrate), NIGHT SEARCH APPROVED: YES [] NO [X]

TO BE SEARCHED - LOCATION #1

AIRSTAR PAGING, AIRTOUCH CELLULAR, AIRTOUCH COMMUNICATION, AIRTOUCH PAGING, AIR TOUCH CELLULAR, AIRTOUCH, AT&T WIRELESS, ALLEGIANCE TELECOM, ARCH WIRELESS, ARCH PAGING, AT&T, AT&T WIRELESS, AT&T BROADBAND, AT&T GLOBAL NETWORK, COVAD, CCCA Inc, DBA: BELL SOUTH, BELL SOUTH TELEPHONE COMPANY, CELLULAR ONE, CELLCO PARTNERSHIP d.b.a VERIZON WIRELESS, VERIZON, VERIZON CALIFORNIA INC., PACIFIC BELL, CENTRAL WIRELESS PARTNERSHIP, CINGULAR WIRELESS, CINGULAR WIRELESS WEST COAST, CONEXONE WIRELESS PARTNERSHIP, CONNECT COMMUNICATIONS CORPORATION, COX, COX-INTERNET.COM, COX COMMUNICATIONS INC. D.B.A COX CALIFORNIA TELECOM INC., PAC-WEST TELECOM, CITIZENS COMMUNICATIONS, CONTINENTAL CABLEVISION, EVANS TELEPHONE COMPANY, GENERAL TELEPHONE, GENERAL TELEPHONE COMPANY, GTE, GST TELECOM INC., IN TOUCH COMMUNICATIONS, M-POWER COMMUNICATIONS, MCI, MCI WORLDCOM / UUNET, NORTHWESTERN BELL, NETWORK SERVICES LLC, NEXTEL, NEXTEL COMMUNICATIONS, NEXTEL PARTNERS, OPTEL TELECOM, PACIFIC BELL WIRELESS, PACIFIC TELESIS GROUP, PAGENET, PAGEMART, SBC, SBC WEST, SOUTHWEST, PAGECELL MOBIL MEDIA COMMENDATION, MEDIAONE, QWEST, QWEST CORPORATION, QWEST WIRELESS, QWEST COMMUNICATIONS, QUALCOMM INC., SPRINT SPECTRUM L.P., U.S. SPRINT, SPRINT PCS, SPRINT LONG DISTANCE, SPRINT PCS WIRELESS, SPRINT, T-MOBILE, T-MOBILE COMMUNICATIONS, OMNI POINT COMMUNICATION INC., VIRGIN MOBILE, TIME WARNER TELECOM, TRI STATE RADIO PAGING INC., TSR WIRELESS, U.S. TELEPACIFIC COMMUNICATIONS, TELEPACIFIC COMMUNICATIONS, U.S. WEST, WINSTAR TELECOMMUNICATIONS, WORLD COM, WORLD COM WIRELESS, XO, XO CALIFORNIA INC. PAGING, XO CALIFORNIA INC., C T CORPORATION SYSTEM, SOUTHERN NEW ENGLAND TELEPHONE COMPANY, CRICKET COMMUNICATIONS, METRO PCS AND VOICESTREAM COMMUNICATIONS, Paging, and any other telecommunications entity (hereinafter referred to as the "Telecommunications Companies") upon oral or written demand of Criminal Investigator Jodie Hope of the California Department of Insurance, Fraud Division, or her agents.

THE FOLLOWING PROPERTIES TO BE SEIZED:

From 1/1/99 to the present, documentation shall include, but not be limited to, all numbers and accounts associated with the primary number/account, service and billing information (billed and unbilled), activation date, subscriber information, credit information, payment information, co-signor information, contact address(es) and telephone number(s), and all information, identifying the communication device(s) such as electronic serial number (ESN) international mobile subscriber identifier (IMSI), international equipment identifier(IMEI), subscriber identify module (SIM) number, any and all encryption key/codes or other identifier. Provide all information related to pre-paid cellular phones, including past, present, current and on-going activity related hours, minutes, and money left on the pre-paid telephone account.

Provide Call Detail Records (CDR), toll information, including any and all historical data, originating and terminating call detail, including cell site/sector, extended dialed digit information, dialed digit extraction, direct connect, push-to-talk features and/or post cut-through digits from any and all telephones called or being called by the Target telephone number. Provide any and all information related to any telephone(s), pager(s), text messaging devices, cellular/wireless telephones, calling cards, and other communication devices contacting or being contacted by the Target Device and, the subscriber(s) of any such communication device(s).

Provide information beginning 1/1/99 to present, including all phones associated with these accounts, and any changed number on any and all telephones identified through this warrant, for the following numbers:

213-383-6773
213-383-6773
213-388-1015
213-427-2270
213-617-1122
213-627-2314
323-715-0559
323-855-9142
619-234-1296
619-898-2902

Do not disclose any information to the phone subscriber(s), payee, or owner, because it will compromise an active investigation.

TO BE SEARCHED – LOCATION #2:

Citibank/California Federal Bank
San Pedro Office
556 West Ninth Street
San Pedro, CA 90731

THE FOLLOWING PROPERTIES TO BE SEIZED:

From 1/1/03 to present for following bank account numbers 166-403-7213, 166-403-7197 and 166-410-1969 for the following information:

1. Copies of all deposits (front and back) and other negotiable monetary instruments for the accounts.
2. Monthly Account Statements.
3. All credit and debit transactions into the mentioned accounts.
4. Documentation of all Wire Transfer records, associated with the accounts.
5. Copies of internal notes regarding suspicious account activity or reasons for closing.
6. Copies of signed affidavits from true payees in cases of fraudulent activity.

TO BE SEARCHED – LOCATION #3:

The offices of Premier Medical Management Systems, Inc. located at:

3191
LFF
3189 W. 7th Street
Los Angeles, CA

The building consists of five (5) levels and has a sign "Hotel Chancellor" on the roof. There is a main entrance as well as an entrance at the eastern corner. The entrance at the eastern corner has a sign identifying the business as "Premier Medical Management Systems, Inc." There are windows along the front (south) and east side of the building. The building is tan with white bricks.

The search of the premises shall include all offices and rooms within the domain of the buildings. The search shall extend into the desks, cabinets, safes, briefcases, trash receptacles and other storage locations within the buildings. The search shall extend to any mail boxes, garages, basements or other storage areas assigned to the business or residence. The search shall include any computer-based storage media contained within the offices or residence.

The search of the premises shall specifically authorize officers conducting the search to detain and require the production of identification of any persons reasonably believed by the officers to be employees, agents, cappers, solicitors or administrators employed within the office suites or residence.

The search of the premises shall also specifically authorize officers conducting the search to answer the phones and converse with callers who appear to be responding to advertisements or solicitations by employees and agents of the businesses.

The search of the premises shall extend to photographing and/or video taping of the premises and items within the premises in addition to identifying and photographing all persons who are present at the search warrant location during the period that searching officers are present.

VEHICLES TO BE SEARCHED:

The search of a 2004, Dodge, California license plate 7N00825, VIN number 3D7KA28D24G248153, registered to Eli Galam.

The search of a 2004, Dodge, California license plate 7N00823, VIN number 3D6WA28D84G220198, registered to Eli Galam.

The search of a 2004, Dodge, California license plate 7L95064, VIN number 3D6WA28D24G220195, registered to Eli Galam.

The search of a 2006, Nissan, California license plate 5VXP492, VIN number 3N1CB51D36L596533, registered to Eli Galam.

The search of a 2001, Toyota, California license plate 4RNC477, VIN number JTEHT05J712007251, registered to Eli Galam.

The search of a 2005, Lexus, California license plate 5LGL928, VIN number JTJHT00W253555551, registered to Eli Galam.

The search of a 1966, Lincoln, California license plate 2RLL126, VIN number 6Y86G448292, registered to Eli Galam.

The search of ANY vehicle which Eli Galam is in possession of at the time of the search.

The search of a 2007, Lexus, California license plate 5YCA347, VIN number JTHBL46F675014287, registered to David Fish.

The search of a 2005, Ford, California license plate 5NKG426, VIN number 1ZVFT80N155240600, registered to David Fish.

The search of a 2003, Ferrari, California license plate 5WCT886, VIN number ZFFYT53A430133605, registered to David Fish.

The search of ANY vehicle which David Fish is in possession of at the time of the search.

The search of a 1994, Infinity, California license plate 4TMR942, VIN number JNKNG01D5RM263611, registered to Rebekah Jean Bartlett.

The search of a 1999, Saturn, California license plate 4RJX628, VIN number 1G8ZH528XXZ228989, registered to Rebekah Bartlett.

The search of a 2004, Dodge Durango, Nevada license plate LVE601, VIN number 1D4HD48D64F121319, registered to Rebekah Bartlett.

The search of ANY vehicle which Rebekah Bartlett is in possession of at the time of the search.

The search of a 1982, Honda, California license plate 3PEZ757, VIN number JHMSZ5322CC099768, registered to Jeffrey S. Bartlett.

The search of a 1992, Ford, Nevada license plate 766MDE, registered to Jeffrey Bartlett.

The search of a 1996, Jeep, Nevada license plate 333NBH, registered to Jeffrey Bartlett.

The search of ANY vehicle which Jeffrey Bartlett is in possession of at the time of the search.

PERSON(S) TO BE SEARCHED:

The search of the person of David Wayne FISH, California driver's license number C5316797, who can be described as 5'10", 210 lbs, blue eyes and brown hair. The search shall include any purse, backpack, briefcase and any other type of satchel in his immediate possession.

The search of the person of Jeffrey Scott BARTLETT, California driver's license number C6328840, who can be described as 275 lbs, brown eyes and brown hair. The search shall include any purse, backpack, briefcase and any other type of satchel in his immediate possession.

The search of the person of Rebekah Jean Scott BARTLETT, California driver's license number A9080676, who can be described as 125 lbs, brown eyes and red hair. The search shall include any purse, backpack, briefcase and any other type of satchel in her immediate possession.

The search of the person of Eli Galam, California driver's license number A8772638, who can be described as 185 lbs, brown eyes and black hair. The search shall include any purse, backpack, briefcase and any other type of satchel in his immediate possession.

THE FOLLOWING PROPERTIES TO BE SEIZED:

From 1/1/99 to the present, documentation pertaining to the individuals and associated companies identified in Attachment A and for any of the following:

1. Any and all documentation relating to including, but not limited to telephone records, business cards, payment records, ledgers, bank records, financial records, client lists, canceled checks, capping books, contracts, logs, notebooks, diaries, address books, appointment calendars, letters, journals, interoffice memoranda, internal memoranda, rolodex cards, business cards, correspondence, messages and any documents which indicate payments having been made either to or from a "capper" and to or from a health care provider or legal provider or any person or entity.
2. Patient files and any documentation pertaining to the claim initiated on the part of the patient as well as where the patient was derived from (i.e. 1-800-THE-LAW2, Eli Galam, IPS Consulting, Jeff Bartlett, etc.) as well as who the patient was referred to for legal representation.
3. Evidence of telephonic solicitations, including, but not limited to telephone records, including telephone bills, receipts of payments, installation orders, service orders, personnel and payroll records, lists of names and phone numbers, instructions and training manuals for employees and forms used to collect information obtained through telephonic solicitations.
4. Ledgers, journals, business cards, diaries, appointment books, calendars, notebooks, notes and other documents concerning claims or injuries related to workers' compensation or disability insurance, including checkbooks, canceled checks, correspondence, receipts, contracts, manuals and instructional guides on workers' compensation insurance, and evidence of payments to any person for the referral of individuals to legal and health care providers.

5. Documents tending to show the source of names and phone numbers of persons to be solicited by phone (a.k.a. lead source materials), including, but not limited to lists compiled from the Employment Development Department.

6. Evidence of the purchase of advertising, including, but not limited to receipts, canceled checks, samples of advertising, payments to newspapers, television stations, advertising agencies, radio stations, graphic artists, correspondence relating to advertising, business cards relating to advertising, telephone messages and contracts.

7. All personnel and pay records from the period of 1/1/99 to the present identifying current and former employees.

8. Any and all banking related documents, including, but not limited to statements, canceled checks, check ledgers, signature cards, copies of account applications, account holder information, related bank and financial records and information for the period of 1/1/99 to present.

9. All internal correspondence, including directories and policy statements.

10. Utility bills, rent receipts, lease agreements, contracts, checks, correspondence, business or personnel records, or other articles of personal property tending to establish the identity of the person or persons in control of the premises to be searched and the ownership of the business or businesses.

11. Any manuals or instructional materials common in workspace or cubicles or relating to worker's compensation laws, rules or methods for making claims, including, but not limited to notebooks, state issued guidelines, legislation, correspondence, inter-office memoranda and brochures.

12. Electronic storage devices capable of storing electronic data, including, but not limited to fax machines, computers and computer systems, personal computers, any handheld data storage devices such as personal digital assistants (PDAs), any digital cameras and memory devices used with digital cameras. Computer hardware (including peripherals and cables), software, and data, including, but not limited to central processing units (CPUs), internal or external hard disk drives, floppy disk drives, tape drives, removable media drives, optical/CD-ROM drives, servers, workstations, floppy disks, magnetic tapes, cassette tapes, removable storage media (such as Bernoulli Media), and/or optical/CD-ROM disks or cartridges, or other items that store data, found together or separately from one another. Such systems also commonly include electronic cables linking computer systems to other systems or phone lines.

13. Documentation or other material describing the operation of any computer systems, computer hardware, software, and/or computer peripherals found at the premises, including instructions on how to access disks, files, or other material stored within the same, including but not limited to computer manuals, printouts, passwords, file name lists, "readme" and/or "help files."

14. Investigating officers are authorized, at their discretion and when practical, to seize an "image" of the computer's hard drive and other electronic media storage devices/media at the search location. Investigating officers and those agents acting under the direction of the investigating officers are authorized to access all "imaged" computer data to determine if the data contains "property," "records," and "information" as described in the paragraph above. If in the Forensic Expert's or Investigating Officer's opinion, it is impractical to image computers and/or other electronic storage devices/media at the search location, the Court authorizes the seizure of all electronic data-processing and storage devices, computers and computer systems, including central processing units; internal and peripheral storage devices such as a fixed disk, external hard drives, floppy disk drives and diskettes, cables, documents, data drives and tapes, CD-ROM drives and diskettes, optical storage devices, other memory storage devices, all peripheral input/output devices such as keyboards, printers, video display monitors, optical readers, drives, and relay communication devices such as modems, together with backup media, system documentation, software and instructional manuals.

15. That forensic experts employed by the State of California, Department of Insurance, or other California Law Enforcement Agency, be given access to the evidence including the computer system(s) diskettes. The forensic specialist may then make "an image" of the computer hard drive and diskettes for forensic analysis. The Court authorizes the Investigating Officer or other designated Peace Officer to return seized computers and other electronic data storage devices/media to their owner following acquisition without further Court Order or review.

**ATTACHMENT A
(IN ALPHA ORDER)**

800-THE-LAW2
Advanced Family Medical
Alivio Legal
Altieri, John
Bachrach, Donald
Bacino, Birger Greg
Bartlett, Jeffrey Scott
Bartlett, Rebekah
Beerman, David
Berlin, Alex
Berlin, Diana
Brown, Peter
Burton, Richard
Centurion Practice Affiliates
Cobos, Sidney
Delta Management
DMG
Doctor's Medical Group
Dorian, Saro
Dormie Management
Double Tap Management
Drew, James A.
DWF Enterprises
Fish, David Wayne
Galam, A. Eli
Global Practice Affiliates
Groscost, Bradley Dean
Groscost, Yolanda
Hernandez, Leo
Hindin, Barry
Hitzke, Daniel
Iglow & Bachrach
Iglow, Robert
IPS Consulting, Inc.
Jacobs, Robin
Law Offices of Ainbinder & Hitzke
Law Offices of Allen B. Newman
Law Offices of Eli Galam
Law Offices of Riley & Reiner
Luckenbacher, Gary
Legal Rights Defenders
Los Defensores
Morales, José Luis
Maldonado, Michael
Medina, Martha
Medlaw Investments
Newman, Allen
Nichols, Tony
Ocean West Management
O'Leno & O'Leno
O'Leno, Robert
Opcion Medica
Osser, Jeff
Pacific Family
Perko, Jack
Plaza, Jose
Polan, Mark
Polanco, Mario
Polon, Mark
Premier Equity Partners
Premier Medical Management Systems
RAN Management
Rhamani, Peymon
Riley, Raymond
Rodich, Gary
Rodriguez, Jose
ROPT Inland Empire
ROXY Management
Sky Harbor
Skyline Management
Slater, Robert
Sobol Management
Spencer, Barry
Tammy, Inc.
Teitell, Jamey
Walker Advertising
WCPI

STATEMENT OF PROBABLE CAUSE

The Affiant, Jodie Hope, a Peace Officer, who, on oath, makes complaint and deposes the information, contained within this Search Warrant and Affidavit and the attached and incorporated Statement of Probable Cause:

AFFIANT QUALIFICATIONS

Your Affiant, JODIE HOPE, is a peace officer currently employed as a Criminal Investigator for the State of California, Department of Insurance, Fraud Division. I have been employed in this capacity since March 2001. My primary duty has been to investigate and assist in the prosecution of various forms of insurance fraud. Prior to my employment with the Fraud Division, I was employed as an Insurance Investigator for the State of California, Department of Insurance, Investigations Division since 1998. My duties included a variety of investigations involving violations of the California Insurance Code as well as criminal investigations involving insurance fraud.

I have obtained a Bachelor of Science Degree in Criminal Justice from the California State University of Sacramento. I have attended a 360-hour Specialized Basic Investigator Academy, and hold a Specialized Advanced Certificate from California's P.O.S.T. I have attended numerous certified courses specifically relating to law enforcement subjects. I have also received over 100 hours of training from the Department of Insurance Basic Investigator Course and have attended several fraud seminars in California. This training included courses sponsored by the California District Attorney's Association relating to different aspects of insurance fraud, including, but not limited to billing fraud by chiropractors. In the past five years, I have managed, assisted, or participated in no less than fifty-five (55) undercover investigations involving insurance fraud.

FIRST SEARCH WARRANT:

From 2004 until the present, Affiant has conducted an investigation of Premier Medical Management Systems, Inc. (hereinafter referred to as PREMIER). On 3/21/07 search warrant no. 54935 was served on the offices of Walker Advertising, Inc. in San Pedro, California. During the course of the search, evidence was seized and reviewed. Based upon the evidence, I am now requesting a rollback search warrant, pursuant to warrant no. 53935.

Herein attached and incorporated by reference is Search Warrant no. 54935, signed by Honorable Judge Larry Paul Fidler, of Los Angeles Superior Court, Central Judicial District, on March 16, 2007.

This case involves an organized ring of individuals who are operating as a medical clinic called Premier Medical Management Systems, Inc. (hereinafter PREMIER). Premier is a medical management company and it is believed the individuals running Premier conspired to illegally purchase patients from Walker Advertising (d.b.a. Los Defensores, Legal Rights Defenders, 1-800-THE-LAW2 et al) in order to direct unwitting consumers to their business to ensure they receive medical treatment from the PREMIER facilities. The client believes they are being referred to a legal entity for the purpose of litigating their claim when in reality they are being

persuaded to obtain medical treatment at the PREMIER facilities. The owners and operators of PREMIER are best described in Exhibit 1 of the attached search warrant.

This is in violation of Penal Code Section 182(a)(1)/Insurance Code Section 750, Conspiracy to commit the crime of illegal referral fees as well as a violation of the Labor Code 3215. Insurance Code Section 750 prohibits any person, acting individually or through his or her employees or agents, to engage in the practice of processing, presenting, or negotiating claims, including claims under policies of insurance, and who offers, delivers, receives or accepts any rebate, refund, commission or otherwise as compensation or inducement to or from any person for the referral or procurement of claimants, cases, patients or customers. Labor Code Section 3215 prohibits any person acting individually or through his or her employees or agents, who offers, receives, or accepts any commission, preference, patronage, or other consideration, whether in the form of money or otherwise, as compensation or inducement for referring clients or patients to perform or obtain services or benefits pursuant to this division is guilty of a crime.

In this case, PREMIER, who processes and negotiates claims on behalf of patients, had paid Walker Advertising and attorney Eli Galam compensation for the referral or procurement of claimants, cases, patients and customers.

FRAUD SCHEME:

PREMIER did several things to disguise that they were involved in the illegal diversion of clients from Walker Advertising. For one, PREMIER utilized attorney Eli Galam to purchase advertising with Walker Advertising. It is believed Galam was the "front" man for PREMIER meaning Galam was not the attorney for the Walker Advertising clients. His name was utilized for the appearance of legitimacy only. PREMIER then utilized "shell" management companies (Dormie and Double Tap Management) to provide payments to Walker Advertising for the Galam account so as not to reveal where the true source of payment. The "shell" management companies did not provide management services but were utilized to create the appearance of legitimacy.

On 4/18/07, I learned through interviews with Walker Advertising employees Luis Roman and Anameredes LeBron, that callers who contact Walker Advertising are tracked in a computer database called Waycool. The process is described below:

A consumer sees one of the Walker Advertising advertisements for legal referral assistance. The consumer is directed to call an 800-number associated with Walker Advertising. Once the consumer calls the 800-number, an employee of Walker Advertising obtains their name, telephone number, address and the details of their injury or accident. After it is determined the caller is a good lead, they are connected to the attorney who is next on a rotation list and the information is tracked in the Waycool computer database.

The rotation list is based upon the amount of advertising the attorney purchased as well as what area codes and types of calls as an attorney may purchase personal injury or workers' compensation calls.

While reviewing the evidence seized in the service of warrant no. 54935, as well as interviewing Walker Advertising employees, I learned that Eli Galam was a client of Walker Advertising. I reviewed evidence seized from Walker Advertising and identified numerous call logs for Eli Galam's account. As a client of Walker Advertising, Galam was paying for calls to be connected to him so that he may retain those callers as clients with his law firm.

The call logs identify the calls for Galam were actually routed to Jeffrey Bartlett, co-owner of PREMIER. The call logs identified Bartlett as an individual who would be receiving calls on behalf of Galam. Below are evidence item numbers pertaining to call logs that were seized in the search warrant and identify Bartlett as the person to contact:

Evidence Item #1-9-35
Evidence Item #1-9-18
Evidence Item #1-9-27
Evidence Item #1-9-35
Evidence Item #1-9-16
Evidence Item #1-9-21
Evidence Item #1-9-32

In addition, a letter, dated 8/8/01, was seized from Walker Advertising. The letter was from the Law Offices of Eli Galam and addressed to "Elvita" at Walker Advertising. The letter designates a phone number for Galam's account as 213-388-1015. (Evidence Item #1-9-35) This number was to be utilized when referring new clients to Galam. On 4/4/07 and 4/16/07, I dialed phone number 213-388-1015. On those occasions, the call was unanswered and a recording came on which stated, "You've reached Premier Medical Management Systems." On 8/13/07, I called the number which was answered by a female who stated, "Premier Medical."

From the evidence, it appears PREMIER was obtaining the attorney referrals on Eli Galam's account with Walker Advertising. While Galam was a client of Walker Advertising, Galam's calls were being routed directly to the PREMIER offices.

I learned other individuals were involved in this criminal conspiracy. From the evidence seized in the 3/21/07 search warrant, the following individuals were identified as receiving calls on Eli Galam's account:

Jose Luis Morales
Jose Plaza
Jeff Bartlett
Ramiro (last name unknown)
IPS Consulting, Inc.
Martha Medina
David (last name unknown)

Additionally, there are several other telephone numbers identified from the Galam call logs obtained during the service of the 3/21/07 search warrant. These numbers are as follows:

213-383-6773
213-383-6773
213-388-1015
213-427-2270
213-617-1122
213-627-2314
323-715-0559
323-855-9142
619-234-1296
619-898-2902

On 3/8/05, I interviewed Victoria Baron-Williamson, former Marketer for PREMIER. Baron-Williamson was trained by David Fish, co-owner of PREMIER. As a Marketer, Baron-Williamson would contact attorneys in order to convince them to send their clients to the PREMIER facilities for treatment. According to Baron-Williamson, Fish would provide new clients for these attorneys in hopes they would reciprocate with new clients for PREMIER. Baron-Williamson was not sure where Fish got the new clients except that they came from a man names "Luis." Luis had an office close to PREMIER's main location on Wilshire Boulevard. She provided me with his phone number 323-715-0559.

It should be duly noted, the phone number Baron-Williamson provided me (323-715-0559) is the same number that was identified on the Galam account. Additionally, the person "Luis" was also identified as a contact person for the Galam account. I believe that PREMIER would utilize Luis to handle the calls from Walker Advertising and then provide them to PREMIER and/or Fish who would refer the new clients to attorneys.

In order to show the completion of the fraud scheme and criminal conspiracy, subscriber information for the identified telephone numbers, is being requested, so that it will reveal the connection between co-conspirators.

From 1/1/99 to the present, I believe there is probably cause the documentation requested should include, but not be limited to, all numbers and accounts associated with the primary number/account, service and billing information (billed and unbilled), activation date, subscriber information, credit information, payment information, co-signor information, contact address(es) and telephone number(s), and all information, identifying the communication device(s) such as electronic serial number (ESN) international mobile subscriber identifier (IMSI), international equipment identifier (IMEI), subscriber identify module (SIM) number, any and all encryption key/codes or other identifier. Provide all information related to pre-paid cellular phones, including past, present, current and on-going activity related hours, minutes, and money left on the pre-paid telephone account.

I am requesting subscriber information from various phone companies as I am uncertain as to which phone company services the identified phone numbers. Additionally, phone companies often merge, unite and divide.

Provide Call Detail Records (CDR), toll information, including any and all historical data, originating and terminating call detail, including cell site/sector, extended dialed digit information, dialed digit extraction, direct connect, push-to-talk features and/or post cut-through digits from any and all telephones called or being called by the Target telephone number. Provide any and all information related to any telephone(s), pager(s), text messaging devices, cellular/wireless telephones, calling cards, and other communication devices contacting or being contacted by the Target Device and, the subscriber(s) of any such communication device(s).

As discussed, on 4/18/07, I interviewed employees of Walker Advertising and learned that each caller is tracked in the computer database. The caller's respond to the advertising 800 number and are looking for a lawyer referral for an injury they sustained. The caller's name, phone number, date of injury and address is obtained as well as what law firm the caller was connected to.

I obtained a list of callers that had been referred under Galam's account with Walker Advertising. I initiated a search for those callers through ISO Claims Search. This database contains claims and systems for claims processing and fraud detection which serves property/casualty insurers, self insured organizations, Third Party Administrators and many state workers compensation insurance funds. Many claims can be located by searching this system. In fact, I found several claims that were the same callers from Walker Advertising which are detailed below:

<u>Claimant</u>	<u>Date of Injury</u>	<u>Attorney</u>	<u>Medical Provider</u>
Castelan, Francisco	2/22/03	Turchin, Raymond	Premier Medical
Duffey, Arnisha	6/25/03	Manning & Marder	Premier Medical
Samayoa, Ricky	7/2/03	Hernandez, Esq.	Premier Medical
Melena, Rene	2/14/03	Real, Alfred	Premier Medical
Williams, Jessica	7/11/03	Iglow, Robert	Premier Medical
Garcia, Salvador	2/17/03	Tobin, Mark	Premier Medical
Newton, Teasia	5/15/03	Balowitz & Speak	Premier Medical
Dhaba, Ambala	8/10/03	Hinden, Barry	Premier Medical
Garcia, Francisco	4/15/03	Cleveland & Metz	Premier Medical
Walker, Charles	2/17/03	Eslam Boly & Bilvi	Premier Medical
Hermosillo, Jose	8/5/03	Connelly, Chris	Premier Medical
Ortiz, Javier	8/4/03	Polan, Mark	Premier Medical
Valdez, Leroy	1/16/03	unknown	Premier Medical
Gamboa, Hubert	11/4/03	Wagstaff, Spencer	Premier Medical
Medina, Martin	10/1/03	Metz, John	Premier Medical
Graciano, Francisco	5/31/03	Castro, Sandra	Premier Medical
Martinez, Francisco	8/17/03	Nguyen, Keith	Premier Medical
Soto, Gloria	3/17/03	Humphrey & Ass.	Premier Medical
Hernandez, Angelina	3/6/03	Harowitz, Steven	Premier Medical

It should be duly noted, the attorney of record is not Eli Galam. As believed, Galam is simply a "front man" for Premier and did not represent any of the callers from Walker Advertising. Additionally, the callers were all treated at Premier Medical.

On 4/18/07, Walker Advertising employee Luis Roman told me he had noticed a pattern with callers that had been routed to Galam. Roman said the callers were not being represented by Galam but a different attorney who was not a client of Walker Advertising. Roman said he discovered this after callers called Walker Advertising to complain. Roman would look the caller up by their name or phone number and discover the caller had originally been connected to Galam. However, when speaking to the caller, Roman learned the caller was not being represented by Galam but another attorney altogether.

To further disguise the scheme, it is believed PREMIER used cashier's checks to make payments to Walker Advertising on the Galam accounts. The cashier's checks were drawn on accounts opened under shell corporations that belong to co-owner of PREMIER, Jeffrey Bartlett. The corporations are Double Tap and Dormie Management.

On 9/26/03, Fraud Division investigators served a search warrant (#03SW0591) on the banks associated with Bartlett. It was discovered Bartlett was the signatore on the Wells Fargo bank accounts for both Dormie and Double Tap Management.

Evidence seized on the June 18, 2003 search included carbon copies of cashier's checks drawn on bank accounts (4861-505295 and 4861-505345) under the names of Dormie and Double Tap Management. The carbon copies were identified as "Purchaser's Copy" and were found at the residence of Jeffrey Bartlett. Below are the details of these checks:

<u>BANK</u>	<u>DATE</u>	<u>PAYEE</u>	<u>ACCOUNT NO.</u>	<u>AMOUNT</u>
Wells Fargo (Evidence Item #9P-4-3)	3/13/03	LRD	4861-505345	\$ 8,800
Wells Fargo (Evidence Item #9P-4-3)	3/13/03	LD	4861-505295	\$ 20,000
Wells Fargo (Evidence Item #1-19-21)	3/19/03	LRD	4861-505295	\$ 42,000
Wells Fargo (Evidence Item #1-19-21)	3/19/03	LD	4861-505295	\$ 30,000
Wells Fargo (Evidence Item #1-19-21)	3/27/03	LD	4861-505295	\$ 22,000
Wells Fargo (Evidence Item #1-19-21)	3/27/03	LRD	4861-505295	\$ 22,000
Wells Fargo (Evidence Item #1-19-21)	4/9/03	LRD	4861-505345	\$ 8,800
Wells Fargo	4/9/03	LD	4861-505295	\$ 35,000

(Evidence Item #1-19-21)

Wells Fargo (Evidence Item #1-19-21)	4/16/03	LRD	4861-505295	\$ 48,000
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Wells Fargo (Evidence Item #1-19-21)	4/16/03	LD	4861-505295	\$ 30,000
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LD is a known acronym for Los Defensores and LRD is a known acronym for Legal Right's Defenders which are both subsidiaries of Walker Advertising.

After reviewing the evidence seized from the incorporated Search Warrant no. 54935, it was discovered these same cashier's checks were used to make payments on the Galam accounts. Walker Advertising kept copies of payments made on Galam's account with them as well as a copy of the banking deposit slip.

Below are payments identified on Galam's account with Walker Advertising:

<u>BANK</u>	<u>DATE</u>	<u>PAYEE</u>	<u>ACCOUNT NO.</u>	<u>AMOUNT</u>
Wells Fargo	3/13/03	L.R.D.	4861-505345	\$ 8,800
Wells Fargo	3/19/03	LRD	4861-505295	\$ 42,000
Wells Fargo	3/27/03	LRD	4861-505295	\$ 22,000
Wells Fargo	4/9/03	LRD	4861-505345	\$ 8,800
Wells Fargo	4/16/03	LRD	4861-505295	\$ 48,000

These payments were made on Galam's account with Legal Rights Defenders, Inc. and deposited into a Citibank account number 166-403-7213. (Evidence Item #1-37-39)

<u>BANK</u>	<u>DATE</u>	<u>PAYEE</u>	<u>ACCOUNT NO.</u>	<u>AMOUNT</u>
Wells Fargo	3/13/03	LD	4861-505295	\$ 20,000
Wells Fargo	3/19/03	LD	4861-505295	\$ 30,000
Wells Fargo	4/16/03	LD	4861-505295	\$ 30,000

These payments were made on Galam's account with Los Defensores, Inc. and deposited into a Citibank account number 166-403-7197. (Evidence Item #1-37-39)

<u>BANK</u>	<u>DATE</u>	<u>PAYEE</u>	<u>ACCOUNT NO.</u>	<u>AMOUNT</u>
Wells Fargo	3/27/03	LD	4861-505295	\$ 22,000
Wells Fargo	4/9/03	LD	4861-505295	\$ 35,000

These payments were made on Galam's account with Los Defensores, Inc. and deposited into a Citibank account number 166-403-7197. (Evidence Item #1-31-39)

The above cashier's checks are identical to the purchaser's copies that were found at the residences of Bartlett. This shows that Bartlett was making the payments on Galam's account

with cashier's checks drawn off his corporations Dormie and Double Tap. It is believed this was done in an attempt to conceal the payments were being made by PREMIER.

In addition to the above payments, other payments were identified which are detailed below:

<u>BANK</u>	<u>DATE</u>	<u>PAYEE</u>	<u>ACCOUNT NO.</u>	<u>AMOUNT</u>
Wells Fargo	1/23/03	A.L.	4861-505295	\$37,250.00
Wells Fargo	3/19/03	AL	4861-505345	\$ 9,900.00
Wells Fargo	4/16/03	A.L.	4861-505295	\$38,000.00
Wells Fargo	4/24/03	AL	4861-505295	\$42,000.00

These checks were payments on Galam's account with Alivio Legal, Inc. and deposited into a California Federal Bank account number 166-410-1969. (Evidence Item #1-37-39)

<u>BANK</u>	<u>DATE</u>	<u>PAYEE</u>	<u>ACCOUNT NO.</u>	<u>AMOUNT</u>
Wells Fargo	1/23/03	L.R.D.	4861-505295	\$34,500.00
Wells Fargo	2/20/03	LRD	4861-505295	\$53,250.00

These checks were payments on Galam's account with Legal Rights Defenders, Inc. and deposited into a Citibank account number 166-403-7213. (Evidence Item #1-37-39)

<u>BANK</u>	<u>DATE</u>	<u>PAYEE</u>	<u>ACCOUNT NO.</u>	<u>AMOUNT</u>
Wells Fargo	1/23/03	L.D.	4861-505295	\$30,000.00
Wells Fargo	2/20/03	LD	4861-505295	\$25,000.00
Wells Fargo	4/24/03	LD	4861-505345	\$10,000.00

These checks were payments on Galam's account with Los Defensores, Inc. and deposited into a Citibank account number 166-403-7197. (Evidence Item #1-37-39)

This evidence corroborates the belief that Jeffrey Bartlett, co-owner of PREMIER, was paying Walker Advertising under an account opened in Galam's name at Walker Advertising.

Additionally, on 1/25/05, Fraud Division investigators served a search warrant (no. 4157) on bank accounts associated with PREMIER. Through this warrant, it was learned that PREMIER funneled over \$3 million to Dormie Management from 2000 to 2003. As discussed, Dormie Management is Bartlett's corporation in which he opened a bank account for with Wells Fargo.

After reviewing the evidence seized in search warrant #54935, it appears the cashier's checks from Dormie and Double Tap Management were deposited into Walker Advertising's Citibank account. Since the cashier's checks are evidence of a crime and utilized to pay for Eli Galam's account with Walker Advertising, I am requesting bank account holder information as well as copies of the negotiated checks for those California Federal Bank/Citibank account numbers 166-403-7213, 166-403-7197 and 166-410-1969.

It is from the information stated above, and through my background, training and experience; I request bank records that will show the identified checks were deposited into the Citibank

accounts for Walker Advertising and the subsidiary companies which include, but are not limited to, Legal Rights Defenders, Walker Advertising, 1-800-THE-LAW2 and Los Defensores. I will need to seize and examine original signature cards to show signatory authority of the suspect account(s), copies of account applications and account holder information to prove it's ownership in the bank account(s), front and back copies of deposited checks and other negotiable monetary instruments to show the money flow, front and back copies of checks and other monetary instruments used to draw funds from the account(s) and show any unidentified bank account(s), and documentation of all wire transfer records, as it will show other unidentified bank accounts.

Additionally, through my training and experience, I know that banks and financial institutions also keep paper records of transactions to better assist their clients, monitor the transactions of their employees and control the bank's financial stability. As it pertains to Walker Advertising, I ask the Court to further grant me access to the bank's internal notes regarding suspicious account activity or reasons for closing accounts, copies of monthly account reports that reveal suspect account(s) activities or daily account balance printouts on the suspect account(s), any safe deposit box accounts and logs showing ingress and egress of customer (suspects), and copies of signed affidavits from true payees in cases of fraudulent activity because suspects may utilize this form to embezzle monies from true payee (victims).

Since the criminal conspiracy and fraud scheme shows PREMIER illegally funneled new patients to their clinics from Walker Advertising, it is necessary to show the callers obtained from Walker Advertising, under Galam's account, were eventually treated at PREMIER. As illustrated through evidence and witness interviews, there is sufficient support to believe callers are funneled directly to PREMIER.

Therefore, I am requesting the premises of PREMIER be searched as it is believed PREMIER kept records which will show the clients obtained from Walker Advertising were, in fact, treated at PREMIER. As PREMIER purports to be a billing and collections entity, with the medical doctors being independent contractors, PREMIER does not hold a privilege and a Special Masters is not required. PREMIER does not have dominion and control of confidential medical files as the medical doctors maintain this authority. PREMIER is no longer open to the public and only continues to do business to collect on unpaid liens.

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United States Postal Inspector Delaney has been assisting in this investigation. On 4/18/07, Postal Inspector Shari Delaney provided me with information that led me to believe PREMIER was using the address of 2189 W. 7th Street in Los Angeles, California. She informed me that the offices of PREMIER are being occupied by approximately fifteen employees who each have a computer. Through intelligence obtained by Delaney she believed the office to be a billing and collections office.

From several surveillances, the building consists of five (5) levels and has a sign "Hotel Chancellor" on the roof. There is a main entrance as well as an entrance at the eastern corner. The entrance at the eastern corner has a sign identifying the business as "Premier Medical Management Systems, Inc." There are windows along the front (south) and east side of the building. The building is tan with white bricks.

On 5/18/07, surveillance was conducted at the location believed to be the offices of Premier located at 3189 W. 7th Street in Los Angeles, California. As discussed, the east corner of the building has an entrance which is identified as "Premier Medical Management Systems, Inc." I entered this door and found several cubicles with computers, papers and boxes. There were several boxes labeled, "Premier."

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LPE
On 6/25/07, surveillance was conducted at the location believed to be the offices of Premier located at 3189 W. 7th Street in Los Angeles, California. A known employee of Premier, Tim Roupoli, was seen exiting and entering the building throughout the day. Roupoli utilized the east entrance which is known to be the door associated with Premier. Additionally, Rebekah Bartlett, a known employee of Premier, was also seen entering and exiting this door throughout the day.

On 7/11/07, surveillance was conducted at this same address. Again, both Tim Roupoli and Rebekah Bartlett were seen entering and exiting through the door known to be that of Premier.

I am requesting all billing and collection files for all patients that were treated at PREMIER be seized. Any and all records and documents that may show association to Walker Advertising, The Law Offices of A. Eli Galam and Eli Galam shall be seized.

It is important to point out that PREMIER has ongoing civil litigations with various insurance companies, where \$70 million in liens are being disputed. PREMIER is currently in the process of attempting to collect on the \$70 million that they have billed to various insurance companies for services their facilities rendered to claimants. Therefore, PREMIER is maintaining documentation on claimants they have treated. It is believed they maintain this information in both paper form as well as in computer databases.

I believe the service of this warrant should allow investigators to seize the contracts that PREMIER maintains, telephone bills and records, banking information, including but not limited to signatore cards, account statements, deposit slips, checks, account applications and account numbers for PREMIER to be seized.

As this scheme involves the utilization of "management companies," I am requesting Fraud Division investigators be allowed to seize documentation that pertains to any and all companies that were formed by the suspects associated with PREMIER (described in more detail in Exhibit 1 and itemized in Attachment A).

I request any and all documentation be seized that pertains to suspect attorneys believed to be working with PREMIER who are identified in Attachment A. Since it is believed PREMIER obtained clients from Walker Advertising and then referred them to attorneys for representation, it is believed these attorneys may also be involved in the criminal conspiracy.

I request the search of PREMIER, as well as the search of PREMIER owners which are detailed in Attachment A.

I have spoken with Jerry Niehaus, a Peace Officer and Supervising Criminal Investigator with the California Department of Insurance Fraud Division. He informed me that he has been a Peace Officer in the State of California for over 30 years and is also a member of the Division's Computer Forensics Team. He informed me that in connection with his employment he uses computer systems, as well as conducts computer-related investigations. He has been assigned to the Computer Forensic Team since March, 2001. He has received over 165 hours of California P.O.S.T. approved training on computer-related crimes, computer evidence analysis methodology, applicable state and federal laws, and the seizure and examination of computers from the California State Department of Justice, the National Consortium for Justice Information and Statistics (SEARCH) and California Department of Insurance's Computer Forensic Team.

Niehaus has personally conducted or assisted in over 50 computer forensic investigations that have involved the searching of computer hard drives, removable hard drives, floppy disks and other storage media. His investigations have resulted in the location of computer evidence related to the alleged crimes.

Niehaus told me that to search for the previously mentioned evidence in a computer, it will be necessary to search for and seize the following: electronic data processing and storage devices, computers and computer systems, including personal computers, internal and peripheral storage devices such as internal or external hard disk drives, floppy disk drives and diskettes, tape drives and magnetic data tapes, optical storage devices or other memory storage devices, digital cameras and memory devices used with digital cameras, hand held data storage devices, such as personal data organizers (PDAs), computer software, to include floppy discs, drive units, magnetic tapes, laser discs, CDs and any other feature which stores data, any related data stored within such units, as well as any related operating logs, software, and instruction and operating manuals used to operate the above listed items.

Niehaus told me that in order to facilitate the search, it would be best to make image copies of any computers found at the business locations. These images could later be searched at a computer forensics lab by properly trained examiners. Due to the complex and continually evolving nature of computers and computer hardware, it may become necessary to seize and remove computers and take them to another location for imaging. For instance, acquiring an image of a laptop hard drive can be a time-consuming process, and if attempted without the proper research, could result in alteration of data on the hard drive. Additionally, removable storage media, such as floppy disks and compact disks, are frequently found in large quantities. It is usually best to handle the acquisition (bit for bit copy) and examination of such media off-site at a forensic lab. Niehaus told me that once the suspect's computer data is acquired the examination required to determine the existence and preservation of evidence could take several weeks.

Niehaus told me that due to the nature of digital information storage, it is necessary to search every bit, byte, sector and cluster of a hard disk drive or other magnetic or optical storage media for information of evidentiary value. A computer operator may alter file names or file extensions. As an example, on a Windows based operating system, text files may be disguised as picture files or picture files may be disguised as text files, through a simple change of the three character extension (i.e.: ".txt", ".doc", ".jpg", ".gif", etc).

Niehaus told me that the Department of Insurance uses the on-site assistance and/or lab assistance of civilian investigators from the Department of Insurance, Investigations Division. In addition, if in the course of serving the search warrant it becomes apparent that the executing investigators and/or the above named civilian investigators are unfamiliar with the technical aspects of the computer and/or operating system, Niehaus told me that he would have to call in other civilian computer specialists familiar with those technical aspects.

SEALING ORDER REQUEST

This investigation is ongoing and I ask that the Court recognize the need and importance to issue non-disclosure orders on this search warrant. Additionally, to protect the identity of our confidential informant, I believe it is necessary to seal the information contained in this warrant. It is my professional opinion that the Court should granted a non-disclosure order for the duration of the criminal investigation, for it would be sufficient time to gather relevant evidence for submission to the Los Angeles District Attorney's office.

If any of the information within the requested sealed portion of the Affidavit and Statement of Probable Cause is made public, it will reveal or tend to reveal the identity of our confidential informant, impair further investigations and endanger the life of the informant.

It is important to point out that PREMIER is well aware the Fraud Division has initiated a criminal investigation, but PREMIER is not privy to the extent and magnitude of evidence discovered in this investigation. PREMIER has several ongoing civil litigations with various insurance companies, where \$70 million in liens are being disputed. In this litigation, PREMIER has issued an October 14, 2004 motion stating, "Premier Medical Management Systems, Inc. ("Premier") and its principals are currently under criminal investigation by the Department of Insurance and the Los Angeles District Attorney's Office." Premier does not know we have contacted and secured critical witness statements from various doctors and civilian informants. We do know from the investigation that Private Investigator Allen Lipkin has attempted to contact similar witnesses. Lipkin is hired by Premier to probe and discover any and all information pertaining to this current investigation. It is imperative all legal means viable to law enforcement be used to obtain and secure evidence, such as witness statements, and to maintain the integrity of those statements without any undue influence or tampering from external parties.

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I request that the Affidavit and Statement of Probable Cause portion of the search warrant be ordered sealed by the magistrate in order to implement the privilege under Evidence Code sections 1040 - 1042 and to protect the identity of our confidential informant or official information, pursuant to the Supreme Court decision in *People v. Hobbs* (1994) 7 Cal. 4th 948.

I state, without prejudice, should I uncover additional evidence and ancillary probable cause, I will be seeking additional search warrants to further this investigation.

ASSISTANCE OF NON-SWORN PERSONNEL

I also request permission to utilize the assistance of non-sworn personnel in carrying out the duties necessary to seize the requested evidence due to the multitude of documents to be searched and collected. Therefore, I request that the Court grant me permission to utilize Fraud Division employees (non-sworn) for administrative assignments within the search warrant locations, so that additional resources can be used to expedite the search, collection and preservation of seized evidence.

Addendum

In this search warrant, I am requesting the search of the offices of Premier Medical Management Systems, Inc. (Premier) which is identified as location #3. In the warrant, the address is currently identified as 3189 W. 7th Street in Los Angeles, California. This address was originally believed to be the legal address of Premier.

Information obtained from United States Postal Inspector Shari Delaney identifies the address of Premier as 3191 W. 7th Street in Los Angeles, California, 90020. This confirms the address numbers identified on the main structure in which Premier is known to be located through numerous surveillances. Additionally, a sign posted outside the Premier entrance identifies the address as 3191 W. 7th St. in Los Angeles, California, 90020. On 9/18/07, I contacted the Premier offices by telephone at (213) 388-1015 and requested the address. The operator identified the address for Premier as 3191 W. 7th St., in Los Angeles, California, 90020.

On 9/18/07, I contacted United States Postal Inspector Shari Delaney and requested she contact the postal carrier that delivers the mail to the Premier offices. On 9/19/07, Delaney confirmed the address that Premier is using as 3191 W. 7th St., in Los Angeles, California, 90020.

OK
9-20-07
LRF