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FILED**

*JC* APR 29 1999

**CARLOS JUENKE  
CLERK, USDC / SDFL / MIA  
UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA**

UNITED STATES OF AMERICA,

CASE NO. 99-32-CR-GOLD

-vs-

GGL, d/b/a Classic Motor  
Carriages,

Defendant.

**MOTION TO ALLOW  
VICTIM/WITNESS ALLOCUTION  
AT SENTENCING**

The United States of America, by and through the undersigned Assistant United States Attorney, files this motion to allow victim/witness allocution at sentencing. In support thereof, the government states the following:

Federal rule of Criminal Procedure 32 (c)(3)(E), Sentence and Judgment, specifically provides that only victims of violent crimes and sexual abuse have a statutory right to allocute at the sentencing hearing. While there is no specific provision for victims of financial crimes, allocution for such victims is within the discretion of the sentencing court.

Financial crimes like violent crimes have a profound, but different impact on their victims. Victims of financial crimes represent the largest category of crime victims in cases prosecuted by the United States. U.S. Attorneys' Bulletin, January 1999.

NON-COMPLIANCE OF S.D. fl. L.R. 7.1A.4

*b/f*  
*10*

The Antiterrorism & Effective Death Penalty Act of 1996, has expanded the definition of “victim” to include those “proximately” harmed as a result of the commission of the offense. 18 U.S.C. §§ 3663(a)(2) and 3663A(a)(2).

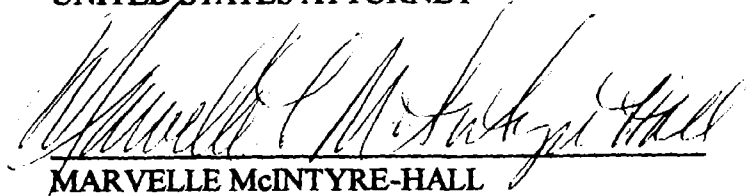
Two victim/witnesses have expressed the desire to have an opportunity to allocute at the sentencing on April 27, 1999. Those witnesses are Ms. Debra Bonhomme and Alan Weisberg, Esq., attorney for the estate of Stuart Rado. Ms. Bonhomme purchased a kit car from the defendant and has expressed a desire for a full refund. Stuart Rado was an active consumer advocate against whom the defendant corporation filed a civil complaint in state and federal courts charging that Mr. Rado had violated the Florida Trade Secrets Act. *GGL Industries, Inc. v. Stuart Rado, Curt Scott, and Crown Publishing Co., Inc.*, Case No. 94-2234-CIV-Lenard. A statement from the Estate of Stuart Rado is attached as Government Exhibit A.

The government does not foresee a lengthy or protracted allocution from these two witnesses, but suggest to the sentencing court that, in light of the number of victim/witnesses in this case, there could have been a much greater number expressing a desire and seeking an opportunity to address the court.

**WHEREFORE**, based on the foregoing, the government respectfully requests that the named victim/witnesses have an opportunity to address the court at the time of sentencing.

Respectfully submitted,

THOMAS E. SCOTT  
UNITED STATES ATTORNEY



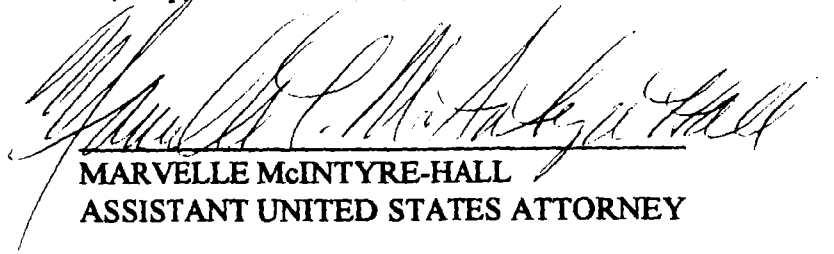
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**CERTIFICATE OF SERVICE**

I HEREBY certify that a true and correct copy of the foregoing was faxed and mailed this

20<sup>th</sup> day of April, 1999, to : Greg O'Connell, Esq., 500 5th Avenue, 26th Floor

New York, NY 10110.



MARVELLE McINTYRE-HALL  
ASSISTANT UNITED STATES ATTORNEY

As the Information in this case states, the defendant GGL Industries, Inc. ("GGL") knowingly, willfully and unlawfully defrauded people throughout the United States through false, misleading and deceptive dealings. GGL's fraudulent conduct covered at least the period of August 1, 1985 to and including June, 1996. Until prosecuted, it was the perfect scheme. The amount of the loss sustained by each defrauded person was not enough to justify their taking legal action. The costs of litigation were simply prohibitive, especially for the majority of customers who were not in Florida. However, the cumulative total of money received from all defrauded persons was significant to GGL and made it very profitable to continue the fraud for as long as it possibly could.

In 1994, a full 9 years after GGL's frauds had begun, Stuart Rado, at the behest of several customers of GGL and Curt Scott of Crown Publishing Company, Inc., sent letters to numerous customers of GGL explaining how they could contact the Florida Attorney General's office "if your dealings with [GGL] have been less than satisfactory...." Partially as a result of these letters, some of the defrauded customers to whom Rado wrote (and he did not write to all of GGL's customers) contacted the Florida Attorney General. It is assumed that the information obtained by the Florida Attorney General was shared with the U.S. Attorney's office and that this aided in the prosecution of this case. With the Plea Agreement and an order by the sentencing court, substantial restitution will hopefully be made.

**GOVERNMENT  
EXHIBIT**

**A**

Shortly after Rado mailed the aforesaid letters, GGL brought actions against Rado in both the State Court and the Federal Court, making basically the same allegations against him in both cases. In the civil complaints GGL characterized itself as an honest and upstanding business concern whose products were "well received by the public" and who had been wronged by Rado and the other defendants. GGL then used these allegations to bootstrap itself into the allegation that its customer list constituted a trade secret that was illegally obtained and used by Rado and the others to contact the public in violation of Florida's Trade Secrets Act.

The civil defendant Stuart Rado, who was not an attorney, appeared *pro se* in these civil actions. He had limited financial resources. The result was that he did not possess the legal knowledge or ability to effectively present evidence and law to overcome the work of the Plaintiff's three (3) seasoned attorneys who had the financial backing of GGL.

An Order was entered on September 19, 1997 against Mr. Rado finding that he had wilfully violated the Florida Trade Secrets Act and ordering that he pay plaintiff's attorneys' fees, the amount of which was to be determined at a further hearing. As was later made clear by GGL's Plea Agreement, GGL's so-called list was nothing more than a list of persons who were defrauded by GGL. It is a list of victims to whom GGL is now required to make restitution, and as such the list does not meet the definition of a trade secret. See *Bradley v. Health Coalition, Inc.*, 687 So.2d 329 (Fla. 3<sup>rd</sup> D.C.A.) where the Court stated: "In our view, if the employer ordered the employee to sell unfit products, or to alter invoices so as to defraud customers..., then the employer would have unclean hands and would not be entitled to an

injunction." Bradley supra at p. 334. See also *Fortune Personnel Agency v. Sun Tech Inc. Of South Florida*, 423 So.2d 545 (Fla. 4<sup>th</sup> D.C.A.), where the court quashed an order requiring disclosure under different facts but stated a rule which is applicable here. "A person has a privilege to refuse to disclose, and to prevent other persons from disclosing, a trade secret owned by him if the allowance of the privilege will not conceal fraud or otherwise work injustice." *Fortune Personnel Agency* supra at p. 546 [Emphasis added])

Shortly after the Order was entered, Mr. Rado was diagnosed with cancer. He subsequently underwent two operations, which proved unsuccessful, and in August, 1998 he died. Because of his illness and death the hearing on the amount of the attorneys fees was continued. As of this date, except for its continued claim for attorneys fees against the Estate of Stuart Rado, the Plaintiff GGL has dismissed (without recovery of any sort) all claims against all defendants in the suits it brought against Rado and other co-defendants.

GGL's suits against Rado were brought for two purposes. One was to stop Rado from informing defrauded customers of a practical and inexpensive way to possibly obtain restitution, and by stopping Rado, stem the flow of complaints to the Attorney General's office. The other purpose was to put people on notice that what was happening to Rado could happen to them if they dared to challenge GGL.

GGL filed and vigorously prosecuted its sham claims against Stuart Rado for over four (4) years. It is now obvious from the information and the Plea Agreement that during this four (4) year period GGL knew full well that its claims against Rado

were based upon false allegations, and that while GGL was persecuting Rado it was continuing to defraud its customers as it had since 1985.

Stuart Rado is as much a victim of GGL as any customer of GGL, maybe even more so. GGL's fraudulent scheme necessarily included as an intricate part the silencing of its critics, among whom was Rado. It did this by using the Courts to intimidate Rado into being silent and causing Rado to spend money he could not afford. It was GGL's intention (as one of GGL's attorneys said to Rado in the deposition of Rado in 1994) to make Rado's net worth go South. GGL and its attorneys forced Rado to incur the expenses of defending two lawsuits for over 4 years. Rado had to incur these expenses and live day-to-day with a barrage of pleadings, depositions and other legal maneuvers of GGL. He had to endure this even though he did nothing legally wrong, and even though GGL was in fact at the same time continuing to perpetrate its nationwide fraud. Rado was being put through this because Rado dared to contact some of GGL's victims and tell them that if they were injured by GGL they should contact the Florida Attorney General for help. What is even more despicable is that GGL knew that Rado was dying of cancer but continued to pursue him with motions and notices of trial and other pleadings, one such notice of hearing being served within days of brain surgery.

Rado's estate is now incurring more legal expenses due to GGL having filed a claim against the estate and having moved to substitute the Personal Representative of Rado's estate as a party defendant in GGL's civil suit for reimbursement of its legal fees. If GGL is permitted to obtain reimbursement of its legal fees from the Estate of

Rado, the result will be that Stuart Rado will have underwritten a significant portion of the expenses incurred by GGL in perpetrating its fraud on the general public.

Rado's expenses and the expenses of his estate are in all likelihood greater than the losses sustained by any other individual victim of GGL's frauds. If the expenses of GGL's attorneys are any indicator of the expenses incurred by Rado, then his expenses were at least \$80,000.00, the amount now being claimed by GGL's attorneys in its civil suit against Rado.

The irony is that despite admitting it is a felon, GGL is still attempting to collect its attorneys fees under the ruling it obtained in the federal court based upon knowingly false allegations and statements it made to the court. GGL having literally pursued Stuart Rado to his grave, is now pursuing him beyond by attempting to collect money from his estate.

A fair and equitable result would be that the Court listen to Stuart Rado, who can now only speak through his counsel, Alan L. Weisberg or Dennis G. Kainen, of Weisberg and Kainen and Garry Schwartz at the sentencing of GGL. That the Court require GGL to pay its own legal fees and costs in perpetrating its fraud, and that GGL be required to make Stuart Rado whole to the extent it can at this late date by at least giving him back his good name, ordering GGL to dismiss the civil suit with prejudice and ordering GGL to pay Rado and his estate the legal fees and expenses that GGL and its attorneys wrongfully and maliciously caused him and his estate to incur.



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