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SOUTHERN DISTRICT OF TEXAS  
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IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

STATE FARM MUTUAL AUTOMOBILE  
INSURANCE COMPANY and STATE  
FARM COUNTY MUTUAL INSURANCE  
COMPANY OF TEXAS,

Plaintiffs,

vs.

CIVIL ACTION NO. H-98-4150

SLAVIK STEIN, aka Stanley Stein,  
Stanley Spector, Slavik Vsaphirstein  
and Stan Groner, SEMYON SLADKEVICH,  
aka Sam Slade, WILLIAM TIMAS, EUGENE  
VLADIMIR SHVARTSBURD, aka Gene Burd,  
PAMELA J. FRANKLIN, MARIBELL  
McMANN, TRACY ANDERSON,  
MICHAEL GIVENTER, and STEVEN PRICE

Defendants.

**FINDINGS OF FACT AND CONCLUSIONS OF LAW**

The Court held a hearing on December 7, 2001 on plaintiffs' Motion for Default Judgment against defendants Slavik Stein (Stein), Michael Giventer (Giventer), Tracy Anderson (Anderson), and Steven Price (Price). The following are the Court's Findings of Fact and Conclusions of Law on the evidence and law presented at that hearing.

**FINDINGS OF FACT**

A. The Fraudulent Activity

1. From 1992 through 1997, law offices controlled by Stein (Stein Law Offices") and clinics controlled by Giventer ("Giventer clinics") in Houston and Galveston submitted fraudulent insurance claims based upon deliberately caused automobile collisions in which drivers of older cars

intentionally targeted and slammed on their brakes in front of other vehicles ("Sudden Stop Collisions").

2. The Stein Law Offices were involved in each of the 126 Sudden Stop Collisions that are the subject of Counts One through Four of State Farm's Second Amended Complaint ("the Complaint"), and the Giventer Clinics were involved in 55 of those Sudden Stop Collisions which are the subject of Counts Five through Eight of the Complaint.

3. In addition to the Sudden Stop Collisions, the Stein Law Offices and Giventer Clinics also submitted fraudulent claims involving: (1) illegal solicitation of accident victims who were encouraged to receive medical treatment and make fraudulent injury claims; (2) submission of forged benefits and other forms to State Farm without the authorization or knowledge of the clients on whose behalf those forms were submitted; (3) forgeries and thefts of State Farm checks; and/or (4) collusion between the drivers of two vehicles involved in rear-end collisions. The Complaint includes 14 such claims in which the Stein Law Offices were involved and 5 such claims in which the Giventer Clinics were involved.

4. State Farm incurred damages of \$1,934,554.60 in the 140 claims that are the subject of Counts One through Four of the Complaint, and of \$912,597.88 in the 60 claims that are the subject of Counts Five through Eight of the Complaint. These damages are accurately summarized in Appendix 1.

5. The Sudden Stop Collisions are accurately summarized in Appendix 2 and, with minor exceptions, fit the following improbable pattern: (a) they occurred soon after the front vehicles involved in the collisions had been insured; (b) the policies on the front vehicles included Personal Injury Protection coverage which requires insurers to pay medical expenses and wage loss claims by occupants of the insured vehicle within policy limits, regardless of fault; (c) the front vehicles

were older models; (d) multiple occupants, typically 3 or 4, were riding in the front vehicles at the time of the collisions; (e) everyone in the front vehicles claimed to have soft tissue injuries; conversely, no one had a broken bone or fracture; (f) everyone in the front vehicle in each collision went to the same clinic--in about half the collisions it was the Giventer Clinics--shortly after the collisions to treat their alleged soft tissue injuries; (g) everyone in the front vehicles went to the same law office--the Stein Law Office--for representation on their claims; and (h) in stark contrast to the injuries allegedly suffered by all occupants of the front vehicles, the occupants of the rear vehicles did not make injury claims. The uniform patterns in the claims were not accidental; they were deliberately caused to manufacture fraudulent claims against innocent drivers and their insurance companies.

6. While this case involves 140 claims made against State Farm, countless others undoubtedly involved policyholders of other insurers.

**B. The Giventer Clinics And Stein Law Offices**

**1. The Giventer Clinics**

**Giventer's Background In Los Angeles**

7. Giventer was born in Russia, and immigrated to the United States in December 1980. (See Appendix 3, Giventer Deposition of July 24, 2000, a.m., pp. 89:23-90:2).

8. Giventer lived in Los Angeles from 1980 through late 1992.

9. In the early 1980s, Giventer earned a living by driving a taxi cab in Los Angeles. Through this work, he met Stein and Roman Spector who were also driving cabs in Los Angeles. (See Appendices 3 and 4, Giventer Deposition of July 24, 2000, a.m., pp. 9:8-21, 12:18-23, 90:7-11; Margaret Giventer Deposition, p. 32:2-3).

10. Giventer enrolled at Cleveland Chiropractic College in Los Angeles in 1988, and graduated with a chiropractic degree in 1992. (See Appendix 5, Application for License to Practice Chiropractic in Texas).

11. Between 1988 and 1992, Stein arranged for Giventer to borrow at least \$40,000-\$50,000 dollars from Stein's sister, Ludmilla Gutgartz, in part, to finance his chiropractic education. (See Appendix 3, Giventer Deposition of July 24, 2000, a.m., pp. 99:6-104:8).

12. While Giventer was enrolled at Cleveland Chiropractic he worked at Miracle Injury, a Los Angeles clinic for which Roman Spector was the office manager. (See Appendix 3, Giventer Deposition of July 24, 2000, a.m., pp. 13:2-15:12). Although Giventer claims that he did not own this clinic, his federal income tax returns for 1992 and 1993 which he signed under penalty of perjury state that he owned it. (See Appendices 6 and 7, Form 1040; U.S. Individual Tax Return; 1992 and 1993 for Michael and Margaret Giventer).

#### Giventer's Clinics In Houston and Galveston

13. Despite having lived in Los Angeles from 1980 through 1992 and having gone to chiropractic school and worked at clinics there, Giventer did not attempt to obtain a chiropractic license or employment in California after graduating from Cleveland Chiropractic College. Instead, he applied for a chiropractic license in Texas where he had never worked, knew no one and had never spent any time beyond possibly visiting a friend for one day in Dallas. (See Appendices 3 and 4, Giventer Deposition of July 24, 2000, a.m., pp. 175:11-177:6; Margaret Giventer Deposition, pp. 88:1-90:9).

14. Rather than seeking employment with any existing chiropractic practice anywhere in Texas, Giventer opened his own clinic, Celebrity Rehabilitation and Pain Control ("Celebrity Rehab"), in Houston in late 1992. (See Appendix 8, Assumed Name Certificate for Celebrity

at that building. (See Appendix 12, reports submitted to State Farm showing interchanging suite number used by Giventer and Price'). That appearance was false. Dr. Price was employed by Giventer and performed his consultations in Celebrity Rehab's office, Suite 420.

18. Dr. Price submitted reports to State Farm on at least 20 of the 55 claims included in Appendix B to the Complaint. (See Appendix 13, reports submitted to State Farm by Price). Based upon the similar findings and treatment for every patient and material information that is missing from the reports, the medical records submitted by Dr. Price were mostly fabricated and false. More specifically: (a) the lack of any significant family history, social history, and medications review of symptoms or past medical history in any of the reports submitted, indicates that Dr. Price did not perform a comprehensive evaluation although he coded and billed for that level of practice; (b) every patient examined was in moderate distress, had a positive straight leg raising test, and every report indicated "finger to nose showed slight impairment of coordinations;" and (c) the treatment plan for every single patient was exactly the same. (See Appendix 13, reports submitted to State Farm by Price).

19. In September of 1993, Giventer decided to change the name of his clinic. He felt that insurance companies were suspicious of him and Celebrity Rehab after discovering that Fernando Middleton was only pretending to be a physician. (See Appendix 3, Giventer Deposition, July 24, 2000, a.m., p. 198:8-199:23). Therefore, on September 27, 1993, Giventer filed an Assumed Name Certificate for a clinic under the name Medic-Associates of Southwest ("Medic-Associates"). (See Appendix 14, Assumed Name Certificate for Medic-Associates).

20. Giventer attempted to hide the relationship between Medic Associates and Celebrity Rehab by indicating on the Assumed Name Certificate for Medic-Associates and the bills and reports that it submitted to State Farm an address of Suite 414 at the 6420 Building, a different suite number

than the one used by Celebrity Rehab. (See Appendices 14 and 15, the Assumed Name Certificate for Medic-Associates and reports showing name and suite number change for Giventer Clinics). Despite the new name and suite number, Medic-Associates operated from the same suite, with the same equipment and staff as Celebrity Rehab. (See Appendices 3 and 4, Giventer Deposition of July 24, 2000, a.m., pp. 198:8-202:21; Margaret Giventer Deposition, pp. 112:21-113:6).

21. Dr. Price continued to submit to State Farm reports and bills for consultations performed on patients on Medic-Associates. To continue the facade that Dr. Price was independent of the clinic, however, his reports and bills reflected that his office was in Suite 420 at the 6420 Building (the suite number that had been used by Celebrity Rehab) while the reports and bills from Medic Associates reflected that it was operating from Suite 414 at the 6420 Building. (See Appendix 12, reports submitted to State Farm showing interchanging suite numbers used by Giventer and Price).

22. In early 1994, Giventer concluded that Dr. Price's involvement in claims involving his patients was not facilitating or enhancing insurance settlements. Therefore, he fired Dr. Price and decided not to hire another physician. (See Appendix 3, Giventer Deposition, July 24, 2000, a.m., p. 238:6-17). Thereafter, patients of the Giventer Clinics no longer had physician consultations and received no prescription medications. This abrupt change in practices indicates that the physician consultations either were never needed or, if they were, that patients of the Giventer Clinics didn't get them simply because there was no economic benefit to Giventer.

23. Less than six months after opening Medic-Associates, Giventer changed the name and suite number of his clinic yet again. On January 28, 1994, Giventer filed a new Assumed Name Certificate for a clinic under the name Westside Spinal Care. (See Appendix 16, Assumed Name Certificate for Westside Spinal Care). This time, the address shown on the Assumed Name

Certificate and on the bills and reports submitted to State Farm was Suite 412 at the 6420 Building. (See Appendices 16 and 15, Assumed Name Certificate for Westside Spinal Care and reports showing name and suite number change for Giventer Clinics). Again, the actual location of the clinic did not change; it was exactly the same suite from which Celebrity Rehab and Medic-Associates had operated. (See Appendices 3 and 4, Giventer Deposition of July 24, 2000, a.m., pp. 223:19-227:14; Margaret Giventer Deposition, p. 113:16-21).

24. In April 1994, at the suggestion of Stein, Giventer also opened a new clinic in Galveston, Texas, Galveston Healthcare. (See Appendix 3, Giventer Deposition, July 24, 2000, p.m., pp. 32:5-33:15). This clinic was opened next door to a Stein Law Office in Galveston, and its purpose was to support the fraudulent bodily injury claims submitted to State Farm by that law office. To conceal the true ownership of the clinic, the Assumed Name Certificate filed for Galveston Healthcare, listed Russell Olson, D.C. as the owner. (See Appendix 17, Assumed Name Certificate for Galveston Healthcare). However, at all times true control and ownership of the Galveston Healthcare clinic remained with Giventer. (See Appendices 3 and 4, Giventer Deposition of July 24, 2000, p.m., pp. 38:13-40:23; Margaret Giventer Deposition, pp. 115:18-116:13).

25. In approximately the summer of 1996, Giventer closed the Giventer Clinics in Houston and Galveston to pursue other business opportunities.

#### The Fraudulent Bills From The Giventer Clinics

26. The chart in Appendix 18 reflects improbable patterns in the medical reports and bills submitted by the Giventer Clinics in support of the Sudden Stop Collision claims, and those patterns establish their fraudulent nature. Based upon these patterns, the services represented to have been rendered were for purposes of creating and exaggerating bodily injury claims and not for the legitimate and bonafide diagnosis and treatment of injuries. With minor exceptions, the improbable

pattern in these reports and bills includes the following: (a) in each collision, nearly everyone in the front vehicle treated at the Giventer Clinics; (b) nearly everyone involved in each collision had the same number of visits to the Giventer Clinics; (c) nearly everyone involved in each collision received the same modalities of treatment many of which are duplicative—hot packs, ultrasound, muscle stimulator, diathermy and massage therapy--the same number of times; (d) no one received chiropractic manipulations—the supposed hallmark of a chiropractic practice; (e) tremendous overlap between the patients' complaints and diagnoses; (f) virtually all complaints and diagnoses reflected moderate to severe soft tissue injuries to multiple areas of the spine and neck; conversely, almost none were limited to a specific area of the spine or neck; (g) despite the allegedly moderate to severe complaints and diagnoses, virtually every patient had normal and entirely consistent vital signs (i.e., normal blood pressure, temperature, pulse and respiration rates); (h) the body mechanics of virtually every patient in the collisions is the same—forward then backward—which is highly unusual in that people in rear-end collisions move backward then forward, or have different movements such as side to side; (i) no patient had a positive neurological sign; and (j) no patient had a good prognosis despite the significant amount of treatment they allegedly received.

**Giventer's Cash Kickbacks to the Stein Law Offices for Referrals**

27. Almost all patients treated by the Giventer Clinics in Houston and Galveston were referred by the Stein Law Offices in those cities. (See Appendices 3 and 4, Giventer Deposition of July 24, 2000, a.m., pp. 49:14-50:1; and Margaret Giventer Deposition, p. 99:2-18). Further, Giventer paid the Stein Law Offices cash kickbacks equal to 50% of all payments made to the Giventer Clinics by those offices. (See Appendices 3, 4 and 19, Giventer Deposition of July 24, 2000, a.m., pp. 39:19-40:6; 49:3-55:3; Margaret Giventer Deposition, pp. 99:19-107:21; and Giventer's criminal plea agreement). Since the Stein Law Offices issued more \$1,200,000 in checks

payable to the Giventer Clinics, Giventer must have paid at least \$600,000 in cash kickbacks to Stein for patient referrals. (See Appendix 20, Duelm summaries of disbursements from Stein Law Office accounts, p. 2 of 2).

28. On March 9, 2001, Giventer pleaded guilty to a two count information charging him with wilfully filing false federal income tax returns for the years 1994 and 1995 in which he failed to report the checks received from the Stein Law Offices and other law firms which he converted to cash and used to pay the above-described kickbacks. (See Appendix 19, Giventer's criminal plea agreement).

29. I find that these kickback arrangements offer further support for the conclusion that the billings from the Giventer Clinics were fraudulent in that the kickbacks would have provided Giventer with a strong motive to bill for services that were not rendered or were unnecessary.

#### The Money Laundering Scheme

30. One important component of Stein and Giventer's scheme was the ability to maximize their personal profits by laundering the proceeds from their fraudulent claims activities. To accomplish this, Giventer and his family members established a succession of "check cashing" businesses operating under assumed names in Houston. These businesses established various bank accounts between 1993 and 1996 through which they deposited more than \$9,000,000 in checks drawn on local law firms' trust accounts payable to the individuals or clinics, virtually all of which was then promptly withdrawn in cash. This process allowed Giventer and his family members to distribute more than \$8,600,000 in cash without any paper trail of where it went. More than \$1,500,000 of this cash was converted and laundered for the Stein Law Offices in Houston. (See Appendix 21, Summary Charts of Deposits to and Withdrawals From Batkilin Check Cashing Bank Accounts in Houston), and more than \$600,000 was converted through checks payable to the

Giventer Clinics. (See Appendix 21, Summary Charts of Deposits to and Withdrawals From Batkilin Check Cashing Bank Accounts in Houston).

31. The first such check cashing business was established by Giventer's wife at the time, Margaret Giventer, at Giventer's suggestion. (See Appendix 4, Margaret Giventer Deposition, p. 108:11-14). Specifically, on August 19, 1993, shortly after the Giventer Clinics opened, she filed an Assumed Name Certificate for Check Processors and opened a bank account under that name. (See Appendix 22, Documents Relating to Check Processors). She and Michael then began using that account to convert law office checks to cash. As discussed in my next finding, on September 19, 1994, Margaret Giventer abandoned this business name so that her mother could take it over.

32. In the spring of 1994, Giventer's in-laws, Zhanna and Yosif Batkilin, moved from Los Angeles to Houston to manage one of the Giventer Clinics—Galveston Healthcare—and to take over the check cashing operations in Houston. Specifically, on April 13, 1994, Zhanna Batkilin filed an Assumed Name Certificate for Checkers. (See Appendix 23, Documents Relating to Checkers). On September 19, 1994, Zhanna Batkilin filed an Assumed Name Certificate indicating that she was assuming control of Margaret Giventer's check cashing business, Check Processors. (See Appendix 22, Documents Relating to Check Processors). On July 8, 1995, Zhanna Batkilin filed an Assumed Name Certificate for Processor's, another check cashing operation. (See Appendix 24, Documents Relating to Processors). Zhanna Batkilin used bank accounts maintained under those names to convert law office checks to cash until around August 2, 1995 when she filed documents abandoning the business names for all three of these check cashing businesses. (See Appendices 22, 23 and 24, Documents Relating to Check Processors, Checkers and Processors).

33. On July 28, 1995, Yosif Batkilin filed Assumed Name Certificates for yet two more check cashing businesses J. Processing and Process for You. (See Appendices 25 and 26,

Documents Relating to J. Processing and Process for You). He then used bank accounts maintained under those names to convert law office checks to cash through the summer of 1996, when the Giventer Clinics closed and the Batkilins moved back to Los Angeles.

34. Giventer spent cash generated through this money laundering scheme on luxury items such as jewelry and travel with family and friends, including the Steins and Sectors. (See Appendix 3, Giventer Deposition, July 24, 2000, a.m., pp. 63:2-65:1).

#### Giventer's Document Destruction

35. Despite his understanding that he was required to keep all patient files for at least five years under Texas law, Giventer shredded all patient files from the Giventer Clinics in Houston and did not produce a single document regarding the treatment allegedly provided in any of the claims involved in this case. (See Appendix 3, Giventer Deposition, July 24, 2000, p.m., pp. 74:10-76:2, 78:21-80:17). These shredded documents, according to Giventer, included patient information sheets, patient histories, physical examination notes, treatment plans, sign-in sheets, and medical records relating to other conditions and injuries. (See Appendix 3, Giventer Deposition, July 24, 2000, p.m., pp. 74:10-76:2). Although Giventer contends that he shredded these documents because he "really didn't want to take them with him" when he closed the Giventer Clinic and didn't take the document retention requirements seriously, he shredded those records because they would have established the fraudulent nature of the bills and reports submitted to State Farm and other insurance companies.

36. Giventer maintained a ledger of all kickbacks paid for all patients of the Giventer Clinics. (See Appendix 3, Giventer Deposition, July 24, 2000, a.m., pp. 55:4-57:3). Although he contends that he never gave that ledger to his accountant because he "didn't feel like it," he didn't produce that record to his accountant in order to facilitate the money laundering component of his

scheme. Furthermore, Giventer did not produce the ledger in this case because it too would have been incriminating.

2. The Stein Law Office

The Beginning in Los Angeles

37. The Stein Law Offices in Los Angeles were secretly owned and controlled by Stein and his brother-in-law Roman Spector. (See Appendices 27, 28, 29 and 4, Stein Deposition, pp. 14:16-19, 27:22-28:25; Roman Spector Deposition, pp. 8:1-9:7; Victor Cuevas Deposition, pp. 40:13-42:2; Margaret Giventer Deposition, pp. 31:1-14, 41:1-42:16).<sup>1</sup>

38. Like Giventer, Stein and Spector are from Russia and immigrated to the Los Angeles area in the early 1980s, where they began driving cabs. (See Appendices 3 and 4, Giventer Deposition of July 24, 2000, a.m., pp. 9:11-21; Margaret Giventer Deposition, pp. 20:11-21:3, 32:2-3).

39. Although Stein has never been licensed to practice law in any jurisdiction, he established and began operating a law office at 4520 Wilshire Boulevard in Los Angeles (the "Stein Law Office in Los Angeles") in approximately the late 1980s. To conceal his control of the Stein Law Office in Los Angeles from State Farm and other insurance companies, Stein paid California licensed attorneys, Basil Clark, Albert Amanquah and Ronald Dauzat, to allow it to operate under

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<sup>1</sup>Defendant Stein, Roman Spector and several other witnesses whose transcripts are submitted herein asserted Fifth amendment privileges to every question regarding every allegation made by State Farm in this case. The Court should infer that defendant Stein and the others would have admitted these allegations if they testified truthfully. See *Libutti v. United States*, 107 F.3d 110, 123-24 (2<sup>nd</sup> Cir. 1997) (witnesses' and co-defendants' Fifth Amendment assertion admissible to draw adverse inference against defendant); *Cerro Gordon Charity v. Fireman's Fund Life Ins. Co.*, 819 F.2d 1471, 1481-82 (8<sup>th</sup> Cir. 1986) (same); *Rad Servs., Inc. v. Aetna Cas. & Sur. Co.*, 808 F.2d 271 (same); *United States v. District Council of New York City*, 832 F. Supp. 644, 647-48 (S.D.N.Y. 1993) (same); *Aetna Cas. & Sur. Co. v. Rodco Autobody*, 138 F.R.D. 338, 339 n. 22 (D. Mass. 1991) (same).

their names. (See Appendices 27, 28, 30, 4 and 31, Stein Deposition, pp. 14:16-19, 27:22-28:25; Roman Spector Deposition, pp. 8:1-9:7; Ronald Dauzat Deposition, pp. 34:4-36:13; Margaret Giventer Deposition, pp. 41:1-42:16; Gangsters & Lawyers Screenplay).

40. Thousands of phone calls were made from the Stein Law Office in Houston to the Stein Law Office in Los Angeles and the residences of Stein and Spector in Los Angeles. (See Appendix 32, Summary of Telephone Records).

41. A paralegal at the Stein Law Office in Los Angeles who later worked at the Stein Law Office in Houston which is described below, defendant Bill Timas, using thinly disguised pseudonyms, described Stein's fraudulent operations in a screenplay, "Gangsters and Lawyers." (See Appendix 31, Gangsters and Lawyers screenplay). Specifically, in "Gangsters & Lawyers," two Russians, one of whom is called "Slavic" and no doubt refers to Stein, own and operate a Los Angeles law office with the assistance of a nominee attorney "Bonner Eric." The law office pays runners to manufacture fraudulent insurance claims by organizing Sudden Stop Collisions and other staged accidents. "Slavic" (i.e., Stein) then expands his operation by opening a Houston law office where he similarly pays runners to manufacture fraudulent claims. Clients of the law offices treat with "Dr. Ferventer" who clearly represents Giventer. As discussed next, this describes exactly what happened when the Stein Law Offices and Giventer Clinics moved into Houston.

#### The Operation Expands To Houston

42. In late 1992, at about the same time that Giventer opened Celebrity Rehab, Stein and Spector opened a law office in Houston ("the Stein Law Office in Houston").

43. On June 18, 2001, Roman Spector pleaded guilty to a one count information charging him with money laundering. In connection with his plea, Spector admitted, among other things, that: (a) he and Stein, along with defendant Semyon Sladkevich ("Sam Slade"), controlled and operated

the Stein Law Office in Houston; (b) he and Stein each contributed half of the investment to open and operate the Stein Law Office in Houston; (c) he and Stein hired licensed attorneys in Texas to "lend an appearance of legitimacy" to the Stein Law Office in Houston; (d) he and Stein paid runners to refer clients to the Stein Law Office in Houston who were often involved in staged automobile accidents; (e) he and Stein received kickbacks of 50% from clinics to which they referred patients in these claims, and similarly paid clinics 50% kickbacks for clients referred by the clinics to the Stein Law Office in Houston; and (f) he and Stein used check cashing businesses, including those operated by Giventer and his family members, to launder fraudulently obtained proceeds from insurance companies. (See Appendix 33, Spector Criminal Plea Agreement).

44. The Stein Law Office in Houston was initially opened in late 1992 under the name of Raul Palomo, Jr., who was the subject of disbarment proceedings in Texas at the time. (See Appendix 34, Assumed Name Certificates for Houston Stein Law Offices). Although this law office operated from 2323 S. Voss in Houston, an Assumed Name Certificate for this office shows an address of 8033 Sunset Boulevard, Suite 750, Los Angeles, the very mail drop used by Stein in this case. (See Appendix 35, documents relating to the 8033 Sunset mail drop).

45. In early 1993, State Farm learned that Palomo had been disbarred in Texas and confronted him with that information. (See Appendix 36, State Farm letter to Palomo regarding his license status). Almost immediately, Stein changed the name of the law office to the Law Office of Basil Clark. (See Appendix 34, Assumed Name Certificates for Houston Stein Law Offices). Clark was then a nominee attorney for the Stein Law Office in Los Angeles, and was the subject of disciplinary proceedings in California. (See Appendix 37, Clark disbarment pleadings from California).

46. In spring 1993, the Stein Law Office in Houston moved to 2401 Fountainview, Suite 930. (See Appendix 38, Letterhead from Stein Law Offices showing change of name and address). The lease for this office shows the lessee's address at 4520 Wilshire Boulevard, the building owned in part by Stein and at which the Stein Law Office in Los Angeles operated. (See Appendices 39 and 40, Lease for 2401 Fountainview and documents showing Stein's ownership of building). Furthermore, Southwestern Bell records list Michael Giventer as the subscriber of a phone number for the Stein Law Office at 2401 Fountainview, Suite 930. (See Appendix 41, Southwestern Bell billing record).

47. In early 1993, David Weston, a newly admitted attorney, was hired as an attorney and Mark Samaniego as a paralegal for the Stein Law Office in Houston. (See Appendices 42 and 43, Affidavit of Weston, ¶2; Affidavit of Samaniego, ¶2). Although the firm did not appear to have any clients when they first started working at the office, runners began beating down the doors with a huge volume of clients within a week. (See Appendix 43, Affidavit of Samaniego, ¶6). The runners met behind closed doors with Stein and Roman Spector who visited the office regularly from Los Angeles and/or Sam Slade. (See Appendices 42 and 43, Affidavit of Weston, ¶6; Affidavit of Samaniego, ¶6). After the claimants were signed up, the runners typically took them to the Giventer Clinic in Houston. (See Appendix 43, Affidavit of Samaniego, ¶6). Stein discouraged Weston from having any contact with the claimants. (See Appendix 42, Affidavit of Weston, ¶¶4 and 9).

48. Weston and Samaniego soon observed a clear pattern in the claims brought in by the runners. (See Appendices 42 and 43, Affidavit of Weston, ¶¶6 and 11; Affidavit of Samaniego, ¶¶8 and 11). There were typically four or more claimants who had been rear-ended with all claimants having soft tissue injuries only, and the rear vehicle always had one or two people. (See Appendix 43, Affidavit of Samaniego, ¶11). They began to suspect the collisions were deliberately caused.

(See Appendices 42 and 43, Affidavit of Weston, ¶¶11 and 12; Affidavit of Samaniego, ¶11). Within hours of voicing their concerns to Sam Slade, Weston and Samaniego were fired. (See Appendices 42 and 43, Affidavit of Weston, ¶12; Affidavit of Samaniego, ¶14). When they returned for their belongings the following morning, the offices were empty. (See Appendices 42 and 43, Affidavit of Weston, ¶12; Affidavit of Samaniego, ¶14). In the few weeks he worked for Stein, Weston felt as if he had been working for the "Russian Mafia." (See Appendix 42, Affidavit of Weston, ¶10).

49. In mid-1994, the Stein Law Office in Houston moved to 2650 Fountainview, Suite 330 and began to operate under the name of attorney Albert Amanquah, who was then a nominee attorney for the Stein Law Office in Los Angeles. (See Appendix 38, correspondence from Amanquah & Associates, P.C. and other Stein Law Offices). Sherry Bennett worked as an attorney in the Amanquah & Associates office in Houston in the fall of 1994, but resigned within one month. (See Appendix 44, Sherry Bennett Deposition, p. 4:18-23). Bennett immediately noticed that the office was unusually busy, with a huge volume of rear-end automobile collisions with multiple claimants in the front vehicle with soft tissue injuries. (See Appendix 44, Sherry Bennett Deposition, pp. 48:17-54:24). Further, she could not communicate with the clients because she did not speak Spanish and was discouraged from direct client contact at any rate. (See Appendix 44, Sherry Bennett Deposition, p. 39:13-21). She quickly became very uneasy with the atmosphere in the office, with closed door meetings between Sam Slade and individuals who came in the office, and with the inability to determine who Albert Amanquah was. (See Appendix 44, Sherry Bennett Deposition, pp. 17:5-22, 45:11-46:3, 51:2-5). As a result, she became very concerned about her ethical obligations and her license and resigned. Ms. Bennett identified correspondence in which her signature had been forged both during her employment and long after she left the firm. (See

Appendices 45 and 44, Correspondence purportedly signed by Sherry Bennett; Sherry Bennett Deposition, p. 58:7-25).

50. Eyleen Hawkins followed Sherry Bennett as an attorney in the Stein Law Office in Houston operating under the name of Amanquah & Associates Office in January 1995. She was hired straight out of law school. Hawkins quickly observed the same pattern of cases with low impact, rear-end collisions, multiple claimants with soft tissue injuries and virtually no lawsuits ever being filed. (See Appendix 46, Eyleen Hawkins Deposition, pp. 7:1-9:1, 115:7-117:3).

51. In July 1995, Ms. Hawkins learned that a bar complaint was filed against her by a client alleging that the client's signature had been forged on an insurance settlement check by someone at the Stein Law Office in Houston and that the client had never received the proceeds of that check. (See Appendix 46, Eyleen Hawkins Deposition, pp. 52:12-54:11). This started a string of seven bar complaints against her by clients of the Stein Law Office in Houston. (See Appendix 46, Eyleen Hawkins Deposition, pp. 54:12-57:21). Ms. Hawkins later determined that Sam Slade had in fact forged the signature. (See Appendix 46, Eyleen Hawkins Deposition, pp. 56:20-57:13). With her suspicions aroused, Ms. Hawkins requested access to the firm's records. Stein refused to grant her access, even though her name had by that time become part of the firm name. (See Appendix 46, Eyleen Hawkins Deposition, pp. 95:13-97:16). In September 1995, she informed Stein that she wanted to quit. He demanded that she stay until April 1996 when her contract expired. (See Appendix 46, Eyleen Hawkins Deposition, pp. 145:19-147:10). Soon thereafter she determined that the Giventer Clinics were sending virtually all their patients to the firm. She then faxed a letter to Giventer terminating the relationship. (See Appendix 46, Eyleen Hawkins Deposition, pp. 112:1-14, 143:14-144:24). Within hours, defendant Bill Timas informed her that Stein was furious and ordered her to stay out of the firm's business. (See Appendix 46, Eyleen Hawkins Deposition, pp.

127:7-128:3). Defendant Timas told her Stein wanted her to "just fall in line" or there would be trouble. Hawkins felt personally threatened. (See Appendix 46, Eyleen Hawkins Deposition, pp. 145:19-147:10). For the next several months, Ms. Hawkins attempted to close out as many files as possible until the firm closed and the files were transferred to the next iteration of the Stein Law Office in Houston which was known as Pamela J. Franklin & Associates. (See Appendix 46, Eyleen Hawkins Deposition, pp. 64:9-66:1, 147:11-148:7).

52. From 1993 through 1995, Rebecca Gamboa was employed by the Stein Law Office in Houston and corroborates the observations of the various witnesses above. (See Appendix 47, Affidavit of Gamboa). Stein clearly controlled the offices and was very hands on, either in person or by phone when he was in California. (See Appendix 47, Affidavit of Gamboa, ¶3). Nearly daily, runners came into the offices with claimants and met behind closed doors with Sam Slade. (See Appendix 47, Affidavit of Gamboa, ¶¶7 through 10). Gamboa signed the clients up and sent them to the Giventer Clinic at Stein's or Slade's direction. (See Appendix 47, Affidavit of Gamboa, ¶13). The pattern of rear-end automobile accidents involving soft tissue injuries existed throughout the entire time period. (See Appendix 47, Affidavit of Gamboa, ¶20). Gamboa had strong suspicions that the claimants were not really injured and finally left because she "got fed up." (See Appendix 47, Affidavit of Gamboa, ¶28).

53. In early 1996, the shell game continued. The Stein Law Office in Houston moved to 7171 Harwin Drive, Suite 300 and changed its name to Franklin and Associates, P.C. (See Appendix 38, Letterhead from Stein Law Offices Showing Change of Name and Address). Pamela Franklin interviewed for a position with Amanquah, Hawkins & Associates in early 1996. After being hired, defendant Timas informed her the firm would be known as Pamela Franklin & Associates. (See Appendix 48, Affidavit of Franklin, ¶4). Franklin immediately noticed that almost

all clients were in auto accidents, had soft tissue injuries and were accompanied by runners who met behind closed doors with Sam Slade. (See Appendix 48, Affidavit of Franklin, ¶¶5 and 6). She met Stein and Roman Spector a month into her work. Stein and Spector controlled the office and regularly met behind closed doors with Slade. They instructed Franklin to spend less time in the office and to not file lawsuits because they were supposedly expensive. (See Appendix 48, Affidavit of Franklin, ¶8). Stein rejected her suggestion that cases might have more value if clients treated with medical doctors rather than the Giventer Clinics. (See Appendix 48, Affidavit of Franklin, ¶13). In summer 1996, the office shut down. Files were sent to the Stein Law Office in Los Angeles to be negotiated. (See Appendix 48, Affidavit of Franklin, ¶15). After the Harwin office closed, several runners told Franklin they sold cases to Slade and offered to do the same with her. She declined. (See Appendix 48, Affidavit of Franklin, ¶18).

**The Fraudulent Nature of The Stein Law Office and Sudden Stop Collision Claims**

54. From 1992 through 1997, the Stein Law Offices in Houston submitted claims based upon at least 126 Sudden Stop Collisions to State Farm. Based upon the patterns in those claims and the other circumstances surrounding the operation of the Stein Law Office in Houston, these collisions had to be deliberately caused.

55. In fact, Victor Cuevas has confirmed that he and a crew of 19 others organized Sudden Stop Collisions for the Stein Law Offices in Houston. Specifically, Cuevas testified that from the late 1980s to the early 1990s he was organizing Sudden Stop Collisions and other staged auto collisions for several law offices in Los Angeles. (See Appendix 29, Victor Cuevas Deposition, pp. 15-26). From 1993 to 1996, Cuevas had 19 individuals organizing Sudden Stop Collisions and other staged auto collisions for him in Houston. (See Appendix 29, Victor Cuevas Deposition, pp. 26-27). Cuevas regularly referred claimants from these fraudulent accidents to the Stein Law Office

and Giventer Clinic in Houston. (See Appendix 29, Victor Cuevas Deposition, pp. 40-45, 59-60, 70-73). In fact, Cuevas kept logs of the fraudulent claims that he referred to each Houston law office and clinic, and the one remaining log identifies several such claims that were referred to the Stein Law Offices and Giventer Clinics. (See Appendices 49 and 29, Cuevas Log; and Victor Cuevas Deposition, pp. 82-102). While at the Stein Law Office and Giventer Clinic in Houston, Cuevas regularly saw his competitors who were similarly referring fraudulent claims to them. (See Appendix 29, Victor Cuevas Deposition, pp. 73-74).

#### The Fraudulent Nature of Other Claims

56. In addition to Sudden Stop Collisions, the Stein Law Offices also made at least nine fraudulent claims that involved illegal solicitations of clients and/or forgeries of clients' signatures on documents submitted to State Farm, or checks issued by State Farm in settlement of the claims. The Stein Law Offices also filed claims in five collisions involving collusion between the front and rear vehicle drivers to report an accident that did not occur or that was deliberately staged.

57. In the solicitation cases, individuals involved in accidents were contacted by a runner or representative of the Stein Law Offices, signed up as clients and then directed to a clinic (usually a Giventer Clinic) for treatment that was not necessary or that did not relate to any injury received in the accident. (See Appendix 50, Solicitation and Forgeries Affidavits and corresponding documents). Further, some of those solicited clients and additional clients of the Stein Law Offices discovered signatures purporting to be theirs on forms submitted on their behalf were forged, and/or checks issued to them contained forged endorsements without their knowledge or permission. (See Appendix 50, Solicitation and Forgeries Affidavits and corresponding documents).

58. In other claims submitted by the Stein Law Offices to State Farm, links between the participants in both front and rear vehicles, together with the circumstances of the alleged collisions,

- f. At all times relevant, Stein has known that individuals at the Stein Law Offices in Houston did not disclose the illegal client solicitations to State Farm and other insurance companies because it would be material to State Farm's decision to pay or deny the claims.
- g. At all times relevant, Stein has known that individuals at the Stein Law Offices in Houston submitted forged benefit and other forms to State Farm and other insurance companies without the authorization or knowledge of the clients on whose behalf those forms were submitted to obtain benefits to which he and the law offices were not entitled.
- h. At all times relevant, Stein has known that individuals at the Stein Law Offices in Houston forged endorsements on checks from State Farm and other insurance companies and misappropriated those funds to which he and the law offices were not entitled.
- i. At all times relevant, Stein has known that individuals at the Stein Law Offices in Houston laundered money by issuing checks payable to individuals and clinics and having those checks cashed by others, including Zhanna and Yosif Batkilin, and Margaret Giventer, to conceal the true beneficiaries of those proceeds.
- j. Stein knew that all the claims set forth in Appendix A to the Complaint were fraudulent when those claims were submitted.

**D. Defendants' Knowledge**

63. Based upon all of the above described findings, Stein, Giventer and Spector set up the Stein Law Offices and Giventer Clinics in Houston for the purpose of representing and treating individuals involved in fraudulent automobile accident claims, and Stein, Giventer, Price and Anderson had full knowledge of all the fraudulent activities described above.

64. Based upon all of the above described findings, Stein, Giventer, Price and Anderson made false and fraudulent material misrepresentations of fact to State Farm through the submission of fraudulent claims with full knowledge of their falsity.

65. Based upon all of the above described findings, Stein, Giventer, Price and Anderson made these false and fraudulent material misrepresentations of facts with the intention to deceive

State Farm into acting on these misrepresentations by paying money in settlement of these fraudulent claims.

**E. Defendants' Fraudulent Transfer of Assets**

66. Since the filing of this lawsuit on December 14, 1998, Stein and Giventer fraudulently transferred their interest in several valuable properties in an attempt to further defraud State Farm, a known creditor.

**1. Fraudulent Conveyance by Stein**

67. On January 20, 1999, about five weeks after this lawsuit was filed, Marina Stein filed what appears to have been a sham divorce petition designed to facilitate the transfer of the Steins' marital assets beyond the reach of State Farm. (See Appendix 53, Divorce petition).

68. On February 2, 1999, Stein transferred his interest in property at 1536 Darryl Avenue, Las Vegas, Nevada to Marina Stein for no consideration. On the same date, Marina Stein conveyed this property to a third party for \$162,000. (See Appendix 54, Grant, Bargain and Sale of Deed).

69. Between February 25, 1999 and January 24, 2000, the Steins transferred a 50% interest in property located at 1339-1341 North Fuller Avenue, Los Angeles, California (the "Fuller property") that they owned, individually and in trust for their children, to Marina Stein's father, Semyon Spector, for no consideration. Nearly three weeks later, Semyon Spector, individually and as trustee of the Semyon Spector Trust, sold the Fuller property to two buyers, receiving in exchange a beneficial interest in the property to secure a \$212,000 loan that he had made to the buyers. (See Appendix 55, Individual Quit Claim Deed).

70. On or about September 16, 1999, the Steins sold their home at 7911 Oceanus Drive, Los Angeles, California (the "Oceanus Drive property") to buyers who paid \$59,500, and assumed all liens and encumbrances including one for approximately \$900,000. The assessed value of the

Oceanus Drive property at the time of sale was over \$1 million. (See Appendix 56, Adjustable Rate Rider and Individual Grant Deed).

71. On February 25, 1999, the Steins transferred their interest in the 4520 Wilshire Boulevard building. The assessed value of the property at that time was approximately \$1,774,110. (See Appendix 57, Individual Quit Claim Deed and Grant Deed).

72. On March 10, 2000, the Steins transferred property at 6402 Radford Avenue in Los Angeles, California, to the Bessemer Development Company, for approximately \$109,000. (See Appendix 58, Grant Deed).

## 2. Fraudulent Conveyances by Giventer

73. On December 2, 1997, Giventer and Margaret Giventer filed what appears to be a sham divorce in the Superior Court of California in Los Angeles. On March 31, 1998, the Superior Court entered a Judgment of Dissolution terminating the Giventers' marriage effective June 14, 1998. (See Appendix 59, Judgment of Dissolution). The Judgment of Dissolution allocated the Giventers' community property in accordance with a Marital Settlement Agreement entered on the same date. (See Appendix 60, Marital Settlement Agreement). Nonetheless, on or about April 23, 1998, approximately three weeks after the Judgment of Dissolution was entered, Giventer and Margaret Giventer jointly acquired, by Special Warranty Deed, the property located at 1161 Waterside Lane, Hollywood, Florida (the "Waterside property"). Additionally, on that same date, the Giventers executed an Adjustable Rate Mortgage for \$487,500, secured by the Waterside property, with Home Savings of America, FSB, of Irwindale, California. (See Appendix 61, Special Warranty Deed and Adjustable Rate Mortgage). According to one of the documents filed in connection with a bankruptcy petition filed by Giventer on or about January 2000, in the United States Bankruptcy Court for the Central District of California and later withdrawn, Giventer resided

at the Waterside property between April 1998 and May 1999. (See Appendix 62, Statement of Financial Affairs).

74. On or about September 24, 1999, five months after State Farm filed the Complaint, and fifteen months after his divorce from Margaret Giventer became final, Giventer transferred his interest in the Waterside property, by Warranty Deed, to Margaret Giventer in and for consideration of \$10.00. (See Appendix 63, Warranty Deed). On or about June 2000, Margaret Giventer sold the Waterside property to third parties for approximately \$760,000. (See Appendix 64, Deed).

75. Between March 31, 1998, and January 26, 2000, Giventer transferred approximately 63% of the shares he owned in a California company known as Pacific Travel and Trade School ("PTTS") to Roman Spector and Ludmilla Gutgartz. (See Appendix 3, Giventer Deposition of July 25, 2000, pp. 189:13-190:15).

### CONCLUSIONS OF LAW

#### A. The RICO Counts

##### 1. Counts One and Two of the Second Amended Complaint

76. The Stein Law Office in Houston was an "enterprise" ("the Stein Law Office Enterprise"), which had an identifiable structure with the various members fulfilling specific roles to carry out and facilitate its purpose to manufacture and present fraudulent insurance claims based upon automobile collisions.

77. The Stein Law Office Enterprise engaged in, or had some effect upon, interstate commerce.

78. Stein, Giventer, Price and Anderson were employed by or associated with the Stein Law Office Enterprise.

79. Stein, Giventer, Price and Anderson knowingly and wilfully conducted or participated, directly or indirectly, in the conduct of the affairs of the Stein Law Office Enterprise, through a pattern of racketeering activity, namely repeated violations of the federal mail fraud statute (18 U.S.C. § 1341) by engaging in a scheme and artifice to defraud State Farm and other insurance companies through the submission of fraudulent claims based upon the Sudden Stop Collisions, solicitations, forgeries and collusion claims described in Appendix A to the Complaint, in furtherance of which the mailings in State Farm Ex. No. 1 were made.

80. Stein, Giventer, Price and Anderson wilfully combined, conspired and agreed with each other, their co-defendants and others to conduct or participate, directly or indirectly, in the conduct of the affairs of the Stein Law Office Enterprise through a pattern of racketeering activity, namely the federal mail fraud violations described in paragraph 68 above.

81. As a direct and proximate result of the pattern of racketeering activity described in paragraph 68 above, State Farm incurred damages of \$1,934,554.60. Accordingly, State Farm is entitled to treble damages on Counts One and Two of the Second Amended Complaint in the amount of \$5,803,662, plus costs, including reasonable attorney's fees.

2. Counts Five and Six of the Second Amended Complaint

82. The Stein Law Office in Houston and the Giventer Clinic in Houston were an "enterprise" ("the Stein Law Office-Giventer Clinic Enterprise"), which had an identifiable structure with the various members fulfilling specific roles to carry out and facilitate its purpose to manufacture and present fraudulent insurance claims based upon automobile collisions.

83. The Stein Law Office-Giventer Clinic Enterprise engaged in, or had some effect upon, interstate commerce.

84. Stein, Giventer, Price and Anderson were employed by or associated with the Stein Law Office-Giventer Clinic Enterprise.

85. Stein, Giventer, Price and Anderson knowingly and wilfully conducted or participated, directly or indirectly, in the conduct of the affairs of the Stein Law Office-Giventer Clinic Enterprise, through a pattern of racketeering activity, namely repeated violations of the federal mail fraud statute (18 U.S.C. § 1341) by engaging in a scheme and artifice to defraud State Farm and other insurance companies through the submission of fraudulent claims based upon the fifty-five Sudden Stop Collisions and 5 solicitation, forgeries and collusion claims described in Appendix B to the Complaint, in furtherance of which the mailings in State Farm Ex. No. 1 were made.

86. Stein, Giventer, Price and Anderson wilfully combined, conspired and agreed with each other, their co-defendants and others to conduct or participate, directly or indirectly, in the conduct of the affairs of the Stein Law Office-Giventer Clinic Enterprise through a pattern of racketeering activity, namely the federal mail fraud violations described in paragraph 74 above, and all of the overt acts described in the Second Amended Complaint were taken in furtherance thereof.

87. As a direct and proximate result of the pattern of racketeering activity described in paragraph 74 above, State Farm incurred damages of \$912,597.88. Accordingly, State Farm is entitled to treble damages on Counts Five and Six of the Second Amended Complaint in the amount of \$2,737,793.60, plus costs, including reasonable attorney's fees.

**B. The Common-Law Fraud and Conspiracy Counts**

**1. Counts Three and Four of the Second Amended Complaint**

88. Stein, Giventer, Price and Anderson made false and fraudulent material misrepresentations of fact to State Farm and other insurers, namely through the submission of fraudulent claims based upon Sudden Stop Collisions, solicitations, forgeries, and collusion claims

described in Appendix A to the Complaint, regarding the existence, nature, and severity of these accidents and corresponding injuries allegedly attributable to these accidents.

89. Stein, Giventer, Price and Anderson made these false and fraudulent material misrepresentations of facts with full knowledge of their falsity.

90. Stein, Giventer, Price and Anderson made these false and fraudulent material misrepresentations of facts with the intention to deceive State Farm and other insurers into acting on the misrepresentations by paying sums of money in settlement of the fraudulent claims described in Appendix A to the Complaint.

91. State Farm relied on Stein, Giventer, Price and Anderson's false and fraudulent misrepresentations in evaluating the claims described in Appendix A to the Complaint and thereby suffered injury by paying money for these fraudulent claims.

92. Stein, Giventer, Price and Anderson wilfully combined, conspired and agreed with each other, their co-defendants and others to make the false and fraudulent material misrepresentations described in paragraph 80 above, and all overt acts described in the Complaint were taken in furtherance thereof.

93. As a direct and proximate result of Stein, Giventer, Price and Anderson's conduct, State Farm incurred damages of \$1,934,554.60. Accordingly, State Farm is entitled to compensatory damages on Counts Three and Four of the Complaint in the amount of \$1,934,554.60.

2. **Counts Seven and Eight of the Second Amended Complaint**

94. Stein, Giventer, Price and Anderson made false and fraudulent material misrepresentations of fact to State Farm and other insurers, namely through the submission of fraudulent claims based upon the 55 Sudden Stop Collisions and 5 forgery, solicitation and collusion

claims described in Appendix B to the Complaint, regarding the existence, nature, and severity of these accidents and corresponding injuries allegedly attributable to these accidents.

95. Stein, Giventer, Price and Anderson made these false and fraudulent material misrepresentations of facts with full knowledge of their falsity.

96. Stein, Giventer, Price and Anderson made these false and fraudulent material misrepresentations of facts with the intention to deceive State Farm and other insurers into acting on the misrepresentations by paying sums of money in settlement of the fraudulent claims described in Appendix B to the Complaint.

97. State Farm relied on Stein, Giventer, Price and Anderson's false and fraudulent misrepresentations in evaluating the claims described in Appendix B to the Complaint and thereby suffered injury by paying money for these fraudulent claims.

98. Stein, Giventer, Price and Anderson wilfully combined, conspired and agreed with each other, their co-defendants and others to make the false and fraudulent material misrepresentations described in paragraph 86 above, and all overt acts described in the Complaint were taken in furtherance thereof.

99. As a direct and proximate result of Stein, Giventer, Price and Anderson's conduct, State Farm incurred damages of \$912,597.88. Accordingly, State Farm is entitled to compensatory damages on Counts Seven and Eight of the Complaint in the amount of \$912,597.88.

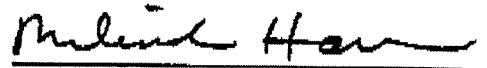
C. Exemplary Damages for Counts Three, Four, Seven and Eight

100. Stein's, Giventer's, Price's and Anderson's conduct in submitting fraudulent claims to State Farm and other insurance companies was both intentionally fraudulent and malicious.

101. Through the submission of these fraudulent claims, Stein, Giventer, Price, and Anderson intended to cause substantial injury to State Farm and were more than willing to put the safety and welfare of innocent drivers at risk to facilitate their fraud scheme.

102. Accordingly, State Farm should be awarded exemplary damages on its Common-Law Fraud and Common-Law Conspiracy counts: (a) against Stein in the amount of \$11,000,000 which is the approximate amount of money that went into the Stein Law Offices in Houston trust account between 1993 and 1996; (b) AGAINST Giventer in the amount of \$8,600,000 which is the amount of cash that was withdrawn from the check chashing business accounts that he, and his then wife and mother-in-law operated for purposes of laundering money for the Stein Law Offices, Giventer Clinics and others in Houston from 1993 through 1996; (c) against Price in the amount of \$500,000; and (d) against Anderson in the amount of \$100,000 given her lesser role in the Stein Law Office operations.

Signed at Houston, Texas this 7<sup>th</sup> day of December, 2001.

  
MELINDA HARMON  
UNITED STATES DISTRICT JUDGE