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02 DEC 20 AM 9:15

CLERK U.S. BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA

BY _____ DEPUTY

5 Attorneys for Defendants
6 GLENN JOHNSON, BARBARA JOHNSON,
7 and SANTA BARBARA CAPITAL MANAGEMENT, LLC.

8 UNITED STATES BANKRUPTCY COURT
9 CENTRAL DISTRICT OF CALIFORNIA
10

11 In re:) Case No. ND 01-11549 RR
12)
13 REED E. SLATKIN,) CHAPTER 11
14)
15 Debtor.) Adv. No. 02-1160
16)
17 R. TODD NEILSON, Trustee of) DEFENDANTS' OBJECTION TO THE
18 the Chapter 11 Bankruptcy) ADMISSIBILITY OF THE PLEA
19 Estate of Reed E. Slatkin,) AGREEMENT FOR DEFENDANT, REED
20) E. SLATKIN
21)
22 Plaintiff,) DATE: January 17, 2003
23) TIME: 10:00 a.m.
24 vs.) PLACE: 1415 State Street
25) Courtroom 201
26 GLENN JOHNSON, an individual,) Santa Barbara, CA
27 BARBARA JOHNSON, an) 93101
individual, and Santa Barbara)
Capital Management, a Limited)
Liability Company)
Defendants.

28 Comes now the Defendants, Glenn Johnson, Barbara Johnson,
29 and Santa Barbara Capital Management, LLC., (hereinafter the
30 Defendants) and object to the admissibility of the Plea
31 Agreement For Defendant, Reed E. Slatkin, which the Plaintiff

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1 asks this court to seek judicial notice of, pursuant to Federal
2 Evidence Code Rule 803 (22), as an exception to the hearsay
3 rule; and has attempted to offer into evidence as exhibit no. 1
4 to the declaration of Grant W. Newman, upon the grounds it is an
5 unsworn hearsay document not admissible pursuant to Federal
6 Evidence Rule 802.

7 Federal Evidence Rule 803.22 reads in pertinent part, as
8 follows:

9 Evidence of a final judgment, entered . . . upon a plea
10 of guilty . . . adjudging a person guilty of a crime
11 permissible by . . . imprisonment in excess of one
12 year, is admissible as hearsay exception to prove any
13 fact essential to sustain the judgment, . . . (emphasis
14 added).

15 This rule applies only to judgments. The plea agreement is
16 not a judgment, and no judgment of conviction, has yet been
17 entered against Slatkin. The judgment of conviction will be
18 entered at the time of sentencing and signed by the judge.

19 Federal Rule of Criminal Procedure 32 (d) (1)

20 In, fact pursuant Federal Rule of Criminal Procedure 32(1) a
21 guilty plea may be the subject of a withdrawal motion any time
22 before sentence is imposed. The Plaintiff's reliance upon the
23 decision of Scholes v. Lehman 56 F. 3d 750 (7th Cir. 1995) is
24 misplaced.

25 In that case, Douglas, the Ponzi scheme mastermind, had been
26 convicted and sentenced, and was serving a 12 year federal
27 prison sentence (p. 725). Thus his plea agreement was

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admissible to show the facts "essential to sustain the judgment."

There is no discussion in Scholes as to what counts Douglas plead guilty to, but it is conceivable they were the very transactions which were the subject of the civil suit by the Receiver. Here, the fifteen counts described in Slatkin's plea agreement do not involve these Defendants, and thus none of the allegations made against these Defendants, are essential to Slatkin's conviction, even if a judgment is eventually entered.

In addition, the statement of facts in the guilty plea, is unsigned and unverified, and is not admissible under any other theory against these Defendants.

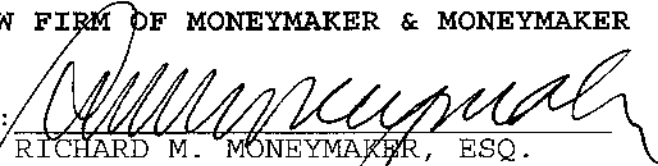
Absent the admission of the guilty plea, the Plaintiff cannot establish the merits of his motion.

DATED: December 18, 2002

Respectfully submitted,

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By:


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