

## Ann Flaherty

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**From:** [REDACTED]  
**Sent:** Monday, June 17, 2013 3:57 PM  
**To:** Ann Flaherty  
**Subject:** Re: from Ann Flaherty

Hello. I just got home and turned on my computer. This is going to be cumbersome to reply because usually to reply, I can see a sender's message below. Your's disappears. So I hope I remember your questions.

I think you asked where I picked up the mailers. I don't remember an address. I believe it was some sort of campaign location because there were posters and stacks of papers, possibly flyers, and their campaign signs that people put on lawns etc. It was ages ago. I wasn't paying attention.

You asked if I contacted your agency? No - I didn't know about "your agency," why would I have? I had no reference to any agency or agencies at all. I just was volunteering time and helping out. The candidate, Mr. Libby, is a very nice man and I offered to volunteer time in lieu of a donation. I barely have enough to live on, much less donate. So I thought I was being helpful.

I'm sorry, I just have no clue.  
Donna Chaban  
[REDACTED]

## Ann Flaherty

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**From:** [REDACTED]  
**Sent:** Monday, June 17, 2013 7:10 PM  
**To:** Ann Flaherty  
**Subject:** Re: from Ann Flaherty

Okay I will try to look again, but I didn't find anything earlier when I replied to you. I'm not sure if I would have had a reason to e-mail Mr. Libby except maybe to confirm I could help run an errand.

I don't know any person named Ed Carter. I really don't know people in Indian Wells, since I'm not from there.

Also I did not volunteer for another candidate; you asked me that on the phone, and I believe I said that I was asked on the day I was out there in Indian Wells if I wouldn't mind to stop by some other candidate's office at the time, but don't know who that would have been. I think it was to pick up something for Mr. Libby on my way there or from there. As I said above, I don't know people in Indian Wells. I only went out there one time since it's a long drive from where I live, and what does stick in my mind is that because gas is more than I can afford, it was definitely only once. I rarely drive that far because of the cost, and for that day I thought I might get reimbursed for gas, but never was, and that's why I only went once, to me, it was pretty insignificant and meaningless, I'm happy to help if I could, but I don't know what I can offer.

D

4

**STATE OF CALIFORNIA  
FAIR POLITICAL PRACTICES COMMISSION**

**INVESTIGATION REPORT**

I      CASE NO: 12-880                      CASE NAME: Unk City of Indian Wells                      REPORT NO.:10  
REPORT DATE: 06/14/2013                      PAGE 1 of 2 page(s)

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II      REPORT TYPE: Interview Summary

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III     REPORT PREPARED BY: Ann Flaherty                      DATE SIGNED: 06/17/2013

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IV     DISTRIBUTION: Sandra Buckner, Zak Norton 

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V      INTERVIEW SUMMARY ONLY:

Interview tape recorded:

Manner of interview:

Person(s) interviewed:

Work address:

Work phone:

Home address:

Home phone:

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VI     NARRATIVE:

On June 14, 2013, I made telephone contact with Elmer Sweetwood. The following is a summary of that interview.

I told Mr. Sweetwood that I was inquiring about the three Every Door Direct Mail shipments that were sent out in the name of his business, Elmer Sweetwood & Sons, in October 2012. Sweetwood said that he prints and ships lot of mailers, for many clients. Sweetwood said that in addition to his auto repair business he does printing for small businesses. He said he had been approached by the United States Postal Service to do EDDM for small businesses which transitioned into a business. He said he did do a mailer for the Indian Wells City Council and said he thought the name was a Dr. Rose "something". I asked him if Rose Swearingen<sup>i</sup> was the name and he said he thought so. He said he does mailers for many businesses in the area and does have customers in the Indian Wells area. He said he does not know Rose Swearingen, personally.

I queried Sweetwood about the specifics of the three shipments and he began researching them while on the phone. He located an email for Rose Swearingen and said that he shipped 3848 mailers around October 10, 2012. He said they were shipped to the 92210 zip code and 7 routes, which is consistent with the information that I had form the United States Postal Service. He said that he would forward to me the invoice related to these mailers and would try and locate a print copy of the mailer.

Sweetwood then located the second mailing of 1103, and tracked it to a company called Mendez Air Conditioning. The last shipment of 4396 was also linked to this company. He said that it looks like the order was split in two, because the shipment had to be less than 5000. Internet research did identify Mendez Air Conditioning and Heating in Thousand Palms.

**Mendez**  
*Air Conditioning & Heating*

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**Now Offering Duct Cleaning &  
Air Purification Solutions**  
*Courteous On-Time Service*

 **343-5041** Lic # 791437

[www.MendezAirAndHeat.com](http://www.MendezAirAndHeat.com)

## **Mendez Air Conditioning and Heating P.O. Box 871, Thousand Palms, CA. 92276**

Sweetwood did send to me, via email, two invoices. The invoice for Rose Swearingen was in the amount of \$1,130.92 for the shipping and printing of 3848 EDDM mailers, dated 10/10/2012. The second was for Mendez Air Conditioning and Heating, for two EDDM shipments, 1103 and 4396, dated 10/01/2012. He also said he would try and send the artwork however he wasn't sure if he could send it via email due to the size of the file.

As of June 17, 2013, Sweetwood was still unable to email me the print work. I have requested he send it via US Mail.

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<sup>1</sup> Rose Swearingen was an unsuccessful candidate for the Indian Wells City Council in 2012

**Ann Flaherty**

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**From:** Jim Sweetwood [REDACTED]  
**Sent:** Friday, June 14, 2013 10:27 AM  
**To:** Ann Flaherty  
**Subject:** Invoice from Elmer Sweetwood & Sons  
**Attachments:** Inv\_146527\_from\_Elmer\_Sweetwood\_\_Sons\_4860.pdf

Dear Rose Swearingen :

Your invoice is attached. Please remit payment at your earliest convenience.

Thank you for your business - we appreciate it very much.

Sincerely,

Elmer Sweetwood & Sons

Elmer Sweetwood & Sons

151 S Sunshine Ave  
El Cajon, Ca. 92020

# Invoice

Date	Invoice #
10/10/2012	146527

Bill To
Dr. Rose Swearingen Rose Swearingen [REDACTED] [REDACTED]

**PAID**  
10-13-2012

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
3,848	Eddm Mailing 92210: C7, C10, C38,C39, C40, C59, C63	0.29	1,115.92T
100	Eddm Mailing	0.15	15.00T
	Sales Tax	0.00%	0.00
<b>Total</b>			<b>\$1,130.92</b>

**Ann Flaherty**

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**From:** Jim Sweetwood [REDACTED]  
**Sent:** Friday, June 14, 2013 10:25 AM  
**To:** Ann Flaherty  
**Subject:** Invoice from Elmer Sweetwood & Sons  
**Attachments:** Inv\_146512\_from\_Elmer\_Sweetwood\_\_Sons\_4860.pdf

Dear Customer :

Your invoice is attached. Please remit payment at your earliest convenience.

Thank you for your business - we appreciate it very much.

Sincerely,

Elmer Sweetwood & Sons

Elmer Sweetwood & Sons

151 S Sunshine Ave  
El Cajon, Ca. 92020

# Invoice

Date	Invoice #
10/1/2012	146512

Bill To
Mendez Air Conditioning and Heating P.O. Box 871 Thousand Palms, CA 92276

**PAID**  
**10-03-2012**

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
1,103	Eddm Mailing 92260 C024	0.29	319.87T
497	Eddm Mailing 92260 C012	0.29	144.13T
911	Eddm Mailing 92260 C021	0.29	264.19T
567	Eddm Mailing 92260 C031	0.29	164.43T
766	Eddm Mailing 92260 C061	0.29	222.14T
794	Eddm Mailing 92260 C043	0.29	230.26T
861	Eddm Mailing 92260 C015	0.29	249.69T
	Sales Tax	0.00%	0.00
		<b>Total</b>	<b>\$1,594.71</b>

April 15, 2013

Ms. Ann Flaherty  
Special Investigator  
428 J. Street  
Sacramento, CA 95814-2329

Re: FPPC Case #12-880

Dear Ms. Flaherty:

This will acknowledge receipt of your letter dated April 4, 2013 in reference to the above listed case involving mailers sent out in conjunction with the Indian Wells election, November 2012.

I am willing to answer your questions to avoid asking Ed to do it. My husband has been very emotional since his 'hormone' treatment for prostate cancer and is easily upset. I was not involved in the above referenced election other than as a contributing resident.

My responses will be by the question numbers you have listed:

1. I have no cell phone records other than the portion that shows the cost of service. No phone numbers are included in our bill.
2. We do not retain emails and therefore do not have any that could be provided. My communications regarding the Indian Wells election was minimal at best.
3. I have no other communications pertaining to the Indian Wells Council election.
4. I have no documents relating to any expenditures as you have listed other than the credit card bill which I told you the amount and date that it took place and since it is just one line in the bill I do not feel it is necessary to give you a copy of this.
5. I have no receipts for any expenditures. We did donate money to several candidates: Mr. Doug Hanson, \$1000, Mr. Ted Mertens, \$1000, Mr. Haddon Libby, \$500.

RECEIVED  
FAIR POLITICAL  
PRACTICES COMMISSION  
13 APR 17 PM 12:32

6. I have no receipts for the 'Meet and Greet' that we had for Doug Hanson. We had a small gathering of neighbors here at our home, but, because of our planned road trip we didn't give much notice and only a few people showed up. We had no expenses as we served our friends wine and snacks like we normally do when they stop by.

7. The only contributions, monetary or non-monetary expenditures are show in item #5.

I hope this helps in completing this investigation. We have told you the same information several times and hope this is the end of it.

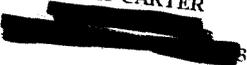
Sincerely,

A large black rectangular redaction box covers the signature area.

Mary Carter

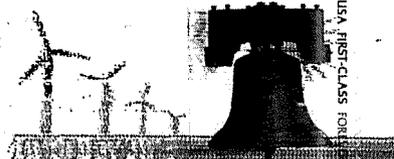


MARY CARTER



SN BERNARDINO CA 923

15 APR 2013 PM 3 L



RECEIVED  
FAIR POLITICAL  
PRACTICES COMMISSION

2013 APR 17 PM 11 17

Ann Flaherty  
Special Investigator  
Enforcement Division/Fair Political Practices  
428 J St.  
Sacramento, Ca - 95814-2329

**Schedule E  
(Continuation Sheet)  
Payments Made**

Type or print in ink.  
Amounts may be rounded  
to whole dollars.

SCHEDULE E (CONT.)

Statement covers period from <u>October 1, 2012</u> through <u>October 20, 2012</u>	<b>CALIFORNIA FORM 460</b>
	Page <u>7</u> of <u>8</u>
	I.D. NUMBER 1347647

SEE INSTRUCTIONS ON REVERSE  
NAME OF FILER

Committee to Elect Rose Tijerina Swearingen to Indian Wells City Council 2012

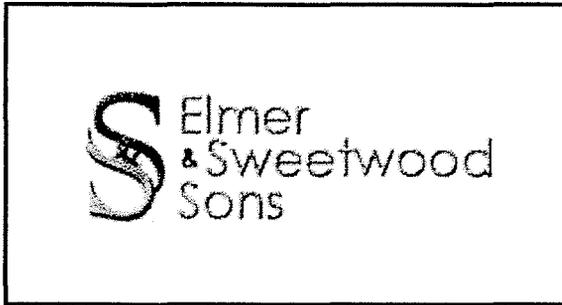
**CODES:** If one of the following codes accurately describes the payment, you may enter the code. Otherwise, describe the payment.

<b>CMP</b> campaign paraphernalia/misc.	<b>MBR</b> member communications	<b>RAD</b> radio airtime and production costs
<b>CNS</b> campaign consultants	<b>MTG</b> meetings and appearances	<b>RFD</b> returned contributions
<b>CTB</b> contribution (explain nonmonetary)*	<b>OFC</b> office expenses	<b>SAL</b> campaign workers' salaries
<b>CVC</b> civic donations	<b>PET</b> petition circulating	<b>TEL</b> t.v. or cable airtime and production costs
<b>FIL</b> candidate filing/ballot fees	<b>PHO</b> phone banks	<b>TRC</b> candidate travel, lodging, and meals
<b>FND</b> fundraising events	<b>POL</b> polling and survey research	<b>TRS</b> staff/spouse travel, lodging, and meals
<b>IND</b> independent expenditure supporting/opposing others (explain)*	<b>POS</b> postage, delivery and messenger services	<b>TSF</b> transfer between committees of the same candidate/sponsor
<b>LEG</b> legal defense	<b>PRO</b> professional services (legal, accounting)	<b>VOT</b> voter registration
<b>LIT</b> campaign literature and mailings	<b>PRT</b> print ads	<b>WEB</b> information technology costs (internet, e-mail)

NAME AND ADDRESS OF PAYEE (IF COMMITTEE, ALSO ENTER I.D. NUMBER)	CODE	OR	DESCRIPTION OF PAYMENT	AMOUNT PAID
Budget Watchdogs Newsletter 1954 W. Carson Street #B Torrance CA 92210	PRT		Newsletter	101.00
Wells Fargo Bank 42-350 Bob Hope Rancho Mirage, CA 92270	PRO		Bank Fees	12.50
Elmer Sweetwood 151 S. Sunshine Ave El Cajon, CA 92020	PRT		Print Ads	1,130.92
Lamar Companies P.O BOX 96030 Baton Rouge, LA 70896	PRT		Print Ads	1044.00

\* Payments that are contributions or independent expenditures must also be summarized on Schedule D.

**SUBTOTAL \$ 2,288.42**



## Elmer Sweetwood and Sons Auto Repair



**Jim Sweetwood,**  
Owner

**Call 619-444-1696**

Hover over to pause  
Click for all reviews



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# Welcome to Elmer Sweetwood and Sons Auto Repair in El Cajon,

Messages

Hotprints Jose

Edit

Sep 5, 2012, 6:43 AM

Jose, I got my first two wholesale orders. They want 4,000 eddm postcards sized 6.5 by 9 each. Is there a way to order an off number like that?

Sep 5, 2012, 8:44 AM

those are really good news, the only thing is that we can only do a print run of 2500 or

5000

Okay. I will price it accordingly. My 5% is shown in the price I pay?

Yes, when you are logged in your account the prices will reflect the discount



iMessage

Send

Messages

Hotprints Jose

Edit

Thanks to you! we really appreciate your business with us!!

Sep 18, 2012, 2:10 PM

Can you check the status of my 3 orders? I paid but haven't heard anything.

Sep 21, 2012, 1:31 PM

Order 6563053 has been awaiting shipment for a few days. Do you know when it will ship?

Sep 21, 2012, 2:37 PM

Your order is in print process, You will receive the package no later than next Thursday !!

Thanks. Voting starts in 10 days.



iMessage

Send



Messages

Hotprints Jose

Edit

Yes, when you are logged in your account the prices will reflect the discount, anyway we will double check to

confirm!!

That the discount was apply to your order!!

Sep 5, 2012, 9:17 AM

Thanks, Jose. I have more business myself but I will get you a lot.

Thanks to you! we really appreciate your business with us!!

Sep 18, 2012, 2:10 PM

Can you check the status of my 3 orders? I paid but haven't heard anything.



iMessage

Send

**Ann Flaherty**

**From:** [REDACTED]  
**Sent:** Wednesday, April 17, 2013 10:45 AM  
**To:** Ann Flaherty  
**Subject:** The Mertens Peabody Mailer

As you can see, I paid for this with my Merrill Lynch AMEX. I can give you the whole statement if you like. I was reimbursed by Ed Carter for this. As I told you, I did not feel that I was in a position to not place this order for him.

**Hot Print USA Store – Order #6563182**

① Your order details are shown below.

Order Date: 8th Oct 2012 @ 12:35 PM  
Order Total: \$334.43 USD

**Billing Details**

Haddon Libby  
[REDACTED]  
[REDACTED]  
[REDACTED]

**Shipping Details**

Haddon Libby  
[REDACTED]  
[REDACTED]  
[REDACTED]

**Order #6563182 Contained the Following Items:**

Item Details	Price
<input type="checkbox"/> 1 x <u>EDDM (Eligible) Postcard Printing</u> (Size: 6.5" x 9" (EDDM eligible), Front / Back: Full Color / Full Color, Quantity: 2,500, Turnaround: 4-6 Business Days (Standard), Design Options: No, Design Proof: FREE E-Mail Proof (4 Hours), Paper Stock: 14pt Premium UnCoated Cover, Upload File #1: TY.pdf, Upload File #2: TED.pdf, Found Us...? Other...)	\$181.29
<b>Subtotal:</b>	\$181.29
<b>Shipping:</b>	\$153.14
<b>Grand Total:</b>	\$334.43

**Reorder Selected**

07/12/12 PAY FLOW PRO 0045	LA VISTA,NE	5.00
08/09/12 ALLSTATE *PAYMNT	800-255-7828	500.00
08/15/12 PAY FLOW PRO 0045	LA VISTA,NE	5.00
09/12/12 PAY FLOW PRO 0045	LA VISTA,NE	5.00
10/01/12 ALLSTATE *PAYMNT	800-255-7828	1,350.80
10/01/12 ALLSTATE PAYMENT	800-255-7828	125.00
10/10/12 HOT PRINT USA	305-5191752,FL	334.43
10/13/12 PAYFLOW/PAYPAL 0045	SAN JOSE,CA	5.00

Ann Flaherty

**From:** [REDACTED]  
**Sent:** Wednesday, April 17, 2013 11:24 AM  
**To:** Ann Flaherty  
**Subject:** Bonafide piece

As you will see, I had credits at Hot Print USA that paid for this one. It was the Bonafide piece. Ed Carter paid me for this one. My previous statement explains why he wanted it.

## Hot Print USA Store – Order #6563070

**i** Your order details are shown below.

**Order Status:** Awaiting Shipment  
**Order Date:** 25th Sep 2012 @ 4:29 PM  
**Order Total:** \$0.00 USD

### Billing Details

Haddon Libby  
[REDACTED]  
[REDACTED]  
[REDACTED]

### Shipping Details

Haddon Libby  
[REDACTED]  
[REDACTED]  
[REDACTED]

## Order #6563070 Contained the Following Items:

Item Details	Price
<input type="checkbox"/> 1 x <u>EDDM (Compatible) Printing &amp; Flyers</u> (Size: 6.5" x 9" (EDDM eligible), Front / Back: Full Color / Full Color, Quantity: 2,500, Turnaround: 4-6 Business Days (Standard), Design Options: No, Design Proof: Don't Need Proof, Thanks, Paper Stock: 14pt Gloss Coated Cover UV (C2S), Upload File #1: bonafide.pdf, Found Us...? Please Select)	\$181.29
<b>Subtotal:</b>	<b>\$181.29</b>
<b>Shipping:</b>	<b>\$48.85</b>
<b>Store Credit:</b>	<b>-\$230.14</b>
<b>Grand Total:</b>	<b>\$0.00</b>

## Ann Flaherty

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**From:** [REDACTED]  
**Sent:** Wednesday, April 17, 2013 12:43 PM  
**To:** Ann Flaherty  
**Subject:** Two more

Here are two more. These are the Powers/Blumberg and Reed pieces.

Ed Carter reimbursed me for all of this. This was done from my Merrill Lynch AMEX.

You will see that I ordered one of my pieces at the same time and paid for it separately.

I am very sincere in that I believed we were not doing anything wrong. Other documents or statements that I have sent you should correspond with this.

# Hot Print USA Store - Order #6563053

① Your order details are shown below.

Order Date: 17th Sep 2012 @ 7:23 AM  
Order Total: \$1,015.52 USD

## Billing Details

Haddon Libby  
[REDACTED]  
[REDACTED]  
[REDACTED]

## Shipping Details

Haddon Libby  
[REDACTED]  
[REDACTED]  
[REDACTED]

## Order #6563053 Contained the Following Items:

Item Details	Price
<input type="checkbox"/> 1 x 9" x 12" Brochure Printing (Brochure Size: 9" x 12" Brochures, Folding Option: Half Fold to 9x6, Front / Back: Full Color / Full Color, Quantity: 2,500, Design Proof: FREE E-Mail Proof (4 Hours), Turnaround: 4-6 Business Days (Standard), Paper Stock: 100lb Gloss Book with Aqueous Coat (C25))	\$233.84
<input type="checkbox"/> 2 x EDDM (Compatible) Printing & Flyers (Size: 6.5" x 9" (EDDM eligible), Front / Back: Full Color / Full Color, Quantity: 5,000, Turnaround: 4-6 Business Days (Standard), Design Proof: FREE E-Mail Proof (4 Hours), Paper Stock: 14pt Gloss Coated Cover UV (C25))	\$580.62
<b>Subtotal:</b>	<b>\$814.46</b>
<b>Discount:</b>	<b>-\$78.33</b>
<b>Shipping:</b>	<b>\$279.39</b>
<b>Grand Total:</b>	<b>\$1,015.52</b>

07/16/12 LOWE'S OF PALM DESERT,	PALM DESERT,CA	7.53
08/01/12 BARNES & NOBLE [REDACTED]	PALM DESERT,CA	1.89
08/18/12 SPORTS AUTHORITY [REDACTED]	PALM,CA	30.95
08/20/12 GAMESTOP [REDACTED]	LA QUINTA,CA	26.84
08/23/12 TARGET T9 [REDACTED]	PALM DESERT,CA	715.52
09/18/12 PAYPAL *HOTPRINTUSA	[REDACTED] CA	19.19
10/22/12 TARGET T9 [REDACTED]	PALM DESERT,CA	47.00
11/10/12 PAYPAL *FAMATO	4099357733.CA	

**Ann Flaherty**

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**From:** [REDACTED]  
**Sent:** Wednesday, April 17, 2013 11:25 AM  
**To:** Ann Flaherty  
**Subject:** Fwd: Congratulations!!

I thought you might find this useful. Ty in specific knew that Ed Carter was behind the piece on him.

Begin forwarded message:

**From:** [REDACTED] <[REDACTED]>  
**Subject:** Re: Congratulations!!  
**Date:** November 6, 2012 9:30:13 PM PST  
**To:** "Ty Peabody" <[PeabodyforCouncil@yahoo.com](mailto:PeabodyforCouncil@yahoo.com)>

I meant it when I said that we needed the good people on the council. You and Ted are that in spades and I'm proud to have you on the council. How Powers is in 4th disappoints me more than anything. I really thought that he was 7th and I was 4th...that was my honest read on things.

As you are on my Kitchen Cabinet, I'm always there to help on yours.

On Nov 6, 2012, at 9:04 PM, Ty Peabody wrote:

Haddon,

Thank you so much. I just saw the early results, but they are just that -- early. Hopefully things will finish well but it's still a ways off.

I really appreciate your support, and enjoyed getting to know you better during the course of the last couple of months.

If it turns out that I am elected, I know that I can count on you to give me ongoing honest information about what you see happening. Talk to you soon.

-----Original Message-----

**From:** [REDACTED]  
**Sent:** Tuesday, November 06, 2012 8:47 PM  
**To:** Ted John Mertens; Ty Peabody  
**Subject:** Congratulations!!

I'm thrilled that you two will win!

Take no prisoners and make us proud!!!

PS: You can thank the guy who sent out your piece from the dais!!!

**Ann Flaherty**

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**From:** [REDACTED]  
**Sent:** Wednesday, April 17, 2013 11:28 AM  
**To:** Ann Flaherty  
**Subject:** Fwd: Ty Peabody apparently owes \$1Million  
**Attachments:** Copy\_ETP\_1st\_Tax\_Lien.PDF; ATT00001..htm

Another piece of information for you.

Begin forwarded message:

**From:** edwin carter <[REDACTED]>  
**Subject:** Fw: Fwd: Ty Peabody apparently owes \$1Million  
**Date:** October 22, 2012 10:10:52 AM PDT  
**To:** Haddon Libby <[REDACTED]>  
**Reply-To:** edwin carter <[REDACTED]>

Haddon,

This is the information we need to get out on the flyer!

Ed

----- Forwarded Message -----

**From:** "[REDACTED]" <[REDACTED]>  
**To:** [REDACTED]  
**Sent:** Saturday, October 20, 2012 1:12 PM  
**Subject:** Fwd: Ty Peabody apparently owes \$1Million

ED----- since you very out of town , I wanted to be sure that you got this.....dennis pope

-----Original Message-----

**From:** r haller <[REDACTED]>  
**To:** 20rhaller <[REDACTED]>  
**Sent:** Sun, Oct 14, 2012 12:07 pm  
**Subject:** Ty Peabody apparently owes \$1Million

Ty Peabody (Edward Taylor Peabody) apparently owes money! Over \$1 million in Federal and State Tax Liens. (See attachment for copies of liens)

This, of course, is important information to know.

Forward this e-mail if you so desire.

- Verified public records and court documents at Riverside County Recorder's Office indicate Federal IRS and State Tax Liens are UNPAID and outstanding in the name of Edward Taylor Peabody listing the address of [REDACTED]. The amounts are in excess of \$1 Million dollars. Information appears accurate.
- Significant business and personal financial issues
- Business acumen and financial responsibility? Appears to be lacking!
- Ty's platform states "the man (Ty) that will stay on a fiscally sound course and integrity paired with fiscal responsibility."

WHERE is HIS fiscally sound course and integrity paired with HIS fiscal responsibility?

- As for integrity, he obviously is lacking in that trait too. He should have disclosed his troubled financial past in detail.

Experience in failed businesses resulting in such a massive amounts of IRS and STATE TAX LIENS does not give Ty a pass to become an expert on restaurants and fiscal responsibility. Records showing these liens represent years of failed businesses and demonstrates a core value problem of paying your bills responsibly - not trying to escape them.

- Los Angeles County lists recorded TAX LIENS on TY (Edward T Peabody) of unknown amounts. Documents numbers: 2007-2044849, 2007-0413459, 2007-2396695
- Of note: California Secretary of State's website lists Ty Peabody's (Edward Taylor Peabody) name on many SUSPENDED corporations such as: California Fresh Deli, Good Food Fast Companies, Progressive Pizza Trends, Bread Company of La Jolla, Johnnie's Palm Desert, Inc., Johnnies New York Café Pizzeria, too numerous to list all
- Of note: Ty is NOT a property owner in Indian Wells. He deeded his house at [REDACTED] to Valerie Erwin on 1/04/2006.

● PARTIAL LIST OF FED & STATE TAX LIENS, document numbers, dates, amounts

12/19/2005	2005-1043545	CA TAX LIEN	\$137,361.50
01/04/2006	2006-0004301	HOUSE DEEDED TO VALERIE ERWIN	
05/30/2007	2007-0355090	FEDERAL IRS TAX LIEN	\$640,330.46
04/15/2005	2005-0295430	NOTICE OF ATTACHMENT	\$55,018.00
06/26/2007	2007-0413459	CA TAX LIEN	\$52,186.88
08/21/2007	2007-0537947	CA TAX LIEN	\$216,852.08
10/18/2007	2007-0643707	CA TAX LIEN	\$77,655.13
01/16/2004	2004-0031826	ABSTRACT JUDGMENT	\$195,481.69
12/30/2005	2005-1079564	BANKRUPTCY ORDER	\$153,929.52
12/30/2005	2005-1079565	2 <sup>ND</sup> BANKRUPTCY ORDER	\$55,018

**Total \$1,165,938.10 UNPAID FEDERAL IRS AND CA STATE TAX LIENS**

Q To View Document

Document Number	Document Type	Author	Case	Page Count and Page
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04/15/2005	Q 2005-0276430	NOTICE LEVY/NOTICE OF ATTACHMENT	CALIFORNIA FULTON BELL INC PEARSON EDWARD T JR PEARSON TY	1
04/24/2002	Q 2002-0412919	STATE TAX LTR	PEARSON EDWARD TAYLOR JR	1
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12/20/2005	Q 2005-1027045	ORDER	SERVO FOODSERVICE OF LOS ANGELES	1
			PEARSON EDWARD TY	1

Subjected to change

Reporting Requirement for Interest Recipients  
Interest: When reported must be:  
IN FEDERAL EMPLOYEE SERVICE  
NO BULK PAYMENTS STOP #4200  
CONDITIONAL: ON #1200 6385

DOC # 2007-03550990  
07/26/2007 04:00:00 Fee 7.00  
Page 1 of 1  
Reported in Federal Register  
County of Riverside  
Larry A. Ward  
Director, County Clerk & Recorder

For Optional Use by Recording Office

Form 448 (7/00) 4225 Department of the Treasury - Internal Revenue Service  
The Treasury Dept  
**Notice of Federal Tax Lien**

Asset: GREGG BIRNBAUM/BEAR BROUGHTON ALEX W  
Last Unit Phone: (916) 913-6112 Social Number: 24527417

As provided by sections 6321, 6322, and 6323 of the Internal Revenue Code, we are giving a notice that taxes (including interest and penalties) have been assessed against the following named taxpayer. We have made a demand for payment of this liability, but it remains unpaid. Therefore, there is a lien in favor of the United States on all property and rights to property belonging to this taxpayer for the amount of these taxes, and additional penalties, interest, and costs that may accrue.

Name of Taxpayer: GREGG BIRNBAUM T. PEARSON

Residence:

**IMPORTANT RELEASE INFORMATION:** For tax assessment and notice, interest on the tax is added to the amount of the tax. This notice does not constitute a demand for payment of the tax. Interest on the tax is added to the amount of the tax. Interest on the tax is added to the amount of the tax.

Kind of Tax (A)	Tax Period Ending (B)	Identifying Number (C)	Date of Assessment (D)	Last Day for Paying (E)	Unpaid Balance of Assessment (F)
6872	09/30/2002	[REDACTED]	06/06/2005	07/06/2015	65789.50
6872	12/31/2002	[REDACTED]	06/06/2005	07/06/2015	72265.34
6872	03/31/2003	[REDACTED]	06/06/2004	02/08/2016	70971.10
6872	06/30/2003	[REDACTED]	02/08/2004	02/08/2016	86494.98
6872	09/30/2003	[REDACTED]	03/09/2004	02/08/2016	76551.70
6872	12/31/2003	[REDACTED]	02/08/2004	02/08/2016	75621.17
6872	03/31/2004	[REDACTED]	02/08/2004	02/08/2016	82542.00
6872	06/30/2004	[REDACTED]	02/08/2004	02/08/2016	82542.00



# Notice of Federal Tax Lien

Area: SMALL BUSINESS/SELF EMPLOYED AREA #7  
 Lien Unit Phone: (800) 913-6050

Serial Number  
 364917407

As provided by section 6321, 6322, and 6323 of the Internal Revenue Code, we are giving a notice that taxes (including interest and penalties) have been assessed against the following-named taxpayer. We have made a demand for payment of this liability, but it remains unpaid. Therefore, there is a lien in favor of the United States on all property and rights to property belonging to this taxpayer for the amount of these taxes, and additional penalties, interest, and costs that may accrue.

Name of Taxpayer EDWARD T. PEABODY

Residence



**IMPORTANT RELEASE INFORMATION:** For each assessment listed below, unless notice of the lien is refilled by the date given in column (e), this notice shall, on the day following such date, operate as a certificate of release as defined in IRC 6325(c).

Kind of Tax (a)	Tax Period Ending (b)	Identifying Number (c)	Date of Assessment (d)	Last Day for Refiling (e)	Unpaid Balance of Assessment (f)
6672	09/30/2002	[REDACTED]	06/06/2005	07/06/2015	65780.50
6672	12/31/2002		06/06/2005	07/06/2015	72265.34
6672	03/31/2003		11/08/2004	12/08/2014	70971.30
6672	06/30/2003		11/08/2004	12/08/2014	86494.98
6672	09/30/2003		11/08/2004	12/08/2014	96559.70
6672	12/31/2003		11/08/2004	12/08/2014	75423.37
6672	03/31/2004		11/08/2004	12/08/2014	85542.00
6672	06/30/2004		06/06/2005	07/06/2015	60329.65
6672	12/31/2004		03/19/2007	04/18/2017	366.73
6672	03/31/2005		03/19/2007	04/18/2017	26596.89

Place of Filing: COUNTY RECORDER, RIVERSIDE COUNTY, RIVERSIDE, CA 92502-0751. Total \$ 640330.46

This notice was prepared and signed at LOS ANGELES, CA on this 14th day of May 2007.

Signature: [REDACTED] Title: REVENUE OFFICER 27-07-1332  
 For: W. SEXTA (909) 388-8153

(NOTE) Certificate of officer authorized by law to take acknowledgment is not essential to the validity of Notice of Federal Tax Lien  
 Rev. No. 71-408, (871-2-CB-408)

**Ann Flaherty**

---

**From:** [REDACTED]  
**Sent:** Wednesday, April 17, 2013 11:30 AM  
**To:** Ann Flaherty  
**Subject:** Fwd: Update

Unrelated to your existing investigation but the city was unfairly focusing on me and a supporter in the placement of signs. The city was not an impartial player in the election and you might want to look into their activities throughout the election. A number of us can give specific examples with evidence.

Begin forwarded message:

**From:** "Jeff Grady" <[REDACTED]>  
**Subject:** RE: Update  
**Date:** October 15, 2012 9:39:58 AM PDT  
**To:** [REDACTED]

I will be there at 11am.

---

**From:** [REDACTED]  
**Sent:** Monday, October 15, 2012 9:31 AM  
**To:** Jeff Grady  
**Subject:** Fwd: Update

FYI

Begin forwarded message:

**From:** Mel Windsor <[REDACTED]>  
**Subject:** RE: Update  
**Date:** October 15, 2012 9:24:26 AM PDT  
**To:** "[REDACTED]" <[REDACTED]>

Can you and Jeff meet at the sign site at 11:00 am?

-----Original Message-----

**From:** [REDACTED] [mailto:[REDACTED]]  
**Sent:** Monday, October 15, 2012 9:22 AM  
**To:** Mel Windsor  
**Subject:** Re: Update

Shall we meet at the sign site? Tell me when so Jeff can get this right. Thank you.

On Oct 15, 2012, at 9:00 AM, Mel Windsor wrote:

Haddon,

Let's meet this morning. I am available any time up till 12:00 noon.

Mel

-----Original Message-----

From: [REDACTED] [REDACTED]

Sent: Monday, October 15, 2012 8:58 AM

To: Mel Windsor

Cc: Jeff Grady; Douglas & Elena Hanson; Rod Wood

Subject: Update

We need guidance on where you want the sign this time. We thought we complied the last two times and want to be certain this time. [REDACTED]

Thank you.

No virus found in this incoming message.

Checked by AVG - [www.avg.com](http://www.avg.com)

Version: 8.5.455 / Virus Database: 271.1.1/5332 - Release Date: 10/14/12 18:34:00

**Ann Flaherty**

---

**Subject:** FW: Confirmation of FPPC Agent's Advice

---

**From:** [REDACTED] [mailto:[REDACTED]]  
**Sent:** Wednesday, April 17, 2013 1:15 PM  
**To:** Ann Flaherty  
**Subject:** Re: Confirmation of FPPC Agent's Advice

Delivered to me. The bill is there. I paid and was reimbursed in mailers by Ed.

Sent from my iPhone

On Apr 17, 2013, at 4:05 PM, Ann Flaherty <[AFlaherty@fppc.ca.gov](mailto:AFlaherty@fppc.ca.gov)> wrote:

Haddon

I know you are in transit today. My focus is getting from you what each of the mailers cost and who paid you for the printing. Did you deliver the mailers or did they get shipped directly to Carter, Henschel and Chaban-Delmas? I think through Hot Print you can log onto your account and get a summary of print orders by date.

Thanks,

**Ann Flaherty**  
Special Investigator, Enforcement Division  
Fair Political Practices Commission  
428 J Street | Suite 620 | Sacramento, CA 95814  
Phone: (916) 323-6313 | Fax: (916) 322-1932  
Email: [aflaherty@fppc.ca.gov](mailto:aflaherty@fppc.ca.gov) | Web: <http://www.fppc.ca.gov>

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---

**From:** [REDACTED] [mailto:[REDACTED]]  
**Sent:** Wednesday, April 17, 2013 10:42 AM  
**To:** Ann Flaherty  
**Subject:** Fwd: Confirmation of FPPC Agent's Advice

For your records...

Begin forwarded message:

**Ann Flaherty**

---

**From:** [REDACTED]  
**Sent:** Wednesday, April 17, 2013 10:42 AM  
**To:** Ann Flaherty  
**Subject:** Fwd: Confirmation of FPPC Agent's Advice

For your records...

Begin forwarded message:

**From:** "[REDACTED]" <[REDACTED]>  
**Subject:** Re: Confirmation of FPPC Agent's Advice  
**Date:** October 29, 2012 2:33:43 PM PDT  
**To:** [REDACTED]

Thanks, Donna. This should go a long way toward settling down the rhetoric in town. I'll suggest to Ed that he do the same thing that you did so that no one can accuse anyone of being underhanded as I know that wasn't the intent.

In case someone reads this other than us someday, I want to put in writing that I did not pay for this piece...all I did was encourage people to speak up or forever hold their piece on any of us running.

On Oct 29, 2012, at 11:42 AM, [REDACTED] wrote:

Documenting my conversation, this morning, October 29, 2012 at 11 a.m. (1-866-275-3772, ext .2) with an FPPC Advice Agent:

She confirms that the monetary amount when under \$1,000, does not have to be reported - unless there is a local ordinance that has a lower threshold for the reporting requirement. Confirmed that Indian Wells does not.

As for the number of mailers (2400), she asked if there is an advertising disclaimer on the piece such as "Paid for by the \_\_\_\_\_ Committee," with the address that is on file with the Secretary of State.

As long as the cost of the printing and postage are under the \$1,000 threshold, no reporting is required.

However - - she says there is nothing wrong with "under-reporting, filing a Form 497 if opponents are questioning something. It's optional.

She confirmed that my role was advisory only, as well as getting the mailing to the post office, and therefore since I did not participate in the expenditure, mine is a "non-monetary, in-kind contribution."

Please let me know if there is anything further you might need.

Donna

*Donna Chaban-Delmas*

*MCLE Consultants*

[REDACTED]  
[REDACTED]  
[REDACTED]

**Ann Flaherty**

---

**Subject:** FW: Congratulations!!

---

**From:** [REDACTED] [mailto:[REDACTED]]

**Sent:** Wednesday, April 17, 2013 3:24 PM

**To:** Ann Flaherty

**Subject:** Re: Congratulations!!

Sent from my iPhone

On Apr 17, 2013, at 6:12 PM, Ann Flaherty <[AFlaherty@fppc.ca.gov](mailto:AFlaherty@fppc.ca.gov)> wrote:

How did the other mailer designs get to you?

By mail

I saw that the files were uploaded to Hot Print. Did Carter, Henschel and Chaban-Delmas design the others and email them to you?

I'll call you to explain but I was and am trying to start a printing business.

Did they pick their orders up from you?

Ed did

Do you know for a fact that Doug Hanson and/or Dennis Pope were involved with the design or financing of these mailers?

Doug, yes via Ed

Was this a collective effort or we all parties acting independent of each other? ( I know that you and Carter were a team, along with Carter & Henschel)

Independent although I did not endorse the Bonafide, Ty/Ted or Reed pieces. Ed/Doug wanted those. Not me. I was particularly unhappy with the Ty/Ted piece.

I split up the questions so you can easily answer them below each question. Thanks again. AF

---

**From:** [REDACTED] [mailto:[REDACTED]]

**Sent:** Wednesday, April 17, 2013 3:03 PM

**To:** Ann Flaherty

**Subject:** Re: Congratulations!!

I did the powers one. Ed saw that one, shared it with Doug and asked me to lay it out the others for them. They would then adjust.

Sent from my iPhone

On Apr 17, 2013, at 4:42 PM, Ann Flaherty <[AFlaherty@fppc.ca.gov](mailto:AFlaherty@fppc.ca.gov)> wrote:

One more question. Who designed all the mailers?

---

**From:** [REDACTED] [mailto:[REDACTED]]  
**Sent:** Wednesday, April 17, 2013 11:25 AM  
**To:** Ann Flaherty  
**Subject:** Fwd: Congratulations!!

I thought you might find this useful. Ty in specific knew that Ed Carter was behind the piece on him.

Begin forwarded message:

**From:** "[REDACTED]" <[REDACTED]>  
**Subject:** Re: Congratulations!!  
**Date:** November 6, 2012 9:30:13 PM PST  
**To:** "Ty Peabody" <[PeabodyforCouncil@yahoo.com](mailto:PeabodyforCouncil@yahoo.com)>

I meant it when I said that we needed the good people on the council. You and Ted are that in spades and I'm proud to have you on the council. How Powers is in 4th disappoints me more than anything. I really thought that he was 7th and I was 4th...that was my honest read on things.

As you are on my Kitchen Cabinet, I'm always there to help on yours.

On Nov 6, 2012, at 9:04 PM, Ty Peabody wrote:

Haddon,

Thank you so much. I just saw the early results, but they are just that -- early. Hopefully things will finish well but it's still a ways off.

I really appreciate your support, and enjoyed getting to know you better during the course of the last couple of months.

If it turns out that I am elected, I know that I can count on you to give me ongoing honest information about what you see happening. Talk to you

soon.

-----Original Message-----

From: [REDACTED] [mailto:[REDACTED]]

Sent: Tuesday, November 06, 2012 8:47 PM

To: Ted John Mertens; Ty Peabody

Subject: Congratulations!!

I'm thrilled that you two will win!

Take no prisoners and make us proud!!!

PS: You can thank the guy who sent out your piece from the dais!!!

## Ann Flaherty

---

**From:** [REDACTED]  
**Sent:** Wednesday, April 17, 2013 4:03 PM  
**To:** Ann Flaherty  
**Subject:** Re: The Mertens Peabody Mailer

I'm with family but quick answer is that he paid for everything to my knowledge. He could have had help but I don't think so.

Sent from my iPhone

On Apr 17, 2013, at 4:31 PM, Ann Flaherty <[AFlaherty@fppc.ca.gov](mailto:AFlaherty@fppc.ca.gov)> wrote:

So just to clarify, Ed Carter paid for the printing of all four mailers? Did Henschel or Chaban-Delmas pay for the postage on any of the mailers?

---

**From:** [REDACTED] [mailto:[REDACTED]]  
**Sent:** Wednesday, April 17, 2013 10:45 AM  
**To:** Ann Flaherty  
**Subject:** The Mertens Peabody Mailer

As you can see, I paid for this with my Merrill Lynch AMEX. I can give you the whole statement if you like. I was reimbursed by Ed Carter for this. As I told you, I did not feel that I was in a position to not place this order for him.

<image001.png><image002.png>

**Ann Flaherty**

---

**From:** [REDACTED]  
**Sent:** Thursday, April 18, 2013 10:49 AM  
**To:** Ann Flaherty  
**Subject:** Re: For the postage

On Apr 18, 2013, at 10:22 AM, Ann Flaherty wrote:

> I am just trying to get the info that you have personal of. I am still not clear on the participation of Henschel and Chaban-Delmas.

>  
> Before you told me that you introduced Henschel to Carter and that they did the Dana Reed mailer, with you. You designed and printed it. What was Henschel participation? Carter mailed it out or did Chaban-Delmas? A: Henschel is a Liberty Republican. Ed was looking for people to mail pieces as he was willing to pay for them but didn't want his name on it. Lisa didn't care if her name was on it or not. She was planning on sending the Reed piece - I don't know if she ever did. I know Ed paid for it. Once I knew how to send the Powers piece without breaking any rules, the Reed piece was the second one and replicated the same method. For the record and as I have told you before, I shared this knowledge with several people - I was not shy with it. I wanted people to get involved. I even mentioned to a few that if they wanted to do one on me 'God bless' as it was important that people get involved. Neither myself or Donna were shy about our involvement in the Powers piece.

>  
> Bonafide-You submitted print order, Carter paid you and he mailed the postcards. Correct? Yes. To clarify, at this point, I knew that Ed needed to file and report that he was spending all of this money which put him personally over the threshold of spending. I told him this and that he needed to fill out forms. He asked me to help. I know that I filled the forms out for him and gave him the FPPC hotline number. Whether he filed them, I have no idea.

>  
> Powers/Blumberg-You submitted the print order, Carter paid for the printing. What was Chaban-Delmas' participation? As the emails show, she wanted to get the information out on them and was willing to be the one on the piece. She met Ed at least twice at Rotary. She sent out the Powers piece but I'm 100% certain that Ed paid for it. Donna didn't have the money but badly wanted to get the truth out.

>  
> Peabody/Mertens-You submitted the print order, Carter paid for it and mailed it out. Correct? Yes. On a personal note, this piece upset me greatly but I did not feel that I was in a position to say no. This was different than any of the others in that it was a personal attack on a people whom I was strongly supporting and endorsing while I went door to door.

>  
Outside of these mailers, there were other things going on in the election that must violate FPPC rules as I've mentioned before. Until the end, I will tell you that I felt the mailers were done within the rules given my questions to Miller, her OC contact and the FPPC hotline. This is why I told Ed to file the forms when he did the second one as he had crossed the threshold on spending. It is also why I told Donna and Ed to self report when we learned of the unit limitation on mailers. While I wanted the Powers piece out as The Desert Sun was not publishing information that the electorate needed to know, I didn't care about Reed or Bonafide whatsoever - Hanson's team did though according to Ed. The last one on Ty and Ted crossed the line in my mind into personal attacks on people I liked and supported.

I hope this helps.

>  
>

> -----Original Message-----

> From: [REDACTED] [mailto:[REDACTED]]

> Sent: Wednesday, April 17, 2013 6:41 PM

> To: Ann Flaherty

> Subject: For the postage

>

> Can't you ask the post office for the details? That should be the independent cross verification of things.

ATT00001

On Apr 11, 2013, at 9:46 AM, Ann Flaherty wrote:

> I am just trying to clarify everyone's involvement, as you know it. As I see it, you believe that the following individuals are responsible for these mailers:

> Blumberg/Powers-Carter & Delmas (you assisted & supported these mailers)

> Bonafide-Carter & Hanson

> Peabody/Mertens-Carter & Hanson

> Reed-Carter & Hanson & Henschel

> All print orders were placed through Hot Print USA, with your assistance. You were reimbursed by Ed Carter for all the costs related to the mailers.

> Do I have this right?

> Where were the mailers delivered to? Do you have any copies of the mailers that you can send or the invoices related to these mailers?

> Thank you again for your continued assistance in this matter. AF

> -----Original Message-----

> From: [REDACTED] [mailto:[REDACTED]]

> Sent: Thursday, April 11, 2013 9:13 AM

> To: Ann Flaherty

> Subject: Re: PS

> It was all paid with credit cards so that should be easy.

> On Apr 11, 2013, at 8:59 AM, Ann Flaherty wrote:

>> Also, copies of checks when you were paid for the print orders will be very helpful. Basically, the more documentary evidence you can give me to support what you are telling me, is what we need. AF

>> -----Original Message-----

>> From: [REDACTED] [mailto:[REDACTED]]

>> Sent: Thursday, April 11, 2013 8:34 AM

>> To: Ann Flaherty

>> Subject: Re: PS

>> Will do

>> Sent from my iPhone

>> On Apr 11, 2013, at 8:25 AM, Ann Flaherty <AFlaherty@fppc.ca.gov> wrote:

>>> Thank you. If you have any documents from Hot Print USA or other emails, that would be great. The more I have, the quicker I can get this sorted out. Thanks again. AF

>>> -----Original Message-----

ATT00001

>>> From: [REDACTED] [mailto:[REDACTED]]  
>>> Sent: Thursday, April 11, 2013 8:22 AM  
>>> To: Ann Flaherty  
>>> Subject: Re: PS

>>> More is coming. With the big Coachella music Fest coming and our catering for 2 days, I'm working late. I will look for more stuff that you want as I get breaks.

>>> Sent from my iPhone

>>> On Apr 10, 2013, at 4:16 PM, Ann Flaherty <AFlaherty@fppc.ca.gov> wrote:

>>>> Thank you, Haddon, for the detailed email. Do you have any documentation related to the print orders submitted and received through Hot Print, as they relate to these mailers? Also, would you have any written communications between you and the parties responsible for the printing and/or sending of these mailers? Any electronic files of these mailers?

>>>> Please let me know your availability in the next couple of days to discuss this matter further. I thank you again for your cooperation in this matter.

>>>> Ann Flaherty  
>>>> Special Investigator, Enforcement Division Fair Political Practices  
>>>> Commission  
>>>> 428 J Street | Suite 620 | Sacramento, CA 95814  
>>>> Phone: (916) 323-6313 | Fax: (916) 322-1932  
>>>> Email: aflaherty@fppc.ca.gov | Web: <http://www.fppc.ca.gov>

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>>>> -----Original Message-----

>>>> From: [REDACTED] [mailto:[REDACTED]]  
>>>> Sent: Wednesday, April 10, 2013 2:44 PM  
>>>> To: Ann Flaherty  
>>>> Subject: Re: PS

>>>> Did you get the email?

>>>> Sent from my iPhone

>>>> On Apr 10, 2013, at 8:36 AM, Ann Flaherty <AFlaherty@fppc.ca.gov> wrote:

>>>>> Thank you. AF

>>>>> -----Original Message-----

>>>>> From: hblibby@gmail.com [mailto:[REDACTED]]  
>>>>> Sent: Wednesday, April 10, 2013 8:25 AM  
>>>>> To: Ann Flaherty  
>>>>> Subject: Re: PS

>>>>> I am almost done. It is about 1500 words. Driving to LA this morning but will get it to you today.

ATT00001

>>>> Sent from my iPhone

>>>>

>>>> On Apr 10, 2013, at 7:44 AM, Ann Flaherty <AFlaherty@fppc.ca.gov> wrote:

>>>>

>>>>> Our email server was down late yesterday, I am not sure if you sent something that was undeliverable. I am in the office all day today.

>>>>>

>>>>>

>>>>> Ann Flaherty

>>>>> Special Investigator, Enforcement Division Fair Political Practices

>>>>> Commission

>>>>> 428 J Street | suite 620 | Sacramento, CA 95814

>>>>> Phone: (916) 323-6313 | Fax: (916) 322-1932

>>>>> Email: aflaherty@fppc.ca.gov | web: <http://www.fppc.ca.gov>

>>>>>

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>>>>>

>>>>>

>>>>>

>>>>>

>>>>>

>>>>>

>>>>> -----Original Message-----

>>>>> From: [REDACTED] [mailto:[REDACTED]]

>>>>> Sent: Tuesday, April 09, 2013 2:12 PM

>>>>> To: Ann Flaherty

>>>>> Subject: PS

>>>>>

>>>>> As I tell you things, can you keep my participation in confidence from the the City of Indian Wells as long as possible? At the end of it all, I know you will need to disclose things but there is at least one person on the city council who you absolutely do not want to let know that I am helping out.

>

## Ann Flaherty

---

**From:** [REDACTED]  
**Sent:** Wednesday, April 10, 2013 3:35 PM  
**To:** Ann Flaherty  
**Cc:** Haddon Libby  
**Subject:** 3rd Try

I know that the investigation is about the mailers that went out without identifying the sender. Herein, you should have the information to help conclude the investigation.

In talking with people, they are scared as the city keeps saying that the mailers were a violation of law and people could go to jail for it. Ty Peabody is stating that the statements on him were a lie and he plans on suing whoever put them for 'every penny they've got' and for defamation of character. Doug Hanson has specifically said to lie low and it will blow over. Candidly, I feel he is saying this as he was involved in the mailers. Sadly, you won't get physical proof of anything unless he and Ed did something by email.

### SUMMARY

I had two motives in my involvement: 1) Disseminating the truth; 2) Starting a printing business. I felt and still feel that I can do these printings cheaper than local company Hi Tec.

I will never ever run for political office again. The whole process was unnerving and filled with back stabbing and betrayals.

I relied on the advice of Steffani Miller, her contact in Orange County and the FPCC hotline for how this was all done. As I was never involved in an election before and had to rely on others for guidance.

On a persona front, I was busy building ShareKitchen, trying to make money, suing the city and dealing with complications related to my wife's breast cancer. I relied on incomplete and errant advice.

Hopefully this will begin to show how I am more than willing to own up to my involvement in everything. I have offered this since day one to anyone who contacted me including the Mayor, Doug Hanson. I also made sure that Ty Peabody and Ted Mertens know the truth.

### The Start

I asked the city council questions in July, 2011 which led to the interference of the city manager and city council members in my job such that I was fired for a job. The case is high profile in the desert and made the LA Times on July 3, 2012. A lawsuit is underway. My former employer has already settled. We can discuss more on this if you like but I would want to have my lawyer on that case available as I do not want to weaken my case against the city. On your investigation, I will help out in anyway that you ask.

I decided to run for city council so that people would remember what that city council did to me and the general level of corrupt activities engaged in by members of the council and staff. I candidly thought I would not win but wanted to keep the truth of what the city council had done front and center.

I hired Steffani Miller to help me run as I had zero experience in the political arena. She is one of the most experienced political consultants in the desert. While she did not do what she was supposed to be doing by contract, she provided key guidance and advice that is relevant to the investigation.

Running in the election were an assortment of quality candidates and others with sordid pasts. Given the challenges that the residents were having with the city, there was a general level of concern by many that honest people would not win over those with questionable intents.

It was the collective opinion of many of us that the truth needed to come out about some of the candidates. These conversations included literally dozens of people and numerous candidates. We tried to get The Desert Sun to do profiles that included the past backgrounds of the candidates but there was no interest.

In talking to Miller, I asked if there was a way that we could get the truth out about Mitch Blumberg and Bill Powers - two people who in my opinion are not honest people. As I was already viewed as a controversial candidate because of my pending lawsuit against the city, I was not comfortable being the one to disseminate the information. She stated that she knew of a person in Orange County who would do it with no connection to me. The cost would be \$10,000. So you know, I never had any intent of using this person - I wanted to learn what this person did as I wanted to eliminate corrupt practices. Miller stated that she and others had used him in the past and he was great at what he did. I asked for the number and she gave it to me. I don't know that I still have the number but I did call it and it is probably on a phone register if Ms. Miller will not disclose the name again.

I called him to learn how he did this. While he would not disclose the specifics, it included doing mailers dropped off at the post office for specific zip codes.

I then talked with a US Post Office sales rep on various ways that these types of mailings are sent to figure out the holes in what he said.

Once I felt that I had figured it out, I called the FPPC hotline to ask questions on disclosure related to mailers. They said that if the amount spent was under a certain amount, no filings or disclosures were necessary although people could optionally file if they wanted to. I took this to mean that the person sending the mailer could optionally include their name.

With all of this done, I shared this information with Steffani who confirmed that given Indian Wells was so small, this type of mailer could be done without breaking the rules governing campaigns.

At this point, I shared my findings and the estimated cost per mailer with at least the following: Ty Peabody, Carol Cirbes, JL Mertens, Ed Carter, Jeff Bartman, Ed Doran, Donna Chaban Delmas, Lisa Henschel, Rose Swearingen and probably a few more people. There was a collective opinion among all of us that the local paper wasn't doing its job in letting people know the truth about candidates.

I offered to all of the above the ability to order their political materials through me and Hot Print USA as I was getting a price that was often well less than half that paid by any of them. As I was out of work and scrambling to make money, I thought that this might be a good business for me to start here in the desert. By the end of 2012, I had become one of Hot Print USA's top 10 customers. Some additional people I offered to do mailers for were Corky Emmett through her husband, Roy Wilson's wife who was running and Greg Pettis.

At a weekly Rotary meeting, Ed Carter offered to help get some of these mailers paid for but didn't want to do it in his name. At the time, he, his best friend, Doug Hanson and Doug's

campaign committee were most worried about Dana Reed. Ed asked if I knew anyone who might be interested in helping them out.

I told him that my friend Lisa Henschel, who is a Liberty Republican felt that Dana Reed and his type of politician were the ones ruining the Republican Party. I introduced Lisa and Ed. As she did not have a car, Ed paid for her to come to the desert and meet with him. Lisa agreed to send out a mailer for him, I believe.

Ed also stated that Doug hated Bill Powers and wanted him gone. They would be willing to pay for a piece on him as well as Mitch Blumberg. As a sidenote, Mitch would come to the Indian Wells Rotary and was generally disliked by many of the members given his sordid past. Donna Chaban Delmas came as my guest to a few Rotary meetings to hear Mary Bono Mack and someone else speak. At those meetings, Ed and Donna met. She agreed to send a mailer out and would put her name on it as she found Bill Powers to be a 'bad guy' in the desert and was dumbfounded by the information on Blumberg that the paper wasn't picking up. Why her name did not end up on the piece, I do not remember. I do remember that Ed kindly gave Donna \$100 for gas as she was broke.

Later on, Ed came to me to order a piece on Bear Bonafide as Doug and his committee were getting worried about him. I told him that he was going to need to file with the FPPC as he was over the spending limit. I know I filled out the form for him a few times after calling the FPPC hotline to find out what needed to be put on the form. I do not know if he ever filed it.

Toward the end, Ed came to me worried about Ty and Ted. Once again, he wanted a piece on them. I did not want to help him and Doug as Ty and Ted were friends who I was hoping would get elected. I do not remember the specifics but I felt that I had to order the piece on Ty and Ted given that Doug Hanson had an awful lot of leverage over me given information he possessed in my lawsuit against the city.

I can say unequivocally that Doug reviewed and approved anything sent out in advance. I cannot prove anything. Ed's involvement was 100% in cash. I did not view that as odd as that is how he is. He is a very wealthy and generous man who has survived multiple bouts with cancer. I truly believe that he did not mean anything sordid in what he did. I'm certain that he took all directions from Doug Hanson.

What makes an investigation odd is because I have not been silent about my involvement. As soon as I heard that there was a 300 item limit without disclosure of the sender, I immediately called Donna, Lisa and Ed to tell them to self report their full involvement and answer any and all questions. Candidly, I'm not sure Lisa ever got involved with Ed but I know she was willing. I did report the transgression to Doug and told him that I had told the senders to self report. He seemed perturbed that I said it directly to him at Rotary.

I was told repeatedly by Ed to sit tight and be quiet and things would blow over. I would respond that I felt it was best for everyone to admit the mistake and take their lumps. When JL Mertens called me last month with details on behalf of her husband, I realized that I was not being told the truth by Ed/Doug. I told JL everything that I knew with Ted in the next room listening.

When the piece came out on Ted and Ty in October, I told Carol Cirbes, Ty's campaign manager of who did it. I may have also told Jacqueline Bradley, I'm not sure. I knew everyone thought it was me. I only really cared about the opinion of the Peabody's and Merten's as I was pretty certain that I was not going to win.

I didn't run to win - I ran to keep the heat on a council that I felt was corrupt. I won't go over the numerous issues that are or should be investigated but there is ample evidence of corruption.

The city itself was allowing Bill Powers to put signs on people's yards without their approval. When confronted, they said that they could not do anything about it as the people whose yards were used incorrectly had to complain. Powers had put many of the signs on the homes of those who do not visit the desert regularly. It was a clear case of favoritism that The Desert Sun had to finally report. I personally saw Powers and his wife driving around the neighborhoods one Sunday picking out the homes to put signs on.

The owner of one building in town allowed a big sign on his property for me. The city made me move my sign 4 times on that property and his for lease signs saying that they were on city right of ways. They did not enforce this action on any other signs of any other building in town. I pointed this out and they stated in writing that they were not singling out him or me but that it was a general review of signs across the city so that no signs were on right of way or potential city easement property. They did not take enforcement actions against any other signs.

Councilmen Patrick Mullany and Bill Powers were running around town saying that 'I am not who I appear to be'. They cited false information that is part of the lawsuit. I believe that the city manager eventually got them to stop engaging in character defamation against me.

I also had someone staked out in front of my business partner's house that had to be reported to the police. We never figured out who it was but it happened about 36 hours after I filed the lawsuit against Mullany and the City.

I have had personal threats made against me by Charles Ellis (I have the letter) and others in town.

More than 35% of my signs were stolen with many damaged.

There was more but I share these things to point out that the election had some very intentional interference in the election. The mailings to my belief were a 100% mistake based on bad information from Steffani Miller and the FPPC help line. I know Ed Carter crossed the line in dollar amount spent and hopefully he filed the correct forms. I am certain that Doug Hansen gave final approvals on all mailers.

#### OTHER COMMENTS

Steffani Miller helped Rose Swearingen despite pledging that she would only help me and then endorsed Bill Powers.

Gary Jeandron offer to help my campaign but it was clear that he was a Powers mole given that 48 hours after the offer, he endorsed Powers.

I left the Republican party that I had been a member of my whole life over the behaviors of many in the party. I find the party to be awful.

I did not commingle campaign funds with any orders at Hot Print USA. You should easily be able to prove this with information you can get directly from them.

I never paid for the mailing of any of these in any way and was reimbursed by Ed Carter for all mailers. I know he was out of the area for a portion of the campaign but took care of things so that his absence would not delay mailers. I found it odd that if I dropped something off and posted a campaign sign, it would be gone within hours. He said to put up another sign. At the end, I got all the signs back. It seems to me that he had someone intentionally trying to hide our involvement. It's as though he was trying to set me up as the one fully responsible for the mailers. I will state unequivocally that Ed Carter and Doug Hanson were the sole drivers of the Bear Bonafide, Dana Reed and Ty Peabody/Ted Mertens

flyers. I wanted the Powers/Blumberg piece out and honestly believe that it was done correctly. The Powers piece was the first one made, followed by Reed, Bonafide and Peabody/Mertens.

JL Mertens stated that she reconciled my campaign filings and found i was off by \$428. I threw everything away after the campaign so I don't know if this is true or not. JL did say that the city reconciled everyone on the council for the last 10 years and helped Mary Roche and others to correct bad filings.

While this was all going on, I was on a disability for the stresses the city violation of my rights took against me. There action shattered my world, my finances and caused me serious mental challenges that I face to this day. The founder of ShareKitchen, Angela Janus, has seen this first hand and can elaborate. My biggest problem is that doing accounting can give me migraines and I struggle to reconcile numbers as they get jumbled. As a former CFO and life long banker, this is not normal. Stress literally immobilizes me.

I am currently trying to create my own jobs through a variety of means. I volunteer at ShareKitchen hoping that this will eventually turn into a paying job.

As mentioned before, I tried to start a printing business using Hot Print as the provider. During election, offered this to Rose, Van Tanner, Greg Pettis and others as described earlier.

FYI, I write for CV Weekly on political and economic issues. This is unpaid but the hope is that it will lead to other opportunities. I have been talking to local radio stations about hosting a morning talk show on local issues. In the last 6 years, I have logged more than 300 media appearance on economic issues and have guest hosted on two stations.

## CONCLUSIONS

I believe that the city council is selectively using this apparent violation of FPPC rules where there were numerous other probable violations by others including the city.

I think Doug Hanson is lying to the others about his involvement in the mailers. To my knowledge, nothing happened without his approval.

I think Patrick Mullany and others want to use my involvement in the mailers as part of a lawsuit against them that I filed in 2011 that they have yet to do depositions on nearly 18 months later.

I think Ty Peabody has to say that the piece on him is a lie although everything I saw seems to support it as being a truthful piece.

In my opinion, the only 100% truthful person on the city council is Ted Mertens. I voted for him as did my wife as we feel he is a very honest person with the best interests of the city at heart. Other than that, everyone has done something at some point that is a violation of election laws or rules on elected officials.

I know firsthand that the DOJ and FBI were investigating the City of Indian Wells. I do not know more than that although both have interviewed me.

I can say with 100% certainty that my involvement had no intent of deception.

I also believe that Donna Chaban Delmas had no intent to deceive. She was personally handing out pieces all over town and taking ownership of the piece. She never hid her identity and neither did I.

I know that Lisa Henschel never hid her identity either although I don't believe that she ever did anything.

You will be able to come to your own conclusions on Ed Carter if you follow-up on information shared with me by JL Mertens, the wife of Ted Mertens. Doug Hansen drove a car around town and loaned it to residents during the campaign. The car was wrapped with his billboard for reelection. I was told that the wrap cost \$1,500 and the car rental was about \$1,000. JL says it was never declared on Hanson's filings. Ed told me that he paid for the car wrap.

Rather than wordsmith this email to death, I'll send this as is. I may have to refine what I've written a bit but it is the full truth. As I can answer others questions, please feel free to call me.

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**STATE OF CALIFORNIA**  
**FAIR POLITICAL PRACTICES COMMISSION**

**INVESTIGATION REPORT**

I    CASE NO: 12-880                      CASE NAME: Unk City of Indian Wells                      REPORT NO.:5  
REPORT DATE: 03/22/2013                      PAGE 1 of 2 page(s)

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II    REPORT TYPE: Interview Summary

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III    REPORT PREPARED BY: Ann Flaherty *AF*                      DATE SIGNED: 03/22/2013

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IV    DISTRIBUTION: Sandra Buckner, Zak Norton

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V    INTERVIEW SUMMARY ONLY:

Interview tape recorded: No

Manner of interview: Telephone

Person(s) interviewed: Mary Carter

Work address:

Work phone:

Home address: 

Home phone: 

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VI    NARRATIVE:

On March 22, 2012 I received a call from Ed Carter's wife, Mary Carter and this is a summary of that interview. Mary Carter began telling me that she really knew nothing about Ed Carter sending out the mailers. She said that she and her husband had come home early from vacation because he was ill. She did find the American Express bill that showed the 10/23/2012 charge, from the USPS, in the amount of \$356.85. I reviewed with Mrs. Carter the information on the USPS form 3587 where Ed Carter listed a phone number of . She said she had no idea who that number belongs to.

Mrs. Carter asked me what the ramifications of all this were and if she needed an attorney. She said that her husband had been through hell fighting prostate cancer. I asked Mrs. Carter if she could fax me a copy of the receipt but she said she only had the bill summary, not an actual receipt. Mrs. Carter said she was "ignorant that Ed mailed them out." She went on to talk about the content of these mailers that I had referred to as "hit pieces." Mrs. Carter said, "Nothing in them was not the truth, some of the things written are true." She mentioned Ted Mertens who was the target of one of the mailers. She pointed out that he had actually won, in spite of the negative mailers. She said that she tries not to be political.

I asked Mrs. Carter to possibly provide a copy of the AMX receipt and Ed Carters cell phone records from 10/20/2012 through 10/23/2012. Mrs. Carter said "I don't know about that, I may have to talk to someone

about this before I give you anything.” She said this is all such a shock to her and asked if Mr. Carter was in “jeopardy.”

I then went back to the issue of the phone number that was written on the USPS form. Mrs. Carter said, “Oh that’s our fax number, we never use it.” I asked Mrs. Carter why her husband would have written that number on the form; she said she did not know. She said that nobody had come to the house, during that time that she did not know. She mentioned that she had hosted a “Meet and Greet” for City Council candidate Doug Hansen. Mrs. Carter said, “I am positive he had nothing to do with this.” She also said that she had run into his campaign worker and they had spoken briefly about these negative mailers. The campaign worker stated to her, in reference to the mailers, “It’s disgusting.” Mrs. Carter identified the campaign worker as Dennis Pope.

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STATE OF CALIFORNIA  
FAIR POLITICAL PRACTICES COMMISSION

INVESTIGATION REPORT

I      CASE NO: 12-880                      CASE NAME: Unk City of Indian Wells                      REPORT NO.:4  
REPORT DATE: 03/22/2013                      PAGE 1 of 2 page(s)

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II      REPORT TYPE: Document Summary

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III      REPORT PREPARED BY: Ann Flaherty *AF*                      DATE SIGNED: 03/22/2013

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IV      DISTRIBUTION: Sandra Buckner, Zak Norton

---

V      INTERVIEW SUMMARY ONLY:

Interview tape recorded:

Manner of interview:

Person(s) interviewed:

Work address:

Work phone:

Home address:

Home phone:

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VI      NARRATIVE:

On March 21, 2013, I made contact with 'Beth Ann' at the USPS in Palm Desert. She stated that she had located a completed form 3587 for 10/23/2012, in the amount of \$356.85. (I had provided this information to her based upon the information ascertained from Ed Carter) She agreed to fax this form to me and will continue to search for other forms that may be linked to the Indian Wells mailers.

The USPS form 3587 was for 2,461 pieces of mail weighing .50 ounces, per single piece and the mail date was 10/23/2012. The type of postage was described as EDDM, Every Door Direct Mail. The mailers name is Ed Carter, [REDACTED]. The phone number listed is [REDACTED]. This phone is neither Ed Carter's cell nor home phone number however it does appear linked to Carter. The phone number, when called, was answered by a female voice that appears to match the voice on Ed Carter's home phone voicemail. This phone number may belong to Carter's wife Mary Carter.

Research into both Edwin "Ed" Carter and his wife Mary Rae Carter indicate that they are real estate agents; Ed Carter is retired and Mary is still licensed. Ed Carter told me previously that he owns several Jack-in-the-Boxes and I located a California corporate filing for Mr. Carter under the name Q Central Development, LLC. Ed Carter also serves on the Board of Directors of Share Kitchen which was Co-founded by Haddon Libby. Libby was a candidate for the Indian Wells City council 2012 and subsequently lost. Libby was not the

target of any of the "hit piece" mailers. Carter has previously identified Libby as "a friend." Also, serving on the board is Ty Peabody, another candidate for the Indian Wells City Council 2012 who subsequently won. Peabody was the target of at least one of the "hit piece" mailers. Carter has previously identified Peabody as a "friend"

It appears that Mary Carter was the former President of The Cove at Indian Wells Homeowners Association, Inc. Both Carters have contributions on file to the Republican National Committee and they endorsed Patrick Mullany for City Council 2012, who subsequently won a seat. Mullany was not the target of any of the "hit piece" mailers. Also located was a "Letter to the Editor" that was posted on-line at [www.citizen-times.com](http://www.citizen-times.com). This letter titled "Attack on Doug Hanson was off base" was authored by "Ed Carter, Indian Wells." This letter criticizes an apparent verbal attack on Mayor Douglas Hanson. Hanson was a 2012 City Council candidate who subsequently won. Hanson was also not the target of the "hit pieces" mailers.

# United States Postal Service Every Door Direct Mail (EDDM) Retail



<b>Mailer</b>	Business Name and Address and Email Address, if Any <b>Ed Carter</b> [Redacted]	Telephone [Redacted]	Name and Address of Mailing Agent (if other than permit holder) <b>N/A</b>	Telephone [Redacted]	Name and Address of Individual or Organization for Which Mailing is Prepared (if other than permit holder) <b>N/A</b>
	Customer Registration I.D. (CRID)	Customer Registration I.D. (CRID)	Customer Registration I.D. (CRID)	Customer Registration I.D. (CRID)	Customer Registration I.D. (CRID)

<b>Mailing</b>	Post Office of Mailing <b>Palm Desert</b>	Processing Category <input type="checkbox"/> Flat	Mailing Date <b>10/23/2012</b>	Total # of Bundles	Total # of Pieces <b>2,461</b>
	Type of Postage <input type="checkbox"/> Permit Imprint <input type="checkbox"/> Metered <input checked="" type="checkbox"/> EDDM Indicia	Weight of a Single Piece <b>0.50 ounces</b> Max Weight 3.3 ounces	Description <b>Mailer</b>		

Entry	Price Category	Price	No. of Pieces	Total Postage
DDU	Saturation	0.145	2,461	\$356.85

**Certification**

The mailer's signature certifies acceptance of liability for and agreement to pay any revenue deficiencies assessed on this mailing, subject to appeal. If an agent signs this form, the agent certifies that he or she is authorized to sign on behalf of the mailer and that the mailer is bound by the certification and agrees to pay any deficiencies. In addition, agents may be liable for any deficiencies resulting from matters within their responsibility, knowledge, or control. The mailer hereby certifies that all information furnished on this form is accurate, truthful, and complete; that the mail and the supporting documentation comply with all postal standards and the mailing qualifies for the prices and fees claimed; and that the mailing does not contain any matter prohibited by law or postal regulation. I understand that anyone who furnishes false or misleading information on this form or who omits information requested on this form may be subject to criminal and/or civil penalties, including fines and imprisonment.

*Privacy Notice: For information regarding our Privacy Policy visit [www.usps.com](http://www.usps.com).*

Signature of Mailer or Agent [Redacted]	Printed Name of Mailer or Agent Signing Form <b>Ed Carter</b>	Telephone [Redacted]
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<b>Retail Acceptance</b>	Postmaster: Report Total Postage to 310 287	Postage	356.85
	Signature of Retailer [Redacted]	Signature of Mailer [Redacted]	Signature of Agent [Redacted]
<b>Retail Verification</b>	Signature of Retailer [Redacted]	Signature of Mailer [Redacted]	Signature of Agent [Redacted]
	Signature of Retailer [Redacted]	Signature of Mailer [Redacted]	Signature of Agent [Redacted]

## **Letters: Attack on Indian Wells' Doug Hanson was off base**

Mar 21

citizen-times.com

### **Attack on Doug Hanson was off base**

Conrad Negrón, who gave valuable service to the city of Indian Wells, now does it a great disservice with his over-the-top attack on Mayor Douglas Hanson.

Clearly, there has been disharmony in the city but to place it at the feet of Hanson is just to ignore the facts. The ousted city manager and a former mayor and defeated council member vowed to discredit and destroy Hanson even before he ran for council for having the temerity to question how the city did business. The three are now gone and so have the backroom deals, the secret agreements and the absolutely closed shop of their administration.

Mayor Hanson and the council - though not in lockstep - now offer an open and accountable city government in which the views of the people are actually listened to. Negrón is just off base as he was when he said at a council meeting that the disgraced city manager should be the nation's secretary of state. Think where that would have led us.

Ed Carter, Indian Wells

# Our Kitchen Cabinet

## ADVISORY BOARD & EXECUTIVE TEAM

### Diane C. Blasdel, Esq.

Diane C. Blasdel received her Bachelor of Science degrees in Criminal Justice and in Sociology from California State University at Fullerton at the age of 19 followed by graduation from University of the Pacific, McGeorge School of Law, where she received her Juris Doctor. Upon graduation, Ms. Blasdel joined the law firm of Best, Best & Krieger at its Riverside office. She worked on general civil litigation matters, commercial unlawful detainer matters and complex matters involving securities fraud, environmental issues, and civil RICO. In 1995, Ms. Blasdel formed the firm of Ealy, Hemphill, and Blasdel, LLP and now focuses on real estate development and construction disputes, mandamus actions against public entities, as well as commercial business and real estate litigation.

As a member of the California and Desert Bar Associations, Ms. Blasdel represents a number of clients in the valley including Wessman Development; The Ritz Carlton in Rancho Mirage; Granite Construction Company; and El Paseo Bank.

Ms. Blasdel devotes her "spare time" to serving as Vice President on the Board of Directors of the *Debbie Chisholm Memorial Foundation*, (<http://www.dcmfwishes.org/>) which is a local charity that grants the wishes of terminally and catastrophically ill children, residing in Riverside and San Bernardino Counties. Ms. Blasdel personally takes part in the granting of wishes, which includes researching the children's wishes, dealing with the children's medical issues, planning/organizing the "mechanics" of the wish, and ultimately, accompanying the children (and their families) on the actual wish.

### Edwin Carter

Mr. Carter is a local Angel Investor who enjoys helping people in actualizing their dreams. Born in West Virginia, Ed's career includes service in the Army as well as serving as an accountant and car salesman before joining Dart Industries to help establish their recreational subdivision merchandising division. In 1972, Ed started his own real estate brokerage company in Northern California. In 1988, he became an active and successful fast food franchiser.

### Gregory Golem

Gregg has designed and overseen the development of over 400 restaurant and bar operations as one of only 200 designers in the United States who is recognized as a Certified Foodservice Professional (CFSP) by the North American Association of Food Equipment Manufacturers. With a thirty-five year career in the food services industry, Gregg is able to bring the experience and background necessary to contribute to the client's profitable objectives. Gregg has an extensive background in foodservice operations, training, construction, site development, purchasing and franchising.

Flynn Hennes

Flynn Hennes is a native of The Coachella Valley. He is a graduate of College of The Desert, and University of California, San Diego, with degrees in psychology, sociology, and hospitality. His extensive experience in restaurant and hotel management, advertising, sales, and hospitality were earned from decades of field service in Miami, Los Angeles, San Diego, Laguna Beach, and the Coachella Valley. He is currently an award winning senior officer with the County of Riverside. He has served as board and committee member, collaborates with, and supports numerous community based organizations.

Rick Moore

Mr. Moore's accomplishments include the founding of The Claremont Forum, a nonprofit organization which offers personal growth and educational workshops to the local communities while overseeing The Prison Library Project which sends thousands of books a year to prisoners throughout the United States. Whether it is through family businesses like the Camelot Theatres, R&R Broadcasting or the Palm Springs Cultural Center and its support of the Organic Farmer's Markets that take place across the Coachella Valley, Rick has shown a deep interest in the health and well-being of others throughout his career.

Ty Peabody

With a long history of restaurant reorganizations, acquisitions and financing, Ty has served as President for the following: California Fresh Deli, Paradise Bakery, La Salsa Restaurants, Pioneer Chicken, Host International's 225 restaurants and Swenson's Ice Cream. He is a former franchisee to Howard Johnson's and Kentucky Fried Chicken, consultant to Kahala Corporation and numerous other restaurants.

Jerry Prendergast

Jerry is one of the preeminent restaurant producers in the United States as well as a contributor to Forbes Magazine. Prendergast & Associates has developed projects in New York, Los Angeles, Honolulu, Tokyo and across the United States. Jerry and his team have been involved in well over 100 projects ranging from \$500,000 to over \$12,000,000 with major clients that include Disney, Safeway/Host Marriott, and the Royal Hawaiian Center. Jerry oversees projects from development through build-out and opening, and has brought to life the concepts of some of the world's finest chefs including many seen on the Food Network. In addition to consulting on the creative end, Prendergast & Associates works closely with the development team and investors to institute systems of reporting and structural organization to ensure fiscal compliance. Prendergast & Associates is the world's best team at driving profitability.

Scott Rice

Scott has worked with hundreds of small businesses around the country assisting them with various business development needs. His focus has been in the area of government contracting and technology development. Bringing both his experience as a web & application developer as well as government contracting specialist has allowed for a smooth transition from Ohio to sunny Southern California. Currently Scott is employed with the Riverside Community College – Procurement Assistance Center (PTAC) as a Procurement Specialist but enjoys the occasional side development project. His diverse background within government and web development allows him to reach businesses at a different level than your standard business development specialist.

### Michelle Skiljian

Michelle is the Executive Director of the Inland Empire and Coachella Valley Women Business Centers. She has an extensive business background in restaurant management. For twenty years, Michelle has worked closely with small business owners, grant funding for entrepreneurial programs and the delivery of consulting and training services to small businesses. She has trained 26,124 workshop participants and business counseling for 2,756. Michelle has been recognized by the National Association of Women's Business Centers as Community Bridge Builder and the U.S. Small Business Administration District IX as Women's Business Center Director of the year.

## **EXECUTIVE TEAM**

### Angela Janus – Executive Director and Founder

Executive Director and Founder of ShareKitchen.org, Angela Janus is an experienced culinary professional with an education in Culinary Arts from College of the Desert and a broad range of hospitality experience including four star restaurant service, banquets and catering and an apprenticeship at an Organic Bakery Cooperative. She is a graduate of FIDM-Los Angeles and College of the Desert where she earned degrees in Interior Design and Hospitality Management. Angela is also an Allied Member of ASID and holds the designation of Sommelier from the Associazione Italiana Sommelier which she obtained while living and working in Rome, Italy. She currently resides in the Coachella Valley where she volunteers and supports local organizations.

Angela can be reached directly at [angela@sharekitchen.org](mailto:angela@sharekitchen.org)

### Haddon Libby – Finance Director and Co-Founder

Haddon Libby is an experienced investment banker and financial strategist having worked in London, New York City and Los Angeles before moving to Indian Wells over ten years ago. He has served on the Board of the La Quinta Arts Foundation as Chairman and Secretary, The Living Desert and Palm Springs International Film Festival. Haddon has spoken for such groups as the Milken Institute, California Broadcasters Association and USC Graduate Film School. Since moving to the desert, Haddon has been a regular contributor to local television and radio stations on financial and economic issues of local importance.

Haddon can be reached directly at [haddon@sharekitchen.org](mailto:haddon@sharekitchen.org)



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**STATE OF CALIFORNIA  
FAIR POLITICAL PRACTICES COMMISSION**

**INVESTIGATION REPORT**

I      CASE NO: 12-880                      CASE NAME: Unk City of Indian Wells                      REPORT NO.:3  
REPORT DATE: 03/21/2013                      PAGE 1 of 2 page(s)

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II      REPORT TYPE: Interview Summary

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III     REPORT PREPARED BY: Ann Flaherty *AF*                      DATE SIGNED: 03/21/2013

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IV     DISTRIBUTION: Sandra Buckner, Zak Norton

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V      INTERVIEW SUMMARY ONLY:

Interview tape recorded: No

Manner of interview: Telephone

Person(s) interviewed: Ed Carter

Work address:

Work phone:

Home address: [REDACTED]

Home phone: [REDACTED] cell

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VI     NARRATIVE:

On March 21, 2013 I interviewed Ed Carter again about the mailers he had sent out in October of 2012. The following is a summary of my interview with Mr. Carter. He told me that he was returning my phone call to him and he asked that I not contact his wife about this matter. He said his wife has enough trouble taking care of him especially since he has had four cancers. He said he just opened the email I had sent to him that contained copies of the mailers sent out regarding the Indian Wells City Council election, in November 2012. He did not know which, if any, of those mailers were the ones he personally had sent out, through the USPS. He said the mailers were dropped off at his house and they were all folded and ready to go. I specifically asked Mr. Carter who the person was who dropped them off to him. He said "I don't ....I can only tell you what I remember." He also said he did not remember having the November 2012 conversation with Teri Rindahl where he stated that a 'friend' asked him to send out the flyers.

Carter said he remembered a group of things being delivered to his house. It was a plastic container with 800-900 flyers inside which he took to the post office. I reviewed with Carter the information that he gave Rindahl, in November of 2012, about having a USPS receipt that was dated 10/23/2012. Carter said "if I said that then I misspoke." I think the amount I spent was around \$300 but I can't find the receipt. I asked Carter if his wife may have information about the mailer situation. Carter said that he has no idea if his wife would know anything.

I informed Carter that our office has the authority to issue subpoenas and require testimony under oath. He said that he doesn't remember quite a bit of things but he would swear before anybody and do the best that he could. I reviewed with Carter the information he had provided during my previous interview with him. He did not remember telling me that the person who asked him to send out the flyers, was part of his golf group. He says he remembers telling me that it was a campaign worker that he met at the candidates meeting. Carter says that this men's golf group meets Mondays, Wednesdays and Fridays at the Indian Wells Golf Resort.

I asked Carter if he could possibly review his cell phone records from 10/20/2012-10/23/2012 to see if he had received or made any calls related to these mailers. He said he doesn't know how to do that and that his cell phone only has a few numbers in it such as his three sons, his wife, etc. He said his desk has notepads and is full of "stuff" at which time, I asked him to possibly look through his desk for anything related to these flyers. He said he would look for the receipt and he did say that the charges would have been most likely on his American Express card. He does not write checks. I asked if he could possibly call AMX to get a copy of the receipt but he said his wife has all the records which she sends to a CPA in Los Angeles, every month.

Carter asked if I thought he mailed out all of the mailers and he reminded me that it was he who called the FPPC. He said that there was so much press about these mailers that his wife said to call the FPPC and tell them about his involvement. Carter said these news articles upset him and he also told me about two of his sons being in law enforcement. Carter says that in 2009 and 2010 he endured chemo and radiation treatment for cancer. Carter jokingly asked if he could be given a truth serum, such as sodium pentothal, to help him remember. We ended the conversation with Carter saying "I will endeavor to have my wife call you."

8

**STATE OF CALIFORNIA  
FAIR POLITICAL PRACTICES COMMISSION  
INVESTIGATION REPORT**

I      CASE NO: 12-880                      CASE NAME: Unk City of Indian Wells                      REPORT NO.: 2  
REPORT DATE: 03/18/2013                      PAGE 1 of 2 page(s)

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II      REPORT TYPE: Interview Summary

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III     REPORT PREPARED BY: Ann Flaherty                      DATE SIGNED: 03/20/2013



---

IV     DISTRIBUTION: Sandra Buckner, Zak Norton

---

V      INTERVIEW SUMMARY ONLY:

Interview tape recorded: No

Manner of interview: Telephone

Person(s) interviewed: Ed Carter

Work address:

Work phone:

Home address: 

Home phone: 

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VI     NARRATIVE:

On March 18, 2013, I spoke with Ed Carter regarding the issue of the mailers sent out for the November 2012 election, for the Indian Wells City Council. The following is a summary of that interview. Mr. Carter had sent out some mailers but he doesn't remember exactly when, but it was before he left on vacation, on 9/10/2012<sup>1</sup>. He and his wife went on a road trip back to West Virginia and they did not return home until 10/20/2012. He recalls the mailers were delivered to his home by a "campaign worker" and the mailers had been printed by a company in Los Angeles or Florida, he thinks. When asked who ordered the mailers he stated, "I have no idea." He said that he was asked to send 800-900 mailers and that he took them to the closest US Post Office, which is in Palm Desert. He does not remember if he completed any forms at the post office but he did pay for the bulk mail postage. He can't find the receipt but he thinks he paid \$200-\$300 to send out the mailers.

I questioned Carter on how it came to be that the mailers were delivered to his home. He said "one of the guys running the campaign" asked him to send them out. There had been a meeting with all the candidates for the City Council; there were ten people running in that election and they all spoke at this meeting. Some of them were "not well spoken." It was at this meeting that he was approached by one of the campaign workers but he did not know which candidate the person was working for. He knew the guy from playing golf however

there are over 90 golfers in the group. This campaign worker was described as being in his 60's and was either Caucasian or Hispanic. The campaign worker came to his house and dropped off the mailers which he in turn mailed out through the USPS. I asked Carter if he knew which mailer he has sent out, but he was not sure. I asked him if I emailed him copies of these mailers if he could identify which ones he had sent. He said that he would try to identify them.

I reviewed with Carter some of the information he gave to Teri Rindahl, back in November 2012. I specifically asked him who the "friend" was that he was referring to. Carter stated "If I knew I would tell, but I can't remember." He was quick to point out, though, that it was none of the candidates that were running for City Council that asked him to send the mailers. At this point, I reviewed with Carter the names of the candidates that the "hit pieces" had targeted, and he said that Ted Mertens (City Council candidate) is a friend of his. Mertens is a former "cop" as is Mertens wife. He said that "Ted will be the next Mayor." He made mention of seeing the Mertens at a restaurant owned by another friend of his, Tyson Peabody. (City Council candidate) He also knew that Dana Reed (City Council candidate) was an attorney from Los Angeles but did not know him personally. I asked him if Haddon Libby (City Council candidate) had any involvement in the sending of the mailers and he told me "No." He said that Haddon Libby is a friend of his and is in his Rotary Club.

I asked Carter if he knew who may have been behind the sending of these mailers, at which time he hesitated. He said "my wife tells me what I can say and what I can remember." He said he is 76 years of age and that he has trouble remembering.

I ended the conversation by asking Mr. Carter to look for any receipts he might have and to try to remember more information. I told Mr. Carter that I would send copies of the mailers via email, which I did upon concluding the interview.

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<sup>1</sup> On November 7, 2012, Mr. Carter spoke with Teri Rindahl. At that time he told Rindahl that he had sent out one set of flyers at the request of a friend and believes he spent about \$1500. Carter told Rindahl that he was uncomfortable in giving the name of the friend but would contact the friend to see about revealing his name. On November 14, 2012, Teri Rindahl spoke to Mr. Carter. During this conversation Carter found the receipt for the postage related to the mailers. The information provided verbally to Rindahl about the receipts indicated that it was for \$356.85 and dated 10/23/2012. That would have been three days after he returned from vacation.

## Ann Flaherty

---

**From:** [REDACTED]  
**Sent:** Tuesday, October 08, 2013 1:17 PM  
**To:** Ann Flaherty  
**Subject:** Re: from Ann Flaherty

On Oct 8, 2013, at 11:00 AM, Ann Flaherty <[AFlaherty@fppc.ca.gov](mailto:AFlaherty@fppc.ca.gov)> wrote:

I just have a few more questions for you. Please provide your answers below the question.

Do you know if Lisa Henschel and Donna Chaban Delmas physically took the mailers to the post office for mailing?

A: I've talked to both. Lisa didn't appear to have any involvement but Ed Carter paid for her rental car on a visit to Indian Wells where they met. Donna did deliver the pieces and Ed gave her \$100 for gas money.

Or did Carter take them to the post office and used their names to mail them out?

A: I don't know.

How much did Carter pay Henschel and Chaban-Delmas, each? Gas reimbursement? Car rental? Cash?

A: See above.

How involved was Doug Hanson and The Miller Group in this process?

A: Doug and Ed are best friends - can you connect Doug to Ed? Doubtful. I am 100% certain though that Ed showed everything to Doug before anything was made. Unless Ed is going to disclose Doug's involvement, I don't see how you can connect him.

The Miller Group is where the idea for these mailers came from as they used that Orange County guy in their prior elections. Sam Torres on the Indio City Council can tell you more about the underhanded tactics that they have used. Please do not forget that on the one that Donna sent, we thought we were doing it 100% correctly given my call to FPPC. Neither Donna or myself attempted to conceal our involvement. Donna had been handing them out for weeks before the mailer ever went out.

Hope that helps.

PS: I will be getting you the information on the use of Eisenhower Hospital by the city council in the next few weeks when I have time to put everything together for you. As a reminder, they got to use the Renker Pavillion for no charge when they used the hospital - a \$400-800 a night perk.

**Thank you,**

**Ann Flaherty**

Special Investigator, Enforcement Division

Fair Political Practices Commission

428 J Street | Suite 620 | Sacramento, CA 95814

Phone: (916) 323-6313 | Fax: (916) 322-1932

Email: [aflaherty@fppc.ca.gov](mailto:aflaherty@fppc.ca.gov) | Web: <http://www.fppc.ca.gov>

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**Thank you,**

**Ann Flaherty**

Special Investigator, Enforcement Division

Fair Political Practices Commission

428 J Street | Suite 620 | Sacramento, CA 95814

Phone: (916) 323-6313 | Fax: (916) 322-1932

Email: [aflaherty@fppc.ca.gov](mailto:aflaherty@fppc.ca.gov) | Web: <http://www.fppc.ca.gov>

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PRSRT STD  
ECRWSS  
U.S. POSTAGE  
PAID  
EDDM Retail

Local  
Postal Customer  
Indian Wells, CA 92210

## WHO IS DANA W. REED?

Reed is a life-long political insider in California earning most of his personal fortune from taxpayers.

**Reed is the recently replaced City Attorney of Vernon, California.** Vernon is one of the few cities in California that paid their City Council and City Staff more than Indian Wells.

In the August 5th issue of the *Los Angeles Times*, the state auditor concluded that a legal relationship between the city and a law firm that was paid \$22 million was "highly unusual".

Reed and his ex-wife ran Political Action Committees to work around Irvine election laws for their candidate.

Reed is a life-long friend, neighbor and confidante of Pete Schabarum, the Los Angeles County Supervisor found guilty of felony tax evasion.

Indian Wells is Reed's secondary residence. He lives and works in Los Angeles and has stated that he is "at least two years away" from being a permanent resident of Indian Wells.

A

**MEASURE "S" ON COUNCIL 1 1**

Initiated by Pete Schabarum who was found guilty of felony tax evasion when he set-up a non-profit foundation with campaign funds and used the money to pay for personal expenses like his vacations.

Initiative was **written by former Vernon City Attorney and City Council candidate Dana W. Reed** as his way to use this lightning rod issue as a his path toward gaining control of our City.

Ballot initiative is a Trojan Horse. Political insiders from Los Angeles and Orange County are using Measure S as a way to gain control of our city for their purposes.



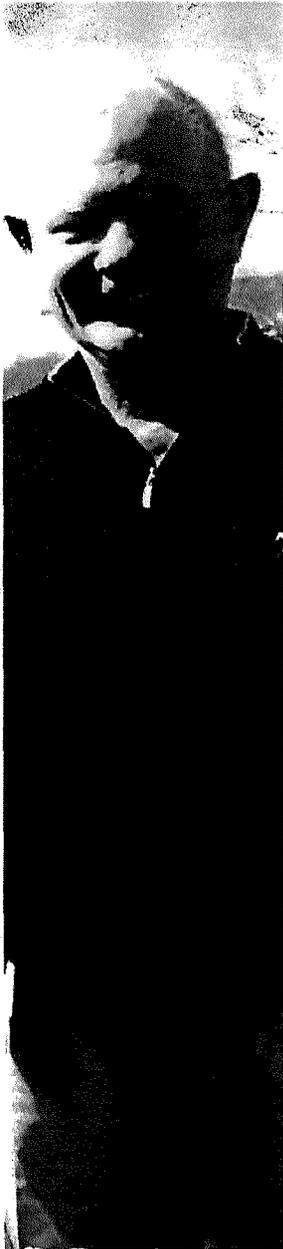
**DO BIRDS OF A FEATHER FLOCK TOGETHER?**

**SURE SEEMS LIKE IT.**

**SAY 'NO' TO ATTORNEYS AND POLITICIANS.**

**SAY 'NO' TO DANA W. REED**

**A**



# **BEAR BONAFIDE**

**Secretary, Director and Treasurer of Nitro Lube, a penny stock company.**

**Nitro Lube has been headquartered in Pennsylvania, British Columbia, Washington, Indian Wells and now Switzerland. Financials have never been released to the public.**

**This company was a development stage automotive lubricant company that spun off "Easy Phone, Inc." EZPH, as a Nevada corporation distributing and leasing satellite phones then bought for land for mine exploration in Northern Canada.**

**Ticker symbol has been NTLB, NLUB, NLUI, EZPH (spin-off), USMM and UMKR since 2006!**

**Many Indian Wells Country Club members consider Bonafide an arrogant bully – not what this Council needs.**

**Questionably retains nearly \$1 million of funds in the Indian Wells Country Club Fire Access Maintenance District that he Chairs.**

6

---

**BEAR BONAFIDE**

PRSRT STD  
ECRWSS  
U.S. POSTAGE  
PAID  
EDDM Retail

**PART OF THE PROBLEM**

**IF YOU'RE NOT  
OUTRAGED**

**YOU'RE NOT PAYING  
ATTENTION**

Local  
Postal Customer  
Indian Wells, CA 92210

B

On his for the City Council.

Do we need want

running our City?



## THE REAL

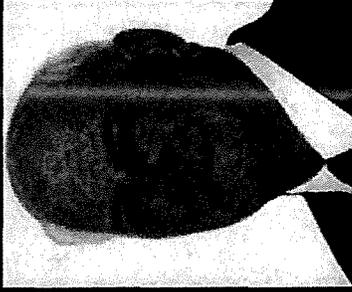
The Mertens are a couple who benefit more than most from the

Mertens talks about building "Public Trust" yet his wife, a former police officer,

Does the Council need another discreetly divisive Councilman who uses his wife to disseminate rumors discrediting his rivals?

Local  
Postal Customer  
Indian Wells, CA 92210

## MERTENS



What was to the \$250,000 donation by the City to the Children's Discovery Museum?

He suggested that the City open an escrow account that residents could give their money to and then the City would award the Discovery Museum with a check once RESIDENTS donated \$50,000.

PRSR STD  
ECRWSS  
U.S. POSTAGE  
PAID  
EDDM Retail

DO YOU THINK CAN FIX INDIAN WELLS?  
LOOK AT HIS TRACK RECORD AS OF VARIOUS COMPANIES...

**BANKRUPT**

**BANKRUPT**

**BANKRUPT**

**BANKRUPTCY**

**THE REAL EDWARD**

**PEABODY**

**CLOSED**

PALM DESERT

DON DIEGO'S

WHY?

EDWARD T. PEABODY WAS A SUCCESSFUL RESTAURANTEUR  
NOT TY

UNPAID TAX LIENS  
2004-07 \$1.1 MILLION

9

# DO YOU KNOW BILL POWERS?

As his friend  
Mitch Blumberg says  
"We can do better"

**FRIENDS  
WHO WANT TO RUN  
INDIAN WELLS**

**SHOULD THEY  
CONTROL  
OUR MONEY?**

He was the Bank of America senior officer in  
Inglewood responsible for a \$118,000,000  
mortgage loan fraud. (Los Angeles Times  
10/23/90, 3/2/85)

Sued Bank of America for wrongful termination  
to which the judge stated that Powers showed  
"chutzpah" for making the claim. (Zarowitz v.  
BankAmerica Corporation v. William T. Powers  
866 F.2d 1164)

Dana Hobart, city councilman of Rancho Mirage,  
stated that Powers was part of the SunLine  
Transit Board group that met illegally to  
attempt to get the Valley's largest taxi  
company kicked out of town.

Used city employees and city money to wash his  
car weekly at a cost of up to \$29.99 a  
cleaning. (Indian Wells Open Information  
Request)

While CEO of Bank of the Desert, bank was  
constantly in trouble with regulators.  
(www.FDIC.gov)

Pacific Western lost tens of millions from  
loans under his direction. (Stone Eagle  
development and numerous other loans)

The power elite are desperate to keep  
Powers on the City Council to keep Miles

A

**MITCHELL GEOFFREY BLUMBERG**  
aka Mitchell Durland-Blumberg

PRSR STD  
ECRWSS  
U.S. POSTAGE  
PAID  
EDDM Retail

7'5"

Top salesman for FundAmerica, a \$150,000,000 pyramid scheme per numerous state attorney generals and law

7'0"

(LA Times 7/20/90, 8/7/90, 9/19/90, 10/18/90).

Local  
Postal Customer  
Indian Wells, CA 92210

6'5"

Bankruptcy judge kicked him out of FundAmerica when he was CEO where he was sued for fraud. (LA Times 4/23/91, 4/24/91, 4/26/91)

6'0"

Sally Neely, Attorney for State of Florida and Douglas Slain who sued FundAmerica for \$150 million to recover millions in illegal offshore bank accounts for

5'5"

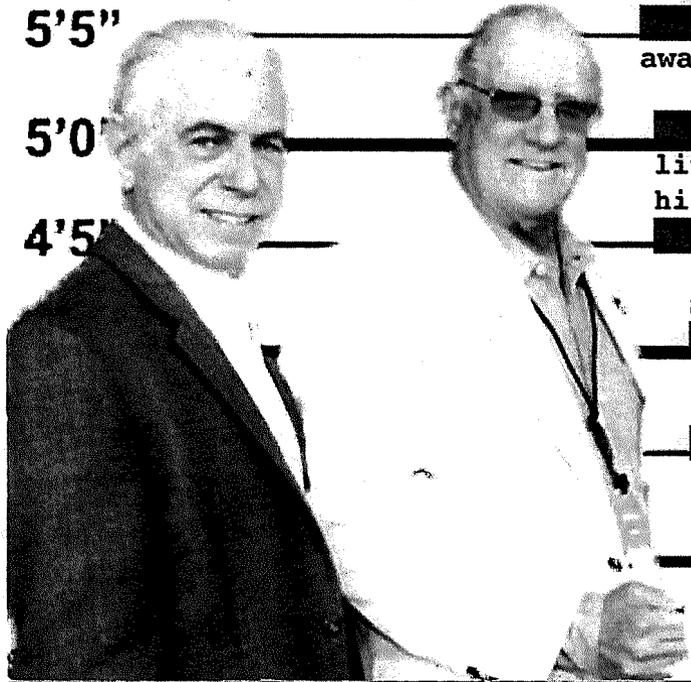
aware of the scheme while it was occurring.

5'0"

living in Texas where he was a teacher who divorced his wife and married a student. (Rice University, Texas

4'5"

Started numerous companies where only founders like from FundAmerica, Peter Bradshaw, made money. (Dispatch.com, AirIQ, Suite101.com, Inc., GeoGlobal



New resident of Indian Wells who just began

after living in Peter Bradshaw's La Quinta home.

7'5"

7'0"

6'5"

6'0"

5'5"

5'0"

4'5"

4'0"

3'5"

3'0"



EDDM-R CRID Report

10.9.12

Customer Metrics Name	# of Revenue Trans	Total Revenue	Total Piece Count	# of Revenue Trans Mon	Total Revenue Mon	Total Piece Count Mon
edwin carter	SAME TRANSACTION PAID CARD 1	\$356.85	2,461	0	\$0.00	0
henschel	1	\$421.52	2,907	0	\$0.00	0
ELMER SWEETWOOD	1	\$637.42	4,396	0	\$0.00	0
vacation watch	1	\$29.00	200	0	\$0.00	0

10.23.12



EDDM-R CRID Report

Customer Name	Metrics	# of Revenue Trans	Total Revenue	Total Piece Count	# of Revenue Trans Mon	Total Revenue Mon
ed carter		1	\$356.85	2,461	0	\$0.00
donna chaban delmas		1	\$371.78	2,564	0	\$0.00
<b>RESIDENTIAL BROKERS</b>		1	\$107.88	744	0	\$0.00

CASH

# Hot Print USA Store – Order #6563053

① Your order details are shown below.

Order Date: 17th Sep 2012 @ 7:23 AM  
 Order Total: \$1,015.52 USD

## Billing Details

Haddon Libby  
 [REDACTED]  
 [REDACTED]  
 [REDACTED]

## Shipping Details

Haddon Libby  
 [REDACTED]  
 [REDACTED]  
 [REDACTED]

## Order #6563053 Contained the Following Items:

Item Details	Price
<input type="checkbox"/> <u>1 x 9" x 12" Brochure Printing</u> (Brochure Size: 9" x 12" Brochures, Folding Option: Half Fold to 9x6, Front / Back: Full Color / Full Color, Quantity: 2,500, Design Proof: FREE E-Mail Proof (4 Hours), Turnaround: 4-6 Business Days (Standard), Paper Stock: 100lb Gloss Book with Aqueous Coat (C25))	\$233.84
<input type="checkbox"/> <u>2 x EDDM (Compatible) Printing &amp; Flyers</u> (Size: 6.5" x 9" (EDDM eligible), Front / Back: Full Color / Full Color, Quantity: 5,000, Turnaround: 4-6 Business Days (Standard), Design Proof: FREE E-Mail Proof (4 Hours), Paper Stock: 14pt Gloss Coated Cover UV (C25))	\$580.62
<b>Subtotal:</b>	<b>\$814.46</b>
<b>Discount:</b>	<b>-\$78.33</b>
<b>Shipping:</b>	<b>\$279.39</b>
<b>Grand Total:</b>	<b>\$1,015.52</b>

07/16/12 LOWE'S UP PALM DESERT,	PALM DESERT,CA	7.53
08/01/12 BARNES & NOBLE	PALM DESERT,CA	1.89
08/18/12 SPORTS AUTHORITY	PALM,CA	30.95
08/20/12 GAMESTOP	LA QUINTA,CA	26.84
08/23/12 TARGET T	PALM DESERT,CA	715.52
09/18/12 PAYPAL *HOTPRINTUSA	[REDACTED],CA	19.19
10/22/12 TARGET T	PALM DESERT,CA	47.00
11/12/12 PAYPAL *EMMATO	[REDACTED],CA	

Ann Flaherty

---

From: [REDACTED]  
Sent: Wednesday, April 17, 2013 11:24 AM  
To: Ann Flaherty  
Subject: Bonafide piece

As you will see, I had credits at Hot Print USA that paid for this one. It was the Bonafide piece. Ed Carter paid me for this one. My previous statement explains why he wanted it.

## Hot Print USA Store – Order #6563070

🕒 Your order details are shown below.

Order Status: Awaiting Shipment  
Order Date: 25th Sep 2012 @ 4:29 PM  
Order Total: \$0.00 USD

### Billing Details

Haddon Libby  
[REDACTED]  
[REDACTED]  
[REDACTED]

### Shipping Details

Haddon Libby  
[REDACTED]  
[REDACTED]  
[REDACTED]

## Order #6563070 Contained the Following Items:

Item Details	Price
<input type="checkbox"/> 1 x <u>EDDM (Compatible) Printing &amp; Flyers</u> (Size: 6.5" x 9" (EDDM eligible), Front / Back: Full Color / Full Color, Quantity: 2,500, Turnaround: 4-6 Business Days (Standard), Design Options: No, Design Proof: Don't Need Proof, Thanks, Paper Stock: 14pt Gloss Coated Cover UV (C2S), Upload File #1: bonafide.pdf, Found Us...? Please Select)	\$181.29
<b>Subtotal:</b>	<b>\$181.29</b>
<b>Shipping:</b>	<b>\$48.85</b>
<b>Store Credit:</b>	<b>-\$230.14</b>
<b>Grand Total:</b>	<b>\$0.00</b>

---

Ann Flaherty

From: [REDACTED]  
Sent: Wednesday, April 17, 2013 10:45 AM  
To: Ann Flaherty  
Subject: The Mertens Peabody Mailer

As you can see, I paid for this with my Merrill Lynch AMEX. I can give you the whole statement if you like. I was reimbursed by Ed Carter for this. As I told you , I did not feel that I was in a position to not place this order for him.

## Hot Print USA Store – Order #6563182

① Your order details are shown below.

Order Date: 8th Oct 2012 @ 12:35 PM  
Order Total: \$334.43 USD

### Billing Details

Haddon Libby  
[REDACTED]  
[REDACTED]  
[REDACTED]

### Shipping Details

Haddon Libby  
[REDACTED]  
[REDACTED]  
[REDACTED]

### Order #6563182 Contained the Following Items:

Item Details	Price
<input type="checkbox"/> 1 x <u>EDDM (Eligible) Postcard Printing</u> (Size: 6.5" x 9" (EDDM eligible), Front / Back: Full Color / Full Color, Quantity: 2,500, Turnaround: 4-6 Business Days (Standard), Design Options: No, Design Proof: FREE E-Mail Proof (4 Hours), Paper Stock: 14pt Premium UnCoated Cover, Upload File #1: TY.pdf, Upload File #2: TED.pdf, Found Us...? Other...)	\$181.29
<b>Subtotal:</b>	<b>\$181.29</b>
<b>Shipping:</b>	<b>\$153.14</b>
<b>Grand Total:</b>	<b>\$334.43</b>

### Reorder Selected

07/12/12 PAY FLOW PRO 0045	LA VISTA,NE	5.00
08/09/12 ALLSTATE *PAYMNT	800-255-7828	500.00
08/15/12 PAY FLOW PRO 0045	LA VISTA,NE	5.00
09/12/12 PAY FLOW PRO 0045	LA VISTA,NE	5.00
10/01/12 ALLSTATE *PAYMNT	800-255-7828	1,350.80
10/01/12 ALLSTATE PAYMENT	800-255-7828	125.00
10/10/12 HOT PRINT USA	305-5191752,FL	334.43
10/13/12 PAYFLOW/PAYPAL 0045	SAN JOSE,CA	5.00

**Ann Flaherty**

---

**From:** [REDACTED]  
**Sent:** Tuesday, August 20, 2013 2:56 PM  
**To:** Ann Flaherty  
**Subject:** THIS IS THE ONLY E-MAIL FOUND

This is the only e-mail it was sent on October 29, 2012. The reply that starts with "Thanks, Donna" is Mr. Libby's reply to me. I had to copy and paste this from MCLE Consul, as it is now corrupted and I cannot send any e-mails from there. Does that have to do with anything your "I.T." person was doing?

=====

Thanks, Donna. This should go a long way toward settling down the rhetoric in town. I'll suggest to Ed that he do the same thing that you did so that no one can accuse anyone of being underhanded as I know that wasn't the intent.

In case someone reads this other than us someday, I want to put in writing that I did not pay for this piece...all I did was encourage people to speak up or forever hold their piece on any of us running.

On Oct 29, 2012, at 11:42 AM, [REDACTED] wrote:

Documenting my conversation, this morning, October 29, 2012 at 11 a.m. (1-866-275-3772, ext .2) with an FPPC Advice Agent:

She confirms that the monetary amount when under \$1,000, does not have to be reported - unless there is a local ordinance that has a lower threshold for the reporting requirement. Confirmed that Indian Wells does not.

As for the number of mailers (2400), she asked if there is an advertising disclaimer on the piece such as "Paid for by the \_\_\_\_\_ Committee," with the address that is on file with the Secretary of State.

As long as the cost of the printing and postage are under the \$1,000 threshold, no reporting is required.

However - - she says there is nothing wrong with "under-reporting, filing a Form 497 if opponents are questioning something. It's optional.

She confirmed that my role was advisory only, as well as getting the mailing to the post office, and therefore since I did not participate in the expenditure, mine is a "non-monetary, in-kind contribution."

Please let me know if there is anything further you might need.

Donna

*Donna Chaban-Delmas*  
*MCLE Consultants*

[REDACTED]  
[REDACTED]  
[REDACTED]

From: Haddon Libby  
Subject: Fwd: Great seeing you today  
Date: April 11, 2013 6:58:26 AM PDT  
To: Ann Flaherty

Hide  
IW



Here is the email that backs up what I said about the Powers/Blumberg piece. When I say 'I checked', that was following the call to the FPPC hotline.

Begin forwarded message:

From: Haddon Libby <[REDACTED]>  
Subject: Re: Great seeing you today  
Date: August 30, 2012 9:42:24 AM PDT  
To: "MCLEConsul@aol.com" <[REDACTED]>

I checked. No address needed on the pieces.

Sent from my iPhone

On Aug 30, 2012, at 8:45 AM, [REDACTED] wrote:

These are the ones that are already addressed with postage on them? I need to know exactly when, so that I can be home. Sure. Did you want to put my p.o. box as the return address?  
[REDACTED]

Donna

In a message dated 8/30/2012 07:59:40 Pacific Daylight Time, [REDACTED] writes:

Ed Carter is ordering those pieces this weekend. Can I have them delivered to you?

Sent from my iPhone

On Aug 29, 2012, at 11:33 AM, [REDACTED] wrote:

The Auen and Berger Foundations, and any others that support DesertARC, need to know. But it has to be iron-clad information. You know. "Somehow," whatever appears in print might find its way to the Auen family and to the Berger family.

D



## Hot Print USA Store – Order #6563182

Your order details are shown below.

Order Date: 8th Oct 2012 @ 12:35 PM  
Order Total: \$334.43 USD

### Billing Details

Haddon Libby  
[REDACTED]  
[REDACTED]

### Shipping Details

Haddon Libby  
[REDACTED]  
[REDACTED]

### Order #6563182 Contained the Following Items:

#### Item Details

- 1 x EDDM (Eligible) Postcard Printing  
(Size: 6.5" x 9" (EDDM eligible), Front / Back: Full Color / Full Color, Quantity: 2,500, Turnaround: 4-6 Business Days (Standard), Design Options: No, Design Proof: FREE E-Mail Proof (4 Hours), Paper Stock: 14pt Premium UnCoated Cover, Upload File #1: TY.pdf, Upload File #2: TED.pdf, Found Us...? Other...)

Subtotal: \$181.29  
Shipping: \$153.14  
Grand Total: \$334.43

**Reorder Selected**

## Hot Print USA Store – Order #6563053

Your order details are shown below.

Order Date: 17th Sep 2012 @ 7:23 AM  
Order Total: \$1,015.52 USD

### Billing Details

Haddon Libby  
[REDACTED]  
[REDACTED]

### Shipping Details

Haddon Libby  
[REDACTED]  
[REDACTED]

### Order #6563053 Contained the Following Items:

#### Item Details

- 1 x 9" x 12" Brochure Printing Price: \$233.84  
(Brochure Size: 9" x 12" Brochures, Folding Option: Half fold to 9x6, Front / Back: Full Color / Full Color, Quantity: 2,500, Design Proof: FREE E-Mail Proof (4 Hours), Turnaround: 4-6 Business Days (Standard), Paper Stock: 100lb Gloss Book with Aqueous Coat (C25))
- 2 x EDDM (Compatible) Printing & Flyers Price: \$580.62  
(Size: 6.5" x 9" (EDDM eligible), Front / Back: Full Color / Full Color, Quantity: 5,000, Turnaround: 4-6 Business Days (Standard), Design Proof: FREE E-Mail Proof (4 Hours), Paper Stock: 14pt Gloss Coated Cover UV (C25))

Subtotal: \$814.46  
Discount: -\$78.33  
Shipping: \$279.39  
Grand Total: \$1,015.52

## Hot Print USA Store – Order #6563070

Your order details are shown below.

Order Status: Awaiting Shipment  
Order Date: 25th Sep 2012 @ 4:29 PM  
Order Total: \$0.00 USD

### Billing Details

Haddon Libby  
[REDACTED]  
[REDACTED]

### Shipping Details

Haddon Libby  
[REDACTED]  
[REDACTED]

### Order #6563070 Contained the Following Items:

#### Item Details

- 1 x EDDM (Compatible) Printing & Flyers Price: \$181.29  
(Size: 6.5" x 9" (EDDM eligible), Front / Back: Full Color / Full Color, Quantity: 2,500, Turnaround: 4-6 Business Days (Standard), Design Options: No, Design Proof: Don't Need Proof, Thanks, Paper Stock: 14pt Gloss Coated Cover UV (C25), Upload File #1: bonafide.pdf, Found Us...? Please Select)

Subtotal: \$181.29  
Shipping: \$48.85  
Store Credit: -\$230.14  
Grand Total: \$0.00

From: Haddon Libby  
Subject: Fwd: Great seeing you today  
Date: April 11, 2013 8:58:26 AM PDT  
To: Ann Flaherty

Hide

W



Here is the email that backs up what I said about the Powers/Blumberg piece. When I say 'I checked', that was following the call to the FPPC hotline.

Begin forwarded message:

From: Haddon Libby [REDACTED]  
Subject: Re: Great seeing you today  
Date: August 30, 2012 9:42:24 AM PDT  
To: [REDACTED]

I checked. No address needed on the pieces.

Sent from my iPhone

On Aug 30, 2012, at 8:45 AM, [REDACTED] wrote:

These are the ones that are already addressed with postage on them? I need to know exactly when, so that I can be home. Sure. Did you want to put my p.o. box as the return address?

Donna

In a message dated 8/30/2012 07:59:40 Pacific Daylight Time, [REDACTED] writes:

Ed Carter is ordering those pieces this weekend. Can I have them delivered to you?

Sent from my iPhone

On Aug 29, 2012, at 11:33 AM, [REDACTED] wrote:

The Auen and Berger Foundations, and any others that support DesertARC, need to know. But it has to be iron-clad information. You know. "Somehow," whatever appears in print might find its way to the Auen family and to the Berger family.

D

## Ann Flaherty

---

**From:** Ann Flaherty  
**Sent:** Tuesday, August 20, 2013 1:30 PM  
**To:** [REDACTED]  
**Subject:** RE: Copied from MCLEConsul because it won't "send" from there.....

If it is easier to print them, then please do that. Thanks.

---

**From:** [REDACTED] [mailto:[REDACTED]]  
**Sent:** Tuesday, August 20, 2013 12:28 PM  
**To:** Ann Flaherty  
**Subject:** Copied from MCLEConsul because it won't "send" from there.....

*The below is what I am having trouble e-mailing from MCLE. My neighbor says that e-mail address might be "corrupted" now. So I'm copying and pasting here. Here is what I was trying to send ....*

=====

AHA !!! I found something. I was looking through subject folders in my AOL "mailbox," where you can save e-mails that have specific topics such as merchandise orders, or RCENO, or Wexler Architects, and such) It was buried in a folder called "Consumer Issues." This e-mail address (MCLEConsul) is mostly used for the board members of our neighborhood organization, for city architectural historic preservation and sustainability stuff (in Palm Springs of course) and we have about 12 to 15 "folders" where we divide up stuff.

So reading it, it all rings a little bell. I just now fished out and looked on my old 2012 appointment book, Oct 29 was the day I volunteered at Haddon's office in his home in Indian Wells, a nice neighborhood, very hard to find it, by the way. While there, he asked me if I could call the "F.P.P.C." he gave me the phone number and to ask someone there what some of the rules are for mailing something. I have no memory of what it was he wanted information for. Maybe his newsletter? But it's all in that e-mail attached here.

So I obviously made the call, asked the questions and wrote down her answers, then he let me go onto his computer so I could access my own e-mail address (MCLE Consultants), and send him this e-mail with the answers that the woman at the FPPC had given me. (In fact, I had read it back to her to make sure I was getting her advice correct, because that is what I always do when I am getting information on the phone from anyone anywhere, I have them confirm the info so I am sure I got it right. Hopefully.)

So that seems to be the e-mail you might be looking for; it's the only one, and it is to Haddon Libby with a reply from him at the top. As for the other people named in paragraph "e" on page 2 of your document, no there is nothing, I don't know any of them so would have no reason to communicate with them.

As you had asked me, I could have met this Ed Carter, Mr. Libby says I did, but I don't remember because I met a lot of people at that Rotary Club luncheon. Mr. Libby would know the date (some time in October??) because I had gone to hear Mary Bono Mack but she didn't show, they had someone else as speaker (Brian Nestande, an assemblyman here). I was going to leave and not stay, but they said oh stay, we'll pay for your lunch. That might have been either Mr. Libby or one of his Rotary friends. And that was very kind of them.

The only thing of substance that I did volunteering that one day for Mr. Libby, was to look over a 4 page newsletter he wrote for his campaign. It was very nice as I recall, about himself, his background, his bio, and what he wanted to do as a city councilmember. I proofed it, corrected a little bit of grammar, punctuation and some spelling, and I do recall taking one sentence that was too long, and making it clearer. But 90% of it was fine and I didn't have to touch it.

Then the only other thing was that Mr. Libby asked me if I would drop off a box of mailers to the post office when I left his office, and he carried the box out to my car. He said, these are all paid for, all you have to do is take them in to the counter. I never looked to see what was in the box. I assume they were the newsletters I just mentioned.

To bring us up to today, August 20, I related to you that I called Mr. Libby on Friday (August 16) to ask about your papers delivered to me last Thursday (August 15) and ask what this was about, and he said "you weren't involved with the

campaign, all you did was help out a little in my office that one afternoon, but apparently your name came up in something that Ed Carter claimed." I said, "Ed Carter? Who's that?"  
So today, you said it would be helpful to talk about that.

So what I understand, from what he told me, is that this Ed Carter turned out to be NOT a very honest person. I don't want to defame anyone, and as I said I don't know Mr. Carter, I just am telling you what Mr. Libby indicated. And that is, that it is entirely possible that Mr. Carter found my personal information and used my name without my knowledge (and possibly other people's names) for his personal "whatever." I hope if you find out and get to the bottom of THAT, that you can let me know because to me, that is Identity Theft, and if it's true I need to report it. I am told that he is a multi-millionaire and does what he wants no matter how it affects anyone. Mr. Libby indicated that Mr. Carter originally offered to run Mr. Libby's campaign but I heard that in the end turned out to be a bad choice. So, beyond that I don't know - I am not very political at all (to my father's disappointment), but I helped because I think Mr. Libby is a wonderful individual. I hope this is helpful to you.

Please call me if you think of anything or have a question.

Sincerely,  
Donna Chaban  
[REDACTED]

P.S. My sister is returning home on Saturday, now that I'm getting a little better. She is going to let me keep this phone and get a new one for herself before she leaves. So that is a good number to reach me.  
Thank you.

INDIAN WELLS  
CALIFORNIA

Sent via email @complaint@fppc.ca.gov and by U.S. Mail

November 16, 2012

Gary Winuk, Chief of the Enforcement Division  
Fair Political Practices Commission  
428 J Street, Suite 620  
Sacramento CA 95814

Attn: Enforcement Complaint Division

Dear Mr. Winuk:

At the City Council meeting on November 15, 2012, the City Council officially requested that a letter be sent to the FPPC supporting the FPPC's action to review the campaign literature known as "hit pieces" sent out during this last election period ending November 6, 2012. During this campaign the City of Indian Wells residents received a number of pieces of campaign literature (see enclosed sampling) on some of the council member candidates which appalled our residents. In the history of the City no one can recall this type of offensive literature ever being sent during an election.

The City understands many, many residents have filed complaints with the Enforcement Division of the FPPC requesting this matter be looked into to determine the responsible parties to these mailings. The City also understands that an investigation has begun on such mailings and appreciates the efforts being made to find out the responsible parties.

Please contact the City of Indian Wells when a determination of the violation(s) has been made.

Very truly yours,



Roderick J. Wood  
Interim City Manager  
City of Indian Wells

Enclosures

RECEIVED  
FAIR POLITICAL  
PRACTICES COMMISSION  
12 NOV 19 PM 3:14

PRSRT STD  
ECRWSS  
U.S. POSTAGE  
PAID  
EDDM Retail

On his for the City Council.

Do we need want

running our City?

Local  
Postal Customer  
Indian Wells, CA 92210



## THE REAL MERTENS



The Mertens are a couple who benefit more than most from the

Mertens talks about building "Public Trust" yet his wife, a former police officer,

Does the Council need another discreetly divisive Councilman who uses his wife to disseminate rumors discrediting his rivals?

What was to the \$250,000 donation by the City to the Children's Discovery Museum?

He suggested that the City open an escrow account that residents could give their money to and then the City would award the Discovery Museum with a check once RESIDENTS donated \$50,000.

DO YOU THINK CAN FIX INDIAN WELLS?  
LOOK AT HIS TRACK RECORD AS OF VARIOUS COMPANIES...

**BANKRUPT BANKRUPT**

**BANKRUPT**

**BANKRUPTCY**

**THE REAL EDWARD PEARBODY**

UNPAID TAX LIENS  
2004-07 \$1.1 MILLION

**CLOSED**

PALM DESERT

DON DIEGO'S WHY?

EDWARD T. PEARBODY WAS A SUCCESSFUL RESTAURANTEUR  
NOT TY

# DO YOU KNOW BILL POWERS?

As his friend  
Mitch Blumberg says  
"We can do better"

**FRIENDS  
WHO WANT TO RUN  
INDIAN WELLS**

**SHOULD THEY  
CONTROL  
OUR MONEY?**

He was the Bank of America senior officer in Inglewood responsible for a \$118,000,000 mortgage loan fraud. (Los Angeles Times 10/23/90, 3/2/85)

Sued Bank of America for wrongful termination to which the judge stated that Powers showed "chutzpah" for making the claim. (Zarowitz v. Bankamerica Corporation v. William T. Powers 866 F.2d 1164)

Dana Hobart, city councilman of Rancho Mirage, stated that Powers was part of the SunLine Transit Board group that met illegally to attempt to get the Valley's largest taxi company kicked out of town.

Used city employees and city money to wash his car weekly at a cost of up to \$29.99 a cleaning. (Indian Wells Open Information Request)

While CEO of Bank of the Desert, bank was constantly in trouble with regulators. (www.FDIC.gov)

Pacific Western lost tens of millions from loans under his direction. (Stone Eagle development and numerous other loans)

The power elite are desperate to keep Powers on the City Council to keep Miles Crossing in the hands of their friends.

**MITCHELL GEOFFREY BLUMBERG**  
aka Mitchell Durland-Blumberg

PRSR STD  
ECRWSS  
U.S. POSTAGE  
PAID  
EDDM Retail

Top salesman for FundAmerica, a \$150,000,000 pyramid scheme per numerous state attorney generals and law

(LA Times 7/20/90, 8/7/90, 9/19/90, 10/18/90).

Local  
Postal Customer  
Indian Wells, CA 92210

Bankruptcy judge kicked him out of FundAmerica when he was CEO where he was sued for fraud. (LA Times 4/23/91, 4/24/91, 4/26/91)

Sally Neely, Attorney for State of Florida and Douglas Slain who sued FundAmerica for \$150 million to recover millions in illegal offshore bank accounts for

aware of the scheme while it was occurring.

living in Texas where he was a teacher who divorced his wife and married a student. (Rice University, Texas

Started numerous companies where only founders like from FundAmerica, Peter Bradshaw, made money. (Dispatch.com, AirIQ, Suitel01.com, Inc., GeoGlobal

New resident of Indian Wells who just began

after living in Peter Bradshaw's La Quinta home.



7'5"

7'0"

6'5"

6'0"

5'5"

5'0"

4'5"

4'0"

3'5"

3'0"



PRSRT STD  
ECRW'S  
U.S. POSTAGE  
PAID  
EDDM Retail

Local  
Postal Customer  
Indian Wells, CA 92210

## WHO IS DANA W. REED?

Reed is a life-long political insider in California earning most of his personal fortune from taxpayers.

**Reed is the recently replaced City Attorney of Vernon, California.** Vernon is one of the few cities in California that paid their City Council and City Staff more than Indian Wells.

In the August 5th issue of the *Los Angeles Times*, the state auditor concluded that a legal relationship between the city and a law firm that was paid \$22 million was "highly unusual".

Reed and his ex-wife ran Political Action Committees to work around Irvine election laws for their candidate.

Reed is a life-long friend, neighbor and confidante of Pete Schabarum, the Los Angeles County Supervisor found guilty of felony tax evasion.

Indian Wells is Reed's secondary residence. He lives and works in Los Angeles and has stated that he is "at least two years away" from being a permanent resident of Indian Wells.

**MEASURE S" ON COUNCIL PAY**

Initiated by Pete Schabarum who was found guilty of felony tax evasion when he set-up a non-profit foundation with campaign funds and used the money to pay for personal expenses like his vacations.

Initiative was written by former Vernon City Attorney and City Council candidate Dana W. Reed as his way to use this lightning rod issue as a his path toward gaining control of our City.

Ballot initiative is a Trojan Horse. Political insiders from Los Angeles and Orange County are using Measure S as a way to gain control of our city for their purposes.



**DO BIRDS OF A FEATHER FLOCK TOGETHER?**

**SURE SEEMS LIKE IT.**

**SAY 'NO' TO ATTORNEYS AND POLITICIANS.**

**SAY 'NO' TO DANA W. REED**

**BEAR BONAFIDE**

PRSRT STD  
ECRWSS  
U.S. POSTAGE  
PAID  
EDDM Retail

**PART OF THE PROBLEM**

**IF YOU'RE NOT  
OUTRAGED  
YOU'RE NOT PAYING  
ATTENTION**

Local  
Postal Customer  
Indian Wells, CA 92210



# **BEAR BONAFIDE**

**Secretary, Director and Treasurer of Nitro Lube, a penny stock company.**

**Nitro Lube has been headquartered in Pennsylvania, British Columbia, Washington, Indian Wells and now Switzerland. Financials have never been released to the public.**

**This company was a development stage automotive lubricant company that spun off "Easy Phone, Inc." EZPH, as a Nevada corporation distributing and leasing satellite phones then bought for land for mine exploration in Northern Canada.**

**Ticker symbol has been NTLB, NLUB, NLUI, EZPH (spin-off), USMM and UMKR since 2006!**

**Many Indian Wells Country Club members consider Bonafide an arrogant bully – not what this Council needs.**

**Questionably retains nearly \$1 million of funds in the Indian Wells Country Club Fire Access Maintenance District that he Chairs.**