

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

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CARLOS J. JENKE
CLERK U.S. DIST. CT.
S.D. OF FLA. - MIAMI
D.C.

UNITED STATES OF AMERICA,)
)
v.)
)
GGL, d/b/a Classic Motor Carriages,)
Defendants.)
_____ /

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Case No. ~~94~~-0032-CR-GOLD

**MEMORANDUM BY ESTATE OF STUART RADO TO AID
THE COURT IN ITS RESTITUTION ORDER**

Victim Estate of Stuart Rado, through counsel, files this its Memorandum By Estate Of Stuart Rado To Aid The Court In Its Restitution Order of GGL d/b/a Classic Motor Carriages ("GGL"). The sentencing hearing of GGL is scheduled before this honorable court on Tuesday, April 27, 1999 at 4:30 p.m. At that time, the Estate of Stuart Rado will present argument to this court as to how it is a victim of Defendant GGL. At said hearing, the Estate of Stuart Rado will ask this court to enter an order of restitution as to this victim. This memorandum is to give this court background on this issue prior to the sentencing hearing.

Memorandum

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

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prosecuted, GGL had the perfect scheme. The amount of the loss sustained by each defrauded person was not large enough to justify taking legal action. The costs of litigation were simply prohibitive, especially for the majority of customers who were not in Florida. However, the amount 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 the customers 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 GGL. With the Plea Agreement and an order by the sentencing court, substantial restitution will hopefully be made.

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 customers in violation of Florida's Trade Secrets Act. Rado had in fact obtained the customer list under a Freedom of Information request to the Attorney General of another state.

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 in the federal case 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 customer 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. 3rd D.C.A.) where the Court stated: "In our view, if the

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. 4th 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 hearings GGL attempted to have on the amount of the attorneys fees were continued. As of this date, except for its continuing 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 his 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, one 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 in an amount in excess of \$80,000.00 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 especially in light of his defending against two civil suits.

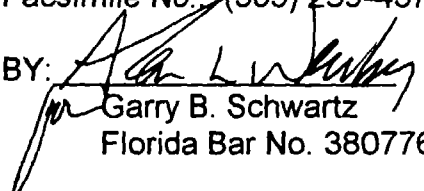
The irony is that despite admitting it is a felon, GGL is still attempting to collect its attorneys fees under the ruling it obtained in the federal court based upon knowingly false allegations and statements it made to the court. GGL having literally pursued Stuart Rado to his grave, is now pursuing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

A fair and equitable result would be that at the sentencing of GGL the Court hear Stuart Rado, who can now only speak through his counsel, Alan L. Weisberg or Dennis G. Kainen, of Weisberg and Kainen, and Garry Schwartz, and that, as a part of the Court's sentence against the felon GGL, the Court restore Stuart Rado's good name

and make him whole to the extent possible at this late date by ordering that GGL pay its own legal fees and costs incurred in perpetrating its fraud, ordering that GGL dismiss the civil suit including the action for attorney's fees with prejudice and/or ordering GGL pay Rado's estate an amount equal to the amount, if any, awarded in the civil suit brought by GGL against Rado.

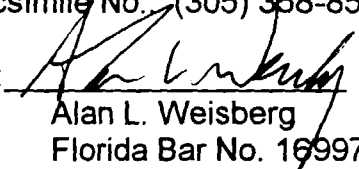
Respectfully submitted,

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BY: 

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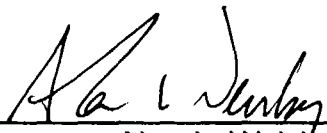
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY a true and correct copy of the foregoing Memorandum By Estate of Stuart Rado to Aid the Court In Its Restitution Order was mailed this **23rd** day of **April 1999**, to Sara B. Gullickson, Esquire, Attorney for Engelhardt, Huey & Heitkamp, Office of the Attorney General, State Office Building, 900 East Boulevard Avenue, Bismarck, ND 58505-0041, David Dermer, Esquire, Attorney for Scott and Crown Publishing Company, Inc. 420 Lincoln Road, Suite 372, Miami Beach, Florida 33139, Andrew C. Hall, Esquire, Co-Counsel for GGL Industries, Inc., Hall & O'Brien, P.A., 1428 Brickell Avenue, Penthouse, Miami, Florida 33131, Ira C. Hatch, Esquire 1701 Highway A1A, Suite 220, Vero Beach, Florida 32963, Woodrow Melvin, Esquire, 2701 South Bayshore Drive, #303, Miami, Florida 33133, Gregory O'Connell, Esquire, 500 5th Avenue, 26th Floor, New York, New York 10110 (**also via facsimile 212-768-3511**) and Marvelle McIntyre-Hall, Esquire, Assistant United States Attorney, 99 N.E. Fourth Street, Miami, Florida 33132.



Alan L. Weisberg