

**BEFORE THE CALIFORNIA HORSE RACING BOARD  
OF THE STATE OF CALIFORNIA**

**In the Matter of:  
APPEAL OF THE BOARD OF  
STEWARDS OFFICIAL RULING #24,  
LOS ALAMITOS QUARTER HORSE  
RACING ASSOCIATION, DATED  
FEBRUARY 17, 2024, AND OFFICIAL  
RULING #27, LOS ALAMITOS  
QUARTER HORSE RACING  
ASSOCIATION, DATED MARCH 3, 2024,  
AND OFFICIAL RULING #50, LOS  
ALAMITOS QUARTER HORSE RACING  
ASSOCIATION, DATED APRIL 21, 2024,**

Case No. SAC 24-0012

**CAROLYN KLINE  
CHRB License #293118**

**WILLIAM KLINE  
CHRB License #293119  
Appellants**

**DECISION**

The attached Proposed Decision is adopted by the California Horse Racing Board in the above-entitled matter. The Decision affirms the Hearing Officer's recommendation that Appellants' Appeal of SAC 24-0012 be overruled.

IT IS SO ORDERED ON November 22, 2024.

**Gregory L.  
Ferraro, DVM**

Digitally signed by  
Gregory L. Ferraro, DVM  
Date: 2024.11.22  
13:30:11 -08'00'

Gregory L. Ferraro, DVM, Chairman  
California Horse Racing Board

**C. Scott  
Chaney**

Digitally signed by C.  
Scott Chaney  
Date: 2024.11.22  
13:10:14 -08'00'

Scott Chaney, Executive Director  
California Horse Racing Board



1 Appellants Carloyn Kline and William Kline (collectively “Appellants”) were present and  
2 represented themselves.

3 The Appeal’s evidentiary record closed at the conclusion of the proceedings on July 23,  
4 2024, at approximately 2:50 p.m.

## 5 **II. EXHIBITS ADMITTED INTO EVIDENCE**

### 6 **A. Exhibits Entered into Evidence.**

7 This Officer moves the following exhibits into evidence, which are attached to this  
8 Proposed Decision:

- |    |             |   |
|----|-------------|---|
| 9  | Exhibit “1” | The Board of Stewards’ Official Ruling No. 24, Los Alamitos       |
| 10 |             | Quarter Horse Racing Association, Dated February 17, 2024;        |
| 11 | Exhibit “2” | The Board of Stewards’ Official Ruling No. 27, Los Alamitos       |
| 12 |             | Quarter Horse Racing Association, Dated March 3, 2024;            |
| 13 | Exhibit “3” | The Board of Stewards’ Official Ruling No. 50, Los Alamitos       |
| 14 |             | Quarter Horse Racing Association, Dated March 3, 2024;            |
| 15 | Exhibit “4” | The Notice of Hearing;  |
| 16 | Exhibit “5” | The Stipulation For Entry of Judgment in Case No. 30-2021-        |
| 17 |             | 01225904-SC-SC, filed in the Superior Court of California, County |
| 18 |             | of Orange, Small Claims Division, on December 3, 2021; and        |
| 19 | Exhibit “6” | The Hearing Transcript concerning the January 25, 2024 Hearing    |
| 20 |             | before the Los Alamitos Board of Stewards.                        |

## 21 **III. LIST OF TESTIFYING WITNESSES**

22 The following witnesses testified during the Hearing:

- 23 • Carloyn Kline;
- 24 • William Kline; and
- 25 • Robert Lucas.

## 26 **IV. FACTUAL FINDINGS**

27 After admitting all exhibits and testimony into evidence, this Officer makes the following  
28 findings of fact:

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**I.**

On December 3, 2021, Appellants and trainer Robert Lucas (“Lucas”) (collectively, with Appellants, referred to as the “Parties”) entered into a “Stipulation For Entry of Judgment” in Case No. 30-2021-01225904-SC-SC, filed in the Superior Court of California, County of Orange, Small Claims Division (the “Judgment”). (Ex. 5.)

**II.**

Pursuant the Judgment, the Parties stipulated to the following:

(1) Appellants were to pay Lucas \$3,000.00 by December 3, 2021; (2) the Parties’ partnership was dissolved effectively immediately; (3) Appellants were to transfer ownership of the following horses to Lucas via bill of sale no later than December 6, 2021: Cincinnatus Eagle, Morning Blurs, Marino Heat, Emerald City, Never Give In, Sarah’s Smirk, Shake N Fries, Tyrannical Rex, Verry Bossy, and Our Lucky Star (collectively, the “Horses”); (4) Lucas would not pursue any legal action against Appellants; and (5) the Small Claims litigation was to be dismissed with prejudice. (Ex. 5.)

**III.**

However, Appellants, for whatever reason, failed to comply with the Judgment as they did not transfer ownership of Marino Heat, Shake N Fries, and Tyrannical Rex (the “Subject Horses”) to Lucas. (See Ex. 1.)

**IV.**

Therefore, on January 25, 2024, the Los Alamitos Board of Stewards (“Stewards”) conducted a hearing and/or settlement conference concerning the transfer of the Subject Horses to Lucas (the “January 25, 2024 Hearing”). (Ex. 6.)

**V.**

On February 17, 2024, the Stewards issued Official Ruling No. 24, Los Alamitos Quarter Horse Racing Association (“Ruling No. 24”), ordering the following:

Carolyn Kline and William Kline are to transfer ownership of the horses Marino Heat, Shake N Fries, and Tyrannical Rex to Robert Lucas as ordered by Judicial Officer Ronald Klar of the Orange Conty Superior Court.

Such transfers are to be completed by March 1, 2024. (Ex. 1.)

**VI.**

Appellants subsequently failed to comply with Ruling No. 24, and therefore, on March 3,

1 2024, the Stewards issued Official Ruling No. 27, Los Alamitos Quarter Horse Racing  
2 Association (“Ruling No. 27”), ordering:

3 Owners Carolyn Kline and William Kline are suspended for failure to comply with  
4 Los Alamitos Quarter Horse Racing Association ruling #24, dated February 17,  
5 2024 (failure to transfer ownership of the horses Marino Heat, Shake N Fries, and  
6 Tyrannical Rex to Robert Lucas, as ordered by Judicial Officer Ronald Klar of the  
7 Orange County Superior Court). The suspension(s) to commence on March 4, 2024.

8 During the term of suspension, all licenses and license privileges of Carolyn Kline  
9 and William Kline are suspended and pursuant to California Horse Racing Board  
10 rule #1528 (jurisdiction of Stewards to suspend or fine). Carolyn Kline and William  
11 Kline are denied access to all premises in this jurisdiction.  
12 (See Ex. 2.)

### 13 VII.

14 Appellants proceeded to transfer the Subject Horses to Lucas pursuant to Ruling No. 24,  
15 and thus on April 21, 2024, the Stewards issued Official Ruling No. 50, Los Alamitos Quarter  
16 Horse Racing Association (“Ruling No. 50”), ordering:

17 Owners Carolyn Kline and William Kline, having complied with the terms of ruling  
18 #24, issued at Los Alamitos Quarter Horse Racing Association on February 17,  
19 2024, are restored to good standing. Ruling #27, issued at Los Alamitos Quarter  
20 Horse Racing Association on March 3, 2024, is set aside.  
21 (See Ex. 3.)

### 22 VIII.

23 Appellants subsequently appealed Ruling Nos. 24, 27, and 50. The CHRB proceeded to  
24 set this Appeal for hearing on July 23, 2024, via video conference. (Ex. 4.)

## 25 V. ISSUES ON APPEAL AND CONTROLLING LAW

26 Appellants have the burden of proving facts necessary to sustain this Appeal. (See, Cal.  
27 Code Regs. Tit. 4 § 1764 [“The burden shall be on the appellant to prove the facts necessary to  
28 sustain the appeal.”].) In reviewing an administrative decision “that substantially impacts a  
fundamental vested right, [this Officer shall]...exercise [his] independent judgment upon the  
evidence.” (*Alberda v. Board of retirement of Fresno County Employers’ Retirement Assn.*  
(2013) 214 Cal.App.4th 426, 433, citations omitted.)

“In carrying out this independent review, [this Officer] must afford the agency’s decision  
a strong presumption of correctness and must impose upon [Appellant] the burden of showing  
that the agency’s findings are contrary to the weight of the evidence, i.e., the decision was not

1 supported by the preponderance of the evidence.” (*Alberda*, supra, 214 Cal.App.4th at 433,  
2 citations omitted.) “Preponderance of the evidence means what it says, viz., that the evidence on  
3 one side outweighs, preponderates over, is more than, the evidence on the other side, not  
4 necessarily in number of witnesses or quantity, but in its effect on those to whom it is addressed.”  
5 (*Glage v. Hawes Firearms Co.* (1990) 226 Cal.App.3d 314, 325, citations omitted.)

6 “[W]hile [this Officer] begins [his] review with a presumption of the correctness of the  
7 [agency’s decision], the presumption is rebuttable and may be overcome by the evidence.”  
8 (*Alberda*, supra, 214 Cal.App.4th at 433, citations omitted.) “When applying the independent  
9 judgment test, [this Officer] may reweigh the evidence and substitute [his] own findings for those  
10 of the [agency], after first giving due respect to the [agency’s] findings.” (*Breslin v. City and*  
11 *County of San Francisco* (2007) 146 Cal.App.4th 1064, 1077.)

## 12 VI. DISCUSSION

13 Appellants’ Appeal is denied because it is moot as a matter of law. “California courts will  
14 decide only justiciable controversies...[t]he concept of justiciability is a tenet of common law  
15 jurisprudence and embodies the principle that courts will not entertain an action which is not  
16 founded on an actual controversy...[j]usticiability thus involves the intertwined criteria of  
17 ripeness and standing.” (*Parkford Owners for a Better Community v. County of Placer* (2020) 54  
18 Cal.App.5th 714, 722, quotations omitted.)

19 “A controversy is ‘ripe’ when it has reached, but has not passed, the point that the facts  
20 have sufficiently congealed to permit an intelligent and useful decision to be made...[b]ut  
21 ripeness is not a static state, and a case that presents a true controversy at its inception becomes  
22 moot if before decision it has, through act of the parties or other cause, occurring after the  
23 commencement of the action, lost that essential character.” (*Parkford Owners for a Better*  
24 *Community*, supra, 54 Cal.App.5th at 722, quotations omitted.)

25 “[A]n appeal is moot if the occurrence of events renders it impossible for the appellate  
26 court to grant appellant any effective relief.” (*La Mirada Avenue Neighborhood Assn. of*  
27 *Hollywood v. City of Los Angeles* (2016) 2 Cal.App.5th 586, 590, quotations omitted.) “It is well  
28 settled that an appellate court will decide only actual controversies. Consistent therewith, it has

1 been said that an action which originally was based upon a justiciable controversy cannot be  
2 maintained on appeal if the questions raised therein have become moot by subsequent acts or  
3 events.” (*Finnie v. Town of Tiburon* (1988) 199 Cal.App.3d 1, 10.)

4 Here, there is no longer a way to grant Appellants the relief sought by this Appeal.  
5 Specifically, Appellants voluntarily complied with Ruling No. 24 by transferring the Subject  
6 Horses to Lucas, and therefore were restored to good standing with the CHRB while Ruling No.  
7 27 was explicitly set aside. (See Exs. 1-3.)

8 Because Appellants complied with Ruling No. 24, and because Ruling No. 27 has been  
9 set aside, the instant Appeal should be dismissed as moot. (See e.g., *La Mirada Avenue*  
10 *Neighborhood Assn. of Hollywood*, supra, 2 Cal.App.5th at 590 [“Ordinarily, when...a case  
11 becomes moot pending an appellate decision, the reviewing court will simply dismiss the appeal  
12 on the ground it can no longer grant any effective relief.”].)

13 Accordingly, Appellants’ Appeal should be dismissed as moot because there is no relief  
14 that can be granted at this time. (See e.g., *Santa Monica Baykeeper v. City of Malibu* (2011) 193  
15 Cal.App.4th 1538, 1547, 124 Cal.Rptr.3d 382 [“[A]ppel should be dismissed as moot when the  
16 occurrence of events renders it impossible for the appellate court to grant appellant any effective  
17 relief.”].)

## 18 VII. CONCLUSION

19 Because this Appeal is now moot, Appellants failed to meet the burden of proof necessary  
20 to sustain the instant Appeal.

21 WHEREFORE, it hereby recommended that Appellants’ Appeal of SAC 24-0012 be  
22 overruled in accordance with this Proposed Decision.

23 Dated: November 8, 2024



24 \_\_\_\_\_  
25 Patrick J. Kane, Esq.  
26 Hearing Officer  
27  
28

# **EXHIBIT 1**

**California Horse Racing Board**

1010 Hurley Way, Suite 300  
Sacramento, CA 95825  
(916) 263 – 6000  
(916) 263 – 6042 Fax



**Official Ruling**

of the  
Board of Stewards

**Los Alamitos Quarter Horse Association**

**February 17, 2024**

**Ruling #24 - LAQL024 (2024)**

**Los Alamitos Quarter Horse**

**Racing Association**

**February 17, 2024**

**Ruling #24**

The following ruling is based on a formal hearing, a settlement conference, and with the concurrence of counsel for the California Horse Racing Board:

Carolyn Kline and William Kline are to transfer ownership of the horses Marino Heat, Shake N Fries, and Tyrannical Rex to Robert Lucas as ordered by Judicial Officer Ronald Klar of the Orange County Superior Court.

Such transfers are to be completed by March 1, 2024.

Carolyn Kline

Lic # 293118 - 04/2025

License 293118 exp 4/2025 DOB:04/25/1971

License 293119 exp 6/2025 DOB:06/24/1971

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Steward

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Steward

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Steward

# **EXHIBIT 2**

**California Horse Racing Board**

1010 Hurley Way, Suite 300

Sacramento, CA 95825

(916) 263 – 6000

(916) 263 – 6042 Fax



# Official Ruling

of the  
Board of Stewards

## Los Alamitos Quarter Horse Association

March 03, 2024

### Ruling #27 - LAQL027 (2024)

Owners Carolyn Kline and William Kline are suspended for failure to comply with Los Alamitos Quarter Horse Racing Association ruling #24, dated February 17, 2024 (failure to transfer ownership of the horses Marino Heat, Shake N Fries, and Tyrannical Rex to Robert Lucas, as ordered by Judicial Officer Ronald Klar of the Orange County Superior Court). The suspension(s) to commence on March 4, 2024.

During the term of suspension, all licenses and license privileges of Carolyn Kline and William Kline are suspended and pursuant to California Horse Racing Board rule #1528 (jurisdiction of Stewards to suspend or fine). Carolyn Kline and William Kline are denied access to all premises in this jurisdiction.

Carolyn Kline

Lic # 293118 - 04/2025

License 293118 exp 4/2025 DOB:04/25/1971

License 293119 exp 6/2025 DOB:06/24/1971

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Steward

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Steward

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Steward

# **EXHIBIT 3**

**California Horse Racing Board**

1010 Hurley Way, Suite 300

Sacramento, CA 95825

(916) 263 – 6000

(916) 263 – 6042 Fax



# Official Ruling

of the  
Board of Stewards

## Los Alamitos Quarter Horse Association

April 21, 2024

### Ruling #50 - LAQL050 (2024)

Owners Carolyn Kline and William Kline, having complied with the terms of ruling #24, issued at Los Alamitos Quarter Horse Racing Association on February 17, 2024, are restored to good standing. Ruling #27, issued at Los Alamitos Quarter Horse Racing Association on March 3, 2024, is set aside.

License 293118 exp 4/2025 DOB:04/25/1971

License 293119 exp 6/2025 DOB:06/24/1971

\_\_\_\_\_ Steward

\_\_\_\_\_ Steward

\_\_\_\_\_ Steward

# **EXHIBIT 4**

**BEFORE THE CALIFORNIA HORSE RACING BOARD**  
**OF THE STATE OF CALIFORNIA**

In the Matter of:

**Appeal of the Board of Stewards Official Ruling #24, Los Alamitos Quarter Horse Racing Association, dated February 17, 2024, and Official Ruling #27, Los Alamitos Quarter Horse Racing Association, dated March 3, 2024, and Official Ruling #50, Los Alamitos Quarter Horse Racing Association, dated April 21, 2024**

**CAROLYN KLINE**  
**CHRB License #293118**

**WILLIAM KLINE**  
**CHRB License #293119**  
Appellants

Case No. SAC 24-0012

**NOTICE OF HEARING**

TO ALL PARTIES TO THE ABOVE CAPTIONED PROCEEDING:

NOTICE IS HEREBY GIVEN that a hearing will be held with video conference available utilizing Microsoft Teams before a designated Referee of the California Horse Racing Board pursuant to Section 1414, Title 4, California Administrative Code, **on July 23, 2024, at 1:00 pm.**, upon the matter set forth in the above caption.

You may be present at the hearing. You have the right to be represented by an attorney at your own expense. You are not entitled to the appointment of an attorney to represent you at public expense. You are entitled to represent yourself without legal counsel.

**CALIFORNIA HORSE RACING BOARD**  
Administrative Hearings Unit

Kimberly Herd  
Administrative Hearings Unit

Dated: July 9, 2024

**DECLARATION OF SERVICE BY CERTIFIED MAIL**

**In the Matter of the Appeal of the Board of Stewards:**

I declare I am employed by the California Horse Racing Board; I am 18 years of age or older and not a party to this matter; my business address is 1010 Hurley Way, Suite 300, Sacramento, CA 95825. On July 9, 2024, I served the attached Notice of Hearing by placing a true copy thereof enclosed in a sealed envelope as certified mail with postage thereon fully prepaid and return receipt requested, and another copy of the Notice of Hearing via electronic mail addressed as follows:

William Kline & Carolyn Kline  
23632 N 57<sup>th</sup> Drive  
Glendale, AZ 85310  
Certified Mailing No.:95890710527700409406646  
Email: [klineteamaz@gmail.com](mailto:klineteamaz@gmail.com)

Robert Lucas  
31840 Ortega Highway  
Lake Elsinore, CA 92530  
Certified Mailing No.: 70212720000049554345  
Email: [lucasmountainranch@yahoo.com](mailto:lucasmountainranch@yahoo.com)

On July 9, 2024, I served the attached Notice of Hearing, by emailing a true copy thereof to the parties below:

Patrick Kane, Hearing Officer  
Los Alamitos Stewards

I declare under penalty of perjury under the laws of the State of California the foregoing is true and correct, and that this Declaration was executed on July 9, 2024.

Kimberly Herd

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Declarant

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Signature

# **EXHIBIT 5**

<b>SUPERIOR COURT OF CALIFORNIA, COUNTY OF ORANGE</b> JUSTICE CENTER: <input checked="" type="checkbox"/> Central - 700 Civic Center Dr. West, Santa Ana, CA 92701-4045 <input type="checkbox"/> Harbor-Newport Beach Facility - 4601 Jamboree Rd., Newport Beach, CA 92660-2595 <input type="checkbox"/> North - 1275 N. Berkeley Ave., P. O. Box 5000, Fullerton, CA 92838-0500 <input type="checkbox"/> West - 8141 13 <sup>th</sup> Street, Westminster, CA 92683-4593	<b>FILED</b> FOR COURT USE ONLY SUPERIOR COURT OF CALIFORNIA COUNTY OF ORANGE CENTRAL JUSTICE CENTER  <b>DEC 03 2021</b>
PLAINTIFF: 1) Carolyn Kline; 2) William Kline  DEFENDANT: Robert Lucas	DAVID H. YAMASAKI, Clerk of the Court  BY: _____, DEPUTY
<b>STIPULATION FOR ENTRY OF JUDGMENT SMALL CLAIMS</b>	CASE NUMBER: 30-2021-01225904-SC-SC- <u>6</u>

IT IS STIPULATED by plaintiff(s): 1) Carolyn Kline; 2) William Kline  
 and defendant(s): Robert Lucas

that plaintiff(s) be awarded a money judgment in the sum of \$ see below, plus costs in the amount of \$ see below, for a TOTAL OF \$ see below.  Judgment is to be entered immediately.  Judgment is only to be entered upon default in payments.

**STIPULATION FOR PAYMENTS**  
 Defendant(s) agrees to pay installments of \$ \_\_\_\_\_ on the \_\_\_\_\_ day of each month beginning on \_\_\_\_\_ until paid in full; if any payment is more than \_\_\_\_\_ days late, the entire amount will be payable immediately. Interest to accrue at the legal rate (pursuant to Code of Civil Procedure, § 685.010) on the unpaid balance.  
 If payments are made on time, plaintiff gives up the right to:  interest  costs.

- PLAINTIFF(S) AND DEFENDANT(S) FURTHER STIPULATE AS FOLLOWS:**
1. Plaintiffs agree to pay Defendant, today 12/3/2021, \$3,000 via Zelle #949-289-7223.
  2. Both parties agree to dissolve their partnership as of today, 12/3/2021.
  3. Plaintiffs agree to give the Defendant ownership of the horses listed here: Cincinnatus Eagle, Morning Blur, Marino Heat, Emerald City, Never Give In, Sarah's Smirk, Shake N Fries, Tyrannical Rex, Verry Bossy, Our Lucky Star. Plaintiffs will obtain a notarized CHRB Bill of Sale and deliver it to the Los Alamitos Racing Office by 12/6/2021.
  4. Defendant agrees not to pursue any legal action against the Plaintiffs.
  5. Plaintiffs request the Court to dismiss this case today, 12/3/2021, with prejudice.

If judgment is entered on this stipulation, interest on the unpaid amount will run at the statutory rate (pursuant to CCP 685.010) from date of this stipulation.

If no dismissal is filed or judgment entered by N/A, this case will be dismissed with prejudice.

I/we the defendant(s), understand that I/we give up the rights to: (1) appeal the judgment; (2) notice and hearing of any default in the terms of the stipulation, entry of judgment or dismissal.

Date: 12/3/2021 \_\_\_\_\_ (SIGNATURE OF PLAINTIFF) \_\_\_\_\_ (SIGNATURE OF PLAINTIFF)

Date: 12/3/2021 \_\_\_\_\_ (SIGNATURE OF DEFENDANT) \_\_\_\_\_ (SIGNATURE OF DEFENDANT)

Approved by:  
 Date: 12-3-21 \_\_\_\_\_  
**JUDGMENT IS ORDERED ON ALL THE TERMS OF THIS STIPULATION.**  
 \_\_\_\_\_  
**RONALD KLAR**  
 JUDICIAL OFFICER

Date: \_\_\_\_\_  
 \_\_\_\_\_  
 JUDICIAL OFFICER\*  
 (\*sign only if judgment is to be entered immediately)

# **EXHIBIT 6**



BEFORE THE CALIFORNIA HORSE RACING BOARD

STATE OF CALIFORNIA

BEFORE THE BOARD OF STEWARDS

IN THE MATTER OF: )  
 )  
ROBERT LUCAS, )  
 )  
COMPLAINANT, ) CASE NO.: N/A  
 )  
VS. )  
 )  
WILLIAM AND CAROLYN KLINE, )  
 )  
RESPONDENTS. )  
\_\_\_\_\_ )

TRANSCRIPT OF PROCEEDINGS, HELD

AT LOS ALAMITOS RACECOURSE, BOARD OF STEWARDS'  
OFFICE, 4961 KATELLA AVENUE, LOS ALAMITOS,  
CALIFORNIA, ON THURSDAY, JANUARY 25, 2024, AT  
9:30 A.M., HEARD BEFORE THE BOARD OF STEWARDS,  
REPORTED BY MICHELLE E. DERIEG, HEARING REPORTER.

APPEARANCES:

BOARD OF STEWARDS:

TOM WARD  
JAMES DREYER  
DAVID NUESCH

FOR THE STATE:

KEVIN KITASHIMA  
SUPERVISING SENIOR INVESTIGATOR  
LOS ALAMITOS RACECOURSE  
4961 KATELLA AVENUE  
LOS ALAMITOS, CALIFORNIA 90720

ALSO PRESENT:

WILLIAM KLINE  
CAROLYN KLINE  
ROBERT LUCAS

I N D E X

E X H I B I T S

<u>CLAIMANT'S:</u>	<u>MARKED FOR IDENTIFICATION</u>	<u>RECEIVED IN EVIDENCE</u>
1 - STIPULATION FOR ENTRY OF JUDGMENT	55	55
2 - H.I.W.U. ANALYTICAL RESULTS WAIVER FORM	56	56

1 CYPRESS, CALIFORNIA; THURSDAY, JANUARY 25, 2024

2 9:30 A.M.

3  
4  
5 STEWARD NUESCH: WE'LL OPEN UP THE HEARING. IT'S  
6 THURSDAY, JANUARY 25TH, JUST PAST 9:30 IN THE MORNING HERE AT  
7 LOS ALAMITOS RACE COURSE.

8 AGAIN, I'M DAVE NUESCH. JAMES DREYER, TOM WARD  
9 ARE THE THREE STEWARDS THAT MAKE UP THE BOARD OF STEWARDS HERE.  
10 MICHELLE DERIEG IS RECORDING THE PROCEEDINGS.

11 IF YOU WANT TO GIVE US YOUR NAME.

12 MS. KLINE: MY NAME IS CAROLYN KLINE.

13 STEWARD NUESCH: AND YOU'RE AN OWNER?

14 MS. KLINE: I'M AN OWNER.

15 STEWARD NUESCH: OKAY.

16 MR. KLINE: WILLIAM KLINE, OWNER.

17 MR. LUCAS: ROBERT LUCAS, TRAINER/OWNER.

18 STEWARD NUESCH: OKAY.

19 THE REPORTER: OKAY. IF YOU THREE WOULD PLEASE RAISE  
20 YOUR RIGHT HAND.

21  
22 CAROLYN KLINE, WILLIAM KLINE, AND ROBERT LUCAS,  
23 PRODUCED AS WITNESSES BY AND ON BEHALF OF THEMSELVES AND HAVING  
24 BEEN FIRST DULY SWORN BY THE HEARING REPORTER, WERE EXAMINED  
25 AND TESTIFIED AS FOLLOWS:

1           STEWARD NUESCH:  AND JUST TO CATCH ME UP, I BELIEVE,  
2 BOB, THIS WAS A CLIENT OF YOURS?

3           MR. LUCAS:  YES, SIR.

4           STEWARD NUESCH:  OKAY.  SO, I'M GOING TO LET YOU START  
5 OFF WITH WHAT YOU HAVE AND WHERE WE'RE GOING WITH IT.

6           MR. LUCAS:  SURE.  ABSOLUTELY.

7           STEWARD WARD:  PARDON ME ONE SECOND.  BEFORE YOU DO --  
8 AND SORRY FOR INTERRUPTING.

9           STEWARD NUESCH:  NO.

10          STEWARD WARD:  OUR LAST HEARING KIND OF GOT OUT OF HAND  
11 AND SO WE HAD TO SHUT IT DOWN.  THIS TIME, WE'D LIKE ONE PERSON  
12 TO SPEAK SO MS. DERIEG CAN RECORD WHATEVER YOU'RE SAYING.  AND  
13 THE REASON MS. DERIEG IS HERE, IN CASE YOU WANT TO GO ON WITH  
14 FURTHER LITIGATION, THAT'S WHY SHE IS HERE.  OKAY?

15          STEWARD NUESCH:  VERY GOOD.  THANK YOU, TOM.

16          STEWARD WARD:  THANK YOU.

17          MR. LUCAS:  AND JUST TO -- THAT WAS ON 10/12/21.  
18 OBVIOUSLY, WE COULD NOT RESOLVE IT THERE, SO WE WERE REMANDED  
19 TO SAY THAT THIS IS A CIVIL MATTER.  PLEASE TAKE IT TO CIVIL  
20 COURT.

21                       THE KLINEs FILED A LAWSUIT AGAINST ME IN SMALL  
22 CLAIMS COURT FOR \$7,000 AND CHANGE.  \$7,789.

23          THE REPORTER:  SAY THAT NUMBER AGAIN.

24          MR. LUCAS:  \$7,789.  IN SMALL CLAIMS ACTION.  I ALSO  
25 FILED LITIGATION, BUT NOT IN SMALL CLAIMS UNDER \$25,000, FOR

1           \$24,999.

2                         THE MATTER WAS HEARD ON DECEMBER 3RD OF 2021.  
3           AND IN THAT -- I WOULD LIKE TO HAND OUT EVERYONE A COPY OF THE  
4           STIPULATED ENTRY OF JUDGMENT SO EVERYONE HAS THAT.    SO WHEN WE  
5           ARE REFERRING TO ITEM NUMBER ONE, TWO, OR THREE, OR FOUR, YOU  
6           HAVE IT IN FRONT OF YOU.

7                         IS THAT OKAY?

8                         STEWARD NUESCH:   YES.

9                         STEWARD WARD:    THANK YOU.

10                        MS. KLINE:    CAN I ALSO GET HIM TO HAND OUT -- WE NEVER  
11           RECEIVED SERVICE.   HE SAID HE SERVED US OR HE TRIED TO SERVE US  
12           FOR \$24,990 OR SOMETHING.   CAN HE SEND US THAT BREAKDOWN SO  
13           THAT WE CAN SEE WHERE THAT IS?

14                        MR. LUCAS:   THE SERVICE WAS ATTEMPTED TO BE SERVED TO  
15           MS. KLINE.   THE PROCESS SERVER WENT TO HER DOOR.   HE WAS MIKED  
16           AND HE HAD A CAMERA ON HIM.   SHE ANSWERED THE DOOR AND SAID:  
17           THE KLINES ARE ON VACATION.   HE THEN WENT TO THE NEIGHBORS' AND  
18           THE NEIGHBORS LOOKED AT THE VIDEO AND SAID:   NO, THAT IS  
19           CAROLYN KLINE.   SO HE JUST SAID:   CALL ME BACK.   HE SAID:   I  
20           WILL SEND AN AFFIDAVIT TO THAT EFFECT AND I'LL TRY TO SERVE HER  
21           AT A DIFFERENT DATE.

22                        THE PROBLEM WAS IS NOW WE HAVE A SMALL CLAIMS  
23           ACTION THAT'S HOPEFULLY GOING TO RESOLVE ALL OF THIS.   SO I DID  
24           NOT SERVE THEM AGAIN.   THE COURT CASE WAS DISMISSED AS -- AND  
25           IF YOU LOOK DOWN ON -- I WAS THE DEFENDANT AND THEY WERE THE

1 PLAINTIFFS.

2 STEWARD WARD: AND THIS IS SMALL CLAIMS, DECEMBER 3RD  
3 OF '21?

4 MR. LUCAS: CORRECT.

5 STEWARD WARD: OKAY.

6 MS. KLINE: BUT IT IS IRRELEVANT FOR HIM TO --

7 STEWARD WARD: WHOA, WHOA, WHOA.

8 MS. KLINE: SORRY.

9 MR. LUCAS: AND ALL OF THAT IS ACTUALLY SUPERFLUOUS  
10 BECAUSE THE PART OF THIS STIPULATED JUDGMENT, WHICH YOU FOLKS  
11 AGREED TO; CORRECT?

12 MS. KLINE: (NODS HEAD.)

13 MR. LUCAS: SO THEY'VE NODDED THEIR HEAD.

14 PLEASE SAY "YES" OR "NO."

15 MS. KLINE: YES.

16 MR. LUCAS: SO THEY AGREED TO THE STIPULATED JUDGMENT  
17 AND IT SAYS: THE DEFENDANT AGREES NOT TO PURSUE ANY LEGAL  
18 ACTION AGAINST THE PLAINTIFF.

19 AND I ALSO HAVE A DISMISSAL OF THAT \$24,900 THAT  
20 I WOULD ENTER IF YOU'D LIKE TO SEE IT. BUT IT HAS BEEN  
21 DISMISSED AND THAT ACTION IS NO LONGER TAKING PLACE.

22 STEWARD NUESCH: OKAY.

23 MR. LUCAS: I MUST MAKE A VERY GOOD POINT AS TO SAY  
24 THAT THIS REQUIREMENT IS NOT ALL AND FOREVER. IT IS EVERYTHING  
25 UP TO DECEMBER 3RD. ANYTHING THAT WAS DONE AFTER THAT AS OF

1 BEING SLANDERING MY NAME AND DOING OTHER THINGS, THAT'S A WHOLE  
2 OTHER THING. I HOPE WE CAN RESOLVE THIS RIGHT HERE. IF WE  
3 CAN'T, SO BE IT.

4 SO IF THAT IS WHERE WE'RE AT, REALLY WHAT WE  
5 HAVE IN FRONT OF US IS JUST THIS DOCUMENT THAT THEY HAVE AGREED  
6 TO. AND IT STATES -- WELL, THERE'S SOMETHING I HAVE TO ENTER  
7 IN, BUT S.M.L. IS NOT HERE. WHAT I CAN DO IS SHOW IT ALL TO  
8 YOU. IT WAS AN E-MAIL FROM THEM BECAUSE I REQUESTED TO PLEASE  
9 SIGN OVER ALL OF THE HORSES. AND THIS IS A VERY IMPORTANT  
10 E-MAIL THAT I WILL READ TO YOU AND THEN SEND YOU A COPY OF IT.  
11 AND IF CAROLYN KLINE AND/OR WILLIAM KLINE FEELS THAT THEY DID  
12 NOT SEND THIS E-MAIL, THEN SO BE IT.

13 WHAT HAD HAPPENED ON 2/22/22, I REQUESTED  
14 "MARINO HEAT" TO HAVE A BILL OF SALE AS THE STIPULATION SAYS.  
15 THEIR RESPONSE TO THAT WAS -- AND THIS WAS SENT ON WEDNESDAY,  
16 FEBRUARY 23RD. SO THEY RESPONDED THAT -- THE BILL OF SALE WAS  
17 SENT OUT ON THE 22ND. THEY RESPONDED TO ISHAMAR IN THE RACING  
18 OFFICE. AND THIS IS WHAT THEY SAID.

19 "ISHAMAR, THIS BILL  
20 OF SALE FOR 'MARINO HEAT'  
21 CANNOT BE" --

22  
23 (CELL PHONE RINGS.)

24  
25 MR. LUCAS: THIS WAS SENT BY WILLIAM AND CAROLYN KLINE.

1           AGAIN, I'LL GO OVER IT AGAIN.

2                               "ISHAMAR, THIS BILL  
3                               OF SALE FOR 'MARINO HEAT'  
4                               CANNOT BE COMPLETED AS  
5                               DIRECTED. THE COURT  
6                               STIPULATION BETWEEN THE  
7                               PARTIES, CAROLYN KLINE,  
8                               WILLIAM KLINE, AND ROBERT  
9                               LUCAS STATES THAT THE OWNER  
10                              OF ALL NAMED HORSES WOULD BE  
11                              TRANSFERRED PROVIDED THAT  
12                              THE OWNERSHIP DOCUMENT BE  
13                              FURNISHED BY ROBERT LUCAS IN  
14                              ORDER TO PROPERLY EXECUTE A  
15                              BILL OF SALE FOR EACH NAMED  
16                              HORSE.

17                             "THIS HORSE, IN  
18                             PARTICULAR, 'MARINO HEAT,'  
19                             IS OF AN ONGOING  
20                             INVESTIGATION AT TURF  
21                             PARADISE IN ARIZONA ON  
22                             DECEMBER 3, 2022.

23                             "THE DATE OF THE  
24                             COURT STIPULATION, ROBERT  
25                             LUCAS WAS ASKED TO PROVIDE

1 OWNERSHIP DOCUMENTS WITH  
2 BILLS OF SALES ATTACHED FOR  
3 EACH NAMED HORSE.

4 "TO DATE, ROBERT  
5 LUCAS HAS NOT PROVIDED THE  
6 REQUIRED DOCUMENTS AND SINCE  
7 HAS NOT COMPLIED WITH THE  
8 COURT STIPULATION. CAROLYN  
9 KLINE."

10 DOES THAT REFLECT YOUR TEXT?

11 MS. KLINE: (NODS HEAD.)

12 THE REPORTER: I'M GETTING A NOD FROM YOU, MS. KLINE.  
13 IS THAT A "YES"?

14 MS. KLINE: YES, I SENT THAT E-MAIL.

15 MR. LUCAS: SO NOW LET'S GO --

16 STEWARD WARD: CAN I ASK A QUESTION? THIS IS GETTING  
17 VERY CONVOLUTED AND INVOLVED. WHAT WILL IT TAKE OR WHAT WOULD  
18 IT TAKE TO GET THIS CASE SETTLED TODAY?

19 MR. LUCAS: WELL, THE OPTION THAT SHE HAS -- SHE JUST  
20 NODDED AND SAID "YES" THAT SHE AGREED TO THE STIPULATION. THE  
21 STIPULATION -- I AM THE DEFENDANT. THEY ARE THE PLAINTIFF.  
22 THE PLAINTIFFS AGREE TO GIVE THE DEFENDANT OWNERSHIP OF THE  
23 HORSES LISTED HERE. IT DOESN'T SAY ANYTHING OF THOSE THINGS  
24 SHE SAID THAT I WAS SUPPOSED TO GET DOCUMENTS AND BLAH, BLAH,  
25 BLAH.

1                   IT JUST SAYS "CINCINNATUS EAGLE" -- IT NAMES OFF  
2 EIGHT HORSES. NINE HORSES. PLAINTIFFS WILL OBTAIN A NOTARIZED  
3 C.H.R.B. BILL OF SALE AND DELIVER IT TO LOS ALAMITOS RACING  
4 OFFICE BY 12/6/21. THAT IS PRETTY CONCISE AND THAT'S ALL IT  
5 IS. SO ALL THEY HAD TO DO IN THEIR COURT ORDER -- WHICH YOU  
6 GUYS TOLD ME TO GO AND YOU SAID YOU WOULD ENFORCE A COURT  
7 ORDER. ALL THEY HAD TO DO WAS FILL OUT A BILL OF SALE AND SEND  
8 IT TO ME. I DID ONE FOR THEM AND THEY REFUSED TO. THEY ALSO  
9 SAID THAT I WAS BEING UNDER INVESTIGATION WITH ARIZONA  
10 DEPARTMENT OF RACING AND I HAVE NEVER RECEIVED ANYTHING FROM  
11 THEM IN TWO YEARS IN REGARDS TO THIS MATTER.

12                   THEY HAVE SAID NUMEROUS TIMES TO SOME OF YOU  
13 HERE -- I THINK IT WAS RON CHURCH -- THAT THEY FEEL I'VE BEEN  
14 FORGING THEIR NAMES ON DOCUMENTS AND HORSE PAPERS. I HAVE NOT.  
15 ALL THIS SAYS FOR THEM -- IT DOESN'T SAY ANYTHING ABOUT ME  
16 GIVING THEM WHAT THEY SAID I SAID BEFORE AS FAR AS ANYTHING  
17 ABOUT THE HORSES. IT JUST SAYS "SIGN THE HORSES OVER" AND THEY  
18 REFUSE TO DO IT BECAUSE THEY THINK THEY'RE GOING TO GET ME ON  
19 SOME KIND OF FORGING THEIR NAME WHICH I HAVE NEVER DONE.

20                   NOW, THIS DOCUMENT WAS --

21                   STEWARD WARD: ROBERT, ROBERT.

22                   STEWARD NUESCH: SLOW DOWN. YOU'RE OKAY.

23                   STEWARD WARD: YOU SAID YOU WERE GOING TO REMAIN CALM.

24                   MR. LUCAS: AND I WILL. I'M SORRY.

25                   THIS DOCUMENT WAS REVIEWED AND AFFIRMED BY

1 H.I.W.U. LITIGATION DEPARTMENT. H.I.W.U. SENT THE CLIENTS AND  
2 ME BECAUSE WE'RE GETTING READY TO RUN A HORSE CALLED "SHAKE N  
3 FRIES" OR I'M GETTING READY TO RUN A HORSE CALLED "SHAKE N  
4 FRIES." AND UNFORTUNATELY GETTING OFF THE LIST WITH THE NEW  
5 H.I.W.U. REGULATIONS, MY VET GAVE THE HORSE DEXAMETHASONE FIVE  
6 DAYS OUT. IT HAS TO BE SEVEN DAYS OUT WITH THE NEW RULES. SO  
7 WE HAD A DIRTY TEST. WHEN YOU GET A DIRTY TEST, YOU ARE  
8 NOTIFIED BY H.I.W.U. THAT YOUR HORSE IS -- YOU KNOW, YOU HAVE  
9 TO PAY A FINE, AND IT GOES TO ALL THE OWNERS.

10 SO, DID YOU RECEIVE SOMETHING FROM H.I.W.U.?

11 MS. KLINE: I DID.

12 MR. LUCAS: OKAY. SO, THEN THE HORSE RAN, BUT IT RAN  
13 UNDER THEIR NAME. SO THEY HAVE PROBABLY ASSUMED, AND YOU KNOW  
14 WHAT ASSUMED MEANS. THEY ASSUMED THAT I SIGNED THEIR NAME  
15 BECAUSE IT SAYS ON THE H.I.W.U. DOCUMENT THAT ROBERT LUCAS  
16 SIGNATURE -- LUCAS AND SIGNATURE OF CAROLYN KLINE. THIS IS  
17 WHAT I WROTE BACK TO H.I.W.U.

18 I SPOKE WITH HER. HER NAME IS JANINE. BUT  
19 ANYWAY, I SPOKE WITH HER AND EXPLAINED THE SITUATION. SHE SAID  
20 PLEASE SEND ME THE JUDGMENT. SHE LOOKED AT THE JUDGMENT,  
21 CALLED THE COURT, DID HER RESEARCH AND SHE SAID: YOU'RE THE  
22 OWNER.

23 I SENT HER THIS DOCUMENT (INDICATING) WHICH  
24 SAYS, UNDER THEIR NAME INSTEAD OF SIGNING CAROLYN KLINE, NOT  
25 APPLICABLE. SEE ATTACHED COURT ORDER. THIS WAS SENT TO HER BY

1 ISHAMAR AND I ATTACHED THE COURT ORDER TO IT. SO THAT IS WHY.

2 NOW, THE REASON WHY THIS HORSE WAS NOT RUN UNDER  
3 MY NAME ONLY WAS BECAUSE THE STEWARDS FELT THAT THIS WAS  
4 POTENTIALLY STILL -- THIS WAS ALL DOWN DURING THE COVID. IT  
5 WAS ALMOST DONE ORALLY, WHICH I HAVE DOCUMENTS OF THAT IF YOU'D  
6 LIKE TO SEE IT. BUT IT DOESN'T HAVE A STAMP THAT SAYS THIS IS  
7 A FINAL JUDGMENT. I WENT DOWN TO THE COURTHOUSE. IT COST ME  
8 \$43 BECAUSE I WENT OVER ON MY QUARTERS AND I HAVE A VIDEO OF  
9 THE LADY SAYING: THIS IS THE FINAL JUDGMENT. THIS IS ALL YOU  
10 GET.

11 AND SO THERE IS NO OTHER JUDGMENT. AND THIS  
12 JUDGMENT SHOULD BE ADHERED TO. I AM THE OWNER OF "SHAKE N  
13 FRIES."

14 STEWARD NUESCH: BOB, CAN I JUMP IN? WHAT WAS THE  
15 ORIGINAL SETUP WITH THESE, WHAT WAS IT? NINE HORSES?

16 MR. LUCAS: YEAH.

17 STEWARD NUESCH: SO, WERE YOU GUYS ALL THIRDS OR IS IT  
18 HALF AND HALF?

19 MR. LUCAS: IT WAS FIFTY-FIFTY.

20 STEWARD NUESCH: HALF-AND-HALF ON THE THINGS.

21 DO YOU WANT TO HAVE SOME CLARIFICATION ON HOW  
22 THE OWNERSHIP WAS SET UP?

23 MS. KLINE: SO WE HAD A HORSE IN LOUISIANA THAT WE  
24 WERE -- IT WAS A SOUND HORSE AND WE WERE GOING TO SHIP IT OVER.  
25 WE CALLED BOB LUCAS. AND WE SAID: WE WANT TO SHIP IT OUT TO

1 CALIFORNIA AT LOS ALAMITOS. MAYBE A LIGHT SOFTER COMPETITION.  
2 FAIRGROUNDS ARE A LITTLE BIT TOUGH. AND WE WANTED TO GET ON  
3 THE BONUS --

4 STEWARD NUESCH: WHAT WAS THAT HORSE'S NAME?

5 MR. KLINE: "OUR LUCKY STAR."

6 MS. KLINE: "OUR LUCKY STAR."

7 STEWARD NUESCH: OKAY.

8 MS. KLINE: AND THEN HE ENDED UP TALKING TO US ABOUT  
9 BUYING HORSES AND WE THOUGHT, WELL, MAYBE WE'LL BUY ANOTHER  
10 HORSE IN CALIFORNIA. WE'LL CLAIM ONE. HE SAID: I ONLY DO  
11 PARTNERSHIPS.

12 STEWARD NUESCH: OKAY.

13 MR. LUCAS: AND THEREFORE, WE SHOULD'VE TAKEN THAT AS A  
14 RED FLAG. WE DID JOIN IN PARTNERSHIP ON THESE HORSES AND WE  
15 ENDED UP CLAIMING MULTIPLE HORSES OR BUYING THEM. THINGS LIKE  
16 THAT.

17 STEWARD NUESCH: OKAY.

18 STEWARD WARD: I HAVE A QUESTION. HAVE ANY OF THESE  
19 HORSES BEEN TRANSFERRED TO MR. LUCAS ON THIS COURT ORDER?

20 MS. KLINE: SO WE WANTED TO SEE THE PAPERS BECAUSE --

21 MR. KLINE: IT'S A CERTIFICATE OF REGISTRATION FOR EACH  
22 OF THE HORSES.

23 MS. KLINE: BECAUSE WE NEED TO KNOW THAT WE WERE THE  
24 LAST NAMED OWNER, RIGHT?

25 STEWARD WARD: OKAY. AND WHERE ARE THE PAPERS?

1 MS. KLINE: I'VE BEEN ASKING. I'VE BEEN ASKING THE  
2 RACING OFFICE.

3  
4 (SIMULTANEOUS TALKING.)

5  
6 MR. LUCAS: THE SAME DAY, YOU WERE ASKED --

7 THE REPORTER: JUST ONE AT A TIME.

8 MS. KLINE: SORRY. ONE AT A TIME.

9 I ASKED BOB FOR ALL OF THE REGISTRATION PAPERS.  
10 BECAUSE JUST LIKE A CAR, YOU'RE NOT GOING TO A BILL OF SALE NOT  
11 KNOWING THAT YOUR NAME IS ON THERE.

12 STEWARD WARD: CORRECT.

13 MR. LUCAS: IT IS A LEGAL DOCUMENT. I ASKED HIM FOR  
14 THE PAPERS TO SHOW THAT I'M THE OWNER AND THAT I CAN SIGN A  
15 BILL OF SALE, STAMP IT TO, YOU KNOW, DO EVERYTHING HOW I NEED  
16 TO DO IT, THROUGH THE RACING OFFICE.

17 STEWARD WARD: MAYBE I ASKED THE WRONG PERSON.

18 WHERE ARE THE PAPERS, MR. LUCAS?

19 MR. LUCAS: I HAVE THREE OF THE -- FOUR OF THE PAPERS  
20 HERE. ONE IS IN THE OFFICE AND THREE ARE HERE. THOSE ARE THE  
21 FOUR HORSES I HAVE LEFT. ALL THE OTHER ONES HAVE BEEN GIVEN  
22 AWAY BECAUSE I CAN'T TRANSFER THEM. THEY WON'T SIGN IT OVER.  
23 I NEVER RECEIVED -- THE ONLY DOCUMENT I RECEIVED REQUESTING  
24 SOMETHING WAS THE THING I JUST READ TO YOU. THEY HAVE NEVER  
25 TOLD ME THAT THEY WANT TO SEE THE FRONT AND BACKS OF THE

1 PAPERS.

2                   THEY DID SAY IN THE LETTER THAT I READ YOU THAT  
3 THE COURT ORDER -- THEY MADE IT VERY CLEAR THAT -- LET ME GO  
4 BACK TO THAT. AND THEY AGREED THAT THEY SAID THIS. AND THIS  
5 IS VERY IMPORTANT BECAUSE THEY SAID THAT -- THEY NAMED THE  
6 COURT ORDER IN THIS DOCUMENT. AND THEY SAID THAT -- THEY SAID  
7 THAT THIS COURT ORDER, NAMED HORSES WOULD BE TRANSFERRED  
8 PROVIDED THAT THE OWNERSHIP DOCUMENT BE FURNISHED BY ROBERT  
9 LUCAS IN ORDER TO PROVIDE AND EXECUTE A BILL OF SALE.

10                   THAT'S NEVER STATED IN THERE AND THEY NEVER  
11 ASKED ME FOR THAT. THE ONLY THING THEY EVER SENT ME WAS THIS  
12 DOCUMENT. SORRY. I DO GET EXCITED.

13                   STEWARD WARD: OKAY.

14                   MR. LUCAS: SO IF THEY WANT TO SEE THE FOUR THAT ARE  
15 LEFT, I'VE GOT THEM RIGHT HERE WITH ME.

16                   STEWARD WARD: I'M ASSUMING "MARINO HEAT" IS ONE OF THE  
17 HORSES THAT'S LEFT.

18                   MR. LUCAS: NO. HE WAS GIVEN AWAY.

19                   STEWARD WARD: HE WAS WHAT?

20                   MR. LUCAS: GIVEN AWAY.

21                   STEWARD NUESCH: GIVEN AWAY. TELL ME THE ONES THAT ARE  
22 LEFT.

23                   MR. LUCAS: OBVIOUSLY "SHAKE N FRIES" WHICH THOSE  
24 PAPERS ARE IN THE RACING OFFICE.

25                   STEWARD WARD: RIGHT.

1 MR. LUCAS: BECAUSE HE WAS ENTERED.

2 STEWARD WARD: RIGHT.

3 MR. LUCAS: AND THEN WE HAVE THE PAPERS FOR "SARAH'S  
4 SMIRK."

5 STEWARD WARD: WHICH ONE? "SARAH'S SMIRK."

6 MR. LUCAS: "SARAH'S SMIRK," "TYRANNICAL REX," WHICH IS  
7 GETTING READY. HE SHOULD'VE BEEN IN THIS. HE WAS COMING IN A  
8 WEEK AGO WHICH I HAVE THE COPY OF THE COGNIZANCE FOR HIM, BUT  
9 OBVIOUSLY, I'M NOT GOING TO TRAIN HIM HERE IF THESE PEOPLE ARE  
10 GOING TO CONTINUALLY NOT LET ME OWN THESE HORSES.

11 STEWARD WARD: OKAY.

12 MR. LUCAS: AND THEN THE LAST HORSE IS "VERRY BOSSY."

13 STEWARD WARD: OKAY.

14 MR. LUCAS: AND YOU CAN LOOK AT THESE AND THEY CAN LOOK  
15 AT THE BACKS. WE'D HAVE TO PULL THE PAPERS FROM THE OTHER  
16 SIDE. ALL THE OTHER HORSES HAVE BEEN GIVEN AWAY.

17 STEWARD NUESCH: OKAY.

18 STEWARD DREYER: WITH THE PAPERS?

19 MR. LUCAS: PARDON ME?

20 STEWARD DREYER: WITH THE PAPERS.

21 MR. LUCAS: ABSOLUTELY. AND I SENT A COPY OF THE  
22 JUDGMENT WITH THEM. I SAID: HERE'S THE PAPER. HERE'S THE  
23 JUDGMENT.

24 STEWARD WARD: WERE THEY TO NOT RACE AGAIN?

25 MR. LUCAS: CORRECT.

1 STEWARD WARD: THAT WAS THE STIPULATION.

2 MR. LUCAS: NO, IT WASN'T A STIPULATION. HERE'S THE  
3 JUDGEMENT. DO AS YOU WISH. IT'S NOT IN MY HANDS ANYMORE.  
4 IT'S NOT MY HORSE. I WANT HIM OFF THE FEED BILL. IT'S KILLING  
5 ME.

6 STEWARD WARD: OKAY.

7 STEWARD DREYER: WERE THEY GIVEN AWAY WITH THE  
8 STIPULATION THEY WERE NOT GOING TO RUN AGAIN?

9 MR. LUCAS: THERE WAS NO STIPULATION. THAT'S UP TO  
10 THEM. THEY COULD'VE SOUGHT --

11 STEWARD DREYER: THEY CAN DO WHAT THEY WANT.

12 MR. LUCAS: THEY CAN DO WHAT THEY WANT. I'M NOT GOING  
13 TO TELL THEM WHAT TO DO WITH THE HORSES.

14 STEWARD NUESCH: I MEAN IN THEORY, THEY'RE NOT GOING TO  
15 BE ABLE TO RUN THEM UNTIL THEY GET THE OWNERSHIP CLEARED UP.

16 MR. LUCAS: CORRECT.

17 STEWARD WARD: MS. KLINE, JUST A POINT OF INFORMATION.  
18 YOU CALLED A COUPLE OF WEEKS AGO. WAS "SHAKE N FRIES" THE  
19 HORSE IN QUESTION?

20 MS. KLINE: IT WAS.

21 STEWARD WARD: OKAY.

22 MR. LUCAS: BECAUSE IT'S RUNNING UNDER MY SOCIAL.

23 STEWARD WARD: OKAY.

24 MR. LUCAS: FOR THE TAX REASONS.

25 STEWARD NUESCH: THAT HORSE IS STILL ON THE STEWARDS'

1 LIST TO MY KNOWLEDGE. SO THAT'S ONE OF THE REASONS WE WERE  
2 TRYING TO GET THINGS SETTLED.

3 STEWARD WARD: I GUESS I CAN ASK THE SAME QUESTION.  
4 WE'RE HEARING A LOT OF DIALOGUE, BUT NONE OF IT IS REALLY  
5 GETTING US TO WHERE WE WANT TO BE AND THAT WILL BE, CAN WE  
6 SETTLE THIS TODAY? IS THERE ANYTHING --

7 STEWARD NUESCH: I WAS GOING TO SAY, WHAT ARE YOU  
8 AFTER? BECAUSE IT SEEMS LIKE THE PARTNERSHIP HAS KIND OF  
9 EXHAUSTED ITSELF; RIGHT? IT SEEMS LIKE IT'S EXHAUSTED ITSELF.

10 MR. KLINE: WE HAVE TO USE A LITTLE PRIOR INFORMATION  
11 TO GET TO THIS POINT. OKAY?

12 STEWARD NUESCH: OKAY.

13 MR. KLINE: OKAY. AT THE TIME OF OUR HEARING THAT WAS  
14 OCTOBER 12, 2021 THAT WAS HERE IN THIS OFFICE. HE STATED --  
15 LET'S JUST DO ONE HORSE IN PARTICULAR.

16 STEWARD NUESCH: OKAY.

17 MR. KLINE: "MORNING BLURS." NOTHING WAS RESOLVED AT  
18 THIS HEARING HERE. WE HAD TO GO TO COURT AND STILL STATING  
19 "MORNING BLURS." THESE ARE -- HE NAMED THESE. WE AGREED THESE  
20 ARE THE HORSES; RIGHT? "MORNING BLURS."

21 WE HAVE DOCUMENTATION YOU SOLD "MORNING BLURS"  
22 ON SEPTEMBER 1ST OF 2021 PRIOR TO THE MEETING IN HERE. I MEAN,  
23 COME ON. AND YOU SOLD IT FOR \$3500 AS WELL. WE KNOW THIS. WE  
24 HAVE THIS INFORMATION.

25 MR. LUCAS: I GUESS --

1 MR. KLINE: IS HE ABLE TO TALK --

2 STEWARD WARD: YOU ARE TALKING OVER HIM.

3 MR. KLINE: PLEASE. WE LET HIM TALK, OKAY? THIS  
4 HAPPENED LAST TIME AND THE MEETING MINUTES FROM THAT HEARING  
5 ACTUALLY STATED THAT "TOO MUCH TALKING OVER EACH OTHER."

6 WE DID NOT. HE DID. PLEASE, DO NOT TALK WHEN  
7 I'M SPEAKING.

8 STEWARD WARD: I BEG TO DIFFER WITH YOU, SIR. IT WAS  
9 GOING BOTH WAYS.

10 MS. KLINE: IT GOT HEATED.

11 MR. KLINE: OKAY. THAT'S JUST ONE INDIVIDUAL HORSE.  
12 THE OTHER ONE. HOW ABOUT "CINCINNATUS EAGLE"? HOW ABOUT THAT  
13 ONE?

14 YOU REMOVED THE PAPER IN APRIL OF 2021. YOU  
15 STATED THAT IT WAS TRADED FOR ANOTHER HORSE IN FEBRUARY. THE  
16 TRADED HORSE --

17 MS. KLINE: MARCH 8TH.

18 MR. KLINE: ON MARCH 8TH, THE TRADED HORSE IS, IT HURTS  
19 ME TO SAY, OKAY? IS "RAMONA LOVER."

20 MS. KLINE: I CALLED THE RACETRACK AT --

21 MR. KLINE: "RAMONA LOVER" DIED THAT MORNING ON  
22 MARCH 8TH. HE WANTED IT TRANSFERRED. HE DID THE TRANSFER WITH  
23 US THE AFTERNOON OF MARCH 8TH.

24 MS. KLINE: AND I SENT HIM A TEXT MESSAGE AND I SAID  
25 I'VE DONE THE TRANSFER LIKE YOU SAID. I CALLED TURF PARADISE

1 FOR "RAMONA LOVER" IN EMERALD CITY AND HE SAID: GREAT. HE  
2 KNEW IT DIED THAT MORNING AND THIS WAS AT 4:30 P.M.

3 MR. KLINE: THE HORSE WAS IN --

4  
5 (SIMULTANEOUS TALKING.)

6  
7 MS. KLINE: I HAVE THE TEXT MESSAGE.

8 MR. KLINE: OKAY. I'M SORRY.

9 STEWARD NUESCH: SO "MORNING BLURS," I'M ONLY SEEING  
10 B-L-U-R-S AS A BRITISH COLUMBIAN BRED. IS THIS THE ONE?

11 MS. KLINE: THAT'S THE ONE.

12 MR. KLINE: CORRECT.

13 STEWARD NUESCH: AND THEN I'VE NEVER SEEN -- WHEN DID  
14 YOU OWN THIS HORSE?

15 MR. KLINE: SINCE MARCH OF 2020.

16 MS. KLINE: YEAH, MARCH OF 2020.

17 STEWARD NUESCH: AT TURF PARADISE?

18 MS. KLINE: YEAH. THEY CLOSED DOWN AND BOB WENT TO  
19 TURF PARADISE AND BOUGHT A COUPLE OF HORSES AND WE WENT HALF.

20 MR. KLINE: THAT ONE SHOULD SAY CAROLYN AND WILLIAM  
21 KLINE AND ROBERT LUCAS.

22 MS. KLINE: I HAVE A PICTURE OF THE PAPERS WITH OUR  
23 NAME ON IT.

24 MR. KLINE: ADDITIONALLY, SO WHEN WE WERE HERE IN THE  
25 HEARING IN OCTOBER, IT WAS STATED -- LIKE, YOU CAN TELL FROM

1 THE CERTIFICATE OF REGISTRATIONS AND THE DOCUMENTS THAT ARE  
2 ATTACHED AT THE RACING OFFICE WHICH HAS NOTHING TO DO WITH US.  
3 WE'VE NEVER SIGNED ANYTHING. IN ORDER TO CHANGE EVEN ON A  
4 PARTNERSHIP, YOU'RE SUPPOSED TO CHANGE ONE NAME. IT SHOULD BE  
5 PRESENTED TO THE BOARD IN ORDER TO CHANGE A NAME ON THERE.

6 STEWARD NUESCH: BUT IT NEVER RAN -- SORRY TO JUMP IN.  
7 IT NEVER RAN FOR YOU GUYS.

8 MS. KLINE: YES, IT DID.

9 STEWARD NUESCH: IT DID.

10 MR. KLINE: YES, IT DID. SURE ENOUGH.

11 STEWARD NUESCH: BECAUSE I DON'T SEE IT.

12 MS. KLINE: IT'S B-L-U-R-S. HE HAS IT AS "BLUR" ON THE  
13 STIPULATION, BUT THAT'S INCORRECT. THE LADY MUST HAVE TYPED IT  
14 WRONG. "MORNING BLURS."

15 STEWARD NUESCH: OH, MAYBE BECAUSE IT'S UNDER MIXED.

16 MR. KLINE: YEAH, YOU GOTTA LOOK UNDER MIXED. YEAH.

17 MS. KLINE: ADDITIONALLY, IF WE'RE TALKING ABOUT THE  
18 SWORN-IN STATEMENT IN FRONT OF THE STEWARDS, AN ENFORCEMENT  
19 AGENCY. ADDITIONALLY IN FRONT OF THE COURT ON DECEMBER 3RD, HE  
20 STATED "MORNING BLURS" WAS IN HIS CARE. AND THAT'S WHY IT'S ON  
21 THIS PAPER.

22 AND THIS IS LYING RIGHT TO YOU GUYS AFTER BEING  
23 SWORN IN.

24 MR. KLINE: THIS IS PERJURING HIMSELF HERE AND --

25 MS. KLINE: AND IN COURT.

1 MR. KLINE: -- HE'S PERJURING HIMSELF AT THE COURT.

2 AND THAT'S JUST ONE INDIVIDUAL HORSE ON THAT  
3 PAPER. WE HAVE LOTS OF INFORMATION ON EACH OF THE HORSES.

4 MR. LUCAS: "MORNING BLURS." THEY ASKED ME IF I HAD  
5 PAPERS. THESE ARE THE PAPERS THAT I HAVE ON THE HORSES. OKAY?  
6 "MORNING BLURS" WAS SOLD WITHOUT PAPERS. WHAT THEY DID AFTER  
7 THAT IS UP TO THEM. ALL OF THIS IS SUPERFLUOUS BECAUSE WE HAVE  
8 A DOCUMENT -- WE CAN GO THROUGH EVERYTHING.

9 AND AS FAR AS "CINCINNATUS EAGLE," "CINCINNATUS  
10 EAGLE," I WAS TOLD BY SCOTT CRAIGMILE TWO TIMES -- IF YOU LOOK  
11 UP HIS RACES -- HIS FIRST RACE AND HIS LAST RACE, HE ALMOST  
12 WENT DOWN AND BROKE HIS BACK. SCOTT SAID FIND ANOTHER HOME FOR  
13 "CINCINNATUS EAGLE."

14 IN REGARDS TO THE HORSE THAT PASSED AWAY, THEY  
15 HAD BARTERED A DEAL, WHICH WE CAN CALL QUINN HOWEY RIGHT NOW.  
16 QUINN HOWEY TRAINED THAT HORSE AND THAT HORSE BROKE DOWN,  
17 FRACTURED A PASTERN WHICH IS QUITE UNUSUAL, BUT IT FRACTURED A  
18 PASTERN AND THAT HORSE WAS TRADED FOR "CINCINNATUS EAGLE" TO  
19 MAKE IT RIGHT WITH THEM. I ALSO TRADED THEM ANOTHER HORSE.

20 BUT THE BOTTOM LINE IS, ALL OF THAT DOESN'T  
21 MATTER BECAUSE ANYTHING THAT HAPPENED BEFORE THIS, THEY'VE  
22 AGREED TO DISMISS AND GIVE ME ALL OF THESE HORSES. THEY ARE  
23 REFUSING TO DO THAT. AND THEY CANNOT LITIGATE THIS ANYMORE.  
24 THOSE HORSES HAVE BEEN LITIGATED. IT IS DONE. THIS HAS BEEN  
25 FINALIZED AND DONE.

1 IF THEY WANT TO FILE ANOTHER LITIGATION OVER  
2 SOMETHING, FINE. BUT THAT HAS TO BE AFTER DECEMBER 3RD.  
3 ANYTHING THAT HAPPENED BEFORE DECEMBER 3RD, THEY HAD AGREED TO  
4 THIS DOCUMENT AND THIS DOCUMENT IS WHAT WE ARE HERE -- YOU GUYS  
5 TOLD US WHEN WE LEFT: GO GET A JUDGMENT. I GOT A JUDGMENT.  
6 THIS IS A JUDGMENT. AND THEN YOU GUYS WOULD ENFORCE THE  
7 JUDGMENT.

8 SO, I'M ASKING YOU TODAY, ALL THIS STUFF THEY  
9 WANT TO THROW UP IS SUPERFLUOUS. IT'S DONE. IT'S BEEN  
10 ADJUDICATED. WHAT HAPPENS FROM THIS POINT AFTER DECEMBER 3RD  
11 AND ANY OTHER HORSES THAT ARE NOT ON THIS LIST, THIS HAS BEEN  
12 LITIGATED AND THESE HORSES -- AND THEY'VE AGREED TO THIS  
13 DOCUMENT. NO OTHER DOCUMENTS. THIS DOCUMENT IS WHAT I'M  
14 ASKING YOU TO PLEASE HAVE THEM ENFORCE AND SIGN THE FOUR PAPERS  
15 THAT I HAVE HERE, PLEASE.

16 STEWARD NUESCH: AND ARE THOSE FOUR PAPERS THE ONES  
17 THAT YOU HAVE THE HORSES -- THE HORSES ARE IN YOUR BARN AT THIS  
18 TIME?

19 MR. LUCAS: NO. THE ONLY TWO HORSES THAT I HAVE ARE  
20 "TYRANNICAL REX" -- THREE HORSES. "TYRANNICAL REX," "VERRY  
21 BOSSY" -- ACTUALLY, "VERRY BOSSY" IS GONE TOO. THE ONLY HORSES  
22 THAT ARE REALLY IN NEED OF A SIGNATURE IS "TYRANNICAL REX" AND  
23 "SHAKE N FRIES." OUT OF THE NINE HORSES THAT THEY WERE  
24 SUPPOSED TO SIGN OVER TO ME, THOSE ARE THE ONLY TWO HORSES LEFT  
25 THAT I WANT THEIR SIGNATURES ON. BUT THEY WANTED TO SEE THESE

1 DOCUMENTS --

2 STEWARD NUESCH: "TYRANNICAL REX" AND "SHAKE N FRIES."

3 MR. LUCAS: YEAH.

4 STEWARD NUESCH: SO I HAVE A QUESTION FOR THE CLIENTS.  
5 WHAT DO YOU WANT TO SEE COME OUT OF THIS? WHERE DO YOU WANT TO  
6 END UP?

7 MR. KLINE: LET'S GO BACK JUST A SECOND AGAIN.

8 MS. KLINE: YEAH.

9 MR. KLINE: WHERE WERE THESE PAPERS BEFORE? YOU SAID  
10 YOU LOST THEM. THERE ARE NO PAPERS.

11 STEWARD NUESCH: HERE'S THE THING. WE'RE HERE TODAY.  
12 WE'RE HERE TODAY. SO WHAT HAPPENED FOR ME, I DON'T WANT TO SAY  
13 I DON'T CARE. I GET EVERYTHING TOOK AN ACTION TO THIS POINT,  
14 BUT WE'RE AT THIS POINT.

15 WHAT DO YOU GUYS NEED TO FEEL LIKE YOU'RE BEING  
16 HEARD AND UNDERSTOOD AND THEN YOU CAN GET TO WHATEVER IT IS?  
17 BECAUSE IT FEELS LIKE THE INTEREST OF BOTH PARTIES, PLUS THE  
18 INTEREST OF THE HORSES. LIKE, YOU KNOW, WHAT ARE WE DOING?

19 MS. KLINE: EXACTLY.

20 STEWARD NUESCH: OKAY. GO FOR IT.

21 MS. KLINE: NUMBER ONE, AFTER TWO AND A HALF YEARS OFF,  
22 AN EIGHT-YEAR-OLD, "SHAKE N FRIES," YOU KNOW, PROBABLY SHOULD  
23 GO TO AN AFTERCARE FACILITY. YOU KNOW, IT'S BEEN RUNNING FOR A  
24 LENGTH OF TIME.

25 STEWARD NUESCH: SO, "SHAKE N FRIES" HAS BEEN IDLED

1 BECAUSE OF THIS LITIGATION OR BECAUSE OF OTHER REASONS?

2 MS. KLINE: PROBABLY. LET THE SMOKE CLEAR. YOU KNOW,  
3 MR. LUCAS THOUGHT HE'D BRING IT BACK AFTER A COUPLE OF YEARS.  
4 MAYBE THE SMOKE CLEARED.

5 STEWARD NUESCH: OKAY.

6 MR. LUCAS: DON'T SPEAK FOR WHAT I THOUGHT. I DISAGREE  
7 WITH THAT.

8 STEWARD WARD: DON'T TALK OVER ONE ANOTHER.

9 MS. KLINE: YOU KNOW, THERE'S A LOT OF THINGS. I KNOW  
10 HE SAYS THIS IS A STIPULATION AND NOT AN ACTUAL JUDGMENT.  
11 OKAY. IT'S A STIPULATION. IT'S AN AGREEMENT. WE KIND OF --  
12 BEING ON -- YOU KNOW, WE DECIDED LIKE WE WANT IT OVER. BUT THE  
13 STIPULATION IS ONE THING.

14 THE FRAUD, AS FAR AS -- IF YOU SOLD THAT HORSE,  
15 AND I HAVE PROOF YOU DID. YOU SOLD IT AND LIED RIGHT TO THE  
16 STEWARDS AND THEN YOU LIED AGAIN TO THE COURT. SO, HOW DOES  
17 THE ENFORCEMENT AGENCY DEAL WITH THAT?

18 I CAN FILE A MOTION TO WITHDRAW THE STIPULATION.  
19 HE WOULD HAVE TO GIVE US OUR \$3,000 BACK AND THEN WE CAN  
20 PROCEED. BUT YOU KNOW --

21 STEWARD WARD: WHY WOULD YOU WANT TO DO THAT?

22

23 (SIMULTANEOUS TALKING.)

24

25 MR. LUCAS: THE STATUTE OF LIMITATIONS IS GONE FOR

1 THAT.

2 MS. KLINE: THERE'S NO SUCH LIMITATION FOR FRAUD.

3 STEWARD WARD: WEREN'T YOU TRYING TO EFFECT A  
4 SETTLEMENT TO HAVE THIS OVER, DONE?

5 STEWARD NUESCH: SO THE \$3,000 WAS PAID?

6 MS. KLINE: YEAH, THE SAME DAY, OR THE NEXT DAY.

7 STEWARD NUESCH: BECAUSE IT SAYS: TODAY, AGREE TO PAY.

8 MS. KLINE: SAME DAY. I SENT HIM A ZELLE SAME DAY,  
9 \$3,000.

10 STEWARD NUESCH: SO IT WAS PAID. IS THAT TRUE?

11 MS. KLINE: YEAH.

12 STEWARD DREYER: YOU GOT YOUR \$3,000.

13 STEWARD NUESCH: OKAY. SO THAT WAS THAT. AND NOW THE  
14 ISSUE IS TO CLEAN UP THE OWNERSHIPS OF THE REMAINING HORSES; IS  
15 THAT RIGHT?

16 MS. KLINE: YEAH. THE REASON WE WANT TO SEE ALL THE  
17 PAPERS WAS MAINLY BECAUSE IN OUR STEWARDS' HEARING, HE CHANGED  
18 THE NAMES. HE WOULD CONSTANTLY DO DIFFERENT NAMES AND DIDN'T  
19 LET US KNOW. WE DON'T KNOW ANYTHING ABOUT THAT.

20 I ALSO HAVE SOMETHING ELSE I WANTED TO TALK  
21 ABOUT. WHEN HE SAID THAT WE NEGOTIATED THE THING WITH QUINN  
22 HOWEY, THAT IS NOT TRUE. HE CALLED US AND SAID HE'S GOING TO  
23 TRADE US. THIS HORSE WILL NEVER RUN. "MORNING BLURS" WILL  
24 NEVER RUN AGAIN. OR NOT "MORNING BLURS." I'M SORRY.  
25 "CINCINNATUS EAGLE" AND THEN "NEVER GIVE IN."

1 I'M GOING TO TRADE YOU FOR "RAMONA LOVER" AND  
2 "EMERALD CITY." HE TELLS US WHAT HE'S GOING TO DO. HE DOESN'T  
3 ASK US. AND WE DIDN'T TAKE THE INITIATIVE. WE DIDN'T KNOW  
4 QUINN HOWEY. SO THAT PART OF IT IS ERRONEOUS.

5 STEWARD NUESCH: WERE THERE TRAINING BILLS ALONG THE  
6 WAY?

7 MS. KLINE: SO THAT'S AN INTERESTING THING. IN  
8 NOVEMBER -- OR OCTOBER, WE WERE SQUARE.

9 STEWARD NUESCH: OCTOBER OF?

10 MS. KLINE: 2020.

11 STEWARD NUESCH: OKAY.

12 MS. KLINE: IN NOVEMBER, WE HAD EARNINGS AND I HAVE ALL  
13 THAT DOCUMENTED IN A SPREADSHEET. AND THEN I ASKED HIM FOR A  
14 STATEMENT BECAUSE WE WERE AHEAD. AND HE SAID: WE'RE AHEAD.  
15 DON'T WORRY. I'LL GET IT TO YOU.

16 I ASKED HIM OVER AND OVER A TEXT MESSAGE AFTER  
17 TEXT MESSAGE AND WE HAD \$22,000 IN EARNINGS ONE MONTH. LIKE  
18 DECEMBER, JANUARY. SOMETHING LIKE THAT. LIKE A LOT OF  
19 EARNINGS.

20 HE GOES AND COLLECTS THE EARNINGS AND HE SAYS:  
21 I'LL SEND YOU -- WE'RE AHEAD. WE'RE AHEAD. FINALLY I GET IT  
22 FROM HIM. MARCH 21ST. MAY 21ST. I'M SORRY. MAY 21ST FOR  
23 SEVEN MONTHS. AND WE HAD PLENTY OF EARNINGS AND COMES UP WITH  
24 THIS OUTLANDISH THING OF \$20,000 OR SOMETHING. THAT'S WHEN I  
25 CALLED KEVIN.

1 STEWARD NUESCH: SO YOU GOT MONEY IN MAY OF 2021?

2 MS. KLINE: WE DIDN'T GET ANY MONEY EVER. NEVER GOT A  
3 SOLITARY DOLLAR.

4 MR. KLINE: WE NEVER GOT -- NOT A DOLLAR FROM NONE OF  
5 THOSE ACCOUNTS.

6 STEWARD NUESCH: OH, OKAY. I MISUNDERSTOOD YOU. I  
7 THOUGHT HE SAID --

8 MS. KLINE: OH, NO. WE FINALLY GOT A STATEMENT FROM  
9 HIM.

10

11 (SIMULTANEOUS TALKING.)

12

13 STEWARD NUESCH: OKAY.

14 MS. KLINE: AND HE GAVE US THE SEVEN MONTHS' WORTH.  
15 THE REASON HE DIDN'T SEND US ONE IN DECEMBER FROM NOVEMBER IS  
16 BECAUSE I WOULD'VE PICKED IT APART. I HAVE TEXT MESSAGES WHERE  
17 I PICKED HIS BILL APART BEFORE THAT. AND HE'S LIKE: OH, I'M  
18 SORRY. THAT 591, I'LL CREDIT YOU BECAUSE THAT WAS ERRONEOUS.

19 STEWARD WARD: CAN YOU SLOW DOWN A LITTLE BIT FOR OUR  
20 COURT REPORTER?

21 MS. KLINE: OH, SORRY. SO HE KNEW I WOULD'VE PICKED IT  
22 APART IN DECEMBER IF I WOULD'VE GOTTEN NOVEMBER'S. HE WAITED  
23 UNTIL MAY, FINALLY. DIDN'T TELL US HE WAS SUSPENDED IN MARCH.  
24 WE FOUND THAT OUT IN THE STEWARDS' HEARING. THERE WAS, YOU  
25 KNOW, C.H.R.B.'S VIOLATION AFTER VIOLATION.

1           STEWARD NUESCH: SO IN THE END, WAS IT CLOSE TO A WASH  
2 AS FAR AS -- OR DO YOU THINK YOU FEEL LIKE YOU'RE OWED MONEY  
3 BECAUSE THERE'S TRAINING BILLS ALONG THE WAY?

4           MR. KLINE: AT THIS POINT -- OKAY. SO WE CONTACTED THE  
5 INVESTIGATION OFFICE IN MAY. THAT WAS KEVIN IN THE  
6 INVESTIGATIONS. HE SAID --

7           MR. LUCAS: MAY OF WHAT YEAR?

8           STEWARD WARD: MR. LUCAS, THIS GENTLEMAN IS SPEAKING.

9           MS. KLINE: MAY OF 2020.

10          MR. LUCAS: THANK YOU. IT'S A BIG DIFFERENCE.

11          MR. KLINE: NOT MAY OF 2020. MAY OF 2021.

12          MS. KLINE: I'M SORRY. MAY OF 2021.

13          MR. KLINE: MAY OF 2021.

14                   HE SAID: OKAY. THE ONLY COMPLAINTS ARE  
15 FINANCIAL. WELL, WE HAVE PLENTY OF THIS FINANCIAL. OKAY.  
16 HERE WE GO. WE HAVE A SURPLUS ON EARNINGS ON OUR SIDE.  
17 NOTHING IS DUE TO THIS PERSON. BUT ON OUR BENEVOLENCE, I EVEN  
18 ACCOUNTED FOR ADDITIONAL THINGS THAT WOULD ARISE FOR HORSES.  
19 SHOES. GOSH, ANY OTHER THINGS THAT MIGHT ARISE. OKAY?

20                   OUR PORTION ON THE NEGOTIATED VERBAL, NEGOTIATED  
21 AMOUNT PER MONTH IS \$30 A DAY. THAT IS OUR PORTION. \$30 PER  
22 DAY WHICH WOULD BE \$900 ON AN AVERAGE 30-DAY MONTH. I MADE IT  
23 1200 ALL THE WAY UP TO THAT POINT AND WE STILL HAVE A SURPLUS.  
24 WE'RE TALKING -- THAT IS IN JULY. WE STILL HAVE A SURPLUS.

25                   AND THAT'S WHY WE SENT IT TO KEVIN, THE

1 INVESTIGATOR, IN AUGUST. NOTHING HAPPENS AS FAR AS A HEARING  
2 WITH THE C.H.R.B. UNTIL MR. LUCAS SUBMITS ONE TO KEVIN IN  
3 SEPTEMBER, AND IT'S SIGNED ON THAT DATE. OKAY. HEARING SET ON  
4 THAT SAME DAY BECAUSE HE'S CLAIMING THAT HE'S OWED MONEY.

5 HIS CONVOLUTED NUMBERS AND INFORMATION REGARDING  
6 OWNERSHIP OF HORSES, IT'S MEANT TO BE CONVOLUTED. OKAY? WHICH  
7 IS REALLY FUNNY. EVEN THE TIME WE CALLED KEVIN, THE  
8 INVESTIGATOR, TILL THE DATE OF THE HEARING HERE, THAT  
9 FIVE-MONTH PERIOD, THE HORSES EARNED AN ADDITIONAL \$22,970.

10 WE'RE ONLY ON THIS AS HALF OWNER. THERE'S ONLY  
11 THREE HORSES IN TRAINING. THERE'S A SURPLUS FROM EVEN THAT  
12 POINT. WE DON'T MENTION THAT. FROM THE TIME OF YOUR HEARING  
13 ON OCTOBER 12TH UNTIL THE DATE OF THE COURT, BECAUSE YOU  
14 COULDN'T RESOLVE ANYTHING HERE. WELL, WE HAVE TO GO LITIGATE  
15 THAT IN COURT. EVEN FROM THAT TIME SPENT AN ADDITIONAL -- I  
16 DON'T EVEN KNOW -- \$9,000 SOMETHING.

17 AGAIN, WE'RE ONLY ON AS FIFTY PERCENT OWNER AND  
18 THERE'S A SURPLUS. NOBODY'S MENTIONING ANY OF THESE NUMBERS  
19 BECAUSE HE WANTS IT TO BE WHERE HE GETS THE HORSES, THE TWO  
20 MAIN EARNING HORSES, LO AND BEHOLD, "SHAKE N FRIES" AND  
21 "TYRANNICAL REX."

22 WHICH ARE THE TWO HORSES THAT YOU WOULD LIKE TO  
23 BE TRANSFERRED TODAY?

24 MR. LUCAS: ABSOLUTELY.

25 MR. KLINE: NO. I'M ASKING YOU WHICH ARE THE TWO.

1 MR. LUCAS: THOSE TWO --

2 MS. KLINE: HE'S NOT FINISHED, BOB.

3 MR. LUCAS: OKAY. KEEP GOING.

4 MR. KLINE: OKAY. LO AND BEHOLD, THOSE ARE THE TWO.  
5 THOSE ARE THE TWO HIGHEST EARNINGS. LET THE DUST SETTLE.  
6 BRING THEM BACK.

7 OKAY. IT IS OUR THOUGHT THAT THOSE TWO SHOULD  
8 BE SENT TO AN AFTERCARE PROGRAM IF THE ONLY WAY THAT "SHAKE N  
9 FRIES" COULD BE PREPARED TO RUN IS TO GET A H.I.W.U. VIOLATION.  
10 AND WHEN IT DID RUN ON JANUARY 7TH, DESPITE OUR ADVISING, YOU  
11 PROBABLY SHOULDN'T DO THAT, THE I.R.S. -- ANY EARNINGS FROM THE  
12 RACETRACK, WE'RE RESPONSIBLE FOR BECAUSE OUR NAME IS FIRST  
13 CLIENT.

14 STEWARD WARD: I BEG YOUR PARDON.

15 MS. KLINE: HUNDRED PERCENT OF ALL OF THE EARNINGS IN  
16 THE PARTNERSHIP GOES TO MY SOCIAL.

17 MR. KLINE: GOES TO ONLY ONE SOCIAL.

18 MS. KLINE: AND I CAN PROVE IT. I HAVE THE 1099S TO  
19 PROVE IT.

20 STEWARD WARD: ACCORDING TO WHOM?

21 MS. KLINE: ACCORDING TO THE RACING OFFICE. THE FIRST  
22 NAME ON THERE IS WHO GETS THE 1099, ALPHABETICALLY.

23 STEWARD WARD: I DON'T KNOW IF IT'S GERMANE TO WHAT  
24 WE'RE TRYING TO DO TODAY, BUT WE HAVE TO CHECK WITH THE  
25 PAYMASTER ON THAT.

1 MR. LUCAS: THAT IS TRUE. AND THEY 1099 ME FOR OVER  
2 \$100,000 AND CHANGE. AND THEY 1099 ME AGAIN.

3 AGAIN, ALL OF THIS THAT THEY'RE BRINGING UP, WE  
4 WERE IN HERE IN A MEETING AND IT COULD NOT GET RESOLVED. I WAS  
5 ASKING FOR \$24,000 THEN. AND I SUED THEM IN SUPERIOR COURT FOR  
6 THE \$24,000. I HAVE RELINQUISHED THAT LAWSUIT. I HAVE DONE  
7 EVERYTHING THAT I NEEDED TO DO ON THIS. THEY CAME IN HERE  
8 TODAY AND THEY SAID THEY AGREED WITH THE STIPULATION.  
9 EVERYTHING ELSE THAT THEY'RE BRINGING UP IS ONE -- I COULD  
10 DEFEND EACH ONE OF THEM.

11 STEWARD WARD: PLEASE DON'T.

12 MR. LUCAS: BUT TO GO INTO EACH ONE, AND I TRIED TO  
13 MAKE THIS VERY SIMPLE. AND IT'S SIMPLE. WE WERE ASKED TO GO  
14 TO COURT AND GET A JUDGMENT. WE GOT A JUDGMENT. YOU SAID YOU  
15 WOULD ENFORCE THE JUDGMENT.

16 I'M ASKING YOU AND PLEADING WITH YOU TO EITHER  
17 HAVE THEM SIGN THOSE TWO PAPERS OR -- AND IF THEY WANT TO  
18 LITIGATE THIS AFTERWARDS, THEY CAN. BUT YOU SAID YOU WOULD  
19 ENFORCE THIS JUDGMENT. I GOT A LOT OF TRAINING BILLS INTO BOTH  
20 OF THOSE HORSES.

21 THEY HAD ME PURCHASE HORSES THAT WE WERE IN  
22 PARTNERS WITH OUT OF MONEY THAT THE HORSES MADE. THEY ALSO HAD  
23 ME AND INSTRUCTED ME TO TAKE MONEY OUT OF THAT ACCOUNT TO PAY  
24 THEIR BILL. THEY STILL OWE ME OVER \$25,000. NOW THEY OWE ME  
25 IN EXCESS OF \$60,000. BUT THAT DOESN'T MATTER BECAUSE THIS HAS

1 ALL BEEN ADJUDICATED.

2 AND I'M ASKING YOU, PLEASE, YOU HAVE THE POWER  
3 TO SAY THOSE HORSES CAN RUN IN MY NAME DUE TO THIS. H.I.W.U.,  
4 THE ATTORNEY AT H.I.W.U. ACCEPTED THIS JUDGMENT AND PUT IT IN  
5 MY NAME ONE HUNDRED PERCENT. SO PLEASE --

6 STEWARD WARD: LET ME ASK YOU A QUESTION.

7 MR. LUCAS: ASK.

8 STEWARD WARD: THIS JUDGMENT WAS FILED DECEMBER 3RD OF  
9 2021.

10 MR. LUCAS: YES, SIR.

11 STEWARD WARD: WE ARE NOW AT JANUARY 25, 2024. WHY DID  
12 YOU WAIT SO LONG?

13 MR. LUCAS: I DIDN'T. I ASKED THEM NUMEROUS TIMES.  
14 AND I CAN SHOW YOU WITH THE E-MAILS TO SIGN THEM OVER. AND I  
15 REALLY THOUGHT THAT WITH THE JUDGMENT AT HAND THAT YOU GUYS  
16 WHEN I GO TO RUN THE HORSE. THIS WAS ADVICE FROM THE H.I.W.U.  
17 ATTORNEY THAT THAT JUDGMENT IS SOLID AND THEY DON'T OWN THE  
18 HORSE ANYMORE. SO I DIDN'T WANT TO HAVE THESE HORSES JUST  
19 SITTING AROUND. YES, HE'S AN EIGHT-YEAR-OLD. "JOHN HENRY" WON  
20 MOST OF HIS RACES AS AN EIGHT-YEAR-OLD. THIS HORSE IS ONE  
21 HUNDRED PERCENT SOUND.

22 STEWARD WARD: WELL, AND HE'S NOT "JOHN HENRY."

23 MR. LUCAS: HE'S NOT "JOHN HENRY," BUT HE'S A GOOD  
24 HORSE.

25 STEWARD WARD: YES.

1 MR. LUCAS: HE HAD BULLET WORKS. I FEEL THAT THE  
2 STEWARDS SHOULD STEP IN. YOU'VE DONE THIS ON NUMEROUS OTHER  
3 OCCASIONS AND SAY WE'RE GOING TO UPHOLD THIS JUDGMENT AND IF  
4 THE KLINES DON'T WANT TO SIGN THOSE PAPERS THAT I CAN RUN THOSE  
5 HORSES IN MY NAME.

6 STEWARD WARD: WELL, CAN WE TRY TO CUT TO THE CHASE.  
7 ARE YOU WILLING TO SIGN ANY OF THESE FOAL CERTIFICATES?

8 MS. KLINE: I AM NOT. I WILL SAY ONE THING. I JUST  
9 HAVE TO. AS HE'S SAYING STUFF THAT'S UNTRUE AFTER BEING SWORN  
10 IN, I HAVE TO REALLY STOP IT. WE NEVER EVER TOLD HIM TO TAKE  
11 THE MONEY FROM THE ACCOUNT. WE ALWAYS PAY THE -- I HAVE THE  
12 BANK SLIPS WHERE I DEPOSITED MONEY INTO HIS ACCOUNT WHEN WE  
13 WERE GOING TO BUY HORSES AND HE GOES DOWN AND TAKES EVERY  
14 DOLLAR. I EVEN HAVE AN ACCOUNT WHERE IT HAD \$29.60 IN IT, HE  
15 WENT DOWN AND GOT IT. YOU KNOW WHAT I MEAN? HE ACTUALLY  
16 ISSUED A CHECK TO MIKE HARRINGTON OUT OF OUR JOINT ACCOUNT. I  
17 DON'T KNOW HOW OR WHY.

18 STEWARD DREYER: WAIT A MINUTE. IF YOU KNEW YOU WERE  
19 GOING TO BRING THIS UP, WHY DIDN'T YOU BRING THE SIGNED SLIPS  
20 TO VERIFY THAT THE MONEY HAD BEEN --

21 MR. KLINE: THE INFORMATION HAS BEEN PROVIDED TO --

22 MS. KLINE: MARK SHAW.

23 MR. KLINE: MARK SHAW, WHICH IS IN --

24 MS. KLINE: C.H.R.B. OFFICE. THE CHIEF INVESTIGATOR.

25 MR. LUCAS: I SENT YOU A BILL FOR \$6431. I REDUCED IT

1 TO \$5791 --

2 STEWARD NUESCH: SLOW DOWN, ROBERT.

3 MR. LUCAS: AND ON MAY 6TH OF 2022 -- I'M SORRY.

4 THAT'S A DIFFERENT DATE. BUT YOU SENT ME A CHECK, YES, BUT IT  
5 HAD INSUFFICIENT FUNDS. DID IT NOT?

6 YES, YOU SENT ME A CHECK, BUT WITH INSUFFICIENT  
7 FUNDS. BUT ALL OF THIS BANTER BACK AND FORTH IS REALLY  
8 SUPERFLUOUS. WE HAVE LITIGATED THIS THE PROPER WAY. WE WERE  
9 INSTRUCTED BY THE STEWARDS TO GO SEEK CIVIL ACTION. WE DID.

10 THIS JUDGMENT HAS BEEN ACCEPTED BY THE H.I.W.U.  
11 ATTORNEY TO MAKE ME THE OWNER, AND I'M PLEADING WITH YOU ON TWO  
12 HORSES HERE. PLEASE -- THEY DON'T HAVE TO SIGN THEM OVER. YOU  
13 GUYS CAN JUST SAY DUE TO -- ATTACH THIS TO THEM JUST LIKE I DID  
14 WITH THE H.I.W.U. ATTORNEY. ATTACH THIS TO THEM JUST LIKE I  
15 DID WITH THE H.I.W.U. ATTORNEY. ATTACH THIS JUDGMENT AND THE  
16 HORSES ARE IN MY NAME. THOSE TWO HORSES.

17 STEWARD NUESCH: CAN I ASK WHY YOU -- YOU KIND OF WENT  
18 OFF ON SOME OTHER THINGS. BUT MR. WARD'S QUESTION: ARE YOU  
19 WILLING TO SIGN OVER THE TWO HORSES TODAY? I GUESS MY QUESTION  
20 IS WHY NOT?

21 MS. KLINE: I AM -- FIRST OF ALL, I WANT TO JUMP IN  
22 REAL QUICK. I HAVE TO ADDRESS WHAT HE SAYS ABOUT US IN HERE.  
23 ONE CHECK. I WROTE IT OUT OF THE WRONG CHECKBOOK. THE WRONG  
24 ACCOUNT. I MADE IT GOOD WITHIN TWO DAYS, BUT HE LOVES TO THROW  
25 THAT DOWN THERE. I HAVE PROOF OF IT.

1 I ALSO HAVE PROOF WHERE I TEXT MESSAGED HIM FOR  
2 THE PAPERS RIGHT AFTER THE COURT. SAME DAY. I SENT HIM THE  
3 \$3000. I SAID SEND ME THE PAPERS. PICTURES OF THE PAPERS AND  
4 I'LL DO IT. RIGHT HERE. I HAVE ALL OF IT. MARK SHAW HAS ALL  
5 OF MY TEXT MESSAGES, SO HE KNOWS.

6 STEWARD NUESCH: OKAY. SO HAS THAT CHANGED OR ARE YOU  
7 WILLING TO SIGN THOSE OVER BASED ON THE JUDGMENT?

8 MR. KLINE: WHO IN THIS WORLD WOULD SIGN SOMETHING FOR  
9 OWNERSHIP OF A PAPER WHEN I HAVE NO IDEA WHO'S THE CURRENT  
10 OWNER OF THIS, ESPECIALLY FOR ONE EXAMPLE -- DON'T SPEAK --  
11 "MORNING BLURS." SOLD SEPTEMBER 1ST. THAT'S PRIOR TO OUR  
12 HEARING, PRIOR TO THE COURT.

13 I'M GOING TO SIGN SOMETHING OVER? WHAT IF  
14 SOMETHING HAPPENED INVOLVING THAT HORSE FROM THAT TIME TO THAT  
15 TIME I'M SIGNING OVER. I'M JUST GOING TO GIVE YOU A BILL OF  
16 SALE SAYING THAT -- OH, THAT'S VERY CONVENIENT, RIGHT, TO HAVE  
17 A BILL OF SALE FOR ALL OF THESE NAMED HORSES WHEN I HAVE  
18 INFORMATION ON SEVERAL OF THESE HORSES AND YOU NEVER PROVIDED  
19 THESE DOCUMENTS BEFORE, THESE CERTIFICATES OF REGISTRATION.  
20 THIS IS FIRST TIME THAT THESE ARE BEING PRODUCED ALL OF A  
21 SUDDEN BECAUSE HE SAID HE LOST IT: OH, I DONATED THAT HORSE.

22 IT'S NOT TRUE. I'M NOT GOING TO SIGN OVER MY  
23 OWNERSHIP ON THOSE TWO PARTICULAR HORSES. THERE'S TWO OPTIONS  
24 THAT CAN OCCUR.

25 STEWARD NUESCH: WELL, THIS ONE -- "SHAKE N FRIES" IS

1 JUST CAROLYN, I BELIEVE.

2 MR. KLINE: CORRECT. IT'S JUST CAROLYN ON THAT ONE.

3 MS. KLINE: YES. JUST CAROLYN.

4 STEWARD NUESCH: I FORGOT TO LOOK AT THE OTHER ONE.

5 MR. KLINE: YEP. I THINK THAT ONE'S KLINE, KLINE AND  
6 LUCAS FOR "TYRANNICAL REX."

7 STEWARD NUESCH: YES.

8 MR. KLINE: YEAH. THERE WOULD BE TWO OPTIONS. BOTH GO  
9 TO AN AFTERCARE FACILITY. THEY ARE MUCH OLDER THAN WHAT THEY  
10 SHOULD BE DOING IN RACING. IF NOT, OKAY. I GUESS THERE'S  
11 ANOTHER OPTION. YOU CAN PURCHASE THOSE HORSES FROM ME.  
12 PURCHASE MY PORTION.

13 STEWARD NUESCH: WHAT WOULD BE THE PURCHASE PRICE BE?

14 MR. KLINE: THE LAST TIME THEY RAN. \$8000 CLAIMER FOR  
15 "SHAKE N FRIES," WHICH WOULD BE \$4000 FOR FIFTY PERCENT OF THE  
16 HORSE.

17 THE OTHER ONE -- THIS IS THE FIRST TIME I'M  
18 HEARING ABOUT THAT ONE NOW, "TYRANNICAL REX." I THOUGHT IT WAS  
19 DOWN TO JUST "SHAKE N FRIES."

20 STEWARD DREYER: BUT YOU'RE SAYING IF HE AGREED NOT TO  
21 RUN THESE HORSES ANYMORE, YOU'D SIGN THEM OVER TODAY?

22 MR. KLINE: I THINK WE WOULD HAVE TO BE IN CHARGE OF  
23 THAT.

24 MS. KLINE: WELL, I WOULD BE IN CHARGE OF AN AFTERCARE  
25 FACILITY BECAUSE HE'D SELL THEM. HE WOULD SELL THEM. LIKE HE

1 SELLS EVERYTHING. HE DOESN'T GIVE ANYTHING AWAY.

2 STEWARD NUESCH: SO YOU WOULD TAKE POSSESSION OF THE  
3 TWO HORSES. YOU WOULD WANT TO TAKE POSSESSION OF THE TWO  
4 HORSES?

5 MS. KLINE: WELL, I WOULD TAKE THEM TO AN AFTERCARE  
6 FACILITY OR HAVE THE AFTERCARE FACILITY PICK THEM UP. I'D EVEN  
7 SHIP THEM THERE AND DONATE THEM.

8 MR. KLINE: CORRECT.

9 MR. LUCAS: YOU'VE TOLD NUMEROUS PEOPLE THAT I'VE  
10 FORGED YOUR NAME, HAVE YOU NOT? NUMEROUS OFFICIALS.

11 MS. KLINE: MR. LUCAS, WHAT WE NEED TO TALK ABOUT IS --

12 MR. LUCAS: THAT'S A "YES" OR "NO."

13

14 (SIMULTANEOUS TALKING.)

15

16 MS. KLINE: -- HOW IS C.H.R.B. --

17 MR. LUCAS: YOU TOLD NUMEROUS PEOPLE THAT, HAVEN'T YOU?

18 MS. KLINE: HOW IS C.H.R.B. GOING TO ADDRESS THE FACT  
19 THAT HE CONTINUES TO LIE IN HERE? PERJURE HIMSELF. HE ALSO  
20 PERJURED HIMSELF IN COURT. LOOK AT "MORNING BLURS." I'LL SHOW  
21 YOU THE PAPERS IF YOU'D LIKE. IT'S ON MY COMPUTER.

22 STEWARD NUESCH: WELL, WE DON'T HAVE THE PAPERS.

23 MS. KLINE: OH, NO. I HAVE A COPY BECAUSE THE PERSON  
24 THAT BOUGHT IT SENT ME A COPY OF THE PAPERS. BOB LUCAS SIGNED  
25 ON IT SEPTEMBER 1ST. HE PERJURED HIMSELF TO YOU ON OCTOBER

1 11TH OF '21 SAYING HE HAS THESE HORSES AND THAT WE OWE FOR THE  
2 TRAINING AND HE HAD AN OUTLANDISH BILL. BUT WHATEVER -- YOU  
3 KNOW, EMBEZZLEMENT IS WHATEVER YOU WRITE DOWN. THAT'S NOT  
4 NECESSARILY THE LAW EITHER. WHATEVER YOU WRITE DOWN MAKING THE  
5 BILL FIT THE EARNINGS. THAT NECESSARILY DOESN'T ABSOLVE YOU  
6 FROM TAKING ALL OF THE EARNINGS ACTING LIKE THERE'S AN  
7 ERRONEOUS BILL. SO, THOSE KIND OF THINGS --

8 STEWARD NUESCH: HAVE YOU GUYS GONE THROUGH AND TRIED  
9 TO COME UP WITH A NUMBER WHERE YOU THINK THE EARNINGS AND THE  
10 BILLS WOULD MEET AS FAR AS --

11 MS. KLINE: HERE'S WHAT'S MOST IMPORTANT FOR US.

12 STEWARD NUESCH: I KNOW THERE'S -- IT'S NINE HUNDRED A  
13 MONTH PER HORSE, BUT YOU'VE GOT NINE HORSES LISTED AND TWO ARE  
14 EARNING MONEY.

15 MS. KLINE: YEAH, BUT ONLY THREE WERE IN TRAINING OR  
16 SOMETHING LIKE THAT.

17 STEWARD NUESCH: SO DO WE HAVE ANY RECORDS OF ALL OF  
18 THAT?

19 MR. KLINE: WE HAVE COMPLETE RECORDS. EVERYTHING WAS  
20 SUBMITTED THE FIRST TIME AROUND.

21 MS. KLINE: HOLD ON. WE HAVE ALSO RECENTLY SENT IT TO  
22 MARK SHAW AND HE'S LOOKING INTO IT. BUT I WILL SAY MOST  
23 IMPORTANT FOR US IS YOU GUYS ARE HERE TO PROTECT THE PUBLIC;  
24 RIGHT? AND HE'S GOING TO DO THIS TO ANOTHER UNSUSPECTING OWNER  
25 AND HE NEEDS TO HAVE HIS LICENSE SANCTIONED. THAT'S WHAT I

1 WANT. I'LL GIVE UP ALL OF THE MONEY. ALL OF THE MONEY. WE  
2 NEVER GOT A SOLITARY DOLLAR --

3 MR. LUCAS: THESE PEOPLE --

4 MS. KLINE: HOLD ON. WAIT. I'M STILL TALKING.

5 MR. LUCAS: SURE. GO AHEAD.

6 MS. KLINE: WE NEVER GOT A SOLITARY DOLLAR. HE WENT  
7 DOWN THERE. WE DIDN'T INSTRUCT HIM TO GO DOWN THERE AND TAKE  
8 ALL OF OUR MONEY. BUT THE BOTTOM LINE IS, WE ALSO DIDN'T ASK  
9 HIM TO DISAPPEAR FOR SEVEN MONTHS AND NOT SEND US EVEN A  
10 STATEMENT OF OUR EARNINGS. HE COLLECTS IT ALL AND THEN LET  
11 TIME GO BY AND THEN SENDS AN OUTLANDISH BILL WHEN HE SAYS ON  
12 THE PHONE: WE'RE AHEAD. WE'RE AHEAD.

13 STEWARD NUESCH: SO, WHAT WERE THE EARNINGS? ARE YOU  
14 TALKING ABOUT THE PAYMASTER ACCOUNT?

15 MS. KLINE: THE PAYMASTER ACCOUNT.

16 STEWARD NUESCH: THE PAYMASTER ACCOUNT. OKAY.

17 MS. KLINE: AND I CAN PROVIDE IT ALL TO YOU. I HAVE IT  
18 ALL. I SENT IT TO MARK SHAW IN SEVERAL E-MAILS. THERE WERE SO  
19 MANY DOCUMENTS. IT WAS QUITE HEAVY. I HAD TO SEND IT IN  
20 MULTIPLE E-MAILS. AND IT'S ALL NOTATED.

21 MR. KLINE: THERE'S ALSO BEEN AN ALTERED AUTHORIZATION  
22 FORM. THE AUTHORIZATION FORM SIGNED IN 2020 AND IT STATES ON  
23 THAT AUTHORIZATION FORM THAT THIS FORM EXPIRES DECEMBER 31,  
24 2021. IT'S BEEN CHANGED TO A TWO AND SOME OTHER ADDITIONAL  
25 WRITING THERE. THE NAMES ARE CAROLYN KLINE WRITTEN --

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MS. KLINE: SCRIBBLES FROM HIM --

(SIMULTANEOUS TALKING.)

MR. LUCAS: THESE ACCUSATIONS ARE UNFOUNDED --

MR. KLINE: -- IN THE RACING OFFICE.

STEWARD DREYER: ONE AT A TIME.

MS. KLINE: THE RACING OFFICE MUST HAVE GIVEN IT TO HIM.

STEWARD WARD: TIME OUT.

MS. KLINE: THE RACING OFFICE MUST HAVE GIVEN IT TO HIM.

STEWARD WARD: I'M GOING TO MAKE A STATEMENT. I CAN SEE WHERE THIS IS GOING.

STEWARD DREYER: YEAH.

STEWARD WARD: AND I THINK THE ONLY PLACE IT'S GOING ARE THERE GOING TO BE THREE MORE HORSES ON THE STEWARDS' LIST BECAUSE IT'S --

MR. LUCAS: MR. WARD?

STEWARD WARD: NOT YET.

MR. LUCAS: THANK YOU.

STEWARD WARD: THIS IS NOT A HEARING. THAT'S GONE. WE WERE JUST TRYING TO GET A SETTLEMENT BETWEEN THE TWO PARTIES SO THAT EVERYBODY COULD GO ON AND BOTH NOT BE HAPPY BECAUSE IF THAT WAS THE CASE, THEN WE PROBABLY DID A PRETTY GOOD JOB IF

1 BOTH PEOPLE ARE NOT HAPPY WITH THE OUTCOME. BUT I DON'T THINK  
2 THAT'S GOING TO HAPPEN.

3 MR. LUCAS: MR. WARD?

4 STEWARD WARD: YES, SIR.

5 MR. LUCAS: IN JANUARY 8, 2020.

6 STEWARD WARD: I CAN'T REMEMBER BACK THEN.

7 MR. LUCAS: I KNOW. BUT THE CLIENTS SENT ME AN E-MAIL  
8 SAYING: I HAD TO GO TO BANKRUPTCY TO TRAIN BECAUSE WE HAD  
9 FAILURE IN OUR BUSINESS IN THE PAST SIX MONTHS. WE CAN JUST  
10 MAKE AGREEMENT TO GIVE THE CURRENT STOCK OF HORSES IN LIEU OF  
11 THE BILL: \$24,000. I KNOW THE CURRENT VALUE IS MORE THAN WHAT  
12 IS OWED, BUT WE WILL DO THAT AND DON'T EXPECT ANY MONEY. WE  
13 ARE JUST BUSTED. WE ARE SAD WE CURRENTLY -- WITH OUR CURRENT  
14 CIRCUMSTANCE.

15 MY RESPONSE: I AM SO SORRY FOR YOUR UNFORTUNATE  
16 SITUATION. BANKRUPTCY IS NOT THE END OF THE WORLD AND IT IS  
17 THERE TO HELP OUT PEOPLE IN THOSE TIMES. PLEASE CALL ALMA AT  
18 LOS ALAMITOS TO SIGN THINGS OVER. I AM SORRY FOR THE --

19 THE REPORTER: YOU NEED TO SLOW DOWN WHEN YOU'RE  
20 READING.

21 MR. LUCAS: SORRY.

22 THE HORSE YOU WERE -- WAS "MORNING BLURS"? DID  
23 YOU SAY ALSO I FABRICATED "EMERALD CITY"?

24 MS. KLINE: I JUST WANTED TO ADDRESS. I NEVER SAID  
25 THAT, BUT --

1 MR. LUCAS: WHOA, WHOA, WHOA. THIS IS AN ADMISSIBLE  
2 DOCUMENT THAT THEY --

3 MS. KLINE: HE SAID --

4 MR. LUCAS: NO. THEY TOLD ME THEY WERE GOING TO FILE  
5 BANKRUPTCY. AND THEN THEY SAID -- I ASKED, WELL, PLEASE LET ME  
6 KNOW YOUR BANKRUPTCY ATTORNEY. ALL OF THIS IS IN TEXTS AND  
7 E-MAILS. THEY'RE THE ONES WITH DIRTY HANDS HERE.

8 MS. KLINE: YOU SAID JANUARY 2020; RIGHT?

9 MR. LUCAS: YOU SENT IT TO ME ON JULY 8TH OF -- AT 2:20  
10 P.M.

11 MS. KLINE: OKAY. YOU SAID --

12 MR. LUCAS: I SAID JULY 8TH.

13 STEWARD WARD: HERE WE GO AGAIN, TALKING OVER ONE  
14 ANOTHER.

15 AND MR. LUCAS, YOU'RE THE ONE CAUSING THE  
16 PROBLEM AT THIS POINT.

17 MS. KLINE: I DO HAVE SOMETHING TO SAY. IN JULY WHEN I  
18 SENT THAT, WE STILL HAD HORSES IN LOUISIANA. OKAY? I HAD TO  
19 GET HIM OFF OF THE SENT. THIS GUY WAS TAKING -- WE WERE HIS  
20 PERSONAL A.T.M. I HAD TO GET HIM OFF OF THE SCENT. I HAD TO  
21 TELL HIM SOMETHING TO GET RID OF HIM.

22 STEWARD WARD: AND THAT'S WHERE THE BANKRUPTCY CAME  
23 FROM?

24 MS. KLINE: YEAH, I HAD TO GET RID OF HIM BECAUSE WE  
25 DIDN'T OWE HIM ANYTHING.

1 MR. KLINE: HE WENT AS FAR AS TO CALL OUR TRAINER IN  
2 LOUISIANA.

3 MS. KLINE: HE WANTS TO TALK ABOUT DEFAMATION. HE  
4 CALLED OUR TRAINER IN LOUISIANA.

5 MR. KLINE: YEAH.

6 MR. LUCAS: ABSOLUTELY.

7 MR. KLINE: YOU KNOW, WE HAVE SIX HORSES IN TRAINING  
8 RIGHT NOW. AND I'M NOT GOING TO LET YOU JEOPARDIZE ANY OF THAT  
9 EITHER.

10 STEWARD NUESCH: WHERE ARE THEY?

11 MR. KLINE: WE'VE BEEN WITH HORSES FOR 17 STRAIGHT  
12 YEARS. NO PROBLEMS WHATSOEVER EXCEPT WITH THIS GENTLEMAN  
13 BECAUSE OF HIS ACCOUNTING OF ANY EARNINGS IS GONE BECAUSE HE  
14 GOES DOWN TO THE RACING OFFICE -- AND I'M TALKING THE SECOND  
15 AFTER THEY JUST RUN AND MAKE IT OFFICIAL, HE'S DOWN THERE  
16 GETTING THE CHECK.

17 MR. LUCAS: THAT'S A LIE BECAUSE THEY HAVE TO --

18 MR. KLINE: WE HAVE IT IN THE RACING OFFICE. WE HAVE  
19 THE PRINTOUTS OF EVERY SINGLE ACCOUNT WHERE BOB LUCAS, BOB  
20 LUCAS. NEVER EVER TO US. NOT ONE DOLLAR.

21 MR. LUCAS: THAT'S NOT TRUE. WE TOOK THAT MONEY AND  
22 CLAIMED HORSES WITH IT. THESE --

23  
24 (SIMULTANEOUS TALKING.)

25 ///

1 MS. KLINE: THAT IS NOT TRUE.

2 MR. LUCAS: -- PEOPLE ARE LYING. WE HAVE A JUDGMENT --

3 STEWARD WARD: HOLD ON. EXCUSE ME.

4 MS. KLINE: I WANT TO SAY ONE OTHER THING. WHEN HE  
5 TRANSFERRED -- WHEN HE WAS SO-CALLED SUSPENDED, BUT WE NEVER  
6 KNEW. WE FOUND OUT ON OCTOBER 12TH IN THE STEWARDS' OFFICE  
7 THAT HE WAS SUSPENDED. WHO WAS THE -- LORENZO RUIZ.

8 I HAVE VOICEMAILS WHERE HE CALLS ME AND HE SAYS:  
9 YEAH, SO WE'RE GOING TO TRANSFER THESE HORSES TO LORENZO AND  
10 WE'RE GOING TO ACT LIKE -- SO IT WILL LOOK LIKE -- YOU KNOW,  
11 LIKE TRYING TO PLAY A GAME WITH THE STEWARDS AND WITH  
12 EVERYBODY. WE'RE GOING TO PLAY A GAME LIKE TRY THIS. SHOW  
13 THAT HE HAS MORE THAN JUST ONE OR TWO HORSES AND THAT WE  
14 TRANSFERRED IT FOR LIKE THREE WEEKS. HE NEVER TOLD US HE WAS  
15 SUSPENDED. I HAVE THE VOICEMAIL. DO YOU WANT TO HEAR IT?

16 STEWARD WARD: NO.

17 MS. KLINE: IT'S QUITE INTERESTING. YOU KNOW, JUST  
18 STUFF LIKE THAT.

19 HE TOLD US STUFF. WE DIDN'T CLAIM ANY HORSES  
20 WHEN WE HAD THOSE EARNINGS. THAT WAS NOVEMBER OF 2020, JANUARY  
21 OF 2021 OR DECEMBER OF 2020. JANUARY OF 2021. I HAVE ALL THE  
22 EARNINGS AND IT WAS HEAVY AND WE DIDN'T CLAIM ANY HORSES.

23 MR. KLINE: THE FINAL HORSE CLAIMED WAS SEPTEMBER OF  
24 2020.

25 MS. KLINE: AND HE WANTS TO SAY THAT WE CLAIMED HORSES

1 AND ALL THIS AND WE'RE LIKE, I THINK HE NEEDS TO LOOK IN THE  
2 MIRROR TO BE HONEST WITH YOU.

3 STEWARD DREYER: WHERE ARE THE HORSES YOU HAVE IN  
4 TRAINING?

5 MS. KLINE: HERE. YEAH. WE MOVED FOUR OF THEM TO  
6 LOUISIANA AND WE'VE RUN THEM AT DEL MAR AND SANTA ANITA.

7 STEWARD DREYER: WITH WHOM?

8 MS. KLINE: SACHEL STEVENS.

9 STEWARD NUESCH: ARE EITHER OF THE TWO OPTIONS PITCHED  
10 OUT SOMETHING YOU CAN CONSIDER, EITHER PURCHASING THE TWO  
11 HORSES OR JUST SIGN THEM OVER? NOT FOR RACING.

12 MR. LUCAS: NO. DAVID, THIS HAS BEEN LITIGATED. THEY  
13 AGREED TO SIGN THEM OVER. SO, THEY'RE IN VIOLATION OF THIS  
14 COURT ORDER AND IT'S GOING TO END UP -- TOM'S ALREADY MADE UP  
15 HIS MIND THAT YOU'RE GOING TO PUT ALL OF THESE HORSES ON A  
16 LIST, WHICH IS JUST TWO OF THEM. NOT THREE OF THEM. JUST TWO  
17 OF THEM. AND THAT'S FINE. IT WILL BE LITIGATED AGAIN AND I'LL  
18 COME BACK TO YOU GUYS AND HOPEFULLY THIS TIME ONCE I GET A  
19 JUDGMENT THAT YOU WILL AFFIRM IT AND LET ME RUN THOSE HORSES.  
20 BUT I WILL HAVE SEVERE DAMAGES.

21 THESE PEOPLE BOUNCE CHECKS ON ME. THEY DID NOT  
22 PAY ME. AND THEY OWE ME OVER \$25,000 BEFORE DECEMBER 3RD AND  
23 NOW THEY'RE WAY OVER \$50,000. SO THIS -- YOU GUYS HAVE THE  
24 POWER TO SIT HERE AND SAY, WE HAVE A JUDGMENT. THAT'S WHAT WE  
25 WERE HERE LAST TIME FOR. AND ALL YOU HAVE TO DO IS SAY, THOSE

1 HORSES -- BECAUSE THEY ADMITTED WHEN THEY FIRST CAME IN THAT  
2 THEY AGREED TO THESE STIPULATIONS. H.I.W.U. AGREES TO THE  
3 STIPULATION.

4 THE HORSE NEEDS TO BE PUT IN MY NAME AND YOU  
5 HAVE THE AUTHORITY TO DO THAT. THEY DON'T EVEN NEED TO SIGN  
6 IT. ALL OF THIS STUFF THAT THEY'RE SAYING IS SUPERFLUOUS AND  
7 NEEDS TO BE DONE -- NEEDED TO BE DONE PRIOR TO THIS IN A COURT  
8 OF LAW. IT CAN'T BE BECAUSE IT HAS BEEN ADJUDICATED. NONE OF  
9 THOSE HORSES -- THEY CAN'T BRING UP ANYTHING ON THOSE HORSES  
10 BECAUSE THIS HAS BEEN ADJUDICATED. IT'S BEEN DONE. IT'S BEEN  
11 TRIED AND THEY'RE OVER WITH IT.

12 THEY AGREED WHEN THEY FIRST CAME IN. GO BACK  
13 AND LOOK AT IT. THEY SAID: WE AGREED TO THE STIPULATION.  
14 THIS IS A JUDGMENT AND THEY AGREED TO IT AND THEY'RE TO SIGN  
15 THOSE HORSES OVER TO ME AND YOU GUYS HAVE THE AUTHORITY AND THE  
16 ABILITY TO SAY: MR. LUCAS, YOU CAN RUN "TYRANNICAL REX" AND  
17 "SHAKE N FRIES."

18 IT DOESN'T SEEM LIKE YOU'RE GOING TO DO THAT.  
19 SO IF YOU DON'T, THEN I'M PUTTING ON THE RECORD RIGHT NOW, AS  
20 THEY COME OUT OF THIS OFFICE -- I WAS HOPING WE COULD RESOLVE  
21 THIS, BUT WE CAN'T. THEY WILL BE FILED A LAWSUIT. THIS TIME  
22 THEY WON'T BE ABLE TO SAY THAT I WASN'T SERVED BECAUSE IT'S ON  
23 THE RECORD RIGHT HERE. THERE'S A PERSON THAT'S GOING TO SERVE  
24 THEM RIGHT WHEN THEY COME OUT OF HERE BECAUSE I KNEW THAT THEY  
25 WOULDN'T DO THIS. ALL OF THIS OTHER STUFF IS SUPERFLUOUS.

1                   STEWARD WARD:   JUST A MOMENT.   JUST A MOMENT.   WHAT I  
2   SAID, MR. LUCAS, I CAN SEE WHERE THIS MIGHT BE GOING.   AND THAT  
3   WAS THREE MORE HORSES MIGHT BE PUT ON THE STEWARDS' LIST.

4                   MR. LUCAS:   MY APOLOGY.

5                   STEWARD WARD:   BUT I'LL BE HONEST WITH YOU.   THIS IS  
6   REALLY GETTING FRUSTRATING.   I THINK BEFORE WE ORDER MR. AND  
7   MRS. KLINE TO SIGN ANYTHING OVER, WE BETTER TALK TO OUR LEGAL  
8   COUNSEL JUST TO SEE WHERE WE ARE.

9                   YES, MA'AM.

10                  MS. KLINE:   FOR THE RECORD, I JUST WANT TO -- SO HE  
11   SAYS:   THEY BOUNCE CHECKS AND EVERYTHING.   IT WAS ONE SOLITARY  
12   MISTAKE.   OKAY?   HE LIKES TO OVEREMBELLISH THINGS.   FOR THE  
13   RECORD, I NEED IT ON THERE.

14                  SECONDLY, THE STIPULATION WAS AN AGREEMENT.   HE  
15   SAYS IT WAS TRIED AND IT WAS EVERYTHING.   LIKE WE WERE IN COURT  
16   AND THEY WERE HITTING THE GAVEL AND EVERYTHING.   IT WAS A  
17   MEDIATOR.

18                  STEWARD WARD:   WELL, I SEE A JUDGE.

19                  MS. KLINE:   NO, THERE'S NO JUDGE.   IT WAS A MEDIATOR.

20                  STEWARD WARD:   JUDICIAL OFFICE OF --

21                  MS. KLINE:   YEAH, BUT IT WAS NOT --

22  
23                                   (SIMULTANEOUS TALKING.)

24  
25                  STEWARD WARD:   AND IT'S GOT A COURT STAMP ON IT.

1 SUPERIOR COURT OF --

2 MS. KLINE: YEAH, BUT HE WAS --

3 STEWARD WARD: JUST A MOMENT, MA'AM.

4 MS. KLINE: SORRY. SORRY.

5 MR. LUCAS: I HAVE A DOCUMENT HERE --

6 STEWARD WARD: SUPERIOR COURT OF CALIFORNIA, COUNTY OF  
7 ORANGE.

8 MR. LUCAS: AND I HAVE A DOCUMENT THAT SAYS THAT THEY  
9 AGREED TO THE STIPULATION -- WHEN YOU GO INTO COURT, THEY  
10 ALWAYS TRY GET YOU TO DO A SETTLEMENT CONFERENCE. SO WE HAD A  
11 SETTLEMENT CONFERENCE AND THE SETTLEMENT CONFERENCE, THEY  
12 AGREED TO. THEY WERE SUING ME FOR \$7,000. A LITTLE LESS THAN  
13 THAT. I WAS SUING THEM FOR \$20,000.

14 WE ALL AGREED TO SETTLE THIS MATTER. PUT IT  
15 BEHIND US FOR A MEASLY, OUT OF \$24,000, \$3,000 AND THEY GAVE ME  
16 ALL THE HORSES. THEY AGREED TO GIVE ME -- IN WRITING -- THEY  
17 AGREED TO GIVE ME ALL THE HORSES. BUT IF YOU RECALL WHEN THEY  
18 WERE HERE LAST TIME, THEY SAID THEY WOULD GIVE ME THOSE HORSES,  
19 BUT THEY AREN'T GONNA GIVE ME A PENNY. WELL, GUESS WHAT? THEY  
20 DID GIVE ME A PENNY, AND IT BECAME MORE OF A POINT. \$3,000 IS  
21 LESS THAN TEN PERCENT OF WHAT THEY OWED ME. AND I AGREED TO  
22 THAT.

23 I ALSO -- GIVE ME TIME. I'VE GOT A DOCUMENT  
24 THAT SAYS THEY'VE AGREED TO GO INTO MEDIATION. MEDIATION IS  
25 FINAL. AND WHEN THEY END UP IN COURT OVER THIS, I WILL WIN

1 BECAUSE THEY WILL LOSE BECAUSE THEY ARE IN VIOLATION OF WHAT  
2 THEY AGREED TO IN MEDIATION.

3 STEWARD DREYER: UNLESS I'M MISTAKEN, I THINK YOU DID  
4 AGREE TO THIS WHEN YOU CAME IN HERE. THAT YOU SAID THIS IS  
5 CORRECT AND YOU AGREED WITH IT. SO WE ASSUME YOU WERE GOING TO  
6 SIGN OVER THE HORSES. THE FURTHER THIS WENT ON AND ON AND ON,  
7 THE FURTHER AWAY YOU GOT TO AGREEING TO WHAT YOU SAID YOU WERE  
8 GOING TO AGREE TO.

9 MS. KLINE: THEY ASKED IF WE AGREED TO THE STIPULATION  
10 AT THE TIME. THAT IS CORRECT. HE ASKED -- YOU KNOW, DURING  
11 THE MEDIATION, IT WAS NOT A COURT BATTLE OR ANYTHING. IT WAS A  
12 MEDIATION. WE AGREED TO THIS STIPULATION. BUT AFTER  
13 DISCOVERING THAT HE PERJURED HIMSELF, WE FOUND OUT NEW  
14 FINDINGS. THIS IS ERRONEOUS ONCE THE JUDGE GETS AHOLD OF IT  
15 AND SEES OUR PROOF. HE PERJURED HIMSELF. HE LIED RIGHT TO THE  
16 COURT.

17 STEWARD NUESCH: SO DID YOU FILE BACK --

18 MS. KLINE: WE'RE GOING TO.

19 MR. KLINE: WE'LL WITHDRAW THE STIPULATION.

20 MS. KLINE: WE CAN WITHDRAW THE STIPULATION BECAUSE IT  
21 WAS ONLY AN AGREEMENT. IT'S NOT A JUDGMENT. IT'S AN AGREEMENT  
22 BETWEEN TWO PARTIES. BUT IT WAS UNDER FALSE PRETENSE.

23 MR. LUCAS: NOT TRUE. NOT TRUE.

24 STEWARD WARD: I DON'T KNOW. YOU'VE GOT STATUTES TO  
25 LOOK AT. STATUTES OF LIMITATION. I DON'T KNOW HOW LONG THEY

1 ARE.

2 MR. KLINE: THERE'S NO LIMITATION ON FRAUD.

3 MS. KLINE: ON FRAUD, THERE'S NO LIMITATION.

4 MR. LUCAS: YOU HAVE TO PROVE IT AND FRAUD'S THE  
5 HARDEST THING TO PROVE.

6 MR. KLINE: JUST "MORNING BLUR" --

7 MR. LUCAS: THERE IS NO FRAUD.

8

9 (SIMULTANEOUS TALKING.)

10

11 MR. LUCAS: I HAVE ENOUGH DOCUMENTS AND YOU SAY YOU  
12 HAVE ENOUGH DOCUMENTS. THIS COULD BE LITIGATED AGAIN.

13 STEWARD NUESCH: ALL RIGHT. SLOW DOWN.

14 MR. LUCAS: WHAT I'M TRYING TO GET IS --

15 STEWARD NUESCH: SLOW DOWN, BOTH YOU GUYS.

16 SO, YEAH. I THINK LIKE THE IDEA OF TALKING TO  
17 COUNSEL A LITTLE BIT AND COME TO A DECISION OF WHAT WE HAVE IN  
18 FRONT OF US AT THIS TIME.

19 MR. LUCAS: WELL, IF YOU'RE GOING TO DO THAT, I NEED  
20 YOU TO GET A -- I NEED TO FIND A DOCUMENT AND I DON'T HAVE IT.  
21 I'M PRETTY SURE IT'S IN MY CAR. IT SHOWS THAT WE HAD ALL  
22 AGREED TO VERBALLY DO THIS MEDIATION AND IT WAS BINDING AND  
23 FINAL. AND I WILL GET THAT TO YOU BECAUSE I KNOW I HAVE IT  
24 SOMEWHERE IN ALL OF THIS STUFF. SO YOU CAN INCLUDE THAT TO  
25 GIVE IT TO COUNSEL.

1                   AND I'LL ALSO GIVE YOU AS -- YOU CAN TAKE THIS  
2 FROM H.I.W.U. THAT THEY ACCEPTED -- THAT THIS ATTORNEY ACCEPTED  
3 THAT. HERE IT IS RIGHT HERE.

4  
5                   (DOCUMENT HANDED TO STEWARDS.)

6  
7                   MR. KLINE: I DON'T KNOW WHAT DOCUMENT THAT IS. I'VE  
8 NEVER SEEN THE DOCUMENT YOU HAVE IN YOUR HANDS, MR. WARD,  
9 BECAUSE H.I.W.U. SAID TO CAROLYN SINCE SHE'S THE NAMED OWNER ON  
10 "SHAKE N FRIES." THIS IS A NOTICE STATING THAT YOU'RE THE  
11 CURRENT OWNER. JUST SO YOU KNOW, THE TRAINER HAS BEEN IN  
12 VIOLATION OF THIS OVER A DRUG WORKOUT. SO, WHY WOULD THEY SEND  
13 THAT IF THEY'RE SAYING --

14                  MR. LUCAS: IT'S A NEW H.I.W.U. POLICY.

15                  MR. KLINE: WE'LL WITHDRAW THE STIPULATION. WE'LL HAVE  
16 IT WITHDRAWN.

17                  STEWARD WARD: OKAY. JUST FOR THE RECORD, MS. KLINE,  
18 YOU DID TAKE A PICTURE OF THIS?

19                  MS. KLINE: YES, I DID.

20                  STEWARD WARD: OKAY. I'M ASSUMING YOU'RE ENTITLED TO,  
21 JUST FOR THE RECORD.

22                  MS. KLINE: BECAUSE I HAVEN'T HAD A MOMENT TO READ IT.

23                  STEWARD NUESCH: JUDGE, ARE YOU MAKING THIS EXHIBIT 1,  
24 THE SETTLEMENT AGREEMENT FROM 2021?

25                  STEWARD WARD: SURE.

1 STEWARD NUESCH: DECEMBER 3RD, 2021. AND THEN THE  
2 H.I.W.U. DOCUMENT THAT MR. LUCAS PRODUCED WILL BE EXHIBIT 2.

3 MS. KLINE: AND FOR THE RECORD, IF YOU GUYS ARE GOING  
4 TO HAVE THE ATTORNEYS LOOK AT IT, I SENT THREE E-MAILS TO MARK  
5 SHAW FOR HIM TO LOOK INTO IT. IT'S ALL TABBED. IT'S EASY TO  
6 READ. IF YOU CAN GIVE ME YOUR E-MAIL, I'LL SEND THOSE TO YOU.

7 STEWARD NUESCH: IF MARK HAS THEM, THAT'S GOOD. WE'LL  
8 LEAVE IT WITH THAT.

9 MS. KLINE: MARK HAS THEM.

10 STEWARD NUESCH: OKAY.

11 MR. KLINE: WHAT'S THE TIME FRAME TO FIND OUT SOME  
12 INFORMATION?

13 STEWARD NUESCH: WE'LL MAKE A COUPLE CALLS TODAY.  
14 WITHIN A FEW DAYS, I WOULD THINK.

15 STEWARD WARD: OKAY. I'M GOING TO MARK THE STIPULATION  
16 FOR ENTRY OF JUDGMENT AS MR. LUCAS EXHIBIT 1.

17  
18 (COMPLAINANT'S EXHIBIT 1 WAS MARKED  
19 FOR IDENTIFICATION BY THE STEWARDS AND  
20 RECEIVED IN EVIDENCE.)

21  
22 STEWARD WARD: OKAY. AND DID WE HAVE ANYTHING --

23 STEWARD NUESCH: THE H.I.W.U. ONE --

24 STEWARD WARD: THE H.I.W.U. ONE, MR. LUCAS EXHIBIT 2.

25 STEWARD NUESCH: SURE.

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(COMPLAINANT'S EXHIBIT 2 WAS MARKED  
FOR IDENTIFICATION BY THE STEWARDS AND  
RECEIVED IN EVIDENCE.)

MR. KLINE: WHEN YOU'RE PROVIDING THIS INFORMATION TO  
COUNSEL --

STEWARD NUESCH: WE'RE ONLY GOING TO CONSULT WITH  
COUNSEL AS FAR AS --

MR. KLINE: OKAY. BUT IF YOU HAVE EXHIBITS, WE HAVE AN  
EXTREMELY LARGE PACKET.

MS. KLINE: MARK SHAW HAS IT.

MR. KLINE: OKAY.

STEWARD WARD: CAN WE KEEP THIS?

MR. LUCAS: YOU CAN, SIR.

THIS IS WHAT SHE SENT ME AND THIS IS WHAT THEY  
WANTED OUT OF THIS. THEY'RE JUST TRYING TO TORTURE MY TWO  
HORSES AND TORTURE ME. AND THEY HAVE SHOWN -- THEY HAVE  
TOLD THE --

STEWARD NUESCH: 10/21 IS BEFORE THE --

MR. LUCAS: THEY HAVE TOLD THE STEWARDS DOWN IN ARIZONA  
THAT I'M A HORSE THIEF. THAT I'VE KILLED HORSES. I'VE SOLD  
THEM DEAD HORSES AND THEY ALSO STATED THAT THERE WAS GOING TO  
BE A HEARING AGAINST ME FOR RUNNING A HORSE "MARINO HEAT" IN MY  
NAME. WHEN I ENTERED "MARINO HEAT," IT WAS AFTER THE JUDGMENT.  
I CALLED OVER THERE. THEY SAID: WHO'S THE OWNER OF THE HORSE?

1 WELL, ON THE PAPER, IT'S CAROLYN KLINE AND ROBERT LUCAS. AND I  
2 DON'T KNOW IF IT'S WILLIAM KLINE.

3 AND I SENT THEM A COPY OF THIS AND THEY ALLOWED  
4 THE HORSE TO RUN IN MY NAME. THEY HAVE TOLD NUMEROUS RACING  
5 OFFICIALS -- TALK TO RON CHURCH -- THAT I FORGED THEIR NAMES.  
6 WHAT THEY'RE TRYING TO GET IS SOME KIND OF A FORGERY. I HAVE  
7 NEVER FORGED THEIR NAME. THEY HAVE SAID IT NUMEROUS TIMES.

8 THEY SAID I'M A HORSE THIEF. ALL KINDS OF LIES  
9 WHICH IS ALL -- WILL COME UP LATER ON. BUT THE BOTTOM LINE  
10 HERE, THIS DOCUMENT SENT BY THEM -- AND IT HAS ALL THE NAMES OF  
11 THE HORSES: THIS IS TO CERTIFY THAT WILLIAM KLINE, CAROLYN  
12 KLINE, AND ROBERT LUCAS HAVE ENTERED INTO AGREEMENT TO DISBURSE  
13 THE CLIENTS' FIFTY PERCENT OWNERSHIP TO ROBERT LUCAS WITH NOW  
14 100 PERCENT OWNERSHIP. THE DISBURSEMENT WILL RELIEVE ALL  
15 PARTIES FROM ANY FURTHER PARTNERSHIP AS TO THE DATE THIS  
16 DOCUMENT IS SIGNED. THIS DOCUMENT -- THIS AGREEMENT WILL BE  
17 SETTLEMENT OF ANY OF THE PAST AND PRESENT EXPENSES FOR ANY OF  
18 THE HORSES STATED BELOW. THIS WILL FREE THE CLIENTS FROM ANY  
19 AND ALL PAST, PRESENT EXPENSES, INCLUDING BUT NOT LIMITED TO  
20 TRAINING, VETERINARIAN, GROOMS, RACETRACK FEES, WORKMAN'S  
21 COMPENSATION, NEGATIVE BALANCE, AND ALL ACCOUNTS AT RESPECTIVE  
22 TRACKS FOR THESE HORSES. AND THE TRANSPORTATION FEES AND  
23 MISCELLANEOUS EXPENSES, PHOTOS, ET CETERA.

24 THIS SETTLEMENT AGREEMENT IS FOR THE FOLLOWING  
25 HORSES: "VERRY BOSSY," "TYRANNICAL REX," "CINCINNATUS EAGLE,"

1 "NEVER GIVE IN," "SHAKE N FRIES," "SARAH'S SMIRK," "MORNING  
2 BLURS," "MARINO HEAT," "EMERALD CITY," "RAMONA LOVER."

3 I ALSO -- AND IT WAS TYPED OUT BY THEM, WILLIAM  
4 KLINE, ROBERT LUCAS, WITH NO MONEY SPENT. BECAUSE WHAT THEY  
5 WANTED TO DO WAS JUST GET OUT FROM UNDER \$24,000 FOR GIVING ME  
6 THESE HORSES. IT HAS BEEN LITIGATED. THEY HAVE DIRTY HANDS IN  
7 THIS CASE.

8 AND I PLEAD WITH YOU TO PLEASE TELL WHOEVER YOU  
9 NEED TO TALK TO. YOU HAVE THE AUTHORITY. YOU SENT ME BEFORE,  
10 TO ALL OF US, TO GO TO COURT. WE WENT TO COURT AND IT WAS  
11 ADJUDICATED AND THE VERY FIRST THING OUT OF HER MOUTH WAS SHE  
12 AGREED TO THE STIPULATION. THAT IS A FINAL STIPULATION. WHEN  
13 YOU GO INTO MEDIATION, THERE IS -- AND YOU KNOW WHAT? I WILL  
14 SHOW YOU IN -- THEY SUED ME.

15 DID YOU NOT SUE ME OR DID I SUE YOU? THIS  
16 STIPULATION, WHAT IS IT?

17 MR. KLINE: WE'RE THE PLAINTIFF.

18 MR. LUCAS: YOU ARE THE PLAINTIFF. AND YOU KNOW WHAT  
19 IT SAYS IN SMALL CLAIMS? AND I'LL BRING YOU IN THE DOCUMENT IF  
20 YOU'D LIKE AND YOU CAN REFER TO THAT.

21 THE PLAINTIFFS HAVE NO RIGHT TO APPEAL. THERE  
22 IS NO RIGHT OF APPEAL. THIS IS FINAL. AND IT ISN'T LIKE  
23 REGULAR COURT. MY TRANSITION, I CAN APPEAL IF I'M THE  
24 PLAINTIFF. BUT WHEN YOU GO TO SMALL CLAIMS COURT, THE  
25 PLAINTIFF, WHICH THEY WERE, HAS NO RIGHT TO APPEAL THIS

1 DECISION. AND I WILL -- IT SAYS RIGHT ON THE DOCUMENT THAT YOU  
2 SIGNED.

3 AS A MATTER OF FACT, WHEN THEY GET SERVICE TODAY  
4 WHEN THEY LEAVE, IT WILL SAY: PLAINTIFFS, ME. DOES NOT HAVE  
5 THE RIGHT TO APPEAL THIS.

6 STEWARD WARD: THE ONLY PROBLEM I SEE, MR. LUCAS, IS  
7 THERE ARE NO SIGNATURES.

8 MR. LUCAS: THE REASON THAT IS IS BECAUSE IF YOU WERE  
9 TO GO DOWN TO THE COURTHOUSE -- I WENT DOWN TO THE COURTHOUSE  
10 TWO TIMES. ONE TIME IT COST ME \$43 BECAUSE I FORGOT TO PAY  
11 THE --

12 STEWARD WARD: DO YOU HAVE A COPY OF THIS?

13 MR. LUCAS: THEY WOULD NOT GIVE ME A COPY OF IT. I  
14 HAVE A VIDEOTAPE. DO YOU WANT TO SEE THE VIDEOTAPE OF THE GIRL  
15 SAYING THIS IS FINAL. BECAUSE SHE SAYS THIS IS NOT OUR POLICY.  
16 THAT JUDGMENT IS FINAL.

17 I CAN SHOW YOU THE VIDEOTAPE OF THE GIRL AT THE  
18 COURTHOUSE TELLING ME THIS IS FINAL.

19 STEWARD WARD: WELL, SHE CAN TELL YOU ALL YOU WANT.

20 MR. LUCAS: SHE CAN TELL YOU ALL YOU WANT, BUT THIS IS  
21 FINAL. WHAT IT'S GOING TO DO, IF YOU TALK TO YOUR COUNSEL,  
22 THEY'RE GOING TO SAY THAT THIS WAS A MEDIATION AND THEY WERE  
23 THE PLAINTIFFS. THERE IS NO APPEAL. THEY CANNOT APPEAL IT AND  
24 THEY CAN'T RESTRICT [SIC] IT. IT WAS MEDIATED AND THEY AGREED  
25 TO IT.

1                   THEY ALSO GAVE ME \$3,000.   THE ONLY THING THEY  
2 DIDN'T GIVE ME -- NOW THEY THINK I'M FORGING NAMES.   TALK TO  
3 RON CHURCH.   SHE TOLD RON CHURCH THAT I GUARANTEE, HE FORGED  
4 NAMES.

5                   STEWARD WARD:   WE'RE SPINNING OUR WHEELS HERE.

6                   STEWARD NUESCH:   YEAH.   LET'S GET THIS TO A CLOSE.  
7 WE'LL TAKE THAT AS A CLOSING STATEMENT.

8                   MS. KLINE:   I HAVE TO ADDRESS THIS DOCUMENT.

9                   STEWARD WARD:   OKAY.

10                  MS. KLINE:   THIS DOCUMENT, WE WENT BACK AND FORTH.   YOU  
11 SEE IT SAYS OCTOBER 21ST OF '21?

12                  STEWARD WARD:   UH-HUH.

13                  MS. KLINE:   WE WERE IN HERE ON OCTOBER 12.   WE WERE  
14 TRYING TO GET IT RESOLVED BEFORE GOING TO COURT.   THAT'S NOT  
15 SIGNED BECAUSE IT WAS NOT -- THEN HE SENT ME A DOCUMENT.   I  
16 SENT HIM A DOCUMENT.   I SAID HERE'S A SETTLEMENT.   HE SENT ME A  
17 SETTLEMENT PROPOSAL OF, YOU KNOW, BASICALLY "SHAKE N FRIES" IS  
18 ONLY WORTH A THOUSAND DOLLARS AND STUFF.   HE SENT A WHOLE BUNCH  
19 OF THINGS.   THEY'RE NOT SIGNED BECAUSE THEY WERE NEVER AGREED  
20 UPON.

21                  STEWARD WARD:   HAVE YOU EVER SEEN THIS DOCUMENT BEFORE?

22                  MS. KLINE:   WHAT DOCUMENT?

23                  STEWARD WARD:   THE STIPULATION.

24                  MS. KLINE:   OH, THE STIPULATION.   I'M TALKING ABOUT THE  
25 DOCUMENT THAT HE JUST SAID WHEN HE READ IT TO YOU.

1 MR. LUCAS: WE AREN'T ENTERING THAT.

2 MS. KLINE: NO. I KNOW, BUT YOU READ IT ALOUD. WHERE  
3 IS IT?

4 STEWARD NUESCH: YEAH, THAT WAS THE E-MAIL OR  
5 SOMETHING.

6 MS. KLINE: NO. IT WAS SOME LETTER AND IT WASN'T  
7 SIGNED, BUT HE READ IT DURING THIS PROCEEDINGS. I JUST WANT TO  
8 RETRACT THAT AS --

9

10 (SIMULTANEOUS TALKING.)

11

12 MR. LUCAS: MR. WARD ASKED YOU A SPECIFIC --

13 MS. KLINE: -- THAT'S NOT VALID WHATEVER HE JUST READ.

14 THE REPORTER: I CAN ONLY TAKE ONE AT A TIME.

15 MS. KLINE: BOB, I'M TALKING.

16 MR. LUCAS: SURE. GO AHEAD.

17 MS. KLINE: FOR THE RECORD, I WANT WHAT HE JUST READ  
18 RETRACTED. IT'S AN ERRONEOUS THING. IT WASN'T SIGNED BY ANY  
19 PARTY.

20 MR. LUCAS: THAT'S FINE. JUST DELETE IT. I'M FINE  
21 WITH THAT.

22 STEWARD WARD: OKAY.

23 MS. KLINE: I MEAN, YOU KNOW, YOU PERJURED YOURSELF  
24 ENOUGH IN THIS ROOM.

25 STEWARD WARD: HAVE YOU EVER SEEN THIS DOCUMENT BEFORE?

1 MS. KLINE: YES.

2 STEWARD WARD: OKAY. THAT'S ALL MY QUESTIONS.

3 MS. KLINE: AND AT THE TIME OF THE MEDIATION, WE DIDN'T  
4 EVEN GO INTO A COURTROOM. IT WAS LITERALLY A MEDIATOR. NOT A  
5 JUDGE. AND WHEN AGREED TO IT, WE DIDN'T REALIZE HE ALREADY  
6 POCKETED THE MONEY AND SOLD THE HORSES OUT FROM UNDER US  
7 WITHOUT GIVING US EVEN AN INDICATION OR -- HE SAYS THEY'RE  
8 DONATED. THEY'RE ALL GIVEN.

9 WHY DON'T YOU PROVIDE THE DONATION PLACE SO WE  
10 CAN TRACK DOWN THE PAPERS? HOW ABOUT THAT? YOU KNOW, IF YOU  
11 WANT TO BE SO SELF-RIGHTEOUS, LET'S -- IF YOU'RE HONEST AND  
12 FORTHRIGHT, YOU WOULD PROVIDE. SO --

13 STEWARD WARD: IS THERE ANYTHING FURTHER?

14 MS. KLINE: -- THIS WAS ENTERED UNDER FALSE PRETENSES.

15 STEWARD WARD: I'LL BE HONEST WITH YOU. I DON'T THINK  
16 JUDGE WAPNER OR JUDGE JUDY CAN FIGURE THIS ONE OUT.

17 MR. LUCAS: THE WHOLE CRUX IS SHE JUST ADMITTED THAT  
18 THAT STATEMENT WHICH IS A -- IF YOU DO A LITTLE RESEARCH ON  
19 IT -- THAT SETTLEMENT SHE'S READ, ACKNOWLEDGED, PAID A PORTION  
20 OF IT. SO SHE ACTUALLY FOLLOWED THROUGH WITH A PORTION OF IT  
21 AND DECIDED LATER ON NOT TO FINISH THAT. AT THAT POINT, SHE  
22 HAD AN OPPORTUNITY TO TRY TO APPEAL IT. THE PROBLEM IS THERE  
23 IS NO APPEAL. ONCE YOU HAVE A COMPLAINT, IN SMALL CLAIMS, IF  
24 YOU'RE THE PLAINTIFF, THERE IS NO APPEAL.

25 SHE AGREED TO THIS. WE WENT ROUND AND ROUND

1           LIKE WE'RE DOING NOW AND THAT WAS NOT IN A COURTROOM.   THAT WAS  
2           DONE OVER ZOOM.

3                           WAS IT NOT?

4           MS. KLINE:   IT WAS -- YOU'RE SWORN IN, THOUGH.  
5           PERJURY.

6           MR. LUCAS:   SHE JUST SAID WE WERE IN A COURTROOM.   WE  
7           WEREN'T IN A COURTROOM.   IT WAS OVER ZOOM.

8           STEWARD WARD:  TIME OUT.   THE TIME FOR YOUR ALLEGATIONS  
9           REALLY IS NOT HERE BECAUSE THIS IS GOING TO GO ON.   THE TIME  
10          FOR YOUR ALLEGATIONS WILL BE IN COURT.

11          MS. KLINE:  YEAH, BUT I SAID WE WERE ON VIDEO THROUGH A  
12          MEDIATOR.   WE WERE NOT IN A COURTROOM.   YOU SAID IT WAS  
13          ADJUDICATED AND EVERYTHING.   IT WASN'T.   IT WAS LITERALLY  
14          MEDIATION.

15          MR. LUCAS:  THIS IS ADJUDICATED.

16          STEWARD WARD:  I'M SORRY WE COULDN'T EFFECT A  
17          SETTLEMENT TO COMPROMISE ANYTHING, BUT WE TRIED.

18          STEWARD NUESCH:  AND I'M OKAY BRINGING THIS TO A CLOSE  
19          AND WE'LL --

20          STEWARD WARD:  THAT'S ALL WE CAN DO.

21          STEWARD NUESCH:  WE'LL TALK TO --

22          STEWARD WARD:  THAT'S ALL WE CAN DO.

23          STEWARD NUESCH:  WE'LL TALK TO OUR PEOPLE AND WE WILL  
24          COME TO A DECISION IN A DAY OR TWO.

25          MR. LUCAS:  AND I IMPLORE YOU THAT YOU HAVE THE

1 AUTHORITY AS YOU INSTRUCTED ME TO GO GET THIS HEARING DONE AND  
2 WE ARGUED BACK AND FORTH FOR HOURS AT THE MEDIATION AND SO THIS  
3 WAS ALL ADJUDICATED. IT'S DONE. YOU HAVE THE AUTHORITY TO  
4 EITHER SUSPEND THE HORSES OR YOU CAN SAY: WE BELIEVE THAT THIS  
5 IS ACCURATE AND ALL THIS OTHER STUFF THEY'RE COMING UP WITH --  
6 IF THEY WANT TO SUE ME AGAIN, THEY CAN. BUT EVERYTHING FROM  
7 DECEMBER 3RD BACK AND EVERY ONE OF THESE HORSES HAS BEEN  
8 ADJUDICATED. CANNOT BE APPEALED. NOT IN SMALL CLAIMS.

9 STEWARD NUESCH: WE HEARD YOU.

10 MR. LUCAS: SO, PLEASE, YOU THE AUTHORITY TO SAY:  
11 ROBERT LUCAS IS THE OWNER OR "TYRANNICAL REX." ROBERT LUCAS IS  
12 THE OWNER OR "SHAKE N FRIES."

13 STEWARD DREYER: OKAY. AS FAR AS -- SO JUST SO  
14 EVERYBODY UNDERSTANDS THIS, ARE WE GOING TO PUT THESE TWO  
15 HORSES ON THE STEWARDS' LIST?

16 STEWARD WARD: WELL, I THINK "SHAKE N FRIES" IS ALREADY  
17 ON THERE.

18 STEWARD NUESCH: YEAH.

19 STEWARD WARD: AND THE OTHER HORSE WE'RE TALKING ABOUT  
20 IS --

21 MR. KLINE: "TYRANNICAL REX."

22 MR. LUCAS: AND HE WAS DUE TO COME IN LAST WEEK. TWO  
23 WEEKS AGO, HE WAS DUE TO COME IN WHICH I HAVE A COGGINS TO  
24 PROVE THAT. SO HE WAS PLANNING -- I WAS PLANNING ON BRINGING  
25 HIM IN IN GOOD FAITH BECAUSE THESE PEOPLE IN GOOD FAITH

1 SHOULD'VE SIGNED HIM OVER. ALL THIS OTHER SUPERFLUOUS STUFF  
2 THEY'RE SAYING AND ALL THE DAMNING THINGS THEY SAY TO OTHER  
3 STEWARDS AT ARIZONA -- HE USED TO BE ONE OF THE STEWARDS -- HE  
4 USED TO BE THE MAN THAT -- OH, I FORGET HIS NAME, BUT I CAN  
5 TELL YOU HE WAS THE GUY THAT --

6 HE'S A HORSE IDENTIFIER. THEN HE WAS HERE AND  
7 THEN HE TOOK A STEWARDSHIP OVER THERE. AND THEY SCATHED HIM  
8 AND SAID ALL KIND OF LIES ABOUT ME WHICH WHETHER OR NOT I'M  
9 JUST GOING TO LET THAT DROP, THAT'S A WHOLE ANOTHER ATTITUDE.

10 BUT THE BOTTOM LINE IS EVERYTHING THAT THEY'RE  
11 BRINGING UP HAS BEEN ADJUDICATED. DONE. AND NOTHING THAT THEY  
12 CAN BRING UP AT THIS POINT CAN BE -- THIS IS A FINAL JUDGMENT.

13 STEWARD DREYER: OKAY. YOU'VE MADE THAT POINT.

14 MR. LUCAS: I'M SORRY.

15 MR. KLINE: CAN I JUST MAKE ONE STATEMENT, PLEASE?

16 STEWARD DREYER: I JUST WANT EVERYBODY TO UNDERSTAND SO  
17 THAT THERE AREN'T ANY MISTAKES. THESE HORSES CAN'T RUN UNTIL  
18 WE'RE DONE WITH THIS. ONE OF THEM IS ALREADY ON THERE. WE'LL  
19 PUT "TYRANNICAL REX" ON FOR THE TIME BEING. WE DON'T WANT ANY  
20 MISUNDERSTANDING.

21 MR. LUCAS: FINE.

22 STEWARD WARD: YES. SO, THEORETICALLY, THEY'VE GOT NO  
23 VALUE IF THEY CAN'T RUN. RIGHT?

24 STEWARD NUESCH: THEY HAVE NO VALUE AS RACEHORSES.  
25 YES.

1                   STEWARD WARD:   OKAY.

2                   MR. LUCAS:    BUT I CAN TELL YOU THIS.   I WILL RUN THEM.  
3   I WILL HAVE THIS LITIGATED IN THREE MONTHS IF YOU GUYS DON'T  
4   HAVE THE COURTESY TO DO THAT FOR ME.   I WILL RUN THEM AND I  
5   WILL KEEP TRAINING "TYRANNICAL REX" BECAUSE HE'S HERE.

6                   STEWARD DREYER:  WE'RE NOT SAYING YOU CAN'T TRAIN.

7                   MR. LUCAS:    I UNDERSTAND THAT, BUT THE DAMAGES JUST GO  
8   UP AND UP AND THEY WILL BE SEVERE.

9                   MR. KLINE:    OKAY.   CAN I JUST SAY ONE THING?

10                                SO YOU CONTINUE TO SAY THAT ABOUT THOSE TWO  
11   HORSES.   BUT BASED ON -- SO WHICH ONE ARE YOU GOING TO STAND  
12   BY?   ARE YOU GOING TO STAND BY YOUR STIPULATION PAPER OR ARE  
13   YOU GOING TO STAND BY:   OH, NOW THEY OWE ME.   THE STIPULATION  
14   SAYS YOU CAN'T.   SO WHICH IS IT?

15                   MR. LUCAS:    NO.   NO.   ABSOLUTELY.   THEY ARE SO CORRECT.

16                   MR. KLINE:    EVERYTHING IS ABOUT MONEY FOR YOU, BOB.

17                   MR. LUCAS:    I AM SO GLAD THAT THEY BROUGHT IT UP.   AND  
18   HERE'S THE REASON WHY, FROM DECEMBER 3RD AND BACK --

19                   MS. KLINE:    I DON'T KNOW WHY HE KEEPS --

20                   MR. LUCAS:    -- AND THERE IS NOTHING I CAN GO BACK TO  
21   THEM ON DECEMBER 3RD AND ON.   BUT FROM DECEMBER 3RD --  
22   ACTUALLY, FROM DECEMBER 6TH WAS WHEN THEY WERE SUPPOSED TO SIGN  
23   THESE PAPERS OVER TO ME UNTIL TODAY CONTINUING FROM HERE ON.   I  
24   AM OUT MONEY FOR THE CARE OF HORSES THAT THEY REFUSE TO SIGN  
25   OVER.   ACCORDING TO THE STIPULATION.

1                   SO, YES, I WILL NOT ASK FOR ANY KIND OF MONEY OR  
2                   COMPENSATION FOR YOU FOR DECEMBER 3RD BACK. BUT FROM  
3                   DECEMBER 6TH BECAUSE THAT'S WHEN YOU WERE SUPPOSED TO SEND IT  
4                   OVER TO ME, THERE IS SEVERE MONEY THAT IS OWED TO ME.

5                   AND ALL THEY HAVE TO DO IS SIGN IT, BUT THEY  
6                   DON'T WANT TO. SO LET THEM PLAY WITH IT AND WE'LL JUST SEE HOW  
7                   IT GOES. I'LL BE BACK HERE AND WHEN I GET A JUDGMENT THIS  
8                   TIME, I WILL MAKE SURE THE GUY STAMPS ON IT "JUDGMENT DUE,"  
9                   WHATEVER. BECAUSE AGAIN, IT'S A ZOOM. IT'S ANOTHER ZOOM  
10                  THING. BUT I WILL BE IN FRONT OF THE COURT AND THIS TRANSCRIPT  
11                  WILL BE ALSO RECITED AT THAT TIME AND THESE PEOPLE ARE JUST  
12                  CAUSING TROUBLE BECAUSE THEY CAN. I'M SORRY.

13                  STEWARD WARD: OKAY.

14                  MS. KLINE: CAN I HAVE ONE STATEMENT REAL QUICK? HE  
15                  SAID SOMETHING ABOUT THE STEWARDS AT TURF PARADISE. HE RAN  
16                  "MARINO HEAT" UNDER HIS NAME ONLY, AND THAT'S WHY THE TURF  
17                  PARADISE, THEY CALLED ME. I DIDN'T CALL THEM. THEY CALLED ME.

18                  MR. KLINE: THE A.Z.B.P.A. CALLED US. THAT'S THE  
19                  ARIZONA HORSE RACING --

20  
21                  (SIMULTANEOUS TALKING.)

22  
23                  MS. KLINE: BECAUSE BOB LUCAS WAS ABLE TO RUN IT UNDER  
24                  HIMSELF.

25                  MR. LUCAS: AND I STATED BEFORE --

1 MS. KLINE: AND THAT'S WHAT YOU --

2 MR. LUCAS: WHAT I DID IS I ENTERED THE HORSE AND THEY  
3 ASKED FOR THE COPY OF THE JUDGMENT AND THEY LOOKED AT THE  
4 JUDGMENT AND THEY SAID: YOU CAN RUN THE HORSE IN YOUR NAME.

5 AND I WAS TOLD BY THE STEWARDS OVER THERE THAT  
6 THEY CALLED THEM AND THEY FILED -- AS A MATTER OF FACT, IF YOU  
7 GO BACK TO READING THE DOCUMENT THAT SHE -- I CAN GO BACK AND  
8 READ IT TO YOU -- THAT THEY SAID THAT THERE IS A CASE AGAINST  
9 ME IN ARIZONA FOR FRAUDULENTLY RUNNING THIS HORSE.

10 HAVE WE EVER GONE IN FRONT OF THE ARIZONA --

11 MS. KLINE: I DON'T THINK WE SAID ANY OF THOSE WORDS  
12 THAT YOU SAID.

13 MR. LUCAS: WELL, THE HORSE RAN.

14 MS. KLINE: YOU JUST SAID FRAUDULENTLY.

15 MR. LUCAS: THE HORSE RAN AFTER THAT.

16 STEWARD NUESCH: BACK IN BOTH YOUR GUYS' NAMES?

17 MS. KLINE: NO. NO. NO. FIRST ROBERT LUCAS AND THEN  
18 BACK IN OUR NAMES.

19 MR. KLINE: WENT BACK IN CALIFORNIA.

20 STEWARD NUESCH: BACK IN CALIFORNIA.

21 MR. KLINE: UNBEKNOWNST TO US.

22 STEWARD WARD: OKAY.

23 MR. KLINE: NO ACKNOWLEDGMENT.

24 MR. LUCAS: WELL, THAT'S NOT TRUE.

25 MR. KLINE: IT'S ABSOLUTELY TRUE.

1                   STEWARD DREYER:  THE PAPERS WERE NEVER FORMALLY SIGNED  
2  OVER.

3                   MS. KLINE:  NO.

4                   STEWARD DREYER:  ARIZONA JUST LET HIM RUN THE HORSE IN  
5  HIS NAME.

6                   MS. KLINE:  CORRECT.

7                   MR. KLINE:  CORRECT.

8                   MS. KLINE:  YEAH.  AND THEN CAME BACK HERE AND HE HAD  
9  TO RUN IT UNDER BOTH.

10                  STEWARD DREYER:  EVEN THOUGH THE PAPERS READ SOMETHING  
11 ELSE.

12                  MR. KLINE:  CORRECT.

13                  STEWARD NUESCH:  OKAY.  WELL, LET'S BRING THIS TO A  
14 CLOSE AND WE WILL BE IN TOUCH.

15                  MS. KLINE:  OKAY.  THANK YOU.

16                  STEWARD WARD:  WE'RE OFF THE RECORD?

17                  STEWARD NUESCH:  YES.

18

19

20   (PROCEEDINGS CONCLUDED AT 10:56 A.M.)

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HEARING REPORTER'S CERTIFICATE

I, MICHELLE E. DERIEG, HEARING REPORTER, IN  
AND FOR THE STATE OF CALIFORNIA, DO HEREBY CERTIFY:

THAT THE FOREGOING TRANSCRIPT OF  
PROCEEDINGS WAS TAKEN BEFORE ME AT THE TIME AND PLACE SET  
FORTH, THAT THE TESTIMONY AND PROCEEDINGS WERE REPORTED  
STENOGRAPHICALLY BY ME AND LATER TRANSCRIBED BY COMPUTER-AIDED  
TRANSCRIPTION UNDER MY DIRECTION AND SUPERVISION, THAT THE  
FOREGOING IS A TRUE RECORD OF THE TESTIMONY AND PROCEEDINGS  
TAKEN AT THAT TIME.

I FURTHER CERTIFY THAT I AM IN NO WAY  
INTERESTED IN THE OUTCOME OF SAID ACTION.

I HAVE HEREUNTO SUBSCRIBED MY NAME THIS 12TH DAY  
OF MARCH 2024.

*Michelle E. Derieg*

---

MICHELLE E. DERIEG  
HEARING REPORTER